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Congressional Record

SEVENTY-SECOND CONGRESS, SECOND SESSION

SENATE

TUESDAY, FEBRUARY 21, 1933

The Chaplain, Rev. Z@Barney T. Phillips, D. D., offered the following prayer:

O God, the strength and hope of all who seek for peace and love along the path of duty, be near to every heart that Thou hast made; teach us to sow beside the waters of life and patiently to await the fruitage of our labour. Make us strong enough for life's daily burdens, brave enough for life's daily crosses, lowly enough to be worthy of the love of Christ and of our fellow men, that we may turn the world toward Thee, and, with our failures and our triumphs, our gladnesses and griefs, our utterance and our silence, bear true witness of Thy leading through all our rugged ways, until we pass at length into Thy presence, where there is fullness of joy and abundance of peace forevermore. We ask it in the name of Jesus Christ our Lord. Amen.

THE JOURNAL

The Chief Clerk proceeded to read the Journal of the proceedings of the legislative day of Saturday last, when, on request of Mr. Fess, and by unanimous consent, the further reading was dispensed with and the Journal was approved.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Chaffee, one of its clerks, announced that the House had passed without amendment the following bills and joint resolutions of the Senate:

S. 4020. An act to give the Supreme Court of the United States authority to prescribe rules of practice and procedure with respect to proceedings in criminal cases after verdict:

S. 4065. An act authorizing the packing of oleomargarine and adulterated butter in tin and other suitable packages;

S. 4589. An act to authorize the Secretary of the Interior to make payment of part of the expenses incurred in securing improvements in drainage project of drainage district No. 1, Richardson County, Nebr., and for other purposes;

S. 4756. An act to authorize the Veterans' Administration or other Federal agencies to turn over to superintendents of the Indian Service amounts due Indians who are under legal disability, or to estates of such deceased Indians:

S. 5339. An act to authorize the Secretary of War to convey certain properties to the county of Arlington, State of Virginia, in order to connect Lee Boulevard with the Arlington Memorial Bridge, and for other purposes;

S. 5370. An act to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Farnam Street, Omaha, Nebr.:

S. 5588. An act authorizing the acceptance of title to sites for public-building projects subject to the reservation of ore and mineral rights;

S. 5659. An act authorizing the State of Georgia to construct, maintain, and operate a toll bridge across the Savannah River at or near Lincolnton, Ga.;

S. J. Res. 237. Joint resolution authorizing the erection in the Department of State Building of a memorial to the American diplomatic and consular officers who while on active duty lost their lives under heroic or tragic circumstances; and S. J. Res. 243. Joint resolution authorizing the President of the United States to extend a welcome to the Pan American Medical Association which holds its convention in the United States in March, 1933.

The message also announced that the House had passed the bill (S. 5445) to extend the times for commencing and completing the construction of a bridge across the Rio Grande at or near Rio Grande City, Tex., with an amendment, in which it requested the concurrence of the Senate.

The message further announced that the House had passed the following bill and joint resolution, each with amendments, in which it requested the concurrence of the Senate:

S. 3508. An act to amend section 1 of the act entitled "An act to provide for determining the heirs of deceased Indians, for the disposition and sale of allotments of deceased Indians, for the leasing of allotments, and for other purposes," approved June 25, 1910, as amended; and

S. J. Res. 48. Joint resolution to authorize the acceptance on behalf of the United States of the bequest of the late William F. Edgar, of Los Angeles County, State of California, for the benefit of the museum and library connected with the office of the Surgeon General of the United States Army.

The message also announced that the House had passed bills and joint resolutions of the following titles, in which it requested the concurrence of the Senate:

H. R. 189. An act to add certain lands to the Modoc National Forest, in the State of California;

H. R. 7432. An act to authorize the Interstate Commerce Commission to delegate certain of its powers;

H. R. 10824. An act to amend section 14, subdivision 3, of the Federal farm loan act;

H.R. 11947. An act to authorize the Secretary of War to erect one marker for the graves of 85 Confederate soldiers, buried in the Old Rondo Cemetery in Miller County, Ark., in lieu of separate markers as now authorized by law;

H. R. 12328. An act to authorize the assignment of awards entered by the Mixed Claims Commission, United States and Germany, the Tripartite Claims Commission, and the War Claims Arbiter;

H. R. 12769. An act to provide an additional authorization for the acquisition of land in the vicinity of Camp Bullis, Tex.:

H. R. 13026. An act to amend chapter 231 of the act of May 22, 1896 (29 Stat. 133, sec. 546, title 34, U. S. C.):

H.R. 13960. An act to amend the description of land described in section 1 of the act approved February 14, 1931, entitled "An act to authorize the President of the United States to establish the Canyon De Chelly National Monument within the Navajo Indian Reservation, Ariz.":

H. R. 14321. An act to authorize the Secretary of the Treasury in his discretion to acquire a new site in Huntsville, Ala., and to construct a building thereon for the accommodation of the courts, post office, and other Government offices:

H.R. 14411. An act to extend the times for commencing and completing the construction of a bridge across the Rio Grande at Boca Chica, Tex.;

H. R. 14460. An act to extend the times for commencing and completing the construction of a bridge across the Mississippi River at or near Baton Rouge, La.;

H.R. 14461. An act to provide for placing the jurisdiction, custody, and control of the Washington City post office in the Secretary of the Treasury;

H. R. 14480. An act to extend the times for commencing and completing the construction of a railroad bridge across the Little River at or near Morris Ferry, Ark.;

H. R. 14489. An act relating to the construction of a Federal building at Mangum, Okla.;

H. R. 14500. An act to extend the time for completing the construction of a bridge across the Missouri River at or near Kansas City, Kans.;

H. R. 14584. An act granting the consent of Congress to the Board of County Commissioners of Allegheny County, Pa., to construct, maintain, and operate a bridge across the Allegheny River between the city of Pittsburgh and the township of O'Hara and the borough of Sharpsburg, Pa.;

H. R. 14586. An act to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Culbertson, Mont.;

H. R. 14589. An act to extend the times for commencing and completing the construction of a bridge across the Mississippi River at or near Tenth Street in Bettendorf, Iowa;

H. R. 14601. An act to extend the times for commencing and completing the construction of a bridge across the Mississippi River between New Orleans and Gretna, La.;

H. R. 14602. An act to revive and reenact the act entitled "An act granting the consent of Congress to the Highway Department of the State of Alabama to construct a bridge across Elk River between Lauderdale and Limestone Counties, Ala.," approved February 16, 1928;

H. R. 14657. An act to extend the times for commencing and completing the construction of a railroad bridge and/or a toll bridge across the water between the mainland at or near Cedar Point and Dauphin Island, Ala.;

H. J. Res. 547. Joint resolution to exclude certain temporary employees from the operation of the economy act; and

H. J. Res. 583. Joint resolution to provide for a change of site of the Federal building to be constructed at Binghamton, N. Y.

The message further announced that the House had agreed to a concurrent resolution (H. Con. Res. 47), in which it requested the concurrence of the Senate, as follows:

Resolved by the House of Representatives (the Senate concurring), That the Architect of the Capitol, upon the approval of the Joint Committee on the Library, with the advice of the Commission of Fine Arts, is hereby authorized and directed to relocate within the Capitol any of the statues already received and placed in Statuary Hall, and to provide for the reception and location of the statues received hereafter from the States.

ORDER OF PROCEDURE

Mr. FESS. Mr. President, a parliamentary inquiry. The VICE PRESIDENT. The Senator will state it.

Mr. FESS. I desire to address the Senate on the question of inflation. I would like to know whether I can take the floor at this time.

The VICE PRESIDENT. The Chair thinks not, except by unanimous consent, until after the conclusion of morning business.

Mr. FESS. I ask unanimous consent that I may be permitted to address the Senate now on the question of infla-

The VICE PRESIDENT. That can only be done by unanimous consent. The Senator from Ohio asks unanimous consent for that purpose.

Mr. BARKLEY. Mr. President, that would probably consume the morning hour. I have on the table a resolution which for some time I have been anxious to take up. I have tried to accommodate myself to the wishes of Senators, but I do not want to wait until the Senate is about to adjourn before I get action on the resolution.

Mr. ROBINSON of Arkansas. Mr. President, I suggest that we transact routine morning business first.

The VICE PRESIDENT. Objection is made to the request of the Senator from Ohio.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate a letter from the Governor of Arizona, transmitting a joint resolution adopted by the Legislature of the State of Arizona, which, with the accompanying copy of resolution, was referred to the Committee on Agriculture and Forestry, as follows:

Executive Office, State House, Phoenix, Ariz., February 13, 1933.

The honorable the PRESIDENT OF THE UNITED STATES SENATE,

Washington, D. C. SIR: I have the honor to transmit Senate Joint Resolution No. 2, in which the Eleventh Arizona Legislature, now in session, respectfully prays that Congress pass United States Senate bill 1197, known as the Frazier bill, and amend said bill to include ranchers and livestock owners.

Very truly yours,

B. B. MOEUR, Governor.

STATE OF ARIZONA, OFFICE OF THE SECRETARY.

UNITED STATES OF AMERICA,

State of Arizona, ss:

I, James H. Kerby, secretary of state, do hereby certify that the within is a true, correct, and complete copy of Senate Joint Resolution 2, regular session, Eleventh Legislature, State of Arizona, all of which is shown by the original engrossed copy on file in this department. department.

In witness whereof I have hereunto set my hand and affixed the great seal of the State of Arizona. Done at Phoenix, Ariz., the capital, this 9th day of February, A. D. 1933.

[SEAL.] JAMES H. KERBY Secretary of State.

Senate Joint Resolution 2, urging State legislatures to petition Congress to pass United States Senate bill 1197, known as the Frazier bill, and to amend said bill to include ranchers and livestock owners

Be it resolved by the Eleventh Legislature of the State of Arizona, That-

A crisis exists and hundreds of thousands of once prosperous farmers, ranchers, and livestock owners in this Nation have already lost their homes and their all by mortgage foreclosures because of the fact that the price of agricultural products and livestock have for years been below the cost of production, a condition that affects all of the people of this Nation and is largely responsible for the continuance of the depression; and

There is no adequate way of refinancing existing agricultural

There is no adequate way of refinancing existing agricultural indebtedness, and the farmers, ranchers, and livestock owners are at the mercy of their mortgagees and creditors; and

Unless immediate relief is given thousands and hundreds of thousands of additional farmers, ranchers, and livestock owners will lose their farms, ranches, and livestock, and their homes, and millions more will be forced into our cities and villages, and the army of unemployed will necessarily increase to alarming proportions, precipitating a condition that threatens the very life of this Nation: and this Nation; and

The State Legislatures of Montana, North Dakota, Minnesota, Wisconsin, Nevada, and Illinois have each and all petitioned Congress to pass Senate bill 1197, known as the Frazier bill, without delay, which bill provides that existing farm indebtedness shall be refinanced by the Government of the United States at 1½ per cent interest and 1½ per cent principal on the amortization plan, and through mortgages on livestock at 3 per cent per annum, not by issuing bonds and plunging the Nation further into debt but by issuing Federal reserve notes, the same as the Government now does for the banks through the Federal reserve bank:

ernment now does for the banks through the Federal reserve bank: Now, therefore, be it

Resolved, That the Legislature of the State of Arizona respectfully requests and petitions the legislatures of the other States that have not already done so to petition Congress to pass Senate bill 1197 without delay, and amend same to include ranches, ranges, and livestock in order that the agricultural and ranch indebtedness of this Nation may be speedily liquidated and refinanced and agriculture and livestock saved from utter ruin and destruction and this depression brought to an intelligent and speedy end; and respectfully requests that the State legislatures cause copies of such resolution, after same has been passed to be cause copies of such resolution, after same has been passed, to be sent to the President of the United States, to the President of the Senate and the Speaker of the House, to Senator Frazier, at Washington, D. C., and to William Lemke, Congressman elect, at Fargo, N. Dak.; be it further

Resolved, That the secretary of state cause sufficient copies of this resolution to be printed, and that he mail a copy to the president of the senate and the speaker of the house of each of the States that have not as yet petitioned Congress to pass Senate bill 1197, requesting that said resolution be read before each of said bodies; and be it further Resolved, That Arizona's representatives in Congress, Senator Henry F. Ashurst, Senator Carl Hayden, and Hon. Lewis Douglas, be sent copies of said resolution.

Approved February 2, 1933. Passed the senate January 31, 1933, by the following votes: 19 ayes, 0 nays, 0 not voting.

HARRY W. HILL President of the Senate, W. J. GRAHAM, Secretary of the Senate.

Passed the house February 2, 1933, by the following vote: 51 ayes, 1 nay, 0 absent, 12 excused.

S. A. SPEAR, Speaker of the House. LALLAH RUTH, Chief Clerk of the House.

EXECUTIVE DEPARTMENT OF ARIZONA,
OFFICE OF GOVERNOR.

This bill was received by the governor this 2d day of February, 1933, at 4.30 o'clock p. m.

H. H. HOTCHKISS, Secretary to the Governor.

Senate concurs in house amendments February 2, 1933, by the following votes: 19 ayes, 0 nays, 0 absent, 0 excused.

Approved this 2d day of February, 1933.

B. B. MOEUR, Governor of Arizona.

EXECUTIVE DEPARTMENT OF ARIZONA,

OFFICE OF SECRETARY OF STATE.

This bill was received by the secretary of state this 2d day of February, 1933, at 4.55 o'clock p. m.

JAMES H. KERBY Secretary of State.

The VICE PRESIDENT also laid before the Senate the following joint resolutions of the Legislature of the State of California, which were ordered to lie on the table:

Assembly Joint Resolution No. 2, relative to memorializing Congress to propose an amendment to the Constitution of the United States repealing the eighteenth amendment and to provide for conventions in the several States to accomplish this

Whereas one of the modes prescribed for the amendment of the Constitution of the United States is that Congress, whenever two-Constitution of the United States is that Congress, whenever two-thirds of both Houses shall deem it necessary, may propose amendments to said Constitution, which shall be and become effective and operative as part of said Constitution when ratified by conventions in three-fourths of the several States, if such mode of ratification be proposed by Congress; and

Whereas the selection by the qualified voters in the several States of delegates to represent them in State conventions called to consider and act upon proposals thus submitted is in harmony with the spirit of our institutions and the tenor of our time, and is the mode most expressive of the will of the people; and

Whereas the Supreme Court of the United States has held that the determination of the method of ratification of a proposed

the determination of the method of ratification of a proposed amendment is the exercise of a national power specifically granted by the Constitution of the United States to the Congress, and that the Congress is not bound by the conflicting constitution or laws of any State in the exercise of this national power: Now, therefore he it fore, be it

Resolved by the Assembly and Senate of the State of California, jointly, That the Legislature of the State of California does hereby petition the Congress of the United States to submit to the sevpetition the Congress of the United States to submit to the several States a resolution proposing an amendment to the Constitution of the United States repealing the eighteenth amendment thereto, without any reservation whatever, thereby restoring to the several States exactly those powers over the beverage use of

the several States exactly those powers over the beverage use of intoxicating liquors possessed by them prior to the adoption of said amendment, and reserving to the Congress only those powers possessed by it prior to the adoption thereof; and be it further Resolved. That it is the further desire of the Legislature of the State of California, in order that the most prompt and direct vote of the people may be had, that the Congress provide and enact:

First. That the above-proposed amendment be submitted to a convention in each of the several States for their approval and ratification or their disapproval and rejection.

Second. That the delegates to the ratifying conventions be elected at large in their several States after the manner of the election of the members of the Electoral College, namely, that the delegates be elected on the basis of whether they are in favor of

delegates be elected on the basis of whether they are in favor of or opposed to the proposed amendment.

Third. That the day of election be uniform throughout the United States and as soon as practicable after the submission of

the resolution.

Fourth. That the Congress provide the ways and means of nomiroute in That the Congress provide the ways and means of nominating delegates to the several conventions, of conducting the election, and of assembling the several conventions, and that the Congress provide for the costs incurred thereby; and be it further Resolved, That in adopting this resolution it is not the purpose or intent of this legislature to apply to the Congress to call a convention for proposing amendments but to give expression.

through their representatives in senate and assembly, of the desire and hope of the people of California that such repeal of the

and hope of the people of California that such repeal of the eighteenth amendment be submitted, and that it be submitted to conventions in the several States for ratification; and be it further Resolved, That duly authenticated copies of this resolution be sent forthwith to the President of the Senate of the United States, to the Speaker of the House of Representatives of the United States, to the Members of Congress from the State of California, and to the presiding officer of each branch of the legislature of each of the several States.

Assembly Joint Resolution 3, relating to memorializing Congress to adopt legislation permitting the manufacture and sale of light wines

Whereas large sums of money have heretofore been invested in, and great tracts of land have been devoted to, the grape industry in California; and

Whereas in the past said industry has furnished work for thousands of persons; and

sands of persons; and
Whereas because of certain provisions contained in the laws of
the United States the production of grapes and the products
thereof has been greatly curtailed, causing many persons heretofore gainfully employed to lose their means of livelihood; and
Whereas it is of vital interest to the people of the State of
California that the Congress of the United States adopt legislation legalizing the manufacture and sale of light wines so that
the grape industry in California may again be revived and employment furnished many people; and

ment furnished many people; and
Whereas the sale and taxation of such light wines in this
State would produce a large annual revenue, relieving the tax burden now placed upon owners of real property; furnish employ-ment to thousands of unemployed persons and provide a market for large quantities of farm products required in the manufacture

of such wines: Now, therefore, be it

Resolved by the Assembly and the Senate of the State of California, jointly, That the legislature of said State urgently petition and request the Congress of the United States to adopt legislation now pending before it to amend section 29, Title II of the national prohibition act, being an amendment to H. R. 13312, to allow the manufacture, possession, transportation, sale, or exportation of naturally fermented wines without the addition of distilled spirits, manufactured, possessed, sold, transported within or exported from the United States, to be served and consumed with usual meals in bona fide hotels, restaurants, public eating places, dining cars, or for the distribution and sale by duly permitted retail stores, for consumption in the home, which uses are expressly declared by this act of Congress to be nonbeverage and when so used said naturally fermented wines are declared to be and are nonintoxicating.

Resolved, That a copy of this resolution be sent to the President of the United States, the Vice President, the Speaker of the House of Representatives, and to the Senators and Representatives of the State of California in Congress.

The VICE PRESIDENT also laid before the Senate the following concurrent resolution of the Legislature of the State of West Virginia, which was ordered to lie on the

House Concurrent Resolution 12 (by Mr. Beacom), petitioning Congress to submit a proposal to the States providing for the submission of the eighteenth amendment to the vote of the

Whereas the Democratic Party in its last national convention in its platform declared in favor of outright repeal of the eight-eenth amendment to the Constitution of the United States;

Whereas the Republican Party in its national convention declared in favor of submitting a proposal providing for the submission of the eighteenth amendment to the several States; and

Whereas it appears from the results of the election held in November last, that the sentiment of the people favors resub-mission of the eighteenth amendment to a vote of the people; and Whereas there seems to be a strong sentiment in favor of ren-dering to the States their sovereign right to determine for them-

dering to the States their sovereign right to determine for themselves the matter of handling the liquor problem; and Whereas such ample Federal laws will be enacted as will guarantee to each State its right of protection in the exercise of its sovereign rights: Therefore be it Resolved by the house of delegates (the senate concurring therein), That the National Congress submit to the people of the several States the question of repeal of the eighteenth amendment and that the National Congress is hereby petitioned to submit such a proposal to the several States.

we, Charles Lively, clerk of the senate, and John S. Hall, clerk of the house of delegates, of the West Virginia Legislature, hereby certify that the foregoing resolution was regularly adopted by the Legislature of West Virginia on January 25, 1933.

CHARLES LIVELY,

The VICE PRESIDENT also laid before the Senate a joint

ing the prompt passage of legislation for the rehabilitation of the farm industry through the adoption of some form of the domestic-allotment plan, the refinancing of farm mortgages, etc., which was referred to the Committee on Agriculture and Forestry.

(See joint memorial printed in full when presented to-day by Mr. Walsh of Montana.)

The VICE PRESIDENT also laid before the Senate a joint memorial of the Legislature of the State of Montana, memorializing Congress for a grant of land for the use and benefit of the Northern Montana Agricultural and Manual Training School, which was referred to the Committee on Public Lands and Surveys.

(See joint memorial printed in full when presented to-day by Mr. Walsh of Montana.)

The VICE PRESIDENT also laid before the Senate a memorial of sundry citizens of Chicago, Ill., remonstrating against the repeal of the eighteenth amendment to the Constitution or the modification of the Volstead Act, which was ordered to lie on the table.

The VICE PRESIDENT also laid before the Senate telegrams in the nature of petitions from the Young Men's Democratic Club of Rapides Parish, signed by Joe E. McKean; Col. T. W. Barrett, president of the Police Jury of Rapides Parish, and sundry other citizens, all of Alexandria; Hodding Carter, publisher, Hammond Daily Courier, of Hammond; J. H. Trousdale, W. F. Patton, jr., and other citizens of Monroe; Dr. J. B. Pratt and other citizens of Natchitoches; Mrs. Henry Harcourt Waters, of New Orleans; and Atlee P. Steckler and other citizens of Ville Platte; all in the State of Louisiana, praying for a continuance of the investigation of the Louisiana senatorial election of 1932, and the necessary allotment of money therefor, by the special committee of the Senate to investigate campaign expenditures of the various presidential, vice presidential, and senatorial candidates in 1932, which were referred to the Committee to Audit and Control the Contingent Expenses of the Senate.

The VICE PRESIDENT also laid before the Senate telegrams in the nature of memorials from A. C. DeRouen, A. T. DeRouen, R. J. LaBauve (chairman parish Democratic executive committee), Jules J. Broussard (assessor of Vermillion Parish), P. L. Broussard (clerk of court), and P. U. Broussard, all of Abbeville; Steve E. Michaud, of Advance; J. B. Nachman (judge of city court), W. C. Mathews, Julius F. Ariail (clerk of court), J. P. Wakeman, Dave Mayer (member Rapides Parish Police Jury Ward 8), Mayor R. C. Lawrence, Judge E. J. Vallery, sr., W. T. Bradford (representative, Louisiana State Legislature), M. P. Henderson (Rapides Parish School Board), U. T. Downs (sheriff, Rapides Parish), V. V. Lamkin (mayor), V. M. Ake (commissioner of finance), R. W. Bringhurst (commissioner of streets and parks), T. L. James (assessor, Rapides Parish), B. F. Rosenthal, Sam Armetta, A. C. Brister, G. W. Lee (representative, Louisiana State Legislature), N. K. Vance, T. S. Fontenot (deputy assessor, Rapides Parish), E. Levy, and J. W. Bolton (president, Rapides Bank & Trust Co.), all of Alexandria; C. M. Downs (president Citizens Bank & Trust Co.), Ralph Hebert (representative, Pointe Coupee Parish), D. F. McGrath, jr. (parish of East Baton Rouge), and Eugene Cazedessus, all of Baton Rouge; Rich & Jones (attorneys at law), Jim W. Richardson (attorney at law), O. B. Magee (cashier Washington Bank & Trust Co.), and J. B. Lindsley (commissioner of public health and safety), all of Bogalusa; Esteve A. Martin (representative of Lafayette Parish), of Carencro; J. W. Ethridge (representative of State legislature and chairman of Grant Parish Democratic Association), of Colfax; M. P. Planche (president of police jury), James T. Burns (representative), H. K. Goodwyn (editor), Charles H. Sheffield (mayor), C. S. Frederick (district attorney), W. E. Blossman (clerk of court), and Walter Galatas (sheriff), all of Covington; C. V. Hunt and John Bishop, of Delhi; S. R. West (chairman of board, City Savings Bank & Trust Co.), D. S. Johnson (commissioner of finance), J. J. West (commissioner of streets and parks), and J. F. Sugrue (chair-

man of unemployment relief committee), all of De Ridder: Victor P. Mire (sheriff), Louis J. Dehass (representative), Henry A. Dugas (clerk of court), J. Y. Landry (assessor), Edgar J. Waguespack (president police jury), M. J. Randazzo, (secretary police jury), A. C. Simoneaux (member police jury), Leon Geismar (member police jury), Nestor Gautreau (member police jury), Walter W. Webb (member police jury), L. H. Meyers (member police jury), Amadee Savoie (member police jury), C. Earl Dixon (president school board), Marcel Brou (member school board), Leonce Legendre (member school board), Albert Schexnayder (member school board), W. H. Harrell (member school board). Lester E. Wright (member school board), George B. Ratcliffe (member school board), J. A. Pertuis (member school board), Chris Falcon (member school board), Percy A. Lemann (member Democratic State central committee), Leo Cafiero (chairman parish Democratic executive committee), Willie Casso (member parish executive committee), Nick Corbo (member parish executive committee), Louis L. Leblanc (member parish executive committee), A. E. Truxillo (member parish executive committee), T. H. Falcon (member parish executive committee), C. N. Gautreau (member parish executive committee), Frank Decoteau (member parish executive committee), H. M. Stamant (member parish executive committee), J. M. Bourgeois (member parish executive committee), Elie P. Breaux (member parish executive committee), Caleb C. Weber (president Democratic organization Ascension Parish), all of Donaldsville; J. D. Lyles, of Elizabeth; Erath Sugar Co. (Ltd.) (by V. L. Caldwell, president), Vermillion Sugar Co. (Inc.) (by E. P. Moresi, vice president), and the Bank of Erath (by R. E. Colden, cashier), all of Erath; J. B. Lewis, Willis R. Johnson (alderman), P. M. Prudhomme (alderman), Cilton Jeansonne (alderman), J. W. Berwick (city clerk), H. Jenkins (health officer), Henry Landry (chief of police), and Lamar Stagg (treasurer), Isom Guillory, Morell Milburn, Charles Lewis, Eloi Guillory, Mathias Miller, Lawrence Ardoin, Theo Tate, Chester Derbes, Emmett Bordelon, Albert Picou, Thomas Chisholm, John Long, Milton Fontenot, Murphy Guillory, Denver Young, Harry Tyson, D. Fontenot, George Guillet, L. A. Andrepont, Lon Moody, C. Fruge, Wade Guillet, Malcom Launey, Julius Stagg, Maxie McGee, Gerald Parrott, Rene Tate, Milton Vidrine, Dudley Berwick, Mayo Miller, Ben Miller, Byron Launey, Eugene Raynaud, Coley Prudhomme, Dana Jenkins, all of Eunice; Burris Bros. (merchants, by W. J. Burris, president), and Walter Green (manufacturer and real-estate operator), of Franklinton; J. Roy Theriot (member of the school board of Gueydan), M. L. Dickerson (mayor of the town of Hodge), Julius Dupont and Sam Polmer, of Houma; Neil Thomas (sheriff), T. H. Bond (chairman parish Democratic executive committee), R. Manley Crowson; L. L. Kilpatrick (president of police jury), A. H. May (parish treasurer), and William J. Hammon (lawyer), all of Jonesboro; Robert L. Moulton (mayor), J. Frank Ard (superintendent of city water and light plant), L. E. Le Blanc (chief of police), Wilson J. Peck (trustee of public property), Edgar G. Mouton (trustee of finance), and George J. Breaux (registrar of voters, parish of Lafayette), all of Lafayette; O. E. Morris (mayor), T. J. Bullock (clerk of court), Fern M. Wood, A. H. Nanney, D. F. Turner (sheriff, Vernon Parish), J. A. Frazier and Thomas C. Wingate, all of Leesville: Sigur Martin (attorney at law, secretary-treasurer of police jury of St. James Parish), Col. R. P. Woods, sr. (vice president, Lutcher & Moore Cypress Lumber Co., president police jury of St. James Parish), Henry L. Himl (judge, twenty-third judicial district, comprising parishes of St. James, Ascension, and Assumption), Joe B. Dornier (sheriff, Parish of St. James), Frank Abadie (assessor, Parish of St. James), R. P. Lowry (superintendent of education), A. G. Gearheard (president, Pontchartrain Levee Board), Henrietta V. Marquez (secretary, Lutcher & Moore Cypress Lumber Co.), Oscar Reynaud (president St. James Bank & Trust Co.), Roger Rome (clerk of court), and R. P. Woods, jr. (State senator, 11th senatorial district), all of Lutcher; S. E. Graham (mayor), P. W. LaFleur (levee commissioner),

Harry Nolan (town constable), Herbert Darnall (marshal), and the Melville Star, all of Melville; D. Y. Smith (police juror) and C. L. Mengis, M. D. (coroner), I. W. Rogers, C. W. Wallace, J. A. Mullins, and H. H. Mullins, T. A. Grant (exsheriff), D. C. Pittman, C. R. Tidwell, J. H. Brown, Hudson, Potts & Bernstein, A. L. Davenport (attorney), R. D. Swayze (commissioner of streets and parks), Joe Hanna (tax assessor), Ouachita Parish; Mrs. Beatrice Radford, Dr. C. P. Gray, J. Q. Graves, M. D., Mires R. Jackson (general manager, Hotel Frances), Doctors Brown and Shlenker, J. B. Dawkins, Sam Newsom, Fred R. Mitchell, Philip Liossota, Frank T. Smith, J. M. Breard, Paul Fink, and Travis Oliver (president of Central Savings Bank & Trust Co.), all of Monroe; Emett Norsworthy, J. C. Efurd, Dr. P. W. Prudhomme, E. B. Suddath, M. Lieber, A. H. Stein, W. M. Payne (tax collector, Natchitoches Parish), J. O. Gunter, H. H. Burney (police jury, member ward 2), S. M. Brown (merchant), A. G. Otmeyer, Jeff Deblieux, Dan C. Sutton, A. R. Oquinn (deputy sheriff), T. G. Barnes, W. Peyton Cunningham (representative, State legislature), Leon Friedman (representative, State legislature), M. L. Dismukes (mayor, city of Natchitoches), all of Natchitoches; A. A. Girard (ex-registrar of voters, Iberia Parish), of New Iberia; Roland Wibker, John L. Drusch, Martin Gavin, Henry Doane, Joseph Doane, Joseph E. Thompson, Martin Schuth, Milton Barry, Theodore P. Ahrens, Mrs. Joseph E. Thompson, Mrs. H. Bulot, Julius S. Loeb, Frank Early, E. J. Fremin, G. F. Martin, E. C. Cahill, L. C. Cahill, H. Grosz, J. Will, J. E. Fitzmorris, Mr. and Mrs. A. Muller, Annie Muller, Aug. G. Muller, Theodore P. Broker, Mr. and Mrs. Warren H. Oertling, Mr. and Mrs. William L. Ollie, George Ure, Louis Dutel, Victor Dumas, Jim Flattman, Bernard Gonzales, Fred Nicolay, Irene Ries, Leo Romenaux, Mrs. S. H. Schomburg, Mrs. Alma Nicolay, George Ries, Louis Dembrun, John Markey, Williams Drewes, Paul Silva, Joe Acosta, Joe Zimmer, John Gaynar, Miss Annie Huber, Edward Latil, Jim Brown, Martin Dembrun, T. S. Coffee (lieutenant, United States Naval Reserve Force), Vivian Stansbury, L. A. Fuerstenberg, Mrs. J. Fuerstenberg, F. L. Fuerstenberg, Mrs. J. L. Giblan, Albert W. Newlin, Gertrude J. Wells, W. A. Welch, Charles G. Delisle, H. J. Otnott, Col. and Mrs. E. Roy and Miss Helen Carber (Jackson Barracks), Mr. and Mrs. R. G. Ganier, John J. Briscoll, William Pazos, Henry M. Munsch, F. McW. Gardon, William P. Allen, Horace E. Crump, H. Fruchter, Mr. and Mrs. J. B. Carrerot, Mr. and Mrs. Arthur Breaux, Mr. and Mrs. A. Nunez, Mrs. H. T. Roberts, Mr. and Mrs. John S. Kinberger, John Darsam, Mr. and Mrs. Charles P. Rowley, C. J. Ryan, Frank Miller, William E. Hubert, John F. Hubert, Mrs. William Hubert, Miss Hazel Martin, Mike Cahn (of the Dixie Mill Supply Co.), Darius Beauvais, W. H. Parham, B. Stumberg, B. Hamilton, Henry Williamson, Mr. and Mrs. G. C. Peters, L. Windmann, Dorothea Radlauer, E. Rusha, Mrs. William P. Dillon, John Beaudean, James Wilkinson, William J. Sailor, Mr. and Mrs. J. J. Williams, sr., Mr. and Mrs. J. J. Williams, jr., Mr. and Mrs. H. R. Williams, H. J. Dole, sr., L. W. Leverson, E. P. Carstens, C. F. Gorman, Clyde Farr, Jules E. Moustier (chairman, fifth ward), Paul G. Merritt, jr., Sarah Dinkelspiel, Mrs. Andrew H. Nash, J. Markey, G. Murphy, Miss T. Giansala, Mrs. N. Vonbehren, F. R. Osfront, J. Erickson, X. O. Bruder, Mrs. O. Bruder, Mrs. T. Darsam, T. Darsam, Mrs. S. Mello, S. Mello, Edward Ginard, J. W. Glaser, M. Markey, Mrs. M. Markey, F. Markey, Caldwell Brothers, J. L. Trinchard, Aline Degrut, Dr. and Mrs. W. J. Rein, Mr. and Mrs. W. J. Rein, A. Burkhardt, J. Klar, D. Benoit, C. Krupp, A. A. Aubert, F. Ricca, Mr. and Mrs. J. H. Pecot, W. Devine, Capt. W. M. Fakier (Thibodeaus, La.), S. Calegan, C. Cook, C. Fremin, C. H. Weymouth, Fred Tyler, L. Klar, A. Dupuy, John Unland, A. H. Gerhardt, J. Hulseberg, Mrs. J. Hulseberg, M. Hulseberg, and E. Hulseberg, L. H. Riedl, Mr. and Mrs. Joseph Ahrens, Elizabeth Smith, Mr. and Mrs. H. Y. Pitithory, Earl Condon, Emanuel Firnandez, jr., Joseph Ertel, C. J. Cure, Miss Maude Frolba, Mr. and Mrs. Raymond Hunt, Mr. and Mrs. Robert Mullholland, Mr. and Mrs. Edw. F. Wilder, Mr. and Mrs. H. H. Minor, Mr. and Mrs. H. Y. Werskoff, Mr. and Mrs. Jno. A. Carey, Mr. and Mrs. Clarence Olsen, Mr. and Mrs.

Bernard Gonzales, jr., John Daniels, Louis Ertel, Theodore Dussor, John Ertel, Louis Meyer, William Ertel, Cyrus Ertel, Mr. and Mrs. Ferd Planchard, George Meyer, Frank A. Minor, Charles Meyer, Mrs. Mary Froeba, Mr. and Mrs. Louis Schermann, Mrs. Eunice Wolf, Mr. and Mrs. Maurice Groh, Capt. Henry Conrad (seventh precinct, fifth ward); Mr. and Mrs. E. J. Thomas, John Gernhauser, Mr. and Mrs. W. H. Pugh, Mrs. L. A. Pugh, Mr. and Mrs. C. W. Shaw, M. T. Mulledy, Mrs. F. J. Mulledy, G. M. Mulledy, Miss M. E. Mulledy, A. C. Mulledy, Dr. and Mrs. H. B. Gessner, Anthony Richard, Louis Lauilhe, Evi Vaughn, and C. L. Clay, all of New Orleans; Geo. Pourciau, town treasurer, and J. C. Roberts, both of New Roads: D. P. Reed, sheriff of Allen Parish, and C. C. Cole, both of Oberlin; L. Austin Fontenot, S. D. Kurtz, Leon S. Saas, Arthur Prejean, Paul Fontenot, E. L. Loeb, R. B. Christman, T. B. DeValcourt, Leo Gay, Marshall J. Doucet, Armas Sylvester, and J. A. Young, all of Opelousas; Iris DuPont, tax assessor, and Joseph Nicolosi, register of voters, parish of Iberville, both of Plaquemine; P. W. McBride, mayor; Charles Schumaker, councilman; and W. F. Brown, of Port Barre; Ed. R. Loe and B. F. Roberts, chairman Democratic executive committee, of Shreveport; W. A. Mackie, L. W. Martin, and T. H. Martin, of St. Francisville; A. M. Finley, Geo. Keller, Anthony Feducia, Mrs. Sarah Dunkley, A. B. Gremillion, C. C. Gremillion, John Miglicco, E. T. Merrick, jr., A. R. Hebert, J. H. Hobgood, Steve Barbre, David Merrick, E. B. Genin, and B. F. Hess, all of Torras; Julian E. Wolff, mayor; Arthur Deshotel, police juror; and F. L. Bailey, member of town council, of Washington; R. M. Browning, J. P. Norris, J. A. Daniels, R. L. Kilgore, J. G. Cobb, and J. T. Chappell, all of West Monroe; C. Joseph, representative Iberville Parish, of White Castle; J. E. Carter and D. E. Sikes, superintendent Winn Parish schools, of Winnfield; R. L. Gay, president Sabine Parish police jury, of Zwolle, all in the State of Louisiana, remonstrating against a continuance of the investigation of the Louisiana senatorial election of 1932, and the spending of additional money therefor, by the special committee of the Senate to investigate campaign expenditures of the various presidential, vice presidential, and senatorial candidates in 1932, which were referred to the Committee to Audit and Control the Contingent Expenses of the

Mr. CAPPER presented petitions of District No. 4, Osborne Council of Religious Education (five schools), of Downs; and local chapters of the Woman's Christian Temperance Union of Baldwin, Portis, and Reserve, all in the State of Kansas, praying for the passage of legislation to regulate and supervise the motion-picture industry, which were ordered to lie on the table.

Mr. KING presented a resolution adopted by the Colonial Council of St. Thomas and St. John, Virgin Islands, indorsing petitions of a large number of the inhabitants of St. Thomas and St. John (citizens, residents, taxpayers, merchants, etc.), praying that the municipality of St. Thomas and St. John be again placed under the administration of the Navy Department as was the case up to March 28, 1931, which, with the accompanying papers, was referred to the Committee on Naval Affairs.

Mr. GOLDSBOROUGH presented a petition of sundry citizens of Baltimore, Md., praying for the passage of legislation to revaluate the gold ounce and to control mass production, which was referred to the Committee on Finance.

He also presented a resolution adopted by the Baltimore & Ohio Railroad Post, No. 81, American Legion, of Baltimore, Md., opposing a proposed 10 per cent cut in the allowances to disabled World War veterans, which was ordered to lie on the table.

He also presented a petition of sundry citizens of Easton, Md., praying for the passage of legislation to regulate and supervise the motion-picture industry, which was ordered to lie on the table.

Mr. WALCOTT presented a resolution adopted by the New Haven (Conn.) section, Council of Jewish Women, indorsing the passage of legislation placing an embargo on the export of arms, which was ordered to lie on the table.

He also presented the memorial of Unit of Boyle Post, No. 1, American Legion Auxiliary, of Waterbury, Conn., remonstrating against the making of any reductions in the national defense, which was referred to the Committee on Appropriations.

He also presented the memorial of Robert O. Fletcher Auxiliary Unit, No. 4, American Legion, of Norwich, Conn., remonstrating against the adoption of the so-called Britten amendment relative to the national defense, etc., which was referred to the Committee on Appropriations.

He also presented a resolution adopted by the directors of the Ansonia (Conn.) Chamber of Commerce, favoring reduction of the Budget for 1934 by the sum of \$800,000,-000, which was referred to the Committee on Appropriations.

He also presented a telegram in the nature of a memorial from the Second District, the American Legion, Department of Connecticut, of New Haven, Conn., remonstrating against proposed reductions in the pay of personnel of the Army and Navy, which was referred to the Committee on Appropriations.

He also presented petitions and papers in the nature of petitions of Unit No. 45, of Meriden; Harry G. Faulk Unit, No. 113, of Old Saybrook; Union No. 17, of Naugatuck; Ezra Woods Unit, No. 31, of New Milford; Anderson Dunn Kochiss Post, No. 42, of Stratford; the Second District, Department of Connecticut, of Hamden; and the American Legion Auxiliary of Bridgeport, all of the American Legion Auxiliary in the State of Connecticut, praying for the restoration of the "forty-eight drills" in the Naval Reserve, which were referred to the Committee on Appropriations.

He also presented the petition of Unit of Coyle Post, No. 1, American Legion Auxiliary of Waterbury, Conn., praying for the passage of the so-called widows' and orphans' pension bill, which was referred to the Committee on Finance.

He also presented a resolution adopted by the Common Council of the City of Torrington, Conn., favoring the passage of legislation authorizing and directing the Postmaster General to issue a special series of postage stamps of the denomination of 3 cents, commemorative of the one hundred and fiftieth anniversary of the naturalization as an American citizen and appointment as brevet brigadier general of the Continental Army on October 13, 1783, of Thaddeus Kosciusko, which was referred to the Committee on Post Offices and Post Roads.

He also presented petitions and papers in the nature of petitions of Unit No. 123, of Rocky Hill; Unit of Coyle Post, No. 1, of Waterbury; Shaw-Sinon Post, No. 73, of Wallingford; Dilworth-Cornell Unit, No. 102, of South Manchester; Howard G. Hilliard Unit, No. 66, of Clinton; Green-Erickson Post, No. 122, of Burlington; and Seicheprey Unit, No. 2, of Bristol, all of the American Legion Auxiliary in the State of Connecticut, praying for the creation of a veterans' committee of the Senate, which were ordered to lie on the table.

He also presented the petition of Express Lodge, No. 2126, Brotherhood of Railway and Steamship Clerks, etc., of Bridgeport, Conn., praying for the passage of the bill (S. 2125) to provide for the cooperation by the Federal Government with the several States in relieving the hardship and suffering caused by unemployment, and for other purposes, which was ordered to lie on the table.

Mr. WALSH of Montana presented the following joint memorials of the Legislature of the State of Montana, which were referred to the Committee on Agriculture and Forestry:

UNITED STATES OF AMERICA

State of Montana, ss.:

I, Sam W. Mitchell, secretary of state of the State of Montana, do hereby certify that the following is a true and correct copy of an act entitled "Senate Joint Memorial No. 2," being a memorial to the Congress of the United States urging the prompt enactment of legislation for the rehabilitation of the farm industry through the adoption of some form of the domestic-allotment plan, the refinancing of farm mortgages, and such other measures as may be found necessary to place the farm industry upon approximately the same footing as other great industries of the United States, enacted by the twenty-third session of the Legislative Assembly of the State of Montana and approved by J. E. Erickson, governor of said State, on the 14th day of February, 1933. In testimony whereof I have hereun'to set my hand and affixed the great seal of said State.

Done at the city of Helena, the capital of said State, this 16th day of February, A. D. 1933. SAM W. MITCHELL

Secretary of State.

Senate Joint Memorial 2

A memorial to the Congress of the United States urging the prompt enactment of legislation for the rehabilitation of the farm industry through the adoption of some form of the do-mestic-allotment plan, the refinancing of farm mortgages, and such other measures as may be found necessary to place the farm industry upon approximately the same footing as other great industries of the United States

great industries of the United States:

To the Congress of the United States:

We, the Legislative Assembly of the State of Montana, both senate and house, do hereby join in the nation-wide demand that something constructive and substantial be done by the Congress of the United States for the rehabilitation of agriculture, the basic industry of the Nation. More than thirty and one-half million men, women, and children live and labor upon farms throughout this country, approximately one-fourth of the entire population. According to the reports of the Department of Agriculture of the United States the income per farm available for "labor and management" during the prosperous years of 1919 to 1928 averaged only \$584.90, or about \$1.60 per family per day, or a shade less than 40 cents per person per day. This is far less than the average cost of supporting inmates of charitable and penal institutions throughout the United States. It should be understood that these meager returns to the tillers of the soil were the institutions throughout the United States. It should be understood that these meager returns to the tillers of the soil were the returns in the days of prosperity. We shall not attempt to discover what they are during these years of depression; we know that they are less than pauper allowances. At this time wheat is quoted at less than 25 cents per bushel throughout the State of Montana, far below the bare cost of production, and the price on other farm products is in proportion.

These ruinous prices have destroyed the purchasing power of the thirty and one-half million people living on farms in the

These fullous prices have destroyed the purchasing power of the thirty and one-half million people living on farms in the United States; they are no longer able to purchase implements, building materials, and the numerous other products of mill and factory. As a result the wheels of our mills do not turn; the machinery of our factories does not operate; millions upon millions of unemployed languish in idleness, and their children cry

for bread.

Raise the price on the products of the soil so that the tiller may receive a living wage; the millions on the farms will then be able to purchase the goods from mill and factory; idle millions will be placed at work, and their children will be fed.

placed at work, and their children will be fed.

The economic conditions now prevailing throughout the Republic are dark and distressing; but we should be cowards, unworthy of American citizenship, if we surrendered to the drift of circumstances and the spirit of hopelessness and despair. Let intelligence rule the Republic, and final disaster shall be averted and economic well-being shall return in a fuller measure. One-half of the great economic problem of the United States has been triumphantly solved. We are capable of producing such an abundance of all material things that every man, woman, and child in the United States may live in comfort and to some extent even in luxury. The remaining one-half of the problem is to bring about a somewhat equitable distribution of this abundant production. It should be possible to approach nearer to a solution of this problem than we are to-day.

tion. It should be possible to approach nearer to a solution of this problem than we are to-day.

In this age of specialization of production, each man produces, practically speaking, only one class of goods or renders only one kind of service. This one class of goods or service must be exchanged for the numerous kinds of goods and services required in the everyday life of to-day. The problem of exchange and distribution is therefore fundamental in our economic life. If each man receives an equitable price for his labor or his goods, this system of exchange will function freely; but if the price on one class of goods or one kind of service is entirely out of proportion to the price on other kinds of goods or services the system will break down to that extent. Equitable exchange relations constitute the basis of prosperity.

With regard to agricultural products this equitable exchange relation does not exist, and as far as wheat is concerned it will not restore itself for decades to come; we are likely to continue to have an exportable surplus of wheat and other farm products for

have an exportable surplus of wheat and other farm products for a long time. The production of wheat in many foreign countries, particularly Asiatic Russia, is likely to increase. Foreign countries continue to erect tariff walls against the importation of American wheat. These circumstances conspire to keep down the export price on American wheat, and this ruinous export price will drag down the price on that part of the wheat consumed in this down the price on that part of the wheat consumed in this country; it tends to fix the domestic price. It is absolutely intolerable, unbearable, and ruinous to American agriculture to have the domestic price on its products fixed and determined by foreign tariff walls, pauper wages, and revolutionary experiments in foreign countries. In order to survive and prosper we must regulate our own domestic affairs.

We therefore ask that the Congress of the United States protect the great domestic market for our farm products, so that the farmer may receive a reasonable price on the home consumption. We believe that this can be accomplished through the application of some form of the domestic-allotment plan—a plan under which the price on the home consumption will be approximately on par with the prices on the goods that the farmer has to purchase.

This would tend to place agriculture on the same footing as other great industries of the United States. Under this plan the Government of the United States would obtain control over the areas to be utilized for the various farm crops and thereby adjust production to demand. We realize that the growth and development of a country and the well-being of its people depend very largely upon an abundant food supply. The reduction in acreage should therefore proceed with caution; but we also realize that it is impossible to meintain resonable prices with an increase. is impossible to maintain reasonable prices with an increasing

We urge that in the carrying out of the domestic-allotment plan, the details of administration be intrusted as far as possible to the governments of the various States and counties so that

plan, the details of administration be intrusted as far as possible to the governments of the various States and counties so that the plan may not result in the development of added administrative machinery on the part of the United States and increased expenses to its Treasury. We ask that the domestic-allotment plan be made effective not only with regard to wheat but also other farm products where it may be found applicable.

On account of the ruinously low prices on farm products our farmers are finding it impossible to pay interest and principal on the billions of farm mortgages incurred in good faith in better years, and farmers throughout the country are losing their homes by the thousands through mortgage foreclosures. We, therefore, ask that the Government of the United States lend its credit toward the refinancing of farm mortgages at the lowest rate of interest which the United States can obtain.

The deplorable conditions now prevailing will justify Congress in applying far more drastic remedies than in ordinary times.

We ask for the application of the domestic-allotment plan for the refinancing of farm mortgages and for the enactment of such other measures as may be found necessary to place the farm industry upon approximately the same footing as other great industries of the United States, honestly believing that this is absolutely necessary for the reestablishment of ordinary, prosperous conditions in the economic life of the Nation. It will not help the farmer alone, but will aid in rehabilitating the business of the merchant, the banker, the investor, the manufacturer, the railroads—and above all it will help to provide work for the millions of unemployed.

We hereby direct the secretary of state of the State of Montana of unemployed.

We hereby direct the secretary of state of the State of Montana to forward copies of this memorial to the President of the Senate of the United States, to the Speaker of the House, and to our Senators and Representatives in Congress.

F. H. COONEY. President of the Senate. D. A. Dellwo, Speaker of the House.

Approved February 14, 1933.

J. E. ERICKSON, Governor.

UNITED STATES OF AMERICA.

UNITED STATES OF AMERICA,

State of Montana, ss:

I, Sam W. Mitchell, secretary of state of the State of Montana,
do hereby certify that the following is a true and correct copy
of an act entitled "Senate Joint Memorial No. 4," being a memorial
memorializing the Congress of the United States for a more lenient
settlement of the 1932 Federal seed loans, enacted by the twentythird session of the Legislative Assembly of the State of Montana,
and approved by J. E. Erickson, governor of said State, on the
15th day of February, 1933.

15th day of February, 1933.

In testimony whereof I have hereunto set my hand and affixed the great seal of said State.

Done at the city of Helena, the capital of said State, this 17th day of February, A. D. 1933.

[SEAL.]

SAM W. MITCHELL Secretary of State.

Senate Joint Memorial 4

A memorial memorializing the Congress of the United States for a more lenient settlement of the 1932 Federal seed loans

the honorable Senate and House of Representatives of the

To the honorable Senate and House of Representatives of the United States in Congress assembled:

We, the members of the Twenty-third Legislative Assembly of the State of Montana, do hereby respectfully represent that—
Whereas we are aware that the prevailing difficulties in many parts of Montana are partly due to the drought conditions existing during the years 1929, 1930, and 1931, when our farmers realized practically nothing from their crops; and
Whereas living conditions in many of our farming communities during these years were such as to make it necessary for the Red

whereas fiving conditions in many of our farming communities during these years were such as to make it necessary for the Red Cross to render aid to hundreds of our people; and Whereas due to the deflated prices of wheat the past year many of our best citizens in the farming districts of our State have been unable to pay their taxes, thereby endangering our public schools and local governments, and causing the loss of many homes through tax sales; and

Whereas many of our farm owners have hardly enough wheat on hand to finance another crop, and to require them to pay 25 per cent of their seed loans would cause such a hardship as to result, in many instances, in want and suffering, and add to the general breakdown of the agricultural situation: Now, therefore, be it

Resolved, That the Senate of the State of Montana, the House of Representatives concurring, that the Congress be memorialized to grant an extension of one year on the payments of the

1932 seed, feed, and fuel loans in all cases where the producers are compelled to sell their grain below the cost of production; be it further

Resolved, That copies of this memorial be forwarded to each of the Members of the Senate and of the House of Representatives of Montana in Congress, and to the Federal seed-loan depart-ment at Minneapolis, Minn.

President of the Senate.
D. A. DELLWO,
Speaker of the House.

Approved February 15, 1933.

J. E. ERICKSON, Governor.

Mr. WALSH of Montana also presented the following joint memorial of the Legislature of the State of Montana, which was referred to the Committee on Indian Affairs:

UNITED STATES OF AMERICA,

United States of America,

State of Montana, ss:

I, Sam W. Mitchell, secretary of state of the State of Montana, do hereby certify that the following is a true and correct copy of an act entitled House Joint Memorial No. 1, being a memorial to the Congress of the United States of America, requesting the enactment of adequate legislation which will reimburse the Blackfeet Indians for the loss of lands known as the ceded strip in northwestern Montana, certain rights to said lands having been wrongfully taken from them without just compensation, enacted by the twenty-third session of the Legislative Assembly of the State of Montana, and approved by J. E. Erickson, governor of said State, on the 31st day of January, 1933.

In testimony whereof I have hereunto set my hand and affixed the great seal of said State.

Done at the city of Helena, the capital of said State, this

Done at the city of Helena, the capital of said State, this 31st day of January, A. D. 1933. [SEAL.]

SAM W. MITCHELL, Secretary of State.

House Joint Memorial 1

A memorial to the Congress of the United States of America requesting the enactment of adequate legislation which will reimburse the Blackfeet Indians for the loss of lands known as the ceded strip in northwestern Montana, certain rights to said lands having been wrongfully taken from them without just compensation

To the honorable Senate and House of Representatives of the United States of America: Your memorialists, the members of the Twenty-third Legislative

Your memorialists, the members of the Twenty-third Legislative Assembly of the State of Montana, the house and senate concurring, respectfully represent:

Whereas a treaty having been made between the United States Government and the Blackfeet Tribe of Indians in the year 1896, in which treaty the Indians ceded for mineral purposes only a strip of land extending from the Canadian boundary southward to the stream known as Birch Creek, and from the present western boundary of the Blackfeet Indian Reservation westward to the summit of the Rocky Mountains; and

Whereas the Indians specifically reserved in said treaty the right to hunt, fish, and cut timber on these lands since known as the ceded strip: and

Whereas the United States Government, beginning in the year 1910, proceeded to violate said treaty by denying the Indians the rights specifically reserved and herein described by the absolute denial of these privileges without any compensation: Now,

Resolved, That it is the prayer of your memorialists, the Twenty-third Legislative Assembly of the State of Montana, that the Congress of the United States should by proper legislation right the wrong suffered by the Indians by reason of the violation by the United States Government of this treaty; be it

Resolved, That a copy of this memorial, duly authenticated, be sent by the secretary of state to the Senate and House of Representatives of the United States and to each of the Senators and Representatives of Montana in Congress.

D. A. DELLWO Speaker of the House. F. H. Cooney, President of the Senate.

Approved January 31, 1933.

J. E. ERICKSON, Governor.

Mr. WALSH of Montana also presented the following joint memorial of the Legislature of the State of Montana, which was referred to the Committee on Public Lands and Surveys:

United States of America,

State of Montana, ss:

I, Sam W. Mitchell, secretary of state of the State of Montana, do hereby certify that the following is a true and correct copy of an act entitled Senate Joint Memorial No. 7, a memorial memorializing the Congress of the United States for a grant of land for the use and benefit of the Northern Montana Agricultural and Manual Training School, enacted by the twenty-third session of the legislative assembly of the State of Montana, and approved

by J. E. Erickson, governor of said State, on the 15th day of Feb-

ruary, 1933.

In testimony whereof I have hereunto set my hand and affixed

the great seal of said State.

Done at the city of Helena, the capital of said State, this 16th day of February, A. D. 1933.

[SEAL.]

Sam W. MITCHELL, Secretary of State.

Senate Joint Memorial 7

A memorial memorializing the Congress of the United States for a grant of land for the use and benefit of the Northern Montana Agricultural and Manual Training School

To the honorable Senate and House of Representatives in the Congress of the United States:

Whereas the Northern Montana Agricultural and Manual Training School was established by the Legislature of Montana in 1913, and for the past four years said college has been in active operation and now has an enrollment of 366 students; and

Whereas it is the only unit of the Greater University of Montana which does not have the benefit of an income from land

tana which does not have the benefit of an income from land

grants; and

Whereas the large majority of students attending said institution are residents of northern and eastern Montana, which is devoted almost exclusively to stock raising and agriculture; and Whereas there is remaining in the State of Montana approxi-mately 7,000,000 acres of vacant, unappropriated, unreserved public

mately 7,000,000 acres of vacant, unappropriated, unreserved public land: Now, therefore, be it

Resolved by the Senate of the State of Montana (and the House of Representatives concurring). That the Congress of the United States be memorialized to grant to the Northern Montana Agricultural and Manual Training School 500,000 acres of vacant, unappropriated, unreserved public lands within the State of Montana for the use and benefit of said school; be it further

Resolved, That copies of this memorial be forwarded to the President of the Senate and Speaker of the House of Representatives from Montana in Congress, and to the Secretary

Representatives from Montana in Congress, and to the Secretary

of the Interior.

F. H. COONEY, President of the Senate. D. A. Dellwo, Speaker of the House.

Approved February 15, 1933.

J. E. ERICKSON. Governor.

INVESTIGATION OF MISSISSIPPI RIVER LEVEE CONSTRUCTION

Mr. ROBINSON of Arkansas. Mr. President, I present a telegram from the President of the Mississippi River Flood Control Association and ask that it be read at the desk

The VICE PRESIDENT. Is there objection? The Chair hears none, and the clerk will read, as requested.

The Chief Clerk read as follows:

MEMPHIS, TENN., February 20, 1933.

Senator Joseph T. Robinson, Senate Office Building:

The Mississippi River Flood Control Association, of which I am president, welcomes an impartial investigation such as any Senate committee will carry on of the peonage charges in levee construction. Will you please place this telegram in the Congressional

The VICE PRESIDENT. The telegram will lie on the table.

ANNIVERSARY OF GEN. THADDEUS KOSCIUSKO

Mr. BARBOUR. Mr. President, I ask unanimous consent for the printing in full in the RECORD and appropriate reference of the resolution adopted by the Board of Commissioners of the City of Orange, N. J., memorializing Congress to enact House Joint Resolution No. 191 and Senate Joint Resolution No. 105.

There being no objection, the resolution was referred to the Committee on Post Offices and Post Roads and ordered to be printed in the RECORD, as follows:

A resolution memorializing Congress of the United States to enact House Joint Resolution 191 and Senate Joint Resolution 105, commemorating the one hundred and fiftieth anniversary of the naturalization as an American citizen in 1783 and appointment of brevet brigadier general of Thaddeus Kosciusko, a hero of the Revolutionary War, by issuing special series of postage stamps in honor of Gen. Thaddeus Kosciusko sesqui-centennial anniversary

Whereas on October 13, 1933, will occur the one hundred and fiftieth anniversary of the naturalization as an American citizen of Brig. Gen. Thaddeus Kosciusko, a hero of the Revolutionary

Whereas the service rendered by him was of great value and assistance to the cause of American independence and of such high importance that on October 13, 1783, he was appointed rates.

brevet brigadier general of the Continental Army and was granted

whereas it is but fitting that proper recognition should be given to the memory of Brig. Gen. Thaddeus Kosciusko, whose illustrious service in the war for American independence is well known to all who are familiar with our history: Therefore be it

Resolved by the Board of Commissioners of the City of Orange and State of New Jersey, That the Board of Commissioners of the City of Orange, State of New Jersey, requests and urges his excellency President of the United States, Members of the House of Representatives and Senators from the State of New Jersey be authorized to respectfully memorialize the United States Congress to enact legislation which will provide for the effective carrying out of the provisions of said bills, whereby the Postmaster General would be authorized and directed to issue a special series of postage stamps of the denomination of 3 cents, of such design and for such posted as he more determined for such posted. and for such period as he may determine, commemorative of the one hundred and fiftieth anniversary of the naturalization as an American citizen and appointment of Thaddeus Kosqiusko as brevet brigadier general of the Continental Army on Oc-

tober 13, 1783.

SEC. 2. That a copy of this resolution be sent to the President, Vice President of the United States, Speaker of the House of Representatives, and to each United States Senator and Representative in Congress from New Jersey.

FRANK J. MURRAY. WALTER B. SAVAGE. GEORGE H. WERNER. CHAS. IPPOLITO.

Adopted February 14, 1933. [SEAL.]

WM. F. CHRISTIANSEN, City Clerk.

OFFICE OF CITY CLERK

I, William F. Christiansen, city clerk of the city of Orange, in the county of Essex and State of New Jersey, do hereby certify that the following annexed is a true copy of the records in my office. In testimony whereof I have hereunto set my hand and the corporate seal of said city of Orange, on this 20th day of February, A. D. 1933.

[SEAL]

WW. F. Christiansen, City Clerk

[SEAL.]

WM. F. CHRISTIANSEN, City Clerk.

GOVERNMENT OWNERSHIP OF RAILROADS

Mr. BROOKHART presented an editorial from the Washington (D. C.) Herald of the 21st instant, which was referred to the Committee on Interstate Commerce and ordered to be printed in the RECORD, as follows:

GOVERNMENT OWNERSHIP OFFERS ONLY SOLUTION OF THE RAILROAD PROBLEM

It is time the American people looked their railroad problem in the face—sized it up as it is—thought about it in terms of its realities and addressed themselves to its solution realistically.

"Robbing Peter to pay Paul" has not yet found a place among the maxims of sound economics. We are doing, however, exactly that with the railroads as we continue to lend them money wrung from the people by taxation in order to pay their deficits, their bank loans, their fixed charges and their costs for operation and maintenance. maintenance.

The rates charged for both passenger and freight service are igh. They are violently out of line with the costs of comparable services.

And yet the railroads can see no hope of rehabilitation except in the maintenance of these charges—even their increase. They hope traffic will revive despite practices which can only operate to its destruction.

It is a hopeless mess.

If the public interest were not so inseparably involved in the plight of the railroads, we might leave them to their fate.

The history of some of the rail carriers is strewn with bad management and fraud—frauds upon their creditors, their shareholders and the public.

The poor bondholders and shareholders have been plowed

again and again to no purpose except the enrichment of railroad financiers.

The legacy of past evils, despite all reforms of practice, is still represented in distended capitalizations, towering overheads, postponed charge-offs and physical obsolescence, which are fatal handicaps to service, efficiency, and the reasonable treatment of

the public in the matter of charges.

Their borrowing capacity is spent. The paper collateral pledged for Government loans, which had nothing more than paper value, is now exhausted.

It is ridiculous to describe the process by which they are seek-

It is ridiculous to describe the process by which they are seeking further Government aid as borrowing.

Let the Government realize this.

It is not lending to the railroads. It is paying for the railroads—paying for them—but not getting them!

How much better to spend the people's money acquiring the roads, reorganizing them, liquidating burdens which can no longer be carried—doing, in short, the things necessary to put the roads on a paying and serviceable basis.

Only in this way will the people obtain from their railroads what they are entitled to expect—efficient service at reasonable rates.

The physical properties of most railroads are not equal in value to their bonded debt. This fact, coupled with the depressed prices for their securities, would enable the Government to acquire the roads at a not excessive valuation.

It must be apparent, even to those most antagonistic to public ownership, that there is no solution of the railroad problem

except through Government acquisition and operation.

The railroads have no solution for their situation.

If it must be solved by the public and by the use of the public's money, the money should be used in the service of the public interest exclusively.

PUBLIC-WORKS PROGRAM

Mr. BROOKHART presented a letter from F. W. Meyers of Iowa City, Iowa, relative to the economic situation and suggesting a remedy therefor, which was ordered to lie on the table.

IOWA CITY, IOWA.

Hon. SMITH W. BROOKHART,

United States Senate, Washington, D. C.

My Dear Senator: At this time, when all the "captains of industry and wizards of finance" tell us that before adequate relief can be given a starving people it is necessary that we balance the Budget, I hesitate to offer an opinion to the contrary, but feel it a duty to do so.

a duty to do so.

Balancing the Budget inevitably involves two things—first, the curtailment of governmental activities and the reduction of salaries, and, second, an increased burden of taxation.

Neither of these things is calculated to bring relief to a people who need more work and more governmental activities and who are now overburdened with taxes.

Fifteen years ago had anyone in authority insisted that we must balance the Budget before meeting the great emergency of war and mustering all our resources of men and money to make the world safe for democracy, he would have been branded as a traitor to his country and landed behind the bars of Leavenworth.

We were confronted by a tremendous emergency that threat-

to his country and landed behind the bars of Leavenworth.

We were confronted by a tremendous emergency that threatened the very life of our civilization. It was no time for delay or faltering, no time to count the cost, because no cost could be greater than the cost of delay and failure to do our duty.

It was time for immediate action and the whole Nation responded with patriotic abandon. Every able-bodied man was called, every resource used, every source of credit mustered. Our public debt reached a total never before heard of in all history—\$29,000,000,000—but no one complained, no one objected, and our national credit was neither exhausted nor endangered.

It was only by these prompt and stupendous efforts that we won the war.

won the war.

During the war, and after it, as a busy, happy, prosperous nation we began paying that debt faster than any nation had ever paid its debt before, and money flowed into the Treasury in such unprecedented volume that three times were taxes reduced. No great personal or national emergency was ever met and over-

come by balancing the Budget.

While sound wisdom in normal times and under normal conditions, it becomes the height of folly and shortsightedness in abnormal times and under abnormal conditions.

Had the Colonies stopped to count the pennies, which were about all they had, there would be no free America to-day. Instead, they issued currency backed by "God and the Continental Congress," and with it the Revolution was won, our country freed, and, incidentally, every cent of that money was redeemed

and, incidentally, every cent of that money was redeemed.

In 1861 there was no hesitation, either North or South, about "balancing the budget" before maintaining what they believed to be the right. Abraham Lincoln sent no message to Congress urging that the budget be balanced before we met the emergency of Civil War and sprang to the defense of the Union. Had he done so, he would not now be known as the savior of his country, but as a fit companion for Judas Iscariot and Benedict Arnold. More than three hundred millions of "Lincoln greenbacks" are in circulation in this country to-day, unbacked by anything but faith in America and its ability to pay.

To-day we are confronted by the greatest emergency the great-

anything but faith in America and its ability to pay.

To-day we are confronted by the greatest emergency, the greatest peril, our country has ever known. The death toll through suicide alone is almost as great as the total of all our slain on all the battlefields of all the wars America has ever known, and this does not begin to tell the story of the tragic disaster, the details of which have been told only too many times, and which are on every lip and etched with the acid of despair upon millions of American hearts.

lions of American hearts.

Instead of meeting this great emergency of peace with the courage and daring with which we have met the great emergencies of war we have faltered and delayed. For the dying man we have called in the bookkeeper. When the people have asked for bread, we have given them taxes; when they have asked for work, they have been told that the Government must economize and has no have been told that the Government must economize and has no work to offer. Graft, extravagance, and waste should not be allowed at any time. If, and where, they exist it is a serious reflection upon those who have permitted them. But this is the poorest possible time to curtail public works, to reduce salaries that are in keeping with the service rendered, or to eliminate or restrict any useful governmental service. President Hoover was right when he said, a few years ago, that when private enterprise lagged, public enterprise should be speeded up to take its place. He was wrong when he failed to act upon his own

advice when the emergency arose where it should have been made effective.

Work and wages, not doles and loans, are what the people need. Profitable employment for both capital and labor is what is wanted. Additional loans or renewals to a business which can

is wanted. Additional loans or renewals to a business which can not be made to pay has the same tender quality of mercy as cutting a dog's tail off by inches.

America is a better credit risk to-day than it was when its public debt was \$10,000,000,000 more. It is a creditor, not a debtor nation. It has more gold, if that is an important factor. It has more property. It has more men and, through science and invention, their productivity has been quadrupled. Our fields are more fertile, our factories more efficient, our transportation better. Under God's shining sun there is no better credit than that of Under God's shining sun there is no better credit than that of Uncle Sam. And yet we refuse to use that credit even to the extent that we used it to meet the emergency of war, refuse to furnish the lifeblood of industry, refuse to touch the rock of public credit that private enterprise may spring forth and thrive. Do this and soon 120,000,000 busy, happy, prosperous people will be helping to balance the Budget without hardship and without

When the farmers, heretofore the most conservative and law abiding of our citizens, unite to defeat the law it is time that our lawmakers should "stop, look, and listen." If they do not, God save our country—for He alone can do it.

If any country should declare war upon America, as may happen

within a year, we would not stop for an instant to balance the Budget. Why hesitate now? Why not exert the great credit power of the United States and initiate such a stupendous program of public works as shall lift us by the boot straps, if necessary, out of this slough of despair and onto the firm ground of national prosperity?

Yours very respectfully,

F. W. MEYERS.

REPORTS OF COMMITTEES

Mr. WHEELER, from the Committee on Indian Affairs, to which was referred the bill (S. 5463) to authorize the change of homestead designations on allotted Indian lands, reported it without amendment and submitted a report (No. 1258) thereon.

Mr. VANDENBERG, from the Committee on Commerce, to which was referred the bill (S. 5632) to extend the times for commencing and completing the construction of a railroad bridge and/or a toll bridge across the water between the mainland at or near Cedar Point and Dauphin Island, Ala., reported it with an amendment and submitted a report (No. 1259) thereon.

Mr. BARKLEY, from the Committee on Banking and Currency, to which was referred the bill (S. 5273) authorizing national banks to establish branch banks, and to secure deposits, reported it with amendments and submitted a report (No. 1260) thereon.

Mr. COUZENS, from the Committee on Banking and Currency, to which was referred the joint resolution (S. J. Res. 256) authorizing the Comptroller of the Currency to exercise with respect to national banking associations powers which State officials may have with respect to State banks. savings banks, and/or trust companies under State laws, reported it without amendment and submitted a report (No. 1261) thereon.

Mr. KING, from the Committee on Finance, to which was referred the joint resolution (H. J. Res. 561) amending section 2 of the joint resolution entitled "Joint resolution authorizing the President, under certain conditions, to invite the participation of other nations in the Chicago World's Fair, providing for the admission of their exhibits, and for other purposes," approved February 5, 1929, and amending section 7 of the act entitled "An act to protect the copyrights and patents of foreign exhibitors at A Century of Progress (Chicago World's Fair Centennial Celebration), to be held at Chicago, Ill., in 1933," approved July 19, 1932, reported it without amendment and submitted a report (No. 1262) thereon.

ENROLLED JOINT RESOLUTION PRESENTED TO SECRETARY OF STATE

Mr. VANDENBERG, from the Committee on Enrolled Bills, reported that on February 20, 1933, that committee presented to the Secretary of State the enrolled joint resolution (S. J. Res. 211) proposing an amendment to the Con-

Bills were introduced, read the first time, and, by unani-

By Mr. SHORTRIDGE:

A bill (S. 5675) to effect needed changes in the Navy ration; to the Committee on Naval Affairs.

By Mr. BYRNES:

A bill (S. 5676) to provide for the creation of a Federal land and loan corporation, for the refinancing of farm-mortgage indebtedness in the United States, and for other purposes; to the Committee on Banking and Currency.

By Mr. NYE:

A bill (S. 5677) authorizing the Reconstruction Finance Corporation to make loans to cooperative creamery associations; to the Committee on Banking and Currency.

By Mr. WHEELER:

A bill (S. 5678) granting a pension to Joseph E. Williams (with accompanying papers); to the Committee on Pensions. By Mr. NORBECK:

A bill (S. 5679) to provide for the acquisition of Chappawamsic Island, Va., for the use of the Navy Department; to the Committee on Naval Affairs.

JAMES RIVER AND NEW AND KANAWHA RIVERS WATERWAY

Mr. NEELY. Mr. President, I introduce a joint resolution, which I ask may be read and appropriately referred.

The joint resolution (S. J. Res. 257) providing for the investigation, survey, and report of a continuous water line from the James River in Virginia to the New and Kanawha Rivers in West Virginia was read the first time by its title, the second time at length, and referred to the Committee on Commerce, as follows:

Whereas the State of Virginia did in the year 1819 survey New River in West Virginia with a view of connecting the waters of the James and Kanawha Rivers; and

James and Kanawha Rivers; and

Whereas the State of Virginia in 1872 by legislation requested
Congress to develop a continuous waterway connecting the James
River and the New River by means of a canal from a point near
Covington, Va., to the Greenbrier River in West Virginia, thence
down the Greenbrier to New River at Hinton, W. Va., so as to
make a continuous navigable water line connecting the rivers of
the Mississippi Valley with the Atlantic Ocean; and

Whereas such a continuous navigable waterway could be so constructed as to carry millions of tons of commerce from the States

structed as to carry millions of tons of commerce from the States of the Northwest and the Mississippi Valley and from Pittsburg and the Ohio Valley through the Kanawha and New Rivers up the and the Ohio valley through the Kanawha and New Rivers up the Greenbrier and across by canal to the James River, and from thence down to Norfolk, instead of the present method of carrying commerce down the Mississippi past New Orleans, across the Gulf of Mexico, and up the Atlantic coast; and Whereas the State of West Virginia did in 1873 by joint resolution agree to transfer many valuable rights to the United States in return for the surveying and construction of such a continuous navigable waterway; and Whereas the Federal Government did in 1872 make an investiga-

Whereas the Federal Government did in 1872 make an investiga-tion, survey, and report for the purposes heretofore described, and a commission of celebrated engineers, consisting of Maj. Gen. J. G. Barnard, Benjamin H. Latrobe, Maj. Gen. Q. A. Gillmore, Maj. Gen. William P. Craighill, Major General Witzel, Brig. Gen. A. Humand Lieut. Thomas Turtle, was appointed to carry out

phreys, and Lieut. House this work; and Whereas the aforesaid commission made an investigation, sur-

Whereas the aforesaid commission made an investigation, survey, and report, in which it unanimously held that the plan of connecting the said rivers by canal with a continuous navigable waterway was feasible, and recommended the execution of the plan at a cost of approximately \$50,000,000; and

Whereas from Greenbrier, W. Va., to Kanawha Falls on the New River there is an average fall of 11 feet per mile and on the Greenbrier River there is a very considerable fall, and it is estimated that by a series of locks and dams not only can the navigation of these rivers be so improved as to permit of the passage of freight boats but that also many hundreds of thousands of horsepower of electricity can be produced and the said boats moved on the Kanawha, New, Greenbrier, and James Rivers by electricity, with a great surplus of electricity left over that could be sold to private persons or public concerns; and

Whereas the said boats could be charged a toll for the use of the locks and for electricity and the surplus electricity sold to public or private interests and the income from these sources used to pay for the construction of said locks, dams, and canals,

used to pay for the construction of said locks, dams, and canals,

used to pay for the construction of said locks, dams, and canals, and the upkeep of the same; and
Whereas a series of connecting pools from Hinton, W. Va., to Kanawha Falls would add greatly to the beauty of New River, one of the world's most picturesque water courses; and
Whereas it is estimated that from the sources hereinbefore named approximately 10,000,000 tons of commerce would be available annually for transportation over the proposed route: Now, therefore, be it

therefore, be it

Resolved, That the Federal Power Commission be authorized to
make an immediate investigation, survey, and report to Congress
of the cost, feasibility, and manner of connecting the James and
New Rivers from a point near Covington, Va., to Hinton, W. Va.,
by way of the Greenbrier River, including locks, dams, and canals

and other construction necessary to make a continuous navigable waterway from the Kanawha up through New River and the Greenbrier River and across to the headwaters of the James River down to Richmond and Norfolk, Va.; that the said report shall include the manner of improvement of navigation in detail; the possibilities for the creation of water power, the amount that could be created and the uses to which it could be applied; the volume and character of commerce that might be carried over this proposed character of commerce that might be carried over this proposed route and the estimated cost of the construction of locks, dams, reservoirs, tunnels, and all other improvements that may be nec-

reservoirs, tunnels, and all other improvements that may be necessary in the premises;

That the Federal Power Commission is hereby authorized to call upon all departments of the Government that are equipped for furnishing such aid as the commission deems necessary in making such investigation and survey, and such departments shall respond to such call from the Federal Power Commision;

That the sum of \$50,000 is hereby appropriated out of the Treasury of the United States, out of moneys not otherwise appropriated, to the Federal Power Commission for the purpose of making such investigation, survey, and report.

such investigation, survey, and report.

AMENDMENT OF BANKRUPTCY ACT-AMENDMENTS

Mr. BLAINE submitted four amendments intended to be proposed by him to the bill (H. R. 14359) to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, and acts amendatory thereof and supplementary thereto, which were ordered to lie on the table and to be printed.

MATILDA A. BARKLEY

Mr. FRAZIER submitted the following resolution (S. Res. 366), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay from the appropriation for miscellaneous items, contingent fund of the Senate, fiscal year 1932, to Matilda A. Barkley, widow of Joshua W. Barkley, late a laborer in the employ of the Senate under supervision of the Sergeant at Arms, a sum equal to six months' compensation at the rate he was receiving by law at the time of his death, said sum to be considered inclusive of funeral expresses and all other allowances. inclusive of funeral expenses and all other allowances.

HOUSE BILLS AND JOINT RESOLUTIONS REFERRED

The following bills and joint resolutions were severally read twice by their titles and referred as indicated below:

H. R. 189. An act to add certain lands to the Modoc National Forest, in the State of California; to the Committee on Public Lands and Surveys.

H. R. 7432. An act to authorize the Interstate Commerce Commission to delegate certain of its powers; to the Committee on Interstate Commerce.

H. R. 10824. An act to amend section 14, subdivision 3, of the Federal farm loan act; to the Committee on Banking and Currency.

H. R. 12328. An act to authorize the assignment of awards entered by the Mixed Claims Commission, United States and Germany, the Tripartite Claims Commission, and the War Claims Arbiter; to the Committee on Finance.

H. R. 13026. An act to amend chapter 231 of the act of May 22, 1896 (29 Stat. 133, sec. 546, title 34, U. S. C.); to the Committee on Naval Affairs.

H. R. 11947. An act to authorize the Secretary of War to erect one marker for the graves of 85 Confederate soldiers buried in the Old Rondo Cemetery in Miller County, Ark., in lieu of separate markers as now authorized by law; and

H. R. 12769. An act to provide an additional authorization for the acquisition of land in the vicinity of Camp Bullis, Tex.; to the Committee on Military Affairs.

H. R. 14411. An act to extend the times for commencing and completing the construction of a bridge across the Rio Grande at Boca Chica, Tex.;

H.R. 14460. An act to extend the times for commencing and completing the construction of a bridge across the Mississippi River at or near Baton Rouge, La.;

H. R. 14480. An act to extend the times for commencing and completing the construction of a railroad bridge across the Little River at or near Morris Ferry, Ark.;

H. R. 14500. An act to extend the time for completing the construction of a bridge across the Missouri River at or near Kansas City, Kans.;

H. R. 14584. An act granting the consent of Congress to the Board of County Commissioners of Allegheny County, Pa., to construct, maintain, and operate a bridge across the Allegheny River between the city of Pittsburgh and the township of O'Hara and the borough of Sharpsburg, Pa.;

H. R. 14586. An act to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Culbertson, Mont.;

H. R. 14589. An act to extend the times for commencing and completing the construction of a bridge across the Mississippi River at or near Tenth Street in Bettendorf, Towa.

H.R. 14601. An act to extend the times for commencing and completing the construction of a bridge across the Mississippi River between New Orleans and Gretna, La.;

H. R. 14602. An act to revive and reenact the act entitled "An act granting the consent of Congress to the Highway Department of the State of Alabama to construct a bridge across Elk River between Lauderdale and Limestone Counties, Ala.," approved February 16, 1928; and

H. R. 14657. An act to extend the times for commencing and completing the construction of a railroad bridge and/or a toll bridge across the water between the mainland at or near Cedar Point and Dauphin Island, Ala.; to the Committee on Commerce.

H. R. 13960. An act to amend the description of land described in section 1 of the act approved February 14, 1931, entitled "An act to authorize the President of the United States to establish the Canyon De Chelly National Monument within the Navajo Indian Reservation, Ariz."; and

H. R. 14461. An act to provide for placing the jurisdiction, custody, and control of the Washington city post office in the Secretary of the Treasury; to the calendar.

H. R. 14321. An act to authorize the Secretary of the Treasury, in his discretion, to acquire a new site in Huntsville, Ala., and to construct a building thereon for the accommodation of the courts, post office, and other Government offices;

H. R. 14489. An act relating to the construction of a Federal building at Mangum, Okla.; and

H. J. Res. 583. Joint resolution to provide for a change of site of the Federal building to be constructed at Binghamton, N. Y.; to the Committee on Public Buildings and Grounds.

H. J. Res. 547. Joint resolution to exclude certain temporary employees from the operation of the economy act; to the Committee on Appropriations.

HOUSE CONCURRENT RESOLUTION REFERRED

The concurrent resolution (H. Con. Res. 47) was referred to the Committee on the Library, as follows:

Resolved by the House of Representatives (the Senate concurring), That the Architect of the Capitol, upon the approval of the Joint Committee on the Library, with the advice of the Commission of Fine Arts, is hereby authorized and directed to relocate within the Capitol any of the statues already received and placed in Statuary Hall, and to provide for the reception and location of the statues received hereafter from the States.

BUSINESS AND OPERATION OF THE POST OFFICE DEPARTMENT

Mr. ODDIE. Mr. President, I present for the Record a statement made February 15, 1933, by the Postmaster General, giving a brief résumé of the operations of the Post Office Department during recent years. This statement is a valuable and interesting one and will give a good idea of the magnitude of this great governmental institution and of the efficiency of its operation.

There being no objection, the statement was ordered to be printed in the Record, and it is as follows:

Because nearly everybody is in daily contact with the Post Office Department, as the time approaches when the responsibility of administering the executive branch of the Federal Government, by reason of the mandate of the people will pass to others, perhaps a summary of the major problems encountered by the department during the past four years may be of interest.

At the outset may I remind you that the Post Office Department is basically a business institution; it is a public utility, just as are the railroads, electric-light companies, and telephone com-

At the outset may I remind you that the Post Office Department is basically a business institution; it is a public utility, just as are the railroads, electric-light companies, and telephone companies, differing in the respect that it is Government owned and operated. The War and Navy Departments, the Treasury Department, the State Department, and in fact all the agencies of the Government excepting the Post Office Department, carry on their operations for the common benefit of all our citizens. It is proper, therefore, that they should be supported by general taxation. But the Postal Service supplies an individual need. When it carries a letter, a parcel, or an advertising circular, when it

accepts savings deposits, when it transfers money from one city to another, it serves an interest that is not common to the mass of citizens, but personal to the particular patron using the service. So from the earliest Colonial times the effort has been consistently made to support the post office, not out of taxes but out of charges collected from postal patrons.

Because it is a business establishment the Post Office Department has been affected by the present demoralization of business

Because it is a business establishment the Post Office Department has been affected by the present demoralization of business in exactly the same way as enterprises privately owned and operated for profit. Since 1929 about one-third of our business has disappeared. Our revenues for the fiscal year which ended June 30, 1930, were \$705,000,000. Last year they were \$588,000,000. While they will approximate the same amount this year, they would have shrunk to less than \$500,000,000 if the postage rates

May I recount the steps which have been taken to meet this unprecedented loss of revenues? In 1930 the Administration brought to the attention of Congress the advisability of increasing postal rates. Although the depths of the depression had not been sounded at that time and everybody was hoping for a speedy recovery, the Postal Service was even then running behind at the rate of about \$60,000,000 a year in its strictly postal operations; that is, not taking into account the merchant marine, and aviation subsidies and the cost of Government mail. We recommended to Congress an increase in the rate of postage on nonlocal letter mail to 2½ cents. We suggested also advances in the schedule of money order and registry fees and we petitioned the Interstate Commerce Commission for permission to revise parcel-post rates upward. We hoped in this way to add to our revenues sufficiently to balance our Budget without calling upon the General Treasury for funds.

Our efforts at first met with no success. Congress, reluctant to vote postage-rate increases, took no action. We closed the books for the fiscal year ending June 30, 1931, with a gross revenue deficiency of \$146,000,000, and a deficit in our strictly postal operations of almost \$100,000,000, a sum which, of course, had to be made up out of taxes or, in this instance, out of borrowed money, for there was a Treasury deficit that year amounting to almost a billion dollars.

This condition seemed to us intolerable. We could find no justification for mortgaging the country's future to pay a substantial part of the cost of carrying the mail for the present generation; and so in 1931 we urged Congress to authorize a 3-cent rate upon nonlocal letter mail and renewed our recommendations for advances in the schedule of fees for the special services. We also continued to press the Interstate Commerce Commission for action upon our proposal for an upward revision of parcel-post rates.

rates.

Again we encountered the same reluctance on the part of Congress to deal with this situation, and, instead of following our recommendations, the Senate, in January, 1932, passed a bill divesting the Interstate Commerce Commission of authority with relation to parcel-post rates. This legislation, which obviously was intended to defeat the department's pending proposal to increase the parcel-post rates, was defeated in the House of Representatives, which was coming to the conclusion that an increase of postage rates was imperative.

of postage rates was imperative.

You will recall the difficulties which Congress had in the spring of 1932 in agreeing upon tax legislation. After months of controversy, a revenue bill was finally adopted including the department's proposal for a 3-cent postage rate on nonlocal letter mail. Indeed, Congress went further than the department's suggestion and applied the higher rate to local mail as well as to nonlocal. It also substantially increased the second-class rates and approved our recommendations for higher money-order and registry fees. Following this legislative action the Interstate Commerce Commission sanctioned the proposed revision of the rates upon parcel post. With the exception of the new parcel-post rates, made effective October 1, all of these changes took effect at or about July 1, 1932, at which time the department likewise raised the rate on air mail from 5 to 8 cents for the first curice.

made effective October 1, all of these changes took effect at or about July 1, 1932, at which time the department likewise raised the rate on air mall from 5 to 8 cents for the first ounce.

But in the meantime the service had gone through another year at the old rates and with a steadily diminishing mail volume. It closed its books for the fiscal year 1932 with a gross revenue deficiency of \$205,000,000 and a deficit in its strictly postal operations of \$153,000,000.

At this point you may be interested in the department's views concerning the effect of the 3-cent postage rate upon postal revenues. It is frequently urged by postal patrons that from the standpoint of a balanced Budget the increase in the first-class rate was a mistake; that it has driven much business out of the mails; and that the department would now be getting more business and more revenue had the 2-cent rate on letter mail been continued.

This is an erroneous conclusion. Of course, we can never tell from day to day exactly how our revenues are apportioned over the various classes of mail. When we sell stamps to the public we have no way of knowing whether they will be used on letters or merchandise or for special delivery or even for air mail. Our system of classifying our revenues is based upon a periodical count of all mail at selected offices. Each count extends for one week and covers the volume and weight, as well as the number of pieces of mail of each class. We classify the revenues for the service as a whole and for the year as a whole from the statistics developed by these periodical counts. You will understand that under this procedure we will not be able to estimate accurately the results of the higher letter-postage rate until the returns are in and the computations are completed at the end of the fiscal year. But we

do have partial figures which are sufficiently complete to assure us that there is no foundation for the statement that we are losing

revenue by the 3-cent rate.

revenue by the 3-cent rate.

I will give you some statistics in the aggregate for 20 of the largest cities in the country, including, of course, New York, Chicago, Philadelphia, Boston, St. Louis, Los Angeles, and other cities in order of population. In the week from June 20 to June 26, 1932, the last complete week under the 2-cent postage rate, the total first-class mailings at these cities, both local and nonlocal, amounted to 93,893,706 postage ounces. In the week from September 19 to September 25, under the 3-cent rate, the total first-class mailings at these cities amounted to 82,969,884 postage ounces of about 11,000,000 postage ounces, or 11,63 per suppose of about 11,000,000 postage ounces. ounces, a decrease of about 11,000,000 postage ounces, or 11.63 per cent. This loss obviously is not attributable entirely to the higher rate, because our volume had been declining steadily for many months prior to the change in the rate, the first-class mallings at these same cities during the June week of 1932 being about angs at these same cities during the June week of 1932 being about 33 per cent below the mailings of the corresponding June week of 1931. But assuming, however, that the entire loss of volume which occurred between June and September is attributable to the increase in the rate, what is the net effect upon the postal revenues?

The revenues at these 20 cities from first-class mailings during the June week at the 2-cent rate amounted to \$1,981,691.25. During the September week, with a loss in volume of 11.63 per cent, the revenues from first-class mailings amounted to \$2,60 cent, the revenues from first-class mailings amounted to \$2,603,-351.01, an increase over the June week of \$621,659.76, or 31.37 per cent. For your own city of Chicago, taken alone, the volume during the June week was 14,008,321 postage ounces. In the September week the volume was 11,789,320 postage ounces, a decrease of 2,219,501 postage ounces, or 15.84 per cent. The first-class revenues during the June week were \$298,356.61. During the September week they were \$373,240.32, an increase of \$74,883.71,

or 25.1 per cent.

The very worst view which we can take of the effect of the higher letter-postage rate on the volume of first-class mail is this: Where we now handle 90 letters at 3 cents, we would be handling 100 letters had the rate been left at 2 cents. Expressed in terms of revenue, it is seen that the revenue upon 90 at 3 cents is \$2.70, by comparison with \$2, which would be collected on 100 letters at 2 cents.

People are misled by the fact that the postal revenues as a whole are no greater in the aggregate to-day than a year ago, when the letter-postage rate was 2 cents. They jump to the conclusion from this fact that the rate increase has failed of its purpose, and completely overlook the unprecedented decline common to all business which has occurred in mail volume of all

classes as the result of business stagnation, which had been continuing for many months before the rate change became effective.

Some part of the loss of revenue is, of course, fairly chargeable to the rate increase. I have in mind particularly a diminished use of the mails by utility companies, municipalities, department stores, and similar establishments, in sending bills and other communications to local patrons who can conveniently be reached by private messenger; but on this point I desire to remind you again that the department did not recommend that the 3-cent rate be applied to local, or drop letters, because local mail costs substantially less to handle than mail destined for out-of-town delivery. Becently we have used Converses to restore the 2-cent delivery. Recently we have urged Congress to restore the 2-cent rate upon this class of mail matter.

So much for the steps which have been taken to maintain our revenues as far as possible in these difficult times. Let us look briefly at the other side of the ledger. Many of you have doubtless been wondering what has been done to reduce postal expenditures, since this would have the same salutary effect upon our Budget as an increase in revenues, and would be much more agreeable to the country as a whole, and to mail users in particular.

It has not so far been possible to bring about a reduction in expenditures in proportion to the decline in mail volume. There are many reasons for this. Numerous of our items of expense are many reasons for this. Numerous of our items of expense are not affected by fluctuations of mail volume. In the rural delivery service, for instance, the annual cost of which is about \$100,000,000, our expenses go on at the same level whether the mails are heavy or light. The same thing is true, more or less, of the city delivery service, although in the large cities a lengthening of routes is sometimes possible as volume falls off. Compensation for star-route service is based upon the length of the haul and the frequency of the trips and has no relation to the weight or the volume of the mails. Payments for rail transportation, which amount to approximately \$100,000,000 a year, are about equally divided between storage and distribution space. The storage space can be reduced as volume falls, but regardless of volume, distribution space—that is, the railway post-office cars in which our clerks sort the mail on the trains—can not be cut down materially without delaying dispatches, connections, and deliveries. our cierks sort the mail on the trains—can not be cut down materially without delaying dispatches, connections, and deliveries. The same limitation applies to the item of \$18,000,000 a year for rented post-office quarters. Clearly there can be no relationship between the volume of our business and the amount of the rentals which we pay our landlords.

A second difficulty about reducing the postal expenditures as volume decreases is the fact that to a large extent we are bound.

A second dimentry about reducing the postal expenditures as volume decreases is the fact that to a large extent we are bound by long-term contracts. Star-route and screen-wagon contracts run for four years. Ocean mail contracts run for 10 years. Our leases for post-office quarters vary in length of time from five to 20 years. Of course, in making new contracts, we are taking advantage of the keener competition and the lower prices which are

About 70 per cent of the budget of the Post Office Department is spent for salaries—the compensation paid to postmasters, clerks, carriers, and the rest of our personnel. The department has no control over its wage scale. Both the wage scale and the hours of labor of postal employees are fixed by Congress, usually upon the labor of postal employees are fixed by Congress, usually upon the importunities of organized postal workers, as is evidenced by the fact that Congress in February, 1931, when the depression was in full force and the cost of living rapidly declining, in spite of the vigorous opposition of the department, reduced the hours of labor of all postal employees from 48 to 44 a week without any reduction in the compensation—adding something like \$7,000,000 to our annual costs of operation at a time when we were already running behind at the rate of approximately \$100,000,000 a year.

As the force of the business depression grew it soon became

As the force of the business depression grew it soon became apparent, first at the larger cities and gradually throughout the entire country, that our offices were overmanned. Here was a diffientire country, that our offices were overmanned. cult problem. In the same situation a privately owned enterprise would have been compelled to lay off the surplus—to cut its personnel to the number actually required. Many considerations made the Government reluctant to adopt that course. In the first place, we all hoped for many months that the slump was temporary and that our volume would soon come back. On that assumption it seemed unwise to risk the permanent loss of our trained men. There was also the obvious undesirability of throwing several thousand additional persons into the ranks of the unemployed. Then, too, these were civil-service men who had selected Government work as a career and who had always been selected Government work as a career and who had always been assured that so long as they were faithful in the discharge of their duties they were secure against dismissal. So from the earliest days of the depression the administration and Congress agreed upon the policy of retaining in the Postal Service all the regular, permanent personnel, leaving our force to be reduced only by normal processes of separation; that is, by deaths, resignations, retirements, and removals for cause. Under this policy, and with the department powerless to alter either the hours of labor or the rates of compensation of its employees, it is evident that substantial pay-roll savings could be realized but slowly.

However, it must not be understood that postal expenditures have not been materially reduced. We have economized to the fullest extent possible under the limitations and restrictions mentioned and have made effective many improvements in our oper-

tioned and have made effective many improvements in our operations, some of the more important of which are the following:

1. To permit better supervision of our several interrelated services we early reorganized the department at Washington upon functional lines.

2. The larger post offices have been surveyed and reorganized. Simplified methods of distribution have been adopted, nonessential service has been eliminated, and the collection and delivery of the mails have been standardized through the country.

3. We have reorganized the leasing work of the department, and have brought down our total expenditures for rented quarters

about 8 per cent.

4. We have established a training school in which new entrants

4. We have established a training school in which new entrants into the inspection service are given instruction in their work so that they may be better prepared to enforce the required standards of performance and efficiency in post-office operations.

5. We have completely overhauled our fleet of more than 8,000 motor trucks, replacing all obsolete and worn-out equipment, and have brought down our expenditures for motor transportation, after including the purchase cost of the new trucks, by about 10 per cent.

6. For the first time in the history of the department a scalesinspection division has been created. This activity, which at regular intervals inspects and adjusts the department's 240,000 weighing devices in the field, is amply justifying itself.

7. We have continuously reduced the storage space used for the transportation of the mails by rail so as to cut down the cost of transportation as nearly as practicable in proportion to the lower volume of mail. Our savings in this item now amount to about 15 per cent of the total compensation formerly paid the railroads.

8. We have accelerated the consolidation of rural routes and

8. We have accelerated the consolidation of rural routes and have reduced the number of such routes by about 3,400.

9. Under the policy of lapsing all nonessential vacancies we have reduced the number of postal employees from 254,956, as it stood on December 31, 1929, to approximately 245,000 at the present time—a reduction of about 10,000 employees.

Strictly as the result of administrative economies, expenditures for nextle chiefts during the fiscal warr which ended Tune 30.

for postal objects during the fiscal year which ended June 30 last were about \$24,000,000 less than in 1930. A much more substantial curtailment of expenditures will be possible during the current year, due largely to the provisions of the so-called economy law. The plan urged upon Congress by the President, inonly law. The plan triged upon congress by the Freshterit, involving the furlough of all employees of the Government for 1 month out of 12, will result in savings of about \$41,000,000 during the present year. This sum, added to other savings made possible by minor provisions of the economy law and by continuing the policies heretofore discussed, will reduce our gross exing the policies heretofore discussed, will reduce our gross expenditures for the current year, including the shipping and aviation subsidies and the cost of handling the Government's own mail, to not more than \$715,000,000, which will be approximately \$90,000,000 less than corresponding expenditures in the year 1930. If we deduct the subsidies and other nonpostal items from this total, our expenditure for strictly postal operations in 1933 will be about \$673,000,000 by comparison with \$775,000,000 in 1930, a reduction of \$102,000,000. On this basis, and taking the same figure for the revenues as last year—\$588,000,000—our gross revenue deficiency for the current year will be about \$127,000,000 and the net, or true, postal deficit approximately \$75,000,000.

Last year the gross deficiency of revenues was \$205,000,000 and the net deficit more than \$153,000,000.

The Post Office Department has a number of important func-tions which are not directly related to the postal business which

which are not directly related to the postal business which we are of course required to superintend with the same care which is given to the primary duty of handling the mails. One of these functions has to do with the public building program.

The quarters occupied by post offices of the fourth class are furnished by the postmaster, who is ordinarily a general store-keeper of the community and conducts the post office as an incident to his principal means of livelihood. The Government itself must provide the accommodations for post offices of the first self must provide the accommodations for post offices of the first, second, and third classes—about 15,000 in number. For the most part, these offices are located in rented quarters. Up to five years ago post-office buildings were owned by the Government in only

1,200 cities.

ago post-office buildings were owned by the Government in only 1,200 cities.

Beginning with 1926, Congress has enacted a number of laws providing for the construction of additional Federal buildings. The primary responsibility for carrying out the program which Congress has authorized rests upon the Treasury Department. But since the most of the buildings are intended for the accommodation of post offices, the duty devolves upon the Post Office Department to work out with the Treasury Department the location and the design of hundreds of these buildings. Our aim has been to see that all new post-office buildings are modern in every particular and so located, laid out, and equipped as to permit the conduct of postal operations with the greatest possible efficiency and at the lowest possible cost. Because one of the principal elements of expense in the larger cities has always been the cost of hauling the mails between the railroad station and the post office, in working out the details of the building program every effort has been made to eliminate this haul by placing the post office close to the railroad, and, in fact, whenever feasible, to locate it on a site immediately adjacent to the railway terminal. This has been accomplished in your city of Chicago, also in Minneapolis, St. Paul, Kansas City, New York, Cleveland, Cincinnati, Philadelphia, Pittsburgh, St. Louis, Boston, and a number of other large cities where new post-office buildings have been completed or are now in the process of construction.

There is, of course, a great economy in this policy. In Chicago alone we estimate that the annual savings in transportation costs which will result from the location of the new post-office building at the railway terminal will be in the neighborhood of a half

which will result from the location of the new post-office building at the railway terminal will be in the neighborhood of a half million dollars. Savings in other cities will be in proportion, and in all these places we will not only be able to handle the mail with a much smaller outlay for transportation but we will greatly

with a much smaller outlay for transportation but we will greatly expedite the movement of mail matter of all classes, saving anywhere from 30 minutes to 24 hours in the time required for distribution, transfer, and dispatch.

The funds appropriated by Congress to carry out the building program have been allocated by the Treasury and Post Office Departments to cover about 1,100 buildings in cities where the post office has heretofore been in rented quarters and 245 buildings at places where post-office quarters in Federal buildings have become inadequate. In addition to these entirely new buildings, the program includes extensions or annexes to existing buildings in 191 cities. In all 273 projects have now been completed and more

cities. In all, 273 projects have now been completed and more than 400 are in process of construction.

Partisanship has not entered into the public-building program. Partisanship has not entered into the public-building program. The necessary legislation was supported in Congress by members of both political parties and the particular projects have been selected with sole reference to the needs of the service. Because the program was authorized before the economic depression reached the acute stage, in recent months, by reason of the Government's financial difficulties, some criticism has been directed to the expenditures which are involved. I believe that this criticism is not justified. It should not be overlooked that in carrying on extensive building operations in these times the Government has not only been able to secure permanent quarters which it has long urgently needed at very low costs, but that in so doing it is making a substantial contribution to industry and employment in hundreds of communities. hundreds of communities.

The ocean mail is another activity which in its broadest aspects is not strictly a part of the postal business. Our foreign mails are of extreme importance to the business interests of the country, as well as to our citizens who have family or social ties abroad. It has, of course, always been the duty of the Post Office Department to move these mails to their foreign destinations as expeditiously as possible; but when we contract with steamship lines for the transit of the foreign mails were here exhibit lines for the transit of the foreign mails we now have an objective which goes far beyond the mere transportation of letters and packages. The Government is using the ocean mail as a medium packages. The Government is using the ocean mail as a median through which to build up the American merchant marine. To this end the Post Office Department is at present paying about \$21,000,000 a year for carrying the United States mails to foreign countries over and above what this service would cost at ordinary poundage rates.

Most of us will agree not only that an adequate merchant fleet under our own flag is vital to American commerce and industry in time of peace but that it will be indispensable to the national defense in the event of war. In 1928 Congress passed a law the purpose of which is to place our merchant marine on a basis of equality with the commercial fleets of the other great nations of the world. This law, which is known as the Jones-White Act, authorized Government loans to American shipping companies

for the construction of fast, modern passenger and cargo vessels; and it empowered the Post Office Department to enter into 10-year contracts with such companies for carrying the mail on important trade routes, the compensation to be based, not upon the volume of mail carried but upon the size and speed of the vessels and

of mail carried but upon the size and speed of the vessels and the mileage of the routes.

The purpose of these contracts is not primarily to furnish means for carrying the mail but to provide funds to equalize the costs of constructing and operating merchant ships between American and foreign operators so that ships of the United States can compete for both cargo and passengers on equal terms with ships under foreign flags. The ultimate object, as I have said, is to build up and maintain a modern and competitive American merchant fleet, to protect and strengthen our foreign trade in all world markets, and to provide a reserve of merchant ships to serve as naval auxiliaries in the event of war. These objects are national in scope. They affect us all, whether we live at the seaboard or in the interior, whether we are manufacturers, merchants, farmers, or wage earners. They have no special remerchants, farmers, or wage earners. They have no special re-lation to the postal service. Ocean mail pay is simply the form in which Congress has elected to extend financial aid to the ship-

In which Congress has elected to extend mancial aid to the snipping industry.

Under the provisions of the Jones-White Act, the Post Office Department has now awarded 44 contracts for ocean mail service on trade routes from American ports. These contracts have all been approved not only by the Post Office Department but by the Shipping Board, the Department of Commerce, and the Navy Department, in so far as their respective interests are involved. They provide compensation at mileage rates for the transporta-tion of the mails, but they also require the shipping companies

They provide compensation at mileage rates for the transportation of the mails, but they also require the shipping companies to build or recondition a large number of vessels to be placed in service on the respective trade routes. The fleet which will ultimately be launched under this program will consist of about a hundred fast cargo and passenger ships, the equal of any vessels of their respective classes under foreign flags. It will aggregate about 900,000 gross tons and will cost the shipping companies approximately \$300,000,000. Thirty-four new vessels have now been completed under this program, while 48 old ships have been reconditioned and modernized. All this work has been done in American shipyards by American labor with American materials; and these ships are now carrying the United States flag and American cargo to every important foreign port.

During the fiscal year ended June 30, 1932, the department paid out on ocean mail contracts under the Jones-White Act the sum of \$22,400,000. Ultimately, the annual payments will be about \$30,000,000, and the aggregate mail pay for the 10-year term on the 44 routes now under contract will be close to \$300,000,000.

In these difficult days when every effort is being made to reduce Federal expenditures, there is some agitation to abrogate these ocean mail contracts as a measure of economy. A proposal which undoubtedly had abrogation as its purpose was defeated in the Senate only a few days ago. I can not believe that, regardless of what changes may occur in Congress, the Federal Government will ever repudiate contracts made in good faith with its citizens. The broad question, of course, is whether the policy of subsidizing our merchant marine shall be continued and supported in these stringent times. Every modern sea power has provided ocean mail pay for the ships of its flag. All maritime nations consider that a ship subsidy is justified by the essential public service rendered by their merchant fleets, both in times of peace and in times of national emergency a ship subsidy is justified by the essential public service rendered by their merchant fleets, both in times of peace and in times of national emergency. For generations this has been the policy of Great Britain, France, Germany, and in fact all the great powers of the world. By the merchant marine act of 1928 the United States, after the lapse of many years during which its shipping was swept from the seas by the competition of subsidized vessels of other nations, has now committed itself to this same wise national policy. Only by continuing this policy, and supporting it with the moderate appropriations which it requires, will we be able to revive and maintain our shipping industry. If we continue this policy it will be only a question of a few years when we shall again carry substantially all of our own commerce in our own ships, and regain the commercial and maritime independence which was ours a hundred years ago and without which there can be no hope of final and complete economic recovery.

which there can be no hope of final and complete economic recovery.

And what of the air mail? Again I regret to say that there is agitation for the abrogation of contracts and the abandonment of service in the name of economy. In giving consideration to the Post Office supply bill, the Senate has completely eliminated the air mail appropriation for the fiscal year 1934. Although we have hopes that necessary funds may still be provided, it is evident that the air mail service is in grave danger.

In its broader phases the air mail, as the term is popularly used, is not a Post Office activity. While it is true that the immediate object is to provide facilities for the rapid transit of mail matter, the ultimate object goes far beyond that. The ultimate object is to build up a nation-wide network of air lines to carry passengers and express, upon which the transportation of the mails will some day be only an incidental operation as it is to-day on the railroads. day be only an incidental operation as it is to-day on the railroads as to early an incidental operation as it is to-day on the failroads. The payments to the air transport companies under their present contracts with the Government are analogous to payments under the ocean mail contracts. They are calculated to aid in the development of a new and desirable transportation system and to assist the aviation industry in the period of its infancy, until it can become economically independent. These subsidies are calculated to promote the national security by keeping this Nation abreast of the other nations of the world in the art of flying. They are calculated to make this country air-minded, to popularize air transportation and air travel, and to give us the nucleus of the manufacturing resources and the technical and flying personnel which would be essential in time of war. All of these objectives

are now in jeopardy by the proposal to abrogate air mail contracts.

The present air mail contracts, or route certificates in legal parlance, have all been awarded under an act of Congress approved April 29, 1930, known as the McNary-Watres Act. They look be-yond the mail service and require the operators to provide ade-quate planes, adequate personnel, adequate ground facilities, and above all, every known device for the safety and protection of passengers.

above all, every known device for the safety and protection of passengers.

Prior to the enactment of the McNary-Watres law in 1930, there was no air transport service in this country worthy of the name. The length of air mail routes in 1929 was about 14,000 miles. In that year the schedules flown with the mails were about 10,000,000 miles, the volume of the mails carried was about 5,600,000 pounds, and the postage revenues were about \$4,000,000. The service was fragmentary and incomplete and failed to serve many important sections of the country. The operators derived practically no revenues from passenger or express service. Yet the Government's annual expenditures was approximately \$12,-000,000, and the cost of scheduled flying to the Post Office Department was about \$1.20 per mile.

In the three years which have elapsed since the enactment of the McNary-Watres law, the air mail map of the country has been completely revised. The service has been extended to all parts of the country; the length of the routes now under contract is almost 28,000 miles; the scheduled service this year will aggregate about 34,000,000 miles, carrying over 8,000,000 pounds of mail, and producing postal revenues of not less than \$7,000,000. Yet the total annual expenditures will be only about \$19,500,000, or only \$7,500,000 more than in 1929. Scheduled passenger service is now provided on virtually all routes, producing revenues during the current year estimated at \$6,000,000. The creation by the operators of this nonpostal revenue has enabled the Department to cut the air mail pay progressively from an average of \$120 a mile in 1929 utili it is to-day approximately 45 cents a by the operators of this nonpostal revenue has enabled the Department to cut the air mail pay progressively from an average of \$1.20 a mile in 1929 until it is to-day approximately 45 cents a mile. With general business recovery, there is every reason to believe that the mail, passenger, and express business of the various air-transport companies will quickly grow to the point where these rates can be cut down to a level approximating the actual value of the transportation service rendered, excluding any subsidy.

Aviation is to-day an industry of constantly growing importance.

Aviation is to-day an industry of constantly growing importance and value to the country. Including the amounts expended by the air mail operators, its gross annual turnover is now about the air mail operators, its gross annual turnover is now about \$50,000,000. The Federal Government itself has invested more than \$100,000,000 in the industry in the form of mail pay, lighted routes, landing fields, and communication facilities. Municipalities have invested a similar sum in airports. A repudiation of the policy expressed in the McNary-Watres Act would utterly destroy the value of these investments. It would go far to nullify all the progress which has so far been made in the development of this industry and in the construction of a comprehensive air-transport system for this country. In the end it would prove as shortsystem for this country. In the end it would prove as short-sighted, as costly, and unwise as for the city of Chicago, in the name of economy, to eliminate its fire department or to suspend the maintenance and upkeep of its highways.

But I would not overemphasize the Post Office Department's

difficulties in these critical times, nor do I fear for its future. The department has a way of its own of winning support for itself. Whether that characteristic is due to the fact that the Postal Service utilizes the minds and muscles of such a vast number of very human beings, nearly one-third of a million in the aggregate, or whether it is due to the fact that the service touches our lives or whether it is due to the fact that the service touches our lives so intimately in its dependable daily routine of carrying our business communications, our money, our merchandise, our messages of love and of sorrow, of this I am sure, that no one can long be engaged in its activities and not hold its functions and its achievements in the highest esteem. And so I am sure that whoever may be charged with the responsibility of directing the department in the years to come will find abiding satisfaction in ever increasing its usefulness—in striving to solve its problems, whatever they may be with fidelity to the public interest and the whatever they may be, with fidelity to the public interest and the best traditions of the service. Postmasters and Postmasters General will come and go, but the Postal Service will carry on.

LIMITATION OF DEBATE FOR THE SESSION

The VICE PRESIDENT. The Chair lays before the Senate the following resolution coming over from a previous

The Chief Clerk read the resolution (S. Res. 360) submitted by Mr. Barkley on the calendar day of February 15, as follows:

Resolved, That during the remainder of the present Congress debate on the part of any Senator shall be limited to 1 hour on any measure, including conference reports and amendments between the Houses, and to 30 minutes on any amendment or motion relating thereto.

The VICE PRESIDENT. The question is on agreeing to the resolution.

Mr. BARKLEY. Mr. President, I do not care to take the time of the Senate to discuss the resolution. It speaks for

itself. We now have less than two weeks before the final adjournment of Congress and there is so much public business of an emergent nature which ought to be transacted before the 4th of March that it seems to me there ought not to be any objection on the part of Senators to the adoption of the resolution, which undertakes to limit debate hereafter to 1 hour on any measure and to 30 minutes on any amendment or motion relating thereto.

It seems to me that would give ample opportunity for the discussion of any measure that is proposed and guarantee to us not only that we shall have time for ample debate, but that the Senate will be able to function in the latter days of the session.

I do not care to discuss the resolution any further. It seems to me the history of the session and of all short sessions has been such as to indicate that we would not only facilitate legislation but the adoption of such a limitation on debate would meet with almost unanimous approval throughout the country.

Mr. KING. Mr. President, will the Senator yield for a question?

The VICE PRESIDENT. Does the Senator from Kentucky yield to the Senator from Utah?

Mr. BARKLEY. Certainly.

Mr. KING. I ask the Senator whether the resolution restricts debate on the part of any Senator to half an hour on conference reports?

Mr. BARKLEY. It limits debate to one hour on conference reports. The 30-minute limitation is on amendments. The limitation of 1 hour applies to measures and conference reports and of 30 minutes to amendments.

Mr. KING. I am in entire sympathy with the purpose of the resolution, but I challenge the attention of the able Senator from Kentucky to the fact that I am advised that the conferees who have under consideration the so-called Bratton amendment and other amendments of an important character have rejected the same. If the conference report, as I understand it has been agreed upon, shall become a law, \$200,000,000 or \$300,000,000 of economies which the Senate attempted to effectuate will be lost. It seems to me there ought to be ample time when the conference report comes to the Senate to discuss the action of the conferees and point out the result of this action.

Mr. BARKLEY. There is no question that the resolution gives at least an hour to any Senator on a conference report. and also on amendments as between the two Houses. I have no doubt that would include any motion to instruct the conferees or any proceeding with reference to conference reports. The limitation of 30 minutes on amendments would not apply to conference reports.

Mr. FESS. Mr. President, the resolution which the Senator from Kentucky has presented has some merit in it, and I have a good deal of sympathy with the purpose of it. but I doubt very much whether it would be wise at this stage to pass such a resolution.

Mr. ROBINSON of Arkansas. Mr. President, may I ask the Senator a question?

Mr. FESS. I would much prefer that whatever be done in this respect be submitted to the Rules Committee, and let us have a rule reported on the matter. I yield to the Senator from Arkansas.

Mr. ROBINSON of Arkansas. Of course, the objection to that suggestion is that the time remaining between now and the end of the session is so brief that it would be impossible to get action on the resolution if it were referred to a committee. The resolution does not unfairly limit or restrict debate. It does make impossible the carrying on of a filibuster in the closing days of the session. I hope that the Senator may see fit to let the resolution be considered at

Mr. FESS. I recognize the strength of what the Senator from Arkansas has said. In fact, it is a rule that is followed in the House. During the last six days of the session debate there is limited drastically, aside from any regulation the House itself may adopt. It is a rule of the House. I have

talked about its being a wise course to follow here, but it | ought to go in the regular form to the Rules Committee.

I recognize the purpose of the Senator, that he might want to cultivate favorable opinion on a limitation of this kind, and he offers it to test the Senate at this time. But here is the difficulty, and I might as well make it clear: For eight days I have been awaiting an opportunity to address the Senate at some length and I can not possibly do it within the time limit fixed by the Senator's resolution. For that reason, with great respect, I could not allow the resolution to come to a vote at this stage.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Latta, one of his secretaries.

INFLATION OF THE CURRENCY

Mr. FESS. Mr. President, I have in my hand a communication from one of the best business men in Ohio inclosing certain data. This letter says:

Inclosed is a copy of Rev. Charles E. Coughlin's eight radio broadcasts on the gold standard. If all the outstanding proposals that have been presented to the public go before the leaders in Congress, it would appear that they might have an opportunity of bringing about helpful legislation.

The inclosure mentioned is, in part, in this form:

FEBRUARY, 1933.

My Dear Friend: I am grateful to think that you are interested enough to read these lectures conscientiously.

Before outlining our common plan of action, I want you to realize that in unity there is strength. Neither you nor I can accomplish anything when acting alone. But when hundreds of thousands of us act in unison we can accomplish almost the impossible. impossible.

Thus, here is what I suggest that you do:

Thus, here is what I suggest that you do:

1. If you are convinced that what I have said is substantially true, then take the time within the next two weeks to write 3 letters—1 to your Congressman, 1 to your United States Senator, and 1, a copy of the first 2 letters, to me.

2. In the letters to your Congressman and Senator be brief, but petition him as your Representative to take up the question of revaluating the gold ounce, which is another way of asking to get rid of the famine of money. Suggest that he advocate the correction of the financial abuses which more than anything else have brought us to the brink of ruin.

have brought us to the brink of ruin.

3. Add a short paragraph to your letter petitioning your Senator and your Congressman to work for the elimination of the abuses which are associated with present mass productionism.

4. Ask at least one friend to write a similar set of letters.

Your part in this is important. Each of the hundreds of thousands to whom I am sending this letter must consider himself a crusader in the army.

This is the only constitutional and efficient method which we may adopt. It is the only way to oppose the powerful lobbies who are in Washington seeking to retain the old policies of greed which in the past have resulted in the concentration of the wealth in the hands of a few.

I will preserve a copy of the letter which you send to me.

A list of Senators and Congressmen is included. Find out from this list your own Congressman and your own Senator. Whoever he is, his address is the House of Representatives, Washington, D. C.

CHAS. E. COUGHLIN.

A copy of the eight lectures that were included by the correspondent I hold in my hand. Here [indicating] is the list of Senators and Representatives to whom it is suggested letters should be addressed. That explains, Mr. President, in part, the tremendous correspondence that many Senators and Representatives have received. My own mail is a flood of demands for relief from what is called a "famine" in the money market. When the flood of letters first began to inundate my office I could not understand the reason for it, except I realized that in periods of depression there is always more or less agitation for a change of the money standard, and I thought probably that was the explanation; but now I have discovered the source of this very heavy correspondence that can not be answered by individual letters; that is simply impossible, and, therefore, I am adopting this method of answering my correspondents on this subject, especially those who are located in Ohio.

Mr. President, in all financial or economic crises remedies are sought, and the supposed remedy, which involves changing the monetary standard of value, is always one of the first to be recommended by a certain type of mind. I do not think that statement can be disputed, and in a crisis so widespread and so deep as the present one, involving so much suffering and so much uncertainty, I can easily understand why there would be considerable agitation on the part of certain types of mind advocating as a remedy what may be termed a debasement of the currency.

Cheap money has always been regarded as a panacea. It was so in colonial days, when the issue of continental money reached such an amount as to become practically worthless; and to indicate that a thing was of but little value the expression "It is not worth a continental" became current and remains to this day. So in Rhode Island there was such an unlimited issuance of paper money that that State was nicknamed "Rogues' Island" because of its effort to alter contracts by changing standards of value. The same thing occurred during the middle of the last century. It was what produced the greenback craze. When we were confronted by a great Civil War and our money seemed to be exhausted, we had to resort to the issuance of a paper currency. The first effort by the Secretary of the Treasury in that direction was the issuance of \$60,000,000 of greenbacks, but in connection with that issuance there was a redeeming feature in that there was written into the greenback contract the words "redeemable on demand in gold." Consequently, the first issue remained worth 100 cents on the dollar, but with the progress of the war and the greater or less destruction of values we launched further upon the issuance of greenbacks. We could not pay on demand in gold, so we issued \$400,000,000 of greenbacks not redeemable in gold on demand. The result of that, as everybody knows, was a decline in the value of the dollar to 35 cents, and its value remained at 35 cents until, in the administration of President Hayes, with John Sherman as Secretary of the Treasury, it was announced that after four years, ending on January 1, 1879, the Treasury would pay to any holder of greenbacks 100 cents on the dollar in gold.

It was thought by the public that the country had reached a point where that could be done; and the result of that announcement was that the greenback that had been commanding only 35 cents commanded 100 cents, and from that day to this there has been a flotation of greenback dollars in a limited amount. To-day the amount is \$346,000,000, and it changes not from year to year, as the Federal reserve notes change according to the amount of reserves deposited in the Federal reserve banks. The result is that the greenback dollar is worth a hundred cents, no matter whether it is exchanged in America or in any other country.

When we issue an increased volume of money without a backing of gold, the difficulty always arises that we must keep the redemption feature in such money, and the issue must be within the limit of our ability to redeem; otherwise it would depreciate as the original \$400,000,000 of greenbacks depreciated, or precisely as the German mark depreciated. So the history of these crises, such as that of 1893. which was followed by the craze for the free and unlimited coinage of silver-an issue which was raised in 1896-shows that a demand for a change in the money standard is a response to a desire on the part of the people who are suffering that a remedy be applied. So much for that policy, as we view it from the standpoint of history. As was once said, "Our only guide in the future is the lamp of experience."

Now, Mr. President, the proposals for inflation are numer-There is a proposal to inflate the gold dollar by a devaluation of its gold content. There is another proposal to inflate paper money by increasing its issue, whether it be fiat or whether it be based on a further issuance of scrip for service. For example, there was a bill passed by the House of Representatives which provided for the issuance, without any redemption feature, of \$2,200,000,000 in the form of scrip to be paid to the veterans. It was claimed that that would not be any charge on the Treasury because it would not come from the Treasury, but would be based only on the authority of the Government to issue that amount of additional money in the form of irredeemable scrip. It was assumed that if the Government would add to the circulation an amount sufficient to pay the bonus to the soldiers, the Treasury would be relieved from any burden and at the same time the scrip would be money worth 100 cents on the dollar. That is impossible not only in theory but in practice, as demonstrated by both economic philosophy and history.

Then another form of inflation has been proposed. It is said we have a deficit of three and a half billion dollars, representing Government obligations which it must pay in money. It has been suggested that we could safely issue sufficient scrip to cover the three and a half billion dollars and not make it redeemable at the Treasury, and therefore not collectible from the people in the form of taxation. That is another form of inflation that would be very unwise, for the scrip thus issued would be purely flat money. Thus we see the various forms of inflation.

I am frank to say that the bill introduced by the Senator from Arkansas [Mr. Robinson], and also that which is sponsored by the Senator from Delaware [Mr. Hastings] have my sympathy. That proposed legislation does not have the element of inflation, although it is claimed by some that it has certain features of inflation. That measure looks only to the relief of the debtor by either giving him more time or giving him a lower rate of interest or giving him an opportunity of shaving down the principal. In other words, it is an attempt to relieve a situation that is a very unfortunate one. I frankly say that effort has my sympathy, and I shall be willing to give my support to some measure of that kind. That measure, however, does not involve the question we are afraid of here.

What disturbs me is the strength of the demand that is growing in the country for a change in our money system. It is said we do not necessarily want to go off the gold basis, but we must change; and the most seductive suggestion that is made is that we should devalue the gold dollar. For example, we have in the United States \$4,000,000,000 in gold stock, representing 40 per cent of the gold of the world. In our present gold dollar there are 23.22 grains of gold, and if we would reduce the gold content and make it 11.61 grains, or just reduce it by half, the proponents of that plan claim that that would double our circulation and that instead of having \$4,000,000,000 in gold we would have \$8,-000,000,000 in gold; so that instead, then, of it taking 23.22 grains of gold to pay a dollar's worth of debts, 11.61 grains of gold would pay a dollar of indebtedness. The claim is that by a stroke of the legislative pen we could double our monetary gold. It is argued because a debt that was contracted 10 years ago was in a dollar that is cheaper than the dollar of to-day that, in common honesty, we ought to take this step.

In the first place, that is theoretically wrong and practically wrong; and, in the second place, it would not do what the proponents of the proposal indicate a belief that it would do. In other words, purchasing power is not money; it is a thing for which money is paid. Purchasing power results from the payment of money for service rendered; the money is not purchasing power; and if we, by an act of Congress, should decrease the ounces of gold in a gold dollar one-half in order that one could pay his debts by half the number of grains now required, that would not increase the purchasing power of the country one whit. It might in a sense for a time lift the price level, but the higher level would not continue, and ultimately the price level would go below what it had previously been.

Mr. President, that claim is based on the contention that there is not enough gold to support our financial structure and we must increase our supply of gold; that while we can not increase the product, we will increase the number of dollars derived from the same product.

In the first place, there is enough gold, so far as our past practice goes. There is more gold to-day than ever

before. The truth about the matter is that we have more gold in stock now than we had in 1929, at the peak of our business activity. Not only that, but we mined more gold last year than ever before in any one year in the history of the world. We mined \$475,000,000 worth of gold last year, and never before in the history of the world has so much gold as that been mined in a year. In other words, we added to the monetary value of the gold stock in the last year the enormous amount of \$475,000,000, and from 1922 to 1932 we lifted the gold stock from \$5,000,000,000 to \$12,000,000,000; so that there is more monetary gold in the world to-day than there ever has been before.

Not only that, but there has been a change in the use of gold so that less gold is being used as a commodity to-day in manufactured articles sold as gold than is usual. In other words, more gold is being released for monetary purposes than in any previous year in our history.

So it would seem to me that the argument that we do not have sufficient gold is a fallacious one. Of course, if we mean that every transaction is to be conducted in gold, we do not have enough. We do not have one-tenth enough. That, however, is not the way business is done. Ninety per cent of all the transactions in the world are carried on without either gold or currency. They are carried on by credit as represented by deposits in the various banks of the country; and all that we need is the ability to redeem, in cases of emergency, the outstanding money that is based upon gold.

So, Mr. President, this contention that we do not have sufficient gold to do the money work of the world does not hold, either in history or in practical operation. As I have stated, we have more gold to-day than we had in the palmiest days of our greatest business activity.

Then, on the other hand, we have the currency in addition to the gold. That currency, as everybody recognizes, takes four or five forms. The gold that is in the form of bullion can be doing work by its representative out in the markets in the form of gold certificates.

I have here a table, Mr. President, that is most illuminating. This table shows the total of all the paper money in its various forms.

On January 1, 1932, there were outstanding \$1,751,000,000 and a fraction in gold certificates; \$494,241,000 and a fraction in silver certificates; \$1,230,000 in Treasury notes; \$346,000,000 in greenbacks; \$2,863,000 Federal reserve bank notes—that is a very negligible sum; and \$2,926,000,000 in Federal reserve notes.

That was on January 1, 1932. On April 1 the gold certificates had dropped from \$1,751,000,000 to \$1,591,000,000. The silver certificates had dropped \$2,000,000 to \$492,000,000. The silver certificates had dropped \$2,000,000 to \$492,000,000. The Treasury notes of 1890, the old Sherman notes, were so negligible in amount that there was only \$1,225,000 out; but the greenbacks remained exactly the same, \$346,000,000. The Federal reserve notes, which are the flexible notes have dropped to \$2,316,000,000; and the national-bank notes had jumped from \$710,000,000 to \$737,000,000. So that the total paper money on January 1, 1932, was \$6,233,000,000, and on April 1 of the same year it was a little less—\$5,989,000,000.

Then, as we go from April 1 to September, the gold certificates had dropped from \$1,751,000,000 to \$1,469,000,000 and a fraction, while the total paper money remained about the same—\$6,151,000,000.

Now, Mr. President, I want the Members of the Senate especially to see the effects of two bits of legislation here. The first was when, under the Glass-Steagall bill, we expanded the base of the Federal Reserve System to release a certain amount of gold. We stated that we could release \$800,000,000 of gold; but it will be noticed that with this liberalization, both in the Steagall bill and in the Borah amendment to the home loan bank bill—the one to increase the issuance of Federal reserve notes, the other to increase the issuance of national-bank notes—when we passed these measures there was a slight increase, but in a very short time the total dropped back again to the uniform number of dollars.

Now let me illustrate with these two measures. One of t them, the Borah amendment, was passed in August of 1932. The other one, the Steagall bill, was passed in June. The month the Steagall bill was passed, authorizing the release of gold to increase the Federal reserve notes, \$263,000,000 of additional notes were issued. The very next month, July, the amount jumped from \$263,000,000 to \$606,000,000; then the next month, August, it increased to \$623,000,000. In September it dropped from \$623,000,000 to \$578,000,000, nearly \$50,000.000. The next month it dropped to \$503,000,000 from \$578,000,000; that is \$15,000,000. The next month, November, it dropped to \$451,000,000. In December it dropped to \$414,000,000, and in January to \$428,000,000. But on the first of February—that is, this month—that issue dropped to \$306,000,000. The month after the Glass-Steagall bill passed, authorizing the enlargement of the Federal reserve notes by releasing gold through the substitution of United States bonds, there was an increase of \$606,000,000, and a year afterward the increase was only \$306,000,000.

Exactly the same thing is true of the issuance of national-bank notes. I am trying to indicate here that we can not pump currency into circulation if we have not any business to demand the currency, no matter how much legislation we pass here.

Mr. PITTMAN. Mr. President-

The PRESIDENT pro tempore. Does the Senator from Ohio yield to the Senator from Nevada?

Mr. FESS. I yield to my friend.

Mr. PITTMAN. The question necessarily arises, in considering that circle, How are we going to have any business if we do not have any currency in circulation?

Mr. FESS. Let us not put the horse at the wrong end of the cart. We can not have circulation without business; and if we have business, the circulation comes as a result.

Mr. PITTMAN. It seems that we can not have businessthat is, that we can not raise commodity prices-without circulation.

Mr. FESS. Mr. President, there is the difficulty. We can issue any amount of money that Congress decides; but if we do not give the people confidence in that currency, so that business can afford to employ it, the currency goes in the banks and stays there. No man is going to take the risk of investing money in any enterprise unless he knows what is to be the character of that money; and when we are tampering with this subject we are defeating the very purpose we have in mind, namely, to instill confidence in the man who invests. No man alive is going to take any risk to-day in the way of enlarging business until he knows what is going to be the policy on the question of inflating the currency.

Mr. VANDENBERG. Mr. President-

The PRESIDENT pro tempore. Does the Senator from Ohio yield to the Senator from Michigan?

Mr. FESS. I yield.

Mr. VANDENBERG. In other words, so far as business is concerned, the controlling factor is less the volume of currency than it is the velocity of its turnover?

Mr. FESS. Absolutely. No matter how much the volume is, if there is not some assurance that business is going to have a return in some profit, business at this day is not going to venture, and money will not be used, no matter how much there is in the vaults.

Take the illustration of the Borah amendment. That is another amendment designed to increase the volume of currency. Our present national banking system depends upon United States bonds upon which currency is issued. The Borah amendment suggested that we enlarge that. The present system rests upon the 2 per cent bonds. This amendment went beyond that, and included the three and a fraction per cent bonds, in order that it might be an invitation for the issuance of more notes. Now, let us see what happened.

The month after that amendment was passed, on August 1, there was \$4,535,000 of additional national-bank notes, especially from the Borah amendment. The next month it jumped to \$68,000,000, meaning an advance of \$64,000,000. go uncompromisingly along with that suggestion without fur-

The next month it went to \$111,000,000, or \$50,000,000 more. The next month it went to \$131,000,000, or \$20,000,000 more. The next month it went to \$152,000,000, or a little over \$20,000,000 more. The next month it was \$159,000,000. The next month it was \$162,000,000. The last month that I have is February, this month, when it was \$162,612,000. But while there was an increase in that column, watch the column of the old national-bank circulation and see how that decreased.

Mr. THOMAS of Oklahoma. Mr. President, the Senator is speaking about something increasing. Will he tell the Senate what was presumed to be increasing during this period of time?

Mr. FESS. I referred to an increase in the issuance of national-bank notes.

Mr. THOMAS of Oklahoma. The Senator is not clear. Does he mean bank notes or dollars?

Mr. FESS. No; bank notes.

Mr. THOMAS of Oklahoma. What do the bank notes represent?

Mr. FESS. The amount of money the bank notes would represent. If there is one bank note for \$5, that would be a \$5 note. I mean exactly what the Senator means, that when there are national-bank notes we do not say they are all \$1 bills or all \$2 bills or all \$20 bills. We speak of the bills as money, without designating their denomination.

Mr. THOMAS of Oklahoma. Is it not true that the Senator is trying to say that circulation was increased by so many dollars through these banks increasing their circulation?

Mr. FESS. No. I am showing that under the Borah amendment there was an increase of issuance, and now I am going to show that there was a decrease of the old nationalbank notes as the new were increased, if the Senator will just wait. I am about to give the figures.

Let it be remembered, Mr. President, that the nationalbank note which is originally based upon bonds, to which the Borah amendment would add, is resting upon a 2 per cent bond, while the Borah amendment rests upon a three and a fraction per cent bond, and as these bonds were taken up and notes issued, the old bonds would be decreased and the notes would be reduced. That is what I want to show.

During the month when the Borah amendment was agreed to there were \$668,000,000, and the Borah amendment added \$4,000,000. The next month the old bank notes amounted to \$665,000,000, or \$3,000,000 less. The second month after that the amount was \$664,000,000, \$1,000,000 less. next it was \$659,000,000, a drop from \$664,000,000, or \$5,000,000 less. Two months later it was \$637,000,000, dropping from \$659,000,000 to \$637,000,000. The next it was \$632,000,000, and that was in the present month, February. So that while the reduction in the old bank notes is not quite as great as the increase in the new bank notes, the figures indicate that by a new régime, under which new notes are being issued, the old notes are accordingly decreasing as the new ones are increased.

Mr. President, what does that mean? It means that with a certain scale of business a certain amount of money is needed, and it is impossible to pump into circulation more money than the scale of business then existing will demand. If more money is pumped in, there will be an increase in one place and a decrease at another place.

So much for the effort to increase the currency by decree of the Government. It does not matter whether it is gold certificates that are being increased. Of course, the gold certificate is equivalent to gold, because it is redeemable in gold at any time. It does not matter whether it is the silver certificate. That makes no difference either, because the silver certificate can be redeemed at any time.

I digress here long enough to say that the only suggestion I have read in regard to this question of money which appeals to me as being based upon a sound principle is the suggestion made by the senior Senator from Nevada [Mr. PITTMAN], when recently he tendered the proposal of the use of a certain amount of silver at a price. I am not ready to ther consideration, but as far as I have looked into it, it | seems to me that it has two or three qualities which ought to enlist our interest. It is not based on an increase in circulation. That premise is false, because it matters not how much the circulation is increased by decree, there must be business enough to make the money work, or the currency will go into idleness. But the proposal of the Senator is the use of a medium of exchange well understood by certain countries which do not have the gold standard, and it would appear to me that in that degree the proposal demands our very careful attention. It appeals to me to be sound, in that it would facilitate business with those coun-

There is another thing to which I might call attention. There is no doubt but that any effort toward the use of silver will appreciate the value of silver up to a certain point. Of course, this suggestion of the Senator from Nevada is not linked with the foolish fallacy of the unlimited coinage of silver, throwing silver and gold into competition, circulating one with the other as rivals. Under that system the cheap dollar would immediately drive out of circulation the dearer dollar and we would be on the cheap-metal basis at once. The Senator avoids that, and while I say to him that I am not certain whether his proposal entails anything that is dangerous. I have not seen anything in the suggestion that appealed to me as dangerous. The proposal he has made appeals to me as worth while, and I want to give it more consideration than I have been able to give it up to this

Mr. PITTMAN. Mr. President, will the Senator yield? Mr. FESS. I yield.

Mr. PITTMAN. I am very much pleased that the Senator is looking on the legislation I have proposed with so much interest. I wish to confirm his statement by saying that recently I testified before the Committee on Coinage, Weights, and Measures of the House of Representatives, at which time I emphatically stated that this measure for the purchase of United States produced silver could not in any sense be considered as an expansion measure, because the total amount of silver produced in the United States last year was only 24,000,000 ounces. At the present price of silver, 25 cents an ounce, six or seven million dollars would purchase it all. I stated that the object of the bill was solely to offset the unnatural supply of silver being thrown on the world market by reason of the melting up of silver coins of India under the Indian policy. It would be only an offset, and it would restore the normal demand of the world, which, I believe, would bring the price of silver back to where it was before this abnormal condition was brought about.

Then, too, it would restore the depreciated currencies of China, and they are depreciated. The silver currencies, the same as the gold-standard currencies of the rest of the world, have been depreciated. It would restore those depreciated currencies to where they were before the dumping took place. That should, in the nature of things, enable the people of those countries to purchase more from us as a result of the doubling of the purchasing power in gold-standard countries, such as ours, and should, in my opinion, restore our exports to China to normal. They have now fallen off 75 per cent.

Mr. FESS. I thank the Senator. The observations the Senator made a few days ago I thought were pretty strong in urging two lines which I think we would be justified in undertaking. The Senator has reinforced my view that he is not advocating an effort to expand the currency by the use of silver.

Another thing the Senator mentioned the other day which I think is still an additional reason—that is, the value of permitting certain countries to pay a proportion of the debts they owe us in silver at a certain rate. That is of value also, and I think it deserves consideration.

Mr. PITTMAN. Mr. President, may I ask the Senator a question.

Mr. FESS. Certainly.

Mr. PITTMAN. This is the first time the bill I introduced has been mentioned on the floor of the Senate since I made the statement with regard to it, and I want to say that I do not expect any action on the bill at this session of the Congress, naturally, but I would like to have the opinion of the Senator from Ohio on this question: If India, which desires to get rid of three or four hundred million ounces of silver to balance her currency, as they state, should be willing to pay Great Britain in silver, at the world market price of silver, the \$85,000,000 they owe her, and Great Britain should be willing to pay to the United States \$74,000,000 on the interest installment due on June 15 out of that payment made by India, at the same market price, and that silver, under the terms of the bill which I have introduced, should be impounded in the Treasury of the United States and \$74,000,000 of silver certificates issued against it, that being the exact amount of the payment due, retaining the rest of the silver there, which would be four times the amount of the silver certificates issued, would that, in the Senator's opinion, be any extensive expansion of currency in this country?

Mr. FESS. I think not. The paper currency here, including the gold and silver certificates, amounts to about six and a half billion dollars. Then we have a small amount of gold stock. I doubt whether that small amount would have very much, if any, effect.

The three things in the Senator's proposal which appealed to me were, first, that it would facilitate our trade with the countries on a silver standard; and it seems to me that is not controverted. The second was that it certainly would enhance the price of one of the valuable products of the United States. Then it might make it easier for debtor countries to pay debts they are trying to get rid of without any particular sacrifice on our part. Those are the three things which appealed to me in the address of the Senator, and I read his remarks afterwards in the RECORD, and I promise him to go along in a further study of his proposal. My thought was that I am not led into the fallacy that our evil is a lack of money, and that we ought therefore greatly to expand the currency. That is a feature I contest, because it certainly is fallacious.

Mr. DILL. Mr. President, will the Senator yield?

Mr. FESS. I yield. Mr. DILL. Does not the Senator think that we might well use the proposal of the Senator from Nevada that we accept silver for some of these payments which we are entitled to have in gold as a bargaining point to induce countries like England and France to stop the dumping of silver at a price below a fixed minimum agreed upon in the world conference?

Mr. FESS. That is a consideration I had not thought of. As I think of it now, it seems to me to have some merit.

Mr. DILL. It seems to me the important thing is to stop the rise and fall of silver, and that would be a weapon

Mr. FESS. Mr. President, I was addressing myself to the volume of money. I referred to the gold stock known as monetary gold in the country used for money. I also referred to the five kinds of paper money that we have. One kind of paper money that is elastic is the Federal reserve note, and I would like to have the attention of the Senate to that for a moment.

The greenback has not increased in number. It was \$346 .-000,000 originally decided upon by the specie resumption payment law and it is that to-day. The national bank note does not increase very much. It is capable of increasing if business would demand it, but it is more or less stationary. The silver certificate is more or less stationary. The gold certificate can vary, of course, because, if people prefer to have paper money instead of gold coin, it can be done if we desire to do it. The only difficulty is that when we talk about gold stock and gold certificates, if we are not sharp in our discrimination we will be duplicating because, when the gold is in the Treasury and its representative is out in the form of a certificate, we ought not to count both of them as a part of the circulating medium. If we need any more,

if there is any desire to have a greater amount of circulating medium beyond the \$45 per capita that we now have, the best way to do it will be through the Federal reserve note issue.

The purpose of the Federal reserve act was to find what up to that time we had never yet discovered, namely, a currency that was elastic. I have heard Senators on both sides of the Chamber, well equipped on this subject, very often discuss the elasticity of the Federal reserve system. I think it is the best system that any country has yet undertaken to use. Prior to 1913, when a farmer was gathering his crop in the fall of the year, when he needed a little ready money to transport his product he could not get it. Money was not fluid. It would not flow from one section to another. When he needed it, it might be in some other locality.

The Federal reserve system, after months and even years of consideration, including the famous monetary commission that went to Europe and made its report in 1908, was the answer to the need for an elastic currency. While it is based upon gold there is a limit to the amount of gold necessary, only 40 per cent. It is based also upon gilt-edged commercial paper acceptable to the Federal reserve bank that will issue, under the authority of the Federal Reserve Board in accordance with the act, the amount of money that is needed. If a member bank is in need of additional currency, all it needs to do is to take its gilt-edged commercial security and deposit it with the Federal reserve bank and take away, in the form of borrowings, whatever is needed that is secured by the gold and the gilt-edged commercial paper.

Mr. LONG. Mr. President-

The PRESIDENT pro tempore. Does the Senator from Ohio yield to the Senator from Louisiana?

Mr. FESS. I yield for a question.

Mr. LONG. I understand it is admitted that we have about \$200,000,000,000 of debts contracted and about 60 per cent value in the dollar. Those debts to-day will amount to over \$500,000,000,000. How does the Senator think we will ever be able to pay out unless we reflate or decrease the value of the dollar?

Mr. FESS. To answer the question specifically I want, first, to discuss the question of whether that would be the proper thing to do, and, secondly, whether it would be needful to do it even if we thought it proper.

Mr. LONG. But the point we are up against absolutely is the fact that we have in the standard value of the dollar \$500,000,000,000 worth of debts, which is about twice as much as the estimated wealth of the United States in good times. How are we ever going to pay out?

Mr. FESS. I am coming to that very shortly. I do not want to go into that question immediately, but I shall come to it very soon. In other words, I am discussing now the possibility of increasing the circulating medium through the Federal reserve note. We can increase to any amount demanded by business. If we increase it beyond that amount it will immediately flow back, because we can not, as I have stated, force money into circulation, no matter in what form it is, unless there is business to employ it.

This is what I have in mind. On January 20, 1932, Federal reserve borrowings, which represent notes, were \$819,000,000. The reserves which represented the security for which notes may be issued were \$1,972,000,000. The deposits in the banks at that date were \$27,200,000,000 and the loans and investments of the banks represented \$30,000,000,000. That was a year ago.

On July 21, 1932, just six months later, the borrowings, which represent the issuance of Federal reserve notes, fell from \$819,000,000 to \$538,000,000, and yet the reserve jumped from \$1,972,000,000 to \$2,036,000,000, the deposits decreased from \$27,000,000,000 to \$25,000,000,000, and the reduction in loans and investments was about the same.

On January 18, 1933, just last month, the borrowings of the member banks from the Federal reserve banks, which represent the additional increase in the Federal reserve notes, were only \$249,000,000, while a year ago they were \$319,000,000. This is less than one-third. What does that

mean? It does not make any difference whether we broaden, by the Glass-Steagall bill, the base of the Federal reserve system so we can release the gold and issue more notes. It does not make any difference how much legislation we enact we are not going to issue the additional currency unless there is borrowing, and there will be no borrowing when there is no business, no matter how much we issue. Of course, the Glass-Stegall bill was not to issue notes, but to release gold by accepting United States bonds. Volume of money, therefore, is not the thing that is the determining factor. The issue is the lack of employment of the money that we have. Our concern should not be to try to increase the money at the cost of its value, but to try to stimulate business in order that it may employ the money that we now possess, and have it increased as business increases.

While the borrowings last month were only \$249,000,000, yet the reserve was \$2,545,000,000. There is enough reserve so that we could increase the issuance of currency almost ten times what it is. Why is it not increased? We ask what is the use to issue more money if there is no one to use it, because there is no business going on? We may issue to our heart's content, but how are we going to get that money to business? Are we going to give it to them? We have to have the prospect of profitable business before the business man will risk the borrowing of money.

Mr. BROOKHART. Mr. President, will the Senator yield? The PRESIDENT pro tempore. Does the Senator from Ohio yield to the Senator from Iowa?

Mr. FESS. I yield.

Mr. BROOKHART. I would like to ask the Senator, if that money were issued to balance the Budget, whether it would not be put out in circulation?

Mr. FESS. It would.

Mr. BROOKHART. If it were issued to relieve agriculture, to remove the exportable surplus from the domestic market, would not that put it in circulation among the farmers?

Mr. FESS. That Mr. President, is an inflationist suggestion. In other words, it is suggested that instead of collecting money from tax sources that represents service, to pay the deficit, the thing to do is to issue money and pay the cost of Government without collecting any taxes. That would be a rosy thing to do, would it not? That is exactly what the Senator suggests.

Mr. BROOKHART. I will ask the Senator again, if that money were put in circulation, whether he concedes it would restore business?

Mr. FESS. No; I do not.

Mr. BROOKHART. Then could we not collect taxes and redeem the currency?

Mr. FESS. I do not concede that it would restore business. That is the very thing that would smite business, and send us to the rocks.

Mr. BROOKHART. The Senator concedes that if gold were put in circulation it would restore business.

Mr. FESS. No; the only thing that will put money in circulation is business that can employ service and produce commodities. The Senator holds that putting money in circulation provides business, when as a matter of fact business puts money in circulation. He has the horse at the wrong end of the cart.

Mr. BROOKHART. The Senator has the horse in the cart, I think.

Mr. FESS. Mr. President, I do not yield further. I suggested the other day to my friend the Senator from Iowa that I wanted to talk about an hour and a half or two hours on this subject and the Senator from Iowa promised me that he would take four hours to answer me. He can have his time. I shall not let him do it in my time.

Mr. COPELAND. Mr. President-

The PRESIDENT pro tempore. Does the Senator from Ohio yield to the Senator from New York?

Mr. FESS. I yield.

Mr. COPELAND. I am very much in sympathy with what the Senator is saying. I can not see for the life of me how anybody can believe that money put out, just poured out

or printed by printing presses and put out, is going to help anything or anybody. As the Senator suggested, it must be a productive business, it must be a going concern.

Mr. FESS. Absolutely. The Senator is correct.

Mr. COPELAND. I think the Senator is right in that statement. I wonder if the Senator agrees with me in this further respect. To my mind the bankers have become so hysterical that they are in many instances refusing loans which in normal times would be loans they would gladly make. In consequence business has dried up. The merchant can not fill his shelves; neither can the manufacturer operate his plant, because he can not get any money from the bank.

I realize that the banker must be conservative. He has a fiduciary relationship which he can not forget. Nevertheless if a doctor had practiced medicine and made such a failure of his business and his patients all died, he would be arrested for malpractice and sent to jail for at least a hundred years. The bankers of the country have made greater mistakes, in my opinion, than any doctor ever did. The Senator from Ohio is entirely right.

Mr. FESS. What the Senator from New York said just now has been in my mind very much and I have often spoken about it; that is, in a sense the greatest hoarders we have are the bankers. The Senator from New York, however, must concede that the banker who handles another man's money which is deposited in trust in his bank must have pretty good assurance that when he loans money it will not be lost but can be repaid to him. That is the other side to the question. I am looking at both sides. We can not have business without credit. We will not back commercial credit without confidence. We seem to be on a dead center. If we could only get connection again between credit and confidence we could again move the car off of dead center and start business; there would be no trouble. There is an adequate amount of money in the country that will flow into business just as soon as there is security that business will not suffer from losses, but will have profit. How are we going to do that thing is the problem, in my mind, and in the minds of every responsible legislator.

Mr. THOMAS of Oklahoma. Mr. President, will the Senator from Ohio yield for just one question?

The PRESIDENT pro tempore. Does the Senator from Ohio yield to the Senator from Oklahoma?

Mr. FESS. I yield.

Mr. THOMAS of Oklahoma. Does the Senator from Ohio in any particular criticize the banks for their present inactivity in making loans?

Mr. FESS. I think they are ultraconservative. I think they are subject properly to some criticism, but I can see their side of it.

Mr. THOMAS of Oklahoma. The Senator realizes that the bankers are not lending their own money. They are the guardians and trustees of the funds in their banks. To make my question specific, suppose that the Senator had \$1,000,000 in money in a bank that was drawing no interest, what would the Senator now loan any part of that money on in the way of security?

Mr. FESS. Does the Senator mean if I were a banker?

Mr. THOMAS of Oklahoma. No; if the Senator had money of his own that was drawing no interest, what is there in the country that is sufficiently secure and productive and profitable that the Senator would feel free to loan his own money upon it?

Mr. FESS. I frankly confess to the Senator that the question of what one is to do with any money that he may have, I am not disturbed about, because I do not have any; but if I did have, if it were invested in real estate the taxes are so high that they would eat it up, and if it were invested in a business the business might go "flooey" and the money would be lost. So it is a difficult problem to say how the money should be invested in abnormal times like these.

Mr. THOMAS of Oklahoma. Then does not the Senator think that we are unjust when we criticize the bankers for not making loans under present conditions?

Mr. FESS. I want frankly to state that the banker has something on his side for the contention he makes, because he is loaning the money of somebody else.

Mr. COPELAND. Mr. President, will the Senator yield for just a moment?

Mr. FESS. I yield.

Mr. COPELAND. I want to say, for my part, that while I have sympathy for the banker, yet, after all, as I view it, the banks are now no better than pawnshops. If a man is fortunate enough to have a thousand dollars in bills and takes them to a bank, he can go to the bank a couple of weeks later and get the same bills. The banks have ceased to function as banks. While under present circumstances there ought to be great conservatism on the part of the bankers, yet it seems to me they have practically dried up credit; consequently there is no money in circulation, as the Senator from Ohio so well says, and there can not be a resumption of business in America, in my opinion, until the banks function as banks and not as pawnshops. That is the way I feel about it.

Mr. FESS. There is something to what the Senator from New York says.

Mr. President, I was referring to the question of elastic currency and showing that if we need additional currency there is no reason in the world why we can not get it under our present system. For example, in January, 1933—that was last month—the total reserves were \$3,418,000,000; that amount representing Federal reserve issues. The Federal reserve notes amounted to \$2,687,000,000, and 40 per cent of those Federal reserve notes, of course, would have to be covered by gold. That would require only \$1,074,000,000. Thirty-five per cent of \$2.644,000,000 would be \$925,400,000. These two items amount to \$1,999,400,000, or an excess of reserve over and above the Federal reserve issues of \$1,417,-000,000, indicating that we have not even touched the edge of our ability to increase the Federal reserve notes if it were thought wise to increase their issue. That they are not increased is not because we can not increase them nor is it because some one thinks we ought not to increase them in order that we may contract the currency. Whenever a member bank borrows from a Federal reserve bank and deposits securities to secure that borrowing, it takes the money and employs it for the purpose it intended when the investment comes to maturity and the money is repaid to the member bank. The member bank will then take up the commercial paper that was deposited as security with the Federal reserve bank. Of course, the borrowing is then paid and that much currency goes out of circulation, for it has been redeemed. That is not contracting the currency; that is the process of elasticity, according to which when an obligation requires the issuance of additional money and that obligation is paid, then the basis of that issuance is no longer in existence.

It is argued on the floor of the Senate that to-day the Federal reserve banks may issue \$500,000,000 additional notes and then in a little time may contract that issue to the amount of \$500,000,000. Of course they do; they contract the issuance of notes when the borrowed money is repaid; the borrowing represents the obligation, and when it is paid those notes are retired. It is not a policy of contracting; it is a policy of business.

If we issue \$1,751,456,019 gold certificates and then those gold certificates are redeemed by the same amount of gold, of course the gold certificates are retired, but that does not mean that we have contracted the currency; it means that the currency is there, only in a different form. So it is in the reserve issue. The difficulty is the inflationist can see no justification in not keeping both the certificate and gold in circulation.

So the idea that the Federal Reserve Board has pursued a policy that is dangerous to business and the charge that when they are ordered by us to enlarge the circulation they turn about and contract it are wholly without foundation. The currency is enlarged by an increase of business, and when the obligation is paid, of course, the security upon

which the currency was issued is redeemed, and then the amount issued has to be retired, just as gold certificates are retired when gold is issued for them. So the idea that has been expressed here so often on the floor of the Senate in regard to this form of contraction of the currency seems to me to be very erroneous.

There is another consideration that I do not think I will take the time to discuss, in reference to the amount of monetary gold stock in contrast with bank deposits and also the ratio of the gold to deposits. I am inserting the figures in the Record.

Gold stock in United States 40 per cent, compared with bank deposits

End of month	Monetary gold stock	Bank de- posits	Ratio of gold to deposits
June, 1913. June, 1914. June, 1915. June, 1916. June, 1917. June, 1918. June, 1919. June, 1920. June, 1920. June, 1921. June, 1928. June, 1929. June, 1930. June, 1931. June, 1931. June, 1932. June, 1932. June, 1933.	1.9	17. 5	10.7
	1.9	18. 6	10.2
	2.0	19. 1	10.4
	3.4	22. 8	10.7
	3.2	26. 4	12.2
	3.1	28. 8	11.6
	2.9	33. 6	9.3
	3.3	37. 7	7.6
	4.1	35. 7	9.2
	4.3	53. 4	7.7
	4.3	55. 0	8.6
	5.0	51. 8	9.3
	3.9	42. 4	10.6

Mr. FLETCHER. Mr. President, will the Senator yield? The PRESIDING OFFICER (Mr. Johnson in the chair). Does the Senator from Ohio yield to the Senator from Florida?

Mr. FESS. I yield.

Mr. FLETCHER. I have been following the Senator's argument, and it is quite logical in many respects; but I believe it comes to the point where it seems necessary that we shall increase business. How shall we increase business? How can we increase business? That seems to be the key of the situation. I should like to have the Senator's suggestions as to how we may increase business.

The Senator will recognize, I think, that world trade is badly hampered by the lack of a world metallic medium of value. Generally speaking, it seems to be recognized, since 30 nations have gone off the gold standard, including England, that there is not sufficient gold to stabilize the currency of the world, and that is reflected in conditions here. Look at our exports and our imports falling off almost to one-third or perhaps one-half of what they used to be.

Mr. FESS. The Senator from Louisiana propounded a question to me in reference to the debts, and I told him that I would reach that subject in time, and the question the Senator from Florida has propounded I will also reach in the course of what I have to say. I desire to proceed, if possible, in an orderly way.

My first contention was that there was sufficient gold, and I discussed that phase of the subject. Next I referred to the currency in the form of paper. I have just concluded that. I will be able to go on with the questions referred to later.

As I stated earlier in my remarks, we have more currency now than we had in 1929, the peak of business activity.

December, 1931, it was \$5,646,577,888. December, 1932, it was \$5,676,183,224. January, 1933, it was \$5,602,000,000.

What I was trying to indicate was that the difficulty is not a lack of volume, either of gold or of currency, or both together, but is a lack of the working of that volume. That working is not especially represented by gold or currency; it is represented by credit. Ninety per cent of everything that is done in the way of business is done by credit. Of course, we could not require every transaction to be carried on in gold, for there is not sufficient gold for that purpose. Ninety per cent of all of the business of the world to-day is transacted without the sight of either gold or currency, and credit almost wholly spells business. Without any business, there

is no demand for credit, and without credit there will be little business.

Mr. President, I have some figures here which I desire to bring to the attention of the Senate. The estimated volume of business in financial transactions in a certain month of 1929, when we were certainly at the peak of business, was \$1,170,000,000. The reserves of the member banks during that month were \$2,400,000,000, and the amount of currency in circulation was \$4,800,000,000; the amount of the gold stock was \$4,400,000,000, and the amount of credit represented by bank deposits—note this, Mr. President—was \$58,800,000,000.

It is not the reserves of the member banks of \$2,400,-000,000; it is not the gold stock of \$4,400,000,000 or the amount of currency of \$4,800,000,000 that spells business activity; it is the credit which represents \$58,000,000,000 of deposits, and through that credit in that month \$1,170,-000,000 of business was transacted.

Now let me take the figures for another month in 1931. The reserves remained the same, \$2,400,000,000; the currency remained the same, \$4,800,000,000; the gold stock increased from \$4,400,000,000 to \$4,900,000,000—\$500,000,000 additional—but what about business? During the month referred to in 1929 the total business transacted was \$1,170,000,000, whereas in the month referred to in 1931 business transactions amounted to but \$720,000,000. Business dropped off nearly two-thirds. What about credit? Credit fell off from \$58,000,000,000 to \$55,000,000,000, so that the falling off of credits measured the falling off of business.

Mr. WALSH of Massachusetts. Mr. President, will the Senator yield?

Mr. FESS. I yield.

Mr. WALSH of Massachusetts. What the Senator is so ably attempting to demonstrate is, as I understand, that the important problem before the country to-day in connection with this discussion is not so much the quantity of currency as it is the velocity of the currency?

Mr. FESS. Precisely.

Mr. WALSH of Massachusetts. And that what we need most of all is to speed up what has been described as the velocity of currency rather than expanding the quantity of the currency?

Mr. FESS. Precisely. The Senator from Michigan [Mr. Vandenberg] made a similar statement a moment ago.

Mr. WHEELER. Mr. President, will the Senator yield? The PRESIDING OFFICER. Does the Senator from Ohio yield to the Senator from Montana?

Mr. FESS. I yield.

Mr. WHEELER. Will the Senator tell me how we are going to speed up velocity without expanding the currency? The thing that the present administration has been trying to do is to expand the credit, but money can not be loaned.

Mr. FESS. I will come to that.

Mr. WHEELER. I should be very happy to have the answer of the Senator.

Mr. FESS. Mr. President, I am not going to let any Senator interrupt me by introducing a phase of this discussion before I am ready for it. I am coming to the point the Senator is suggesting. It is the same question the Senator from Florida asked a while ago.

Mr. WHEELER. I was not in the Chamber when the Senator from Florida interrogated the Senator from Ohio. Mr. THOMAS of Oklahoma. Mr. President, I believe the Senator wants to be accurate in his statements, does he not?

Mr. FESS. Certainly I do.

Mr. THOMAS of Oklahoma. The Senator just said that at one time we had \$58,000,000,000 of deposit money or credit, and that that had been curtailed to \$55,000,000,000. Does the Senator mean to have those figures stay in the Record? Let me suggest to the Senator that at one time we had a little less than \$60,000,000,000 of credit or deposit money, and now we have slightly more than \$41,000,000,000; so the Senator is off in his figures only about \$15,000,000,000 of credit. The condition is \$15,000,000,000,000 worse than he mentioned to the Senate.

Mr. FESS. Mr. President, I rely for my figures upon authorities, not upon a statement made here on the floor of the Senate. I am reading from authorities. The figures I gave were for months, respectively, in 1929 and 1931.

In June, 1932, the bank credits had dropped from \$55,000,-000,000—the figure in June, 1931, which I mentioned a while ago-to \$46,000,000,000, a fall of \$9,000,000,000, while the member-bank reserves had dropped from \$2,400,000.000 to \$2,100,000,000. The currency had increased from \$4,800,-000,000 to \$5,500,000,000. The gold had fallen from \$4,900,-000,000 to \$4,000,000,000. But notice: The business that was done in that month was \$450,000,000 only, with bank credits dropping from \$55,000,000,000 to \$46,000,000,000; and last month, in January, 1933, the figures were virtually the same, except that the member-bank reserves had jumped from \$2,100,000,000 to \$2,500,000,000, and the currency had increased \$200,000,000, and the gold stock had gone back to \$4,500,000,000.

What I am trying to illustrate here is exactly what my friend from Michigan [Mr. VANDENBERG] suggested, later on repeated by my friend from Massachusetts [Mr. Walsh]that the important thing is not the volume of money but the volume of business; and business represents the velocity of the circulation of money. If we do not have the business we are not going to have the employment of money, no matter how much we issue, whether it be gold, silver, greenbacks, or whatever it may be.

Mr. WHEELER. Mr. President, will the Senator yield right there?

The PRESIDING OFFICER. Does the Senator from Ohio yield to the Senator from Montana?

Mr. FESS. I yield.

Mr. WHEELER. I agree with the Senator that the important thing is velocity, but the way to get velocity is to increase purchasing power. I ask the Senator if he knows of any other method by which the velocity of money can be increased except increasing the purchasing power of the people of the United States and of the world.

Mr. FESS. What is purchasing power?

Mr. WHEELER. Purchasing power is putting money in the hands of the people, particularly in the hands of those who produce raw materials.

Mr. FESS. Is money purchasing power?

Mr. WHEELER. Not at all. I am talking about increasing the purchasing power of the producers of wealth.

Mr. FESS. And that must be done by increasing busi-

Mr. WHEELER. No; I disagree with the Senator. It can not be done by increasing business. It has to be done by increasing the purchasing power, first, of those who produce the wealth of the country; and all the wealth of this Nation and every other nation comes from the soil, the water, and the air.

Mr. FESS. Mr. President, the Senator from Montana introduced and tried to put through the Senate a bill for the coinage of silver at a ratio fixed by law, and assumed that that could be done without any loss of purchasing power. Price may be arbitrarily fixed by Government decree, but value must depend upon law, just as inevitable as the law of gravitation. When a person can not see the difference between price and value, I do not want to take any time to discuss the matter. The Senator and I are poles apart when he says that increasing business is not increasing purchasing power. That is the only thing that is purchasing power.

Mr. WHEELER. Mr. President, will the Senator yield for one more question?

Mr. FESS. No; I regret I can not yield further.

The PRESIDING OFFICER. The Senator declines to

Mr. FESS. Mr. President, purchasing power is not money; but it is the thing for which money is paid. The thing for which money is paid is either a commodity or a service. It can not be anything else. If it is buying in the market something that is bought and sold to be delivered, that is a commodity; and as we increase the sales of commodities we increase purchasing power in the producer as well as the

consumer. The other item of purchasing power is service. Eighty-five per cent of all the adult people of the United States sell service. Only 15 per cent of the adult population of this country sell commodities. When we deal in service we are dealing with something for which money is paid, just as the Senators here are rendering service to the public and they are paid a salary for it; just as the men who are working over here on these buildings are delivering their service and producing wealth. They are paid money for that, and it is the thing they do that is the purchasing power. It measures the purchasing power. It is business, and if we do not have business we do not have purchasing

I am not going to take any more time on that subject. Now I am ready to go to the subject about which my friends from Florida and Montana have been asking. I really think. however, that I ought to take a little time on the question raised by the Senator from Louisiana [Mr. Long]—that is, the question of debt. It appeals to all of us. The debt situation is simply terrible, especially with the farmer; and his side of the issue must be considered.

Why do we say that we are going to devalue the dollar in order to pay the debt in an honest dollar? Because it is said that a debt that was incurred 10 years ago was incurred in a dollar that would purchase only half what the dollar will purchase to-day. Since the debt incurred 10 years ago is on that basis, it is contended that we ought to reduce the dollar one-half.

That is one claim. Here is the difficulty in that: If that could be limited to the farmer it would be justified, because the farmer's product to-day does not command more than one-half, if that much, of what it commanded in 1913; but labor commands twice what it commanded in 1913, and there is a ratio of 4 to 1. The price of the dollar in 1913 was a unit, we will say, of 100 cents. In 1920 it was only 46 cents. In 1929 it was only 59 cents as compared to what it was in 1913. In 1933 it is only 70 cents. We talk about the average purchasing power of the dollar to-day being so high, but it is only 70 per cent of what it was in 1913, according to the figures given by the Bureau of Labor Statistics. That is not true when applied to the farm.

Mr. LONG. Mr. President, will the Senator yield for a question?

The PRESIDING OFFICER. Does the Senator from Ohio yield to the Senator from Louisiana?

Mr. FESS. I yield.

Mr. LONG. The Senator might just as well be arguing about the purchasing power of 1813 as 1913. The facts are, dealing with a course of 8, 10, or 12 years, that the dollar has slipped from 60 cents up to \$1, and then to \$1.60.

Mr. FESS. That is, measured only in farm products. Mr. LONG. In everything.

Mr. FESS. No.

Mr. LONG. So far as values are concerned, commodities to-day bear about the same ratio to one another as they did at almost any other time.

Mr. FESS. No; the Senator is not right there. In manufactured articles the disparity is not anything like what it is in farm products.

Mr. LONG. That is true.
Mr. FESS. The farm product has not been reduced in amount of production but is almost double the needs of consumption, while the manufactured product has been reduced in amount of production, so that the merchant's shelves to-day are not crowded with manufactured articles. Therefore we have a price on the farm that is too low, and we must increase it in some way, or at least find some relief in his debt situation. The point I want to make is that we can not make a law devaluing the dollar in the payment of the farmer's debt without its going to the payment of other debts that are on a wholly different basis from the debt of the farmer. That is the thing to which I desire to call attention. If we could limit it to the farmer's situation it would be an easy problem; and that is the reason why I claim that we are under obligation here to do something in the way of relieving the indebtedness of the farmer if it possibly can be done, and I am ready to go along with any legitimate course open under the Constitution.

Mr. WHEELER. Mr. President, will the Senator yield?
The VICE PRESIDENT. Does the Senator from Ohio yield to the Senator from Montana?

Mr. FESS. I yield.

Mr. WHEELER. Assuming that we relieved the farmer of his indebtedness to-morrow, how long would he stay out of debt at the present commodity prices? As a matter of fact, would he not go farther in debt next year than he did this year if we relieved him of his indebtedness to-day, because he can not get cost of production?

Mr. FESS. Mr. President, nobody is going to dispute the bad situation of the farmer; but we do dispute the method of relieving the situation that the Senator suggested the

other day.

Mr. WHEELER. The Senator means bimetallism?

Mr. FESS. Yes.

Mr. WHEELER. Let me ask the Senator another question. I do not think the Senator and I are so far apart, except in this respect: He says, as I understand him, that in order to speed up the velocity we must speed up our manufacturers, or turn out more manufactured goods. The Senator, however, will agree with me I am sure—because I know his views, and I have great respect for them—that all wealth must come from the soil, or from the air, or from the water of the earth. It does not come from manufacturing. I am not speaking of wealth as money. I am speaking of it as natural wealth.

Mr. FESS. The Senator is talking about the raw material. Mr. WHEELER. The raw material. That is the natural wealth of the world, as contradistinguished from money.

Mr. FESS. Yes.

Mr. WHEELER. My contention is, may I say to the Senator, that in order to correct this situation we must bring up the commodity price level of the raw materials that are produced, such as cotton and wheat, and before we can start the wheels of industry going we must put purchasing power in the hands of the farmer and the miner.

Mr. FESS. Mr. President, I want to pay attention to that after I get through with the mortgage question. I will come

to that.

I have in my hand a statement of the debt structure.

In 1922 the principal of the farmers' mortgages was \$9,100,000,000. The annual interest was \$568,000,000.

In 1929 the principal of those mortgages had jumped from \$9,100,000,000 to \$9,241,000,000, and the interest was just slightly below what it had been. Other debts in 1922 amounted to thirteen billion and a fraction, with the interest \$825,000,000. In 1929 the other debts had fallen from thirteen billion to twelve billion. They fell about a billion dollars, and the interest fell nearly a hundred million.

The funded debt of the railroads in 1922 was \$11,000,-000,000, and that had increased in 1929 to \$12,459,000,000.

The unfunded debt was very much less.

The principal of the indebtedness of the Federal Government in 1922 was \$22,906,000,000, and the interest was \$990,-000,000. In 1929 that indebtedness had fallen from \$22,000,-000,000 to \$16,000,000,000 and a fraction, and the interest was \$680,000,000.

Note the State and local indebtedness. It will be noted that the Federal indebtedness from 1922 to 1929 had fallen over \$6,000,000,000, but the State and local debts jumped from \$7,154,000,000 in 1922 to \$13,452,000,000 in 1929. While the Federal debt was fairly substantially reduced, the State debts more than doubled. The same thing might be said of the corporations, also.

Mr. McKELLAR. Mr. President, will the Senator yield? Mr. FESS. I yield.

Mr. McKELLAR. Since 1929 the Federal debt has gone back to the figures of 1922, and it is now probably more than \$23,000,000,000, while the State debts have gone along about the same.

Mr. FESS. That is wholly due to the fact of the Government debt remaining the same, with the income out of which we pay it falling off. It is due to the loss of income,

which is the measure of the decline in business; and the Senator has been, in season and out of season, using every ounce of his influence to have governmental expenditures cut.

We have two ways of balancing the Budget. One is cut expenditures, and the other is to stimulate business to increase the income, if we can. That is a difficult problem.

Mr. McKELLAR. If we can, but I do not believe there is any other way in the world by which we will ever make the Budget balance except to reduce expenditures.

Mr. FESS. Mr. President, that brings me immediately to the subject about which the Senator from Florida spoke a while ago. It is revived by the remark of the Senator from Tennessee.

We are asked, in the face of a rather gloomy picture, what we are going to do. I can not think there can be any sound contention whatever that we need more money. The only sound contention is that we should better use what we have. I do not care how much money we try to pump, unless there is business to take it up and employ labor, it is going to do nobody any good. The question now is, since the one thing that is of importance is business, in order to employ the money, how we are going to revive business? That is the question.

Mr. President, what I am about to say will probably be impossible of accomplishment, but we can make a gesture along the line. I will probably be called a demagogue after I get through. No man or woman is going to take any risk in investing borrowed money in any enterprise employing labor unless he has some sort of assurance that there will be some profit in the business. No man, even with the prospect of a profit, will take a risk unless he has some assurance that the Government will not by taxation absorb all the profit he makes.

If we could proceed now to balance the Budget—and I dislike to use that phrase—if we could proceed now to live within our income, business would start at once. But as long as the saber is hanging over the head of business, the threat that if men go into business and make money taxes will be imposed to absorb what they make in order to balance the Budget, no man will enter business. It may be said that people are foolish, it may be charged that they are unpatriotic, but they will not embark on business ventures under such circumstances.

Our problem is to find the means of cutting the expenses of the Government to such a degree that we may balance the Budget by a taxation system which will not dry up the resources of industry. If there is any way by which we can do that, business will start. I warn the American Congress that business will not start until there is some assurance that we are to make an effort to live within our incomes, to balance our Budget, and give assurance to the man who employs labor that all the profit he makes is not to be absorbed by a system of taxation.

Mr. President, there is another thing. No manufacturer is going to increase his expenses in expanding his business and employing labor unless he knows that there is reasonable ground for him to believe that what he produces will be purchased, that he can sell it. If he can not sell what he makes, what is the use taking the risk?

One of America's greatest business men, whose name is a household word to every man in this body, not so very long ago took over a great industry. He thought he could reorganize it and put it on its feet. I talked with that man in August, and I have never spoken with a more stimulating, inspiring, hopeful man than he. He told me that he was going to build a product that would cost less in first-purchase price, that would not sacrifice the scale of wages of labor, that could be operated at less cost than other products of a similar nature, and yet would not mean a loss in efficiency. He spent an enormous amount of money, in the absolute confidence that he could pull that business through. Last week that man and his business went into the hands of a receiver.

Mr. President, what is the matter? Did not that man make a better product, which could be sold for less money.

without a sacrifice of the wages of labor? He did. Then what is the matter? There were no purchasers, and that man's business is now in the hands of a receiver, and he is one of the forward-looking, outstanding captains of industry, who had the patriotism to undertake a great risk, in the investment of a large amount of money, in order, as he thought, to pull this institution through this period of gloom, but the lack of business for want of confidence prevented purchasing with the bitter consequences.

Talk as we will, no man will take the risk of the danger of additional loss in expending an enormous amount of money without some assurance that he can sell his product when it is once made. No man is going to be willing to risk the purchase of raw material to go into a manufactured product unless he knows that he is not to be forced to sell at a declining price instead of a rising price.

Mr. WHEELER. Mr. President, will the Senator yield? Mr. FESS. I yield.

Mr. WHEELER. Let me say to the Senator that if he will examine the pages of the Congressional Record of the time when the Reconstruction Finance Corporation act was under consideration, and when the Glass-Steagall bill was being considered, he will find that I used the identical statement which the Senator is using at the present time. I said then—and I agree with the Senator entirely—that no manufacturer is going into business, no matter what we may call him and no matter what we may say, and turn out materials and employ labor unless he knows that he can sell the manufactured articles for more than he paid to produce them.

Mr. FESS. He would be foolish if he did.

Mr. WHEELER. Yes; he would be foolish if he did. No banker is going to lend money to a new enterprise unless he knows that that enterprise is to be successful enough to enable him to get his money back. So I say to the Senator that when a certain individual connected with the Federal Reserve Board, and one of the largest financiers of this country, told me that they could end this depression in 60 days by having the Federal Reserve Board go in and buy Government bonds, and more Government bonds and more Government bonds, I said then, to him that it could not be done, for the very reason that they could not lend the money, because when commodity prices are falling, as they are falling, it is not possible to lend money or get credit out.

I do not want to intrude upon the Senator's time, but let me say to him that I have given this subject some consideration, and I submit to the Senator that with the present world distribution of gold, with the United States and France controlling 70 per cent of the gold—hoarding it, which is what they are doing with it—will the Senator tell me how it is possible to put the countries which are off the gold standard back onto the gold standard, and keep them there, so that they will be able to expand their currencies and their credit to meet the demands of their various business enterprises, internal and external? That is the great problem before the world.

Mr. FESS. Mr. President, I will attend to the answer of the question in a moment. Let me repeat what I stated a moment ago; the plain duty of the Congress is to cut the expenses of the Government, without fear or favor, everywhere it can be done. I recognize the difficulty in the case of the fixed charges, like the interest on the public debt. We can not avoid paying those charges; and I rather think we ought to continue the sinking-fund provision, though it might be that we could let it go for a time. I am afraid greatly to reduce the Army and Navy appropriations at this time, with the world's mind in the state in which it is. The Japanese situation is not pleasing. The German situation is somewhat disturbing. The world is ill at ease. I do not think there is any likelihood of the Congress reducing the appropriations for the Veterans' Administration. I frankly state that I would vote to repeal for a time that provision of the law allowing compensation for disabilities not due to service origin. The situation is so grave that I would be inclined to take that step. There are some things we can do, however.

Mr. President, my one suggestion upon the matter of living within our income is that we must proceed to cut Government expenses. I am going along with the party that soon is to be responsible for the Government in its efforts to accomplish that purpose. On the other hand, when we come to adding new taxes, we simply must avoid taking the position that we are merely going to "soak the rich"; that we intend to absorb the income which in the end is necesary for the employment of labor. We must find a better plan. That is a thing which many public men will run away from; but, Mr. President, we have simply got to face it if we intend to have a revival of business. So much for that question.

The suggestion has been seriously referred to often by the Senator from Montana [Mr. Wheeler] that we must increase the commodity price level, and his suggestion is more money. If we go on an inflated basis, whether it be along the line of the Senator's suggestion or whether it be along the line of the devaluation of gold or whether it be along the line of flat money, for a time it might be that there would be an increase in the price level; but the Senator knows that that time would be very brief indeed, and that the price level, started upward by a depreciated currency, would in due time start downward and in a very short time would go below what it was when we were on a gold basis.

Mr. WHEELER. Mr. President-

The VICE PRESIDENT. Does the Senator from Chio yield to the Senator from Montana?

Mr. FESS. I yield.

Mr. WHEELER. I agree with the Senator in his reference to fiat money. I would dread to see the day come, as a matter of fact, when we would issue fiat money in this country, because I am as much opposed to it as anybody else unless we would be actually driven to it. Likewise, I am not in favor of devaluing gold. But I want to invite the Senator's attention seriously to the fact that as a matter of fact the remonetization of silver is not an inflationary measure except to the extent that it would put purchasing power in the hands of untold millions of the people of the world. To that extent it would increase the purchasing power of the world and to that extent would bring up commodity prices.

Mr. FESS. I think the Senator may not have been in the Chamber when I spoke about the bill introduced by the Senator from Nevada [Mr. PITTMAN]. There are some features of that bill which meet with my approval.

Mr. President, on the matter of the price level being lowered rather than elevated through a depreciated currency. everyone who is claiming that we must devalue the gold says it is in order to make a commodity such as wheat, that sells now too low, sell for a reasonable price. They argue that if wheat to-day sells for 40 cents a bushel and we devalue gold to the amount of one-half, the wheat then would sell for at least 80 cents. If that be true-it may not be true, and I do not believe it is true, but conceding it to be true for the sake of argument, what would it do? If it is true of wheat, it is likewise true of every commodity. That is the purpose of devaluation, whether it be devaluing the gold or inflating the currency. It is to increase the price level. If we do it in a commodity for the seller or the producer, we do it in the commodity for the consumer. If we increase the price of wheat for the farmer, we increase the price of bread to the consumer. If we increase the price of clothing for the manufacturer, we increase the price of clothing to the man who buys the clothing.

Mr. WALSH of Massachusetts. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Ohio yield to the Senator from Massachusetts?

Mr. FESS. I yield.

Mr. WALSH of Massachusetts. I fear my question may divert the Senator into another line of argument. I have listened with a great deal of interest to his very able presentation of his views as to what might be done to resuscitate business in this country. I would like to invite his attention to what I consider of even more importance and of more immediate concern than the rehabilitation of busi-

ness, namely, What can we do in this Congress to restore immediately confidence of the American people in our banking system?

The problem to-day and to-morrow and next week is what we can do to prevent a further loss of confidence, a diminution of deposits, in the banking structure of the country. It seems to me that unless action is taken quickly we are going to be confronted with a very serious situation, and we need not be talking about resuscitating business unless we can handle that problem. I would like to have the Senator's views on that matter.

Mr. FESS. The Senator from Massachusetts raises a question that was raised awhile ago by another of our colleagues as to what can be done to avoid the banks continuing to hoard and refusing to loan. It was stated at that time that the banker is entitled to some sympathy in that he is loaning that which does not belong to him, but is loaning his depositors' money. While there is criticism of the bankers, while I think I am justified in stating it here on the floor of the Senate that the bankers have been subject to some criticism, I do not want to make that broad statement. But it seems to me they have been somewhat overcautious in their refusal to loan on the basis that they may not get the loan repaid. They have become in a way the greatest hoarders we have, and yet we must regard the situation that where they are loaning money that belongs to somebody else they must have some reasonable assurance that they are not going to lose the money. I discussed this phase earlier in my remarks.

Mr. WALSH of Massachusetts. I assume from what the Senator said that he would say the first way of restoring the people's confidence in the banking structure of the country is to give some assurance we are still going to maintain sound money.

Mr. FESS. Absolutely. That is the most important feature of the problem.

Mr. WALSH of Massachusetts. I assume the argument against the suggested inflation is directed toward indicating that the Senator wants to give that assurance. It has also been suggested that we ought to take some action toward guaranteeing the deposits in the banks.

Mr. FESS. That idea is growing in favor throughout the country. It may be adverse to sane banking to limit the right of withdrawal. If so then it may become necessary to give depositors a guaranty that their funds will not be lost.

Mr. WALSH of Massachusetts. I know that the Senator does agree with me that now, to-day, to-morrow, next week, next month, the problem in the United States of America is what can we do to save the sweep from one end of the country to the other of a condition that may undermine every financial institution in the United States.

Mr. FESS. I appreciate the situation. While the Senator from Massachusetts was interrupting me I was thinking what would happen to the country provided we should decide suddenly that we were going to devalue the gold dollar 50 or 25 per cent. What would happen? Every foundation stone underlying the credit and confidence of the country, including the credit of the Government and the banking structure in every city of the land, would go to smash because the Government would have agreed to violate a contract which the Constitution as written says may not be violated; yet we would do it by changing the purchasing unit or the basis in the purchasing standard.

If we do that, how would the Government redeem its \$600,000,000 of obligations that fall due next month? What will it do with the \$6,000,000,000 that falls due within a short time, and with the \$11,000,000,000 that falls due at not a distant date? The whole financial structure would totter like a house of cards.

We can not afford to tamper with that situation. As long as such suggestions are made in the legislative forum of the United States with honest sincerity, no business is going to take one step of risk until it knows that thing is not going to take place. We could not do anything more definite to give impetus to investment to-day, to the employment of labor in business, than to say once for all that

we are not going to tamper with the credit and the obligations and good faith of the United States Government and the banks, as it has been proposed here in the Senate to do, and has been acted upon favorably by another body of Congress.

If I were permitted to say-and it would not be said in criticism, because I know that the man who is soon to take on all the obligations of government with full responsibility and power for administration does not want unnecessarily to commit himself until the power comes with the responsibility. But there could be no statement issued that would have such an ameliorating effect, that would register such wholesome confidence, and produce such a salutory result as a statement from the incoming President now, to-day, that there will be no tampering with sound money in his administration. That would stimulate business at once. It would remove uncertainty in what is meant by the "new deal." Until there is a certainty, and until the present un-certainty is removed, there will be no effort toward revival of business, simply because the existing uncertainty of policy destroys all venture and all risk, without which there can be no revival of business.

Mr. WHEELER. Mr. President-

The VICE PRESIDENT. Does the Senator from Ohio yield to the Senator from Montana?

Mr. FESS. I yield.

Mr. WHEELER. I have heard the expression used a good many times by the Senator from Massachusetts [Mr. Walsh] and by the Senator from Ohio himself, and it is used in both platforms, with reference to "sound money." I have been able to find in no dictionary a definition of "sound money." I have been able to find no definition of "sound money" by any economic writer or by any political philosopher anywhere. The trouble with the banks to-day is that they are loaded up with securities, that the commodity price level has gone down to such an extent that the value of those securities has become practically worthless, and the banks are a mere shell. They have gone that way under what the Senator from Ohio and others have termed "sound money."

I say to the Senator from Ohio and I say to the country that what we need is stable money, money that has the same purchasing power to-day that it will have to-morrow, the same purchasing power in 1933 that it had in 1926. What we have not got and what has brought us to this chaos is the lack of stable money. We have been harping and talking about "sound money" when I assume what is meant is stable money; but we have not got it. What I propose to do is to try to provide something that will stabilize the currencies of the world so as to put the various countries back upon a basis where, instead of dumping their surplus upon the United States, they will be in a position to buy from American manufacturers, and thus put people to work in our factories and take them off the streets and away from the bread lines. Yet, Mr. President, upon the floor of the Senate it is impossible to get anybody to do that because, it is said, "We are afraid to adopt the method that was given us by our forefathers, by Hamilton, by Jefferson, and by Washington."

Mr. FESS. Mr. President, I would much prefer, if my colleague will not regard it as discourteous, to be permitted to say what I want to say without further interruption. I permit these interruptions, for they always afford a better opportunity for the different viewpoints to be understood, and this is a body where that freedom ought to be exercised, but I have been speaking longer than I had anticipated, and I have one or two other points that I want to press home before I take my seat.

I was just entering upon one of those subjects when the Senator from Montana interrupted me. I was saying that if the price of commodities be increased to the seller, it is also going to be increased to the buyer; in other words, to the degree that the profit of the producer is increased, the cost of living of the consumer is going also to be increased, and, in the end, if it is done through the medium of depreciating the currency, the whole price level topples. That is the business axiom that I wish to discuss at this time.

As I have previously stated, 85 per cent of our population deal in service; they do not sell commodities; they sell their ability to work. They are the men and women who are paid wages, the men and women who are paid salaries, who, constituting, as I have said, 85 per cent of our population, receive 56 per cent of the income of the United States of America. The other 15 per cent deal in commodities. For example, a department store is owned by 12 citizens whose profit is in the sale of commodities. They employ 100 citizens, whose pay is in salaries and wages, for which they sell their service. If it is proposed to increase the price received by the producer or the 12 owners who deal in commodities and at the same time increase the price paid the 100 laborers who deal in service, then there would be some equity in the proposal; but that is the difficulty. It does not work that way.

For example, here is a clerk who receives \$2,400 a year. He pays about \$70 a month rental and probably \$360 for other things aside from the purchase of commodities, making about \$1,200 in the way of buying things that are not commodities. It takes \$1,200 remaining of his \$2,400 salary to buy the things he lives on, such as groceries, clothing, and so on.

If the price of the commodity to the seller be increased, to that degree the price is likewise increased to the clerk who represents, as I have said, 85 per cent of our population; and, instead of paying \$1,200 for the cost of necessaries of life for a year, he will pay an additional amount commensurate with the increase in the price of commodities. If that increase is doubled, then his cost of living is increased to \$2,400.

Now, what will be the effect? It means that by depreciating the currency, in order to increase the price of commodities, it has been made impossible for 85 per cent of the population to live according to the same standards, and it becomes necessary for them to cut their consumption to the degree by which prices are increased. What will that do? If we reduce the consuming power of 85 per cent of our people, we break prices instead of increasing prices; so that, instead of the farmer getting the accretion, ultimately what he will receive will be reduced because of the failure of a great part of the population to consume, due to the destruction by the amount indicated of their purchasing power. That has been the history of every effort to depreciate currency; that is the history of 26 countries to-day that have gone off the gold standard.

Mr. President, of the many civilized countries of the world there are only nine, all told, including the United States and France and including also the Philippine Islands as an individual country, that are on the gold standard to-day. They are the United States, France, Belgium, Netherlands, Switzerland, Algeria, Cuba, and Netherland East Indies. Those nine do 31 per cent of the business of the world. There are 26 nations that have gone off the gold standard, led by the United Kingdom of Great Britain, and those 26 nations do but 43 per cent of the business of the world. There are two nations that are on a silver basis and they do about 3 per cent of the business of the world. Then there are seven or eight, such as Germany and Italy, that do not maintain the gold standard, but in a degree they have not joined the 26 led by Great Britain. They do about 18 per cent of the business of the world, leaving to smaller countries the remaining 6 per cent of the world's business.

Great Britain went off the gold standard, not because it was her choice, but she had no alternative. You, Mr. President, know why it was. Great Britain had a new government headed by MacDonald. He came back into power following the most remarkable election of which I have any knowledge in the history of Great Britain. After his own party had expelled him from their ranks he went back to his own bailiwick—when many other constituencies were asking him to stand for them—and was not only reelected from that bailiwick, but there were elected only 55 members in a parliament of over 600 who were not with him. I know of no such vindication in the history of Great Britain.

Then he announced that the election had given him a mandate to balance the budget by reducing the expenses of the government, including the dole. The British Government under MacDonald then proceeded, as we all know, to balance the budget not by increasing taxes, because Great Britain had reached the limit of taxation, but by the reduction of the expenses of the government, including the dole, and the Presiding Officer and every Member of this body knows that when that decision was reached the British Navy mutinied. With the main arm of the national defense of Great Britain in mutiny, the cabinet was summoned instantly and recommended a reversal of the policy of reducing expenditures, including the navy, the abandonment of the gold standard, and a consequent depreciation of the currency that would enable Great Britain to operate on a lower level of cost, because, while she would get more for the commodities she sells she would pay less in wages, and would balance the budget in that way. The cabinet met on the 15th day of September, and the day after it met the program was indorsed by the government then in power, and Great Britain officially abandoned the gold standard. Who is the man of any sense who says that Britain did that of her own choice? She did it because there was no other way for her. Any other course would have meant disaster.

Then what happened? England went on a basis of depreciated currency. It was for the moment an advantage, especially in her exports, but because she reduced the amount paid the laborer, and thus reduced the purchasing power, prices at once began to decline on account of the lack of consumption broken by the decline of real wages.

What then happened? In 26 countries where the gold standard was abandoned—abandoned for the purpose of elevating commodity prices-commodity prices after a temporary rise started down and are now below what they were when those nations were on the gold standard. Such a result is inevitable; it is the economic aftermath that can not be avoided. That is what would happen to us if we would begin officially to depreciate our currency either by devaluing the gold dollar or by inflating the currency. There would be for a little while an impetus that would cause an increase in commodity prices, but that increase would soon be retarded, and the result would be that in a very short time we would be selling at a lower price than we are selling at the present time. Such an outcome is not only the history of the countries which have abandoned the gold standard but it is the inevitable result of economic law.

Mr. President, a great many people have claimed that if we should inflate the currency we would not only increase commodity prices but would increase the wages paid labor: that we would increase the price of labor. That is folderol. The fact is, some business, believing wages in the United States are too high, urge inflation as the one and only method to reduce wages. Away back, when I was a university student, one of the outstanding statesmen of America came from Kentucky. He attracted me by his remarkable administration of the office of Speaker of the House of Representatives and also by the great number of his famous utterances epitomizing sound economic thought. When Grover Cleveland was elected President he was about the only one who was considered for the position of Secretary of the Treasury, and he was chosen as Secretary of the Treasury by President Cleveland. It was under President Cleveland's administration that there was an effort to go on a "soft money" basis, to inflate our currency. President Cleveland won the profound devotion of a great number of people because he resisted it, but he also won very bitter opposition from another type of person who did not see the matter as President Cleveland saw it.

It was on an occasion of that sort that John G. Carlisle, the great Democratic Secretary of the Treasury under Cleveland, made this statement:

The evils of a fluctuating and depreciated currency must always fall most heavily upon the poor, who do not produce for themselves but for others, and who are therefore compelled to purchase with their wages everything they eat, drink, and wear. Their wages will remain stationary, or at best they will rise slowly and

at long intervals, while the price of the necessities of life are liable to rise suddenly from day to day as the value of the currency changes, and consequently what would appear to be a fair rate of compensation at the time a labor contract is made may prove to be grossly inadequate long before the labor is performed. The laborer can not protect himself against fluctuation in the prices of commodities for he can not purchase at wholesale when prices are low and keep out of the market when prices are high. He must buy day by day, and he must pay out of his earnings whether their purchasing power be great or small. The employer can not afford to promise higher wages in advance because with a depreciated and fluctuating currency he can not possibly foretell what the price of his product will be at any time in the future. Thus the laborer is the victim of two influences, neither of which can be successfully resisted by him. He must accept whatever wages are offered by employers or go without work, and he must pay whatever prices are demanded in the market or go without food.

That is a classic statement of the famous financial authority, once a distinguished Speaker of the House, and later one of the country's greatest Secretaries of the Treasury; and it was the effort to adopt a depreciated currency that brought this famous statement from the great statesman.

That is my position. Senators, that statement is incontrovertible. The laborer, representing 85 per cent of our population, is going to be harmed to the extent that the price of necessities increases, because his wages do not increase. That is axiomatic; and what else would it mean?

Here is \$104,000,000,000 of life insurance taken out by 70,000,000 of our people. A devaluation, either by reducing the ounce content of the gold dollar or inflation, would to that degree destroy the value of \$104,000,000,000 of life insurance outstanding to-day.

Here are \$24,000,000,000 of American savings in the savings banks of this country. That is cash. That represents the hard-earned savings of a frugal and industrious people. It is proposed to destroy that to the degree that the dollar is inflated by the issuance of unsecured currency or the devaluation of gold. It is dangerous. It is unwise. It is erroneous. It is dishonest. It will not do what its proponents propose to do; but, on the other hand, there is no end to the harm that would come to us if we took such a course. When once you enter upon it there is no end but disaster, because it will be beyond control.

First, Mr. President, there is enough gold, as suggested by the gold committee of the League of Nations when they reported that there was no inadequacy of gold.

Second, there is enough currency; or, if there is not, we can resort to the issuance of more currency under the Federal reserve system; but if we issue it beyond the amount of business that is done, it will go into idleness, because there is no work for it to do. So the amount of currency is not insufficient.

Third, there are the reserves of the Federal reserve banks in abundance. There is no need for any increase there.

All the basic elements are here for business built upon a sound currency. We have the farms, we have the transportation agencies, we have the manufacturing plants, we have the managerial ability, we have the skilled labor, and we have the banking resources, all intact, awaiting the one factor, that of confidence.

The only thing that is lacking is that confidence—credit that represents the business of the country. That credit is represented by the deposits in banks, and those deposits are more or less frozen. How are we going to unfreeze them?

Here is my suggestion:

First, we must move to a rational balancing of the Federal Budget, and we ought to do it in the States also. That is the first thing. We must cut, no matter how much it hurts. We must adopt a taxing system that does not dry up our resources.

Second, we ought negatively to stop the constant agitation of matters tending to destroy the stability of our currency. As long as that sword of Damocles hangs over the head of American business, no forward step will be taken. That, I believe, could be very greatly assisted if the incoming President would make an announcement as to what is to be the policy of his administration. It is not for me to say what the President elect should do. I am only giving my opinion, that until some definite statement is made of what

is going to be done under what the President elect once spoke of as a "new deal," until we know whether the fundamentals are going to be tampered with, and nostrums are to be substituted for sound principles, there will not be one step toward the recovery of business, but business and other things will continue to grow worse and worse.

Mr. President, we can not stimulate business by passing laws such as have been passed in one body of this Congress, where it is proposed to inflate the currency so much here and so much there; nor can it be done by straining the bond market, as we are doing here in the Senate. Business must be given some assurance that it will be left alone to the point where it is safe in making its ventures; otherwise we have very little promise of immediate recovery. Yet, I hold that there is sufficient ability in a wise statesmanship and in the structure of American business that we will come out of this era if no mistakes are made.

Speaking as I do, facing rather a disheartening picture, I want to say to the country and to my Democratic friends that as far as in me lies I will go along first in attempting to balance the Budget, to live within our income; and secondly, to do any other constructive thing that will help business instead of frightening it. But I must resist with all the energy I possess all these threatening proposals looking to undermining sound principles of government. Let us see the danger of this constant utterance to the effect that we are going to abandon our system of sound money on the claim that we have not enough of it. It is a dangerous nostrum to offer and only adds to our confusion. Even though we are denounced as reactionary by the advocates of abandonment of our system on behalf of some new experiment, whose only attraction is that it is new and sounds progressive, I am willing to accept the challenge and fight to maintain the principles upon which this Republic has builded for 150 years.

During the delivery of Mr. FESS's speech-

The VICE PRESIDENT. The hour of 2 o'clock having arrived, the resolution of the Senator from Kentucky [Mr. Barkley] goes to the calendar, and the Chair lays before the Senate the unfinished business, which will be stated.

The CHIEF CLERK. The bill (H. R. 14359) to amend an act entitled "An act to establish a uniform system of bank-ruptcy throughout the United States," approved July 1, 1898, and acts amendatory thereof and supplementary thereto.

Mr. ROBINSON of Arkansas. Mr. President, I ask unanimous consent that the unfinished business be temporarily laid aside for the consideration of the independent offices appropriation bill.

The VICE PRESIDENT. Is there objection? The Chair hears none. The Chair lays before the Senate the appropriation bill.

INDEPENDENT OFFICES APPROPRIATIONS

The Senate proceeded to consider the bill (H. R. 14458) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices for the fiscal year ending June 30, 1934, and for other purposes, which had been reported from the Committee on Appropriations with amendments.

Mr. SMOOT. Mr. President, I ask unanimous consent that the formal reading of the bill be dispensed with and that the bill be read for amendment, the committee amendments to be first considered.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

After the conclusion of Mr. Fess's speech-

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Chaffee, one of its clerks, announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 14363) making appropriations for the Departments of State and Justice and for the judiciary, and for the Departments of Commerce and Labor, for the fiscal year ending June 30, 1934, and for other purposes, asked a conference with the Senate on the disagreeing votes of the two Houses thereon,

and that Mr. OLIVER of Alabama, Mr. GRIFFIN, Mr. CANNON, Mr. Blanton, Mr. Shreve, and Mr. Tinkham were appointed managers on the part of the House at the conference.

ENROLLED BILLS AND JOINT RESOLUTIONS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills and joint resolutions, and they were signed by the Vice President:

S. 4065. An act authorizing the packing of oleomargarine and adulterated butter in tin and other suitable packages;

S. 4589. An act to authorize the Secretary of the Interior to make payment of part of the expenses incurred in securing improvements in drainage project of drainage district No. 1, Richardson County, Nebr., and for other purposes;

S. 4756. An act to authorize the Veterans' Administration or other Federal agencies to turn over to superintendents of the Indian Service amounts due Indians who are under legal disability, or to estates of such deceased Indians;

S. 5339. An act to authorize the Secretary of War to convey certain properties to the county of Arlington. State of Virginia, in order to connect Lee Boulevard with the Arlington Memorial Bridge, and for other purposes;

S. 5370. An act to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Farnam Street, Omaha, Nebr.;

S. 5588. An act authorizing the acceptance of title to sites for public-building projects subject to the reservation of ore and mineral rights;

S. 5659. An act authorizing the State of Georgia to construct, maintain, and operate a toll bridge across the Savannah River at or near Lincolnton, Ga.;

S. J. Res. 237. Joint resolution authorizing the erection in the Department of State Building of a memorial to the American diplomatic and consular officers who while on active duty lost their lives under heroic or tragic circum-

S. J. Res. 243. Joint resolution authorizing the President of the United States to extend a welcome to the Pan-American Medical Association, which holds its convention in the United States in March, 1933.

REMONETIZATION OF SILVER

Mr. LONG obtained the floor.

Mr. WHEELER. Mr. President, will the Senator yield?

Mr. LONG. I yield for a moment to the Senator from Montana, without yielding the floor.

Mr. WHEELER. I desire to have inserted in the Con-GRESSIONAL RECORD and referred to the Committee on Finance a resolution that was just sent to me by the Toledo (Ohio) Central Labor Union indorsing my bill. It reads as follows:

Toledo, Ohio, February 20, 1933.

CLERK OF UNITED STATES SENATE,

CLERK OF UNITED STATES SENATE,

Washington, D. C.:

The Toledo Central Labor Union, on Thursday, February 16, discussed at length Senate bill 2487, Mr. Wheeler.

It is the thought of this body that the above-named legislation will be of great benefit to labor, capital, and to all classes of society in this country. It will, we believe, increase purchasing power to millions of our people as well as the world, giving employment to our unemployed.

Our opinion is that remonetization of silver will increase the

ployment to our unemployed.

Our opinion is that remonetization of silver will increase the pulse of industries greatly. It will establish the exchange on a basis which would enable silver-using countries to purchase our farm products and manufactured goods. It would increase the value and purchasing power of their money in the American market. It would flood the United States not with silver but with orders for American-manufactured goods and the product from American forms. American farms

Your consideration will be appreciated, and hope you can encourage us with your support of the above measure

Respectfully yours,

OTTO W. BRACH, Secretary Toledo Central Labor Union.

I desire to say further, if I may, that at an early opportunity I intend to answer some of the arguments which have been made by the Senator from Ohio [Mr. FESS].

CALL OF THE ROLL

Mr. THOMAS of Oklahoma. Mr. President, will the Senator from Louisiana yield?

Mr. LONG. I yield to the Senator from Oklahoma.

Mr. THOMAS of Oklahoma. As soon as I can get the floor to-morrow I propose to use some time in answering some of the most amazing suggestions made by the distinguished Senator from Ohio [Mr. FESS]. It will be reassuring to the country that the incoming President is to have the benefit of his continued advice, especially in view of the fact that after having had his advice for 12 years the country finds itself in the worst condition in history.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. KENDRICK in the chair). The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Ashurst	Couzens	Kendrick	Sheppard
Austin	Cutting	King	Shipstead
Bailey	Dale	La Follette	Shortridge
Bankhead	Dickinson	Logan	Smith
Barbour	Dill	Long	Smoot
Barkley	Fess	McGill	Steiwer
Bingham	Fletcher	McKellar	Stephens
Black	Frazier	McNary	Swanson
Blaine	George	Metcalf	Thomas, Idaho
Borah	Glass	Moses	Thomas, Okla,
Bratton	Glenn	Neely	Townsend
Brookhart	Goldsborough	Norbeck	Trammell
Bulkley	Gore	Norris	Tydings
Bulow	Grammer	Nye	Vandenberg
Byrnes	Hale	Oddie	Wagner
Capper	Harrison	Patterson	Walcott
Caraway	Hastings	Pittman	Walsh, Mass.
Carey	Hatfield	Reed	Walsh, Mont.
Clark	Hayden	Reynolds	Watson
Coolidge	Howell	Robinson, Ark.	Wheeler
Copeland	Johnson	Russell	White
Costigan	Kean	Schuyler	

Mr. FESS. I desire to announce that the Senator from Indiana [Mr. Robinson] is unavoidably absent from the city. I will let this announcement stand for the day.

Mr. SHEPPARD. I wish to announce that my colleague [Mr. Connally] is necessarily detained from the Senate by

I also wish to announce that the junior Senator from Illinois [Mr. Lewis] is necessarily out of the city on governmental business.

The VICE PRESIDENT. Eighty-seven Senators having answered to their names, there is a quorum present.

The Senator from Louisiana [Mr. Long] has the floor.

Mr. SHIPSTEAD. Mr. President, will the Senator from Louisiana yield to me for a short statement?

The VICE PRESIDENT. Does the Senator from Louisiana yield to the Senator from Minnesota?

Mr. LONG. I yield, if I do not lose the floor.

The VICE PRESIDENT. Is there objection to the Senator from Louisiana's yielding for a short statement? The Chair hears none.

INFLATION OF THE CURRENCY

Mr. SHIPSTEAD. Mr. President, I regret very much that the senior Senator from Ohio [Mr. FESS] is not in the Chamber. He has made a very earnest presentation on the subject of balancing the Budget and on the subject of sound money and has given us some views, according to his information, of the economic condition in countries off the gold standard.

I shall not impose upon the time and the courtesy of the Senator from Louisiana this afternoon to discuss the subject of balancing the Budget and the subject of sound money. I simply want to call attention to the fact that a controversy took place here between the Senator from Montana [Mr. Wheeler] and the Senator from Ohio [Mr. Fess] on the question of sound money, as to what the expression "sound money" means. "Sound money" seems to be as indefinite a term here in the United States as is the term 'our best minds." The American people always want the best, and they are willing to pay for the best. They selected the best leadership to lead us to prosperity, but those leaders led us into a depression, and we are paying for it now.

I hope we can come to a better understanding and a better agreement as to what constitutes the best currency and the best public policy than we were able to agree upon as to what constituted the best minds.

As to Great Britain, I just want to read a speech made by the Right Hon. Reginald McKenna, former Chancel-lor of the Exchequer, and now the president of the Midland Bank, of London. I read this and quote from Mr. McKenna rather than make statements of my own, because the Senator from Ohio told the Senator from Montana this afternoon that he did not take stock in statements made by Senators on the floor of the Senate—that he preferred to read authorities. So I hope that the Senator from Ohio and other Senators when they read this will at least accept Reginald McKenna as an authority on the question of gold and sterling and as an authority on economic conditions in Great Britain and countries on the continent of Europe, and on the question of banking.

Before I read I want to observe that it is hard to come to an understanding and mutual agreement on the question of currency and banking because we seem to discuss these things from different points of view. Some people discuss them from the standpoint of science. I prefer to discuss the question of currency from the standpoint of it being an art. The juggler, the prestidigitator who juggles with a ball, depends upon what is called speed or velocity, and we talk about the same thing when we speak of the velocity of bank deposits. But to refrain from expressing my own opinion, I will read from this address delivered by Mr. McKenna to the stockholders of the Midland Bank, of London. He said:

GOLD AND STERLING-THE POSSIBILITIES OF REFLATION By the Right Hon. R. McKenna¹

Conditions to-day are distinctly better than a year ago, notwith-standing the persistence of a deplorably high level of unemploy-ment. Our national finances are sounder, a marked reduction has been made in the balance of imports over exports, the volume of business has been fairly maintained, new industries have been established, and, though exchange and other restrictions are stifling trade with foreign countries, there are signs of steady development of interimperial trade.

unmistakable improvement at home has certainly not been helped by events abroad. The hopes arising from the Lausanne conference have vanished in the face of disappointment regarding conference have vanished in the face of disappointment regarding the war debts to America. Political uncertainty in many countries has clouded the prospect of recovery, and the gloom of trade depression has shown no sign of lifting. The impoverished debtor countries, one after another, have all but closed their doors against imports. In these circumstances it is the more remarkable that this country, deeply involved as it is in international trade and investments, should have shown any improvement at all.

STERLING AND GOLD

Foreign commentators on the general trade depression usually ascribe it mainly to currency disorder, of which we had such painful experience after the war. But it is only superficially that we ful experience after the war. But it is only superficially that we are back in the early postwar years, for there is this vital difference: That whereas currencies had then run away from gold, now gold has run away from currencies. From long habit many of us continue to think and talk of gold currencies as stable and currencies off gold as unstable. But if we give any true meaning to currency stability we shall find that sterling, which is by far the most important of the currencies detached from gold, has shown since it acquired independence much greater stability than the dollar. On balance the pound, measured by its purchasing power over commodities other than gold, has remained fairly constant. Gold, on the other hand, has almost continuously increased its purchasing power and buys, roughly, 15 per cent more goods and purchasing power and buys, roughly, 15 per cent more goods and services now than in September, 1931. The true standard of stability is what currency will buy, not of gold but of all commodities which enter into daily use in production and consumption. I agree that the general trade depression is largely due to currency discrete, but the disturbing factor has been found not least in the disorder, but the disturbing factor has been found not least in the

We have had experience now of sterling divorced from gold for over 16 months, and nothing catastrophic has happened. A numover 16 months, and nothing catastrophic has happened. A number of other countries are using sterling as their standard, and it is still the medium of a large amount of trade throughout the world. How have the groups of countries using gold or sterling, respectively, fared during this period? The clear evidence of improvement in a number of countries off the gold standard has no counterpart in those still on gold, whose position, generally speaking, has become worse. In the first half of the year just expired, according to an analysis by the board of trade, "the countries no longer on the gold standard increased their share of the import and export trade of the world, * * * this increase applying to exports to a greater extent than imports." There can be little doubt that this disparity of experience has become more pronounced since that time, not only in international trade but in respect of internal conditions as well. To take a particular ex-

ample, the level of business activity in the United States is officially declared as considerably lower in 1932 than a year earlier, whereas in Great Britain the level has been practically maintained.

Again in national finances we find a similar distinction. The countries still using gold are all faced with budget deficits. In the United States the Federal finances show a deficit officially estimated at more than \$1,100,000,000 for the current fiscal year. The French Legislature is struggling with proposals to cover a shortage of perhaps 10,000,000,000 francs. Similarly in the Netherlands, Switzerland, Italy, and Belgium, the national accounts show larger or smaller deficits. The probability is that if recent tendencies continue, the governments of all these countries will find that their task is one of extraordinary difficulty. With a steadily appreciating currency, the real burden of budget charges, particularly in respect of debts, is constantly increasing, while the revenue-yielding capacity of the people is just as constantly decreasing. It becomes more and more doubtful, unless there is a speedy reversal of the movement of prices, whether stringent economies, reversal of the movement of prices, whether stringent economies, elastic definitions of charges properly to be financed out of loans, and the utmost ingenuity in respect of new taxation will succeed in balancing the budgets of the countries still adhering to gold.

I am not suggesting that countries off the gold standard are finding it easy to balance their budgets, or that they have all yet

finding it easy to balance their budgets, or that they have all yet succeeded in doing so; but at least it is true that they have made far more progress in that direction than the other group. The national finances are certainly better in countries where the persistent fall in internal prices has been arrested than in those where, through adherence to gold, it is still continuing. The condition of the earlier postwar years has been precisely reversed. Separation from gold is no longer a sign of budgetary disorder; adherence to it is no longer a distinguishing mark of sound national finance. national finance.

NECESSITY OF A RISE IN PRICES

These facts, however briefly summarized, demonstrate afresh the ravaging effects of falling prices and the benefits to be obtained by relief from the downward movement. A rise in comobtained by relief from the downward movement. A rise in commodity prices has indeed become much more essential for the gold-standard countries, whose plight is growing worse, than for other countries, whose position is improving. Yet we can not rely upon the so-called "natural" action of gold for such a movement. The pre-war gold standard, so far as its control over the level of prices is concerned, is no longer operative: the misnamed "immutable law" of supply and demand, which was thought to apply to gold as to any other commodity, is of no effect. The enlarged output of the mines and the unloading of hoarded gold from India and Great Britain on the one hand, and on the other the reduced demand for gold involved in widespread departure from its use, have in no way checked its unceasing appreciation.

It is sometimes alleged, however, that our departure from gold

It is sometimes alleged, however, that our departure from gold was itself responsible, for the continued downward movement of gold prices, and that a fall in the gold exchange value of sterling provokes a further decline in gold prices. There is no foundation, I believe, either in logic or in the record of the facts, for this assertion, which seems to arise from confusion of facts, for this assertion, which seems to arise from confusion of cause and effect. The price level in each country is governed by the quantity of money available for immediate spending and the goods and services available to be bought. It follows that the exchange rate between any two of the dominant currencies tends to move in accord with the fluctuations in their respective purchasing powers, though the movement may be temporarily deflected from its course by disturbing transfers of capital and short-term funds. Price levels affect exchange rates, but exchange rates have little effect on price levels as distinguished from the rates have little effect on price levels as distinguished from the prices of individual commodities.

The price level in Great Britain is of the first importance to the world at large, not because of its effect upon exchange rates, but because of our predominance as a consumer of primary commodities produced abroad. If sterling prices move upward, the ultimate result is to stimulate demand throughout the wide area on a sterling basis for the products of countries not within

area on a sterling basis for the products of countries not within the group. The increased demand for such commodities as cotton, wheat, copper, and coffee tends to harden their quotations in the countries producing them, whether these countries are on a gold basis or not. Thus a rise in the sterling price level tends to a strengthening of prices even in the gold-standard area. But is it possible for us to raise our internal price level; in particular can we do so by monetary management; and if we can and do, will it not be evidence of that abhorrent thing, inflation? In the actual circumstances we have so much ground to recover that I confess the thought of inflation, so long as it is controlled, does not alarm me. In these days the word is no longer a term that I confess the thought of inflation, so long as it is controlled, does not alarm me. In these days the word is no longer a term of reproach, though some tender consciences find ease in using the innocent substitute "reflation." Almost everyone now recognizes that a rise in primary commodity prices is essential to world recovery, and most would agree with Mr. Hawtrey when he argues, in his recent book, that the evil consequences even of uncontrolled inflation "are definitely surpassed by the evils of deflation." Controlled inflation, from being the remedy of fools or knaves, has become widely regarded as the best available solution of our troubles, particularly since it has become realized that a substantial rise in wholesale prices need have no more than slight effect upon the cost of living.

ALLEGED FAILURE OF REFLATION

It is, I believe, possible to achieve a rise in the internal price level by monetary management, and I am unshaken in this opin-

¹ Parts of the speech delivered at the ordinary general meeting of shareholders of the Midland Bank (Ltd.) on January 27, 1933.

ion by the frequent charge that reflation has already been tried and found wanting, both in Great Britain and the United States. If we examine the course of affairs in these two countries we shall find that deliberate monetary management specifically designed to raise the price level has not been tested in either. In our own country, it is true, an expansion of credit has been effected, but only under conditions which could give it but partial success in raising the price level; and partially successful it has been, for our price level has not accompanied the downward movement of gold prices. In the United States, notwithstanding the current talk of vast new credit having been pumped ineffectively into the banking system, the experiment has not been tried at all. Reflation means the expansion of bank deposits, and therefore, of potential purchasing power, to such an extent as will restore the potential purchasing power, to such an extent as will restore the price level to the point at which it stood before the present great slump began. Let me recall briefly the salient features of the recent monetary experience of the two countries before we give judgment on the question whether reflation has had any real

I will take our own case first. In February of last year the deposits of the London clearing banks were 9 per cent below the figure of a year earlier. From the preceding September, when we figure of a year earlier. From the preceding September, when we went off the gold standard, a deflationary policy with a 6 per cent bank rate had been resolutely pursued, and commodity prices, which had been steady after an initial rise, began to fall. In February a complete change of policy occurred. Bank rate was successively and rapidly reduced, and in May and June the Bank of England, by heavy purchases of gold and securities, created a large addition to bank cash, which set in motion a marked expansion of bank deposits. The additional purchasing power arising from an increase in bank deposits can not, however, get into use in trade for a considerable time. Why this is so, an example will readily show.

example will readily show.

The Bank of England takes the initial step by buying, say, £1,000,000 of Government securities. The seller of the securities pays the Bank of England's check for £1,000,000 into his own bank, which we may call the clearing bank, and this bank in due course pays it to the credit of its account with the Bank of England. Thus the first result of the transaction is that the seller of the securities has a deposit of £1,000,000 with his own bank, which in turn has a deposit of £1,000,000 with the Bank of England. The turn has a deposit of £1,000,000 with the Bank of England. The clearing bank pays interest on its deposits but receives none from the Bank of England; if then it is not to make a loss over the transaction it must use the new £1,000,000 without delay. The only immediate uses to which the money can be put are to lend it in the bill market, or to buy bills or to invest it, generally in Government securities. In any event two results follow: The additional demands force down the bill rate and force up the price of tional demands force down the bill rate and force up the price of Government securities. As the process continues the sellers of the securities have funds to invest and look about for something which will give them a higher yield than is obtainable on Government stocks. Gradually, as the sums involved become larger the demand extends through every class of fixed interest stock and overlaps into the market for industrial securities. The opportunity has now come for new issues the proceeds of which will be spent in the purchase of materials and the payment of wages, and the newly created money will at length have found its way into trade. But the whole process in any circumstances takes time; when the circumstances are unpropitious the time may be very considerable. very considerable.

In the case of our own monetary expansion we have to remember that the sudden abundance of money was a preliminary to the war loan conversion scheme, which in the view of the responsible war loan conversion scheme, which in the view of the responsible authorities necessitated complete closure of the market for new capital. Ordinarily new issues provide a ready channel for the flow of new money into consumers' hands and, had the abundance of money been created for the purpose of testing its effect upon commodity prices and trade generally, the last thing we should have done would have been to close the market for capital issues. This is not said in criticism of the policy, for once the conversion was launched it was of vital importance to make it a success. It may be observed incidentally, however, that now the operation has been completed there seems no sufficient reason for continuing the han even in its present comparatively slight form. The expansive

been completed there seems no sufficient reason for continuing the ban even in its present comparatively slight form. The expansive monetary policy in Great Britain has been in fact no more than half a policy so far as its effect upon trade is concerned, and it was only to be expected that it should up till now have yielded no marked and sustained rise in commodity prices.

When we turn to the United States I believe we shall find that not even a partial trial has been given to the policy of reflation. I speak on the subject, it is needless to say, with complete readiness to accept correction by American authorities on questions relating to their own monetary policy, but it has seemed to me that the current description of a continuous pumping of new credit into the banking system of the United States through the open-market operations of the Federal reserve banks does not convey, at any

the banking system of the United States through the open-market operations of the Federal reserve banks does not convey, at any rate in its implications, a true impression of the facts. If we take a full view of recent American monetary policy we shall see that there has been no demonstration one way or the other of the effectiveness of a steady policy of reflation.

I will relate the facts as concisely as I can. Immediately following the suspension of gold payments in Great Britain a heavy outflow of gold took place from the United States, accompanied by large withdrawals of currency in consequence of widespread banking failures. Both of these movements tended to reduce the cash basis for the deposits of the commercial banks, and reinforcement was possible only by borrowing heavily from the Federal reserve

banks. Little or no attempt was made at this time by the reserve banks, through open-market purchases of securities, to offset the acute stringency. The result was that bank deposits, which hitherto had declined only slowly, fell abruptly in the last few months of 1931. The deposits of all banks in the United States were no less than 11½ per cent lower on December 31 of that year than on the preceding June 30, but even then the decline had not spent itself.

It was in circumstances such as these that in March of last year the first steps were taken in what is cited as the great experiment in reflation. The reserve banks, aided by legislation to widen their the first steps were taken in what is dited as the global and in reflation. The reserve banks, aided by legislation to widen their powers, began to buy Government securities, first in small quantities and later in large volume. The express objects of this procedure were to ease a critical banking situation by enabling the banks to reduce their indebtedness to the central institutions and to add to the cash resources of the member banks. A reduction of member bank borrowings was achieved; but the addition to of member-bank borrowings was achieved; but the addition to cash reserves was small, owing to a renewed and heavy outflow of gold, and even the reduction of indebtedness was later checked by a fresh absorption of currency by the public. During the period of open-market buying bank deposits continued to decline, period of open-market buying bank deposits continued to decline, though only slightly. The steps taken to arrest the deterioration of the banking position had succeeded, but up to July no recovery had taken place in bank deposits, partly because the addition to bank cash had been relatively small and partly because this addition had been used merely to strengthen the ratio between cash and deposits. At this date—that is, July of last year—bank deposits were 19 per cent lower than a year earlier and actually 26 per cent below the figure for the end of 1928. By contrast British bank deposits at that date had responded to the increase of cash furnished by the operations of the Bank of England to such a degree that they were only 2 per cent below the total at the end of 1928.

Since the beginning of August the reserve banks have again pur-

Since the beginning of August the reserve banks have again pursued a passive policy, so far as open-market operations are concerned. Their holdings of investments have remained stable, but the gold stock has increased, while currency has returned from the public. As a result the member banks have been able further to reduce their indebtedness to the reserve banks to a low level, while at the same time their reserve balances have grown substantially, quite independently of central banking policy. Bank deposits have expanded on this fortuitously increased basis, but by no means to the full extent possible—actually, up to December, by only about 7 per cent. Whereas member-bank reserves have been brought back to a higher level than in September, 1931, their deposits are still far below. Meanwhile over the same period British bank deposits have grown by 11 per cent. The American banks have allowed their reserve balances to pile up in excess of legal requirements; the pressure of surplus cash has not yet been heavy enough or sufficiently long in operation to induce such large heavy enough or sufficiently long in operation to induce such large purchases of investments as will restore the volume of bank

In conditions of deep trade depression such as exist now in the United States a revival of some degree of confidence, which is indispensable for any embarking of new money in industry, seems to be obtainable only through a steady rise in the bond market. The initiative in such a rise apparently must come from the banks, and the movement will attain full strength when they feel themselves free to use their surplus cash. In the present uncertain temper of American depositors the banks continue to hold an excessive amount of cash, though the practice materially reduces their profits. Sooner or later, however, they will invest the surplus cash in securities, provided the surplus is kept large enough by the continued open-market operations of the reserve banks. High-class investments will then rise in price, and lowergrade stocks will slowly return to favor with a gradual strength-ening of confidence. The new capital market will revive, and in this way new money can eventually be brought into use by in-dustry in the United States. Although the method is less direct and less immediate and certain in its operation than the method in this country, in essentials the two are the same.

PROSPECTS FOR AN EXPANSIVE POLICY

There is nothing then in recent experience to give ground for There is nothing then in recent experience to give ground for discouragement or scepticism regarding the benefits to be derived from an expansive monetary policy. We are free to regulate in great measure our own price level by increasing or diminishing the quantity of money. But we must not allow ourselves to be disturbed by the fact that if gold continues to appreciate while our price level remains steady or rises the inevitable effect is a fall in our exchange. If we become alarmed by the fall and counteract it by a renewal of deflation, our exchange, it is true, will recover, but only at the expense of our trade. Internal prosperity with a balanced budget, lower taxation, and reduced unemployment is far more important to us than the rate of exchange. ployment is far more important to us than the rate of exchange. ployment is far more important to us than the rate of exchange. Sooner or later, even if no voluntary measures are adopted, budget deficits in gold-using countries will themselves produce a remedy for falling price levels, and we ought meanwhile to allow nothing to deter us from the policy of restoring our internal price level to a higher standard.

Two conditions, however, are essential for the success of this rollow. First, it must be pursued wholeheartedly; the mainte-

Two conditions, however, are essential for the success of this policy. First, it must be pursued wholeheartedly; the maintenance of an abundant supply of cheap money must be accompanied by full facilities for its use. And secondly, we should set aside, at least for the time being, all thought of returning to gold, either at the old or any new parity. There should be no attempt to govern our monetary conditions by reference either to the gold value of sterling or to the size of our gold stocks.

There is no reason whatshever, for example, for suggesting that

There is no reason whatshever, for example, for suggesting that money should be dearer and scarcer here because gold has been sent to America in payment of an installment of war debt. In one respect at least the reported attitude of the British delegates to the preparatory commission of the World Economic Conference is cordially to be welcomed; it is worse than useless to consider returning to gold unless and until it shows some reasonable prospect of becoming a stable standard.

If under such conditions as I have mentioned an expansive monetary policy is consistently and strenuously pursued, I have little doubt that the enlarged supplies of money will lead to a higher level of commodity values. This result would have every prospect of paying the way to prosperity. Our national finances have been brought under better control; the spirit of our people, notwithstanding grave sufferings and disappointments at home and incessant difficulties abroad, is still firm and progressive; and the basic position of most of our industries is healthy. I believe, too, that many firms are paying great attention to scientific research, the value of which can hardly be overstated, though there is still large room for further advance in this direction. The fasearch, the value of which can hardly be overstated, though there is still large room for further advance in this direction. The facilities for such research, through Government establishments, trade organizations, and university institutions, are greater than ever before, and should be availed of to the full. Our traditional enterprise and inventiveness have by no means been extinguished. If then we match industrial and trading potentialities with a liberal and enlightened monetary policy we can ensure the fullest enjoyment of our own economic resources and at the same time contribute to the restoration of world-wide prosperity. contribute to the restoration of world-wide prosperity.

THE FALL IN BANK ADVANCES

The decline is evidence of the restricted field for accommodation The decline is evidence of the restricted field for accommodation to industry and trade, though it is sometimes interpreted as betraying pressure by the banks for repayment and reluctance in granting fresh facilities. In order to make the position clear I propose to quote a few figures. An analysis has been made of the advances on June 30, 1932, the latest practicable date, and the results have been compared with those for the end of 1929, when the more recent slump in trade was only in its early stages.

Between these two dates our advances fell by £23,500,000. Of this sum however, the drop in advances for financial purposes—

this sum, however, the drop in advances for financial purposes— chiefly for investment in stocks and shares—accounted for £10,-500,000, a movement paralleled by the heavy fall in stock-exchange loans included in money at call and short notice. Thus little more than one-half of the decrease remains to be accounted for under

than one-half of the decrease remains to be accounted for under the general heading of accommodation to industry and trade.

When the detailed figures are examined it becomes clear that the decline in business advances is not traceable to undue pressure on the smaller borrower, but to shrinkage in the demand. Our advances to agriculture, for example, which number more than 18,000, were actually higher by nearly 5 per cent than at the end of 1929. Similarly, advances to over 20,000 small retailers, as distinct from stores, multiple-shop organizations, and cooperative societies, show a rise of 9 per cent. The only other increase of note is in advances for building and the related trades, and these again are small on the average. Almost every other group shows a decline, in some instances very slight. The total number of advances, as opposed to the amount, is slightly increased.

The downward movement in the total amount is readily explained by two main tendencies. First, temporary accommodation has been largely replaced either by new issues of capital or debentures or by fixed, long-term loans from insurance com-

planed by two main tendencies. First, temporary accommodation has been largely replaced either by new issues of capital or debentures or by fixed, long-term loans from insurance companies, savings banks, and similar institutions. As an example, advances to local authorities and public-utility companies declined over the period by £2,000,000, while a number of new issues among industrial and trading companies account for a much larger sum. Secondly, the rise in prices of gilt-edged securities, more especially since the end of 1931, has induced many trade borrowers to realize investments for the purpose of repaying, in part or in whole, their obligations to the bank. These two tendencies together would seem to have resulted in a reduction in the total advances even larger than that actually recorded under the heading of trade and industry. It may be concluded, therefore, that ample facilities have been accorded to meet all reasonable requirements of industry and trade in these times of exceptional difficulty. I should add that, notwithstanding the quietude in the new capital market, the influences mentioned have operated with increased force during the past six months. six months.

For these reasons our advances now stand at the lowest level in relation to deposits recorded since 1919. We are consequently in an extremely liquid position. If the present level of deposits is maintained in pursuit of a wise monetary policy, we shall be able to meet all reasonable demands upon us for fresh business accommodations

APPROPRIATIONS FOR THE DEPARTMENTS OF STATE, JUSTICE, ETC.

The PRESIDING OFFICER (Mr. Fess in the chair) laid before the Senate the action of the House of Representatives disagreeing to the amendments of the Senate to the bill (H. R. 14363) making appropriations for the Departments of State and Justice and for the judiciary, and for the Departments of Commerce and Labor, for the fiscal year ending June 30, 1934, and for other purposes, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. HALE. I move that the Senate insist on its amendments, agree to the conference asked by the House, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. Hale, Mr. Keyes, Mr. Moses, Mr. McKellar, and Mr. HAYDEN conferees on the part of the Senate.

LOUISIANA SENATORIAL ELECTION

Mr. LONG addressed the Senate. After speaking for some

Mr. LONG. Mr. President, I can not finish my remarks to-night. I do not want to keep the Senate longer, and I am willing to have the Senate take a recess at this time. There are some more matters I want to bring out about this

Mr. McNARY. May I ask the Senator whether he has concluded?

Mr. LONG. No; I want to conclude to-morrow.

Mr. McNARY. Would the Senator be willing to start at 11 o'clock in the morning?

Mr. LONG. Yes. I shall not take very much time to-

[Mr. LONG'S speech is printed entire in RECORD of February 22.]

RECESS

Mr. McNARY. I move that the Senate take a recess until 11 o'clock to-morrow.

The motion was agreed to: and the Senate (at 5 o'clock and 46 minutes p. m.) took a recess until to-morrow, Wednesday, February 22, 1933, at 11 o'clock a. m.

NOMINATIONS

Executive nominations received by the Senate February 21, 1933

James A. Fant to be postmaster at Crossville, Ala., in place of H. T. Graves, deceased.

CONNECTICUT

Edward B. Doulens to be postmaster at South Norwalk, Conn., in place of E. E. Crowe, deceased.

Iris I. Swain to be postmaster at Lincoln, Del., in place of W. R. Risler, deceased.

Elmer N. Burnett to be postmaster at Brewster, Fla., in place of Benjamin Burnett, deceased.

Marion C. Douglas to be postmaster at De Land, Fla., in place of M. C. Douglas. Incumbent's commission expired December 20, 1932.

Harry R. Moyer to be postmaster at Fort White, Fla., in place of R. F. Persons. Incumbent's commission expired April 2, 1932.

Allen M. Steen to be postmaster at Gainesville, Fla., in place of L. C. Lynch, deceased.

Blanche B. Perry to be postmaster at Jennings, Fla., in place of B. B. Perry. Incumbent's commission expired January 15, 1933.

Tracy J. Hawkins to be postmaster at Williston, Fla., in place of H. G. Nelson, removed.

Lonnie E. Sweat to be postmaster at Blackshear, Ga., in place of L. E. Sweat. Incumbent's commission expires February 28, 1933.

Albert N. Tumlin to be postmaster at Cave Spring, Ga., in place of A. N. Tumlin. Incumbent's commission expired January 16, 1933.

Alva W. Haddock to be postmaster at Douglas, Ga., in place of A. W. Haddock. Incumbent's commission expired May 26, 1932.

John H. Boone to be postmaster at Hazlehurst, Ga., in place of J. H. Boone. Incumbent's commission expired January 9, 1933.

Glossie A. Dunford to be postmaster at Helena, Ga., in place of G. A. Dunford. Incumbent's commission expires March 2, 1933.

HAWAII

James D. Lewis to be postmaster at Kaunakakai, Hawaii, in place of H. E. Apo, removed.

Joe G. Freitas to be postmaster at Makawao, Hawaii, in place of Alfred Ornellas, removed.

TNDTANA

Alvy Jay to be postmaster at Bridgeport, Ind., in place of Alvy Jay. Incumbent's commission expired December 13, 1932.

Carleton F. Myers to be postmaster at Maywood, Ind. Office became presidential July 1, 1932.

IOWA

George L. Parker to be postmaster at Independence, Iowa in place of A. G. Rigby, removed.

George W. Carmody to be postmaster at Whittemore, Iowa, in place of S. B. Cairy, deceased.

KANSAS

Alvey P. Spessard to be postmaster at Junction City, Kans., in place of A. P. Spessard. Incumbent's commission expired December 19, 1931.

Lora B. Hansford to be postmaster at Silver Lake, Kans., in place of E. H. Cutbirth. Incumbent's commission expired January 18, 1931.

MICHIGAN

Helen J. Whitehead to be postmaster at Byron, Mich., in place of H. G. Whitehead, deceased.

Agnes B. Ruttle to be postmaster at Carsonville, Mich., in place of A. B. Ruttle. Incumbent's commission expired January 8, 1933.

MINNESOTA

Elizabeth Richardson to be postmaster at Delano, Minn., in place of Elizabeth Richardson. Incumbent's commission expires February 28, 1933.

John R. Norgren to be postmaster at Foreston, Minn., in place of J. R. Norgren. Incumbent's commission expires February 25, 1933.

Jennie L. Dowling to be postmaster at Olivia, Minn., in place of J. L. Dowling. Incumbent's commission expired January 11, 1933.

MISSISSIPPI

George B. Aaron to be postmaster at Liberty, Miss., in place of S. Q. Stratton. Incumbent's commission expired December 16, 1930.

NEBRASKA

Irene E. Hines to be postmaster at St. Columbans, Nebr., in place of I. E. Hines. Incumbent's commission expires February 28, 1933.

NEW JERSEY

Mae Hanley to be postmaster at Belford, N. J., in place of Mae Hanley. Incumbent's commission expired January 26, 1933.

Joseph Kish to be postmaster at Nixon, N. J., in place of Joseph Kish. Incumbent's commission expires February 28, 1933

Hiram H. Shepherd to be postmaster at South Bound Brook, N. J., in place of H. H. Shepherd. Incumbent's commission expired December 14, 1932.

NEW MEXICO

Esther D. O'Connell to be postmaster at Fort Bayard, N. Mex., in place of J. A. Dickson, removed.

Aurelia M. Gutierrez to be postmaster at Old Albuquerque, N. Mex., in place of A. M. Gutierrez. Incumbent's commission expired April 3, 1932.

NEW YORK

Benjamin Lomench to be postmaster at North Bellmore, N. Y. Office became presidential July 1, 1932.

NORTH CAROLINA

William K. Stonestreet to be postmaster at Landis, N. C., in place of W. K. Stonestreet. Incumbent's commission expires March 2, 1933.

PENNSYLVANIA

Margaret E. Warnock to be postmaster at Darlington, Pa., in place of M. E. Warnock. Incumbent's commission expired December 18, 1932.

George B. Wilcox to be postmaster at Portland, Pa., in place of G. B. Wilcox. Incumbent's commission expired January 11, 1932.

Bertha J. Everett to be postmaster at Shickshinny, Pa., in place of B. J. Everett. Incumbent's commission expired January 26, 1933.

PUERTO RICO

Pablo Vilella, jr., to be postmaster at Lares, P. R., in place of Pablo Vilella, jr. Incumbent's commission expires February 25, 1933.

SOUTH CAROLINA

LeGrand G. Bolin to be postmaster at Neeses, S. C., in place of L. G. Bolin. Incumbent's commission expired January 8, 1933.

SOUTH DAKOTA

Allen De Groff to be postmaster at White Lake, S. Dak., in place of R. B. Flahart. Incumbent's commission expired May 26, 1932.

TEXAS

Tenos W. Elkins to be postmaster at Freeport, Tex., in place of T. W. Elkins. Incumbent's commission expires February 28, 1933.

Joe L. Yeager to be postmaster at Nocona, Tex., in place of C. E. Antram, resigned.

Sarah F. Harness to be postmaster at West Columbia, Tex., in place of J. W. Osborne, deceased.

VIRGINIA

Charles E. Bevins to be postmaster at Coeburn, Va., in place of C. E. Bevins. Incumbent's commission expired February 8, 1933.

WASHINGTON

Harvey O. Scofield to be postmaster at Tacoma, Wash., in place of C. J. Backus, deceased.

WEST VIRGINIA

Edward H. Ryder to be postmaster at Bridgeport, W. Va., in place of R. S. Hornor. Incumbent's commission expired May 4, 1932.

Leslie F. Fagert to be postmaster at Paden City, W. Va., in place of L. F. Fagert. Incumbent's commission expired February 11, 1933.

WISCONSIN

Edward W. Richardson to be postmaster at Ladysmith, Wis., in place of F. E. Munroe, removed.

Fora G. DuBois to be postmaster at North Freedom, Wis., in place of F. G. DuBois. Incumbent's commission expires March 2, 1933.

WITHDRAWAL

Executive nomination withdrawn from the Senate February 21, 1933

POSTMASTER

MONTANA

John H. Burns to be postmaster at Wolf Creek, in the State of Montana. (Postmaster resigned February 13, 1933.)

HOUSE OF REPRESENTATIVES

TUESDAY, FEBRUARY 21, 1933

The House met at 11 o'clock a. m.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Hear us, Blessed Lord, as we pray that each day we may grow increasingly appreciative of the treasures of the immortal soul. We ask for the enrichment and the enlargement of our deepest spiritual natures. Here let us realize our faith and hope in an everlasting inheritance; we thank Thee for the prospect. It is written on the brow of the morning, it is colored on the face of the sky, it is embla-

zoned in the radiance of the sunlight, and we praise Thee that it is the master light of Thy revealed word. O God, how glorious it is for us to be faithful to our privileges and opportunities. O let our fidelity mean bending our whole soul to our tasks. By industry, patience, and perseverance may we meet Thy approval. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Craven, its principal clerk, announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 5125. An act to amend the emergency relief and reconstruction act of 1932.

TREASURY AND POST OFFICE DEPARTMENTS APPROPRIATION BILL, FISCAL YEAR 1934

Mr. BYRNS. Mr. Speaker, I call up the bill (H. R. 13520) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1934, and for other purposes, and I ask unanimous consent that the statement may be read in lieu of the report.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 13520) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1934, and for other purposes, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 3, 4, and 12.

That the House recede from its disagreement to the amendments of the Senate numbered 2, 5, 6, 10, 11, and 13, and agree to the same.

The committee of conference report a disagreement on amendments numbered 1, 7, 8, 9, 14, 15, 16, 17, and 18.

JOSEPH W. BYRNS,
WILLIAM W. ARNOLD,
LOUIS LUDLOW,
WILL R. WOOD,
M. H. THATCHER,
Managers on the part of the House.

Tasker L. Oddie,
Reed Smoot,
Hiram Bingham,
L. J. Dickinson,
Henry W. Keyes,
Geo. H. Moses,
Carter Glass,
Kenneth McKellar.
(Except amendment No. 12),
Sam G. Bratton,
James F. Byrnes,
Elmer Thomas,
Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 13520) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1934, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

On Nos. 2 and 3, relating to the Customs Service: Makes a technical correction in the text of the appropriation and

appropriates \$19,900,000, as proposed by the House, instead of \$17,500,000, as proposed by the Senate, for collecting the revenue from customs.

On No. 4: Appropriates \$30,800,000, as proposed by the House, instead of \$29,800,000, as proposed by the Senate, for expenses of collecting internal revenue.

On No. 5: Makes a technical correction in the text of the appropriation for the Bureau of Engraving and Printing.

On No. 6: Makes a technical correction in the text of the appropriation for freight, etc., under the Public Health Service.

On No. 10: Strikes out, as proposed by the Senate, the authority in the House bill for "acquisition of sites or of additional land," in connection with the appropriation for public-building construction.

On No. 11: Provides, as proposed by the Senate, that the American Red Cross Building may be served with heat from the Government central heating plant, if the Red Cross agrees to bear the expense of connecting the building with Government mains and to pay for heat furnished at rates to be determined by the Secretary of the Treasury, but not less than cost.

On No. 12: Restores the appropriation of \$19,000,000 for inland transportation of mail by aircraft, all of which had been stricken out by the Senate.

On No. 13: Exempts, as proposed by the Senate, the use of automobiles by the President from the general restriction on use of Government automobiles.

The committee of conference report in disagreement the following amendments:

On No. 1: Relating to the price and the making of awards for the purchase of distinctive paper for United States securities.

On Nos. 7, 8, and 9, relating to mints and assay offices: Restoring to the bill the sum of \$25,000 to provide for the continuance of the assay offices at Boise, Idaho, Salt Lake City, Utah, Helena, Mont., and Carson City, Nev.; these offices were omitted from the House bill.

On No. 14: Amending the House provisions relative to the continuance, during the fiscal year 1934, of certain temporary sections of the economy act in effect during the present fiscal year; amending certain permanent sections of the economy act; and proposing other new legislation upon a number of other subjects. As to this amendment the managers on the part of the House expect to offer a motion to recede and concur with an amendment striking out all of the matter proposed to be inserted by the Senate amendment and inserting in lieu thereof other matter. The matter to be proposed will be separately printed for the information of Members in advance of its presentation to the House.

On No. 15: Making a change in a section number.

On No. 16: Authorizing the Court of Claims to charge and collect certain fees for the filing of petitions, certifying transcripts of records, furnishing certified copies of opinions, etc.

On No. 17: Comprising Title III of the bill and known as the "Buy American" amendment.

On No. 18: Providing that if any provision of the entire act, or the application thereof to any person or circumstance, is held invalid, the remainder of the act, and the application thereof to other persons or circumstances shall not be affected thereby.

JOSEPH W. BYRNS,
WILLIAM W. ARNOLD,
LOUIS LUDLOW,
WILL R. WOOD,
M. H. THATCHER,
Managers on the part of the House.

Mr. BYRNS. Mr. Speaker, I move the adoption of the conference report.

Mr. STAFFORD. Will the gentleman withhold that for just a moment?

Mr. SNELL. We would like to ask a question or two.

Mr. STAFFORD. I would like to ask one question, especially in view of the adoption by the House on yesterday of the resolution submitting the repeal of the eighteenth

amendment, whether the conferees, in view of that prospective action, took into consideration the reduction by \$1,000,000 of the amount for the enforcement of the Volstead Act?

Mr. BYRNS. We did not. We agreed on the report last Saturday, and prohibition is not involved in this proposition at all. There was nothing in conference between the two committees with reference to the appropriation for enforcement of the prohibition act.

Mr. STAFFORD. Oh, I understood the Senate had cut down the appropriation as passed by the House \$1,000,000.

Mr. BYRNS. That is in another bill.

Mr. STAFFORD. The Bureau of Internal Revenue-

Mr. BYRNS. That has no relation to prohibition.

Mr. BLANTON. The committee's foresight is better than the gentleman's hindsight.

Mr. STAFFORD. My hindsight has always been good as far as the eighteenth amendment is concerned, because I have been unalterably opposed to it from the very beginning, from the very time these blatant fanatics tried to enforce the views of their individual constituencies upon the Nation.

Mr. BLANTON. Those of the gentleman just now cer-

tainly are not fanatical remarks.

Mr. BYRNS. May I say this, that some of us at least, and this applies to the drys as well as the wets, will have some relief in the fact that Congress has at last disposed of this question of submission of the repeal of the eighteenth amendment, and perhaps we can have some measure come up before the House in which somebody will not raise that

Mr. BLANTON. And where and when we can have sane action.

Mr. STAFFORD. I hope the gentleman will bear that in mind in cutting down the amount of appropriation for enforcement, where we can save millions and millions of

Mr. SNELL. Will the gentleman yield? Mr. BYRNS. I yield.

Mr. SNELL. Will the gentleman tell the House why the conferees yielded on 7, 8, and 9, restoring the same for the continuance of the various assay offices?

Mr. BYRNS. We did not yield. That is still in disagreement. I expect to ask the House to further insist.

Mr. RANKIN. Will the gentleman yield?

Mr. BYRNS. I yield. Mr. RANKIN. May I ask the gentleman from Tennessee what disposition was made of what is known as the Bratton amendment?

Mr. BYRNS. That is not included in this report, but I will say that we do not recommend it, but that will come up later.

Mr. SNELL. One more question. As I understand, when it comes to the amendment which the gentleman proposes to offer, it will be read section by section, and the gentleman will explain to the House what has been done, and what he proposes to do?

Mr. BYRNS. We have not come to that yet.

Mr. SNELL. I say the gentleman intends to do that?

Mr. BYRNS. No. I will say to the gentleman frankly that I think that can come up later, but I may as well say now frankly that I had hoped that would not be necessary. I think everybody is familiar with the amendment. It would take two or three days if we took it up section by section, but I think we can agree upon ample time which will protect every Member of this House who has a genuine and germane amendment to offer, and allow sufficient time for him to discuss it and for others to discuss the various provisions.

Mr. REED of New York. Will the gentleman yield?

Mr. BYRNS. I yield.

Mr. REED of New York. Do I understand the amendment will be read so that we will have an opportunity to offer amendments?

Mr. BYRNS. Oh, yes. It will be offered, but I may say it is not up now, and it is not a part of my motion at the present time. I offered it yesterday, as the gentleman

knows. It was published in the RECORD this morning. In addition to that, separate copies were made, which are available to all the Members this morning and were available yesterday afternoon. So I can not see any object in reading it and taking up the time of the House, but, of course, the gentleman has the right to insist upon that.

Mr. REED of New York. What I am anxious about is to

have an opportunity to offer an amendment.

Mr. BYRNS. There will be plenty of opportunity af-

Mr. RAMSEYER. Will the gentleman yield right there on offering amendments? The gentleman will be in control of the time?

Mr. BYRNS. Half of it.

Mr. RAMSEYER. The question I wanted to ask is, Will the person who will be in control of the other half of the time be in control of the time for debate, or could he yield five minutes to some Member to offer an amendment?

Mr. BYRNS. Of course, I will submit the request later, when it will be explained what I have in mind, but it is my idea to agree upon a time, and yield to the gentleman from Indiana [Mr. Wood] or the gentleman from Kentucky [Mr. THATCHER] control of the time upon that side, with the idea that in the time yielded to that side any gentleman can offer amendments.

The time yielded on that side will take care of those both pro and con on that side, and the time yielded on this side will be used in the same way.

Mr. RAMSPECK. And as amendments are offered I presume they will be disposed of?

Mr. BYRNS. I hope they will be disposed of promptly.

Mr. RANKIN. Several of us are very much interested in what is called the Bratton amendment that will probably affect the present set-up of the Veterans' Administration with reference to hospitals, regional offices, and so forth. We want to know just when this Bratton amendment will come up for consideration, whether or not the House will vote first on the recommendation of the House conferees and then vote on the Bratton amendment.

Mr. BYRNS. I may say to the gentleman that if it comes up at all it will not come up under the motion which I will offer later. Under the present state of the record it will not come up at all unless somebody offers it.

Mr. RANKIN. I thank the gentleman from Tennessee. The gentleman does not intend to offer it?

Mr. BYRNS. No.

Mr. RAMSPECK. Mr. Speaker, will the gentleman yield?

Mr. BYRNS. I yield.

Mr. RAMSPECK. With reference to amendment No. 10, on which the report states the House conferees recede, does that affect sites authorized to be acquired under the emergency act last year?

Mr. BYRNS. It does not. I may say to the gentleman: it will not have any effect on the regular program.

The SPEAKER. The question is one the conference report. The conference report was agreed to.

The SPEAKER. The Clerk will report the first amendment in disagreement.

The Clerk read as follows:

Amendment No. 1, page 10, line 5: Insert the following: "35 cents: Provided further, That in order to foster competition in the manufacture of distinctive paper for United States securities, the Secretary of the Treasury is authorized, in his discretion, to split the award for such paper for the fiscal year 1934 between the fiscal year 1934 between the fiscal year 1934 between the fiscal years 1934 between the fiscal year 1934 be two bidders whose prices per pound are the lowest received after advertisement, but not in excess of the price fixed herein."

Mr. BYRNS. Mr. Speaker, I move that the House recede from its disagreement to Senate amendment No. 1, and agree to the same with an amendment.

The Clerk read as follows:

Mr. Byrns moves that the House recede from its disagreement to Senate amendment No. 1, and agree to the same with an amendment as follows: In line 1 of the matter inserted by said amendment strike out the figures "35" and insert in lieu thereof the figures "32"."

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

Mr. BYRNS. Mr. Speaker, I ask unanimous consent that

amendments Nos. 7, 8, and 9 be considered together.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

The Clerk read as follows:

Amendment No. 7, page 34, line 4, after the word "Colorado," insert the words "Carson City."

Page 34, line 6, after the words "New York," insert the words "Boise, Idaho; Helena, Mont.; Salt Lake City, Utah."

Amendment No. 9, page 34, line 16, strike out the figures "\$1,250,000" and insert in lieu thereof "\$1,275,000."

Mr. BYRNS. Mr. Speaker, I move that the House further insist upon its disagreement to the Senate amendments.

The question was taken; and on a division (demanded by Mr. Byrns) there were-ayes 218, noes 0.

So the motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

Mr. BYRNS. Mr. Speaker, I think the Members of the House are fully familiar with this amendment and I am going to present a motion to concur with an amendment.

Mr. Speaker, I ask unanimous consent that the reading of this amendment be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

Mr. REED of New York. Mr. Speaker, I object.

Mr. BYRNS. Mr. Speaker, will the gentleman withhold his objection for a moment?

Mr. REED of New York. I will withhold it for a moment. Mr. BYRNS. This is the amendment of the Senate. Of course, if the gentleman insists, it will have to be read, but I shall offer a motion which will strike out this amendment and concur with an amendment which I will offer. So I think we are just wasting the time of the House in the reading of a very voluminous amendment.

Mr. REED of New York. Mr. Speaker, I withdraw my objection.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

The amendment is as follows:

Amendment No. 14: On page 65, beginning with line 18, strike out the remainder of the page and down to line 22, page 68, and

insert:

"SEC. 4. (a) The provisions of the following sections of Part II of the legislative appropriation act, fiscal year 1933, are hereby continued in full force and effect during the fiscal year ending June 30, 1934, namely, sections 101, 102, 103, 104, 105, 106, 107 (except paragraph (5) of subsection (a) thereof), 108, 109, 112, 202, 203, 205, 206 (except subsection (a) thereof), 211, 214, 216, 304, 315, 317, 318, and 323, and, for the purpose of continuing such sections, in the application of such sections with respect to the fiscal year ending June 30, 1934, the figures '1933' shall be read as '1934'; the figures '1934' as '1935'; and the figures '1932' shall be read as '1933'; except that in the application of such sections with respect to the fiscal year ending June 30, 1934 (but not with respect to the fiscal year ending June 30, 1934 (but not with respect to the fiscal year ending June 30, 1934 (but not with respect to the fiscal year ending June 30, 1934 (but not with respect to the fiscal year ending June

application of such sections with respect to the fiscal year ending June 30, 1934 (but not with respect to the fiscal year ending June 30, 1933), the following amendments shall apply:

"(1) Section 104 (b) and section 106 are amended by striking out '(except enlisted)'; section 104 (b) is amended by striking out 'does not include the active or retired pay of the enlisted personnel of the Army, Navy, Marine Corps, or Coast Guard; and'; and section 105 (d) is amended by adding at the end thereof the following new paragraph:

"(8) The enlisted personnel of the Army, Navy, Marine Corps, and Coast Guard'

and Coast Guard.'

and Coast Guard.

"(2) Section 104 (a) is amended by striking out the period at the end thereof and inserting a semicolon and the following: 'and (12) special delivery messengers in the Postal Service.'; and section 105 (d) (2) is amended by adding at the end thereof the following: 'special delivery messengers in the Postal Service, but in the case of such messengers, the sum of \$400 shall not be included in the calculation of the rate of their compensation for

metided in the calculation of the fact of the purposes of this title; '.

"(3) Section 105 is amended by adding at the end thereof the following new subsection:

"'(f) When no additional expense is entailed, annual leave of absence with pay, not to exceed 24 days, not including Sundays and holidays, may be granted to officers or employees of the Government otherwise entitled to less than 24 days' annual leave of absence with pay whose compensation has been reduced by this section.'

"(4) Section 106 is amended by striking out 'except judges whose compensation may not, under the Constitution, be diminished during their continuance in office' and inserting in lieu thereof 'except judges whose compensation prior to retirement or resignation could not, under the Constitution, have been diminished.'

diminished.'

"(5) The first sentence of section 202 is amended by striking out the period at the end thereof and inserting in lieu thereof a colon and the following: 'Provided further, That the restoration of employees to their former grades or their advancement to intermediate grades following reductions of compensation for disciplinary reasons shall not be construed to be administrative promotions for the purposes of this section: Provided further, That the promotion of apprentices shall not be construed to be administrative promotions for the purposes of this section.'

"(6) Section 211 (a) (2) is amended to read as follows:

"(2) Wherever by or under authority of law compensation for night work (other than overtime) is at a higher rate than for day work, such differential shall be reduced by one-third;'

"(7) Section 216 is amended by striking out the period at the end thereof and inserting in lieu thereof a colon and the following: 'Provided further, That no employee under the classified civil service shall be furloughed under the provisions of this section for a total of more than 60 days during the fiscal year 1934,

tion for a total of more than 60 days during the fiscal year 1934, except after full and complete compliance with all the provisions of the civil service laws and regulations relating to dismissals from the civil service.

"(8) Section 317 is amended by striking out the period at the end thereof and inserting in lieu thereof a colon and the following: 'Provided further, That appropriations available for construction shall not be transferred hereunder for personal services.'

"(b) All acts or parts of acts inconsistent or in conflict with the provisions of such sections, as amended, are hereby suspended during the period in which such sections, as amended, are in

"(c) No court of the United States shall have jurisdiction of any suit against the United States, or (unless brought by the United States) against any officer, agency, or instrumentality of the United States arising out of the application, as provided in this section, of such sections 11, 102, 103, 104, 105, 106, 107, 108, 109, or 112, as amended, unless such suit involves the Constitution of the United States.

"(d) The appropriations or portions of appropriations unexpended by reason of the operation of the amendments made in subsection (a) of this section shall not be used for any purpose, but shall be impounded and returned to the Treasury.

"SEC. 5. Effective the first day of the month next following the

"SEC. 5. Effective the first day of the month next following the passage of this act, in the application of Title I of Part II of the legislative appropriation act, fiscal year 1933, and section 4 of this act, in any case where the annual rate of compensation of any position is in excess of \$1,000, the provisions reducing compensation shall not operate to reduce the total amount paid for any month to any incumbent of any such position unless the total amount earned by such incumbent in such month exceeds \$83.33: Provided, That any such reduction made in any case where the total amount earned by any such incumbent in any case where

\$83.33: Provided, That any such reduction made in any case where the total amount earned by any such incumbent in any month exceeds \$83.33 shall not operate to reduce the total amount to be paid to such incumbent for such month to less than \$83.33.

"Sec. 6. (a) Sections 103 and 215 of the legislative appropriation act, fiscal year 1933, shall be held applicable to the officers and employees of the Panama Canal and Panama Railroad Co. on the Isthmus of Panama, and to officers and employees of the United States (including enlisted personnel) holding official station outside the continental United States, only to the extent of depriving each of them of one month's leave of absence with pay during each of the fiscal years ending June 30, 1933, and June during each of the fiscal years ending June 30, 1933, and June

30, 1934.

"(b) During the fiscal year 1934, deductions on account of legislative furlough shall be made each month from the compensation of each officer or employee subject to the furlough provisions of Title I or Part II of the legislative appropriation act, fiscal year 1933, as continued by section 4 (a) of this act, at the rate of 8\% per cent per month regardless of the number of days of such furlough actually taken by any such officer or employee in any

"SEC. 7. (a) Section 212 of the legislative appropriation act, fiscal year 1933, is amended by adding at the end of paragraph (a) the following: 'Provided, That no retired officer of the Army, Navy, Marine Corps, or Coast Guard who in private life receives from any corporation, partnership, association, or individual an income as salary or compensation or bonus for personal services at a rate of pay equal to or in excess of \$10,000 per annum shall receive during the period of such employment any retired pay from the Government of the United States, nor shall any officer on the active list receive any compensation from any corporation the majority of the stock of which is owned by the United States, or from any department of the United States Government or from the municipal government of the District of Columbia, any compensation in excess of the salary and allowances of such office as an active officer of the respective services."

(b) Section 212 (b) of the legislative appropriation act, fiscal 7. (a) Section 212 of the legislative appropriation act

"(b) Section 212 (b) of the legislative appropriation act, fiscal year 1933, is amended to read as follows:

"'(b) This section shall not apply to any person whose retired pay plus civilian pay amounts to less than \$3,000: Provided, That this section shall not apply to regular or emergency commissioned officers retired for disability incurred in service and directly connected and not by legal presumption with such service.'

"SEC. 8. All officers and employees of the United States Government who had reached the retirement age prescribed for automatic separation from the service on or before July 1, 1932, and who were continued in active service for a period of less than 30 days subsequent to June 30, 1932, pursuant to an Executive order issued under authority of section 204 of Part II of the legislative appropriation act, fiscal year 1933, shall be regarded as having been retired and entitled to annuity beginning with the day fol-

been retired and entitled to annuity beginning with the day following the date of separation from active service, instead of from August 1, 1932, and the Administrator of Veterans' Affairs is hereby authorized and directed to make payments accordingly from the civil-service retirement and disability fund.

"SEC. 9. The allowance provided for in the act entitled 'An act to permit payments for the operation of motor cycles and automobiles used for necessary travel on official business, on a mileage basis in lieu of actual operating expenses,' approved February 14, 1931 (U.S. C., Supp. V, title 5, sec. 73a), for travel ordered after the date of enactment of this act shall not exceed 2 cents per mile in the case of travel by motor cycle or 5 cents per mile in the case of travel by automobile.

"SEC. 10. Whenever by or under authority of law actual ex-

the case of travel by automobile.

"Sec. 10. Whenever by or under authority of law actual expenses for travel may be allowed to officers or employees of the United States, such allowances, in the case of travel ordered after the date of enactment of this act, shall not exceed the lowest first-class rate by the transportation facility used in such travel.

"Sec. 11. From and after the date of enactment of this act, the provisions of the act of March 3, 1931 (U. S. C., Supp. V, title 5 sec. 26a), shall not apply to any employees of the Veterans' Administration homes, hospitals, or combined facilities where, in the discretion of the Administrator of Veterans' Affairs, the public interest requires that such employees should be excepted from the provisions of the act of March 3, 1931, seven hours shall constitute a workday on Saturday and labor in excess of four hours on Saturdays shall entitle such employees to an equal shortening of the workday on some other day.

"Sec. 12. Assignments of officers of the Army, Navy, or Marine Corps to permanent duty in Hawaii shall be for not less than four years. No such officer shall be transferred to duty in the con-

years. No such officer shall be transferred to duty in the continental United States before the expiration of such period unless the health of such officer or the public interest requires such

transfer, and the reason for the transfer shall be stated in the order directing such transfer.

"Sec. 13. The act entitled 'An act to provide for deducting any

"SEC. 13. The act entitled 'An act to provide for deducting any debt due the United States from any judgment recovered against the United States by such debtor, approved March 3, 1875 (U. S. C., title 31, sec. 227), is hereby amended to read as follows: "'That when any final judgment recovered against the United States duly allowed by legal authority shall be presented to the Comptroller General of the United States for payment, and the plaintiff therein shall be indebted to the United States in any plaintiff therein shall be indebted to the United States in any manner, whether as principal or surety, it shall be the duty of the Comptroller General of the United States to withhold payment of an amount of such judgment equal to the debt thus due to the United States; and if such plaintiff assents to such set-off, and discharges his judgment or an amount thereof equal to said debt, the Comptroller General of the United States shall execute a discharge of the debt due from the plaintiff to the United States. But if such plaintiff denies his indebtedness to the United States, or refuses to consent to the school them the Comptroller General But if such plaintiff denies his indebtedness to the United States, or refuses to consent to the set-off, then the Comptroller General of the United States shall withhold payment of such further amount of such judgment, as in his opinion will be sufficient to cover all legal charges and costs in prosecuting the debt of the United States to final judgment. And if such debt is not already in suit, it shall be the duty of the Comptroller General of the United States to cause legal proceedings to be immediately commenced to enforce the same, and to cause the same to be prosecuted to final judgment with all reasonable dispatch. And if the cuted to final judgment with all reasonable dispatch. And if in such action judgment shall be rendered against the United States, or the amount recovered for debt and costs shall be less than the or the amount recovered for debt and costs shall be less than the amount so withheld as before provided, the balance shall then be paid over to such plaintiff by such Comptroller General of the United States with 6 per cent interest thereon for the time it has been withheld from the plaintiff."

"SEC. 14. The Bureau of Efficiency and the office of chief of such bureau are hereby abolished; and the President is authorized to designate another officer to serve in place of the Chief of the Bureau of Efficiency on any beard, commission or otherways are

designate another officer to serve in place of the Chief of the Bureau of Efficiency on any board, commission, or other agency of which the Chief of the Bureau of Efficiency is now a member. All records and property, including office furniture and equipment of the bureau, shall be transferred to the Bureau of the Budget. Appropriations and unexpended balances of appropriations available for expenditure by the Bureau of Efficiency shall be impounded and returned to the Treasury. This section shall take effect at the beginning of the third calendar month after the passage of this act.

passage of this act.

"SEC. 15. Section 319 of part 2 of the legislative appropriation act, fiscal year 1933, is repealed as of June 30, 1932; and the rate of interest to be allowed upon judgments against the United States and overpayments in respect of internal-revenue taxes shall be and overpayments in respect of internal-revenue taxes shall be the rate applicable thereto prior to the enactment of section 319 of such act: Provided, That no refund in excess of \$20,000 shall be paid until the determination by the Commissioner of Internal Revenue of the overpayment has been transmitted to and approved by the United States Board of Tax Appeals, under such rules as it may prescribe; and the commissioner shall disallow the part thereof not so approved.

"Sec. 16. All laws providing for permanent annual appropriations (whether specific or indefinite) are hereby modified so that, after June 30, 1934, in lieu of the appropriations made therein, the sums available for the purposes of such laws shall be such sums (not exceeding the amounts now provided in such laws) as may hereafter be provided therefor from time to time by Congress. This section shall not apply to the appropriations to the sinking fund provided in section 6 of the Victory liberty loan act, as amended (U. S. C., title 31, sec. 767), to appropriations for the payment of interest on the public debt, or other indefinite appropriations under the public debt service, or to stoppages, fines, forfeitures, and other moneys or funds appropriated by section 4818, Revised Statutes, for the support of the Soldiers' Home, or to appropriations of any funds derived from assessments on banks, and shall not apply to the permanent annual appropriations for vocational education, colleges for the benefit of agriculture and the mechanic arts, or cooperative agricultural extension work.

"Sec. 17. Section 322 of Part II of the legislative appropriation act, fiscal year 1933, is amended by adding at the end of the section the following provise: 'Provided further, That the provisions of this section as applicable to rentals shall apply only where the rental to be paid shall exceed \$2,000 per annum.'

"Sec. 18. The head of each executive department and independent establishment is authorized and directed to make such reductions in the expenditures from the appropriations made by the regular annual appropriations act for the several purposes of his department or establishment for the fiscal year ending June 30, 1934 (except, in the case of the Treasury Department, appropriations for acquisition of sites for and construction of public buildings and the appropriation for addition to the cumulative sinking fund pursuant to section 308 of the emergency relief and construction act of 1932), as will in the aggregate equal at leas

construction act of 1932), as will in the aggregate equal at least 5 per cent of the total amount so appropriated for his department or establishment for such year (excluding, in the case of the Treasury Department, the appropriations specified above). Such reductions shall be made in a manner calculated to bring about the greatest economy in expenditures consistent with the efficiency of the service. In making any reductions in expenditures pro-vided for in this section no wage cuts, other reduced compensation, or furloughs shall be ordered.
"Sec. 19. Title IV of Part II of the legislative appropriation act,

fiscal year 1933, is amended to read as follows:

"'TITLE IV-REORGANIZATION OF EXECUTIVE DEPARTMENTS

" DECLARATION OF STANDARD

"'SEC. 401. The Congress hereby declares that a serious emergency exists by reason of the general economic depression; that it is imperative to reduce drastically all governmental expenditures during such emergency; and that such reduction may be accomplished in great measure by proceeding immediately under the provisions of this title.

"'Accordingly, in order to reduce expenditures and increase effi-ciency in government, the President shall investigate the present organization of all executive and administrative agencies of the Government and shall determine what changes therein are nec-

"'(a) To group, coordinate, and consolidate executive and administrative agencies of the Government, as nearly as may be, according to major purpose;

"'(b) To reduce the number of such agencies by consolidating those having similar functions under a single head, and by abolishing such agencies and/or such functions thereof as may not be necessary for the efficient conduct of the Government;

"'(c) To eliminate overlapping and duplication of effort; and

"'(d) To segregate regulatory agencies and functions from those of an administrative and executive character.

" DEFINITION OF EXECUTIVE AGENCY

"'SEC. 402. When used in this title, the term "executive agency" means any commission, independent establishment, board, bureau, division, service, or office in the executive branch of the Government and, except as provided in section 403, includes the executive departments.

" ' POWER OF PRESIDENT

"'SEC. 403. Whenever the President, after investigation, find and so declare that any regrouping, consolidation, transfer, or abolition of any executive agency or agencies and/or the functions thereof is necessary to accomplish the purpose provided in section 401 of this title, he may by Executive order—

"'(a) Transfer the whole or any part of any executive agency and/or the functions thereof to the jurisdiction and control of

any other executive agency;
"'(b) Consolidate the functions vested in any executive agency;

or "(c) Abolish the whole or any part of any executive agency

and/or the functions thereof; and
"'(d) Designate and fix the name and functions of any consolidated activity or executive agency and the title, powers, and
duties of its executive head; except that the President shall not
have authority under this title to abolish or transfer an executive

have authority under this title to abolish or transfer an executive department and/or all the functions thereof.

"'SEC. 404. The President's order directing any transfer, consolidation, or elimination under the provisions of this title shall also make provision for the transfer or other disposition of the records, property (including office equipment), personnel, and unexpended balances of appropriations affected by such transfer, consolidation, or elimination.

" SAVING PROVISIONS

"'SEC. 405. (a) All orders, rules, regulations, permits, or other privileges made, issued, or granted by or in respect of any executive agency or function transferred or consolidated with any other executive agency or function under the provisions of this title, and in effect at the time of the transfer or consolidation, shall continue in effect to the same extent as if such transfer or consolidation had not occurred, until modified, superseded, or re-

"'(b) No suit, action, or other proceeding lawfully commenced by or against the head of any executive agency or other officer of the United States, in his official capacity or in relation to the discharge of his official duties, shall abate by reason of any transdischarge of his official duties, shall abate by reason of any transfer of authority, power, and duties from one officer or executive agency of the Government to another under the provisions of this title, but the court, on motion or supplemental petition filed at any time within 12 months after such transfer takes effect, showing a necessity for a survival of such suit, action, or other proceeding to obtain a settlement of the questions involved, may allow the same to be maintained by or against the head of the executive agency or other officer of the United States to whom the authority, powers, and duties are transferred.

"(c) All laws relating to any executive agency or function transferred or consolidated with any other executive agency or function under the provisions of this title, shall, in so far as such laws are not inapplicable, remain in full force and effect, and shall be administered by the head of the executive agency to which the transfer is made or with which the consolidation is effected.

""WINDING UP AFFAIRS OF AGENCIES

" ' WINDING UP AFFAIRS OF AGENCIES

"'SEC. 406. In the case of the elimination of any executive agency or function, the President's order providing for such elimination shall make provision for winding up the affairs of the executive agency eliminated or the affairs of the executive agency with respect to the functions eliminated, as the case may be.

" 'EFFECTIVE DATE OF EXECUTIVE ORDER

"'SEC. 407. Whenever the President makes an Executive order under the provisions of this title, such Executive order shall be submitted to the Congress while in session and shall not become effective until after the expiration of 60 calendar days after such transmission, unless Congress shall by law provide for an earlier effective date of such Executive order or orders: Provided, That if Congress shall adjourn before the expiration of 60 calendar days from the date of such transmission such Executive order shall not become effective until after the expiration of 60 calendar days from the opening day of the next succeeding regular or special

" 'APPROPRIATIONS IMPOUNDED

"'SEC. 408. The appropriations or portions of appropriations unexpended by reason of the operation of this title shall not be used for any purpose but shall be impounded and returned to the Treasury.

" 'TERMINATION OF POWER

"'SEC. 409. The authority granted to the President under section 403 shall terminate upon the expiration of two years after the date of enactment of this act unless otherwise provided by Congress.'
"SEC. 20. The President is authorized to require the Civil Service

Commission and the Secretary of Labor and any other agency or officer of the Government to cooperate in making a study and preparing a report as to the feasibility of establishing a system for adjusting and determining from time to time the compensation of civil-service employees on the basis of the prevailing retail price index or price level, including rents."

Mr. BYRNS. Mr. Speaker, I offer a motion to concur with an amendment.

The Clerk read as follows:

Mr. Byrns moves that the House recede from its disagreement to Senate amendment No. 14 and agree to the same with the following amendment.

Mr. STAFFORD. Mr. Speaker, a parliamentary inquiry. The SPEAKER. The gentleman will state it. Mr. STAFFORD. As the proposed amendment was in-

corporated in the Record of yesterday, is it necessary to have it read at this time?

Mr. BYRNS. Mr. Speaker, I ask unanimous consent that the reading of this amendment be dispensed with and that it be printed in the RECORD at this point.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

The motion is as follows:

Mr. Byrns moves that the House recede from its disagreement to the amendment of the Senate numbered 14 and agree to the same with the following amendment: Strike out all of the matter proposed to be inserted by the Senate amendment and insert the following:

"Sec. 4. (a) The provisions of the following sections of Part II of the legislative appropriation act, fiscal year 1933, are hereby continued in full force and effect during the fiscal year ending June 30, 1934, namely, sections 101, 102, 103, 104, 105, 106, 107,

(except paragraph (5) of subsection (a) thereof), 108, 109, 112, 201, 203, 205, 206 (except subsection (a) thereof), 211, 214, 216, 304, 315, 317, 318, and 323, and, for the purpose of continuing such sections, in the application of such sections with respect to the fiscal year ending June 30, 1934, the figures '1933' shall be read as '1934'; the figures '1934' as '1935'; and the figures '1935' as '1936'; and, in the case of sections 102 and 203, the figures '1932' shall be read as '1933'; except that in the application of such sections with respect to the fiscal year ending June 30, 1934 (but not with respect to the fiscal year ending June 30, 1933), the following amendments shall apply:

"(1) Section 104(a) is amended by striking out the period at

following amendments shall apply:

"(1) Section 104(a) is amended by striking out the period at
the end thereof and inserting a semicolon and the following:
'and (12) special delivery messengers in the Postal Service.'; and
section 105(d) (2) is amended by adding at the end thereof the
following: 'special delivery messengers in the Postal Service, but
in the case of such messengers, the sum of \$400 shall not be included in the calculation of the rate of their compensation for
the purposes of this title;'

the purposes of this title;

"(2) Section 106 is amended by striking out 'except judges whose compensation may not, under the Constitution, be diminished during their continuance in office' and inserting in lieu thereof 'except judges, whose compensation, prior to retirement or resignation, could not, under the Constitution, have been diminished.'

diminished.'

"(3) Section 216 is amended by striking out the period at the end thereof and inserting in lieu thereof a colon and the following: 'Provided further, That no employee under the classified civil service shall be furloughed under the provisions of this section for a total of more than 90 days during the fiscal year 1934, except after full and complete compliance with all the provisions of the civil service laws and regulations relating to reductions in personnel's

of the civil service laws and regulations relating to reductions in personnel."

"(4) Section 317 is amended by striking out the period at the end thereof and inserting in lieu thereof a colon and the following: 'Provided further, That no part of any appropriation for "public works," nor any part of any allotment or portion available for "public works" under any appropriation, shall be transferred pursuant to the authority of this section to any appropriation for expenditure for personnel unless such personnel is required upon or in connection with "public works." "Public works" as used in this section shall comprise all projects falling in the general classes enumerated in Budget Statement No. 9, pages A177 to A182, inclusive, of the Budget for the fiscal year 1934, and shall also include the procurement of new airplanes and the construction of vessels under appropriations for "Increase of the Navy." The interpretation by the Director of the Bureau of the Budget, or by the President in the cases of the War Department and the Navy Department, of "public works" as defined and designated herein, shall be conclusive.

Department, of "public works" as defined and designated herein, shall be conclusive.'

"(b) All acts or parts of acts inconsistent or in conflict with the provisions of such sections as amended, are hereby suspended during the period in which such sections, as amended, are in effect.

"(c) No court of the United States shall have jurisdiction of any

suit against the United States or (unless brought by the United States) against any officer, agency, or instrumentality of the United States arising out of the application, as provided in this section, of such sections 101, 102, 103, 104, 105, 106, 107, 108, 109, or 112, as amended, unless such suit involves the Constitution of the United States

"(d) The appropriations or portions of appropriations unex-pended by reason of the operation of the amendments made in subsection (a) of this section shall not be used for any purpose,

subsection (a) of this section shall not be used for any purpose, but shall be impounded and returned to the Treasury.

"(e) Each permanent specific annual appropriation available during the fiscal year ending June 30, 1934, is hereby reduced for that fiscal year by such estimated amount as the Director of the Bureau of the Budget may determine will be equivalent to the savings that will be effected in such appropriation by reason of the application of this section and section 7.

"Sec. 5. Effective the first day of the month next following the passage of this act, in the application of Title I of Part II of the legislative appropriation act, fiscal year 1933, and section 4 of this act, in any case where the annual rate of compensation of any position is in excess of \$1,000, the provisions reducing compensation shall not operate to reduce the total amount paid for any month to any incumbent of any such position unless the total amount earned by such incumbent in such month exceeds \$83.33: Provided, That any such reduction made in any case where the

amount earned by such incumbent in such month exceeds \$83.33: Provided, That any such reduction made in any case where the total amount earned by any such incumbent in any month exceeds \$83.33 shall not operate to reduce the total amount to be paid to such incumbent for such month to less than \$83.33.

"Sec. 6. (a) Sections 103 and 215 of the legislative appropriation act, fiscal year 1933, shall be held applicable to the officers and employees of the Panama Canal and Panama Railroad Co. on the Isthmus of Panama, and to officers and employees of the United States (including enlisted personnel) holding official station outside the continental United States, only to the extent of depriving each of them of one month's leave of absence with pay during each of the fiscal years ending June 30, 1933, and June 30, 1934.

"(b) During the fiscal year 1934 deductions on account of legislative furlough shall be made each month from the compensation of each officer or employee subject to the furlough provisions of Title I of Part II of the legislative appropriation act, fiscal year 1933, as continued by section 4 (a) of this act, at the rate of 8½ per cent per month regardless of the number of days of such furlough actually taken by any such officer or employee in any month. month.

"SEC. 7. No administrative promotions in the civil branch of the United States Government or the government of the District of Columbia shall be made during the fiscal year ending June 30, 1934: Provided, That the filling of a vacancy, when authorized by the President, by the appointment of an employee of a lower grade, shall not be construed as an administrative promotion, but no such appointment shall increase the compensation of such employee to a rate in excess of the minimum rate of the grade. employee to a rate in excess of the minimum rate of the grade to which such employee is appointed, unless such minimum rate would require an actual reduction in compensation: *Provided further*, That the restoration of employees to their former grades or their advancement to intermediate grades following reductions of compensation for disciplinary reasons shall not be construed to be administrative promotions for the purposes of this section. The provisions of this section shall not apply to commissioned, commissioned warrant, warrant, and enlisted personnel, and cadets of the Coast Guard.

"SEC. 8. All officers and employees of the United States Government or of the government of the District of Columbia who had reached the retirement age prescribed for automatic separation from the service on or before July 1, 1932, and who were continued in active service for a period of less than 30 days after June 30, 1932, pursuant to an Executive order issued under authority of 204 of Part II of the legislative appropriation act, fiscal

section 204 of Part II of the legislative appropriation act, fiscal year 1933, shall be regarded as having been retired and entitled to annuity beginning with the day following the date of separation from active service, instead of from August 1, 1932, and the Administrator of Veterans' Affairs is hereby authorized and directed to make payments accordingly from the civil-service retirement and disability fund.

"SEC. 9. The allowances provided for in the act entitled 'An act to permit payments for the operation of motor cycles and automobiles used for necessary travel on official business, on a mileage basis in lieu of actual operating expenses,' approved February 14, 1931 (U. S. C., Supp. V, title 5, sec. 73a), for travel ordered after the date of enactment of this act shall not exceed 2 cents per mile in the case of travel by motor cycle or 5 cents per mile in the case of travel by automobile.

2 cents per mile in the case of travel by motor cycle or 5 cents per mile in the case of travel by automobile.

"Sec. 10. Whenever by or under authority of law actual expenses for travel may be allowed to officers or employees of the United States, such allowances, in the case of travel ordered after the date of enactment of this act, shall not exceed the lowest first-class rate by the transportation facility used in such travel.

"Src. 11 From and after the date of enactment of this act.

the date of enactment of this act, shall not exceed the lowest first-class rate by the transportation facility used in such travel.

"Sec. 11. From and after the date of enactment of this act, the provisions of the act of March 3, 1931 (U. S. C., Supp. V, title 5, sec. 26a), shall not apply to any employees of the Veterans' Administration homes, hospitals, or combined facilities where, in the discretion of the Administrator of Veterans' Affairs, the public interest requires that such employees should be excepted from the provisions thereof. As to those employees excepted from the provisions of the act of March 3, 1931, seven hours shall constitute a workday on Saturday and labor in excess of four hours on Saturdays shall not entitle such employees to an equal shortening of the workday on some other day or to additional compensation therefor.

"Sec. 12. Assignments of officers of the Army, Navy, or Marine Corps to permanent duty in the Philippines, on the Asiatic station, or in China, Hawaii, Puerto Rico, or the Panama Canal Zone shall be for not less than three years. No such officers shall be transferred to duty in the continental United States before the expiration of such period unless the health of such officer or the public interest requires such transfer, and the reason for the transfer shall be stated in the order directing such transfer.

such transfer.

such transfer.

"Sec. 13. The act entitled 'An act to provide for deducting any debt due the United States from any judgment recovered against the United States by such debtor,' approved March 3, 1875 (U.S. C., title 31, sec. 227), is hereby amended to read as follows:

"'That when any final judgment recovered against the United States duly allowed by legal authority shall be presented to the Comptroller General of the United States for payment, and the plaintiff therein shall be indebted to the United States in any manner, whether as principal or surety, it shall be the duty of the Comptroller General of the United States to withhold payment of an amount of such judgment equal to the debt thus due to the United States; and if such plaintiff assents to such set-off, and discharges his judgment or an amount thereof equal to said debt, an amount of such judgment equal to the debt thus due to the United States; and if such plaintiff assents to such set-off, and discharges his judgment or an amount thereof equal to said debt, the Comptroller General of the United States shall execute a discharge of the debt due from the plaintiff to the United States. But if such plaintiff denies his indebtedness to the United States, or refuses to consent to the set-off, then the Comptroller General of the United States shall withhold payment of such further amount of such judgment, as in his opinion will be sufficient to cover all legal charges and costs in prosecuting the debt of the United States to final judgment. And if such debt is not already in suit, it shall be the duty of the Comptroller General of the United States to cause legal proceedings to be immediately commenced to enforce the same, and to cause the same to be prosecuted to final judgment with all reasonable dispatch. And if in such action judgment shall be rendered against the United States, or the amount recovered for debt and costs shall be less than the amount so withheld as before provided, the balance shall then be paid over to such plaintiff by such Comptroller General of the United States with 6 per cent interest thereon for the time it has been withheld from the plaintiff."

"Sec. 14. Section 319 of Part II of the legislative appropriation act, fiscal year 1933, is repealed as of June 30, 1932; and the rate

of interest to be allowed upon judgments against the United States and overpayments in respect of internal-revenue taxes shall be the rate applicable thereto prior to the enactment of section 319

of such act.
"Sec. 15. All laws providing for permanent specific annual appropriations are hereby modified so that, after June 30, 1934, in lieu of the appropriations made therein, the sums available for the such sums (not exceeding the

of the appropriations made therein, the sums available for the purposes of such laws shall be such sums (not exceeding the amounts now provided in such laws) as may hereafter be provided therefor from time to time by Congress.

"Sec. 16. Section 322 of Part II of the legislative appropriation act, fiscal year 1933, is amended by adding at the end of the section the following proviso: ": Provided further, That the provisions of this section as applicable to rentals, shall apply only where the rental to be paid shall exceed \$2,000 per annum."

"Sec. 17. Title IV of Part II of the legislative appropriation act, fiscal year 1933, is amended to read as follows:

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TITLE IV-REORGANIZATION OF EXECUTIVE DEPARTMENTS " DECLARATION OF STANDARD

"'SEC. 401. The Congress hereby declares that a serious emergency exists by reason of the general economic depression; that it is imperative to reduce drastically governmental expenditures; and that such reduction may be accomplished in great measure by proceeding immediately under the provisions of this title.

"'Accordingly, the President shall investigate the present organization of all executive and administrative agencies of the Government and shall determine what changes therein are necessary to accomplish the following purposes:

"'(a) To reduce expenditures to the fullest extent consistent with the efficient operation of the Government;

"'(b) To increase the efficiency of the operations of the Government to the fullest extent practicable within the revenues;

"'(c) To group, coordinate, and consolidate executive and administrative agencies of the Government, as nearly as may be, according to major purposes;

administrative agencies of the Government, as nearly as may be, according to major purposes;

"'(d) To reduce the number of such agencies by consolidating those having similar functions under a single head, and by abolishing such agencies and/or such functions thereof as may not be necessary for the efficient conduct of the Government;

"'(e) To eliminate overlapping and duplication of effort; and
"'(f) To segregate regulatory agencies and functions from those of an administrative and executive character.

" DEFINITION OF EXECUTIVE AGENCY

"'SEC. 402. When used in this title, the term "executive agency" means any commission, independent establishment, board, bureau, division, service, or office in the executive branch of the Government and, except as provided in section 403, includes the executive

" ' POWER OF PRESIDENT

'SEC. 403. Whenever the President, after investigation, shall SEC. 403. Whenever the President, after investigation, shall find and declare that any regrouping, consolidation, transfer, or abolition of any executive agency or agencies and/or the functions thereof is necessary to accomplish any of the purposes set forth in section 401 of this title, he may by Executive order—

"'(a) Transfer the whole or any part of any executive agency and/or the functions thereof to the jurisdiction and control of

any other executive agency;
"'(b) Consolidate the functions vested in any executive

agency; or

"'(c) Abolish the whole or any part of any executive agency and/or the functions thereof; and "'(d) Designate and fix the name and functions of any consoli-

"'(d) Designate and fix the name and functions of any consolidated activity or executive agency and the title, powers, and duties of its executive head; except that the President shall not have authority under this title to abolish or transfer an executive department and/or all the functions thereof.

"'SEC. 404. The President's order directing any transfer, consolidation, or elimination under the provisions of this title shall also make provision for the transfer or other disposition of the records, property (including office equipment), and personnel, affected by such transfer, consolidation, or elimination. In any case of a transfer or consolidation under the provisions of this title, the President's order shall also make provision for the transfer of such unexpended balances of appropriations available for use in connection with the function or agency transferred or conuse in connection with the function or agency transferred or consolidated, as he deems necessary by reason of the transfer or consolidation, for use in connection with the transferred or consolidated function or for the use of the agency to which the transfer is made or of the agency resulting from such consolidation.

" SAVING PROVISIONS

"'SEC. 405. (a) All orders, rules, regulations, permits, or other privileges made, issued, or granted by or in respect of any executive agency or function transferred or consolidated with any other executive agency or function under the provisions of this title, and in effect at the time of the transfer or consolidation, shall continue in effect to the same extent as if such transfer or consolidation had not occurred, until modified, superseded, or repealed.

"'(b) No suit, action, or other proceeding lawfully commenced by or against the head of any executive agency or other officer of the United States, in his official capacity or in relation to the discharge of his official duties, shall abate by reason of any transfer of authority, power, and duties from one officer or executive agency of the Government to another under the provisions of this title, but the court, on motion or supplemental petition filed at any time within 12 months after such transfer takes effect, showing a

necessity for a survival of such suit, action, or other proceeding to obtain a settlement of the questions involved, may allow the same to be maintained by or against the head of the executive agency or other officer of the United States to whom the authority, powers,

and duties are transferred.

"'(c) All laws relating to any executive agency or function transferred or consolidated with any other executive agency or function under the provisions of this title shall, in so far as such laws are not inapplicable, remain in full force and effect, and shall have described by the best of the executive executive which the be administered by the head of the executive agency to which the transfer is made or with which the consolidation is effected.

"' WINDING UP AFFAIRS OF AGENCIES

"'SEC. 406. In the case of the elimination of any executive agency or function, the President's order providing for such elimination shall make provision for winding up the affairs of the executive agency eliminated or the affairs of the executive agency with respect to the functions eliminated, as the case may be.

" 'EFFECTIVE DATE OF EXECUTIVE ORDER

"'SEC. 407. Whenever the President makes an Executive order under the provisions of this title, such Executive order shall be submitted to the Congress while in session and shall not become effective until after the expiration of 60 calendar days after such transmission, unless Congress shall by law provide for an earlier effective date of such Executive order or orders: *Provided*, That if Congress shall adjourn before the expiration of 60 calendar from the date of such transmission such Executive order shall not become effective until after the expiration of 60 calendar days from the opening day of the next succeeding regular or special

" 'APPROPRIATIONS IMPOUNDED

"'SEC. 408. The appropriations or portions of appropriations un-expended by reason of the operation of this title shall not be used for any purpose but shall be impounded and returned to the Treasury

" 'TERMINATION OF POWER

"'SEC. 409. The authority granted to the President under section 403 shall terminate upon the expiration of two years after the date of enactment of this act unless otherwise provided by Congress."

Mr. BYRNS. Mr. Speaker, I wish to submit the following unanimous-consent request with reference to the time to be had on this amendment, and I will say it is the desire of the House conferees that every Member who has an amendment pending that he wishes to offer will have that opportunity, and also that Members who want to discuss my amendment may have the opportunity.

So I am going to ask unanimous consent that on this motion and all amendments to the motion the time be limited to three hours, to be equally divided and controlled by myself upon this side of the aisle and by the gentleman from Indiana [Mr. Wood] or the gentleman from Kentucky [Mr. THATCHER] on the opposite side of the aisle; that during this time amendments may be proposed to the motion, which I have sent to the Clerk's desk, by gentlemen who are yielded time; that the time consumed in voting on said amendments shall be excluded from the time fixed for debate, and at the conclusion of the time fixed for debate the previous question shall be considered as ordered upon the motion and all motions made thereto.

The SPEAKER. The Clerk will report the proposed unanimous-consent agreement.

The Clerk read as follows:

Resolved, That debate on the motion of Mr. Byrns to recede with an amendment in Senate amendment 14 to the bill H. R. 13520 and all amendments to that motion be limited to three hours, the time to be equally divided and controlled between Mr. Byrns and Mr. Wood of Indiana; that during that time amendments may be proposed to the motion of Mr. Byrns by gentlemen that are yielded time; that the time consumed in voting on said amendments shall be excluded from the time fixed for debate, and at the conclusion of the time fixed for debate the revious question shall be considered as ordered on the motion of Mr. Byrns and all motions thereto.

Mr. SNELL. Mr. Speaker, I reserve the right to object, to ask the gentleman a question. I did not understand who could offer amendments.

Mr. BYRNS. Those to whom time is yielded. Mr. SNELL. The time is given to the gentleman from Tennessee and to the gentleman from Kentucky [Mr. THATCHER], and any man who is yielded time by them can offer amendments.

Mr. BYRNS. That is what the request is intended to cover.

Mr. SNELL. I wanted to be sure about that.

Mr. MICHENER. If the gentleman will yield, if a man does not get time, then he can not offer an amendment.

Mr. BYRNS. Not under the unanimous-consent request. Mr. MICHENER. Would it not be well to modify the request so that any Member may offer amendments?

Mr. BYRNS. I am going to issue an invitation on this side to every man who has an amendment to offer to let me know, and I think the same thing will be done on the other side.

Mr. SNELL. So far as the time is concerned, I think we ought to consider the motion in the time proposed, but I rather dislike to be bound at this time. It seems to me it would be a good proposition for the gentleman from Tennessee to explain the effect of this motion and let us go along for a little while and see if it will not work out all right. I think the amendment ought to be considered in three hours, but I really would not like to bind myself now by unanimous-consent agreement about the amendments.

Mr. BYRNS. I will say to the gentleman that I was under the impression after the brief statement I made yesterday and with the insertion of this motion in the RECORD that it would be entirely clear to Members as to just what the committee is proposing.

Mr. SNELL. I may say to the gentleman that we could not hear him yesterday because there was so much confusion in the House.

Mr. BYRNS. I made no statement yesterday except to say what I was going to do.

Mr. SNELL. I think the gentleman from Tennessee should make a careful explanation of what he is proposing to do here. I have read this over pretty carefully, and I am frank to say that I do not understand it. Maybe I am not up to the average, but I think the gentleman should explain his amendment as carefully as possible to the entire House and take whatever time is necessary to do this. I do not want to delay the matter and I do not want to object, but I wish the gentleman would go along for a little while and then later, if it is necessary, I am willing to agree as to time.

Mr. RAMSEYER. If the gentleman will permit, let me see if I understand the gentlemen. I think the gentleman from New York wants the gentleman from Tennessee to take up this amendment paragraph by paragraph and explain its meaning.

Mr. BYRNS. We would never get through. Mr. SNELL. I think we ought to know what it is. The average man of this House knows nothing about what the first 11 pages of this amendment mean.

Mr. BYRNS. I certainly want the House to know what the amendment means, and I will say to the gentleman that my proposition was not made with a view of depriving the House of such knowledge, but rather to give to the membership the right to offer amendments, either adding to or taking from the motion, and then having an expression from the House upon any germane amendment.

Mr. SNELL. The gentleman, of course, knows what the motion means, but the rest of us do not.

Mr. BYRNS. There is only one hour, unless we can come to some agreement.

Mr. SNELL. The gentleman said yesterday he was going to give us sufficient time to offer amendments.

Mr. BYRNS. I want to do that, and that is the reason I am proposing three hours.

The SPEAKER. May the Chair suggest to the gentleman that under the rules of the House the gentleman from Tennessee would have one hour. The Chair does not presume the gentleman would want to let some one have the floor and forego the right to move the previous question. As the Chair understands it, the gentleman from Tennessee [Mr. Byrns] is trying to have three hours of general debate so there may be full opportunity to explain the motion. The gentleman also wants to give the House full opportunity to amend his motion if it desires to do so, and the gentleman proposes, in order to accomplish that, to yield time to gentlemen on the Democratic side who desire to offer amendments, and suggests that the same thing be done on the Republican side.

Mr. MAPES. Mr. Speaker, reserving the right to object, the statement of the gentleman yesterday, as it appears in the Record, is that every Member of the House would have the right to offer any germane amendment to the amendment which the gentleman has now proposed.

Mr. BYRNS. That is my expectation if this request is granted.

Mr. MAPES. But the unanimous-consent request which the gentleman has submitted seems to put a very material limitation on that, if the gentleman from Tennessee and the gentleman from Kentucky see fit to limit it. Members, in order to offer amendments, according to the gentleman's request, must first get permission from one or the other of those gentlemen in general debate.

Mr. BYRNS. I may say to the gentleman and to the House-

Mr. MAPES. Was there any purpose in the gentleman putting on that limitation?

Mr. BYRNS. None in the world.

Mr. MICHENER. The purpose is clear.

Mr. BYRNS. I have just said to the gentleman and to the House that if this unanimous-consent request is granted, it is my hope that any Member upon the Democratic side of the Chamber will come to me at once and tell me whether he has an amendment which he expects to offer, or if later on it should develop he wants to do so, he will let me know, and I will see to it that, out of the time I have, he is given an opportunity to offer his amendment.

Mr. MAPES. In other words, if any Member who has an amendment does not get time in general debate, he will be given time to offer the amendment and have it read at the Clerk's desk.

Mr. BYRNS. Yes. But let me say to the gentleman from New York [Mr. SNELL], who asks if there will be an explanation, that there will be. He should not expect me to take the floor and occupy 30 or 40 minutes' time to the exclusion of gentlemen who want to be heard; that is what I am trying to avoid

Mr. MAPES. I do not know whether the gentleman from Tennessee answered my question definitely. There was so much confusion in the Chamber I could not hear his answer. I think we ought to understand it before we agree to the unanimous-consent request. Every Member, whether he gets time or not, will be given time to have his amendment read from the Clerk's desk.

Mr. BYRNS. For the third time I will say to the gentleman—and I think I speak for the gentleman from Kentucky, who will control the time in the absence of the gentleman from Indiana [Mr. Wood]—that they will be given that opportunity.

Mr. MAPES. I think this is the first time, if the gentleman will permit, that he has so stated definitely.

Mr. MICHENER. Will the gentleman yield?

Mr. BYRNS. I yield.

Mr. MICHENER. The real purpose of this provision in the unanimous-consent agreement, so far as amendments are concerned, is that the gentleman from Tennessee shall retain the floor.

Mr. BYRNS. That is one reason.

Mr. MICHENER. If the gentleman from Tennessee yielded for an amendment without this agreement, the gentleman from Tennessee would lose the floor; and that, I suppose, is the reason the Parliamentarian so worded the unanimous-consent agreement.

Mr. BYRNS. That is one reason.

Mr. STAFFORD. A parliamentary inquiry, Mr. Speaker. I take it that in the interpretation of the unanimous-consent request voting on the amendments will be deferred until the conclusion of the three hours' debate. Am I in error?

The SPEAKER. The amendments can be disposed of in the time of the general debate, but the time for voting will not be taken out of the time for debate.

Mr. STAFFORD. I will ask the gentleman from Tennessee if he intends to dispose of the amendments as they are offered?

Mr. BYRNS. I hoped that that would be done, because it will avoid confusion.

Mr. SNELL. Mr. Speaker, I am asking this question in good faith—the provisions in this proposed amendment are so complicated that I think the gentleman from Tennessee should make some explanation to the House.

Mr. BYRNS. I am sure everything in the amendment will be made entirely clear.

Mr. SNELL. I have no doubt we can dispose of it within the three hours.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

Mr. RANKIN. Mr. Speaker, on yesterday I called attention to the fact that to-morrow is Washington's Birthday, and that for several years we have failed to have read his Farewell Address on that day. I want to know what the legislative program is for to-morrow, if the Chair knows?

The SPEAKER. The Chair is not advised.

Mr. RANKIN. I want to say to the House now that I am going to insist, as I have constantly insisted for the last 10 years, on the reading of Washington's Farewell Address in this House every time his birthday rolls around, especially at this time, when the international bankers are trying to wreck American institutions. [Applause.]

One of the main troubles with this country to-day is that we have departed from the teachings of Washington and Jefferson and yielded too much to the influences of those international elements who profit at the expense of the American people and by the destruction of American institutions.

To use the words of the immortal Washington himself, "How many opportunities do they afford to tamper with domestic factions, to practice the arts of seduction, to mislead public opinion, to influence or awe the public councils."

What a striking manifestation of this warning we have to-day, when these international financiers who have \$16,-000,000,000 loaned abroad are attempting to secure the cancellation of \$9,000,000,000 of Europe's debts to the United States in order to strengthen the securities of their private loans abroad. They know, and everyone else knows, that these debts can not be canceled. Every dollar that is taken off of them is thereby transferred to the backs of the already overburdened taxpayers of America, for the suffering people of the present generation, their children, and their children's children to pay, throughout the decades that are to come.

They are telling us that if this is done they can force the rest of the world back onto the gold standard, and such was even intimated, if not boldly stated, in the President's message of yesterday. Having accomplished that purpose at our expense they then propose to stabilize us on the present low-price levels of 5-cent cotton and 20-cent wheat, that would mean eternal slavery for the agricultural peoples of the country as well as for all the other toilers throughout the land.

Washington in that short statement warns us that yielding to these alien influences affords them opportunities to "mislead public opinion" and to "influence or awe the public councils."

Here we are to-day in the midst of the greatest money panic of all history, with misery and suffering, poverty, failures, foreclosures, hunger, and suicide on every hand—conditions that could be cured in 30 days if Congress would only respond to the wishes of the American people and give us the necessary currency expansion to bring back commodity prices. But these international bankers, through a subsidized press and through their subservient minions throughout the country, are misleading public opinion and, as Washington said, influencing or overawing our public councils.

They are even using their insidious influences to try to control, dictate, or influence the organization of the next Congress so as to block the passage of legislation for such currency expansion as would bring relief to all the American people.

They are bending every effort, through the press and otherwise, to influence the selection of the Cabinet of the

incoming administration and to alienate the incoming President from those progressive influences that are responsible for his nomination and election. In this they are reckoning without their host. Mr. Roosevelt knows them too well to fall into their trap.

I hope you will all join me in my demand for the reading of this immortal message.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee, which has been read at the desk? There was no objection.

Mr. BYRNS. Mr. Speaker, I yield five minutes to myself. As I said yesterday, the motion which I have presented here on the part of the House conferees does not in every respect represent the views of every particular conferee of the House. What I mean by that is that there are some of the conferees who probably differ from some of the provisions contained in the motion, but the motion which I have presented does represent, I think I can fairly say, the views of the majority of the conferees and in most instances of all of them. I feel that I should except particularly from that statement the reorganization plan of which one or two of the conferees did not express approval. At the present time, however, I have no recollection of any other action taken by the House conferees which does not meet with unanimous approval, and the conferees present on the floor can correct me if I am mistaken as to that.

We have eliminated certain provisions in the Senate amendment. One of the main controlling reasons which has prompted the House conferees to present this motion is the fact that we did not want to include any matter that had been suggested from the outside, even though there were some of the conferees who agreed to it, and thus provoke a discussion, possibly, at the other end of the Capitol on new matters which might delay and jeopardize the passage of this bill, or to place in the bill any provision which we felt might possibly provoke a veto, because we all feel that these appropriation bills ought to be passed between now and the adjournment of Congress. If there are any amendments which may be deemed advisable to this amendment later on, I am sure they can be brought to the attention of the next Congress at its extra session, where they can be given full consideration, and that will be in a very short time. The all-important thing, it seems to me, is that we dispose of these appropriation bills, because we are going to be called into extra session for the purpose of considering a number of major and all-important economic problems, and certainly there ought to be time given to a full deliberation and consideration of those questions unhampered by any necessity to pass some appropriation bill between now and July 1. That matter had its influence upon your conferees.

These matters will come up later, because I take it there will be some amendments offered, and I would not like to take up the time allotted on this side in discussing them and cutting out some Member over here who wants to be heard.

In the motion which I have presented we have eliminated a provision in the Senate amendment which proposed to levy an 8½ per cent reduction upon the pay of enlisted personnel, active and retired. We did that because for the first time this year we are taking from the enlisted personnel the bonus privilege which they receive upon reenlistment, and in that way we are saving to the Treasury for the next year over \$5,000,000. That means something like between 4 and 5 per cent reduction in the pay of those who reenlist of this enlisted personnel, and in view of their small salaries, entering as they do at \$21 per month and having to work themselves up, we felt that that was fair.

Mr. STAFFORD. Mr. Speaker, will the gentleman yield? Mr. BYRNS. Yes.

Mr. STAFFORD. How does the proposed amendment affect the pay of officers, particularly of retired officers?

Mr. BYRNS. Oh, it applies to their pay.

So far as the officers are concerned, there is no change. As to the provision in respect to automatic promotions, we have not included that in our motion because we felt, as the

Economy Committee did and as Congress did last year, that in a bill which sought to bring about economies it was inconsistent to provide for increases.

The McKellar amendment, as all know, had reference to tax refunds. We did not see fit to include in our motion that amendment for the simple reason we felt it ought to be put upon another bill and ought not to jeopardize the final approval of this bill, as his amendment once received a veto, as we all remember.

The Bureau of Efficiency was abolished by the Senate. This motion does not include that, because it was the judgment of all five of the conferees on the part of the House that that bureau ought to be continued, particularly at this time.

As to the Bratton amendment, which sought to make a 5 per cent general reduction, your conferees felt that the President to-day has that authority, as was shown when President Coolidge set apart a 2 per cent reserve a few years ago, and since the President has that authority, and since some of these bureaus have already been carved to the bone, we thought it better to leave it to the President, who could exercise some discretion when he comes to apply it, provided he thinks some of those bureaus ought to be cut. It may be that some of them ought to be cut 10 or even 15 per cent, I do not know. In addition to that also was the suggestion that was made to us that it meant the discharge of a number of employees, including some 8,000 postal employees, and would also affect our national defense.

The SPEAKER. The time of the gentleman from Tennessee has expired.

Mr. McDUFFIE. I hope the gentleman will take more time and take up these amendments one after the other. There are many Members who do not understand them in detail, and we would like to know the effect of the changes made. I would like to ask the gentleman to go a little further and go into the question of the Bureau of Efficiency. This is a small item, it is true, but, having a little knowledge of that subject myself, I think the members of the Economy Committee felt that the Congress or the Government could dispense with the Bureau of Efficiency because we have the Budget officer and other agencies supposedly doing the same kind of work for the Government, the very work this bureau is supposed to do.

The SPEAKER. This is all taken out of the time of the gentleman from Tennessee.

Mr. BYRNS. I understood that some one would probably offer a motion to amend the motion I have submitted, by including the Bureau of Efficiency. If that be true, the whole matter will be discussed then, and I felt it would be threshing over old straw at this time.

Mr. McDUFFIE. The gentleman from Tennessee knows more about this subject than the average man sitting on this floor, and we are anxious to hear the gentleman, in his inimitable way, explain the various provisions of the amendment. The gentleman is so familiar with this subject that the Members desire to hear him. I do appeal to the gentleman that he take more time and give the House the benefit of his knowledge. [Applause.]

The SPEAKER. The gentleman has used 12 minutes.

Mr. BYRNS. Mr. Speaker, I yield myself five additional minutes.

Mr. SNELL. I think it is more important that the gentleman from Tennessee explain the first 10 pages of this bill, and we would rather hear the gentleman from Tennessee talk about things in the bill than to hear various members who do not know about it. [Applause.]

The SPEAKER. The gentleman from Tennessee has control of one and one-half hours, and the gentleman from Kentucky [Mr. Thatcher] has control of one and one-half hours

Mr. BYRNS. Frankly, I would rather give some of these gentlemen an opportunity to offer amendments.

Mr. Speaker, I am going to take 10 additional minutes, and, if the House will bear with me, I think I can quickly run over this. [Applause.]

We heard the gentleman from Alabama [Mr. McDuffie] a few minutes ago raise the question as to the Bureau of Efficiency. That bureau was created a great many years ago. Your conferees felt that particularly at this time it was not feasible or proper to eliminate that bureau, which costs \$159,000 a year. They came to that conclusion for this reason: If this bill becomes law, we are undertaking to give the President of the United States wide and broad powers in the consolidation of bureaus and other activities in the Government, in the executive departments. The President will need all of the available help he can get in order to obtain all the facts necessary to come to a wise and proper conclusion. Of course, he will have his Bureau of the Budget, but the Bureau of the Budget will be engaged in other duties as well as that. He will have his departments, but they will likewise be otherwise engaged. He will have the General Accounting Office, but it has important duties; but here is one agency upon which he can put his finger, and he can tell that agency, "Go and get me this information and go and make this investigation and come back and report to me and those with whom I am advising, relative to these consolidations."

Particularly we felt at this time it would not be proper to take from the President of the United States that agency upon which he can call. I am not speaking for the head of the bureau or any man connected with it, because the President can to-morrow remove him, and if he is not satisfied with him he can put somebody else in his place. He has no term of office. He can be removed at any minute or any hour; but I am speaking for the agency which is in a position to furnish this information.

Permit me to tell you this. It is no secret. Already investigations are being made to see just what can be done by way of consolidation. I do not suppose I am disclosing any secret when I say that the Hon. Swagar Sherley, once a very influential and prominent Member of this House, is now engaged in making an investigation with reference to the consolidation of bureaus and other activities of the Government with a view to having a report ready for the President very soon after his inauguration. Mr. Sherley is using this very bureau in his work.

Mr. McDUFFIE. Will the gentleman yield?

Mr. BYRNS. I yield.

Mr. McDUFFIE. Of course, I do not have in mind any personality. Mr. Brown is a very splendid gentleman, and this is a small matter as compared with the whole, when we come to consider the question of retrenchment in Government. The gentleman will recall, however, that Mr. Brown was before the Economy Committee last year, and when he was asked whether or not he had ever gone over the various departments of this Government to determine whether or not there was duplication of service, whether or not there were useless employees and general efficiency, he answered in the negative.

Mr. BYRNS. But this is not a fight on Mr. Brown. I just said it was not of so much concern as to whether Mr. Brown held his job or not as it was to give the President the agencies with which to secure the information necessary for this very important work.

Mr. McDUFFIE. And neither do I.

Mr. BYRNS. The President can remove him if he is not doing his duty. I am talking about the agency and not about the individual who holds the position as chairman.

Mr. McDUFFIE. The gentleman knows that the gentleman sitting on my right, Mr. Marcellus Sheild, can get that information as quickly as the Bureau of Efficiency, and probably do it in a much better way.

Mr. BYRNS. Oh, there is not a man connected with the Congress, and I say this with all due deliberation, who does as much work to-day as Mark Sheild [applause], and I think it would be an imposition upon him to ask him, under the circumstances, to go into this voluminous amount of work, which is much greater than my friend anticipates, and get all the information with reference to bureaus. There is a limit as to what a man can do.

Mr. WHITTINGTON. Will the gentleman yield?

Mr. BYRNS. I yield.

Mr. WHITTINGTON. The so-called Bratton amendment is section 18 on page 8, estimated to provide for economies amounting to \$140,000,000?

Mr. BYRNS. Yes, sir.

Mr. WHITTINGTON. That has been eliminated. The Bratton amendment, as amended by the Costigan amendment, has been eliminated in the gentleman's amendment.

Mr. BYRNS. Yes.

Mr. WHITTINGTON. And, as I understand now, the reason for the elimination is that the President of the United States has the authority to make the 5 per cent reduction.

Mr. BYRNS. That is one reason.

Mr. WHITTINGTON. If that be the reason, why not make it perfectly clear by retaining the Bratton amendment?

Mr. BYRNS. That is one reason. The other reason is, as I tried to say a moment ago, that many of these departments have been pared to the bone. I happen to know that. Many bureaus have been pared to the bone in the House bill. If not, I am the worst-fooled man in Congress. Possibly other bureaus have escaped us. Subsequent things may occur which will bring about a 5 per cent, 10 per cent, or possibly 20 per cent reduction, and maybe more; but there are bureaus in here to which if you seek to apply a 5 per cent cut as the Bratton amendment provides, you will destroy.

Therefore, since the President has the authority to do this, since it has once before been exercised by a President of the United States, we felt it was vastly better to give to the President of the United States the opportunity to look into these various appropriations and then to exercise his discretion as to where he should make a cut and where he should not make it.

There is another reason. I may say to the gentleman from Mississippi I may not voice his views or the views of many upon this floor, but I am convinced, so far as I am concerned, without regard to what the position of any Member of this House may be on the subject of national defense, that now is not the time to cripple our Navy. [Applause.]

Under the Bratton amendment, I am told by reputable officers of the Navy that at least 33 ships will be laid up. The Navy will be greatly crippled and handicapped. They say that if this Bratton amendment goes through we will find ourselves in the position where our Navy will not be the equal of the navy of Japan and we will no longer find ourselves in the 5-5-3 position.

There is a third position, I may say to the gentleman. The Postmaster General, Mr. Brown, says that it will require 7,000 or 8,000 dismissals in the Postal Department, in the field service. I do not know whether this is true or not. It may be that more ought to be let out; I do not know; but when a retiring Post Office official tells us that and tells us that in his opinion it will greatly cripple that department and embarrass his successor of an opposite political faith, I am much inclined, outside of the individual—I have a great respect for him—to give full credence to his statement. Therefore I felt the next Postmaster General ought to have an opportunity to look into this. [Applause.]

[Here the gavel fell.]

Mr. WOOD of Indiana. Mr. Speaker, I yield myself 20 minutes.

The SPEAKER pro tempore (Mr. WOODRUM). The gentleman from Indiana is recognized for 20 minutes.

Mr. WOOD of Indiana. Mr. Speaker, I appreciate the situation in which we find ourselves with reference to economizing in the expenses of government. I wish I had time to lay the responsibility for our present condition where it belongs.

The Constitution of the United States very definitely prescribed three distinct attributes of government—the legislative, the executive, and the judicial. If this Government is to endure these three distinctions must be maintained.

I appreciate the fact that the Government is expending to-day more money than it should be expending for the conduct of its affairs. I appreciate the fact that there is duplication and overlapping in almost every department. I appreciate the fact that it is a great trial to destroy and undo these things. I appreciate the fact that this Congress is now confronted, as perhaps it never before has been confronted, with the responsibility of undoing that for which it is responsible.

There is not a waste in this Government but that for which the Congress of the United States is responsible; there is not a duplication in government but that for which the Congress of the United States is responsible; there is not an overlapping of jurisdiction but that for which the Congress of the United States is responsible. Not one of these things ever could have existed but for the action of Congress.

There is not a waste in this Government but what the Congress of the United States is responsible for. There is not a duplication in government but what the Congress of the United States is responsible for. There is not an overlapping of jurisdiction but what the Congress of the United States is responsible for. Not one of these things ever could have existed but for the action of Congress.

Time and again I have inveighed against the practice of Congress in creating bureaus or commissions and giving them the right to adopt rules and regulations for their conduct. This practice has gone on to such an extent that we find ourselves to-day not a democratic form of government, but a bureaucratic form of government; and we can not deny our responsibility or the responsibility of the Congresses that have gone before us.

It occurs to me that by reason of this responsibility it is the part of cowardice for this Congress now to say that we are not capable of undoing, or able to undo, the evil that Congress has created. [Applause.] To do so is to confess that this branch of the Government founded by the fathers has become impotent. If it be so, how long in the future will it be until this branch of Government may say that the judicial part of it likewise has become impotent? How long in the future will it be until we acknowledge the statement made by an English writer 40 years ago to the effect that this Government could not maintain itself for a long period of time by reason of the liberties granted within our Constitution and would fall of its own weight? This is one of the tests of a democratic form of government.

Mr. Speaker, even in this time of distress we must stop and reflect whether or not the cure we are trying to administer is not fallacious, whether or not it will not be poison in the veins of the Republic.

Away back yonder when the first trial, when the first battle for democracy was made in the English Parliament between the members of Parliament and the King with reference to who should control the purse strings of the Government, it was decided that representatives of the people should control those purse strings. The Congress until this hour has maintained this prerogative.

Has the time come when we are going to surrender that right that was established by the English-speaking people and handed down to us through the centuries and say to-day that we are incapable of doing the things that was then the right and duty of a democratic form of government to do? I am not willing to subscribe that this is true.

It may be that if we had a dictator to-day to say to the farmer, "You are only to raise so much wheat, so much corn, and so much rye," and to say to the industries of this country, "You are only to produce this, that, and the other," it might be a solution for the present emergency, but our people would not submit to it.

There have been inflictions upon the Constitution here before. They were had during a period of stress far greater than that in which we now find ourselves. Some of them were had within the memory of many now living, within the knowledge of all of you who have read the history of the Civil War. The Constitution of the United States was then violated, violated, and violated again and again because of the necessity of war. Does that necessity now

exist? Are we to confess that we are in a state of war? We are possibly in a condition incident to the necessities of war, but we are not in a position to give ourselves the right to take advantage of the necessities of war, unless we confess our utter inability to solve this peace-time problem.

Mr. PARSONS. Will the gentleman yield?

Mr. WOOD of Indiana. No; I do not yield. We are not in a position to give ourselves the right to take advantage of the necessities of war unless we confess we are not any longer enabled by the legislative branch of this Government to do for the interests of the Government that which we are bound to do under the Constitution of the United States.

I think one of the greatest ravages that was ever perpetrated upon the Constitution was taking away West Virginia from the great Commonwealth of Virginia. When you read how it was done you will see that it was absolutely unjustified but for the necessities of war.

Now, are we to say that by reason of the distress in which we find ourselves we are going to abdicate the duties imposed upon the Congress of the United States in controlling the purse strings of this Government, which are the greatest guarantee of the people in security of a democratic government, and say that we are unable to longer control the expenditures of government or longer control the functions of government, and that we are going to abdicate and put all these things in the hands and power of one man?

I say to confess that is to confess that this form of government of ours is a failure, and to confess that we have started upon the period of our decadence.

I wish to call your attention to something that was said by the Supreme Court of the United States some years ago which is just as patent now as it was at the time when the utterance was made.

The Constitution of the United States is a law for rulers and people, equally in war and in peace, and covers with the shield of its protection all classes of men at all times and under all circumstances. No doctrine involving more pernicious consequences was ever invented by the wit of man than that any of its provisions can be suspended during any of the great exigencies of government. Such a doctrine leads directly to anarchy or despotism, but the theory of necessity on which it is based is false; for the Government within the Constitution has all the powers granted to it which are necessary to preserve its existence as has been happily proved by the result of the great effort to overthrow its just authority.

There has been trial after trial to overthrow the authority of this Government. There has been attempt after attempt to overthrow the duties imposed upon the three divisions of our Government. Happily, up to this time, with here and there an exception, we have maintained these three distinct attributes of our Government that have made us what we are. If they are to be destroyed now or if we are to attempt to undermine them now, we will be responsible for the consequences that are sure to come.

This was said by Mr. Bryce 40 years ago when he wrote his wonderful book, and I wish every right-thinking man would read it and ponder its provisions now. What was said then seemed to be merely conjectural, but now seems to be prophecy ripening into fulfillment.

He thought then, as I believe now, that if this Government is to endure it will be because of our adherence to our three fundamental principles and divisions of government. I implore each Member of the House to read and ponder this statement from Mr. Bryce:

To expect any form of words, however weightily conceived, with whatever sanctions enacted, permanently to restrain the passions and interests of men is to expect the impossible. Beyond a certain point, you can not protect the people against themselves any more than you can, to use a familiar American expression, lift yourself from the ground by your own boot straps. Laws sanctioned by the overwhelming physical power of a despot, laws sanctioned by supernatural terrors whose reality no one doubted, have failed to restrain those passions in ages of slavery and superstition. The world is not so much advanced that in this age laws, even the best and most venerable laws, will of themselves command obedience. Constitutions which in quiet times change gradually, peacefully, almost imperceptibly, must in times of revolution be changed more boldly, some provisions being sacrificed for the sake of the rest, as mariners throw overboard part of the cargo in a storm in order to save the other part with the ship herself. To cling to the letter

of a Constitution when the welfare of the country for whose sake the Constitution exists is at stake would be to seek to preserve life at the cost of all that makes life worth having—propter vitam vivendi perdre causas. (Bryce's American Commonwealth, p. 396, vol. 1.)

I also invite your attention to the following citation from the American Commonwealth, by Bryce, volume 2, pages 711, 712, and 713:

The next question to be asked relates to the component parts of the National Government itself. Its equilibrium stands now as stable as at any former epoch. Yet it has twice experienced violent oscillations. In the days of Jackson, and again in those of Lincoln, the Executive seemed to outweigh Congress. In the days of Tyler Congress threatened the Executive, while in those of Andrew Johnson it reduced the Executive to impotence. That no permanent disturbance of the balance followed the latter of these oscillations shows how well the balance had been adjusted at starting. At this moment there is nothing to show that any one department is gaining on any other. The judiciary, if indeed the judges can be called a political department, would seem to have less discretionary power than 70 years ago, for by their own decisions they have narrowed the scope of their discretion, determining points in which, had they remained open, the personal impulses and views of the bench might have had room to play.

and views of the bench might have had room to play.

Congress has been the branch of government with the largest facilities for usurping the powers of the other branches, and probably with the most disposition to do so. Congress has constantly tried to encroach both on the Executive and on the States, sometimes, like a wild bull driven into a corral, dashing itself against the imprisoning walls of the Constitution. But although Congress has succeeded in occupying nearly all of the area which the Constitution left vacant and unallotted between the several authorities it established. Congress has not become any more distinctly than in earlier days the dominant power in the State, the organ of national sovereignty, the irresistible exponent of the national will. In a country ruled by public opinion, it could hold this position only in virtue of its capacty for leading opinion, that is to say, of its courage, promptitude, and wisdom. Since it grows in no one of these qualities, it wins no greater ascendancy; indeed its power, as compared with that of public opinion, seems rather to decline. Its division into two coordinate Houses is no doubt a source of weakness as well as of safety. Yet what is true of Congress as a whole is true of each House taken separately. The Senate, to which the eminence of many individual Senators formerly gave a moral ascendancy, has lost as much in the intellectual authority of its Members as it has gained in their wealth. The House, with its far greater numbers and its far greater proportion of inexperienced Members, suffers from the want of internal organizations, and seems unable to keep pace with the increasing demands made on it for constructive legislation. One is sometimes inclined to think that Congress might lose its hold on the respect and confidence of the Nation, and sink into a subordinate position, were there any other authority which could be substituted for it. There is, however, no such authority, for law making can not be given to a person or to a court, while the State

The weakness of Congress is the strength of the President. Though it can not be said that his office has risen in power or dignity since 1789, there are reasons for believing that it may reach a higher point than it has occupied at any time since the Civil War. The tendency everywhere in America to concentrate power and responsibility in one man is unmistakable. There is no danger that the President should become a despot, that is, should attempt to make his will prevail against the will of the majority. But he may have a great part to play as the leader of the majority, and the exponent of its will.

He is in some respects better fitted both to represent and to

He is in some respects better fitted both to represent and to influence public opinion than Congress is. No doubt he suffers from being the nominee of a party, because this draws on every act he does the hostility of zealots of the opposite party. But the number of voters who are not party zealots increases—increases from bad causes as well as from good causes—for as a capable President sways the dispassionately patriotic, so a crafty President can find means of playing upon those who have their own ends to serve. A vigorous personality attracts the multitude, and attracts it the more the huger it grows; while a Chief Magistrate's influence excites little alarm when exerted in leading a majority which acts through the constitutional organs of government. There may, therefore, be still undeveloped possibilities of greatness in store for the Presidents of the future. But as these possibilities depend, like the possibilities of the British and German Crowns—perhaps one may add of the papacy—on the wholly unpredictable element of personal capacity in the men who may fill the office, we need speculate on them no further.

Will we not lose the respect and confidence of the Nation if we make an abject surrender of our right to legislate and confer this authority upon one man?

[Here the gavel fell.]

Mr. WOOD of Indiana. I yield myself 20 minutes more. Here is a man, not of our citizenship but of our blood, in sympathy, if you please, with our form of government, who was pointing out to us 40 years ago what might transpire in the future. Heed it, gentlemen. We are in a crisis. It is up to us to-day to say whether or not we are worthy of those who have handed down to us through the generations the responsibility of this Government. While I realize the extremis in which we are placed, while I realize the necessity of retrenchment, do not let us adopt, without due consideration, a temporary cure that will be a disease that will undermine like a cancer and destroy the fabric of the Government that our fathers established—not for us but for the generations yet to come. Let us not adopt something new and untried in the history of government, but let us be sure that our government of the people, by the people, and for the people is to endure.

Mr. McGUGIN. Will the gentleman yield?

Mr. WOOD of Indiana. I yield.

Mr. McGUGIN. I am in full sympathy with what the gentleman has to say as a matter of Government principle, but does the gentleman have any idea from his long experience in Congress that Congress will materially reduce the expenses of Government or consolidate any bureaus of Government?

Mr. WOOD of Indiana. I do not know whether it will or not. It depends upon the courage of the individual Congressman. [Applause.] It depends largely upon the sentiment of his constituents behind him.

I wish the whole country might know the extremis which we are in. They do not know it. I wish they might know the problems that we are called upon to meet. They do not know them. I wish we might be impressed with the responsibility that is resting upon us. I wish that the incoming President might realize, as I fear he does not, the responsibility that is his, because on his shoulders is going to be placed the greatest responsibility of government that has ever befallen any man that has ever become President of the United States with the possible exception of Lincoln.

Mr. RICH. Will the gentleman yield?

Mr. WOOD of Indiana. I yield.

Mr. RICH. The gentleman has made the statement that if we, as Congressmen, realized our responsibility, we might be able to reduce Government expenditures. I feel from what we have accomplished during this session of Congress, it is hard to cause Congress to realize its responsibility, and when it is said that taxation is resting so hard upon the shoulders of the people of this country, the only thing to do is to reduce expenses, and how are we going to do this if Congressmen will not assume their responsibility?

Mr. WOOD of Indiana. Well, that is the fault of the Congress itself. I am not here for the purpose of defending anybody's proposal, but I am here to charge this Congress with the responsibility of meeting the problem that is before it, and we are not doing it. We are putting it off to another day, we are putting it off to the next session of the Congress of the United States. We are shirking our responsibility.

Now I wish to call your attention to a few more details. February 21, 1932, one year ago to-day, the Democratic National Committee issued a statement by John N. Garner, Speaker of this House, criticizing President Hoover for his economic program. The closing paragraphs of that statement contain the following:

Now he [Hoover] has sent us a recommendation for the reorganization of the Government. Briefly, it consists in a suggestion that Congress abdicate its prerogatives and give him blanket power to appoint a lot of new officers and make the Government anything he pleases. Why did he not send us his actual program? * * * Why has he not told us what he proposes doing, so that we could accurately judge of the value of his suggestions, instead of adopting his proposal that we leave it all to him. Well, we are not going to grant any such unlimited charter. We, too, have our ideas as to how to effect improvements and economies in the national administration. If the President is sincerely desirous of such improvement, there is no reason why we should not get together. If he did that, we could cooperate. What he

seeks, instead, is to dictate, and nobody can dictate to the Democratic group in Congress.

Think of it! The gentleman from Texas [Mr. Garner] was criticizing the President's asking to leave it all to him.

Now what are you doing? The President of the United States never asked to destroy a single function of the Government; he never asked for the power now asked to destroy a single attribute of the Government. All he asked was the power to consolidate and amalgamate by preventing overlapping and preventing duplication, and thus save expense to the Government.

You are asked to give power to your President, and he is my President as well; you are asking that he be given authority, not only to do these things which the present President asked, but also that he be given power to destroy.

That is not and should not be a function under the Constitution lodged in the President. If you give him the power to destroy, you must give him the power to create. If he has the right to destroy any given department of the Government, he has the right to create some other department of that Government.

That we deny. The Constitution denies it, and to admit it is to abdicate the functions of the Constitution imposed upon us.

Mr. BLANTON. Will the gentleman yield?

Mr. WOOD of Indiana. No; I do not yield. I have not the time.

Not only is the proposal now before the House a reversal of the attitude maintained by the leaders of this House, including the Speaker, but it is a reversal of the traditional attitude of the Democratic Party. As far back as 1880, when the Democratic National Convention nominated Hancock for President and William English, of Indiana, for Vice President, it drafted a platform, the second paragraph of which was as follows:

The Democrats of the United States in convention assembled declare opposition to centralization and to that dangerous spirit of encroachment which tends to consolidate the bureaus of all the departments in one, and thus to create, whatever be the name or form of the government, a real despotism.

I appeal to you Republicans that in order to save the honor of this Government, the honor of its traditions established by our fathers, we should save these men on the other side from their folly.

The position to-day held by the Speaker and the Democratic leaders is an exact reversal and a flat repudiation of the position held a year ago. They are now asking not only that Congress tacitly abdicate its functions but that it do so by legislative act. In order that this characterization of the attitude of the Democratic leadership to-day may not be charged up to Republican partisanship, permit me to quote from an article in the Baltimore Sun of February 15 last, written by Frank R. Kent. The simon-pure Democracy of neither the Baltimore Sun nor Mr. Kent can be disputed. In fact, the Baltimore Sun is the only outstanding Democratic paper in this section of the United States, and opinions are quoted in Democratic councils throughout the country. Mr. Kent says:

It is a more or less amazing spectacle to see Democratic leaders, on the eve of their party's coming into control of the Congress, throwing up their hands and publicly saying in effect: "We can not be trusted to do what we were elected to do. Despite our control of both branches of the Congress, we will never be able to function. The only thing to do is to take away the power the Constitution of the United States gives us and put it in the hands of the President. We can't be trusted. We can't even trust ourselves. We have control, but we can't use it."

Mr. Kent continues:

If ever there was a more extraordinary confession by public leaders of their own incapacity than this, it can not be recalled. Yet the facts as made plain at this session amply justify it, and if an abdication does not take place by March 4, it will only be because of Republican opposition.

That was the Democratic attitude in 1880. Now they turn about and advocate your giving the President more power than it ever gave a king, except in the days of absolute kingdoms. No democracy was ever confronted with such a proposition that we are now confronted with.

For years the Democratic Party has gone before the public in each national campaign with the catchy slogan, "Let the People Rule," and pretended it was a party which was opposed to anything but the most simon-pure democratic form of government. In your platform of 1912, which nominated Woodrow Wilson, of New Jersey, for President and Thomas R. Marshall, of Indiana, for Vice President, you opened that platform with this preamble:

We the representatives of the Democratic Party of the United States in national convention assembled reaffirm our devotion to the principles of democratic government formulated by Thomas Jefferson.

Shades of Thomas Jefferson! Think of the attitude you are now occupying in taking away from the people the democracy which he advocated and establishing not autocracy, but despotism, if it is followed to its final analysis. You closed that same platform with this statement:

We direct attention to the fact that the Democratic Party's demand for a return to the rule of the people, as expressed in our national platform four years ago, has now become the accepted doctrine of a large majority of the electors. We again remind the country that only by a larger exercise of the power of the people can they protect themselves from the misuse of delegated power.

And now you are not only misusing your delegated power but you are delegating the power that the people gave to you. You are abdicating your responsibility and the duties imposed upon you by the Constitution under the provisions of the bill now before us.

Dare any Democrat in this body rise to his feet and seriously argue that the action advocated to-day is consistent with the principles of the Democratic Government formulated by Thomas Jefferson? Does any Democrat dare arise and contend that Thomas Jefferson himself, if here, would support such a proposition? Does any Democrat dare contend that this is not a centralization of government in its most odious form and that the Democratic Party since the day it was created has not been proclaiming its opposition to the doctrine and the practice of centralized government?

The reason for this action to-day is not that which is offered in explanation for it or in extenuation of it. It is offered not for the purpose of increasing the efficiency of the Federal Government. The real explanation is that given by Mr. Kent, namely, that the Democratic Party as it exists to-day in Congress finds itself utterly unable to legislate along the lines it pledged the people it would legislate. Its membership finds itself totally incapacitated to perform the legitimate functions that the legislative branch of this Government is, under the Constitution, mandated to perform. Again I do not desire this severe stricture to be charged up against Republican partisanship. I make this charge upon the authority of no less a distinguished Democrat than John N. Garner, present Speaker of the House and Vice President elect. On the 8th day of this month the public press carried a statement issued by Mr. GARNER, in which he said:

It has been actually demonstrated that Congress can not reduce Government expenses as it should be done. There are three or four outstanding organized minorities in this country which work to prevent Congress from effecting reorganization and economy.

And right here let me say that Mr. Garner expressed the truth when he said that this Congress is controlled by minority representation in this country, and it is one of the curses of this country. There is no organization representing the people, but we have minority organizations representing every kind of selfish interests constantly prevailing upon each individual Member of this Congress by every means possible to do their bidding.

Mr. Speaker, in the language I have quoted from Mr. Garner we find an admission by the leader of the Democratic Party in this House that the Democratic Congress can not perform the duties it was elected to perform, can not redeem its promises made to the people, can not perform those functions that the Constitution vests in it, because a few minorities will not permit it to do so. The Speaker admits that this Congress can not economize, will not econ-

omize, and therefore the power of Congress must be abdi- Because, as Speaker Garner stated on the 8th day of this cated.

But that is not what you Democrats wrote in your last national platform. Here is what you said:

We advocate an immediate and drastic reduction of governmental expenditures by abolishing useless commissions and offices, consolidating departments and bureaus and elliminating extravagance, to accomplish a saving of not less than 25 per cent in the cost of the Federal Government.

The President elect did not write that platform, although he did accept it and indorse it 100 per cent. You gentlemen controlled the committee on resolutions at Chicago which drafted that platform, and those within the sound of my voice helped pen the paragraph. There was nothing in there that you advocated a 25 per cent reduction of Federal expenses, provided a few organized minorities would let you. There was nothing in that plank which stated that you intended to pass the buck to the President and make him a dictator in a last desperate attempt to redeem your platform pledges. Quite the contrary, you made the promise directly and you inserted elsewhere in the platform the following:

We believe that a party platform is a covenant with the people, to be faithfully kept by the party when intrusted with power.

Here you are in this body, intrusted with power, and you have been intrusted with power for two years. Now, when the acid test comes you frankly admit that you can not function. You frankly admit that you can not redeem your party platform. You frankly admit that you can not do the things that a year ago and two years ago you said you could and would do. Let me quote a few statements made by the Democratic leaders in this body within the past 15 months.

January 17, 1932, Speaker Garner told the Associated Press, upon leaving the White House, that the Democrats had determined to do the job of economy. "We are really going to practice what the President has been preaching," said the Speaker. A month later, February 16, 1932, a few days over just a year ago, the news associations of the country printed the statement that Chairman Byrns, of the Appropriations Committee, following a conference with Speaker Garner, introduced a resolution calling for an Economy Committee to survey the Federal establishment and decide where bureaus may be abolished, consolidated, or restricted without permanent impairment of orderly government. Coincident with this statement Speaker Garner was quoted as follows:

We are now going to give the country a demonstration in real economy. The administration has been making gestures for three years. Now we are going to do the job.

On April 5 the press associations carried an authorized statement from Representative Crisp, of Georgia, then the acting chairman of the Ways and Means Committee, in which he said:

The newest Congressman in Washington must be aware of the utter waste in all branches of the Government. The whole governmental system has long needed the reorganization the President has vaguely suggested. It only remains to be done. If the President can not discover a way, certainly a joint committee from the House and Senate should, as a national duty, undertake the job for him. A child in Washington could see ways to reduce expenditures.

The Democrats at that time controlled this body. They have controlled it every minute since that time. They control it now. The things which they said could easily be done by the Congress have not been done. They have not even been commenced. The duty of making a study and recommending a reorganization of the governmental agencies. for which the special Economy Committee was appointed by Speaker Garner last February, a year ago last week, has not been performed. The failure of that performance is not attributable to the Republican President or to the Republican administration or to the Republican membership of this House. The failure of that committee to perform the duties it was advertised to perform lies at the door of the majority of that committee and the Democratic leadership in this House. The extravangances and waste which Representative Crisp said that even the newest Congressman or the merest child could see remain untouched. Why? Because, as Speaker Garner stated on the 8th day of this month, this Congress finds itself incapacitated to perform its sworn duty as representatives of the American people, and then, to make a bad matter worse, it proposes by legislative enactment to do just exactly as Mr. Kent said:

Vote the powers given it by the Constitution back to the President and abdicate as the legislative branch of the Government.

[Applause.]

The SPEAKER pro tempore. The time of the gentleman from Indiana has expired.

Mr. BYRNS. Mr. Speaker, I yield five minutes to the gentleman from Indiana [Mr. Ludlow].

Mr. LUDLOW. Mr. Speaker, I agree with the able gentleman from Indiana [Mr. Wood] that the proposal before the House to give to the President great powers to reorganize the Government, including the power "to abolish the whole or part of any executive agency," is of epochal significance. It does indeed involve the delegation of vast power to the President, but it is the first real approach to an accomplishment for which the whole country is crying in no uncertain terms, namely, the elimination of bureaucracy and its despotic interference with the rights of business and individuals and the stoppage of the astounding wastes and extravagances that are incident to and inseparable from bureaucratic activities. It is the first effort in that direction that promises any results of real value.

It is of vital importance not only to economic recovery in this country, but to the perpetuity of American institutions in the form and design that guarantees freedom and individual rights that this conference agreement delegating broad reorganizing powers to the President shall be adopted by the House and crystallized into a legal enactment.

This is not a time to halt or quibble. This is a time to go forward. The whole country is demanding, not asking, that the Federal Government shall be reorganized by cutting out at the roots bureaus that have no right to exist and whose meddlesome activities span a continent. It is demanding, not asking, that commissions of varied and fantastic forms, whose personnel are leeches on the taxpayers, shall be wiped out of existence. It is demanding, not asking, that all of the ridiculous overlapping of activities, all of the multiplied overheads for services that are similar, if not identical, shall come under a microscopic examination and that wherever the pruning knife can be inserted to simplify government and remove parasites from the pay rolls it shall be used unsparingly.

Do not be mistaken. The citizenship of this country is a seething mass of discontent. Everyday conversation has taken on a sinister and revolutionary tone. The people have a well-defined impression that the Federal bureaucracy is in no small degree to blame for their ills. They want useless personnel stricken off of padded pay rolls. They want the President given the power that is sought to be conveyed to him in this conference agreement to abolish nonessential activities, and they will hold the President and the Congress jointly responsible if the next few years do not witness the sharpest retrenchment in Government expenditures of any like period in the history of the country.

The average American has more wisdom and knowledge in connection with governmental affairs than he is generally credited with possessing. He knows that the beautiful structure of government handed down to us as a priceless heritage by the founding fathers has become covered with bureaucratic and extraconstitutional malformations until it can no longer function simply and economically and with direct benefit to the people as it was intended to do, and they want these excrescences stricken off of it. I hold in my hand a most interesting book, which I obtained from the Library of Congress. It is a volume entitled "List of Federal Commissions, Committees, Boards, and Similar Bodies Created During the Period September 14, 1901, to March 4, 1929." This book is not up to date and does not include any commissions created since March 4, 1929. four years not covered by the book mark an era notable for paternalistic expansion, and necessarily there are many commissions, boards, and so forth, in existence that were born too late to be included in it. Nevertheless, it is amazing to know that the mere cataloguing of the partial and incomplete list of boards and commissions whose names are printed in this volume makes a book of 147 pages.

The people of America expect President-elect Roosevelt to deflate this enormous bureaucratic balloon, and the conference agreement now before the House gives him the tools to do this important job. I know it has been said by very able gentlemen that the delegation of such enormous power to the executive head of the Government is not in keeping with the democratic philosophy on which this Nation was founded, and I have a great deal of sympathy with that point of view. But neither is this great, all-powerful, ultrapaternalistic bureaucracy that has grown up in Washington in keeping with the democratic philosophy of government on which this Nation was founded. The founding fathers had the wise idea that all of the administrative functions of government should be transacted through the Executive and the departments. There are now 10 great departments, each with a Cabinet official at its head; but added to and superimposed upon this fundamental structure of Government are bureaucracy's contributions throughout the years, consisting of more than 500 commissions, boards, independent establishments, and whatnot that reach out into every field of paternalistic activity, comprising the most stupendous and costly bureaucracy in history. So, since the ill is extraordinary, it requires an extraordinary cure, and that cure is provided in the pending conference report.

One thing that is absolutely certain is that the Federal Government will never be reorganized adequately and thoroughly except by the delegation of ample authority to the President, as provided in the language of this bill. The history of all similar attempts proves this to be true. Three Presidents of the United States in modern times have ventured into the field of governmental reorganization, each time with disastrous results because in no instance did Congress give to the Executive the authority he must have to perform the task. It was a dream of President Taft, whose well-meant efforts registered absolutely nil. The most far-reaching attempt in that direction was made by President Harding, who chose Walter F. Brown, now the Postmaster General, to draft the plan. The problem was studied with extreme pains and care and a report was submitted to Congress, but a thousand special interests and individuals swooped down upon Congress to protest the demobilization of the bureaus, and in the end nothing was

The fate of President Hoover's recent reorganization plan is still fresh in the minds of all of us. It failed, as it was bound from the start to fail, because of a lack of authority. I have no criticism of President Hoover on this account. It seems to me that Congress did not play fair with him. It was the same as if Congress had said to him: "We give you an order to build a new temple of Government in this country but we will not give you a single tool to do it with."

The order given to President Hoover was no such proposal as the one now before us. It did not grant him authority to abolish one solitary governmental agency of any kind. About all his plan amounted to, therefore, and about all it could amount to, was to play solitaire with the bureaus and commissions, moving them from one place to another, regrouping and rearranging them; but it did not abolish a bureau, fire a bureaucrat, or save a dollar. The House wisely followed the advice of Colonel Roop, the Director of the Budget, and put the matter over until the Congress could vest in the President broader powers that would enable him to do the job as it should be done.

The result of a further consideration of the problem by the Congress is the proposition now before us which gives to the President-to-be plenary powers to reorganize the Government, stopping only short of the power to abolish entire departments, with certain reservations which will enable Congress, by the two-thirds required to override a veto, to defeat any reorganization plan the President may present pursuant to the terms of the act. My only objection to the plan is that it does not go quite far enough. I would give

the President power also to abolish departments. I believe the departments could well be reduced from 10 to 8 by combining the War and Navy Departments and merging the Department of Interior with either the Department of Agriculture or the Department of Commerce, but when I broached the question of broadening the delegated power to include departments I was stopped by the suggestion that this probably would provoke a veto by President Hoover. I am too anxious that the legislation shall pass and too well satisfied with the broad powers contained in the proposal as it now stands to insist further on the inclusion of departments.

There are those who claim the delegation of so much power to the President is dangerous and who raise the bogey cry of "dictator," but I am not scared by such hobgoblins. President Wilson was given tremendous war-time power, but it did not make dictators out of his successors in office. When the emergency ended, the powers expired. The Congress that confers this authority on the President elect can take it away and by the explicit terms of this act it will expire automatically in two years. We are not creating a dictator in the White House. We are giving the President authority to do a very definite job and when that job is completed the authority will cease.

President-elect Roosevelt, who will execute the order of Congress, is coming into office with the unanimous good will of the American people. He has given abundant evidence of his high character and resolution. In volunteering to undertake the gigantic assignment of reorganizing the Government as it should be reorganized, if Congress will give him legal authority sufficient unto the task, he is displaying courage and initiative that are perfectly admirable.

As so much is wrapped up in this proposal that is for the good of America now and in the future, let us not hesitate to grant him that authority. [Applause.]

THE AIR MAIL SERVICE

Mr. Speaker, no man in the House is more in favor of abolishing air mail subsidy than I am, but I want to see the subsidy abolished without wrecking air mail.

If it were a question of continuing the present highly subsidized air mail service throughout the years to come or its abolishment, I would favor its immediate abolishment and I believe many other Members of the House feel the same way about it.

Luckily that is not the question that is here presented. There is a clear and open way before us pointing to a non-subsidized air mail service to take the place of the present service which is subsidized at the rate of about \$10,000,000 a year from the taxpayers' money. That is to say, we are appropriating around \$19,000,000 a year for air mail and the air mail receipts are around \$9,000,000, leaving \$10,-000,000 of pure subsidy.

The gentleman from Pennsylvania [Mr. Kelly] and the gentleman from New York [Mr. Mead], the distinguished chairman of the Post Office Committee, to both of whom the country is indebted for a most careful and intelligent study of the air mail problem, have brought forth a plan to revise the financing of the air mail service that will squeeze every drop of subsidy out of that service by the end of five years. By the end of one year it will reduce the subsidy to \$4,000,000, and the reduction will go progressively forward until there will be no subsidy at the end of five years. The new basis of compensation is to be 2 mills per pound per mile.

Why do I say this plan will suceed in eliminating the subsidy? Because the air mail contractors themselves see that the subsidy can not go on and three of the leading contractors, representing I believe one-third of the total air mail operation, have already voluntarily come forward and agreed to surrender their present contracts and go in under the new arrangement. The Postmaster General has power under existing law to revise existing air mail contracts downward, and the right kind of a Postmaster General during the next few years by applying the right sort of persuasion can without the least difficulty induce the

plan has been prepared and introduced in the form of a bill and will be reintroduced and pressed at the opening of the special session in April.

This being the case, I submit to the House that this is no time to wreck the air mail service. Let us continue this facility, and as rapidly as can be done let us put it on its own through the operation of the Kelly-Mead plan, so that it will pay for itself. We should not overlook the fact that many contractors have gone into this enterprise in good faith, investing large sums in equipment. They are entitled to consideration. Many cities have shown a most commendable public spirit by providing airports at great cost, relying on the benefits of air mail as a compensatory return. My home city of Indianapolis, which we proudly call the "air crossroads of America," is one of these. We have an airport second to none. I would not be true to the district I represent if I were to vote to strike air mail out of existence at the very time when it is about to be placed on a self-sustaining basis; but I am no more willing to flout such communities as Columbus, Ohio, Denver, Los Angeles, and a hundred other progressive cities which have provided modern airports at great cost to themselves. Mr. Speaker, there is but one wise course before Congress in reference to air mail, and the Senate conferees recognized that course when they receded on the air-mail item. Air mail is too important to commerce and business and as an auxiliary of national defense to be wiped out. Let us take the subsidy out of air mail, but let us not wreck it.

Mr. THATCHER. Mr. Speaker, I yield five minutes to the gentleman from Wisconsin [Mr. STAFFORD].

Mr. STAFFORD. Mr. Speaker, the difficulty I have with supporting the amendment proposed by the gentleman from Tennessee [Mr. Byrns] is that it does not go far enough.

I may be exceptional in my views, but if the Republicans had control of this House I would be fighting to the last any proposal to commit the next Congress to a determination of the financial policy, as far as the purse-strings of the Government are concerned. I have been defeated, with many others, and you are calling upon us here to determine the policy that my successor and the successors of others were commanded to determine as to the amount of expenditures of our Government. No appropriation bills, if the policy of the gentleman from Tennessee is followed, will be passed until more than a year hence. The incoming Congress will say, "You have hamstrung us. You have determined the amounts to be expended." And the only excuse and apology of the gentleman from Tennessee for this milk-and-water proposal is that perhaps the present Executive will veto it if we go farther. That is no defense whatsoever upon the part of those charged with responsibility. Far better for the Democratic majority to come here with some live, real proposal, with guts in it, that will cut and save, and meet the demands of the people, rather than this abortive proposal that is only seeking to merge bureaus and independent establishments. This will not accomplish a saving of \$50 .-000,000, no matter how sincere the incoming administration may be. It is necessary to use the knife and use it generally. Not only generally, but after you have stuck it in the back, give it several more twists, so as to cut down the expenditures to the minimum.

I have been surprised, if not amazed, at the policy of the gentleman having charge of the appropriation bills in this Congress bringing in bills that do not seek in any instance to cut down in any large amount that recom-mended by the last Congress. We leave it to the Senate, and when the Senate adopts a proposal we run from it for fear it will be too drastic. If this were submitted to the next Congress—the Democratic Congress fresh from the people-not for a moment would they accept any such mild proposal as this. It would be far better for the welfare of the people if we would not pass any appropriation bills at this session of Congress. We have passed them through the House. Let them be brought up under suspension of the rules when the next Congress comes and then send them to the Senate to determine the policy rather than to commit

other contractors to come under the tent. The Kelly-Mead | the next Congress to a policy as to which they have no voice at all. I absolutely dissent from this policy. I will go to any extreme to cut down expenditures. Adopt this program, you who have been returned to the next Congress. and what will it mean? It will mean higher and higher taxes during the incoming administration. The President elect is sincere in his position that he wants expenditures cut down. This proposal will not cut down expenditures to any extent by the merging of this agency or that agency.

Under the provisions of this bill, no person in the employ of the Government shall be staggered for longer than 90 days. It does not provide for getting rid of any employees of the Government. How can I conscientiously vote for this milk-and-water proposal that seeks to commit the next Congress, which is charged with cutting expenses, when this is offered as a policy because perchance the President, who was defeated with many other Republicans, renounced by the voters, might veto something that is more drastic. It is opposed to the fundamental principle of our Government. We have been renounced; we have been rejected; and yet you are asking us to adopt a program of expenditures that hogties the next Congress because, perchance, the next Congress might be delayed a little longer in session. It is absolutely opposed to our representative form of government. This House, this Congress, should not bind the incoming administration as to its expenditures merely on the issue of convenience.

The SPEAKER pro tempore. The time of the gentleman from Wisconsin has expired.

Mr. BYRNS. Mr. Speaker, I yield five minutes to the gentleman from New York [Mr. MEAD].

Mr. MEAD. Mr. Speaker, I offer an amendment. The Clerk read as follows:

Amendment offered by Mr. MEAD: Page 1, section 4, line 12, after the figures "112," strike out the figures "201," and on page 2, line 20, add the following:

"3. Section 201 is amended by striking out the period at the end, inserting a semicolon and the following: nor shall this section apply to employees whose automatic increase does not exceed \$150 per annum."

Mr. MEAD. Mr. Speaker, it is difficult, in my judgment, for any Member to find fault with or criticize the Members of the House conferees. On the other hand, they are to be congratulated and commended for under the able leadership of the distinguished chairman of the Committee on Appropriations they have accomplished a very difficult task. They improved the economy act by eliminating a number of discriminations. There are one or two more, however, that should be eliminated. One of these I have included in the amendment which I have just offered.

I voted for the furlough plan in the economy act as it was finally passed in the last Congress, but since that time I have been seeking to correct certain discriminations which are leveled against the lower-paid employees in the various Federal services.

In the report the Committee on Appropriations provides for uniform pay deductions; they have restored disciplinary promotions. This offsets a decision made by the comptroller which held that employees who were reduced to a lower grade as a means of discipline are now, under the provisions of this act, to be restored when the period of disciplinary service has expired.

The Bratton amendment, which would, in my judgment, do violence to postal appropriations, has been reported unfavorably by the committee.

Substitutes are protected in so far as the economy act applies to those whose annual salaries are less than \$1,000. Special-delivery messengers heretofore reduced by the economy act 8% per cent now are allowed \$400 a year for

equipment. All of these provisions are meritorious.

The amendment which I offer would restore automatic promotions only to those in the minor grades whose automatic promotion in no case exceeds \$150 a year. Let me illustrate this unfairness in the economy act which we passed a year ago: There are five automatic grades in the Postal Service, An apprentice starts in at \$1,700 per annum and receives an automatic increase of \$100 a year for a period of five

years. Under the terms of the economy act he loses that \$100 annual increase and also loses an additional \$150 annually because of the 81/3 per cent reduction. So that in the course of five years he loses \$500 as the result of the deprivation of automatic promotions, and he loses \$750 in addition to that by reason of the 81/3 per cent deductions of the economy act. So, an apprentice in five years loses \$1,250, while those in the upper grades lose \$750 in the same period of time. By reason of the discrimination in this particular feature of the law, there is, in my judgment, levied an unjust percentage against the apprentices in this department.

Mr. KELLY of Pennsylvania. Mr. Speaker, will the gentleman yield?

Mr. MEAD. I yield.

Mr. KELLY of Pennsylvania. As I understand, the gentleman's amendment limits these automatic promotions to those who would receive less than \$150 increase per year.

Mr. MEAD. Yes; it only takes care of those in the minor

Mr. KELLY of Pennsylvania. And that applies, of course, to District firemen and policemen.

Mr. MEAD. It applies to firemen and policemen in the District of Columbia, apprentices in the Postal Service, as well as to minor grades in other departments.

Mr. STAFFORD. The postal employees I suppose are the main ones.

Mr. MEAD. They are included in my amendment, I may say to the gentleman.

[Here the gavel fell.]

Mr. BYRNS. Mr. Speaker, I yield five minutes to the gentleman from Oklahoma [Mr. McKeown].

Mr. McKEOWN. Mr. Speaker, I rise to discuss this

Mr. Speaker, the present time of trouble and distress is no time to be discriminating against officers in the Army, Navy, and Marine Corps. These are not good days for such a thing to take place. I believe in economy, but there are two ways to destroy this Government, either by revolution or by denial of sufficient appropriations to enable the Government to function.

What are we doing here? We are just piddling with the spigot instead of going back to repair the reservoir and stop the great waste of water.

Mr. Speaker, if we would put in a good part of our time trying to pass some real constructive legislation which would put business back on its feet and bring revenue to the Treasury, we would be accomplishing a lot more than by just rowing around here trying to cut off a few drops of water leaking out of the spigot.

You can destroy the Government by absolutely denying any appropriation with which to carry on its functions. I am in favor of economy. I voted for every economy bill in this House, but I say here and now this is no time, with the world in the condition it is in, to be breaking the morale of the Army, the Navy, and the Marine Corps. I stood down in Quantico the other day and saw the leathernecks who came back from Nicaragua. As I looked at those fellows I realized that among them were some who were being discriminated against by reason of this section 201.

What right have we to place an unjust burden on one man because he happens to be in a place where he can not be promoted and then place a lighter burden on some other fellow? Let us do this thing right; let us be fair to all; let us treat every employee of the Government alike. I am in favor of this adjustment, but I would apply it in a way to eliminate all discrimination. The Senate did not put it in. We proposed it.

There is a lot of agitation about cutting taxes, a lot of the talk is coming from fellows who never have paid a dime of Federal taxes, but they realize that the burden rests upon them indirectly. Let us make real economies and not destroy our national defense. Instead of playing the part of real statesmen and giving this country a chance to come back and be the prosperous country it can be, we are whittling around about somebody's small salary.

The President elect has promised the American people to reduce the expenses of the Government 25 per cent. did not say he was going to effect a reduction by taking everybody off the pay roll and kicking everybody out of office. He promised to effect the reduction by giving us an efficient Government. How can we have an efficient Government unless we have efficient employees?

If you are to start this country back on the road to prosperity, if you are going to give the taxpayers of this country some consideration, you must do it in some way

other than by high taxes. Give them business.

Give them business. That is what we ought to be doing here, and I say in justice to the Army and the Navy and the Marine Corps we ought to take this section 201 out of this conference report.

Mr. BYRNS. Mr. Speaker, I yield to myself five minutes. Mr. Speaker, there may be, and doubtless is, a great deal in what the gentleman from Oklahoma [Mr. McKeown] and the gentleman from New York [Mr. MEAD] have said on this subject, but we all understand in this crisis and at this time there may be some injustice done some one in the effort to save a little money for the taxpayers and balance the Budget.

All of us have to make sacrifices. Of course we do not want to discriminate in favor of one against another; but here is what you are asked to do. You are asked to promote by an increase of salary quite a number, possibly thousands, of employees of the Government; while in the same breath and in the same bill you are taking from others to the extent of 81/3 per cent.

I do not think this is the time to increase salaries, gentlemen, and that is all this amounts to, and it will cost the Government \$4,000,000 next year if these amendments

Mr. Speaker, I ask for a vote.

Mr. MEAD. Mr. Speaker, I ask unanimous consent to modify the amendment that I sent to the desk.

The Clerk read as follows:

Modified amendment proposed by Mr. MEAD: Page 2, line 20, add

the following:
"Section 201 is amended by adding at the end thereof the following: 'This section shall not apply to employees whose automatic increase does not exceed \$150 per annum.'"

Mr. THATCHER. Mr. Speaker, I yield three minutes to the gentleman from Connecticut [Mr. Goss].

Mr. GOSS. Mr. Speaker, I want to confine my remarks to this particular amendment, as it affects the Army, the Navy, and the Marine Corps.

The statement has been made that the elimination of section 201 would permit large increases to the highly paid officers of the Army and Navy, and that statement is not

By far the major portion of individuals affected are postal employees drawing small salaries-\$1,700, clerks and letter carriers; \$1,600, driver mechanics; \$1,500, messengers, watchmen, laborers—and so forth.

To these the postal law promises an annual automatic increase, for from one to five years, of \$100 for "efficiency and faithfulness" during the preceding year. Think of it, a pittance of \$8.33 per month denied to each of them in the name of economy, in addition to the 81/3 per cent cut.

These contributions make up more than half of the savings from section 201.

Another poorly paid group that suffer a like discrimination includes the policemen, firemen, and school teachers of the District of Columbia, and this in addition to the 81/3 per

The statement that the elimination of section 201 would permit large increases to highly paid officers of the Army and Navy is not true.

Much has been made of the fact that Admiral McLean's pay would be increased about \$2,000, as he has passed from the lower half to the upper half of his grade.

The facts are that Admiral McLean is the only highranking officer of the Navy or Army affected by section 201. No general has been or will be affected, for none has any automatic increase.

No other admiral will be affected unless some admiral of the upper half dies or retires.

The junior officers of the uniformed services carry most of the burden.

In the Army, for example, captains, lieutenants, warrant officers, and nurses stand more than 75 per cent of the loss. Generals lose not a single cent.

The total loss in the grade of colonel is only \$6,088.

During the fiscal year, 838 officers will be denied advancement to higher pay periods. Of these 122 are captains and 501 are lieutenants. Two hundred and fifty, of whom 208 are captains and lieutenants, will be denied pay increases due to promotion.

Actually less than 7 per cent of the officers of the Army stand the entire loss resulting from suspension of advances into higher pay periods, and captains and lieutenants stand 70 per cent of this loss.

The entire saving on commissioned officers is \$582,336. Of this amount captains and lieutenants, and only a portion of them, stand \$431,612, or more than 75 per cent.

One hundred and thirty-three nurses lose \$14,870.

Pure chance determines the individuals affected. For example, the 1927 military academy class were commissioned June 14, 1927, completed five years' service and entered the second pay period June 14, 1932, while one commissioned after June 30, 1927, from civil life or the ranks is denied this pay increase.

Section 201 alone penalizes this second lieutenant a greater amount than the economy act reduces a salary of \$10,000. And, in addition to this, he suffers a cut of more than 8\%3 per cent, made up as follows:

Eight and one-third per cent cut on pay.

Ten per cent cut on rental allowance.

Thirteen and one-third per cent cut on subsistence allowance.

A total cut of 9½ per cent, and in the next fiscal year this cut will be more than 14 per cent, which, coupled with the cut imposed by section 201, makes a total cut of almost 40 per cent, or \$106 per month.

His obligations have not been reduced, but instead increased. Even the premiums on his life insurance, including his Government insurance, are graduated on the pay readjustment act, and accordingly have increased considerably, while instead of receiving the expected increase in income he suffers a considerable reduction. He has reached the age when it is natural and normal for him to marry, and relying on what he believed was the safest security in the world, the written promise of his Government, he has assumed the additional responsibilities of a family. But with his increased responsibilities and obligations he finds the promise broken, and his income reduced below that which he received when he first entered the Army.

In the case of captains, many are now in that grade due to the promotion hump. Formerly this promotion injustice was somewhat mitigated by the increase of pay due to length of service. But section 201 now denies even this mitigation, and on top of the promotion injustice imposes another and more serious injustice.

In the Navy there are many cases of officers who entered the Naval Academy prior to July 1, who are receiving considerably more pay than their classmates, senior to them, who happened to enter the academy on or after July 1 of the same year, solely due to the operation of section 201.

A concrete example, the class of 1913. Forty entered prior to July 1, 1909, and 34 subsequent to that date. In the summer of 1932, June and July, these officers were entitled to a pay increase due to completion of 23 years of service. Forty received the increase, but section 201 denied it to the 34.

The officer who stood at the top of this class is one of the 34. He has been selected for promotion to the grade of commander. Section 201 prevents him receiving the increase the law promised him both on length of service and promotion. But the man who stood fourth from the bottom of the class and who has not been selected for promo-

tion received the increase merely because he happened to enter the academy in June.

There are many cases of similar discrimination in all the services, Army, Navy, Marine Corps, Coast Guard, Coast and Geodetic Survey, and Public Health Service.

And the striking and sad feature of the whole situation is that a comparatively few of the junior officers carry the load while the senior officers escape almost entirely. A most glowing example of a violation of the principle of imposing the economy burden in proportion to ability to pay.

And in every case the right to the increase has been earned by the individual through faithful fulfillment on his or her part of the provisions of law which grant the increase.

In these times it is sound policy not to initiate any pay increases, and, of course, the services expect no such action. It is, however, an entirely different matter when the Government writes a definite promise in the law and the individual faithfully performs all the conditions on his part only to have his Government break that promise. The injustice, the unfairness, and the discrimination in its application marks section 201 as the most vicious piece of legislation placed on our statute books in many a day.

During this entire period of stress the officers of the uniformed services have uncomplainingly stood ready and willing to make any proportionate contribution the Congress saw fit to require from all Government personnel. At no time have those officers opposed in any manner any proportionate reduction proposed in Congress. All they ask is fair play. Let each contribute in proportion to what he receives. In that spirit of fairness they ask that the unjust and inequitable burden which section 201 imposes be not continued.

The accusation that officers have traded the 8½ per cent cut on enlisted men for the elimination of section 201 is a false, vicious, and groundless attack, and known to be such by its sponsors. The enlisted pay cut was put in the economy bill by the Senate committee in secret session, and passed the Senate over the strongest opposition of the Army and Navy. The only suggestion ever made by the Army or Navy was that if the Congress feels that the Army and Navy must make a greater proportionate contribution than the great majority of Government personnel, including the Members of Congress themselves, then in the name of justice let the contribution of each officer be in proportion to the amount he receives—and do not put this unjust additional burden on a small group of junior officers.

This matter has never been considered on the floor of the House. It has passed both times without discussion or explanation and without the Members of the House knowing of the great injustices resulting from its application. In the Senate committee was the first time it was fully considered with the facts at hand, and that committee unhesitatingly eliminated the section. Those affected believe the fairness of the Members of the House will cause them to take the same action when they know the facts.

Effect on pay of officers, warrant officers, and nurses of the Army for fiscal year 1933 (sec. 201, economy act)

Grade	Number who will lose automatic increase which should result from—						
	Advance to higher-pay period		Longevity		Promotion		Total
	Num- ber	Amount	Num- ber	Amount	Num- ber	Amount	Julia
General officer	None. None. 82 133 122 239 362	None. None. \$20, 628 36, 254 91, 500 14, 660 22, 134	None. 27 44 935 1,855 882 567	None. \$3, 150 4, 533 76, 520 164, 756 35, 099 11, 453	None. 8 7 29 139 65 2	None. \$2, 938 958 5, 743 64, 843 26, 814 353	None. \$6, 088 26, 119 118, 517 321, 099 76, 573 33, 940
Total Warrant officer Army nurse	838 None.	185, 176 None.	4, 310 35 133	295, 511 1, 585 14, 870	None. None.	101, 649 None. None.	582, 336 1, 585 14, 870
Total	838	185, 176	4, 478	311, 966	250	101, 649	598, 791

The SPEAKER pro tempore. The question is on the | amendment of the gentleman from New York [Mr. MEAD]. The question was taken, and the amendment was re-

jected. Mr. BYRNS. Mr. Speaker, I yield five minutes to the gentleman from Mississippi [Mr. WHITTINGTON].

Mr. WHITTINGTON. Mr. Speaker, I offer an amend-

The Clerk read as follows:

Amendment offered by Mr. WHITTINGTON: On page 10, follow-

Amendment offered by Mr. Whittington: On page 10, following line 25, insert a new paragraph, as follows:

"Sec. 16. (a) The head of each executive department and independent establishment is authorized and directed to make such reductions in the expenditures from the appropriations made by the regular annual appropriations act for the several purposes of his department or establishment for the fiscal year ending June 30, 1934, except in the case of the Treasury Department appropriations for acquisition of sites for and construction of public buildings and the appropriation for addition to the cumulative sinking fund pursuant to section 308 of the emergency relief and construction act of 1932, as will in the aggregate equal at least 5 per cent of the total amount so appropriated for his department or establishment for such year, excluding, in the case of the Treasury Department, the appropriations specified above. Such reductions shall be made in a manner calculated to bring about the greatest economy in expenditures consistent with the effithe greatest economy in expenditures consistent with the efficiency of the service: *Provided*, That in the Veterans' Administration such reductions of 5 per cent shall apply only to the appropriation for operating expenses.'

Mr. WHITTINGTON. Mr. Speaker, the amendment just read which I propose is in substance the original Bratton amendment with the Costigan amendment eliminated, and with the proviso that the operation of the Bratton amendment in the Veterans' Bureau will affect only the appropria-

tions for operating expenses.

The so-called Bratton amendment is section 18, page 80, of H. R. 13520, the pending bill, as it passed the Senate. It provides that the head of each executive department and independent establishment is authorized and directed to make reductions that will aggregate at least 5 per cent of the amount appropriated for the department or establishment during the fiscal year 1934. The so-called Costigan amendment to the Bratton amendment provides that in making any reductions no wage cuts, other reduced compensation, or furloughs shall be ordered. Under the Bratton amendment, there would have been reductions of approximately \$143,000,000 in the expenditures for 1934, with no reductions in wages or compensation.

Under the amendment that I propose, the Costigan amendment as to wages and compensation is eliminated. Moreover, in an effort to secure favorable consideration, the amendment I propose provides that in the Veterans' Administration the reduction of 5 per cent shall apply only to the appropriation for operating expenses. The operating expenses for the current year are approximately \$115,688,-000. The proviso in my amendment would therefore limit the reductions in the Veterans' Administration to approximately \$5,750,000. Personally, I know of no reason why the 5 per cent reduction in the Veterans' Administration should not apply to pensions, salaries, compensations, and allowances. But I am informed that it would be difficult to secure approval for any reductions in pensions or compensations. Under the amendment which I propose, there would be reductions for the next current year of approximately \$100,000,000. As I have stated, the amendment is substantially the Bratton amendment as it passed the

REORGANIZATION

While the proposed amendment of the gentleman from Tennessee [Mr. Byrns] contains 16 pages, only two substantial provisions are embraced therein. They are the elimination of the so-called Bratton amendment and the provision for the reorganization of executive departments. Title IV, which provides for the reorganization of executive departments, is substantially in the language of the Senate amendment. The power in both the Senate amendment and the proposed House amendment to be conferred upon the President in reorganizing is identically the same. In fact, the language is substantially the same. The provision as to reorganization therefore might have been eliminated from

the pending amendment. There is no substantial disagreement between the House and the Senate on the proposition for reorganization. By adopting the reorganization provision of the pending amendment the House will merely be agreeing to the Senate provision.

I favor the reorganization provisions. The President will be given the power and authority to group, coordinate, and consolidate executive and administrative agencies, to reduce the number of such agencies by consolidation, those having similar functions under a single head, to eliminate overlapping, and to segregate regulatory agencies and functions from those of executive and administrative agencies.

The President would be given the power to transfer, consolidate, or abolish executive agencies or the functions thereof, with the further power to designate and fix the

names and functions of any consolidated agencies.

The economy act of 1932 conferred substantially the same power upon the President. That act did not give the President the power to abolish any statutory agency. He was requested to make recommendations to Congress relating to the abolition of any agency or bureau of statutory origin. On December 9, 1932, President Hoover made recommendations for certain transfers and consolidations. It is worthy of note that he merely recommended the abolition of some three or four insignificant statutory agencies. Among all the 58 consolidations he recommended the abolition of 3 or 4 statutory agencies, to wit, the Office of Public Buildings and Parks, the Employees' Compensation Commission, and the board of trustees of National Training School for Boys.

The President is given power respecting executive agencies. Under the provisions of the amendment the President has no authority to abolish or transfer any executive depart-

ment or the functions thereof.

Executive departments are established by law. Executive agencies and departmental bureaus are generally established by Executive orders. The power thus conferred by the President is very largely the power to consolidate, eliminate, or abolish the agencies established by the Executive, rather than by Congress. If the President has the inherent power to establish an agency within a bureau or an executive department, it must follow that he has the power to eliminate or abolish. There is no good reason why he should not have the power to transfer, regroup, consolidate, and redistribute, given him under the provisions of the pending amendment. Something has been said about the President being a dictator. There is no occasion for the statement. No dictatorial powers are conferred upon the President in the pending amendment. Congress has failed to eliminate and abolish. The Executive established most of the agencies. He is now given the power to eliminate, abolish, or consolidate.

The power thus conferred upon the President will be conducive to economy. It depends upon whether he merely transfers, or eliminates, or abolishes. There will be no economy unless useless agencies are abolished and unnecessary employees are eliminated. The total appropriations for the maintenance of all the executive agencies amount to but a small part of the annual Federal appropriations. It has been estimated that they constitute less than \$50,000,000 of the total annual appropriations aggregating \$4,000,000,000. I warn those, therefore, who expect large economies from the power conferred upon the President that they are destined to be disappointed. Real economies can only result from decreased appropriations, and that means reduced salaries and compensations.

REDUCTION

The pending amendment by Mr. Byrns, the chairman of the committee, is conspicuous because the so-called Bratton amendment in the Senate is eliminated and there is no substitute therefor. The Bratton amendment contemplates a saving of \$143,000,000. The Committee on Appropriations in the House offers no substitute for the elimination of the Bratton amendment. For the \$143,000,000 in economy proposed by the Senate, the House makes no provisions whatever. If the amendment of the chairman of the Appropriations Committee is adopted, it means the economies will be

indefinite. They will be largely economies that result from | treat all departments alike. There is no better way to econoconsolidations

My amendment will provide for the reduction of 5 per cent on total appropriations aggregating \$2,000,000,000. It is substantially the Bratton amendment, I repeat, with the Costigan amendment eliminated.

The gentleman from Tennessee [Mr. Byrns], the chairman of the Appropriations Committee, has advanced several objections to the Bratton amendment. I believe they are all without merit. First, he stated that the President of the United States has the power to reduce appropriations under the law. The fact is that the President has no power under the law to reduce any appropriation or salary. The President has exercised his power for indirect reductions. He has ordered that certain works, constructions, or projects be delayed or continued. He has encouraged economy. He is to be commended therefor. I recall that Gen. H. M. Lord. the Director of the Budget under President Coolidge, emphasized the reductions for which the Executive was responsible. These reductions consisted in purchasing fewer pencils, in the elimination of small items here and there; but in the aggregate all of the reductions ever accomplished or ever made by a President amounted to a comparatively small amount. I repeat that under the law the Executive has no power to reduce appropriations, salaries, or allowances. No one ever asserted that any President made anything except small reductions as compared with reductions guaranteed by the Bratton amendment. Again, if the President has the power to make reductions, no harm can be done by adopting the amendment specifically directing that \$100,000,000 be saved, which I propose.

The second objection to the Bratton amendment is that it will endanger the national defense. If adopted, the amendment would reduce the total Army appropriations about \$13,000,000 and the Navy about \$17,000,000. The annual appropriations for the Army and the Navy are around \$600,000,000. The gentleman from Tennessee [Mr. Byrns] championed a bill to combine the Army and the Navy. He repeatedly asserted that \$100,000,000 could be saved. Those who opposed combining stated that no evidence was submitted that a saving of \$100,000,000 would result. It was said that the principal reductions would be in the purchase of supplies. Under the economy act, the President now has the power to coordinate the purchasing activities of the Army and the Navy. He could provide for saving at least \$30,000,000 under the provisions given him in the economy act of 1932. The gentleman from Tennessee, the distinguished chairman of the Committee on Appropriations, can not be consistently heard to deny that there should be a reduction of practically \$30,000,000 in the Army and Navy, when he himself has advocated combining the two departments and thus providing for an alleged economy of \$100,000,000.

It is also said that this is no time to economize in the Army and Navy. Commodity prices the world over are cheaper than they have ever been. It is unreasonable to assert that the Army and the Navy can not get along with approximately \$30,000,000 less than in normal times. efficiency should be just as great and the facilities just as adequate with a 5 per cent reduction, when governments generally and people universally are reducing far more than 5 per cent their annual expenditures. I know of no better way for the Army and the Navy to foster a sentiment for combining the two departments than by opposing reasonable reductions in the crisis that confronts the country.

In the third place, it is said that some departments have already been reduced. Name them. The chairman of the Committee on Appropriations neglected to point out a single department where adequate economies had already been made. The fact is that the annual Army bill is larger than it was last year, and the current report is that the Navy bill, which will be considered in a few days, will be as large as it was last year. It is easy for every department to say that it has been cut to the bone. Opposition by the departments was expected. Congress should rise to its responsibility and

mize than to provide for a general reduction in all departments.

Again, it was urged in opposition to the Bratton amendment that the Veterans' Administration would be crippled. The annual appropriation for the Veterans' Bureau is approximately \$950,000,000. The appropriations for operating expenses are approximately \$115,688,000. I have undertaken to remove the objections urged by the Veterans' Administration by providing in the pending amendment that the 5 per cent reduction in the Veterans' Administration shall apply only to the appropriations for operating expenses. If the 5 per cent applied, as personally I think it should, to the total appropriation for the Veterans' Administration in the sum of \$950,000,000, there would be a saving of \$47,000,000. In an effort to secure real economy and with the information that I have, it will be difficult, if not impossible, to pass my amendment with the 5 per cent applicable to the entire appropriation. I have therefore limited it to the operating expenses. Under the terms of my amendment the deductions for the Veterans' Administration will not exceed \$5,750,000, and to secure economy I would be agreeable to a further amendment so stating.

I am aware of some of the difficulties in the Bratton amendment. It is said that a direction to reduce is not authority for reducing salaries. Where there is a will there is a way. In the legislative situation there is nothing for those who favor reduction of expenses to do except to undertake to reinstate the Bratton amendment. It will thus be in conference. With the Costigan amendment eliminated, the conferees can adopt definite language that will authorize at least 5 per cent for the reduction in the appropriation for salaries, compensation, and other purposes.

I favor further reduction in governmental expenses. In further extending my remarks, under leave granted, permit me to say that I will continue to urge economy in every way that I can. Unless there is a further reduction in Federal salaries and compensation there will be no further economies.

The House has not measured up to its responsibility. When the economy act was passed by the House in 1932 it provided for reductions of only \$12,000,000 or \$13,000,000. In the other body the material reductions were made. The House missed an opportunity to aid in economic recovery. The Senate really provided for the reductions of the economy bill in 1932. In the pending bill as it passed the House the Committee on Appropriations merely continued the reductions of the current year. No additional economies were provided. In the Senate the Bratton amendment provided for \$143,000,000 in further reductions. If the pending amendment sponsored by the chairman of the Committee on Appropriations in the House is adopted, it means that the economies in the Senate are eliminated, with no substitute by the House. The amendment that I propose will provide for substantial economies amounting to \$100,000,000. If the amendment which I foster is not agreed to, and if no other amendments to the amendment of the gentleman from Tennessee are adopted, it means that there will be practically no economy or further economy in governmental expenses in the present session.

It is said that 5 per cent reductions will result in employees being dismissed. I know of no way to provide for Government economy by consolidating executive agencies or by reductions that will not result in reduced salaries, compensations, or dismissal of some employees. It is a question of whether Congress will continue to levy additional burdensome taxes when the people are least able to pay, or whether Congress will balance the Budget by reducing expenditures rather than levying new and additional taxes. The Senate has provided for reductions. Will the House eliminate the Senate reductions without any substitute therefor? If it does, I repeat, it means that practically no reduction in the expenditures of Government will be made during the present session. I know of no way to economize except to reduce. We can reduce as well as appropriate.

We may evade reductions by proposing other remedies. Some would expand the currency. I believe in sound expansion; but it takes time. Others advocate the removal of tariff barriers, and propose international trade conferences and agreements. So do I. Still others urge agricultural relief, including the refinancing of farm and home mortgages, with reductions and extensions. So do I. Yet others champion measures for the restoration of commodities to reasonable values. I gladly join them. These and other remedies are all right, but they can not supplant reductions in the cost of government; they supplement. To oppose reductions by advocating these and similar policies is to sidestep the real issue confronting the country.

Others maintain certain allowances and compensations should be withdrawn, and they thus oppose general reduc-I advocate withdrawals and the removal of inequalities. Meantime the sensible, the wise thing, is to reduce all, pending the revision of laws. All who receive Government money should share in promoting Government economy. We are in a crisis more serious than war. All should do their bit and bear their share of the economy that must come in government.

The Democratic Party promised reductions. Whether elected or defeated, the Members of Congress promised economy. The country now demands that we make good our promises. We may satisfy or, rather, delude ourselves with excuses or evasions for opposing economy, but we can only satisfy the country by further reductions in all Government salaries, compensations, and appropriations. If my amendment is defeated, the country will again be disappointed in the House of Representatives. There is no way to economize except to reduce, eliminate, and abolish.

Mr. BYRNS. Mr. Speaker, I yield three minutes to the gentleman from North Carolina [Mr. BULWINKLE].

Mr. BULWINKLE. Mr. Speaker, the amendment proposed by the gentleman from Mississippi has this proviso:

Provided, That in the Veterans' Administration such reduction of 5 per cent shall apply only to the appropriation for operating expenses.

No one can tell from that amendment what it means. If it means the total appropriation for the Veterans' Administration, then the reduction in the operating expenses of the Veterans' Bureau is reduced around \$50,000,000, and the Veterans' Bureau can not function on that.

Mr. COOPER of Tennessee. Will the gentleman yield? Mr. BULWINKLE. Yes.

Mr. COOPER of Tennessee. Is it not true that, under the advice given by the Administrator of the Veterans' Bureau, that will result in the closing of every regional office in the country and the general hospitals?

Mr. BULWINKLE. Yes, many of them; and it will affect every man, whether that man is in a hospital for a compensable disease or an injury, compensable or not. This amendment should not pass, and I shall vote against it, not only for the provision affecting veterans but also for the other provisions contained in it.

Mr. BYRNS. Mr. Speaker, I yield two minutes to myself, and in doing so I ask unanimous consent to include at this point a letter from the Secretary of the Navy with reference to the effect of amendments of this kind on the Navy and national defense.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Tennessee?

There was no objection. The letter is as follows:

> DEPARTMENT OF THE NAVY. OFFICE OF THE SECRETARY, Washington, February 10, 1933.

MY DEAR MR. CHAIRMAN: The Navy budget, now in the hands of the Appropriations Committee of the House, provides \$308,669,562

modernizing at great loss of time and increase of cost. This would necessitate the discharge of about 4,500 civilians and would save approximately \$7,500,000.

2. Restrict reserve activities, at a cut of about \$1,500,000; stop now further regular Navy enlistments, reducing Navy enlisted personnel by 9,000 men by the end of the fiscal year 1934, resulting in a cut of approximately \$5,000,000. This would result in putting out of active commission additional ships as shown by column 2 in the following table; which refers only to combatant ships:

Column 1	Column 2	Column 3	Column 4	
Total number ships in class	Number addi- tional to be placed out of active commis- sion	Ships already out of commis- sion	Total to be kept out of ac- tive commission	
15 battleships. 4 aircraft carriers ¹ . 15 heavy cruisers ² . 10 light cruisers. 103 destroyers.	3 2 4 2 13	2 2 2 2 31	5 2 6 4 4	
54 submarines 4 light mine layers 2 dirigibles 3	6 2 1	12	18 2 1	
	33	49	82	

¹ Includes 1 under construction, ² Includes 6 under construction ³ Includes 1 under construction.

This leaves in full commission about 66 per cent of the number of British and 56 per cent of the number of Japanese ships which are in full commission, or fully manned.

3. Reduce Marine Corps by about 1,150 men, resulting in a cut of about \$1,000,000.

Our Navy is already 20,000 men short of the number necessary

properly to man our ships in commission.

It is evident that this further cut of 10,150 enlisted men would cripple our national defense for years, seriously injure the morale of the service, and, taken together with the discharge of 4,500 civil employees, result in an increase of 14,650 unemployed.

Sincerely.

Hon. Joseph W. Byrns,
Chairman Appropriations Committee,
House of Representatives, Washington, D. C.

The SPEAKER pro tempore. The question is on the adoption of the amendment offered by the gentleman from

The question was taken; and on a division (demanded by Mr. Whittington) there were 9 ayes and 125 noes.

Mr. WHITTINGTON. Mr. Speaker, I object to the vote on the ground that there is no quorum present.

The SPEAKER pro tempore. The gentleman objects on the ground that there is no quorum. The Chair will count. [After counting.] Two hundred and eighteen Members present-a quorum.

Mr. WHITTINGTON. Mr. Speaker, I offer the following amendment:

The Clerk read as follows:

Amendment of Mr. Whittington to the amendment proposed

by Mr. Byrns to Senate amendment No. 14, H. R. 13520: On page 10, following line 25, insert a new paragraph, as follows:

"Sec. 16a. During the fiscal year ending June 30, 1934, the rate of compensation of any office, position, employment, or enlistment, the incumbent of which is subject to the furlough provisions or the incumbent of which is subject to the furiough provisions of the compensation reductions contained in Title I of Part II of the legislative appropriation act, fiscal year 1933, as continued for the fiscal year 1934 is reduced by 11 per cent of the amount of such compensation in excess of \$1,000, and such reduction shall be made prior to the application of and shall be in addition to the reduction provided in such title, as continued."

Mr. WHITTINGTON. Mr. Speaker, inasmuch as the amendment which I proposed for a reduction of 5 per cent in the total appropriations for each executive department and independent establishment with total reductions of approximately \$100,000,000, my amendment being substantially the same as the so-called Bratton amendment in the Senate, has been defeated, I know of no practical way in the pending amendment to provide for economy unless the amendment which has just been reported is adopted. The pending bill continues the reduction of salaries and wages in the economy act of 1932, ranging from 81/3 per cent for salaries of \$1,000 and more to 15 per cent for salaries in excess of \$15,000 and 20 per cent for salaries in excess of \$20,000.

The amendment that I now propose makes a further reduction for the fiscal year 1934 of 11 per cent of the

amount of all Federal salaries and compensations in excess of \$1,000. My amendment is the additional reduction under the so-called furlough plan of 11 per cent recommended by President Hoover. If my amendment is adopted, it will result in the reductions of salaries by 19½ per cent to 26 per cent for all salaries in excess of \$1,000 and less than \$20,000 per annum. It will result in a total reduction of approximately 31 per cent in the case of salaries in excess of \$20,000.

Personally, I prefer the pay-cut plan with no exemptions and with larger percentage of reductions in the larger salaries; but both the House and the Senate have agreed to continue in the pending bill the furlough plan and the reductions of the economy act. The 11 per cent recommended by the President is, therefore, germane and appropriate to the provisions of the economy act brought forward and substantially agreed to. If 11 per cent additional reductions are made in salaries, wages, and compensations, it will result in further savings of \$59,000,000, according to the estimate of the Bureau of Efficiency. Under the provisions of the economy act the savings as continued and brought forward in the pending bill for the fiscal year 1934 are \$89,000,000.

My amendment will increase the savings and thus provide for a total economy in salaries, wages, and compensations during the fiscal year 1934 of approximately \$148,000,000.

In extending my remarks under leave granted, I may say that I advocate the reduction of all pay, wages, salaries, pensions, annuities, disability allowance, and compensation allowance during the year 1934 without exemptions. I favor graduated and progressive decreases in the reductions of salaries. All rates of compensation not in excess of \$1,500 might well be reduced 10 per cent; the rate of compensation from \$1,500 to \$3,000, 15 per cent; from \$3,000 to \$5,000, 20 per cent; from \$5,000 to \$10,000, 25 per cent; and in excess of \$10,000, 30 per cent. I favor the pay cut and graduated reductions. I have introduced bills to this effect. If a bill embodying the proposals herein suggested is passed as a substitute for and in lieu of the furlough plan, it would result in savings amounting to approximately \$200,000,000.

It is evident, however, that it would be impossible to substitute the pay-cut plan for the furlough plan during the present session. It is also evident that it would be difficult to secure further reductions in a larger percentage than suggested by the President of the United States. The Democratic platform advocated reductions of approximately 25 per cent in the expenditures of government. The Republican platform demanded reductions. President Hoover recommends 11 per cent reductions. In the hope, therefore, that both Democrats and Republicans who believe that the really substantial way to reduce expenditures in government is to further reduce all salaries and compensations, I have proposed the amendment which has just been reported for additional reductions of 11 per cent. In the further hope of securing its adoption, I have provided for an exemption of \$1,000. If the amendment is adopted, the exemption of \$1,000 that obtains in the economy act of 1932 will be continued. While I prefer a larger reduction, if the additional 11 per cent suggested is adopted, it will result in material economies during the next fiscal year. We are making substantially the same appropriations that we made for the last fiscal year. If we can make the appropriations, we can make the reductions.

Under the furlough plan, salaries of \$2,000 are reduced to \$1,833. Under the amendment that I propose, salaries of \$2,000 would be further reduced to \$1,733. Under the furlough plan, the salaries of members of Congress were reduced from \$10,000 to \$9,000. Under the amendment that I propose, the salaries of Members of Congress and others receiving \$10,000 would be reduced from \$9,000 to \$8,109. As I have stated, I prefer a larger percentage of reduction, but, as a compromise and in the effort to continue to secure further reductions of expenditures in government, my amendment provides for exemptions of \$1,000 and a smaller percentage of reductions than I think should obtain.

We may delay, we may evade, but the real, substantial reductions in the expenditures of government must ultimately come from wages, salaries, allowances, and compensations of every kind. A dollar now will buy as much in most parts of the United States as a dollar and a half would purchase prior to 1929. The beneficiaries of Government salaries and allowances, by refusing further reductions, are thus receiving larger salaries and compensations than they receive in normal times. The wages, salaries, pensions, annuities, allowances, and compensations aggregate approximately \$2,000,000,000. Under bills that I have introduced and amendments that I have fostered at every opportunity, these expenditures can be reduced by approximately \$200,000,000. Those who share in the benefits of government would thus share in the distress of the country.

If this amendment is defeated, it means that there will be no additional economies and no further reductions in salaries and compensations during the present session of Congress. Instead of reducing the expenditures of government by 25 per cent, the present session merely continues the small reductions made in the preceding session. There were no reservations in the promise of democracy to reduce expenditures in government. We may conjure up excuses, but there is no valid reason why the amendment should not be enlarged. In fact, the percentage of reduction should be larger.

If the House disagrees to the amendment, it means no economy in the pending bill. The so-called Bratton amendment provides for reductions amounting to \$143,000,000. The Senate has thus provided for economies amounting to \$143,000,000. The House committee recommends the elimination of the Bratton amendment. Neither economy nor reductions are proposed to take the place of the Bratton amendment. If the amendment that I offer is defeated, the House of Representatives will be in the attitude of making no further economies in salaries, compensations, and appropriations during the present session.

The SPEAKER pro tempore. The question is on the amendment.

The question was taken; and on a division (demanded by Mr. Whittington) there were 14 ayes and 204 noes.

Mr. WHITTINGTON. Mr. Speaker, I did not hear the announcement of the vote. I was about to object to it on the ground there was no quorum present, so that a yea-and-nay vote might be had.

The SPEAKER pro tempore. The division discloses that a quorum is present.

Mr. THATCHER. Mr. Speaker, I yield five minutes to the gentleman from Maine [Mr. Beedy].

Mr. BEEDY. Mr. Speaker, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. Beedy: Page 15, line 25, after the word "session," strike out the period, insert a colon and the following: "Provided further, That if either branch of Congress within said 60 calendar days shall pass a resolution disapproving of such Executive order, or any part thereof, such Executive order shall become null and void to the extent of such disapproval."

Mr. BEEDY. Mr. Speaker, if Members who have listened to the reading of the amendment will cast their eyes over the provision of the last economy act to be found on page 36 of that act, you will find that the amendment which I have offered is precisely the proviso which was contained in the original act, whereby the last Congress granted to the President power to consolidate these bureaus. Let us understand each other on both sides of the aisle. This is unquestionably one of the most effective ways in which to promote economy in the administration of this Government. We all want to see economy secured in this way. The last Congress wanted it. We passed the legislation. We gave the present Executive the power to reorganize Government departments, but this Congress wisely reserved to itself the power to reject in whole or in part any such changes as might be suggested which did not meet with the approval of this body. When this session of Congress convened, the recommendations of the President pro-

viding for the consolidations, which we now seek to accom- | plish, were promptly reported to this body.

The recommendations were considered by the Congress and rejected. I am not going to complain about that rejection. This great reorganization program ought not to be dealt with in a partisan spirit. We are in too great an emergency. There is too much suffering by both Democrats and Republicans in this country for us to be narrowly partisan in phrasing this grant of power to the Executive. However, I believe that since we reserved a vestige of power in the Congress, and in passing the economy act left it to this House to review and in its wisdom to reject, in whole or in part, the Executive recommendations, I say you who sit on the right of this aisle ought to meet us in a spirit of fairness and help us write into the pending bill the same provision which we allowed you to write into the economy act. Will you do it? We can not abuse this reservation of power. We do not say that you abused it. The fact is that the consolidation recommendations of President Hoover were rejected, else the country would now be enjoying the very economies for which we still seek. You Democrats, of course, must take responsibility for that.

I think this Congress ought always to reserve to itself power to reject any such recommendations as the Executive authority may make in the way of consolidation of bureaus when such power is given the President even in a great

emergency.

I make this statement that the record may be clear, and that the country may know that regardless of party we want the economies which may flow from a proper exercise, by the Executive, of this power which we are about to give him. Popular government is too slow in its action to obtain the desired consolidations through the Congress The power ought to be given to the Executive, but we ought to reserve in ourselves the power to disapprove his recommendations if we see fit. [Applause.] I ask you on both sides of the aisle to vote for this amendment. I believe this House ought to go on record before the country now as showing its willingness to delegate this power, but that we should make the reservation set forth in my amendment.

Mr. LaGUARDIA. Mr. Speaker, will the gentleman yield?

Mr. BEEDY. Yes.

Mr. LaGUARDIA. Inasmuch as we are delegating a legislative function, the legislature ought to keep control of it. Mr. BEEDY. Certainly.

The SPEAKER pro tempore. The time of the gentleman

from Maine has expired.

Mr. BYRNS. Mr. Speaker, I yield three minutes to myself. I hope the House will not adopt this amendment. I could cite many reasons for the position which I take if I thought it was necessary. You gentlemen know, and I know, regardless of what position any one of us may have taken two or three months ago, recent developments have demonstrated that we will never be able to accomplish anything along this line unless we give some one man, with the courage and with the will, the power to do it. The gentleman from Maine [Mr. BEEDY] in his amendment is inviting a veto. I do not say intentionally, but if that amendment should be adopted, I know that it will invite and will undoubtedly, it seems to me, provoke a veto. The gentleman shakes his head, but I want him to listen to his own Attorney General, a distinguished lawyer, General Mitchell, upon that very subject. He will be the adviser of the President with reference to the legal phases of this bill if it passes both Houses, and upon his advice the President will very properly lean. The President called upon the Attorney General for advice with reference to the McKellar amendment upon the first deficiency appropriation bill, and in the course of the opinion delivered by General Mitchell he used this language, and that is one of the reasons we have left this with the President and not undertaken to retain any control in Congress:

In the act of June 30, 1932, making an appropriation for the In the act of June 30, 1932, making an appropriation for the legislative branch of the Government for the fiscal year ending June 30, 1933, and for other purposes, and with a view to economy in the operation of the Government the Congress gave authority to the President by Executive order to consolidate, redistribute,

and transfer various Government agencies and functions, and establish a general formula for his guidance. By section 407 it was provided that the Executive order should be transmitted to the Congress in session and should not become effective until after the expiration of 60 days from such transmission, and that "if either branch of Congress within such 60 calendar days shall pass a resolution disapproving of such Executive order or any part thereof, such Executive order shall become null and void to the extent of such disapproval." It must be assumed that the func-tions of the President under this act were executive in their nature or they could not have been constitutionally conferred upon him, and so there was set up a method by which one House of Congress might disapprove Executive action. No one would ques-Congress might disapprove Executive action. No one would question the power of Congress to provide for delay in the execution of such an administrative order, or its power to withdraw the authority to make the order, provided the withdrawal takes the form of legislation. The attempt to give to either House of Congress, by action which is not legislation, power to disapprove administrative acts raises a grave question as to the validity of the entire provision in the act of June 30, 1932, for Executive reorganization of governmental functions.

Mr. LaGUARDIA. From what is the gentleman reading? Mr. BYRNS. I am reading from the opinion of Attorney General Mitchell delivered to the President of the United States on tax refunds.

Mr. LAGUARDIA. It is not analogous to this at all.

Mr. BYRNS. It is. He spoke in general terms. He says:

The power to disapprove administrative acts.

I submit that that does not apply to tax refunds alone. It applies to any legislation, and I beg this House not to put anything in this bill which may provoke a veto.

The SPEAKER pro tempore. The time of the gentleman

from Tennessee has expired.

Mr. SNELL. Will the gentleman yield?

Mr. BYRNS. My time has expired.

Mr. THATCHER. Mr. Speaker, I yield one minute to the gentleman from New York [Mr. SNELL].

Mr. SNELL. Mr. Speaker, I would like to ask the gentleman from Tennessee [Mr. Byrns] one short question in my own time. The language which the gentleman from Maine has offered is the exact language in the economy act, and the President signed that bill. Now, why will he veto it this time? Will the gentleman answer that question?

Mr. BYRNS. He did not call upon the Attorney General. Mr. SNELL. That was an entirely different question that the President presented to the Attorney General.

Mr. BYRNS. Will the gentleman guarantee that the President of the United States will sign this bill as it is passed and sent to him?

Mr. SNELL. I have never quoted the President and I can not guarantee anything, and the gentleman from Tennessee [Mr. Byrns] can not, either.

Mr. BYRNS. Certainly not; but let us not run any chances of defeating this bill.

Mr. THATCHER. Mr. Speaker, I yield five minutes to the gentleman from New York [Mr. LaGuardia].

Mr. LaGUARDIA. Mr. Speaker, I am surprised that the gentleman from Tennessee [Mr. Byrns] relies as his authority on an opinion of the Attorney General, based upon an entirely different proposition. The opposition to the Mc-Kellar amendment voiced by the Attorney General was an encroachment on the powers of the Executive. Here we are delegating legislative powers to the Executive and simply seeking to retain control. We might as well talk about the opinion in the Dred Scott case and make it applicable to the proposition before the House.

Now, Mr. Speaker, it is in times of stress such as we are now experiencing, that the people lose control of their Government. While I will concede, and anyone probably can make an argument in favor of delegating powers, I have so much faith in the Republic, that I believe the Constitution and Congress will exist when the depression is over. At least I want to preserve the Constitution and our form of representative government. But if we delegate the few remaining powers in the legislative branch of the Government, we might as well abolish the Congress, and that is what a few Bourbonites of this country want to do. [Applause]. I am opposed to it.

I may not be here the next session, but let me remind my Democratic friends that when the proposition was before the House a few weeks ago and President Hoover submitted his recommendations, I joined with you in voting down his recommendations, because only a few weeks ago you took the floor and sustained the point that it was an encroachment on the legislative branch of the Government. How can you turn about and offer an amendment of this kind and resist the very provision that was in the original bill, to retain control of a legislative function. Perhaps the Executive has the facilities for making a comprehensive study of reorganization. There is, of course, no objection to that being done and recommendations submitted to the Congress. Permit, if you will, Executive orders to reorganize but by all means retain legislative control. Do not surrender a duty vested in Congress by the Constitution.

Mr. Speaker, if Congress to-day votes this proposition without a saving clause and the protection contained in the amendment offered by the gentleman from Maine [Mr. Beedy] it is an admission of the complete failure of representative government, and I for one will not join in such a confession of failure. [Applause].

The proposition is transcending. It is more important than the mere reorganization of a few departments of government. It is begging the question. We are not going to get out of this crisis by the saving of a few paltry dollars. We have to get to the roots of existing evils. We all know that the major portion of our expenditures are fixed charges. The expenditures for the Army, the Navy, the debt service, interest and sinking-fund requirements, and Veterans' Bureau comprise 65 or 70 per cent of the entire appropriation. To surrender a purely legislative function, whether to one President or another, at this time or any other time is highly improper. I submit if it was improper for one President to have that power, it is just as improper for another President to have that power. We are not discussing personalities. We are not discussing economy. We are discussing what our forefathers shed their blood for and that which took centuries to acquire, and that is representative government, with a constitution clearly defining the powers of the executive and legislative branches of government. [Applause.]

Here, because some one is bewildered, because there is timidity in considering real solutions, because some know not where they are going, under the guise of economy a complete abdication of legislative government is offered. The only self-respecting thing to do is to protect the Constitution and assume all of the responsibilities vested in Congress, and uphold the only control that the people have on their Government. [Applause.]

The SPEAKER pro tempore. The time of the gentleman from New York has expired.

Mr. THATCHER. Mr. Speaker, I yield three minutes to the gentleman from Kansas [Mr. McGugin].

Mr. McGUGIN. Mr. Speaker, we have heard much to-day that giving power to the President is an admission of the breakdown of legislative government in meeting responsibility in a crisis. This has been wholly unnecessary. That parliamentary government has broken down in a crisis has been so overwhelmingly demonstrated by the Seventysecond Congress that it is now a self-evident fact generally accepted by the American people. If we have a President coming into power who is willing yet to try to save democracy in America, let us give him the power to do it. Let us give him a chance to do it. Let us have no misunderstanding about it. The very purpose of the Beedy amendment is to destroy any opportunity for President-elect Roosevelt to meet this responsibility. Our experience in this House demonstrates that such limited authority given by the Congress is mere hypocrisy on the part of Congress, because the Congress scuttles it when it comes back to the House. That is what happened to the Hoover consolidation. The House scuttled it, and when we gave him the power it was hypocrisy on our part to do it. The ones who destroyed it when it came back to this House are largely the ones to-day who do want to give this authority to the next President.

Not as a Republican, but just in the interest of America, I hope my party will stand up and serve the country. In this way can we best serve our own political interests. The last one of us knows that Congress will not meet this responsibility. We hope that the next President with responsibility upon his shoulders will meet it. [Applause.]

[Here the gavel fell.]

Mr. THATCHER. Mr. Speaker, I yield three minutes to the gentleman from Massachusetts [Mr. Underhill].

Mr. UNDERHILL. Mr. Speaker, I shall address myself to the statement that Congress is able to take care of this question without giving up any of its prerogatives or its duties, and call your attention to the fact that in the last three years, although Congress has had direct and sole jurisdiction over this branch of the Government, it has not done one single thing to remedy the situation or to save a dollar.

I call your attention to the legislative appropriation. I call your attention to the farcial Capital police force, to which has been added some 13 members only recently, performing a service which could be carried on by less than a quarter of the number of metropolitan officers if a squad of them were assigned to the Capitol Grounds.

I call your attention to the ridiculously large salaries paid the telephone attendants both on the right and the left of the House—\$3,500 each for two supervisors, and the Lord knows how much to several unnecessary assistants.

I call your attention to the excessive number of pages and doorkeepers that we find all over this Capitol.

I call your attention to the fact that we have four pairing clerks for the few absentees who want to be paired on a vote.

I call your attention to the fact that we have a House library in addition to the Congressional Library, and that we have a library in the Clerk's office, another in this Chamber, and recently another library has been added on the fourth floor of the House Office Building; an extravagant duplication of facilities to provide jobs under patronage.

I call your attention to the gratuities that are given year after year and year after year to the relatives of deceased employees of this House; men who were brought here from back home; and when an effort is made to get rid of them you say that they have given years of valuable expert service and they can not be let go; that their places can not be filled; yet when there is a change in the administration every one of them goes out and a new supply brought from back home, and if within a week or thereafter one of them dies you vote six months' salary and an additional \$250 for funeral expenses.

[Here the gavel fell.]

Mr. UNDERHILL. Mr. Speaker, will the gentleman yield me two additional minutes?

Mr. THATCHER. Mr. Speaker, I yield two additional minutes to the gentleman from Massachusetts [Mr. Under-HILL].

Mr. UNDERHILL. I call your attention to the press gallery. We have been criticized by the press all over this country—for what? They say we have free meals and free shaves. They know we do not have any such thing. But the press has splendid quarters furnished free; it has a superintendent, it has an assistant superintendent, it has a messenger, and, I think, a janitor furnished them free. All of their typewriters are furnished to them by the Government free; all of their stationery is given to them free, yet the press crucify us because we run a restaurant—where the busy reporters have a special table—at a small deficit. How about the pot calling the kettle black? [Applause.]

I call your attention to the committee hearings. Do you know that there were 10,000,000,000 pages of committee hearings published in the last session of Congress? The committees go wild. At every committee hearing they have stenographic reports; and although year after year, year after year the same measures are considered in the committees and the same witnesses appear, yet the next year

there is a duplication of hearings and publications at a frightful expense.

I call your attention to the House post office. We have recently added a large number to the employees of the post office, and the new House Office Building as yet has no tenants. There are half a dozen or more forwarding clerks. Those of you who leave your secretaries here to forward your mail do not know that there are half a dozen clerks in the post office all the year round just waiting to forward your mail to your home address when Congress is not in session.

Half of the number of clerks, assistant clerks, messengers, and janitors of the standing committees could be wiped out, and same can be dispensed with without detriment to public service.

Has Congress done anything up here on the Hill to effect economy? No. Will it do anything? I doubt it. Stop this bluff about economy and give the power to some one who will do something to reduce Government expenses, bureaus, and personnel.

[Here the gavel fell.]

Mr. THATCHER. Mr. Speaker, I yield three minutes to the gentleman from Illinois [Mr. Chindblom].

Mr. CHINDBLOM. Mr. Speaker, when this matter came before the House a few days ago, on the question of sending the bill to conference, I announced that I was in favor of giving the President of the United States plenary power in the matter of reorganizing, consolidating, coordinating, and even eliminating in proper cases the functions and activities of the Federal Government.

I am not fearful of any encroachment upon the powers of Congress by a President having such authority with reference to the executive department, which it is his particular function of government to administer. We legislate, it is true, for all branches of the executive authority, but the President administers them. In the pending proposal we lay down the rules for the Executive to follow, just as we did in the case of the establishment of the Tariff Commission. We there fixed the yardstick, the standard by which the executive officer should be governed in carrying out the policy and the purpose of Congress. The Supreme Court sustained that procedure. So here we are laying down the rules that the President shall apply for the purpose of meeting the present emergency of the general economic depression, and in order to reduce drastically governmental expenditures, and in order that such reduction may be accomplished in great measure by proceeding immediately in the manner prescribed by this legislation.

We therefore give to the President the power and delegate to him the work that Congress might use and perform, if it saw fit, but which we all know Congress never would and never will do, in securing the necessary reduction in the expenditures of the Government. The President is to ascertain certain facts with reference to economy and efficiency in the governmental service and thereafter take certain action to achieve the purposes of Congress in relieving the people from the burdens of taxation by reducing expenditures and securing larger benefits from the moneys appropriated. After all, the duty and responsibility of the President are, in the language of the Constitution, to "take care that the laws be faithfully executed." This legislation gives him additional authority and opportunity to perform this part of his official function.

The amendment offered by the gentleman from Maine [Mr. Beedy] does not improve the proposal of the gentleman from Tennessee [Mr. Byrns], but, on the contrary, weakens the legislation and is itself of doubtful validity. It in effect delegates to either House the legislative power of the Congress, which, under the Constitution, can be exercised only by both Houses, with the concurrence of the President, or, in the case of his veto, by two-thirds vote of both Houses. On the other hand, the main proposal merely postpones the operation of the President's order for 60 days after the President has submitted a report to Congress. Of course, Congress may at any time by legislation change the President's order if it be a proper subject matter for legisla-

tion. It is no novel objection to say that the President may force a two-thirds vote to override his veto. That is always so. Our Democratic friends had some taste of that situation when they sought to change the President's powers in the last session in the matter of the operation of the flexible provisions of the tariff law. The President protected the authority Congress had given him by vetoing the bill, and the Republicans sustained his veto. Both sides of the Chamber can take comfort from that incident in this debate.

Mr. Speaker, I am in favor of the substitute proposed by the chairman of the Appropriations Committee, because I am satisfied that in no other way can any substantial reduction of expenditures be secured. We might as well confess that Congress, subject always to the importunities and demands of interested groups and individuals here and there and everywhere, will never succeed effectively in reducing governmental expenditures. This reduction must come. If there is any danger to the future of this Republic to-day it lies in the cost of government which now amounts to at least one-fourth of the entire income of the American people. We must respond to the demand for this reduction in cost of government or we will find that the people will grow impatient and intolerant and even suspicious of their representatives in Congress. We need not worry about usurpations of power. Let us get results. Let us proceed in the only way that has any prospect of success. I criticized the Democratic side a year ago for not giving plenary power to the President. I shall not change my attitude now simply because the administration has fallen into other The task will be difficult and distressing in all events. I am glad the new administration is willing to tackle it, and I wish the President elect and his associates Godspeed in their efforts.

The SPEAKER pro tempore. The question is on the amendment offered by the gentleman from Maine [Mr. Beedy].

The question was taken; and on a division (demanded by Mr. Beedy and Mr. Stafford) there were—ayes 92, noes 116.

Mr. BEEDY. Mr. Speaker, I demand the yeas and nays. The yeas and nays were ordered.

The question was taken; and there were—yeas 145, nays 227, not voting 54, as follows:

[Roll No. 162] YEAS-145

	YEA	5-145	
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mlie	Dowell	Kading	Seger
ndresen	Dyer	Kahn	Selvig
acharach	Eaton, Colo.	Keller	Shott
achmann	Eaton, N. J.	Kelly, Pa.	Shreve
arbour	Englebright	Kinzer	Sinclair
leedy	Erk	Kopp	Snell
liddle	Evans, Calif.	Kunz	Strong, Pa.
ohn	Finley	Kvale	Stull
oileau	Fish	LaGuardia	Summers, Wash
olton lowman	Frear Free French	Leavitt Lonergan Loofbourow	Swanson Swing Taylor, Tenn.
rumm tuckbee table	Garber Gibson	Lovette McClintock, Ohio	Temple
ampbell, Iowa	Gifford	McFadden	Thurston
arter, Calif.	Gilchrist	McLeod	Timberlake
earter, Wyo.	Goss	Maas	Treadway
Eavicchia	Griswold	Magrady	Turpin
Chiperfield	Guyer	Manlove	Wason
lague	Hadley	Moore, Ohio	Watson
lancy	Hall, Ill.	Mouser	Weeks
Cochran, Mo.	Hancock, N. Y.	Murphy	Welch
Cochran, Pa.	Hardy	Nelson, Me.	White
Cole, Iowa	Hartley	Niedringhaus	Whitley
Colton	Hawley	Nolan	Wigglesworth
	Hess	Partridge	Withrow
Connery	Hogg, Ind.	Peavey	Wolcott
Connolly	Hogg, W. Va.	Person	Wolverton
Coyle	Holmes	Pratt, Harcourt J	Wood Ind
rail	Hooper	Pratt, Ruth	Woodruff
crowther	Hope	Purnell	Wyant
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Fitzpatrick Flannagan Foss Fulbright Fuller Gambrill Gavagan Gilbert Gillen Goldsborough Granfield Green Greenwood Griffin Haines Hall, N. Dak. Hancock, N. C. Harlan Hastings Haugen Hill, Ala. Hill, Wash. Hoch Holaday Howard Huddleston Jeffers Johnson, Mo. Johnson, Okla. Johnson, Tex. Jones Kelly, Ill. Kemp Kennedy, Md. Kennedy, N. Y. Kerr Ketcham Kleberg Kniffin Lambertson

Ludlow McClintic, Okla. McCormack McDuffie McGugin McKeown McMillan McReynolds McSwain Major Maloney Mansfield Mapes Martin, Mass. Martin, Oreg. May Mead Michener Millard Miller Milligan Mitchell Mobley Montet Moore, Ky. Morehead Nelson, Mo Norton, Nebr. Norton, N. J. O'Connor Oliver, Ala. Overton Palmisano Parker, Ga. Parker, N. Y. Parks Parsons Patman Patterson Pettengill Pittenger Polk Pou Prall Ragon Rainey Ramseyer Ramspeck Rankin Reilly

Rogers, N. H. Romjue Rudd Sabath Sanders, N. Y. Sanders, Tex. Sandlin Seiberling Shallenberger Shannon Simmons Sirovich Smith, Va. Smith, W. Va. Snow Somers, N. Y. Spence Stafford Stalker Steagall Stevenson Stewart Strong, Kans. Sumpers, Tex. Sutphin Swank Sweeney Swick Taber Tarver Taylor, Colo. Thomason Tierney Tinkham Underhill Underwood Vinson, Ga. Vinson, Ky. Warren Weaver West Whittington Williams, Mo. Williamson Wilson Wingo Wood, Ga. Woodrum Wright Yon

Owen Perkins Rayburn Reid, Ill. Schuetz

Smith, Idaho Sparks Stokes Sullivan, N. Y. Sullivan, Pa. Williams, Tex. Wolfenden

NOT VOTING-54 Houston, Del. Hull, William E.

Baldrige Beam Beck Boland Brand, Ga. Busby Campbell, Pa. Cartwright Chase Christgau Clarke, N. Y. Cooke Corning Dieterich

Doutrich Estep Flood Freeman Fulmer Gasque Glover Golder Gregory Hall, Miss. Hare Hollister

Lamneck Lanham Lankford, Ga. Lankford, Va.

Larrabee

Lindsay

Lozier

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Igoe Jacobsen Johnson, Ill. Johnson, Wash. Knutson Kurtz Larsen Lehlbach Lewis Nelson, Wis.

So the amendment was rejected.

The Clerk announced the following pairs:

Mr. Kurtz (for) with Mr. Beam (against). Mr. Smith of Idaho (for) with Mr. Gregory (against). Mr. Knutson (for) with Mr. Brand of Georgia (against).

Mr. Christgau (for) with Mr. Glover (against)

Mr. Doutrich (for) with Mr. Oliver of New York (against). Mr. Cooke (for) with Mr. Hornor (against).

Mr. Wolfenden (for) with Mr. Montague (against).

Mr. Rayburn with Mr. Reid of Illinois. Mr. Flood with Mr. Lehlbach. Mr. Schuetz with Mr. Beck. Mr. Jacobsen with Mr. Clarke of New York.

Mr. Jacobsen with Mr. Clarke of New York.
Mr. Lewis with Mr. Perkins.
Mr. Busby with Mr. Stokes.
Mr. Jones with Mr. Hollister.
Mr. Cartwright with Mr. Houston of Delaware.
Mrs. Owen with Mr. Golder.
Mr. Corning with Mr. Nelson of Wisconsin.
Mr. Boland with Mr. Baldrige.
Mr. Dieterich with Mr. Johnson of Washington.
Mr. Hare with Mr. Sparks.
Mr. Sullivan of New York with Mr. Estep.
Mr. Fulmer with Mr. William E. Hull.
Mr. Gasque with Mr. William E. Hull.
Mr. Harl of Mississippi with Mr. Chase.
Mr. Hart with Mr. Campbell of Pennsylvania.
Mr. Igoe with Mr. Johnson of Illinois.
Mr. Williams of Texas with Mr. Sullivan of Pennsylvania.

Mr. DRIVER. Mr. Speaker, I am requested by my col-

announce that if he were present he would vote "no" on the pending amendment.

Mr. BLAND. Mr. Speaker, I wish to announce that my colleague, Mr. Montague, is absent on account of sickness. If present he would vote "no."

The result of the vote was announced as above recorded. Mr. TREADWAY. Mr. Speaker, I ask unanimous consent to address the House for one minute to make an announcement.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. TREADWAY. Mr. Speaker, at the request of the chairman of the Committee on the Public Lands, I wish to announce that to-morrow evening at 8 o'clock, in the caucus room, the Director of the National Parks, Mr. Albright, will show some very beautiful pictures of the national parks for the benefit of the Members of the House, their friends, and guests.

It was my privilege to see those pictures last week. It is the most remarkable collection of movie pictures that I have ever seen. I hope the House will attend in large numbers and bring their friends and have a great treat.

Mr. BYRNS. Mr. Speaker, I yield five minutes to the gentleman from Massachusetts [Mr. McCormack].

Mr. McCORMACK. Mr. Speaker, I offer the following amendment.

The Clerk read as follows:

Amendment offered by Mr. McCormack: On page 8, line 11, rike out the word "not," and in line 12 and in line 13 strike out strike out the word "not," and in line 12 and in line 13 strike out the words "or its additional compensation therefor," and add after the word "day," in line 12, the following: "or at some other time."

Mr. McCORMACK. Mr. Speaker, the purpose of my amendment, briefly, is to protect the Saturday half-holiday for those who are employed in hospitals and soldiers' homes under the jurisdiction of the Veterans' Administration.

Under the recommendation of the conferees the Saturday half-holiday is taken away from those who are engaged in certain activities under the Veterans' Administration at the present time. The Saturday half-holiday is reserved to all other employees of the Federal Government. It seems to me this would result in a discrimination.

Furthermore, it seems to me to be unnecessary, in view of the fact that my amendment will result in no increased cost of government. My amendment provides that if an employee affected works on Saturday afternoon, he can be awarded three hours extra for this work on some other day or at some other time. In other words, if the employee can not be given the equivalent of the three hours he worked some time during the following week, then the time can be added up until at some particular time, when, in the judgment of the head of the department, he can be given credit for such work. The Saturday afternoon holiday of these persons can be taken away unless my amendment is adopted.

The amendment will result in no expense to the Federal Government and will eliminate discrimination.

This provision of the conferees' recommendations which I am attempting to amend was eliminated in the Senate and restored by the conferees. It affects only a small group of Federal employees. In all justice and in all fairness, the amendment should be adopted, particularly in view of the fact that it will result in no increased cost to the Government under the language in which I have employed.

Mr. BYRNS. Mr. Speaker, I yield myself two minutes.

Mr. Speaker, the conferees accepted this language upon the recommendation of General Hines, the Director of Veterans' Affairs. He recommended this particular language which the gentleman from Massachusetts seeks to strike out.

The gentleman from Massachusetts says it will not cost any money. I submit that neither he nor I nor anyone else can determine this. General Hines thinks it would, or that possibly it would. It simply means that if at some time in the future the hospital service of the Veterans' Bureau should get in a pinch and should need the services of employees on Saturday afternoon, he shall have the right to require them to devote such number of hours for this purleague, Mr. GLOVER, who is confined to his bed by illness, to pose as may be necessary, and they will not be entitled next week to come along and say, "I worked two hours last | Saturday and I am going to take that time off this week."

In private business there would be no question about this, and I am sure that the present language will not be opposed. I do not think it amounts to very much, but since the Director of Veterans' Affairs has requested it, I think it ought to be allowed.

Mr. McCORMACK. Will the gentleman yield?

Mr. BYRNS. Yes.

Mr. McCORMACK. The language I have suggested, "at some other time," was suggested for the purpose of carrying out the intent and purpose of General Hines, so that if an employee worked Saturday afternoon of last week, for example, he could not demand an afternoon off this week, but General Hines, or whoever is in charge, could give him the benefit of such time two or three weeks or a month later.

Mr. BYRNS. But the trouble is General Hines did not recommend that language. He recommended the language

that we have reported.

The SPEAKER pro tempore. The question is on the amendment offered by the gentleman from Massachusetts. The question was taken, and the amendment was rejected. Mr. BYRNS. Mr. Speaker, I yield five minutes to the gentleman from Massachusetts [Mr. Connery].

Mr. CONNERY. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Connery to the Byrns amendment: ge 8, line 14, strike out all of section 12, from lines 14 to 22,

Mr. CONNERY. Mr. Speaker, what I am seeking to do is to strike out of section 12 the language-

Assignments of officers of the Army and Navy or Marine Corps to permanent duty in the Philippines, on the Asiatic Station, or in China, Hawaii, Puerto Rico, or the Panama Canal Zone shall be for not less than three years.

That is what the provision of the present amendment of Mr. Byrns is. I do not see any reason why we should interfere with the regulations of the Army or the War Department, saying that officers must stay in the Philippines, Puerto Rico, and Hawaii for three years without coming home; that they must be obliged to stay there. I think that should be left to the discretion of the War Department.

The climate of the Philippines is entirely different from that of the United States, as everybody knows. They have a saying in the Army that if a man stays too long in the Philippines and something comes over him in his Army career where he is incapacitated, they say he was too long in the Philippines. They claim that the climate affected

There is something in the climate that does not agree with the physique of the American when he goes to the Philippines or to China.

Mr. MANLOVE. Will the gentleman yield?
Mr. CONNERY. I yield.
Mr. MANLOVE. And the climate does affect the women and children in the Panama Canal.

Mr. CONNERY. That is true. The wives and children are affected as well. I am trying to strike out this provision. I think the House understands the significance of my amendment.

Mr. BACON. Will the gentleman yield?

Mr. CONNERY. Yes.

Mr. BACON. The Surgeon General of the Army recommends two years' stay in these countries as the maximum.

Mr. CONNERY. Yes. I hope the House will vote to strike out section 12 and leave it to the discretion of the War Department as to how long officers shall stay in these foreign stations.

Mr. BYRNS. I yield three minutes to the gentleman from Illinois [Mr. ARNOLD].

Mr. ARNOLD. Mr. Speaker, section 12 was placed in the amendment purely in the interest of economy. We found that the officers and their families were being transferred to and from various points mentioned in this section at intervals that were entirely too frequent. This permits the length of service in the Philippines, Puerto Rico, Hawaii, the Panama Canal Zone, and China three years. The de-

partment may direct more frequent transfers if the health of the officers or public interest requires.

We found that under 4-year period transfers the transfer of officers and families cost over \$150,000 a year or about \$750,000. That seems an unnecessary expenditure. A 3-year transfer will save something like \$500,000 during that time. The House should vote down the amendment offered by the gentleman from Massachusetts. The 3-year period is not unreasonable in view of the savings to be effected, especially when transfers may be made more frequently when the state of health or public welfare requires.

Mr. BYRNS. Mr. Speaker, I yield three minutes to the

gentleman from Texas [Mr. Blanton].

Mr. BLANTON. Mr. Speaker, my friend from Illinois made my speech. It is absolutely astonishing how much money is spent for the transfer of officers and their families to and from foreign countries. If you talk with some of them they will say, "I have had my trip to such-and-such a place and have still to get a trip here and there to other places." It is traveling around and over the world with their families, all expenses paid. The Government pays for their transportation and for the transportation of their household effects, automobiles, and so forth.

The officers who want to go to China or Puerto Rico or the Philippines ought to be willing to stay there three years. It is not a very long time when their service is for life, and that is what they agree to do when they go in the service.

If we are going to begin to save money, we have got to cut down on these things. My colleague from Illinois says that it costs in the aggregate \$150,000 a year. You have got to begin saving these \$150,000 items. You have got to adopt the policy of business institutions-when their outgo exceeds their income they cut down on the outgo. That is what good business men do in their private business transactions, and that is what we have to do with the Government business.

Mr. THATCHER. Mr. Speaker, will the gentleman yield? Mr. BLANTON. In a minute. It is the aggregate of all these \$150,000 items that makes a billion-dollar deficit in the Treasury at the end of the year. I yield to the gentleman from Kentucky.

Mr. THATCHER. Many officers do ask for an extension of their tour of duty from two to three years.

Mr. BLANTON. Yes; and, of course, we want them to know something of the rest of the world. They are sent from place to place, but there is entirely too much traveling around at Government expense in the Army, the Navy, and the Marine Corps.

The SPEAKER pro tempore. The time of the gentleman from Texas has expired. The question is on the amendment offered by the gentleman from Massachusetts.

The question was taken; and on a division (demanded by Mr. Connery) there were—ayes 37, nays 125.

So the amendment was rejected.

Mr. THATCHER. Mr. Speaker, I yield five minutes to the gentleman from New York [Mr. FISH].

Mr. FISH. Mr. Speaker and Members of the House, I believe I am as much opposed to a dictatorship, whether it is of the right or the left, if it is based on force and violence, as anybody in the country; but I am sure that the time has come when we should stop haggling and quibbling over this legislation to reorganize the different bureaus and departments of the Government. For more than two years the Congress has had every opportunity to reorganize these different bureaus, and up to date it has failed lamentably. I propose for one to vote for this legislation placing ample power in the hands of the President after March 4 to reorganize the various Federal bureaus, and I do so hoping that he will succeed. This is no time for playing politics but to join hands to combat depression and unemployment and reduce governmental expenditures. I know that there are Members of the House, probably on the Republican side of the aisle, who may vote for this resolution hoping that they will give the President after March 4 ample rope to hang himself, but the question before us is what is best for our country and should be considered free from partisanship. During the World War partisanship was laid

aside, and I believe the Members of Congress will agree that we are facing a more serious economic situation in the country to-day, and the best thing we can do in Congress is to declare a political moratorium or armistice from now until the first of the year. Give the President ample power and see if he can, and we should help him, restore prosperity and put this country back where there is confidence among our people. The main thing that should be done in America to-day, and it ought to be done to-morrow, on Washington's Birthday, is for the President elect—and he is the only man in America who can speak for the American people-to come out in a ringing statement and say that he does not propose to favor any legislation or experiment with unsound or depreciated money and that he favors legislation immediately to balance the Budget. If that were done, he would restore confidence not only in the country, but in the Congress of the United States.

The Congress is being maligned and attacked from all sides and is being held responsible for the economic situation in which we find ourselves to-day. I take you back to 1927, 1928, and 1929, when the big business interests of America said to Congress, "Keep your hands off; do not interfere with business; we know our business; we do not want any governmental interference with business." Unfortunately, my friends, that is exactly what we did. We kept our hands off and permitted the inflation to go on and on until it was bound to collapse, and the pendulum swung back, not to normalcy but right on down to the depths we are in to-day. It was not the Congress of the United States that got us into this economic difficulty; it was business itself; and the first thing the business men and big interests did when they found themselves in serious difficulty was to call on the Congress for \$4,000,000,000 through the Reconstruction Finance Corporation to get them out of the hole they dug for themselves. [Applause.]

Mr. BYRNS. Mr. Speaker, I yield five minutes to the gentleman from Minnesota [Mr. KVALE].

Mr. KVALE. Mr. Speaker, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment by Mr. Kvale: Page 2, line 14, after subsection (2), add a new paragraph, to read as follows:
"(3) Section 201 is amended by striking out 'or the municipal government of the District of Columbia."

Mr. KVALE. Mr. Speaker, we are to-day reenacting certain provisions of the economy act, which we adopted last year. Earlier in the course of the debate the gentleman from New York [Mr. MEAD] attempted to revise the language of section 201, which the gentleman from Tennessee [Mr. Byrns], chairman of the committee, is reenacting under the terms of his amendment.

The Senate struck section 201 from the bill, and it is now being reinserted. If it is going to be reinserted, I offer my amendment-and I say frankly I offer it at the request of some of the District employees that are directly affected by it—in the hope that we can correct an injustice to three classes of employees in the District, and three alone. This amendment will affect the pay and the salaries, as near as I can ascertain, of 321 firemen, about 640 policemen, and some 1,200 teachers. Each of these three groups has, as an integral part of its contract, the hope and expectation of having its salary automatically increased after a certain length of time.

Mr. Speaker, the fact that we are devoting our best efforts to correct major economic ills and rectify monstrous injustices as speedily and effectively as we can surely does not warrant dismissal of any opportunity that comes to us from time to time to remedy lesser unfairnesses that creep into legislation. I am convinced that my amendment will correct a situation we consider small and of a minor nature, but to those involved it seems large and important, indeed.

They took these positions under certain agreements, and the automatic increases were just as much a part of their pay as were their monthly checks. They have-and this will refer particularly to the policemen and firemen-conducted themselves in a splendid and commendable manner quently since 1917. The States have built up their edu-

in most trying times; they have worked long hours overtime and have served the public courageously and gladly. We have all seen firemen within the last months serving as emergency members of the police force in addition to carrying on their usual duties.

Surely, the least we can do to show our appreciation is to permit the original contract with them to stand and let them have their small annual increase as it is called for. All but a small fraction of it will be paid for by the citizens of the District whom they serve—only about 121/2 per cent by the Federal Treasury-and I have heard none of them who have protested the payment of these automatic increases.

The rawest rookie that goes out on the street to patrol his beat, to subject himself to the ordinary and special hazards that a policeman must, runs exactly the same risk to life and health as one who has been on the force a number of years. His only hope of reward is for these small automatic increases as they come along.

If a great conflagration breaks out, the greenest rookie in the fire department takes his place at the nozzle of the hose alongside the oldest fireman on the force. This amendment will affect only the limited number of employees I have mentioned, and no more; it will cost a small additional sum; but I believe in reason and in justice to these people, for the sake of the morale of these departments in the District, it should prevail, and I hope the chairman of the committee can see fit to accept it, even though it does involve a slight additional cost.

I vield back the balance of my time.

The SPEAKER pro tempore. The gentleman yields back two minutes.

Mr. BYRNS. Mr. Speaker, I yield myself two minutes.

Mr. Speaker, the amendment offered by the gentleman from Minnesota [Mr. KVALE] would simply serve to increase what some have claimed is a discrimination created by what we are doing. Here are the officers in the Army, the officers in the Navy, insisting that they should have the automatic increases. Here are 12,000 postal employees insisting they should have the automatic increases. Here are clerks in the customs-I do not recall how many-insisting they should have the automatic increases. I submit that if we undertake to pick or choose from all that number certain officials in the District of Columbia, those whom I have named are never going to understand just why they were excepted from the general provisions of this law. So I submit that in all fairness and to prevent that discrimination which we are trying to avoid, we ought to vote down the amendment offered by the gentleman from Minnesota.

The SPEAKER pro tempore. The question is on the amendment offered by the gentleman from Minnesota IMr. KVALE1.

The amendment was rejected.

Mr. THATCHER. Mr. Speaker, I yield five minutes to the gentleman from New York [Mr. REED].

Mr. REED of New York. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. REED of New York: Page 10, line 19, after the word "Congress," strike out the period and add the following: "and shall not apply to the permanent annual appropriations for vocational education, colleges for the benefit of agriculture and mechanical arts, or cooperative agricultural extension work.

Mr. REED of New York. Mr. Speaker, every Member of this House has in his or her State a so-called land-grant college. Since 1860, a period of almost three-quarters of a century, these excellent colleges have depended on a permanent Federal appropriation of \$50,000 a year to help defray their operating expenses. In 1917 we had the Smith-Hughes Act, dealing with industrial education, and we have had the Reed Act, which provides for agricultural vocational education. It is not proposed by the Byrns amendment to reduce the expenses of Government one iota. It is not It is not intended to be. It is a direct economy at all. attack upon public education, that has been in evidence on this floor from time to time since 1860, and more frecational programs with the assurance of the Federal Government that the permanent appropriations could be depended upon. Some of our legislatures meet every two years; some every four years. Unless the State legislatures know that these appropriations are to be permanent, they can not set up a permanent program in the States. One million one hundred and seventy-eight thousand boys and girls are enrolled in these vocational establishments to-day.

Mr. COCHRAN of Missouri. Will the gentleman yield? Mr. REED of New York. I can not yield. I only have five minutes.

In order to set up these programs they must know what they can depend upon for a period of years. What is it proposed to do in this bill unless my amendment is adopted? It is proposed that in 1934 the president of every land-grant college and all vocational workers and teachers will have to come to Congress on their knees and beg for appropriations to carry on public education. Up to 1934 our schools will continue to get the appropriation, but after that date they must come here and plead for funds.

In the meantime, without assurance that the appropriations are going to be made, communities are going to find their vocational educational programs demoralized, because the State legislatures will not know what Congress plans to do. The States can not plan their appropriations until it is known what the Federal Government intends to authorize. We owe very much to public education in this time of stress and strain. In the last 20 years 750,000 young men and women, many of them sons and daughters of working men, have gone through our colleges. Many of them have gone through our land-grant colleges. Millions and millions of girls and boys have had some smattering of economics in their vocational courses, and the reason that you are not having bloodshed and riots to-day in this great crisis is because you have millions of people who know something of economics, who have been educated up to the level where they are not going out with bludgeons and bombs to try to cure the depression. They have learned something about depressions and the cause of them. I tell you that the money heretofore appropriated for public education has been a wise investment. I resent this attempt at this time to demoralize this program, simply because there are a few who are opposed to public education.

Mr. JOHNSON of Texas. Will the gentleman yield? Mr. REED of New York. I yield.

Mr. JOHNSON of Texas. I do not think there is any money spent by the Federal Government where greater practical benefits and results are obtained than the money authorized and spent under these acts, and I hope the amendment will be adopted.

Mr. REED of New York. This is not economy in the bill. The amendment which I have offered does not increase the expenditure of the Government one cent. The Byrns amendment does not save one cent.

Mr. COCHRAN of Missouri. Will the gentleman yield? Mr. REED of New York. I can not yield now.

I want the Members who believe in public education to support this amendment. I want you land-grant college people to realize that many colleges are now depending upon the \$50,000 they get from the Federal Government to defray one-fifth of the operating expenses of some of the landgrant colleges.

The SPEAKER pro tempore. The time of the gentleman from New York [Mr. REED] has expired.

Mr. COCHRAN of Missouri. Will the gentleman yield?

Mr. BYRNS. I yield.

Mr. COCHRAN of Missouri. Is there any language in this provision of any kind that gives the President of the United States the power to reduce the appropriation for vocational education?

Mr. BYRNS. No.

Mr. COCHRAN of Missouri. The gentleman from New York [Mr. Reed], whose time has just expired, in my opinion, endeavored to convey the impression that there was such language in the bill. I was sure there was nothing of the kind in the bill, but I thought it best to have the gentle-

man from Tennessee [Mr. Byrns], chairman of the committee, so inform the Members.

Mr. BYRNS. Mr. Speaker, I yield myself two minutes.

Mr. Speaker, the gentleman from New York [Mr. REED], whom I respect very highly, has built up in his own mind quite an argument against this particular proposition, but I submit it is based entirely upon the wrong premise for the reason that this provision does not affect the appropriation.

How many Members in this House to-day know how much money we are appropriating for this purpose? Do you not think you are entitled to know? Do you not think, as representatives of the taxpayers, that you are entitled to know?

All this provision does is simply to say that if this money is being appropriated annually it shall be carried in the regular annual appropriation bill, not necessarily for the purpose of cutting it down but to give Congress and the country some idea as to what is being expended. I dare say not 3 per cent of the people of the United States outside of those directly involved have the least idea how much is being appropriated for this purpose.

This is all it means. It simply proposes the idea of giving Congress this knowledge from year to year and some chance to know how much is being expended and distributed by those to whom it is intrusted.

[Here the gavel fell.]

The SPEAKER pro tempore. The question is on the amendment of the gentleman from New York.

The question was taken; and on a division (demanded by Mr. REED of New York) there were-ayes 77, noes 109.

So the amendment was rejected.

Mr. THATCHER. Mr. Speaker, I yield two minutes to the gentleman from New York [Mr. TABER].

The TABER. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. TABER: On page 12, line 25, after the word "agency," insert "but no such transfer shall be made unless the President shall find it will result in a saving; "and on page 13, line 2, after the word "agency," insert "but no such consolidation shall be made unless the President shall find it will

Mr. TABER. Mr. Speaker, I have offered this amendment because I have seen in my own State so many consolidations where there was simply the imposition of an extra overhead, where there was no saving but an increase in expense. I have seen so many transfers of departments and so much changing around where there was no saving but simply an increase of expense.

I want to protect the next President of the United States from having, because of pressure, to put in that kind of consolidation and that kind of transfer.

I hope the House will adopt this amendment and make this provision for consolidations and transfers effective for savings.

Mr. BYRNS. Mr. Speaker, I call the attention of the House to the fact that consolidation has two objects-one to effect savings and another to promote efficiency. amendment of the gentleman would prevent any consolidation, regardless of how much efficiency it might promote.

The SPEAKER pro tempore. The question is on the amendment of the gentleman from New York.

The amendment was rejected.

Mr. THATCHER. Mr. Speaker, I yield two minutes to the gentleman from Colorado [Mr. EATON].

Mr. EATON of Colorado. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment by Mr. Earon of Colorado: On page 14, line 18, strike out the words "within 12 months."

Mr. EATON of Colorado. Mr. Speaker, this subsection (b) of section 405, which provides that no lawsuit shall be abated, also provides that the court, on motion or supplemental petition filed at any time within 12 months after a transfer takes effect, may continue a suit alive.

I think it is a mistake, both in the statute of June 30, 1932-Public, No. 212, of the Seventy-second Congress-and in this bill, to put any limitation at all upon the carrying on of any litigation in which the Government is a party.

These words "within 12 months" ought to come out. If it stays in, it makes an automatic statute of limitation on pending litigation which did not exist when the suit was commenced. I had hoped the chairman of the committee would say, "I consent that they come out"; but it seems he can not. However, a mere statement of the proposition ought to show the reason why the words "within 12 months" should come out. You should not interfere in pending litigation by changing the identity of the parties by statute to such an extent that you abate the suit because there may be no progress in 13 months; the parties as a matter of right should be permitted to come in at any time and advise the court that at a certain time the names of the parties were changed by this presidential order. At all times the principal party is the United States, no matter by what agency designated for the transaction of particular husiness

Mr. WILLIAMSON. Mr. Speaker, will the gentleman yield?

Mr. EATON of Colorado. I yield.

Mr. WILLIAMSON. The only effect of the provision now carried in the bill is that they must come into court within the 12-months period. Once they are there they can continue the litigation indefinitely, whether it takes 1 year, 2 years, or 5 years.

Mr. EATON of Colorado. A reading of the section indicates it would automatically stop much litigation already commenced, because for sooth the litigation continued for 13 months without the required order being asked for.

[Here the gavel fell.]

The SPEAKER pro tempore. The question is on the amendment of the gentleman from Colorado.

The amendment was rejected.

Mr. THATCHER. Mr. Speaker, I yield two minutes to the gentleman from Wisconsin [Mr. Schafer].

Mr. SCHAFER. Mr. Speaker, I offer an amendment. The Clerk read as follows:

Amendment offered by Mr. Schafer: Strike out all of title 5.

Mr. SCHAFER. Mr. Speaker, the Democratic Party has had control of this House for two years. In sponsoring and voting for the delegation of power to the President, as embodied in title 4, beginning on page 11, the Democratic majority admits it has been unable to function during this 2-year period. The Democrats also admit that their majority of over 200 in the next Congress is unable properly to perform the legislative duties vested in Congress under the Constitution.

We owe some duty to the new Members of the incoming Congress. We should not shear them of their prerogatives. authority, and power vested in them under the Constitution.

I am opposed to this monstrosity sponsored by the Democratic majority. If it is written into the law of the land, the newspapers of the country in every town and hamlet can properly headline a special edition, "The people's representatives have abdicated! Congress is dead! Long live the king and the commander in chief of his patronage army, Mr. Farley!" [Applause.]

Mr. BYRNS. Mr. Speaker, ever since this amendment was offered, I have been wondering what had become of the gentleman from Wisconsin. Now that we have heard from him, I ask for a vote. [Laughter.]

Mr. STAFFORD. Mr. Speaker, in scanning this amendment I do not find any title 5.

Mr. BYRNS. There is not any, but let us vote on the amendment.

The SPEAKER pro tempore. The question is on the amendment offered by the gentleman from Wisconsin [Mr.

The question was taken, and the amendment was rejected. Mr. THATCHER. Mr. Speaker, I yield two minutes to the gentleman from South Dakota [Mr. Williamson].

Mr. WILLIAMSON. Mr. Speaker, I offer an amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. Williamson: Page 11, line 12, strike out all of lines 12 to 16, inclusive, and insert in lieu thereof the following: "accordingly it is declared to be the purpose and policy of Congress," so that the amendment will read:

"DECLARATION OF STANDARD

"SEC. 401. The Congress hereby declares that a serious emergency exists by reason of the general economic depression; that it is imperative to reduce drastically governmental expenditures; and that such reduction may be accomplished in great measure by proceeding immediately under the provisions of this title.

"Accordingly it is declared to be the purpose and policy of

"(a) To reduce expenditures to the fullest extent consistent with the efficient operation of the Government;

the efficient operation of the Government;

"(b) To increase the efficiency of the operations of the Government to the fullest extent practicable within the revenues;

"(c) To group, coordinate, and consolidate executive and administrative agencies of the Government, as nearly as may be,

according to major purposes;
"(d) To reduce the number of such agencies by consolidating those having similar functions under a single head and by abolish ing such agencies and/or such functions thereof as may not be necessary for the efficient conduct of the Government;

"(e) To eliminate overlapping and duplication of effort; and "(f) To segregate regulatory agencies and functions from those of an administrative and executive character."

Page 12, line 17, strike out all of line 17 and the letters "tion" and insert in lieu thereof the following:

"SEC. 403. The President shall investigate the present organiza-tion of all executive and administrative agencies of the Govern-ment and shall determine what changes therein are necessary to accomplish the purpose and the policy of Congress as declared in section 401, and whenever after said investigation the President," so that the section will read:

" POWER OF THE PRESIDENT

"SEC. 403. The President shall investigate the present organization of all executive and administrative agencies of the Government and shall determine what changes therein are necessary to accomplish the purpose and policy of Congress as declared in section 401, and whenever after said investigation the President shall find and declare that any regrouping, consolidation, transfer, or abolition of any executive agency or agencies and/or the functions thereof is necessary to accomplish any of the purposes set forth in section 401 of this title, he may by Executive order—

"(a) Transfer the whole or any part of any executive agency and/or the functions thereof to the jurisdiction and control of

other executive agency;

(b) Consolidate the functions vested in any executive agency;

"(c) Abolish the whole or any part of any executive agency and/or the functions thereof; and

"(d) Designate and fix the name and functions of any consolidated activity or executive agency, and the title, powers, and duties of its executive head; except that the President shall not have authority under this title to abolish or transfer an executive department and/or all the functions thereof."

Mr. WILLIAMSON. Mr. Speaker, I invite the attention of the chairman of the Committee on Appropriations [Mr. BYRNS] to this amendment. Evidently the intention of the draftsman of this title 4 was to declare a policy of Congress. As a matter of fact, that has not been done. The only purpose of this amendment is to definitely set up a policy of Congress as a guide to the President and then authorize him to do exactly what the bill now provides. I think you would greatly improve the chances of the bill being held constitutional if this amendment is adopted.

It seems to be generally conceded by Members upon the floor that title 4 of H. R. 13520, now incorporated in the proposed Byrns amendment is in effect a delegation of legislative authority to the President. On Saturday of last week I discussed the constitutionality of the provision and therefore shall not further discuss that feature here. Where a delegation of authority essentially legislative in character is sought to be conferred upon the Executive, the courts have held that the most that Congress can do is to set up what is sought to be brought about as a policy or a rule as a guide to the President and then authorize the President, upon the ascertainment of the facts and conditions specified to so declare, upon which the statute shall become operative.

It seems to me the amendment which I propose will clarify the purpose and intent of Congress so as to afford a more definite guide for the President in his efforts to reorganize the Government. If the language is so reconstructed and the authority to abolish Executive agencies and independent establishments were eliminated, I think

title 4 would be constitutional, but I have very grave doubts as to its constitutionality in its present form, which would permit the President, if he should so elect, to abolish the marines, the Coast Guard, the Interstate Commerce Commission, the Tariff Commission, or any other independent establishment. I do not anticipate the President would do anything of the sort but it is certainly within his power under the language now carried in title 4.

The SPEAKER pro tempore. The question is on the amendment of the gentleman from South Dakota [Mr. Williamson].

The question was taken, and the amendment was rejected.
Mr. THATCHER. Mr. Speaker, I yield myself two min-

Mr. Speaker, we are about to vote on this motion. As one of the conferees I know something of the difficulties involved in settling the differences between the House and the Senate.

This bill is the best average we have been able to secure, and I favor the motion, although a little while ago I voted for the amendment of the gentleman from Maine [Mr. BEEDY], because I felt that Congress should retain a little more power touching its delegation of authority to the President to consolidate and curtail governmental activities. But this is not a surrender of power on the part of the Congress. It is the delegation of authority to perform a specific task, and Congress always has the potential power to set aside this authority given to the President. It has the right to enact any legislation dealing with the subject, and to withdraw that power at any time. We have seen the difficulty on the part of 435 Members of the House, and 96 Members of the Senate, in dealing with this question of consolidation and the elimination of unnecessary and overlapping governmental activities. This is not any particular indictment of the Congress, because naturally it is harder for a large number of individuals to function in regard to such consolidations and eliminations, which are executive in their character than it is for one man to deal with them. I fully agree with the suggestion that this proposed action is unusual, but, Mr. Speaker, the times and the needs are unusual. At the last session we clothed President Hoover with somewhat similar authority, but we required that his action should be subject to our approval or rejection. The result was that rejection of his endeavors followed, and the Congress offered nothing better. Therefore the Congress was and is at fault. It should have ratified the President's action; or else, put through an adequate plan of its own. Because of the fact that it has been so difficult for the Congress itself to bring about the wholesale consolidations and eliminations needed, there was delegated to President Hoover, last year, the indicated authority, and there is now under consideration the proposal to delegate to the President elect even greater power, to deal with these matters.

There is no abolition of congressional power thus involved. The Chief Executive simply becomes the agent of the Congress to perform for it a certain duty, a particular task. This it does because, being fully cognizant of the practical difficulties it involved, has reached the judgment and conclusion that one man-the Chief Executive officer of the Nation-with the aid of his administrative assistants, can do the job better than may 531 men and women of the two Houses of Congress. The responsibility will thus be with the President; and if his action is not overturned or rejected by the Congress as is permitted by the provisions in question, that action becomes, in effect, that of the Congress itself. By no statutory enactment could we divest ourselves of the basic constitutional powers which are ours; and these provisions do not have for their purpose or effect-as I view it-any actual surrender on our part of constitutional power. The people are demanding, as they have a right to demand, that there be a substantial reduction of governmental costs, and by the proposed action we are taking what we believe to be the most feasible and effective steps to reach the desired end. Under any ordinary circumstances I would not favor, as a matter of policy, this delegation of authority, but because of the grave situation presented, I believe that we are fully justified in conferring it.

So I, for one, am supporting this motion, and I trust that the action of the conferees will be sustained. [Applause.]

Mr. BYRNS. Mr. Speaker, I yield two minutes to the gentleman from Alabama [Mr. McDuffie].

Mr. McDUFFIE. Mr. Speaker, I have asked for two minutes to call the attention of the committee and the House to section 14 of the proposed amendment, which is found on page 10.

During the last session, under the economy act, the rate of interest to be paid on judgments against the United States Government was changed from 6 per cent to 4 per cent.

I may be in error, and some gentlemen will correct me if I am, but according to the estimates this meant a saving to the Treasury of between four and a half and five million dollars.

Under the language carried in section 14, we repeal the economy act provision and make the repeal retroactive which means that we are handing back, if you please, from four and a half to five million dollars, which might be saved to the taxpayers were section 14 not carried in this bill. I think it should go out, and I therefore move that it be stricken from the amendment.

The SPEAKER pro tempore. The Clerk will report the amendment of the gentleman from Alabama.

The Clerk read as follows:

Amendment offered by Mr. McDuffie: On page 10, beginning in line 7, strike out all of section 14 ending in line 12.

Mr. BYRNS. Mr. Speaker, gentlemen of the House know that when we go into conference with another body and it comes to agreeing with them, there may be some matters upon which they insist and upon which they have the right to be heard. However, regardless of that, we are now in the attitude of coming to an agreement upon this matter with the Senate, or at least I hope so.

The economy bill, to which the gentleman from Alabama [Mr. McDuffie] refers, did undertake to reduce the rate of interest to 4 per cent upon the matter of tax refunds, but the economy bill made one big mistake. It went back prior to July 1, 1932, and this caused endless confusion. The courts insisted they had the right to render, and did render, judgments for 6 per cent. The Comptroller General was in a state of uncertainty and proposed amendments which restored the 6 per cent prior to July 1, on the theory that the economy bill itself was violative of the Constitution in undertaking to affect judgments rendered prior to that time.

Mr. BEEDY. Will the gentleman yield for a brief ques-

Mr. BYRNS. I have just a minute left. Here is the situation: When you owe the Government money—and I am saying this from the viewpoint of the other body—the Government charges you 6 per cent and collects 6 per cent.

Mr. McDUFFIE. You ought not to owe it.

Mr. BYRNS. The Government ought not to overassess and owe its taxpayers. It is as broad as it is long.

When you owe the Government money you have to pay 6 per cent, but when the Government turns around and pays you money that is due you, which, perhaps, it has held for several years, it only pays you 4 per cent. I say this is not fair, and the Government does not want to be in the position of being unfair to any single taxpayer within the broad confines of the United States.

Mr. Speaker, I ask for a vote.

The SPEAKER pro tempore. The time of the gentleman from Tennessee has expired. All time has expired.

The question is on the amendment of the gentleman from Alabama.

The question was taken; and there were on a division (demanded by Mr. McDuffie and Mr. Stafford)—ayes 106,

Mr. BYRNS. Mr. Speaker, I demand tellers.

Mr. STAFFORD. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were refused. Mr. SIROVICH. Mr. Speaker, I demand tellers.

Tellers were ordered, and the Chair appointed as tellers Mr. McDuffie and Mr. Byrns.

The House again divided; and there were-ayes 126, noes 100

Mr. SIROVICH. Mr. Speaker, I demand the yeas and nays.

Mr. STAFFORD. Mr. Speaker, I make the point that is not in order, because the House has already refused the yeas and nays.

The SPEAKER pro tempore. It is always in order to ask for the yeas and navs.

The yeas and nays were ordered.

The question was taken; and there were-yeas 234, nays 134, not voting 58, as follows:

[Roll No. 163] YEAS-234

Ellzey Englebright Allen Allgood Lambertson Lambeth Sanders, N. Y. Almon Erk Lamneck Sanders, Tex. Amlie Evans, Calif. Lanham Schafer Andresen Fishburne Lankford, Ga. Schneider Andrew, Mass. Frear Free Lea Leavitt Seiberling Selvig Arentz French Fuller Lonergan Loofbourow Shallenberger Shannon Bachmann Bankhead Fulmer Barbour Lovette Shott Lozier Shreve
McClintic, Okla. Sinclai
McClintock, Ohio Snell
McCormack Sparks
McDuffle Spence Beck Beedy Gavagan Gibson Shreve Sinclair Biddle Gilbert Gilchrist Black Spence Stafford Bland Gillen Goldsborough Granfield McGugin McLeod Blanton Boehne Stalker Steagall Strong, Pa. Bohn Green Maas Magrady Bolton Guver Maloney Stull Hadley Hall, Ill. Hall, N. Dak. Hancock, N. Y. Hancock, N. C. Bowman Brand, Ohio Manlove Mansfield Sumners, Tex. Swank Briggs Britten Mapes Martin, Mass. Swanson Swing Tarver Taylor, Colo. Buckbee Michener Butthess Campbell, Iowa Carter, Calif Carter, Wyo. Castellow Hardy Millard Haugen Milligan Thomason Hess Hill, Ala. Hill, Wash. Mitchell Thurston Mobley Tierney Timberlake Montet Chapman Chiperfield Hoch Moore, Ky. Moore, Ohio Turpin Underhill Hogg, Ind. Christopherson Clague Hogg, W. Va. Holmes Morehead Underwood Mouser Vinson, Ga Cochran, Pa. Hooper Murphy Nelson, Mo. Vinson, Ky Hope Warren Condon Horr Nolan Wason Connolly Cooper, Ohio Norton, Nebr. Oliver, Ala. Watson Weaver Huddleston James Cox Coyle Crail Cross Overton Parker, Ga. Parker, N. Y. Weeks Welch Jeffers Jenkins Johnson, Mo. Johnson, Okla. Johnson, S. Dak. West White Crowe Patman Whitley Crowther Culkin Johnson, Tex. Johnson, Wash. Patterson Peavey Whittington Williams, Mo. Curry Jones Person Williamson Darrow Kading Pettengill Pratt, Harcourt J. Withrow Pratt, Ruth Wolcott Wilson Davis, Pa. Kahn Kelly, Ill. De Priest Dickinson Wolcott Wolfenden Kemp Purnell Kennedy, N. Y. Ramseyer Ramspeck Rankin Wolverton Wood, Ga. Woodruff Dies Dominick Douglass, Mass. Kerr Ketcham Dowell Doxey Woodrum Yates Kinzer Ransley Kniffin Rayburn Yon Drewry Kopp Kvale Eagle Eaton, Colo. Robinson LaGuardia

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So the amendment of Mr. McDuffie was agreed to. The Clerk announced the following pairs: On the vote:

Mr. Cartwright (for) with Mr. Oliver of New York (against).

Until further notice:

Mr. Beam with Mr. Kurtz.
Mr. Gregory with Mr. Smith of Idaho.
Mr. Brand of Georgia with Mr. Knutson.
Mr. Glover with Mr. Christgau.
Mr. Hornor with Mr. Cooke.
Mr. Montague with Mr. Doutrich.
Mr. Jacobsen with Mr. Clarke of New York.
Mr. Lewis with Mr. Perkins.
Mr. Busby with Mr. Stokes.
Mrs. Owen with Mr. Golder.
Mr. Corning with Mr. Nelson of Wisconsin.

Mr. Owen with Mr. Stokes.

Mrs. Owen with Mr. Rolder.

Mr. Corning with Mr. Nelson of Wisconsin.

Mr. Boland with Mr. Baldrige.

Mr. Hall of Mississippi with Mr. Chase.

Mr. Hart with Mr. Campbell of Pennsylvania.

Mr. Igoe with Mr. Johnson of Illinois.

Mr. Williams of Texas with Mr. Sullivan of Pennsylvania.

Mr. Schuetz with Mr. Foss.

Mr. Hare with Mr. Brumm.

Mr. Sullivan of New York with Mr. Lehlbach.

Mr. Cannon with Mr. Cable.

Mr. Larsen with Mr. Reid of Illinois.

Mr. Dieterich with Mr. Swick.

Mr. Chavez with Mr. Houston of Delaware.

Mr. Douglas of Arizona with Mr. Freeman.

Mr. Fernandez with Mr. Hawley.

Mr. Dickstein with Mr. Summers of Washington.

The result of the voice was announced as above to The result of the vote was announced as above recorded. The SPEAKER pro tempore. The question recurs on the

as amended. The amendment was agreed to.

Mr. BYRNS. Mr. Speaker, I ask unanimous consent that the Clerk may correct the numbers to the sections.

amendment of the gentleman from Tennessee [Mr. Byrns]

The SPEAKER pro tempore. Without objection, it is so ordered. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Page 86 of the bill, line 3, strike out the figure "15" and sert "21."

Mr. BYRNS. Mr. Speaker, I move that the House recede from its disagreement to Senate amendment 15 and agree with the following amendment:

The Clerk read as follows:

Mr. Byrns moves that the House recede from its disagreement to the amendment of the Senate numbered 15 and agree to the same with the following amendment: "In lieu of the matter to be inserted by the Senate amendment insert 18."

The SPEAKER pro tempore. The question is on the motion of the gentleman from Tennessee.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the | next amendment in disagreement.

The Clerk read as follows:

Page 86, after line 12, insert the following:
"SEC. 22. (a) The Court of Claims of the United States is authorized, under such rules as it may prescribe, to impose a fee in an amount not in excess of \$10, to be fixed by the court, for the filing of any petition in any case instituted after the enactment of this act, and for the hearing of any case before the court, a judge, or a commissioner thereof, pending at the time of the enactment of this act.

"(b) The court is authorized to charge and collect a fee of 10 cents a folio for preparing and certifying a transcript of the record for the purpose of appeal by the plaintiff and for furnishing certifor the purpose of appeal by the plaintiff and for furnishing certified copies of judgments or other documents in cases in said court: Provided, That not less than \$5 shall be charged for each certified copy of findings of fact and opinion of the court to be filed in the Supreme Court of the United States.

"(c) The court is also authorized to charge and collect for each certified copy of its findings of fact and opinion a fee of 25 cents for 5 pages or less, 35 cents for those over 5 and not more than 10 pages, 45 cents for those over 10 and not more than 20 pages, and 50 cents for those of more than 20 pages.

50 cents for those of more than 20 pages.

"(d) The clerk of the Court of Claims shall account to the Attorney General for all such fees and shall deposit such fees to Attorney General for all such lees and shall deposit such lees to the credit of the Treasurer of the United States in the same man-ner as is provided in the case of collections by clerks of district courts, as provided by section 9 of the act entitled 'An act to fix the salaries of clerks of the United States district courts and to provide for their office expenses, and for other purposes,' approved February 26, 1919, as amended (U. S. C., title 28, sec. 567)."

Mr. BYRNS. Mr. Speaker, I move that the House recede from its disagreement and concur with the following amend-

The Clerk read as follows:

Mr. Byens moves that the House recede from its disagreement to

the following amendments:

In line 1 of the matter proposed to be inserted by such amendment strike out the figures "22" and insert in lieu thereof the figures "19."

In lines 2, 8, and 16 of the matter proposed to be inserted by such amendment, after the word "authorized," insert in each instance the words "and directed."

And in line 10 of the matter proposed to be inserted by such amendment strike out the word "appeal" and insert in lieu thereof the following: "a writ of certiorari sought."

The SPEAKER pro tempore. The question is on the motion of the gentleman from Tennessee.

The question was taken, and the motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 17. Page 87, after line 18, add the following: "TITLE III

"That when used in this title—
"(a) The term 'United States,' when used in a geographical
ense, includes the United States and any place subject to the

jurisdiction thereof;

"(h) The terms 'public use,' 'public building,' and public building of and public "(b) The terms 'public use,' 'public building,' and 'public work' shall mean use by, public building of, and public work of the United States, the District of Columbia, Hawaii, Alaska, Puerto Rico, the Philippine Islands, American Samoa, the Canal Zone, and

the Virgin Islands.
"Sec. 2. Notwithstanding any other provision of law, and unless the head of the department or independent establishment concerned shall determine it to be inconsistent with the public interest or the cost to be unreasonable, only such unmanufactured articles, materials, and supplies as have been mined or produced in the United States, and only such manufactured articles, materials, the United States, and only such manufactured articles, materials, and supplies as have been manufactured in the United States substantially all from articles, materials, or supplies mined, produced, or manufactured, as the case may be, in the United States, shall be acquired for public use. This section shall not apply with respect to articles, materials, or supplies for use outside the United States or if articles, materials, or supplies of the class or kind to be used or the articles, materials, or supplies from which they are manufactured are not mined, produced, or manufactured, as the case may be, in the United States in sufficient and reasonably available commercial quantities and of a satisfactory quality.

as the case may be, in the United States in sufficient and reasonably available commercial quantities and of a satisfactory quality.

"Sec. 3. (a) Every contract for the construction, alteration, or repair of any public building or public work in the United States growing out of an appropriation heretofore made or hereafter to be made shall contain a provision that in the performance of the work the contractor, subcontractors, material men, or suppliers shall use only such unmanufactured articles, materials, and supplies as have been mined or produced in the United States, and only such manufactured articles, materials, and supplies as have been manufactured articles, materials, and supplies as have been manufactured in the United States substantially all from articles, materials, or supplies mined, produced, or manufactured, as the case may be, in the United States, except as provided in

section 2: Provided, however, That if the head of the department or independent establishment making the contract shall find that in respect to some particular articles, materials, or supplies it is impracticable to make such requirement or that it would unreasonably increase the cost, an exception shall be noted in the specifications as to that particular article, material, or supply, and a public record made of the findings which justified the

and a public record made of the findings which justined the exception.

"(b) If the head of a department, bureau, agency, or independent establishment which has made any contract containing the provision required by subsection (a) finds that in the performance of such contract there has been a failure to comply with such provisions, he shall make public his findings, including therein the name of the contractor obligated under such contract, and no other contract for the construction, alteration, or repair of any public building or public work in the United States or elsewhere shall be awarded to such contractor, subcontractors, material men, or suppliers with which such contractor is associated or affiliated within a period of three years after such finding is made public. made public.

"SEC. 4. This title shall take effect on the date of its enactment, but shall not apply to any contract entered into prior to

such effective date.

Mr. BYRNS. Mr. Speaker, I offer the following motion, which I send to the Clerk's desk.

The Clerk read as follows:

Mr. Byrns moves that the House recede from its disagreement to Senate amendment numbered 17 and agree to the same.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment numbered 18: Page 90, after line 7, add the fol-

lowing:

"Sec. 5. If any provision of this act, or the application thereof to any person or circumstances, is held invalid, the remainder of the act, and the application thereof to other persons or circumstances, shall not be affected thereby."

Mr. BYRNS. Mr. Speaker, I offer the following motion: The Clerk read as follows:

Mr. Byrns moves that the House recede from its disagreement to Senate amendment numbered 18 and agree therein.

The motion was agreed to.

A motion to reconsider the votes on the amendments to the bill H. R. 13520 was laid on the table.

DISTRICT OF COLUMBIA KIDNAPING BILL

Mr. THATCHER. Mr. Speaker, I ask unanimous consent to extend my own remarks on the bill, S. 4694, and to include therewith extracts from the committee reports on the bill.

The SPEAKER pro tempore. Is there objection? There was no objection.

Mr. THATCHER. Mr. Speaker, on the 3d day of March, 1932, I introduced in the House H. R. 10089, a measure entitled "A bill to amend section 812 of the Code of Laws for the District of Columbia." The object involved was the enactment of adequate kidnaping legislation for the District of Columbia. On the 9th day of May, 1932, at my request the duplicate bill, S. 4694, was introduced in the Senate by Senator Patterson, of Missouri. A hearing on the measure was had before the Senate committee on June 17, 1932, and it was thereupon favorably reported by that committee. The bill passed the Senate on July 11, 1932.

As introduced in the House and Senate, and as reported by the Senate committee, the bill permitted the jury to affix the death penalty in extreme cases. In the Senate the death penalty was omitted, but for the offense of kidnaping, abducting, and so forth, and the holding for ransom or reward of any person of whatsoever age there was retained the penalty of imprisonment for life, or for such term as the court, in its discretion, may determine.

On January 25, 1933, I was able to secure at the hands of the House Committee on the District of Columbia a hearing on the bill, and as a result the bill in the form it passed the Senate, S. 4694, was approved by the committee and favorably reported. Thereupon the measure was called up in the House on District of Columbia day by our esteemed colleague, the able chairman of the committee, Mrs. MARY T. Norton, Representative from New Jersey, and was passed by the unanimous vote of the House. On the 18th day of February, 1933, the measure was signed by President Hoover and became a law.

Until this bill was enacted there was no law on the subject of kidnaping and holding within the District of Columbia, for ransom or reward, any person over 16 years of age. Only in a case when a person over 16 years of age was kidnaped in the District and carried out of it was an offense declared. There was provided in the old law fairly-though not fully-adequate penalties for kidnaping within the District of Columbia of any child under 16.

The old law (sec. 812) of the Code of Law for the District of Columbia reads thus:

Whoever unlawfully and forcibly or fraudulently carries off or decoys out of the District any person, or arrests or imprisons any person with the intention of having such person carried out of the District, shall be imprisoned for not less than one nor more than seven years or fined not exceeding \$1,000, or both: Provided, That whoever leads, carries, or entices away a child under the age of 16 years, with the intent unlawfully to detain or conceal such child so led, taken, or enticed away, shall be imprisoned for not more than 20 years or fined not exceeding \$1,000, or both.

The new law, embodied in House bill 10089 and Senate bill 4694, as it passed the Senate and House and as approved by the President, is as follows:

[Public, No. 362, 72d Cong.]

(S. 4694)

An act to amend section 812 of the Code of Law for the District of Columbia

Be it enacted, etc., That section 812 of the act entitled "An act to establish a Code of Law for the District of Columbia," approved March 3, 1901, as amended (D. C. Code, title 6, sec. 36), is amended to read as follows:

"Sec. 812. Whosever shall be guilty of or of adding or shatting in

Sec. 812. Whoever shall be guilty of, or of aiding or abetting in, selzing, confining, inveigling, enticing, decoying, kidnaping, abducting, concealing, or carrying away any individual, by any means whatsoever, and holding or detaining, or with the intent to hold or detain, such individual for ransom or reward, shall, upon conviction thereof, be punished by imprisonment for life or for such term as the court in its discretion may determine. This section shall be held to have been violated if either the seizing. section shall be held to have been violated it either the seizing, confining, inveigling, enticing, decoying, kidnaping, abducting, concealing, carrying away, holding, or detaining occurs in the District of Columbia. If two or more individuals enter into any agreement or conspiracy to do any act or acts which would constitute a violation of the provisions of this section, and one or more of such individuals do any act to effect the object of such agreement or conspirate acts and the holding and the decorated to be a section of the provisions of this section. ment or conspiracy, each such individual shall be deemed to have violated the provisions of this section."

Approved, February 18, 1933.

There is no more heinous crime than that of kidnaping, and it is frightfully prevalent in our country to-day. The laxity of law enforcement, of every character, in the Nation presents a peril of the first magnitude. I am one of those who believe that, however grave our economic problems may be, that which is presented by the wholesale and flagrant commission of crime throughout the length and breadth of the land is even greater. In fact, crime constitutes a very important cause of economic stress, and the cancerous growth of crime upon the social body is malignant in any case, and will prove deadly to our liberties if not checked. Under our high-powered civilization it is now easier to commit crime than ever before, and more easy for criminals in one or another way to escape punishment.

Kidnaping of men, women, and children by gangsters for ransom, for reward, as well as for other unlawful purposes is shockingly prevalent. The kidnaping of the Lindbergh baby was one of the most horrible crimes ever committed in the world's history, and the fact that its perpetrators have been able thus far to baffle all efforts to find them adds to that horror. Crimes of this character constitute a challenge to our civilization. The gangster and the racketeer must be destroyed or they will destroy not only our society but our civilization as well.

During this, the seventy-second, the Congress enacted a law dealing with the subject of kidnaping persons for ransom or reward, and the carrying of them across the line of any State, Territory, or the District of Columbia. See Senate bill 1525, which was approved and became a law on June 22, 1932. It provides as follows:

[Public, No. 189, 72d Cong.] (S. 1525)

An act forbidding the transportation of any person in interstate or foreign commerce, kidnaped, or otherwise unlawfully detained, and making such act a felony

Be it enacted, etc., That whoever shall knowingly transport or cause to be transported, or aid or abet in transporting, in interstate or foreign commerce, any person who shall have been unlawfully seized, confined, inveigled, decoyed, kidnaped, abducted, or carried away by any means whatsoever and held for ransom or reward shall, upon conviction, be punished by imprisonment in the penitentiary for such torms. reward shall, upon conviction, be punished by imprisonment in the penitentiary for such term of years as the court, in its discretion, shall determine: Provided, That the term "interstate or foreign commerce" shall include transportation from one State, Territory, or the District of Columbia to another State, Territory, or the District of Columbia, or to a foreign country; or from a foreign country to any State, Territory, or the District of Columbia: Provided further, That if two or more persons enter into an agreement, confederation, or conspiracy to violate the provisions of the foregoing act and do any overt act toward carrying out such unlawful agreement, confederation, or conspiracy such person or persons shall be punished in like manner as hereinbefore provided by this act.

Approved, June 22, 1932.

The passage of this interstate bill and of this District of Columbia measure protect the kidnaping situation in the States, Territories, and the District of Columbia so far as the Federal law-enacting obligation may be concerned; but a law is only a blue print, and it is of no value unless enforced. Congress has thus performed its duty in the premises, and many States have enacted antikidnaping laws, with heavy penalties provided. A number of them-including my own, Kentucky-provide the death penalty as a maximum punishment. I believe that if there is any crime in the calendar which merits the forfeit of life on the part of the offender, it is that of kidnaping, especially so where women and children are the victims. Now let the courts, the juries, the officials, and the citizens of the Nation perform their duty. Let them perform their duty fully and fearlessly, not only with reference to crimes of the indicated character but as well as regards all other forms of crime. The value of adequate law observance and law enforcement is beyond all estimation, and without these our country can not long

Under leave granted me, I now include the substantial portion of the House committee's report on this District of Columbia kidnaping bill. It will be noted that the House adopted the report of the Senate committee.

[Rept. No. 1997, 72d Cong., 2d sess.]

Mr. Palmisano, from the Committee on the District of Colum-

This measure passed the Senate report the report appended and made a part

the Senate report thereon is hereto appended and made a part

[S. Rept. No. 846, 72d Cong., 1st sess.]

"The Committee on the District of Columbia, to whom was referred the bill (S. 4694) to amend section 812 of the Code of Law for the District of Columbia, having considered the same, reports favorably thereon and recommends that the bill do pass.

"PURPOSE OF THE BILL

"The bill contemplates a substantial revision of section 812 of

"The bill contemplates a substantial revision of section 812 of the District Code, which deals with the crime of abduction and the penalties therefor, the present law being as follows:

"'Whoever unlawfully and forcibly or fraudulently carries off or decoys out of the District any person, or arrests or imprisons any person with the intention of having such person carried out of the District, shall be imprisoned for not less than one nor more than seven years, or fined not exceeding \$1,000, or both: Provided, That whoever leads, carries, or entices away a child under the age of 16 years, with the intent unlawfully to detain or conceal such child so led, taken, or enticed away, shall be imprisoned for not more than 20 years or fined not exceeding \$1,000, or both.'

"PRESENT LAW INADEQUATE

The District Commissioners and the United States attorney

deem this law inadequate.

"Except in the case of children, no penalty attaches to the abduction and holding for ransom of any person within the District

of Columbia.

"At the committee's public hearing on this bill, the Hon. Maurice
H. Tharcher, Member of the House of Representatives and author
of an identical bill, pointed out that the President or Members

of the Senate or House could be abducted and held within the District, and the kidnapers could not be prosecuted for any greater offense than, possibly, simple assault.

"PROVISIONS OF BILL

"The bill hereby reported closes this loophole in the statute.

"The bill hereby reported closes this loophole in the statute. It presents a greatly improved section, and gives the court wide discretion as to the penalty to be imposed in case of conviction. "Broadening the scope of the law to include holding for ransom or reward or for any other unlawful purpose, the bill fixes the penalty as 'imprisonment for life or for such term as the court in its discretion may determine; except that in any such case the fury may add to their verdict, if it be guilty, the words "with the death penalty," in which case the punishment shall be death by electrocution."

"The bill has the approval of the District Commissioners, the United States attorney, the Federation of Citizens' Associations, the District of Columbia Federation of Women's Clubs, and the Stanton Park Citizens' Association. The communications of the commissioners and interested organizations are appended hereto as part of this report.'

WASHINGTON, June 10, 1932.

Hon. ARTHUR CAPPER,

Hon. Arthur Capper,

Chairman Committee on the District of Columbia,

United States Senate, Washington, D. C.

Sir: The Commissioners of the District of Columbia have the honor to submit the following on Senate bill 4694, Seventy-second Congress, first session, entitled "A bill to amend section 812 of the Code of Law for the District of Columbia," which you referred to them for report as to the merits of the bill and the propriety of its passage. of its passage.

The object of this bill is to amend section 312 of the Code of Law for the District of Columbia by increasing the penalty for kidnaping or otherwise unlawful detention of individuals. Any prosecutions under the present provisions of section 312 of the code, or as said section is proposed to be amended by this bill, would be instituted by the United States attorney for the District of Columbia. The commissioners, therefore, submitted the bill to Mr. Leo A. Rover, the United States attorney for the District of Columbia, who advises them as follows:

"Please be advised that I am in favor of the general provisions of these bills. The bills in question care for a defect which undoubtedly exists under the present wording of the law and make it an offense to unlawfully hold or detain for ranson, reward, or other unlawful purpose, in the District of Columbia, regardless of the age of the person so held.

"I am also in favor of the provisions of the bills whereby a fine might not be imposed as a punishment. I feel that the public

might not be imposed as a punishment. I feel that the public more than ever realizes the heinousness of this offense and only the most severe punishments will act as a deterrent."

The commissioners concur in the opinion of the United States attorney that the legislation is advisable, and they recommend favorable action on the bill.

Very truly yours,

L. H. REICHELDERFER, President Board of Commissioners.

FEDERATION OF CITIZENS' ASSOCIATIONS, Washington, D. C., June 13, 1932.

Hon. ARTHUR CAPPER

Chairman Committee on the District of Columbia,

United States Senate, Washington, D. C.

Dear Senator Capper: At its last regular meeting the Federation
of Citizens' Associations adopted a report of its committee on law and legislation regarding kidnaping penalties (S. 4694), copy of

which is inclosed. Very truly yours,

H. C. PHILLIPS, Corresponding Secretary.

"Your committee on law and legislation has had before it resolution of the Stanton Park Citizens' Association (R. 1033, L. and L. No. 39), indorsing H. R. 10089, to amend section 812 of the Code of Laws of the District.

"This measure was introduced in the House of Representatives by Congressman Thatcher, of Kentucky. A similar measure was introduced in the United States Senate (S. 4694) by Senator Parterson, of Missouri. Both bills were referred to the Committees

TERSON, of Missourl. Both bills were referred to the Committees on the District of Columbia of the respective Houses.

"The proposal changes the present law respecting the crime of kidnaping by making the penalties therefor more severe. The present law, section 812 of the code, provides that any person who carries off, etc., 'out of the District of Columbia,' any person, whereas the proposed amendment penalizes any person who seizes, confines, kidnaps, etc., 'with the intent to hold or detain such person for ransom or reward or for any other unlawful purpose.' The penalties enumerated in the present law are imprisonment of from one to seven years or a fine of not exceeding \$1,000, or both, and for kidnaping a child under 16 years of age the penalty is imprisonment for not more than 20 years or a fine of \$1,000, or both."

"The penalties provided in the proposed amendment are imprisonment for life, or for such term as the court may in its discretion determine, but there is also added a provision that the jury may add to their verdict the words "with the death

penalty."' The language here proposed to be used is identical with the language of the present law pertaining to punishment for the crime of rape, for which crime the code authorizes a similar optional verdict by the jury.

"Your committee recommends an amendment to the present proposal inserting as an optional penalty to be imposed by the court a fine of not to exceed \$5,000, or both the fine and imprisonment. This, it is believed, would give a wider discretion to the court in imposing sentence in cases where the so-called kidthe court in imposing sentence in cases where the so-called kid-naping or abduction was committed by the natural father or mother of a child, whose parents are divorced or are engaged in marital contentions or difficulties.

"With this amendment your committee recommends that the

"With this amendment your proposed bill be enacted into law.
"Thomas E. Lodge, Chairman."

DISTRICT OF COLUMBIA FEDERATION OF WOMEN'S CLUBS, Washington, D. C., April 28, 1932.

Chairman Senate Committee on the District of Columbia.

DEAR SENATOR: The District of Columbia Federation of Women's Clubs advocates that legislation be enacted which will strengthen the Code of Law for the District of Columbia relating to kidnaping and indorses this principle of H. R. 10089, introduced by Mr. Thatcher, and S. 4694, introduced by Senator Patterson.

Yours respectfully,

EDITH L. PHELPS, Chairman of Legislation. (Mrs. Horace J. Phelps.)

STANTON PARK CITIZENS' ASSOCIATION,
Washington, D. C., March 16, 1932.
CHAIRMAN OF DISTRICT OF COLUMBIA COMMITTEE,

Senate Office Building, Washington, D. C. Dear Sir: The Stanton Park Citizens' Association, at its regular

meeting on Monday, March 14, 1932, unanimously indorsed the bill to amend section 812 of the Code of Law for the District of Columbia, in regard to kidnaping, etc.

Very truly yours,

Mrs. L. H. Brown, Secretary,

THE APPROPRIATION BILLS

Mr. STAFFORD. Mr. Speaker, I ask unanimous consent to proceed for five minutes.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. STAFFORD. Mr. Speaker, I rise at this time to emphasize what I said earlier in the day, that there has not been a sufficient paring of the appropriations in the bills that have been reported and passed in this House and that are now pending in the Senate or in conference. Up to the present moment the only bill that has been adopted is the Interior Department appropriation bill, and the only saving in that bill is \$200,000 below the Budget estimates. In the War Department appropriation bill we added \$9,000,000 in the National Guard item alone above the Budget estimates, and the total in that bill will exceed the Budget estimate, and so it is with the other appropriation bills, and with the naval appropriation bill about to be considered. I call the attention of the House to the fact that the economies that have been attempted to be effected by the Committee on Appropriations will in no wise get within \$50,000,000 below the Budget estimates. Then how is the Budget going to be balanced except by added taxation?

The Speaker of the House listened very attentively yesterday to one message from the President of the United States, and everyone must agree that every proposal which the President set forth in his message of yesterday should be adopted, and adopted at the earliest possible moment. The President emphasized the need of balancing the Budget. The Budget can not be balanced by the action of the Committee on Appropriations in bringing in bills which will not result in any curtailment of expenditures beyond \$50,000,000 below the Budget estimates. The amendment delegating to the incoming President the power to consolidate activities will not save more than a few million dollars. And yet the Government will have a deficit for this fiscal year of approximately \$2,000,000,000. The Government can not go on interminably issuing its notes of indebtedness to cover this growing deficit. Nor if industrial recovery is to be had, can the already overburdened taxpayer carry any much greater loads. The crying need of the hour is cutting governmental expenses to the bone, but I regret to find an utter want of accomplishment toward that end. Representative government has failed to meet the test because of abject surrender to selfish cabals. I wish I could see some relief from these staggering appropriations, but there is little in the appropriation bills passed by this House.

The SPEAKER pro tempore. The time of the gentleman from Wisconsin has expired.

Mr. BLANTON. Mr. Speaker, I ask unanimous consent to proceed for five minutes.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. BLANTON. Mr. Speaker, it is a little late for the gentleman from Wisconsin [Mr. Stafford] to speak of not cutting down appropriations.

Mr. COCHRAN of Missouri. Oh, he was only pinch-hitting.

Mr. BLANTON. He was pinch-hitting with no one on any of the bases, and after his side is retired.

Mr. STAFFORD. I am on the home plate.

Mr. BLANTON. Mr. Speaker, the other day I watched when the Barbour amendments adding millions were being passed, and if I remember correctly my friend from Wisconsin voted for them, did he not?

Mr. STAFFORD. He did not.

Mr. BLANTON. How many did the gentleman refuse to vote for?

Mr. STAFFORD. And the gentleman from Mississippi [Mr. Collins] will verify that I voted against all of them. [Applause and laughter and cries of "Hold that line."]

Mr. BLANTON. The Speaker is not going to take that out of my time. I want to say to my friend from New York [Mr. Snell] that I thought he was a better minority leader than to permit one of his sheep to get away from home, because every other Republican bellwether here followed the gentleman from New York in supporting those Barbour amendments, and if he let the gentleman from Wisconsin get off the Republican reservation and not follow him, he ought to take steps to whip him back into party line.

Mr. STAFFORD. Oh, I have never been on the reservation.

Mr. BLANTON. Mr. Speaker, there is no better Republican leader in this House just now than Bert Snell.

Mr. SNELL. I thank the gentleman.

Mr. BLANTON. And I want him to get his Republican steering committee to take hold of the gentleman from Wisconsin and bring him back into the Republican fold.

Mr. STAFFORD. But there are only 10 days left.

Mr. BLANTON. Because when the gentleman from New York [Mr. SNELL], with his Republican followers, supports the Barbour amendments it means Republican extravagance, and the gentleman from Wisconsin ought to go down the line for every piece of Republican spending that is offered on this floor, for then he would be in strict party regularity.

The SPEAKER pro tempore. The time of the gentleman from Texas has expired.

STATE, JUSTICE, COMMERCE, AND LABOR DEPARTMENTS APPROPRIATION BILL, FISCAL YEAR 1934

Mr. OLIVER of Alabama. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 14363) making appropriations for the Departments of State and Justice and for the judiciary, and for the Departments of Commerce and Labor for the fiscal year ending June 30, 1934, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and ask for a conference.

The SPEAKER. Is there objection?

There was no objection.

The SPEAKER appointed the following conferees: Mr. Oliver of Alabama, Mr. Griffin, Mr. Cannon, Mr. Blanton, Mr. Shreve, and Mr. Tinkham.

CONGRESSIONAL DIRECTORY, SEVENTY-THIRD CONGRESS

Mr. STEVENSON. Mr. Speaker, I call up House Concurrent Resolution 50, which I send to the desk and ask to have read.

The Clerk read as follows:

House Concurrent Resolution 50

Resolved by the House of Representatives (the Senate concurring), That an edition of the Congressional Directory for the first session of the Seventy-third Congress be compiled, prepared, indexed, and published under the direction of the Joint Committee on Printing, as provided for in section 73 of the printing act approved January 12, 1895.

The resolution was agreed to.

MANUAL FOR THE HOUSE OF REPRESENTATIVES, SEVENTY-THIRD CONGRESS

Mr. STEVENSON. Mr. Speaker, I call up House Resolution 367, which I send to the desk and ask to have read. The Clerk read as follows:

House Resolution 367

Resolved, That the Rules and Manual of the House of Representatives for the Seventy-third Congress be printed as a House document, and that 2,500 additional copies shall be printed and bound for the use of the House of Representatives, of which 700 copies shall be bound in leather with thumb index and delivered to the Parliamentarian of the House for distribution to officers and Members of Congress.

Mr. SNELL. As I understand it, it is proposed to print the new Manual immediately now at the close of this Congress?

Mr. STEVENSON. It will be printed as soon as it can be prepared by the Parliamentarian.

Mr. SNELL. If you should change the rules of the new Congress, of what value will it be?

Mr. STEVENSON. This is what has always been done. I take it it will be deferred until the rules are adopted.

Mr. BLANTON. That will give about one copy to each new Democratic Member.

The SPEAKER. Permit the Chair to make a statement. The Parliamentarian advises the Chair that this is the usual resolution and must be passed at this time in order that he may prepare the document so that it will be ready when the next Congress meets.

Mr. STAFFORD. As I understand, it intends to have the rules included as the new Congress shall adopt them?

Mr. STEVENSON. Yes, sir.

Mr. SNELL. Oh, that is a different thing.

Mr. STEVENSON. The only variation from the usual rule is that only 700 are to be bound in leather. The others are to be bound in buckram, and it saves the sum of \$1,500.

The resolution was agreed to.

NAVY DEPARTMENT APPROPRIATION BILL-FISCAL YEAR 1934

Mr. AYRES. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 14724) making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1934, and for other purposes.

Pending that, owing to the lateness of the hour, I suggest that we not fix any particular time for general debate for the balance of this afternoon, and I ask unanimous consent that we proceed without fixing a time, the time for general debate to be divided equally between the gentleman from Idaho [Mr. French] and myself.

The SPEAKER. Is there objection to the request of the gentleman from Kansas [Mr. Ayres]?

There was no objection.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 14724), the Navy Department appropriation bill, with Mr. Doxey in the chair.

The Clerk read the title of the bill.

Mr. AYRES. Mr. Chairman, I ask unanimous consent that the first reading of the bill be dispensed with.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. AYRES. Mr. Chairman, I yield myself such time as I may desire to finish my statement.

Mr. Chairman, ladies and gentlemen of the committee, before proceeding with an explanation of the principal fea-

tures of the bill we are presenting for your consideration, perhaps I should briefly touch upon the state of the Navy as regards matériel and personnel.

We will have during the succeeding fiscal year a bigger and a better Navy from the standpoint of ships than during the present fiscal year. That will be welcome news to you I am sure. There will be added to the fleet on varying dates during the next fiscal year 5 new 8-inch gun cruisers, 1 new aircraft carrier, 2 new fleet submarines, and 2 new destroyers. In addition two battleships will have undergone complete modernization and our air forces will have been expanded by the new rigid airship, the Macon, named after the home city of the distinguished chairman of the Naval Affairs Committee. Of course, it is true that as to the ships we have now, another year added to their age will have depreciated their effectiveness in an indeterminate degree, but I was not unmindful of that fact in making the assertion that our forces afloat will be stronger next year. The new units far outweigh the age factor as to the older units.

As to the older units, we have been providing annually sums adequate to keep them in a proper state of repair. It is true funds have not been sufficient to effect many desirable alterations in the interest of military efficiency, but I dare say ship for ship and age for age our older vessels are as good as any fighting craft in the world to-day.

In addition to the 10 new vessels which will be commissioned during the ensuing fiscal year, there will be under construction two 8-inch gun cruisers and 6 destroyers. The 6 destroyers will be completed during the fiscal year 1935, so that after June 30, 1935, there will be no vessels building save 1 cruiser, scheduled to be completed in January, 1936; 1 cruiser, which is to be commenced with money carried in this bill after next December 31; and 1 cruiser, which may not be commenced under the terms of the London treaty prior to January, 1935.

Under this bill there will be available next year for newship construction a total of \$53,410,785. There will need to be appropriated approximately \$78,700,000 after the next fiscal year to complete all vessels now building or authorized, omitting a transport and a Neff type of submarine, which there is no intention at this time to build. I bring these ship-construction matters to your attention because I think you should know that unless there be additional authorization we may look to new construction work's tapering off practically to nothing after the fiscal year 1935. That, of course, would be an unfortunate situation because it has been our aim to maintain an approximately even flow of new ship-construction work. To do otherwise would occasion the breaking up and dispersion of men skilled in such work that might be serious in time of emergency and costly from the standpoint of employing and training large numbers of new hands.

Turning to the personnel, the bill makes provision for 79,700 enlisted men. This number has not been changed since the fiscal year 1931. New vessels are being manned by reducing the complements of older vessels and by placing ships in rotating reserve. These are economy expedients. There is a limit, however, beyond which we may not go. The complement of a ship is its man-power requirements with all stations manned. Obviously reducing complements upon these highly technical floating mechanisms is not good preparedness policy and the need for most rigid economy is the only excuse for such a course. I think "excuse" is the proper word to use.

As to officers, I should say we are over supplied, particularly with line officers. Last year we passed a law authorizing the commissioning of the entire number of graduates from the Naval Academy in 1932, and the commissioning of at least 50 per cent of all graduates in subsequent years. The immediate effect was to increase the authorized number of 5,499 line officers to 5,933. Attrition will bring this number down somewhat before the coming June graduating class, of which it is estimated 217 will be commissioned in the line, 12 in the supply corps, and 30 in the Marine Corps. The latest estimate is that there will be 435 graduates. With the new admissions into the line, it is estimated that

there will be an average of 5,871 line officers during the fiscal year 1934, or 372 in excess of the authorized number.

The Budget estimates for the Navy Department and the naval service call for a total of direct appropriations of \$308,669,562, to be augmented by the diversion of funds from certain stores accounts to the extent of \$6,750,000, making the total proposed for availability \$315,419,562.

The current naval appropriation act carried:

Direct appropriations totaling \$317, 583, 591
Authorization to divert naval funds to the extent of 9, 750, 000
And reappropriations in definite amounts totaling 379, 101

Or a total of______ 327, 712, 692

This would indicate a lesser amount estimated for 1934 by \$12.293.130.

However, economy act savings this year are estimated at around \$10,900,000 and then there will be a saving of \$1,237,-820 resulting from reduced rental and subsistence allowances put into effect after the current naval appropriation act has passed the Congress, so that, taking these factors into account, we find the amount available for the two years practically in agreement.

But when we analyze the estimates we find that while no more will be available there will be added expenses on account of new vessels's being commissioned, which will run maintenance charges up a million dollars or so, and a net increase on account of modernization of capital ships and new ship construction of \$10,812,000.

Now, if it were possible to absorb that additional expense within a total comparable to the total of the 1933 appropriations, manifestly we were grossly extravagant last year. It simply is not possible, without doing violence to the Navy as a whole.

The Budget recognized this and now I shall relate how the Budget has proposed to finance these added demands.

Firstly, upon the assumption that Congress would enact legislation that would permit of the wages of unclassified employees in the navy yards being adjusted to conform with wages paid by private employers for comparable lines of work. This proposition contemplated an average cut in the wages or earnings of such employees of 30 per cent, in addition to the reduction occasioned by the furlough provision of the economy act, and, in anticipation of Congress's acceding to the plan, the naval estimates were reduced by the Budget a total of \$13.514.872.

Secondly, to reduce the enlisted strength of the Marine Corps from 15,343 to 13,600, saving \$1,359,639 thereby.

There are other reductions and increases owing to personnel changes and the proposal to restore active training for members of the Naval Reserve and reduce the number of drills from 48 to 24.

Now, as to the first proposition, I invite your attention to what we say in the report, commencing on page 2.

Speaking for myself, I am unalterably opposed to reducing at this time the pay of one class of employees more than another class, and I am not in favor of resorting to such a discriminatory course in order to find moneys needed to support the Navy.

Moreover, in view of the unusual employment situation now prevailing, which has forced industry, as we all well know, to disregard usual considerations in fixing wages, I do not see how a fair and equitable comparable adjustment may now be made.

On September 30, 1932, we had a total of 46,130 employees in the Navy Department and the naval service. Of this number 36,412 would be affected by wage-board action. To this number the Budget proposes the application of an average wage reduction of 39 per cent. Upon the remaining 9,718, or 21 per cent plus of the total, the reduction proposed is the equivalent of about 9 per cent.

There is another angle to this proposition. We have industrial and nonindustrial plants in the Navy. There are unclassified employees at both. If wage boards were permitted to function and found no reduction possible, or say a reduction of not more than 10 or 15 per cent on an average, in which would be the 9 per cent now taken off, the industrial plant, not having the money to pay present or approxi-

mately present wages, could and would curtail operations. The nonindustrial plant, as for example the Naval Academy, would not be able to function at all, unless it be that we have been allowing them one-third more people than they need to run the institution.

The question vexed the committee a great deal.

The House and Senate already have refused on the Treasury and Post Office Departments bill to impose a greater reduction upon the pay or earnings of employees whose wages normally are founded upon wages paid by private employers than upon other classes of employees. Adherence to that policy meant one of two things: Either to put several millions of dollars into the bill without a Budget estimate, or to require the Navy, within the reduced Budget, to pay existing wages, which would not be possible without doing incalculable harm.

In conformity, therefore, with the policy already enunciated by the House, we have endeavored to meet the problem as far as we could without exceeding the Budget by finding moneys within the estimates for objects not of an essential character or that were not justifiable, and by dipping into certain naval stores accounts and funds where the surplus appeared to be more than adequate for current needs.

By resort to this course we were able to effect a net reduction of \$7,012,515, of which \$3,712,515 represents actual reductions in the Budget estimates and \$3,300,000 represents the substitution of drafts upon naval stores accounts and funds in lieu of direct appropriations.

Then, in addition to this amount of \$7,012,515, we found that certain public works projects had not been undertaken out of the \$10,000,000 provided in emergency relief and construction act. For such projects \$2,498,000 had been set aside. We concluded to reappropriate that money for new ship construction, thus releasing a like amount of the direct appropriation included in the Budget for new ship construction.

By these two processes we got a total of \$9,510,515, and that sum of money we have added to the appropriations reduced by the Budget in anticipation of a 30 per cent wage cut in exactly the same amounts by which such appropriations were reduced by the Budget, which takes care of all of the Budget cuts on account of the wage matter except the following:

Contingent, yards and docks Public works, yards and docks	\$20, 142 50, 000
	3, 374, 215
(65,785 has been restored under this head.) Armament, armament and ammunition	560,000
motel.	4 004 957

With these exceptions the wage matter is completely taken care of and the bill we present is exactly in agreement with the Budget total of \$308,669,562.

As to the exceptions, the first two items are of no consequence. The amounts under "Increase of the Navy" will mean that the work will not progress as rapidly as it would otherwise. However, I wish to emphasize that the amount that will be available for "Increase of the Navy" under this bill as presented, without the restoration of these amounts, will be greater than has been expended under that head during any of the past 10 years.

Now I wish to stress this fact also: That while the bill provides appropriations corresponding in total exactly with the Budget, there will be available for expenditure a larger amount than contemplated by the Budget, because of the proposal to use a larger amount by the \$3,300,000 of naval stores accounts and funds, which I have previously mentioned, and by our proposal to continue the Marine Corps at its present authorized strength, to meet practically all of the added expense of so doing we are proposing to make available to the Marine Corps \$1,291,389 of moneys to the credit of the clothing and small-stores fund. In other words, the total available for expenditure will exceed the Budget recommendations by \$4,591,389.

If you will turn to page 4 of the report you will find an itemization of all additions we have made to the bill on account of the wage question, and commencing on page 6 of the report you will find an enumeration of the other money changes effected by the committee, except as to the Marine Corps, which I shall refer to later.

The second itemization speaks for itself. I shall refer to just a few of the items therein.

About the middle of page 6 you will see an item, "Welfare and recreation, to be paid out of the naval hospital fund, \$300.000."

The subappropriation, "Welfare and recreation," practically all, directly or indirectly, is expended for providing moving-picture entertainment aboard ship. The amount of the appropriation is augmented by a portion of the profits on sales from ships' stores and ships' service stores. For the ensuing fiscal year, owing to the healthy condition of the naval hospital fund, the committee is recommending that the amount of this subappropriation be paid from such fund, which is estimated to show a larger balance at the end of the fiscal year 1934 than at the end of the present fiscal year-\$1,702,742-even though in both fiscal years the fund will be charged with a total of \$1,199,129 on account of hospital construction. This fund is made up very largely by monthly deductions from the pay of all officers and men. The committee's proposal gives a portion back in the way of providing recreation.

Farther down on the same page (5) you will seen an increase, on account of drills for the Naval Reserve, of \$300,000. For the current fiscal year, at the instance of the department, no appropriation was provided for active-duty training for members of the seagoing branch of the Naval Reserve. The estimates for the present fiscal year were reduced by \$682,812 by reason thereof.

The 1934 Budget proposes to restore active-duty training and includes \$518,654 on that account, and partly to offset such expense \$405,032 has been omitted on account of drills, the effect of which, the committee is advised, would be to reduce the number of drills from 48 to 24. This is in line with the Budget policy with respect to the National Guard. The House has indicated unmistakably its opposition to reducing below 48 the number of drills for the latter organization. There is no sound reason, so far as the committee is aware, for treating the two organizations differently. The committee has endeavored to meet the matter in this way:

The estimates include \$37,156 for active-duty training for members of the Volunteer Reserve, seagoing branch, also \$15,000 for defraying subsistence costs in connection with week-end cruises, which are in addition to the regular training cruises and are not obligatory. These are not essential expenses. The committee is not in sympathy, particularly when money is scarce, with expending funds on other than members of the Fleet Reserve class of the seagoing branch of the reserve. Therefore, from the additional amount needed (\$405,032) to provide 48 drills, such proposed expenditures have been deducted and a further sum of \$52,876 in addition, which it is believed can be saved in other directions out of contemplated expenditures on the seagoing branch through the practice or greater practice of rigid economy, the net result being that the appropriation proposed exceeds the Budget recommendation by \$300,000, exclusive of \$14,453 restored on account of wage reductions proposed by the Budget.

I might say that a number of the reductions we have made have the approval of the department. We called attention during the course of the hearings to certain subsistence items that seemed large, and the department's representatives agreed that they should be reduced. Likewise the amount for steaming has been reduced by \$410,000 with the approval of the Chief of Naval Operations, who agreed to modify his operating force plan at the instance of the committee as a measure of economy.

You will find on page 7 of the report where we have added \$39,669 to the estimates for the Naval Academy.

Following the increase in 1929 of the number of appointments to the Naval Academy from 3 to 4, 15 additional civilian instructors were provided for and employed. The Congress provided for return to the 3-appointment basis in the naval appropriation act for the fiscal year 1932, the first effects of which were felt in the class entering last June. In the bill of a year ago the committee proposed to drop 7 of these 15 additional instructors with the idea that the remaining 8 would be detached at the end of the present fiscal year. It was later decided not to require any separations, because it was too late for the instructors who were to be let out to engage with other educational institutions. As it became law the current appropriation act provided for their retention.

Since the beginning of the present fiscal year two civilian instructors have resigned and one will be retired on June 30, next. There will be 12 remaining of the 15 added, and none of these has been able to find other employment.

Rather than require their separation in such circumstances, the committee has made provision in the bill for their retention and has provided that no vacancies shall be filled until the number of instructors shall have been reduced below 49. There are 61 civilian instructors at the academy now. The 12 involved are listed on page 224 of the hearings.

Now as to the Marine Corps:

The estimates for the Marine Corps call for a total of \$20,106,145 contrasted with a direct appropriation of \$21,-914,839 and a reappropriation of \$229,101 for the current fiscal year, or a difference in available funds, actual and proposed, of \$2,037,795.

Of this difference \$1,359,639 is entirely because of the Budget proposal to reduce the enlisted strength of the Marine Corps from the present-year number of 15,343 to 13,600. The remainder generally may be charged to estimated savings under the economy act and the proposal to reduce wages of unclassified employees by an average of 30 per cent.

The officer personnel upon which the estimates are based is listed on page 520 of the hearings. The distribution of the enlisted force as of December 15, 1932, and as proposed upon the basis of 13,600 men is shown in the tables on pages 509-511 of the hearings.

The primary mission of the Marine Corps is to provide forces to assist the fleet in the seizure and initial defense of advanced bases. By referring to the subdivision of the table on page 510 of the hearings captioned "Marine Corps activities in the United States," under the Budget proposal it will be seen that there would be left at the east and west coast bases 575 and 336 men, respectively, in which numbers, of course, is the permanent station maintenance force. Within these numbers the Navy would need to find trained bodies of men for advanced based activities. The numbers speak for themselves.

The attention of the House is invited to the hearings touching this proposal (pp. 502-519); also, to the printed hearings (No. 787) conducted upon the matter by the House Committee on Naval Affairs.

The committee is not willing to recommend at this time that the Marine Corps be reduced below its present appropriated-for enlisted strength of 15,343, and it has added to the bill, by way of a draft upon the clothing and small-stores fund, the amount necessary to avoid any reduction. [Applause.]

It has made a number of minor changes in the estimates in other respects, resulting in a net reduction of \$68,248, discounting the additions made, totaling \$243,106, because of refusal to concur in the proposition to reduce wages an average of 30 per cent. These reductions have been applied towards the increases necessary in other directions to provide for the maintenance of the present enlisted strength, so that the net amount drafted of the clothing and small-stores fund is \$1,291,389, instead of \$1,359,639, which is the entire cost of the restoration.

An itemization of the money changes resulting in the net reduction of \$68,248 appears on page 19 of the report.

To provide the additional amount necessary to maintain the enlisted strength of the corps at its present figure the

committee had two courses open to it without adding to the total of the bill: (1) To reappropriate unobligated prior-year balances, and (2) to draft cash to the credit of naval stores accounts. The former would have unquestionably added to Treasury withdrawals; the latter takes money from a revolving fund which otherwise could be expended in the production or purchase of stores without action by Congress.

After all, we are more interested in the end rather than in the mechanics of bringing it about.

Now, I shall turn to the several limitations we have included in the bill, which are set out on pages 23 and 24 of the report.

The first proposition is intended to prevent the Bureau of Navigation from withdrawing funds provided for aviation reserve activities to help out in finding additional moneys for drilling reservists of the seagoing branch.

The next is self-explanatory. It makes the same provisions carried in the War Department bill as to National Guard men and members of the Organized Reserves applicable to members of the Naval and Marine Corps Reserve forces.

The fourth proposition I call to your particular attention. There we are proposing to make the maximum extra amount that an officer might receive as flying pay \$1,420. As drawn, this provision is intended to include all flying personnel of the Army, Navy, Marine Corps, and Coast Guard.

By consulting the tables on pages 9 and 10 of the report you will see the rates now being paid.

One thousand four hundred and twenty dollars is the average rate now paid to officers in the grade of lieutenant in the Navy, a grade comparable to that of captain in the Army and Marine Corps. This proposal is not made primarily in the interest of economy. It is proposed because, in the judgment of the committee, there are no tenable grounds for paying flying pay to officers in the higher grades at rates in excess of those paid to the junior officers, among whom very largely are those who daily are assuming all the risks attendant upon practice in drilling and training in the art of war-time maneuvers and tactics. It is among such junior officers—quoting from the committee's report of a year ago—

that the principal hazards lie, and not in the group which does straightaway flying, or, as to another group—to use the language of the Chief of the Bureau of Navigation in the hearings of a year ago—who draw flying pay for "being carried around in a plane under ideal conditions, with selected pllots, selected weather, and selected planes."

The committee has yet to hear a plausible argument for paying extra pay for flying, up to as high as \$4,000 per annum, to a rear admiral or major general when our real pilots, particularly in the Navy, are getting \$1,420 per annum and less.

The action proposed permits of a reduction of \$168,760 in the Navy estimates and \$13,239 in the Marine Corps estimates. It should permit of a saving to the Army appropriation of approximately \$205,000.

Turning to the next provision, which relates to retired officers, the current appropriation act provides for activeduty pay and allowances for not more than four officers on the retired list. These four are the last four named in the matter at the top of page 114 of the hearings. The effect of the provision has made necessary the employment on occasion of active officers for retirement-board duty and for staff selection-board duty, in the former case at extra cost on account of transportation, and in the latter case necessitating in one instance the appointment of a board composed exclusively of line officers.

The provision is designed to correct that situation, and in addition provides the means for tendering to Admiral Pratt an opportunity to continue on active duty in his permanent grade of rear admiral. I think I may say that this officer has saved the country millions of dollars since he has been in his present office of Chief of Naval Operations by initiating and resorting to measures, solely for economical reasons, that would enable the Navy to function with a reasonable degree of efficiency at the lowest possible cost.

He has shown an unusual regard for the Public Treasury. The committee would like to see him retained in some position of administrative responsibility. By reason of having knowledge of naval and world affairs, his advice would be sought and respected, even though he reverted to the grade of rear admiral. Of course we do not know whether Admiral Pratt would wish or could be persuaded to continue on active duty. We simply are presenting the opportunity.

The next provision relates to the pay of aides.

Officers of the Navy detailed as aides to rear admirals of the upper half are entitled to an increase of pay at the rate of \$200 per annum; to rear admirals of the lower half, at the rate of \$150 per annum. This accords with law governing the pay of aides in the Army and Marine Corps.

The War Department appropriation bill for the fiscal year 1934 makes no provision for the pay of aides during the ensuing fiscal year, and the committee has included this provision suspending such payments to officers so detailed in the Navy. The Marine Corps will be governed by the provision in the War Department appropriation act.

This action permits of a reduction of \$5,000 from the Navy estimates and \$1,900 from the Marine Corps estimates.

Then we come to the provision directed against the employment of enlisted men as servants in the residences or quarters of officers on shore.

It has been the practice for many years to detail enlisted men rated as stewards, cooks, and mess attendants to the residences or quarters of commanding officers of the more important shore activities. A list of such details appear on pages 296 and 297 of the hearings.

While it may be argued that officers occupying such positions should provide their own servants, and that view certainly can not be controverted with respect to many of the details indicated in the list mentioned, it is questionable whether or not officers occupying such positions as the Chief of Naval Operations and the Superintendent of the Naval Academy, whose positions make necessary a considerable amount of official entertaining, should be required to defray the expense of servants the need for whom is occasioned solely by the official status of the incumbents of such positions. If this need be recognized as an appropriate expense to the Government in the two instances cited, perhaps the better way to handle the situation would be through a special allowance for the employment of civilian servants.

With the pressure for more enlisted men for duty on shipboard and the ever-present need for rigid economy, the committee has taken the position that the present practice can not be longer, or at least at this time, justified, and this provision is designed to stop the practice. The committee is advised by letter from the Budget officer of the War Department, Major General Coleman, dated February 14, 1933, "that no enlisted men of the Army are detailed in the capacity of servants in the residences or quarters of officers of the Army."

The servant matter is followed by a limitation on the use of moneys in maintaining mess-gear allowances in the residences or quarters of officers on shore.

Another ancient naval practice has been to supply table linen, table silver, dishes, and glassware to the residences or quarters on shore of officers of flag rank in certain details. A list of the allowances and of the official stations ashore of the officers benefiting by such allowances appears on pages 329–332 of the hearings.

Like in the case of servants, necessary official entertaining makes necessary the possession of a greater quantity of such articles than ordinarily would be the case, but because of the need for rigid economy the committee is unwilling to recommend an appropriation even for maintaining the existing allowances, and has included this provision designed to stop the supply or replacement of articles such as enumerated in the list above referred to.

The committee is advised that maintenance expenditures on account of such equipment only averages about \$2,000 per annum

In conclusion, Mr. Chairman, I wish to say that I regret, I am sure as much as any one here, the fact that this bill is not below the amount recommended in the Budget. However, in my judgment, we can ill afford to accede to proposals, advanced as measures of economy, that would lessen the present degree of our military preparedness. We have bended every effort to avoid doing so. There is not a man among you, I am confident, who would have had us do otherwise.

We all appreciate the need and value of the naval arm and of the vital necessity to maintain it in the highest state of preparedness that our finances will afford. In these times of financial stress, with a man of Admiral Pratt's caliber charting the course, supported by a loyal organization, by collaboration with the committees of Congress we may have an efficient and effective sea force at the lowest possible cost. That, I should say, is the end we all seek.

I thank you. [Applause.]

Mr. BRIGGS. Will the gentleman yield?

Mr. AYRES. I prefer not to. I promised that the committee would rise at 5 o'clock, and it is exactly 5 o'clock.

Mr. FRENCH. Mr. Chairman, I yield 25 minutes to the gentleman from Iowa [Mr. Campbell].

Mr. CAMPBELL of Iowa. Mr. Chairman, I am going to take this opportunity of presenting my views in regard to several national questions.

Perhaps at no time in the history of our country has this Congress been confronted with more serious questions than involve us at this time. Let me repeat that which has been repeated on the floor of this House many times—we stand to-day the richest country in all the world, yet close to 10,000,000 men are crying for work that they may not be the objects of charity; thousands upon thousands are losing their homes by virtue of the depression; in my district, where the fertility is almost like the Garden of Eden, distress and destitution prevail; the more they produce the less they receive. We starve in the land of plenty. The farmer can no longer buy, the factories can no longer run, the working man can no longer work. A link is gone in that chain which binds the cycle of employment and prosperity.

To us, who sit here as representatives of the people, is assigned the task of finding the remedy to this social evil.

Mr. Chairman, I beg leave to present to this House a picture of the conditions in this country, and one that surrounds my own home. In years gone by the sturdy pioneers changed the prairies into productive fields and fine homes, and a contented, God-fearing people. To-day, as I stated before, thousands are losing those homes; discontentment has been evidenced by strikes and blockades. The little country banker, who ministered in a financial way to those who believed in development and progress, has largely passed out of the picture—his life's work in ruin and his depositors bankrupt, all by reason of the fact that that great farming community, which is the lifeblood of the Nation, is no longer able to buy more than the bare necessities of life. He no longer can pay his taxes and his interest by reason of the price that they receive for the products which he sells.

I have here with me several charts which I think will more vividly portray, the past as well as the present, the reason for the conditions that exist at this time.

My first chart is a general chart showing since the beginning of this country that relationship of those products which the farmer sells and those which he buys. Here, beginning with the year 1801 until the year 1860, or at the beginning of the Civil War, at no time were the prices for farm products equal to those of other commodities. After the Civil War we continued on the same plane until 1909, when, as the chart shows, farm commodities were on a par with all others. This continued during the sharp ascent occasioned by the war. Now, many of you do not understand why all farmers did not get rich during that period, but if he will turn his eyes again to this chart he will find that, as the farmers' prices rose in value, those things which he bought rose on the same high level. Then came the

break following the war. In the year 1921 the farm prices again fell far below the prices for the commodities he bought. At the present time the differential between all commodities and the farmers' prices is the greatest ratio by far since the Civil War. This chart sets out those facts, and you and I know that the farmer can never recover until there is a proper balance all along the line. It is with that object in mind that I present some of our problems as well as some of our remedies.

For years the platform of both parties have promised equality as between agriculture and industry, but to-day we must go further than ever before. The prices of our products are so low that even if industrial prices should be brought down to a parity with ours it would mean ruination for all. The general commodities prices must, by some method, be brought far above their present level. The general object seems to be to bring them back to at least the 1926 level.

Many bills have been presented to Congress. The Mc-Nary-Haugen bill, with the equalization fee; the farm bill, without the equalization fee, which is now a law; and the allotment plan, which provides for a stabilization of prices and a general reduction of the acreage. The later plan seems to be the one which will be enacted at the next Congress, of which I shall not be a Member. I understand that there is a concerted effort to place under this plan only two commodities—wheat and cotton. It will therefore have little effect upon my district, which is largely corn, hogs, and cattle.

Ladies and gentlemen of the committee, I believe we have come to a time when emergency legislation is needed. You may call it radical or revolutionary, but if there is power in Congress to declare such an emergency and to set prices upon that part of the products of the farm that are consumed within the borders of our own country it ought to be done. In every bill which involves this matter there is always the cry of constitutionality. This is the objection to the Clair plan and many others. If this is true, then the Constitution ought to be amended, and I offered in this Congress a resolution for such an amendment.

The allotment plan will within itself never bring us out of our difficulties. It is true that the buying power of the farmer must be increased in order to put the laboring man to work, but I do not believe that the allotment plan is broad enough to bring this about.

In making careful study over a period of some four years I have come to the conclusion that this great question is involved around our medium of exchange. What is money but the evidence of value? For example, I sell my cattle for a given price, only to use that medium of exchange for the purpose of exchanging those cattle for clothing, food, in the payment of taxes, interest, and such. If that medium of exchange is at a high value, then the commodity price is low, but that exchange is not evidenced alone by gold and silver, Federal reserve notes, and money of all kinds, but ten times more is evidenced by checks, accounts, bills of lading, and all that paper which acts in the capacity of a circulating medium. To-day by virtue of frozen credits, bank disasters, and lack of confidence that medium of exchange, outside of money, has depreciated almost 40 per cent. Why, there is only a total of \$5,705,000,000 of money in circulation, yet the money deposited in banks, as represented by the statements, amounts to over \$50,000,000,000. When times are flourishing and credit is extended we really need less money than in times like these. I do not have the time to make an extensive speech on the money question, but practically half of our circulating currency are Federal reserve notes. Under date of December 31, 1932, or at the beginning of this year, there was in circulation \$2,715,712,000 of this character of money. This money is backed by 100 per cent of collateral in the form of notes and bonds, together with gold reserves. In my Federal reserve district of Chicago I call attention to the fact that every one of these notes are not only backed by 100 per cent of paper security but over \$100 of gold for every \$100 issued. The exact figures are as follows: Federal reserve notes in actual circulation, Chicago district, \$705,563,000, and the amount of gold held exclusively against these notes is \$720.957,000.

If ever there should be a cry of flat money, take out a Federal reserve note issued in favor of the bank in Chicago and say this note is backed not only by 100 per cent of gold but more than 100 per cent of gold, and in addition thereto 100 per cent of good collateral. This seems to me a farce, even in a gold-standard country, and I will call your attention to the fact that while we were on the gold standard, of which some boast so much, that on October 29, 1920, the Federal reserve notes in circulation were \$3,351,303,000, and those notes were backed by 100 per cent of collateral in the form chiefly of customers' notes and only \$1,581,943,000 in gold: this included the 35 per cent reserve against deposits. The facts are that the actual gold as against the Federal reserve notes was only \$1,175,118,000, and yet did you or I refuse at that time to accept the Federal reserve note on the ground that it was not adequately backed by gold?

The Federal reserve law provides that the minimum amount of gold necessary is only 40 per cent. This being true, the Federal Reserve Bank of Chicago could issue over two and a half times as much circulating medium as is now in circulation, provided the Federal reserve bank purchased Government securities, or discounted notes and collateral from customer banks. Due to the manner of the issuance of Federal reserve notes the time could come when every Federal reserve note would be backed by over 200 per cent of gold. Due to the failure of all the older banks in my county over a million dollars of currency has been taken out of circulation since 1924. The facts are that at the present time the amount of Federal reserve notes issued through the rediscounting of the notes of member banks is the smallest since the creation of the Federal reserve system.

I find, too, that we have in circulation United States Treasury notes, or the old greenbacks issued in 1862 and 1863, amounting to the sum of \$346,681,016, which are protected by a gold reserve of less than 50 cents on the dollar, or \$156,039,088, and yet when you cash your check at some bank and they count out to you over the counter the money as represented by that check, you take it as it is presented to you regardless of its character and you feel that it is all good, sound money.

Our country, among the very few in the world, is supposed to be on what is termed the "gold standard," under the theory that all of our money is backed with gold. Many of those who hold to the theory of the gold standard class all moneys not backed by gold as fiat money, or in the slang phrase, rubber money. If this theory is right, then in 1920, on October 29, we had in circulation in the form of Federal reserve notes over \$1,800,000,000 of fiat money, and we had in circulation of United States Treasury notes, or old greenbacks, \$190,000,000 of rubber money.

It seems to me that every day our money climbs higher and higher and our commodities go lower and lower. I realize the question of inflation is a delicate one. It has been tried not only in this country but in practically every country in the world, at some time. It has had its success and its failures. In Germany it had no limit; it ran away with itself and created disaster. In France it appears to be a success-the old franc was worth 19 cents in our money; during the inflation period it fell to almost 2 cents, and to-day is stabilized, backed by gold, at 0.0392. Practically all of the countries, with the exception of France and the United States, have gone off of the gold standard. Gold became too high as compared with commodity prices. These countries had but one thing to do and that was the inflation of the currency. The United States stands practically alone like the Rock of Gibraltar, while the banks are failing by the thousands and the great majority of the people are becoming bankrupt.

Two theories have been backed to a great extent by the Members of Congress. One theory, as advocated through a bill introduced by Congressman Burtness, of North Dakota, is for the revaluation of gold by changing the number of grains of gold in a dollar to a lesser amount. The other theory is by issuance of sufficient currency that you create

either a better credit structure or inflate the currency. Both are for the sole purpose of cheapening the value of the dollar and thereby raising commodity prices, and under both theories by far the great majority of those who advocate either one, it is felt that in order to curb excessive inflation, which is just as disastrous as an excessive deflation, that when the general commodity prices reach the level of 1926 the inflation process should stop, and if it rises above the general commodity price of that year deflation should prevail. This is the theory of the stabilization of currency, or what is termed the "honest dollar."

There is still another theory of bringing silver into the picture and to increase our circulating medium by virtue of its coinage. We find there are a great many people, including some economists, who maintain there is only one safe standard of money and that is gold and silver or specie. The others who are for inflation believe that such money should be issued, backed by the credit and good will of the United States Government, until the present money should be so cheapened, as I have said before, to raise the commodity prices.

It was upon this theory that many of us voted for the soldiers' bonus. The idea being that the issuance of new money into the country, and being as widely distributed as it would be under this source, would bring about an inflation which would have the desired result. The idea being that, in issuing the currency, if need be the same currency could be retired in the same manner in which the certificates are to be retired, by building up each year a reserve fund to pay the same. I call attention to the fact that in my own district the amount of new money that would have gone into circulation, by counties, is as follows:

Buena Vista	\$351, 872. 95
Cherokee	353, 192, 45
Clay	303, 616, 95
Dickinson	207, 010, 70
Ida	224, 937, 05
Lyon	288, 273, 05
Monona	343, 315, 05
O'Brien	347, 009, 65
Osceola	191, 930, 70
Plymouth	455, 397, 15
Sac	332, 532, 85
Sioux	505, 293, 10
Woodbury	1, 916, 460. 65

However, if the great majority of this Congress, or the next Congress, do not favor the payment of the adjustedcompensation certificates in this form, I believe that there should be created new money for the purpose of balancing our Budget, or in the payment of our national indebtedness.

There is one question which always presents itself in the minds of those who study the money question, and that is the contractual obligations of those contracts which are payable in dollars represented by gold of the weight and fineness as at the present time. I beg leave, with the consent of Congressman Burtness, to insert in these remarks his brief on this question in his speech which you will find in the Congressional Record under date of February 9, 1933. It would seem to me Congress having the sole right to coin money and to regulate the value thereof that that right could not be abrogated through personal contracts; however, in order to cover this phase I have introduced in this Congress a bill providing that all contracts payable in money can be paid in the legal tender of the United States. It is so formed that it would be impossible to make effective a contract payable solely in dollars of gold of a certain weight and fineness.

In studying the financial history of the United States we find that at one time in the thirties Congress changed the number of grains of gold in the dollar apparently to a good effect by lessening the number. No country in the world has tried stabilized inflation, which many of us maintain is the only kind which can bring about good results.

We sit here, under what we term the old order of things, saying to ourselves that depressions have always come and gone, thinking that by some miracle the present order can be changed, and that without a different policy prosperity

will come back as the morning sun appears over the horizon each 24 hours, but, Mr. Chairman, like the South Dakota homesteader in the early days who looked vainly in the sky for the dark clouds while his crops burned under the heat of the midday sun, looked and looked, but looked in vain. It is true that the rain always came, but many, many times it came too late. We sit here quibbling over minor matters, hindered by party politics, fiddling around. History tells of another fiddler-they called him Nero-he fiddled and fiddled until his great city fell. I know the mental caliber of this Congress. It is not that the brains of the country are not here. It is timidity and fear, that fear which keeps them from reaching out into untried fields, although they believe that something must be done.

This depression is not of the same character as those of the past. The world is crumbling under an avalanche of debts, debts which can never be paid on the present value of our dollar. They bring despair and discontent. State legislatures are enacting moratoriums, loan companies are stopping foreclosures, banks are extending their paper, the Government is loaning more money. All this is simply putting off the fatal day.

I am a firm believer in the principles on which this Government is based. Individual opportunity propagates development. The results of genius and hard work should act to the financial remuneration of those who possess these qualities, and this can only be derived in a country like ours.

I am leaving this Congress after four years of service. It matters little whose name appears on the congressional roll, but it will mean much to me and to you, as a humble citizen, the nature and character of the men who represent us. It is easy to serve here and follow the old beaten trail, like the sheep which follow the bellwether, but what we need to-day in this Congress are women and men who will study these vital questions, enact needed legislation into laws, be fearless regardless of censure, and serve intelligently, honestly, and faithfully.

This is, no doubt, the last speech that I will make to this Congress; and let me close in saying that I know the great Middle West. My ancestors, my father, my brothers, and myself have all been tillers of the soil. Food is the basis of the continuation of human life; but this great civilization has not been developed by the production of food alone. We are all tied in the scheme of evolution and progress. What is good for a great body of citizens is good for all. I appeal to you men of the East to look to us as representing over 30,000,000 people. It is only by viewing the Nation as a whole that we can accomplish results, work together, and pull together, regardless of party politics and sectional differences, and I will leave you with faith and hope that our country will stand, as it always has stood, for the protection of the rights of every class of our citizens, regardless of his occupation or creed, always maintaining that of all rights human rights come first. I thank you.

Mr. AYRES. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. Doxey, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee, having had under consideration the bill H. R. 14724, had come to no resolution thereon.

ECONOMY CONDITIONS

Mr. JONES. Mr. Speaker, I ask unanimous consent to have printed in the RECORD an address delivered by Hon. JOHN W. FLANNAGAN, of Virginia, to the New England Tobacco Growers' Association on a recent date.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The address is as follows:

The address is as ionows.

Mr. Chairman and members of the New England Tobacco Growers' Association, there was a day when a Virginia rebel would have felt more or less embarrassment talking to a Connecticut Tobacco. That day, thank God, has passed. During the input Yankee. That day, thank God, has passed. During the intervening days and years many things have transpired to wipe out sectional feeling and bring us back to the point from whence we started, when on July 4, 1776, your Sherman, Huntington, Williams, and Walcott, and my Jefferson, Wythe, Lee, Harrison, Nelson, and Braxton, as the chosen representatives of our respective people, acting in the common interest of all, affixed their signatures to a certain declaration that will hold our people together as long as that declaration lives, and my friends, despite the trying period we are going through to-day I am persuaded that that declaration is immortal.

In times of prespective and plenty we may drift apart in our

In times of prosperity and plenty we may drift apart in our effort to secure for our respective sections advantages in the way of tariffs, freight rates, trade, and commerce. I hold no brief against a people who fight to secure the advantage for their own

against a people who fight to secure the advantage for their own section; rather I glory in their activity and in their ingenuity. But in times of distress, such as exist to-day, and such as existed when we were first cemented together in our common effort to obtain our liberties, we have the faculty of getting together and working in the interest of all, and as long as we retain this spirit, handed down to us from our patriotic sires, America is safe.

May we all foster and nurture this spirit to-day. Our salvation

depends upon keeping it alive.

It is in this spirit that I come to you to-day to discuss the pending congressional farm legislation with particular reference

Before approaching the subject may I be permitted to first remind you of the fact that we are facing the greatest crisis that we have faced since the winter of 1777. We won in 1777 because we cooperated and worked together. Neither gold nor silver but cooperation and team work made us the victor in 1777. silver but cooperation and team work made us the victor in 1777. That cooperation and that team work came from the faith our fathers had in our Republic that was then in the borning and that higher faith that permeated their breasts that God in His own time and in His own way would correct abuses and right wrongs. And to-day in our present crisis we need, more than anything else, to renew, to strengthen the faith of our people in our Government, the faith of our people in Him who holds the destiny of our Republic in the hollow of His hand.

It takes faith real faith, to carry on to-day. With millions

It takes faith, real faith, to carry on to-day. With millions out of employment, with hunger abroad in the land, with many out of employment, with hunger abroad in the land, with many shivering for lack of clothing and fuel, with foreclosure sales being daily held in every town, hamlet, and countryside, with the bankruptcy courts working overtime, with farm products selling below the cost of production, with business stagnated, and uncertainty and anxiety inmates of every home, it takes a stout heart imbued with the faith of our fathers, trusting and believing that some day the burden will be lifted and we will again be permitted to enjoy the fullness of our land, to carry on.

Our Government is only as strong as the faith of our people in our institutions. I can not, I will not, think that our people have lost faith in our Republic. I believe that in this crisis, as in the ones we have met and conquered in the past, that the American people will keep the faith and work and cooperate together, and if we do victory again will be our reward.

THE FARM PROBLEM

There are many causes contributing to the present condition of the farmer. If an indictment were drawn setting forth the contributing causes, some of the charges would be against the farmers themselves. They are not wholly without fault. They are, to some degree at least, the contributors to their own ruin. I say this, not in derogation of the farmers, because I realize the same charge can be made against all classes, but in an effort to bring home to them the true situation. The main contributing cause that can be laid at the door of the farmer himself, is his unwise horrowing of money and the foolish manner in which he cause that can be laid at the door of the farmer himself, is his unwise borrowing of money and the foolish manner in which he spent much of it. During our days of prosperity the farmer, like the rest of us, borrowed and spent money in a reckless and extravagant manner, and to-day, like many of us, he is paying the price of his own folly. Money was easy to obtain, and the farmers, many of them, were talked into mortgaging their farms by high-powered representatives of the joint-stock and Federal land banks, the insurance companies, the banks and other financial institutions. When the money was obtained instead of using it for essential farm purposes, a great percentage of it was used for what, during my boyhood days on the farm, would have been considered luxuries. As a result, when the farmers awoke from their financial debauch, they discovered that they had very little, if anything, to show in the way of real assets for the money they had borrowed.

But there are other contributing causes over which the farmers had no control and for which they are not responsible; and it is these causes that are largely responsible for their present condition, because if the price level of farm products had remained even at their pre-war level the farmer, in spite of his own mistakes, could have pulled through. These causes have from year to year gradually reduced the income of the farmer—actually bled him white—and eventually brought him to his present sad estate.

estate.

Let me briefly enumerate some of them:

(1) Discriminatory freight rates

In normal times farm products comprise 11 per cent of the total volume of freight, yet such products pay 19.8 per cent of the total freight revenues.

Moreover, rebates or reductions in rates are allowed on many manufactured articles when consigned for shipment abroad. As an example—and I could give many—on farm implements shipped from Chicago to New Orleans for domestic use—to be used by the American farmer—the freight rate is 85 cents per hundred,

but when shipped for export—to be sold to the foreign farmer the rate comes down to 41½ cents per hundred. Yet, on the other hand, all farm products, whether destined for domestic or foreign consumption, carry the full freight rate.

(2) Discriminatory tariff schedules

The tariff protects industry but does not, and can not as long as the American farmer produces a surplus, protect the farmer. The result is this: The farmer sells practically everything he raises on a free, world market and buys on a protected market.

(3) A costly marketing system

There is something radically wrong with our marketing system. It costs as much, if not more, to-day to market cattle, hogs, wheat, and other farm products than it did when the farmers were receiving a fair and honest price for their products.

(4) High land taxes

Land taxes are all out of line. In many cases the farmers are not making enough to keep their taxes paid. Farm taxes—can you believe it—have increased 266 per cent during the past 20 years.

(5) High interest rates on loans

The interest rate the farmers are paying is entirely too high. They are, in my opinion, paying the highest interest rate of any class in America. Again, our Government is a party to the crime, because the rate in many instances is criminal. The Federal land bank and the intermediate-credit banks are charging the farmers full interest, and yet the same Government has loaned millions of dollars of the tax payers' money to the large steamship companies at a rate of interest as low as one-fourth of

(6) A medium of exchange that does not correctly measure values

The value of the American dollar does not correctly measure the value of farm products. For instance, measured in farm products, the American dollar is worth over twice what it was

only a few years ago.

Let me give you a bird's-eye picture of the deplorable conditions these causes have led to:

Of the 6,288,648 farms in the United States, 2,911,644 are mortgaged.

The present value of farm lands in the United States is \$50,000, 000,000, against which there are mortgage liens amounting to practically \$10,000,000,000.

The value of farm lands has dropped from \$79,000,000,000 in 1919 to \$50,000,000,000 in 1932.

Farm taxes have increased 266 per cent during the past 20

The gross income of the farmers has dropped from \$11,950,-000,000 in 1929 to \$5,240,000,000 in 1932, which is far below the amount needed to pay running expenses, installments, interest, and taxes.

Based on pre-war prices—that is, the average commodity price between 1909 and 1914—the farmer to-day is getting 61 per cent less for what he sells and paying 6 per cent more for what he

And when you stop and consider that the farmer's dollar to-day, measured in crop values—and that is all he has with which to pay—is worth less than 50 cents, you begin to realize the hopelessness of the situation unless emergency measures that will

bring relief are quickly enacted.

This is indeed a sad picture and unless something is done a hopeless picture. The farmers realize their own mistakes and anxious to correct them, but are helpless unless the other contributing causes are corrected.

These contributing causes can not be corrected overnight, and for this reason some emergency measure is necessary.

The farmers can not wait on the correction of the contributing causes I have enumerated which, when made, will put back into honest operation the law of supply and demand. They need present help—not help at some time in the future—but now. An emergency exists. The patient has passed the soothing-sirup stage. He needs a hypodermic; and I, for one, in order to revive him and keep him alive until the correction of the contributing causes will permit the law of supply and demand to operate honestly, am willing to administer the needle. We have talked

and wrangled long enough. The time for action has arrived.

The real farm problem in America to-day is to make the farmer's dollar, measured in crop values, worth 100 cents.

ALLOTMENT PLAN

The emergency that exists is the father of the allotment plan. This plan was brought forward to take care of the emergency—to

This plan was brought forward to take care of the emergency—to keep the farmers alive until we can work out sound farm legislation that will insure permanent recovery.

The object of the bill, simply stated, is to give the farmer a fair and honest exchange price for the products of the soil; and when this is done—when you increase the purchasing power of the farmer; when you give him an honest dollar—you improve our whole economic structure. whole economic structure.

It has been found out that during the period running from 1009 to 1914 the prices of farm (except tobacco) and industrial products were more nearly on a parity. The committee adopted the 1909–1914 period, known as the pre-war period, as the base period, and the bill attempts to bring the price of farm commodities up to the average farm commodities brought during said period. During that period the farmer's dollar was worth practically as much as the dollar of the industrialist. The farmer during that period had an honest dollar that would pay a dollar's

worth of debts or purchase a dollar's worth of goods, wares, and merchandise

What is the situation to-day?

Take, for instance, the four basic commodities included in the allotment plan bill as reported out by the committee—and the same condition prevails as to other farm products—wheat, cotton, hogs, and tobacco, and, measured in terms of these commodities, what do we find the value of the farmer's dollar to be?

The farmer's dollar to-day, measured in wheat, is only worth

around 36 cents.

The farmer's dollar to-day measured in cotton, is only worth

around 47 cents.

The farmer's dollar to-day, measured in hogs, is only worth

around 42 cents.

The farmer's dollar to-day, measured in terms of tobacco, is

only worth around 75 cents.

And we further find that the farmers are paying 6 per cent more to-day for what they purchase than they did during the period

from 1909 to 1914.

Now, the purpose of the allotment plan is simply to restore the prices of agricultural products to their proper relative posithe prices of agricultural products to their proper relative position with respect to the prices of other commodities—to give to the products of the soil the same purchasing power they enjoyed during the years 1909 to 1914, and thus place their purchasing power on an equal footing with the purchasing power of other commodities. When we do this we simply restore the parity, or equality, that should always be maintained between agricultural prices and the prices of other commodities.

No effort is made in the bill to boost the prices of farm commodities to the injury of other commodities. The only effort is to lift the prices of farm commodities to a fair position with respect to other commodities.

respect to other commodities.

HOW THE PLAN OPERATES

Now, I know you want to know how the plan will work. As already stated, during the period from 1909 to 1914 (known as the pre-war period) the parity of equality between farm commodities and other commodities was, with the exception of to-bacco, fair and just. During this period the price of tobacco was abnormally low, and for this reason, as to tobacco, we adopted the abnormally low, and for this reason, as to tobacco, we adopted the period from 1909 to 1918. The bill provides that the first processor or manufacturer of the commodities set out in the bill shall pay a fee or adjustment charge thereon equal to the difference between the market price and the average price throughout the basic periods I have mentioned. This insures the growers of wheat, cotton, and hogs for 1933 the average price these commodities sold for between 1909 and 1914, and the growers of tobacco the average price tobacco sold for between 1909 and 1918. The fee is levied against the processor or manufacturer in the form of a tax, and the producer, when he sells his wheat, cotton, hogs, or tobacco, is issued an adjustment certificate equal to the amount of the fee on the commodity he sells. The certificates are redeemable at the United States Treasury, one half in 30 days and the balance in 6 months, and are made negotiable so the farmers can use them immediately. The fee collected by the processor or manufacturer is paid into the Treasury of the United States to redeem the certificates. redeem the certificates.

The bill contains two limitations:

The bill contains two limitations:

(1) While the plan is voluntary, the farmer before he obtains the benefits provided for must be able to show that he has reduced his acreage 20 per cent. The burden is placed upon the farmer to show that he has complied with the requirement of the act by reducing his acreage. This provision was inserted in order to control, if possible, our surpluses.

(2) The fee or adjustment charge is only paid upon that part of the crop that is domestically consumed. The idea is that the farmers are only entitled to the parity price on that part of their production which is consumed domestically. The farmer's share of this production is called his allotment; hence the name, allotment plan. ment plan.

The price levels to be maintained under the bill on the domestic consumption of the commodities named in the bill, after the initial period, are as follows:

Cents

Cotton, per pound

Wheat, per bushel	
Hogs, per pound	
I will give the price level of tobacco a little later. The prices for the intial period, that is until the or marketing season, are as follows:	
	Cents
Cotton, per pound	9
Wheat, per bushel	75
Hogs, per pound	
The domestic consumption of the commodities bill are approximately—	
	Per cent
Cotton	40
Wheat	70
Hogs	94
	FO

In order to clarify the matter, let me give you a concrete illustration as to how the plan will work. Take cotton for instance. The domestic consumption of cotton is around 40 per cent, hence the farmer would be entitled to the adjustment charge on 40 per cent of his crop. During the base period, that is from 1909 to 1914, the average price of cotton was 12 cents per pound, hence the farmer is entitled to 12 cents per pound for 40 per cent of

his crop. The balance of the crop, 60 per cent, would be sold on the open market at the world market price. If, therefore, the price of cotton this year is 5 cents, then the farmer would be entitled, in addition to the 5 cents, to an adjustment charge of 7 cents on 40 per cent of his crop. The balance of the crop, which would be 60 per cent, would be sold on the market at 5 cents per pound. Of course, if the price of cotton should go up or down the adjustment charge would correspondingly go up or down. On 4-cent cotton the adjustment charge would be 8 cents; on 8-cent cotton, 4 cents, etc. cotton, 4 cents, etc.

To further illustrate, let us take two farmers who raise 10,000 pounds each of cotton, one of whom complies with the law and the other does not. Cotton, we will assume, is worth 5 cents per pound on the open market.

The farmer who complies with the law would receive for his

cotton-

4,000 pounds of cotton, at 12 cents per pound______\$480 6,000 pounds of cotton, at 5 cents per pound______ 300

The farmer who failed to comply with the law would receive for his cotton—10,000 pounds of cotton, at 5 cents per pound—

A difference of \$280 in favor of the farmer who came in under the plan.

The plan works the same way as to other commodities.

WHY ONLY FOUR COMMODITIES?

This question naturally arises: If the plan is a good one, why limit it to wheat, cotton, hogs, and tobacco?

If you will give careful thought to the plan, the answer is apparent.

These four commodities were selected in order to test the plan

These four commodities were selected in order to test the plan out, because they meet certain fundamental tests, namely:

(1) That the commodity be one that has a controlling effect upon the price of other commodities. If the price level of wheat is raised, there will be a corresponding raise in the price level of other grains, etc. With the exception of tobacco, all commodities included in the bill meet this test.

(2) That the commodity be one which normally has an exportable surplus, and hence its domestic price is influenced by the world price. All commodities included in the bill meet this test. Such commodities need protection, because they come in competition with like foreign commodities and can not be protected by a tariff.

(3) That the commodity be one which is processed or manufactured. All commodities mentioned in the bill meet this test. It would be cumbersome, if not impossible, to collect a tax or adjustment charge upon a commodity that is not processed or manufactured.

manufactured. While tobacco does not meet the first test, namely, that it has a controlling effect upon other commodities, it was thought wise to include it because the tobacco grower, in selling his tobacco, is at the mercy of two or three large tobacco manufacturers and manifestly needs protection in selling his tobacco.

PERIOD OF DURATION

The bill is purely an emergency measure and only extends for one year unless extended for an additional year by presidential proclamation.

TOBACCO UNDER PLAN

The census of 1930 shows that there were approximately 433,000 tobacco raisers in the United States, who produced approximately 1,400,000,000 pounds of tobacco, of which we consumed approximately one half and exported the other half. It may be of interest to note that the Internal Revenue Department reported the revenue from tobacco for the same year to be \$442,824,000.

According to the figures of the Department of Agriculture, the average price the growers received for tobacco during what is known as the pre-war period, that is from 1909 to 1914, was 10.4

average price the growers received for tobacco during what is known as the pre-war period, that is from 1909 to 1914, was 10.4 cents per pound. According to the same figures, the average price of tobacco on November 15, 1932, was 8.9 cents per pound. We thought that while the 1909-1914 period was fair as to wheat, cotton, and hogs, that it was unfair as to tobacco, as tobacco during that period was abnormally low, and for this reason, as to tobacco, we adopted the period from 1909 to 1918 as the basic period, which will considerably increase the general average over the 1909-1914 average.

I have secured from the Department of Agriculture all available tobacco prices during the period 1909-1918. The department did not, as to some of the types, begin to keep separate figures until after 1918, as prior to that year many of the types were combined. The department recognizes 28 different types of tobacco, the 1909-1918 average on such types as I have been able to secure the yearly prices on, being as follows:

Туре	Section where raised	1909–1918 average price
11a	Virginia North Carolina South Carolina Georgia	17 cents.
14	Florida	9.94 cents, 10.48 cents,
24	Tennessee	9.39 cents.

Туре	Section where raised	1909-1918 average price
31. Burley (air cured)	Kentucky Tennessee Virginia West Virginia Ohio Indiana Missouri Arkansas)14.49 cents.
32. Air cured	Maryland	12.33 cents.
35. One sucker (air cured)	Kentucky	8.65 cents.
36. Green River (air cured)	Indiana	Prices prior to 1918 not avail
do, Orech terrer (an enrow)		able.
37. Virginia (sun cured)	Virginia	11.99 cents.
41. Seed leaf	Pennsylvania	10.97 cents.
42. Gebhardt	1	
43. Zimmer or Spanish	Ohio	11.66 cents.
44. Dutch		and the supplementation
45. Sun cured	Georgia	Prices prior to 1918 not avail-
40. Sun cureu	Florida	J able.
51. Connecticut Valley broad leaf.	Connecticut Massachusetts	Prices not available—com- bined with other types prior to 1918.
52. Connecticut Havana seed	Connecticut	Combined with other types prior to 1918,
53. New York and Pennsylvania Hayana.	New York Pennsylvania	11.69 cents.
54. Southern Wisconsin	Wisconsin	11.52 cents.
	(Wisconsin	Do.
55. Northern Wisconsin	Minnesota) Do.
61. Connecticut Valley shade	Connecticut	Prices prior to 1918 not avail-
	Massachusetts	sble,
62. Georgia and Florida shade	Georgia	B Do.
grown	(Florida	DO HELLER TO SERVICE T

Section 22 of the bill recognizes the different types and grades of tobacco and gives the Secretary of Agriculture the right to treat and consider the different grades and types as separate commodities. This provision was necessary, in order to protect the tobacco growers, as the different types and grades, of course, bring different prices.

bring different prices.

Tobacco, in my opinion, is better adapted to the allotment plan than any other commodity. In the first place the Government is already collecting a revenue tax on tobacco, and it would entail very little additional expense, if any, to collect the adjustment fee or tax. In the second place the adjustment charge would, in all probability, be absorbed by the manufacturer. They could certainly afford to do this considering the relatively small proportion the original cost of tobacco bears to the price the finished product brings. And then, too, tobacco can not be classed as a necessity. It is a luxury, and hence the argument can not be advanced that the bill, as to tobacco, would increase the price of one of the necessities of life.

ANSWER TO OBJECTIONS TO THE BILL

ANSWER TO OBJECTIONS TO THE BILL

Nothing has ever been accomplished without first overcoming obstacles. No legislation, however meritorious it may be, was ever enacted into law without meeting and subduing the objections to it. There are objections raised to this bill, some honest; others, in my opinion, advanced for purely selfish reasons. Permit me to briefly answer some of the objections.

(1) The objection is made that the bill will levy a tax upon the necessities of life in the form of a consumers or sales tax. This is a catchy argument, especially at this time, when millions at present prices are unable to purchase food and clothing.

Who advanced this argument? Did the labor organizations?

No. Labor is not opposing the plan. The argument was advanced by special interest and, I am afraid, for selfish reasons. The first I heard of the argument was when the representative of the Millers National Federation appeared before the committee and, as strange as it may sound, objected to the bill because it was unfair to the farmers and consumers. When I examined him I told him frankly that I did not believe his love for either the farmers or the consumers brought him before the committee, but rather his interest in the milling business. And when I asked him

told him frankly that I did not believe his love for either the farmers or the consumers brought him before the committee, but rather his interest in the milling business. And when I asked him if he appeared when the Hawley-Smoot tariff bill was up for consideration and plead the cause of the farmers and consumers, he had to admit that he did not.

Is a bill that has for its object the giving the farmer a square deal—giving him a reasonable profit over and above the cost of production—to be defeated by branding it a sales tax? No. I know, and you know, that neither the laboring people, the consumers, nor any one else who wants to do the right thing, expect the American farmers to feed the American people at their own expense—by losing money every year they produce the food necessary to feed the American people.

But we do have a sales tax in this country, and it is being administered not to put money into a depleted Federal Treasury, but into the coffers of the very interests who oppose this bill under the guise that it is a sales or consumers tax. We have a tariff tax that to-day is collecting tribute off of the farmer and laboring man, for the purpose of taking care of the very ones who oppose this legislation. Special interests seem to think that it is all right to have a sales tax in the interest of industry, and all wrong to have such a tax in favor of the farmer.

Be not deluded into thinking this a sales tax. A sales tax is levied to raise revenue to balance the Government Budget. This

Be not deluded into thinking this a sales tax. A sales tax is levied to raise revenue to balance the Government Budget. This adjustment charge is being advocated to balance the farmer's budget, and God knows it needs balancing.

But who should pay this tax? There's the rub. When you find out the answer you will know why special interests oppose the bill. Before I answer this question let me give you a few figures.

The pre-war price of wheat to the farmer was around \$1, and at that time the price of flour ranged from \$4.36 to \$5.10 per barrel. In 1932 the price of wheat to the farmer was between 30 and 40 cents and the price of flour ranged from \$3.61 to \$4.40 per barrel. In other words when the price of wheat fell off 62 per cent the price of flour only fell off 15 to 20 per cent.

Well, who should pay the tax or adjustment charge on flour?

In 1929 when the farmers were averaging 9.86 cents for hogs, the retail price of hog meat to the consumer in New York City aver-

retail price of hog meat to the consumer in New York City averaged 15.42 cents. In 1932 the farmers averaged 3.41 cents for hogs, and the retail price of hog meat to the consumer in New York City averaged 10 cents. In other words when the price of hogs to the farmer fell off 65 per cent the price of hog meat to the consumer

farmer fell off 65 per cent the price of hog meat to the consumer only fell off 33 per cent.

Well, who should pay the tax or adjustment charge on hogs?

In 1925 when the cotton growers were averaging 22 cents per pound for cotton the average price of cotton goods was approximately 15 cents. In 1931 when the cotton grower averaged 6 cents for his cotton the average price of the same cotton goods was approximately 8 cents. In other words when the price of cotton to the farmer fell off 70 per cent, the price of cotton goods only fell off 44 per cent.

well, who should pay the tax or adjustment charge on cotton?
In 1929 when the tobacco growers were averaging 21.8 cents per pound for Burley tobacco that goes into cigarettes, a package of cigarettes retailed for 15 cents. In 1931 when the same tobacco cigarettes retailed for 15 cents. In 1931 when the same tobacco growers averaged 8.7 cents for the same tobacco the same package of cigarettes sold for 15 cents. In other words when the price of tobacco to the tobacco grower fell off about 60 per cent there was no reduction in the price of cigarettes.

Well, who should pay the tax or adjustment fee on tobacco?

I think you now know the answer. And knowing the answer I think you know why special interests oppose the bill.

(2) Then there are those who oppose the bill because they claim it is class legislation.

(2) Then there are those who oppose the bill because they claim it is class legislation.

Well, if this is class legislation then the tariff is class legislation. If this is class legislation, then the regulation of freight rates and public-utility rates is class legislation. In the regulation of freight and public-utility rates the theory is to give a fair return on invested capital, while the practice is to give a fair return on not only invested but watered capital. The farmer is only asking a fair return on invested capital. Yet there are those who seem to think that it is all right to give railroads and public utilities a fair return on invested and watered capital and all wrong to give the farmer a fair return on invested capital.

return on invested and watered capital and all wrong to give the farmer a fair return on invested capital.

But this bill can not be considered under any view as class legislation. The purposes of the bill are so manifestly in the interest of the public good that it is hard to conceive of anyone advancing the argument that it is class legislation. I am persuaded that those who entertain such a view do not have a true conception of this legislation and do not appreciate the effect the depleted condition of the farmer has upon our whole economic structure.

All wealth comes from the soil and will ever remain in the soil. All wealth comes from the soil and will ever remain in the soil. And wealth is the spring from whence flows prosperity. I lay it down as an axiom that we can not have true prosperity in this country, or any other country, as long as the tillers of the soil labor only to become more involved, and that is exactly what is going on in this country to-day. The road to our financial recovery leads from the farmer's door.

Just a few simple statements will, I think, conclusively show the disastrous effect the destruction of the purchasing power of the farmer has upon our whole economic structure.

farmer has upon our whole economic structure.

The 1930 census shows that 44 per cent of our population is living on farms or in small rural communities of less than 2,500 population. Hence when you destroy the purchasing power of the farmer you practically destroy 44 per cent of the purchasing power of our people.

of our people.

Let me give you a few examples of what this means.

In 1929, 42 per cent of all automobiles were in rural communities. It means, therefore, that practically 42 per cent of the automobile industry has been paralyzed. It also means that when you restore the purchasing power of the farmer you will put back to work 42 per cent of the laborers in automobile factories.

Take the farm-implement business. It has been practically destroyed since the purchasing power of the farmer has been destroyed. Restore the purchasing power of the farmer and you restore to employment the thousands who formerly worked for farm-implement companies.

farm-implement companies.

It is useless to multiply illustrations. It is apparent that the restoration of the purchasing power of the farmer is far-reaching in its effect. Our leading economists say that the passage of this bill would put over 6,000,000 idle men to work.

No; this is not class legislation, but legislation that will help

all classes.

(3) Then there are those who claim that the passage of the allotment plan will mean the setting up of another bureau. Well, let me say this, if it does, it will be the first bureau ever set up in this country that was not financed out of the Federal Treasury. If it sets up another bureau, the farmers will pay the bill.

Under the terms of the bill 2½ per cent of the tax or adjustment charge collected will be used to take care of the administrative costs, and this should certainly be a sufficient amount. At present it is only costing the Federal Government three-fourths of 1 per cent to collect the manufacturing excise taxes now imposed.

Those in position to know do not think it would take very many additional governmental employees to collect the tax and administer the law. But, whatever the amount, not one single penny will come out of the Federal Treasury.

(4) Lastly, there are those who preach that the passage of the bill would reduce the consumption of the commodities therein set out. Well, if it does, the person who would be vitally affected would be the farmer, and yet the farmer is asking that the bill be passed. be passed.

These who advance this argument entirely overlook the fact that the passage of the bill, by increasing the purchasing power of the farmer, will put millions to work, revive business, and aid materially our whole economic structure. When this is done the general purchasing power of our people will be greatly increased and they will naturally consume more.

The bill should increase rather than decrease consumption. Give the American people something to buy food with and they will buy it, because most of them are getting lank and lean, and can, if given a chance, for a while at least, consume more than they formerly could.

CONCLUSION

I am not unmindful of the fact that there is some justification for terming the legislation under consideration radical. The legislation, however, in my opinion, is justified because of the emergency we are facing to-day. I am not advocating this legislation as a permanent policy. I know that as a permanent policy we can not employ artificial means to raise the price levels of farm products. I am advocating this measure as a temporary farm products. I am advocating this measure as a temporary stimulant to revive a very sick patient, hoping that before the effect of the stimulant dies we will be able to work out remedial measures that will bring permanent relief.

In conclusion, may I express the hope that the day is not far distant when the farmers of America, no longer burdened with high tax rates, unjust interest charges, discriminatory freight and tariff rates, and an unfair marketing system, may, by honest toil, be permitted to produce products of the soil that, translated into dollars, are worth 100 cents. They ask nothing more. They will be satisfied with nothing less.

RAISING THE TARIFF THROUGH THE BACK DOOR

Mr. AMLIE. Mr. Speaker, I ask unanimous consent to extend my remarks.

The SPEAKER. Without objection it is so ordered.

There was no objection.

Mr. AMLIE. Mr. Speaker, the so-called Crowther bill is one of the many measures introduced at the present session of Congress which has for its objective the equalization of the tariff duties by compensating for depreciation of foreign currencies. It is the claim of the proponents of this type of legislation that if such tariff schedules as we may adopt are to be made effective it is necessary to provide against any reduction in such tariffs by raising these tariffs against those countries operating on a depreciated-currency basis to the extent of such depreciation. They contend that such adjustment is an essential expedient and must be resorted to unless we are to have our markets flooded by cheap foreign goods and our working men as a consequence thrown out of employment.

Let us analyze these arguments. In the first place it is difficult to see how the claim can be made that we are suffering from a flood of importation when our imports last year amounted to \$1,322,665,000 as against total imports of \$2,090,633,000 for 1931 and as against a further average of importations in excess of \$4,000,000,000 a year for the six years prior to 1931.

The following figures regarding total exports and imports for the past eight years, as put out by the United States Bureau of Foreign and Domestic Commerce, are in themselves the most conclusive refutation of this argument.

United States exports and imports [United States Bureau of Foreign and Domestic Commerce]

Calendar year	Total exports from United States (1,000 dollars)	Total general imports into United States (1,000 dollars)	Excess of exports (1, 000 dollars)
1925. 1928. 1927. 1928. 1929. 1930. 1931.	4, 909, 848 4, 808, 660 4, 865, 375 5, 128, 356 5, 240, 995 3, 843, 181 2, 424, 289 1, 617, 877	4, 226, 589 4, 430, 888 4, 184, 742 4, 091, 444 4, 399, 361 3, 060, 908 2, 090, 635 1, 322, 665	863, 258 377, 772 680, 633 1, 036, 912 841, 634 782, 273 333, 654 295, 212

United States exports and imports-Continued

Calendar year	Per cent of total foreign trade		Index 1925—100	
	Exports	Imports	Exports	Imports
1925 1926 1927 1927 1928 1929 1930 1930 1931	53, 7 52, 0 53, 8 55, 6 54, 4 55, 7 53, 7 55, 0	46. 3 48. 0 46. 2 44. 4 45. 6 44. 3 46. 3 45. 0	100. 0 97. 9 99. 1 104. 4 106. 7 78. 3 49. 4 33. 0	100.8 104.0 99.0 96.8 104.1 72.4 49.5 31.3

Not only was there a reduction in the total volume of imports in 1932 as against 1931 amounting to about 33 per cent but there was also a decrease in the volume of imports during this same period of approximately 20 per cent.

In the second place, if the argument made by the proponents of this measure is well taken, then we should naturally expect to see a smaller decrease in imports from those countries that have gone on a depreciated currency basis than from those countries that maintained their currencies.

The following, however, are the facts as presented by the United States Tariff Commission:

Quantitative change in imports of major commodities (Ratio of the imports, January-September, 1932, to the imports January-September, 1931, taken as 100 (weighted average))

	Total	Free	Duti- able
Articles coming chiefly from depreciated-currency countries_	79	79	78
Articles coming chiefly from gold-standard countries Articles of which a large proportion comes from both classes	88	110	78
of countries	79	64	88

It will be seen from the foregoing table that on the basis of volume of imports, in 1932 the total volume of goods coming from depreciated currency countries amounted to only 79 per cent of the total amount of imports from those countries in 1931. That is to say there had been no increase of importations from those countries as a result of the depreciation of their currencies which took place in the latter part of 1931. But on the other hand there had been an actual decrease amounting to 21 per cent by volume. On articles coming chiefly from gold-standard countries there was imported in 1932 approximately 88 per cent of the volume of goods that was imported in 1931. That is to say a decrease of imports of 12 per cent from countries on a gold standard as against a decrease of 21 per cent from countries on a depreciated-currency basis. It will be seen, therefore, that the premises upon which the supporters of the Crowther bill base their case are wholly nonexistent.

DE ADVANTAGES DUE TO DEPRECIATION OF CURRENCY ARE ILLUSORY

Not only are these premises nonexistent in fact, but it will further appear from a careful analysis of the subject that there is no particular reason why a depreciation of currency on the part of a nation should result in any permanent advantage insofar as scaling our tariff walls is concerned.

To begin with the tendency will be in any nation operating with a depreciated currency, for labor and other operating costs to advance in terms of dollars to the extent of the depreciation that has taken place. While there may be a temporary advantage insofar as raw materials on hand are concerned, this advantage will very quickly be lost when the manufacturer has to go out in the world market and purchase additional raw materials with which to continue his manufacturing processes. While it is true that the depreciating of a nation's currency might facilitate the writing down of capitalization and the burden of accumulated debts, it does not follow that this is the only means by which this objective may be accomplished.

At the present time in the United States we are in the midst of a process of deflation wherein our self-constituted "sound economists" hope to accomplish the same result without abandoning the gold standard. The chairman of

the Tariff Commission has well illustrated this point before the committee by quoting the statement of the finance minister of Holland, who was asked by the representative body of that country as to what were the advantages of depreciated currency or of Holland's going off the gold standard. This Finance Minister said that—

They are partly illusory and partly temporary, and those that are not temporary are illusory and those that are not illusory are temporary.

It is obvious why this should be so. After all, there is no reason why we should not find just as stiff competition from countries on a gold standard as from those that have been forced to abandon the gold standard. The price for which people in a country are willing to produce goods is dependent upon the economic pressure to which they are subjected. In fact they might very readily be subjected to greater pressure in a gold-standard country than in one that had gone off the gold standard.

This is well illustrated by the fact that imports in 1932 as against 1931 had dropped 21 per cent in countries that are off the gold standard as against only 12 per cent from those countries that are still on the gold standard.

A specific example of this fact is given by Chairman Robert L. O'Brien, of the United States Tariff Commission, in his testimony before the Ways and Means Committee on February 2, 1933. He stated that Czechoslovakia and Japan are running neck and neck in the matter of the price of rubber footwear being imported into this country. Japan is off the gold standard while Czechoslovakia is on.

The Crowther bill would place an additional tariff of nearly 50 per cent on articles from England, a country which recently made its interest payments on its war debt to this country; while on the other hand it would levy no additional duty on France, a country that recently defaulted on its interest payments to this country. It would be a means of taking a direct slap at some of the nations whose friendship is most vital and valuable to the people of the United States. And all this in the name of an argument that is demonstrably unsound in every respect.

THE REAL PURPOSE OF THE CROWTHER BILL

At the present time imports into the United States may be defined as free imports which are not subject to duty of any kind, and dutiable imports against which there may be levied either a specific duty or an ad valorem duty. Under the Smoot-Hawley tariff law the average tariff on dutiable imports will amount to approximately 45 per cent. The average duty on both dutiable and nondutiable goods will amount to approximately 17 per cent on the basis of total imports of both classes of goods during the year 1932.

Had the provisions of the Crowther bill been in force and effect, then the average duty upon dutiable and nondutiable goods for the year 1932 would have been in excess of 40 per cent. From this it will be seen that the enactment of the Crowther bill or any of the other measures aimed at the making of adjustments against depreciated foreign currencies would have resulted in the increase of our present tariff rates by more than 100 per cent. This is the real purpose of the Crowther bill although its proponents sought to put it across under the smoke screen of making adjustments against depreciated foreign currencies.

In the same way it will be remembered that the Republicans in 1930 raised the Fordney-McCumber rates, which averaged 28.22 per cent ad valorem, to 45 per cent ad valorem under the Smoot-Hawley bill, all in the guise of aiding the farmer. These two illustrations are perfectly typical of the manner in which our tariffs have been raised from time to time at the behest of the industrial interests of the country.

At no time have the groups sponsoring these tariff raids been frank with the American people. They have always conducted their campaigns for higher tariffs under the pretense of aiding the laboring man or some other downtrodden group. Their motives have always seemingly been altruistic in purpose. In fact so confusing has the whole thing become that the average American to-day is able to see only

his interest as a producer of goods. His interest as a consumer of goods he senses but vaguely. While his interest as a citizen of the United States who will either prosper or suffer, dependent upon the general welfare of the country as a whole, he does not sense at all.

The fact that the whole thing is merely a method by which one section of the country may be exploited for numerically superior sections of the country is quite beyond the grasp of the average citizen. In fact of late years it would appear that only a minority of the citizens of the sections so exploited are able to comprehend the workings of the process.

The same thing may be said of a majority of the Representatives in Congress who support these various moves looking toward a further increase of our protective tariffs. They believe that by raising the tariffs they will be able to exclude foreign goods and in that way keep employed the industrial workers in their respective industries. They do not look at the question beyond the probable immediate effect within their industries, and from a political standpoint it is quite essential that they should not do so. For woe unto that Representative who begins to understand the obvious physical fact that there can not be exportations of American-made goods unless there be an equal importation of foreign-made goods and that one must balance the other. And woe particularly unto that Representative who begins to think in terms of the welfare of the Nation rather than about the temporary welfare of his own constituents gained as a result of logrolling with the Representatives of other constituents for the purpose of exploiting the constituents of still other Representatives. While these Representatives may not fully understand the consequences of their acts, it is nevertheless the law of the pack that governs, and nature in the raw is seldom mild.

HISTORICAL DEVELOPMENT OF OUR TARIFF POLICY

Our first tariff act was enacted in 1789 and provided for an average ad valorem tariff of $8\frac{1}{2}$ per cent. It was recognized as a necessary piece of legislation in order to raise needed revenue for the operation of the Federal Government. In 1791 appeared Alexander Hamilton's report on manufactures, which set forth in detail the arguments in favor of developing American industries. It was recognized that such assistance would be at the expense of agriculture. But for the purpose of securing a strong union, Hamilton and his friend defended such a course as economically sound and desirable.

For a period of 25 years thereafter 24 different tariff acts were passed. They sought in the main to raise needed revenues, but they also contained various temporary experiments for the purpose of stimulating American industry.

During the War of 1812 and for three years thereafter importations from England virtually ceased. This gave to American industries a tremendous impetus. Following the cessation of the war the American markets were flooded with European goods, and our manufacturing industries were seriously threatened. Because of the emergency which existed, the tariffs were greatly increased through the cooperation of all sections of the United States. It was not made a sectional issue for that reason, although the relative advantages of free trade and protection were very fully discussed.

By 1824 the appetite of the industrialists through eating had grown tremendously. In that year a bill providing for substantial increases in the tariff was sponsored by Henry Clay. As would be expected, he did not discuss the justice or equity of having one section of the country exploit a numerically inferior section. He rather urged the raising of tariffs "as an American system." His efforts were opposed by Daniel Webster, who was then a Member of the House of Representatives, who said:

With me it is a fundamental axiom, it is interwoven with all my opinions, that the great interests of the country are united and inseparable; that agriculture, commerce, and manufactures will prosper together or languish together; and that all legislation is dangerous which proposes to benefit one of these without looking to consequences which may fall on the others.

But despite this noble statement of principle, Mr. Webster began to feel the importunities of his constituents. After all he was only a public servant dependent upon the support of his constituents for his political success, and if they demanded that he join with others in the exploitation of numerically inferior sections of the country, then their will be done, not his.

Later on he voted for the tariff act of 1828, commonly known as the black tariff and the tariff of abominations. Under its provisions the ad valorem rates on dutiable imports amounted to 49 per cent and on free and dutiable goods together to more than 45 per cent ad valorem.

As a result of this exploitation of the agricultural South, the Legislature of South Carolina called a State convention in 1832 and adopted the "ordinance of nullification." So great was the opposition throughout the Southern States that it became necessary to adopt the compromise tariff act of 1833 which called for a gradual reduction of all duties exceeding 20 per cent. As a result of this act by 1840 the average tariff on dutiable goods had been brought down to 30 per cent and on free and dutiable goods together to 15 per cent. With the depression of 1837-1842 the tariffs were again increased for the purpose of providing needed revenue. By 1846 there had been a marked improvement in financial conditions and as a result of Democratic success at the polls the Walker tariff was adopted which greatly reduced the general tariff schedules. In 1857 the tariff was again reduced, until the average rate on dutiable goods was approximately 20 per cent and on free and dutiable approximately 16 per cent. These rates were the lowest in the history of the country since 1812.

These reductions were secured only as a result of bitter political campaigns in which other issues finally captured the public imagination. It is, however, generally recognized by historians, even in the higher institutions of learning in the North, that it was this economic exploitation of one part of the country by another part of the country that was the principal cause of the Civil War.

During the course of the Civil War it became necessary to raise tariff rates for the purpose of securing needed revenue. From 1865 to 1870 the tariff on dutiable goods averaged 48 per cent and nearly 44 per cent on free and dutiable goods. By 1872 the country was again nearing the crest of a wave of prosperity. The Government's receipts were excessive, and rates were reduced to 39 per cent on dutiable and 28 per cent on free and dutiable. From 1876 to 1883 the average rate was 43 per cent on dutiable and 30 per cent on free and dutiable. From 1884 to 1890 the rates were 45 per cent on dutiable and 30 per cent on free and dutiable. In 1890 the so-called McKinley tariff was adopted. In the next three fiscal years 1892 to 1894 the average rates proved to be 49 per cent on dutiable articles and 22 per cent on free and dutiable articles.

From 1894 to 1897 under the Wilson-Gorman Act the rates were 41 per cent and 21 per cent respectively. Under the Dingley Tariff Act of 1897 the average rate on dutiable goods went as high as 52 per cent, the highest in the history of the country, while on free and dutiable goods it went to 30 per cent.

The average tariff rate between 1897 and 1909 amounted to 46 per cent on dutiable and 26 per cent on free and dutiable goods. Under the Payne-Aldrich Act of 1909 effective until 1913, the tariff on dutiable goods was reduced by 2.3 per cent and on free and dutiable goods by 4 per cent.

This law, however, because of legislative deadlocks from 1911 to 1913 remained substantially unaltered. In the latter year under President Wilson, the tariff was reduced so that in the first eight months of the new law the ad valorem rate on dutiable goods proved to be 36 per cent, about 4 per cent less than in the preceding year, and the rate on free and dutiable goods together amounted to about 14 per cent, or about 3 per cent less than in the preceding year. During the war period, however, commerce was so disturbed that comparisons are not possible.

The changes in tariff rates since that time are generally familiar and have been referred to heretofore in these re-

marks. With this picture of the tariff history of the United States in mind, let us analyze the manner in which the agricultural sections of the United States have been affected by our long American policy of a high protective tariff.

PRICE OF EXPORTABLE SURPLUS FIXES PRICE OF WHOLE CROP

It is a matter of elementary knowledge that when a surplus is raised of any crop which has to be sold in the markets of the world, the price paid for that surplus fixes the price paid for the crop as a whole. No knowledge in the field of economics is more elementary, and still it would be no exaggeration to state that a great majority of the protectionist Members of Congress either are not possessed of this elementary knowledge or at least wholly fail to see or understand its practical application in the everyday economic life of the Nation.

I prefer to believe that this is true, rather than that these same gentlemen, knowing the situation, would be willing to be party to any program which deliberately sought the exploitation of one part of the country at the expense of another. This belief on my part is not due entirely to a charitable feeling for my protectionist colleagues but is also based in part upon the understanding of this situation evinced by their speeches that I have heard them give upon the floor of this House.

The spectacle of legislators enacting legislation and discussing their reasons pro and con for such legislation apparently oblivious of this elementary economic principle is without parallel in the physical sciences. It would be like a group of engineers unable to add or subtract designing plans for the construction of a suspension bridge. The spectacle of the United States Government spending several million dollars to construct a perpetual-motion plant at Vincennes, Ind., could not be more ludicrous.

The hearing on the Crowther bill before the Ways and Means Committee runs true to form. They seek to secure an increase in tariff rates at this time in the same manner that increases in tariff rates have been secured heretofore. A group of manufacturers from different fields have appeared before the committee and stated that they can not compete successfully with foreign competitors; that it will be necessary, therefore, to secure an increase in tariff rates in order that it will be possible for them to compete and maintain an American standard of wages. Behind it all runs the naïve assumption that it is possible in this way to put every group in the same relative position of advantage that is enjoyed by every other group.

If this ideal situation were ever attained, then we should have every group standing in the same relation to every other group that would be the case if we had free trade. Obviously this is the last thing that the industrialists desire. They know that certain groups can be protected by a high protective tariff, while other groups can not. In other words, a tariff is effective and beneficial to one group to the extent that it is discriminatory, and any tariff is effective only to the extent that it is discriminatory.

But the protectionist Members feel grieved at such unorthodoxy coming from a Republican. For why should anyone be so unkind as to question their beneficence? Do they not stand at all times ready to hear anyone who questions the tariff rates? In other words, Come unto us all ye that are heavy laden, and we will raise the tariffs on the articles that you produce sufficiently to make up for the cost of production here and abroad.

Let us proceed to see if this theory works out in this manner for goods that are on an export basis. The classical illustration in the United States would be the cotton crop. The exploitation of the cotton-raising sections of the United States for the benefit of the industrial sections is one of the major threads that run through our history of the last 120 years. It is a matter, however, with which others are much better qualified to deal than I am.

I will, therefore, take for the purpose of my illustration the case of wheat and attempt to trace this process of exploitation through from beginning to end. I will take the case of wheat for the reason that I am thoroughly familiar with this phase of our history of sectional exploitation through first-hand knowledge. I was born and raised on a wheat farm in North Dakota, and still have on my hands the management of this farm. I have furthermore analyzed in detail the effect of a high protective tariff on wheat. (Congressional Record, January 11, 1932.) At that time I received a press release from that great economist, Mr. Arthur M. Hyde, Secretary of the United States Department of Agriculture, wherein he pointed out the tremendous advantages that had accrued to the American wheat farmer as the result of a 42-cent tariff on wheat.

After showing in detail that there was no advantage and that there could be no advantage to the American wheat farmer through a high protective tariff save for that small percentage of the wheat crop high in protein, I charged the Secretary of Agriculture with being a deliberate falsifier and political propagandist. My charge, though given wide publicity at the time, has not been answered. It can not be answered.

THE EXPLOITATION OF THE WHEAT FARMER BY A HIGH PROTECTIVE TARIFF POSSIBLE WHEN THE UNITED STATES WAS A DEBTOR NATION

In order to explain this to those gentlemen who may not be familiar with the situation I want to trace this process historically through the last 70 years.

In so far as the wheat raisers are concerned, it is necessary to go back to the first Republican National Convention held in Chicago in 1860, the convention at which Lincoln was nominated. At that time the farmers of the East and mid-West were anxious to secure free western land into which they might migrate. They were anxious for the passage of a homestead law whereby they might secure this land in return for moving West and making their homes upon it. This, however, was not possible in the face of the opposition of the industrial East, which held the balance of power. They did not propose to permit the pioneers to come into possession of this land without acquiring some benefit for themselves. In the first place, the frontier was in competition with their industrial plants for labor. If a laboring man was not paid as much for his work in the factories as he could earn by going West and taking up a homestead, he would naturally make a change. To make the frontier available to the laboring man and then to be forced to compete with the frontier for labor was something that the industrialists did not propose to do. They, therefore, demanded a protective-tariff policy for industry in exchange for their consent to the enactment of the homestead law. not because they owned this western land but because they held the balance of power and were able to dictate terms.

It will be seen, therefore, that the western land was really not given to the settlers, as they supposed when they received a patent from the United States Government. The homesteaders merely secured a lease upon this land whereby they became croppers. They received a part of the proceeds, while the balance of the proceeds went to the industrial East. This was accomplished by compelling these people to spend the money that they secured through selling their produce in a world market and using it to pay enhanced prices for goods purchased in a protected market. At first this arrangement was not so onerous. The tariff was lower. We were a debtor Nation. We were able to sell our crops abroad at a good price, because fortunately our European creditors realized that if they were ever to be paid for the money they had lent to the industrialists of this country they would have to accept payment in goods. They did not erect tariff walls against the importation of these goods. On top of this the fertility of the soil had not been

But the situation to-day is completely changed. The fertility of the soil is gone. It has been mined out, and the price for which it was sold in the markets of Europe has been donated to the upbuilding of the industrial East. During this period of exploitation our agricultural products were our principal exports. In fact, they were almost our sole exports. During this period our industrialists borrowed heavily from the older nations of Europe in order to build

our railroads and industrial plants. These loans were repaid through the sale of our agricultural surplus abroad.

The importance of our export of agricultural products is well illustrated in the panic of 1896. During that year it looked as though we would not be able to pay our obligations maturing abroad. It looked as though we would be compelled to abandon the gold standard. Commodity prices fell until August of 1896, when it became apparent that there would be a world shortage in the production of wheat. We were able to export our surplus of wheat to sell same in the markets of Europe for a good price, material obligations, and the gold standard was saved. The issue of 16 to 1 became a dead issue and has remained so until recently. This incident is alluded to because of the mistaken ideas regarding this period of our history that were expressed on the floor of this House three or four days ago, during the discussion of House Resolution 8557.

But despite this fact the lot of the wheat farmer was not so bad. Many of them had come from countries where they were able to eke out the barest margin of subsistence. The fertility of the soil to which they were given a patent by the United States Government was well-nigh inexhaustible. The price that they received for their grain in the markets of Europe enabled them to live comfortably even though they were compelled to donate a major part of their profit to the industrial sections of the country. This sectional exploitation might have gone on much longer had we remained a debtor nation, particularly so long as our creditors were willing to have us sell our agriculture in their markets without erecting tariff barriers against us.

Following the World War we ceased to be a debtor nation and have now had thrust upon us a position of world primacy, as a result of the investment abroad of approximately eleven or twelve billion dollars owing by foreign governments to the Government of the United States, and approximately fifteen or sixteen billion dollars more due and owing by foreign governments and citizens to the citizens of the United States.

It is indeed encouraging to note that after 70 years of exploitation of the wheat farmer there are at this day to be found in Congress Representatives from some of these Western States who are beginning to appreciate the process whereby they have been exploited. I refer to the testimony of Mr. McGugin, of Kansas, before the Ways and Means Committee on the 20th of January, 1933:

Let me say to you, my friend from New York [Mr. Crowther], you have nurtured at the nipple of American agriculture for 60 years, but that cow is dry and you will nurture there no more until you feed her.

That it should have taken so long before any of the Representatives from the wheat-raising sections should have discovered the means and method by which they have been exploited is the strongest commentary on the general lack of understanding of economic matters which obtains among the rank and file of the common people.

At some future date when we shall have entered upon an era of functional control of our economic system, and our industries and natural resources shall be managed for the benefit of the people of the country as a whole, it is almost certain that the academicians of that day will be at a complete loss for any adequate explanation of the fact that certain sections of the United States were represented for a period of more than half a century by men who, judging from their legislative records, apparently conspired to betray the economic interests of the sections that they represented. Undoubtedly anthropologists of that day will seek to disinter the bones of some of these Representatives in the belief that an examination of their skulls will shed some light upon this unexplainable phase of the Nation's economic history.

CONTINUED EXPLOITATION OF AGRICULTURE NO LONGER POSSIBLE SINCE THE UNITED STATES HAS BECOME A GREAT CREDITOR NATION

As heretofore stated we have between eleven and twelve billion dollars owing by foreign governments to the Government of the United States. We have between fifteen and sixteen billion dollars of money due and owing by foreign governments and their citizens to the citizens of the United States. It is our dealing with this situation that has rendered completely prostrate the agricultural sections of the United States that have been the subject of systematic exploitation for a hundred years. As long as this country was a debtor Nation, a high protective-tariff policy had some justification from a national standpoint. It helped this country maintain a favorable balance of trade and in that way meet its contractual obligations abroad. Of course it made the exploited sections bear the brunt of the payment of these obligations, but at least the country as a whole received some benefit therefrom, and the industrial sections in particular.

Moreover, it was possible for the United States to pay these obligations because the financial policies of our creditor countries were dictated by men old and wise in matters of international finance. They knew that they could only be paid through the importation of American goods, and they also knew that if they erected barriers against the importation of these goods it would probably result in compelling the people of the United States to default on their obligations.

Let us now examine our own policies, since we have become the great creditor Nation of the world. Instead of recognizing that our foreign investments can only be paid in goods or services, we have set out to maintain a favorable balance of trade at all times. In short, we have been able to maintain a favorable balance of trade amounting to more than \$500,000,000 a year since we became a great creditor Nation. Whereas if we were to have permitted our foreign debtors to merely pay interest on their loans and keep these obligations alive, it would have necessitated a balance of trade against us amounting from \$500,000,000 to \$750,000,000 a year, not to mention the repayment of any part of the principal. But when the question is asked of the protectionist Members of Congress as to how they expect foreign nations to repay these obligations unless they be permitted to pay in goods or services, they answer with the utmost hauteur that it must be understood that international trade by its nature is triangular, and that these loans may be repaid by the extension of credit.

It is incredible that grown men should even believe this to be an answer. It is, of course, true that we need not buy goods from England to pay for goods sold to England. England may sell to France and we may buy from France, but ultimately the transaction will have to show up in our balance of trade. And if we maintain a favorable balance of trade at all times, clearly these debts can never be repaid. To say that our excess in foreign exports as shown in a favorable balance of trade can be paid for by the transfer of credit is merely to say that there is no use in paying back any money borrowed as long as one is able to borrow additional sums. Clearly neither this Government nor its bankers nor its investors will go on extending credit to foreign nations when it becomes apparent that we are going to follow a policy whereby these loans in all probability can never be repaid.

As time has gone on it has become increasingly difficult to maintain a favorable balance of trade, but the mercantilists of this country who are in control of its Government believe that in spite of our position as a creditor nation we can maintain a favorable balance of trade at all times if we only raise the tariff walls high enough.

Let us examine the effect of this policy upon our foreign debtors who have contractual obligations to meet here. As we raise our tariff walls constantly higher it becomes necessary for these debtors to pile a constantly increasing quantity of goods against our tariff walls in order to get a certain number of units into this country. These debtors will naturally exert every effort to meet their contractual obligations. They do not desire to default. As a consequence they will manufacture more and more cheaply in order to meet their obligations here. It is not a matter of choice as far as they are concerned. It is a matter of stern business necessity. It is because we are forcing them into a position where they

will be obliged to default that the people of these debtor countries are beginning to hate us.

And still upon the floor of Congress I have heard numerous representatives of the industrial East denounce European nations for dumping their goods upon our markets. Can not these gentlemen understand that by the very nature of things our debtors must dump their goods upon our markets no matter how small a price they may bring, if they are to meet their contractual obligations here? Can not these gentlemen understand that capitalism by its very nature rests upon the sanctity of contract, upon the necessity of meeting contractual obligations, no matter how onerous they may be? Can not these gentlemen understand that with our high tariff walls we are forcing our creditors to either do this or else default upon their contractual obligations?

Because of the large amount of debts payable in gold owing by the governments of other countries and their citizens to the Government of the United States and to its citizens, we can, if we insist upon following a high protective tariff policy, drive the commodity prices of the world down to the vanishing point, providing repudiation of these debts does not first take place, which of course it must. This is not a matter that should be difficult of comprehension. It is a process that is wholly within the realm of elementary physics. The whole proposition can be fully stated in Newton's third law of motion, that "to every force action there is an equal, opposite, and direct reaction."

There is nothing new or revolutionary about this statement. It is a matter that has been fully realized by every informed economist in the country since we became a creditor nation, barring, of course, a few special pleaders. In 1926 Senator Oscar W. Underwood, who was perhaps the country's foremost authority on the tariff in the field of politics, declared that—

Unless the excessive Fordney-McCumber rates are revised downward to reasonable competitive figures, the American people can have no right to expect European nations to pay their war debts. There must be revision of the rates downward or this country and the world will face distress and disaster. We can not go on lending money to European nations to permit them to buy our goods. We have reached the crest of the wave in those loans. There must be an end to them; and in place of a flow of American money to Europe in the form of loans there must be a circulation of goods and services between the United States and the European debtors. For purely selfish reasons the United States should be interested in the prosperity of Europe. We must exchange goods with the European nations if they are to get rid of their crushing money debts.

This statement of Senator Underwood, made seven years ago, stands out to-day as a remarkable piece of prophecy. And still what he said was fully understood at that time by every informed economist in the land. The only remarkable thing about it is the fact that there should have been a man in politics capable of seeing and understanding the situation.

In other words, to use the illustration of Samuel Johnson, "People willingly go miles to see a dog walk on his hind legs, not because he walks as well as a man, but because he is able to walk at all."

THE TARIFF NOW A 2-EDGED SWORD AGAINST AGRICULTURE ON AN EXPORT BASIS

In the preceding paragraphs I have pointed out that because of the large contractual obligations payable here in gold we can, by the simple expedient of raising our tariff, force the commodity prices of the world down to almost any given level. To a Nation, however, whose agricultural output and industrial output are geared up to a foreign export basis, the effect is immediately felt at home, first in those agricultural crops and industries that are on an export basis, and later on by all industry, whether on an export basis or not. As a result, the cotton farmer to-day receives only 36.6 per cent as much for his cotton as he did in 1926. During the past two years the wheat farmers have been selling wheat for 25 cents a bushel that it has cost them three times that sum to raise. The wheat farmer to-day receives only 48.9 per cent as much for his wheat crop as he did in 1913, while bread in Chicago sells for 151.8 per cent as much as it did in 1913. He receives for his cowhides only 22.8 per cent as much as he did in 1913, while on the other hand he pays 200.4 per cent as much for harnesses and 197.1 per cent as much for shoes as he did in 1913. The reason why the wheat and cotton farmers receive such low prices for their crops is due to the fact that they are on an export basis, and the price paid is the price which they will bring in a world commodity market forced down by our high protective tariff policies.

into the United States of their manufactured goods. While it is possible to convince the American people that their markets are being flooded by the importation of foreign goods, even though the figures show that in the last eight years there has been a decrease from four and a half billion dollars a year to one and one-third billion dollars a year, on the other hand, however, is a factor that is genuinely serious. Where our exports in 1925 amounted to ap-

It will be seen therefore why our wheat farmer or cotton farmer or tobacco farmer and our corn and hog farmer has been brought to complete and total ruination. He is compelled to receive for his products a price fixed in the depreciated commodity markets of the world. What he receives he is not permitted to spend in the cheap commodity markets of the world, but he is forced to spend it in the

highly protected markets of the United States.

But, after all, this is no longer a matter of prime importance except and in so far as it is important that the fine minds of the industrialists of the Nation should be able to see and comprehend why a policy of sectional exploitation worked at a time when one section was capable of being exploited but why it can not work when that section has gotten past the possibility of exploitation.

The industrialists of the country are like a blind man driving the old gray mare—agriculture. In days gone by they found that they could speed up the rate at which they were going by simply applying the lash to the mare, and usually the speed at which they went was in proportion to the severity with which the lash was applied. But now the old gray mare is sick—sick nigh unto death. Even if the lash were applied with fourfold fury, it would not start things moving again. The old gray mare can go no farther. It might even be advisable to increase the heavy tariff rates fourfold on dutiable and nondutiable goods if only to show the high-tariff proponents that further exploitation is impossible. But it would do no good, for the industrialists of the land are blind.

But when the plight of the farmer is presented to the industrialists of the country they demand to know why the wheat and cotton farmers do not restrict their production to the demands of the local market in the same way that has been done by the industrialists. The answer is of course obvious, for the individual farmer is helpless. His individual salvation lies in the field of efficiency, although it may have become perfectly apparent that what may be a means of salvation for him as an individual, if practiced universally, will be the ruination of the group.

Besides it comes with ill grace from the industrialists to charge the wheat farmer with having overexpanded the production of wheat. They should bear in mind the fact that the success of the economic system which they have built and maintained has been possible only through the exploitation of the wheat farmer and the cotton farmer for the past 70 or 100 years. And, moreover, the extent and success of their exploitation have been immediately dependent upon the extent to which these farmers were able to expand their farming activities.

A year ago I am told that 47,000 people in the State of North Dakota were dependent upon the Red Cross for the barest necessities of life. When it has been proposed to relieve some of this distress by taxing the wealth of the country, I have heard two Representatives of two great industrial States protest against having their wealth taxed for the purpose of feeding the paupers of other States. They can not see, or else they ignore the fact, that it is the exploitation of these sections in years past that has built the industrial wealth of the country. To leave them now without help would be like turning a horse that has outlived its usefulness into a bleak pasture in the middle of winter to die. Any farmer who did do this would be promptly arrested by the humane authorities.

BREAKDOWN OF GOVERNMENTAL POLICY

It is a rather singular thing that the American people are apparently unable to see that if we are to export Americanmade goods to foreign countries we must expect to permit those countries to pay for these goods by the importation

it is possible to convince the American people that their markets are being flooded by the importation of foreign goods, even though the figures show that in the last eight years there has been a decrease from four and a half billion dollars a year to one and one-third billion dollars a year, on the other hand, however, is a factor that is genuinely serious. Where our exports in 1925 amounted to approximately \$5,000,000,000, our exports last year amounted to only \$1,617,000,000. The American people can understand the significance of the importation of cheap foreign goods, but they do not understand that to a country whose industries are geared up to an export basis there is something far more serious that can be dumped upon our shores than cheap foreign goods, and that is a total inability of these countries to buy. Dumping their cheap foreign goods may compel our workingmen to work for reduced wages. But dumping their inability to purchase upon us causes millions of our working men to walk the streets looking

But perhaps it is unfair to criticize the American people when they are being constantly misled by politicians, newspapers, and industrialists who are seeking their own special advantage at the expense of the rest of the country.

But it becomes more difficult to understand how the Government of the United States, engaging the best counsel that can be procured, will embark upon a policy that is contradictory and self-destructive. I refer now to the policy of this Government during the past 12 years. After the Republican Party went into power 12 years ago the international bankers demanded the cooperation of the Government in helping them unload on the American investors huge quantities of foreign securities. The part played by the Government of the United States is well set forth in the Annual Report of the Department of Commerce for 1928, found on page 135:

A record-breaking volume of foreign stocks and bonds was offered to the American investing public last year. This partly explains the increased use made of the store of information on the finances of foreign governments and corporations that is on file in the bureau. American underwriters of foreign securities are now turning to the finance and investment division in constantly growing numbers for data to guide them in foreign commitments.

It will be noticed, therefore, that President Hoover, as Secretary of Commerce in 1928, took credit for helping the international bankers unload these securities upon an American investing public.

After he became President the industrialists of Pennsylvania and the East came to him and demanded their pay. They wanted increased tariffs. And as a result the Fordney-McCumber schedules of 28.22 per cent, were raised to approximately 45 per cent under the Smoot-Hawley law. It is rather significant that at this time more than 1,000 leading American economists filed a protest with the President of the United States setting forth the fact that an increase in tariffs could only result in world-wide disaster. That there must be a reduction in tariffs if a general world breakdown was to be avoided. But despite these facts the Smoot-Hawley bill was enacted into law.

This transaction is truly portentious. In the first place, the Government of the United States is apparently unable to resist the demands of organized corporate wealth.

Had either of the two immediate predecessors of our present President been in office, the situation might have been overlooked, for it is conceivable that they might not have understood the circumstances and have signed the Smoot-Hawley tariff bill without understanding its real import. This, however, can not be said of our present President, who is a man of ability and conversant with international affairs.

At the very time, however, that it becomes evident that the Government can not maintain a consistent governmental policy as against the demands of great corporate wealth, it also becomes equally apparent that the great interlocking combinations of corporate wealth, which controls the economic life of the Nation, are also apparently unable to maintain any unified and consistent policy.

In the present instance we see the great bankers unloading upon the American people billions of dollars of foreign securities which can never be paid if we are to embark upon a high protective-tariff policy and then we see the Government embarking on a tariff policy, the result of which will inevitably be to wipe out approximately \$25,000,000,000 of American capital invested abroad. This is equal to half of the value of our agricultural land of the United States. Such an amount of capital can not be wiped out without having the repercussion felt throughout our whole economic

As President Hoover signed the Smoot-Hawley tariff law. there must have come to his mind the words of Madame de Pompadour, mistress of Louis XV, "Après nous le déluge"after us the deluge.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as

To Mr. SUMMERS of Washington (at the request of Mr. JOHNSON of Washington), indefinitely, on account of illness.

To Mr. GLOVER, indefinitely, on account of illness.

To Mr. Lewis, for to-day, on account of illness.

INVESTIGATION OF CERTAIN PUBLIC-UTILITY CORPORATIONS

Mr. RAYBURN. Mr. Speaker, I send to the desk House Joint Resolution 572, to provide for further investigation of certain public-utility corporations engaged in interstate commerce and ask unanimous consent for its present consideration.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Clerk read the title of the House joint resolution.

Mr. STAFFORD. Mr. Speaker, as I understand from the prior statement of the gentleman from Texas the amount provided by this resolution will conclude the investigation which has been going on now for two years or more.

Mr. RAYBURN. Yes. Mr. STAFFORD. And is exigent because the gentleman wishes to have this work continued during the interim between the adjournment of this Congress and the convening of the special session.

Mr. RAYBURN. Yes.

Mr. SNELL. This is a continuance of an investigation that was authorized some time ago.

Mr. RAYBURN. Yes. It is needed to complete the investigation, and it is the hope that it will be completed in less than 10 months.

There being no objection, the Clerk read the House joint resolution, as follows:

Resolved, etc., That for the purpose of obtaining information necessary as a basis for legislation, those members of the Committee on Interstate and Foreign Commerce of the Seventy-second Congress who are Members elect to the Seventy-third Congress, or a majority of them, after March 4, 1933, and until the organization of the Committee on Interstate and Foreign Commerce of the House of the Seventy-third Congress are authorized, as a committee, by subcommittee or otherwise, to continue the investigation begun under authority of H. Res. 59 of the Seventy-second Congress.

SEC. 2. For such purposes the committee is authorized to select

a chairman, and the committee, or any subcommittee thereof, is authorized to sit and act at such times and places in the District authorized to sit and act at such times and places in the District of Columbia or elsewhere, to hold such hearings, to employ such experts and such clerical, stenographic, and other assistants, to require the attendance of such witnesses and the production of such books, papers, and documents, to take such testimony, to have such printing and binding done, and to make such expenditures as it deems necessary, and oaths or affirmations may be administered by any member of the committee.

SEC. 3. Subpænas shall be issued under the signature of the chairman and shall be served by any person designature by him.

SEC. 3. Suppenas shall be issued under the signature of the chairman and shall be served by any person designated by him. The provisions of sections 102, 103, and 104 of the Revised Statutes (U. S. C., title 2, secs. 192, 193, and 194) shall be applicable with respect to any person summoned as a witness under the authority of this resolution in the same manner as such provisions are applicable with respect to any person summoned as a witness in the case of an inquiry before a committee of the House of Representatives

House of Representatives.

SEC. 4. The expenses of the committee, not to exceed \$50,000, shall be paid out of the contingent fund of the House upon vouchers signed by the chairman and approved by the Committee on Accounts.

The House joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed; and a motion to reconsider laid on the table.

HOUR OF MEETING TO-MORROW

Mr. AYRES. Mr. Speaker, I ask unanimous consent that when the House adjourns to-day it adjourn to meet tomorrow at 11 o'clock.

Mr. STAFFORD. Mr. Speaker, reserving the right to object, may I inquire whether to-morrow is going to be given over largely to general debate on the Navy bill?

Mr. AYRES. I may say to the gentleman from Wisconsin that I expect practically the entire day will be consumed in general debate.

Mr. SNELL. I am quite sure general debate will occupy the entire day, for we have a great many requests for time. The SPEAKER. Is there objection to the request of the

gentleman from Kansas?

There was no objection.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and under the rule referred as follows:

S. 5122. An act to provide for the purchase and sale of cotton under the supervision of the Secretary of Agriculture; to the Committee on Agriculture.

S. 5125. An act to amend the emergency relief and construction act of 1932; to the Committee on Banking and Currency.

SENATE BILLS AND JOINT RESOLUTIONS SIGNED

The SPEAKER announced his signature to enrolled bills and joint resolutions of the Senate of the following titles:

S. 4065. An act authorizing the packing of oleomargarine and adulterated butter in tin and other suitable packages:

S. 4589. An act to authorize the Secretary of the Interior to make payment of part of the expenses incurred in securing improvements in drainage project of drainage district No. 1, Richardson County, Nebr., and for other purposes;

S. 4756. An act to authorize the Veterans' Administration or other Federal agencies to turn over to superintendents of the Indian Service amounts due Indians who are under legal disability, or to estates of such deceased Indians;

S. 5339. An act to authorize the Secretary of War to convey certain properties to the county of Arlington, State of Virginia, in order to connect Lee Boulevard with the Arlington Memorial Bridge, and for other purposes;

S. 5370. An act to extend the times for commencing and completing the construction of a bridge across the Missouri

River at or near Farnam Street, Omaha, Nebr.;

S. 5588. An act authorizing the acceptance of title to sites for public-building projects subject to the reservation of ore and mineral rights;

S. 5659. An act authorizing the State of Georgia to construct, maintain, and operate a toll bridge across the Savannah River at or near Lincolnton, Ga.;

S. J. Res. 237. Joint resolution authorizing the erection in the Department of State Building of a memorial to the American diplomatic and consular officers who, while on active duty, lost their lives under heroic or tragic circumstances: and

S. J. Res. 243. Joint resolution authorizing the President of the United States to extend a welcome to the Pan American Medical Association, which holds its convention in the United States in March, 1933.

ADJOURNMENT

Mr. AYRES. Mr. Speaker, I move that the House do now

The motion was agreed to; accordingly (at 5 o'clock and 15 minutes p. m.), in accordance with the order previously adopted, the House adjourned until to-morrow, February 22, 1933, at 11 o'clock a. m.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. COLLIER: Committee on Ways and Means. H. R. 14532. A bill to amend section 604 of the revenue act of 1932, relating to the tax on furs; without amendment (Rept. No. 2076). Referred to the Committee of the Whole House on the state of the Union.

Mr. GREEN: Joint Committee on the Disposition of Useless Executive Papers. A report on the disposition of useless papers in the War Department (Rept. No. 2077). Ordered to be printed.

Mr. GREEN: Joint Committee on the Disposition of Useless Executive Papers. A report on the disposition of useless papers in the Labor Department (Rept. No. 2078). Ordered to be printed.

Mr. GREEN: Joint Committee on the Disposition of Useless Executive Papers. A report on the disposition of useless papers in the Post Office Department (Rept. No. 2079). Ordered to be printed.

Mr. GREEN: Joint Committee on the Disposition of Useless Executive Papers. A report on the disposition of useless papers in the Department of Commerce (Rept. No. 2080). Ordered to be printed.

Mr. GREEN: Joint Committee on the Disposition of Useless Executive Papers. A report on the disposition of useless papers in the Administration of Veterans' Affairs (Rept. No. 2081). Ordered to be printed.

Mr. GILBERT: Committee on the Library. House Concurrent Resolution 23. A concurrent resolution authorizing the acceptance by the United States of a bust of Johann Wolfgang von Goethe; with amendment (Rept. No. 2083). Referred to the Committee of the Whole House on the state of the Union.

Mr. STEVENSON: Committee on Printing. House Concurrent Resolution 50. A concurrent resolution to authorize the printing of the first edition of the Congressional Directory of the first session of the Seventy-third Congress (Rept. No. 2084). Ordered to be printed.

Mr. STEVENSON: Committee on Printing. House Resolution 367. Resolution authorizing the printing of the Rules and Manual of the House of Representatives for the Seventy-third Congress (Rept. No. 2085). Ordered to be printed.

Mr. SIROVICH: Committee on Patents. H. R. 14727. A bill to provide protection for textiles and other designs; with amendment (Rept. No. 2086). Referred to the Committee of the Whole House on the state of the Union.

Mr. MEAD: Committee on the Post Office and Post Roads. A report pursuant to House Resolution 226, a resolution authorizing an investigation of the expenditures of the Post Office Department; without amendment (Rept. No. 2087). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. CHAVEZ: Committee on World War Veterans' Legislation. S. 4818. An act to authorize the transfer of certain lands in Bernalillo County, N. Mex., to the city of Albuquerque, N. Mex.; without amendment (Rept. No. 2082). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of Rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. JOHNSON of Missouri: A bill (H. R. 14740) proposing a 25 per cent reduction in the salaries of Members of the House of Representatives, Senators, Delegates, and Resident Commissioners; to the Committee on Expenditures in the Executive Departments.

By Mr. JEFFERS: A bill (H. R. 14741) to provide sick leave for certain civilian employees of the United States Government; to the Committee on the Civil Service.

By Mr. SINCLAIR: A bill (H. R. 14742) referring the claims of the Turtle Mountain Band or Bands of Chippewa Indians of North Dakota to the Court of Claims for adjudication and settlement; to the Committee on Indian Affairs.

By Mr. STALKER: A bill (H. R. 14743) to provide for the acquisition, improvement, equipment, management, operation, maintenance, and disposition of a civil air field and

any appurtenances, inclusive of repairs, lighting and communication systems, and all structures of any kind deemed necessary and useful in connection therewith; to the Committee on the District of Columbia.

By Mr. MILLIGAN: A bill (H. R. 14744) authorizing loans by the Reconstruction Finance Corporation to aid in refinancing obligations of drainage districts, levee districts, irrigation districts, and similar districts, and for other purposes; to the Committee on Banking and Currency.

By Mr. BYRNS: A bill (H. R. 14745) relating to the tenure of congressional members of the George Washington Bicentennial Commission; to the Committee on Rules.

By Mr. JONES: A bill (H. R. 14746) to create in the Department of Agriculture a division of agricultural loans, and for other purposes; to the Committee on Agriculture.

By Mr. STEAGALL: Resolution (H. Res. 392) for the consideration of H. R. 14689, a bill to provide for the post-ponement of the payment of installments due on loans made by the Federal land banks, and for other purposes; to the Committee on Rules.

By Mr. DICKSTEIN: Joint resolution (H. J. Res. 606) to provide for an investigation into the alleged activities of anarchists and to authorize a joint congressional committee to conduct such investigation; to the Committee on Rules.

By Mr. RAMSEYER: Joint resolution (H. J. Res. 608) proposing an amendment to the Constitution of the United States; to the Committee on Election of President, Vice President, and Representatives in Congress.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CANFIELD: A bill (H. R. 14747) granting a pension to Zack Pool; to the Committee on Invalid Pensions.

By Mr. GOSS: A bill (H. R. 14748) for the relief of Horace M. Case; to the Committee on Naval Affairs.

By Mr. UNDERWOOD: A bill (H. R. 14749) granting an increase of pension to Mary M. Devol; to the Committee on Invalid Pensions.

By Mr. WOOD of Indiana: A bill (H. R. 14750) granting an increase of pension to Frances Conley; to the Committee on Invalid Pensions.

Also, a bill (H. R. 14751) granting an increase of pension to Alice Upp; to the Committee on Invalid Pensions.

Also, a bill (H. R. 14752) granting an increase of pension to Hannah M. Puntenney; to the Committee on Invalid Pensions.

Also, a bill (H. R. 14753) granting an increase of pension to Esther J. Cornell; to the Committee on Invalid Pensions.

By Mr. GREEN: Joint resolution (H. J. Res. 607) to convey the thanks of Congress to Mrs. W. F. Cross for the prompt, heroic, and vigilant services rendered by her in protecting the life of President-elect Franklin D. Roosevelt, and to award a gold medal of honor therefor; to the Committee on Coinage, Weights, and Measures.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

10582. By Mr. BRUMM: Resolution adopted by the Robert Woodbury Post, No. 67, Department of Pennsylvania, American Legion, and submitted for the earnest and sympathetic consideration of the Congress of the United States; to the Committee on Ways and Means.

10583. By Mr. EVANS of Montana: Senate joint memorial of Montana's Twenty-third Legislative Assembly, memorializing the Congress of the United States for a grant of land for the use and benefit of the Northern Montana Agricultural and Manual Training School; to the Committee on the Public Lands.

10584. Also, Senate Joint Memorial No. 4, Montana's Twenty-third Legislative Assembly, memorializing the Congress of the United States for a more lenient settlement of the 1932 Federal seed loans; to the Committee on Agriculture.

10585. Also, Senate Joint Memorial No. 2, Montana's Twenty-third Legislative Assembly, urging the prompt enactment of legislation for the rehabilitation of the farm industry through the adoption of some form of the domestic allotment plan, the refinancing of farm mortgages, and such other measures as may be found necessary to place the farm industry upon approximately the same footing as other great industries of the United States; to the Committee on Agriculture.

10586. By Mr. HOOPER: Petition of citizens of Augusta, Mich., urging favorable action on the stop-alien-representation amendment; to the Committee on Immigration and Naturalization.

10587. By Mr. LAMNECK: Petition of the Woman's Home Missionary Society of Broad Street Methodist Episcopal Church, Columbus, Ohio, petitioning Congress to establish a Federal motion-picture commission and to enact Senate bill 1079 and Senate Resolution 170; to the Committee on Interstate and Foreign Commerce.

10588. Also, petition of the Columbus Motion Picture Council, Columbus, Ohio, urging the establishment of a Federal motion-picture commission and the early enactment of Senate bill 1079 and Senate Resolution 170; to the Committee on Interstate and Foreign Commerce.

10589. By Mr. LEAVITT: Memorial of the Montana State Legislature, memorializing the Congress of the United States for a more lenient settlement of the 1932 Federal seed loans; to the Committee on Agriculture.

10590. Also, petition of the Montana State Legislature to the Congress of the United States, urging the prompt enactment of legislation for the rehabilitation of the farm industry through the adoption of some form of the domestic allotment plan, the refinancing of farm mortgages, and such other measures as may be found necessary to place the farm industry on approximately the same footing as other great industries of the United States; to the Committee on Agriculture

10591. Also, petition of the Montana State Legislature, memorializing the Congress of the United States for a grant of land for the use and benefit of the Northern Montana Agricultural and Manual Training School; to the Committee on the Public Lands.

10592. By Mr. LINDSAY: Petition of Valdemar A. Miller, fourth appointed member of the Colonial Council of St. Thomas and St. John, Virgin Islands, urging that the administration of the islands be returned to the Navy Department; to the Committee on Insular Affairs.

10593. Also, petition of central planning and estimating section committee of the United States navy yard at New York, urging support of the Lankford provision in the appropriate section of the Navy supply bill; to the Committee on Appropriations.

10594. By Mr. MILLARD: Resolution adopted by the board of trustees of the village of Pleasantville, N. Y., protesting against the tax on State and municipality utilities; to the Committee on Ways and Means.

10595. By Mr. SMITH of West Virginia: Resolution of the Charleston Clearing House Association, of Charleston, W. Va., pertaining to the rate of interest on postal savings; to the Committee on the Post Office and Post Roads.

10596. Also, resolution of the Charleston Clearing House Association, Charleston, W. Va., opposing certain sections of Senate bill 4412, bearing the title "Banking act of 1933"; to the Committee on Banking and Currency.

10597. By Mr. STALKER: Petition of D. R. Morgan, secretary of Munger Class of Hedding Methodist Episcopal Church, Elmira, N. Y., and 70 members, opposing the return of beer and the repeal of the eighteenth amendment; to the Committee on Ways and Means.

10598. By Mr. TARVER: Petition of Cobb County Post, No. 2681, Veterans of Foreign Wars, of Marietta, Ga., urging inflation of the currency and the payment of adjusted-compensation certificates; to the Committee on Ways and Means.

10599. By Mr. YATES: Petition of Millie Thomas, 30 North Seventh Avenue; Dr. V. E. Boyd, 120 North Oak Park Ave-

nue; Ethel Lund, 3117 North Lotus Avenue; and other citizens of Maywood, Ill., urging passage of the Sparks-Capper amendment, House Joint Resolution 97; to the Committee on the Judiciary.

SENATE

WEDNESDAY, FEBRUARY 22, 1933

(Legislative day of Tuesday, February 21, 1933)

The Senate met at 11 o'clock a.m., on the expiration of the recess.

Mr. FESS. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Ashurst	Costigan	Kean	Schuvler
Austin	Couzens	Kendrick	Sheppard
Bailey	Cutting	King	Shipstead
Bankhead	Dale	La Follette	Shortridge
Barbour	Dickinson	Logan	Smith
Barkley	Dill	Long	Smoot
Bingham	Fess	McGill	Steiwer
Black	Fletcher	McKellar	Stephens
Blaine	Frazier	McNary	Swanson
Borah	George	Metcalf	Thomas, Idaho
Bratton	Glass	Moses	Thomas, Okla,
Brookhart	Glenn	Neely	Townsend
Broussard	Goldsborough	Norbeck	Trammell
Bulkley	Gore	Norris	Tydings
Bulow	Grammer	Nye	Vandenberg
Byrnes	Hale	Oddie	Wagner
Capper	Harrison	Patterson	Walcott
Caraway	Hastings	Pittman	Walsh, Mass.
Carey	Hatfield	Reed	Walsh, Mont.
Clark	Hayden	Reynolds	Watson
Connally	Hebert	Robinson, Ark.	Wheeler
Coolidge	Howell	Robinson, Ind.	White
Copeland	Johnson	Russell	Manufacture 1

The VICE PRESIDENT. Ninety-one Senators have answered to their names. A quorum is present. Under the general order of the Senate the Senator from Illinois [Mr. GLENN] will now read Washington's Farewell Address.

READING OF WASHINGTON'S FAREWELL ADDRESS

Mr. GLENN read the address, as follows:

To the people of the United States.

FRIENDS AND FELLOW-CITIZENS: The period for a new election of a Citizen to administer the Executive Government of the United States, being not far distant, and the time actually arrived, when your thoughts must be employed in designating the person, who is to be clothed with that important trust, it appears to me proper, especially as it may conduce to a more distinct expression of the public voice, that I should now apprise you of the resolution I have formed, to decline being considered among the number of those, out of whom a choice is to be made.

I beg you, at the same time, to do me the justice to be assured, that this resolution has not been taken, without a strict regard to all the considerations appertaining to the relation, which binds a dutiful citizen to his country—and that, in withdrawing the tender of service which silence in my situation might imply, I am influenced by no diminution of zeal for your future interest, no deficiency of grateful respect for your past kindness; but act under and supported by a full conviction that the step is compatible with both.

The acceptance of, and continuance hitherto in, the office to which your suffrages have twice called me, have been a uniform sacrifice of inclination to the opinion of duty, and to a deference for what appeared to be your desire. I constantly hoped, that it would have been much earlier in my power, consistently with motives, which I was not at liberty to disregard, to return to that retirement, from which I had been reluctantly drawn. The strength of my inclination to do this, previous to the last election, had even led to the preparation of an address to declare it to you; but mature reflection on the then perplexed and critical posture of our affairs with foreign Nations, and the unanimous advice of persons entitled to my confidence, impelled me to abandon the idea.

I rejoice that the state of your concerns, external as well as internal, no longer renders the pursuit of inclination incompatible with the sentiment of duty, or propriety; and am persuaded, whatever partiality may be retained for my services, that in the present circumstances of our country, you will not disapprove my determination to retire.

The impressions, with which I first undertook the arduous trust, were explained on the proper occasion. In the discharge of this trust, I will only say, that I have, with good intentions, contributed towards the organization and administration of the government, the best exertions of which a very fallible judgment was capable. Not unconscious, in the outset, of the inferiority of my qualifications, experience in my own eyes, perhaps still more in the eyes of others, has strengthened the motives to diffidence of myself; and every day the increasing weight of years admonishes me more and more, that the shade of retirement is as necessary to me as it will be welcome. Satisfied, that, if any circumstances have given peculiar value to my services, they were temporary, I have the consolation to believe, that, while choice and prudence invite me to quit the political scene, patriotism does not forbid it.

In looking forward to the moment, which is intended to terminate the career of my public life, my feelings do not permit me to suspend the deep acknowledgment of that debt of gratitude, which I owe to my beloved country, for the many honors it has conferred upon me; still more for the steadfast confidence with which it has supported me; and for the opportunities I have thence enjoyed of manifesting my inviolable attachment, by services faithful and persevering, though in usefulness unequal to my zeal. If benefits have resulted to our country from these services, let it always be remembered to your praise, and as an instructive example in our annals, that under circumstances in which the Passions agitated in every direction were liable to mislead, amidst appearances sometimes dubious, vicissitudes of fortune often discouraging, in situations in which not unfrequently want of success has countenanced the spirit of criticism, the constancy of your support was the essential prop of the efforts, and a guarantee of the plans by which they were effected. Profoundly penetrated with this idea, I shall carry it with me to the grave, as a strong incitement to unceasing vows that Heaven may continue to you the choicest tokens of its beneficence-that your union and brotherly affection may be perpetual—that the free constitution, which is the work of your hands, may be sacredly maintained—that its administration in every department may be stamped with wisdom and virtue—that, in fine, the happiness of the people of these States, under the auspices of liberty, may be made complete, by so careful a preservation and so prudent a use of this blessing as will acquire to them the glory of recommending it to the applause, the affection, and adoption of every nation which is yet a stranger to it.

Here, perhaps, I ought to stop. But a solicitude for your welfare, which cannot end but with my life, and the apprehension of danger, natural to that solicitude, urge me, on an occasion like the present, to offer to your solemn contemplation, and to recommend to your frequent review, some sentiments; which are the result of much reflection, of no inconsiderable observation and which appear to me all important to the permanency of your felicity as a People. These will be offered to you with the more freedom, as you can only see in them the disinterested warnings of a parting friend, who can possibly have no personal motive to bias his counsels. Nor can I forget, as an encouragement to it your indulgent reception of my sentiments on a former and not dissimilar occasion.

Interwoven as is the love of liberty with every ligament of your hearts, no recommendation of mine is necessary to fortify or confirm the attachment.

The Unity of Government which constitutes you one people, is also now dear to you. It is justly so; for it is a main Pillar in the Edifice of your real independence; the support of your tranquillity at home; your peace abroad; of your safety; of your prosperity in every shape; of that very Lib-

erty, which you so highly prize. But, as it is easy to foresee, that, from different causes, and from different quarters, much pains will be taken, many artifices employed, to weaken in your minds the conviction of this truth; as this is the point in your political fortress against which the batteries of internal and external enemies will be most constantly and actively (though often covertly and insidiously) directed, it is of infinite moment, that you should properly estimate the immense value of your national Union to your collective and individual happiness; that you should cherish a cordial, habitual, and immovable attachment to it; accustoming yourselves to think and speak of it as of the Palladium of your political safety and prosperity; watching for its preservation with jealous anxiety; discountenancing whatever may suggest even a suspicion that it can in any event be abandoned, and indignantly frowning upon the first dawning of every attempt to alienate any portion of our Country from the rest, or to enfeeble the sacred ties which now link together the various parts.

For this you have every inducement of sympathy and interest. Citizens by birth or choice of a common country, that country has a right to concentrate your affections. The name of American, which belongs to you, in your national capacity, must always exalt the just pride of Patriotism, more than any appellation derived from local discriminations. With slight shades of difference, you have the same Religion, Manners, Habits, and political Principles. You have in a common cause fought and triumphed together. The Independence and Liberty you possess are the work of joint counsels, and joint efforts—of common dangers, sufferings and successes.

But these considerations, however powerfully they address themselves to your sensibility, are greatly outweighed by those, which apply more immediately to your Interest. Here every portion of our country finds the most commanding motives for carefully guarding and preserving the Union of the whole.

The North in an unrestrained intercourse with the South, protected by the equal Laws of a common government, finds in the productions of the latter great additional resources of maritime and commercial enterprise-and precious materials of manufacturing industry. The South in the same intercourse, benefiting by the agency of the North, sees its agriculture grow and its commerce expand. Turning partly into its own channels the seamen of the North, it finds its particular navigation invigorated; and, while it contributes, in different ways, to nourish and increase the general mass of the national navigation, it looks forward to the protection of a maritime strength to which itself is unequally adapted. The East, in a like intercourse with the West, already finds, and in the progressive improvement of interior communications, by land and water, will more and more find, a valuable vent for the commodities which it brings from abroad, or manufactures at home. The West derives from the East supplies requisite to its growth and comfort, and what is perhaps of still greater consequence, it must of necessity owe the secure enjoyment of indispensable outlets for its own productions to the weight, influence, and the future maritime strength of the Atlantic side of the Union, directed by an indissoluble community of interest, as one Nation. Any other tenure by which the West can hold this essential advantage, whether derived from its own separate strength, or from an apostate and unnatural connection with any foreign Power, must be intrinsically precarious.

While then every part of our Country thus feels an immediate and particular interest in Union, all the parts combined in the united mass of means and efforts cannot fail to find greater strength, greater resource, proportionably greater security from external danger, a less frequent interruption of their Peace by foreign Nations; and, what is of inestimable value! they must derive from Union an exemption from those broils and wars between themselves, which so frequently afflict neighboring countries, not tied together by the same government; which their own rivalships alone would be sufficient to produce; but which opposite foreign

alliances, attachments, and intrigues would stimulate and embitter. Hence likewise they will avoid the necessity of those overgrown Military establishments, which under any form of government, are inauspicious to liberty, and which are to be regarded as particularly hostile to Republican Liberty: In this sense it is, that your Union ought to be considered as a main prop of your liberty, and that the love of the one ought to endear to you the preservation of the other.

These considerations speak a persuasive language to every reflecting and virtuous mind, and exhibit the continuance of the Union as a primary object of Patriotic desire. Is there a doubt, whether a common government can embrace so large a sphere? Let experience solve it. To listen to mere speculation in such a case were criminal. We are authorized to hope that a proper organization of the whole, with the auxiliary agency of governments for the respective subdivisions, will afford a happy issue to the experiment. "Tis well worth a fair and full experiment. With such powerful and obvious motives to Union, affecting all parts of our country while experience shall not have demonstrated its impracticability, there will always be reason to distrust the patriotism of those, who in any quarter may endeavor to weaken its bands.

In contemplating the causes which may disturb our Union, it occurs as matter of serious concern, that any ground should have been furnished for characterizing parties by Geographical discriminations-Northern and Southern-Atlantic and Western; whence designing men may endeavor to excite a belief, that there is a real difference of local interests and views. One of the expedients of Party to acquire influence, within particular districts, is to misrepresent the opinions and aims of other districts. You cannot shield yourselves too much against the jealousies and heart burnings which spring from these misrepresentations; they tend to render alien to each other those who ought to be bound together by fraternal affection. The inhabitants of our Western country have lately had a useful lesson on this head. They have seen, in the negotiation by the Executive, and in the unanimous ratification by the Senate, of the treaty with Spain, and in the universal satisfaction at that event, throughout the United States, a decisive proof how unfounded were the suspicions propagated among them of a policy in the General Government and in the Atlantic States unfriendly to their interests in regard to the Mississippi. They have been witnesses to the formation of two Treaties, that with Great Britain, and that with Spain, which secure to them every thing they could desire in respect to our Foreign Relations, towards confirming their prosperity. Will it not be their wisdom to rely for the preservation of these advantages on the Union by which they were procured? Will they not henceforth be deaf to those advisers, if such there are, who would sever them from their Brethren and connect them with Aliens?

To the efficacy and permanency of your Union, a Government for the whole is indispensable. No alliances however strict between the parts can be an adequate substitute. They must inevitably experience the infractions and interruptions which all alliances in all times have experienced. Sensible of this momentous truth, you have improved upon your first essay, by the adoption of a Constitution of Government, better calculated than your former for an intimate Union, and for the efficacious management of your common concerns. This government, the offspring of our own choice uninfluenced and unawed, adopted upon full investigation and mature deliberation, completely free in its principles, in the distribution of its powers, uniting security with energy, and containing within itself a provision for its own amendment, has a just claim to your confidence and your support. Respect for its authority, compliance with its Laws, acquiescence in its measures, are duties enjoined by the fundamental maxims of true Liberty. The basis of our political systems is the right of the people to make and to alter their Constitutions of Government. But the Constitution which at any time exists, 'till changed by an explicit and authen-

alliances, attachments, and intrigues would stimulate and | tic act of the whole People, is sacredly obligatory upon all. embitter. Hence likewise they will avoid the necessity of those overgrown Military establishments, which under any form of government, are inauspicious to liberty, and which ual to obey the established Government.

All obstructions to the execution of the Laws, all combinations and associations, under whatever plausible character, with the real design to direct, control, counteract, or awe the regular deliberation and action of the constituted authorities, are destructive of this fundamental principle, and of fatal tendency. They serve to organize faction, to give it an artificial and extraordinary force—to put in the place of the delegated will of the Nation, the will of a party; often a small but artful and enterprising minority of the community; and, according to the alternate triumphs of different parties, to make the public administration the mirror of the ill-concerted and incongruous projects of faction, rather than the organ of consistent and wholesome plans digested by common councils, and modified by mutual interests.

However combinations or associations of the above description may now and then answer popular ends, they are likely, in the course of time and things, to become potent engines, by which cunning, ambitious, and unprincipled men will be enabled to subvert the Power of the People and to usurp for themselves the reins of Government; destroying afterwards the very engines, which have lifted them to unjust dominion.

Towards the preservation of your Government and the permanency of your present happy state, it is requisite, not only that you steadily discountenance irregular oppositions to its acknowledged authority, but also that you resist with care the spirit of innovation upon its principles, however specious the pretexts. One method of assault may be to effect, in the forms of the Constitution, alterations which will impair the energy of the system, and thus to undermine what cannot be directly overthrown. In all the changes to which you may be invited, remember that time and habit are at least as necessary to fix the true character of Governments, as of other human institutions—that experience is the surest standard, by which to test the real tendency of the existing Constitution of a Country—that facility in changes upon the credit of mere hypothesis and opinoin exposes to perpetual change, from the endless variety of hypothesis and opinion; and remember, especially, that, for the efficient management of your common interests, in a country so extensive as ours, a Government of as much vigor as is consistent with the perfect security of Liberty is indispensable. Liberty itself will find in such a Government, with powers properly distributed and adjusted, its surest Guardian. It is, indeed, little else than a name, where the Government is too feeble to withstand the enterprises of faction, to confine each member of the society within the limits prescribed by the laws, and to maintain all in the secure and tranquil enjoyment of the rights of person and property.

I have already intimated to you the danger of Parties in the State, with particular reference to the founding of them on Geographical discriminations. Let me now take a more comprehensive view, and warn you in the most solemn manner against the baneful effects of the Spirit of Party, generally.

This Spirit, unfortunately, is inseparable from our nature, having its root in the strongest passions of the human mind. It exists under different shapes in all Governments, more or less stifled, controlled, or repressed; but, in those of the popular form, it is seen in its greatest rankness, and is truly their worst enemy.

The alternate domination of one faction over another, sharpened by the spirit of revenge natural to party dissension, which in different ages and countries has perpetrated the most horrid enormities, is itself a frightful despotism. But this leads at length to a more formal and permanent despotism. The disorders and miseries, which result, gradually incline the minds of men to seek security and repose in the absolute power of an Individual: and sooner or later the chief of some prevailing faction, more able or more

fortunate than his competitors, turns this disposition to the purposes of his own elevation, on the ruins of Public Liberty.

Without looking forward to an extremity of this kind (which nevertheless ought not to be entirely out of sight), the common and continual mischiefs of the spirit of Party are sufficient to make it the interest and duty of a wise people to discourage and restrain it.

It serves always to distract the Public Councils, and enfeeble the Public administration. It agitates the community with ill founded jealousies and false alarms, kindles the animosity of one part against another, foments occasionally riot and insurrection. It opens the doors to foreign influence and corruption, which find a facilitated access to the Government itself through the channels of party passion. Thus the policy and the will of one country, are subjected to the policy and will of another.

There is an opinion that parties in free countries are useful checks upon the Administration of the Government, and serve to keep alive the Spirit of Liberty. This within certain limits is probably true—and in Governments of a Monarchical cast, Patriotism may look with indulgence, if not with favor, upon the spirit of party. But in those of the popular character, in Governments purely elective, it is a spirit not to be encouraged. From their natural tendency, it is certain there will always be enough of that spirit for every salutary purpose, and there being constant danger of excess, the effort ought to be, by force of public opinion, to mitigate and assuage it. A fire not to be quenched; it demands a uniform vigilance to prevent its bursting into a flame, lest, instead of warming, it should consume.

It is important, likewise, that the habits of thinking in a free country should inspire caution in those entrusted with its administration, to confine themselves within their respective constitutional spheres; avoiding in the exercise of the powers of one department to encroach upon another. The spirit of encroachment tends to consolidate the powers of all the departments in one, and thus to create, whatever the form of government, a real despotism. A just estimate of that love of power, and proneness to abuse it, which predominates in the human heart, is sufficient to satisfy us of the truth of this position. The necessity of reciprocal checks in the exercise of political power, by dividing and distributing it into different depositories, and constituting each the Guardian of the Public Weal against invasions by the others, has been evinced by experiments ancient and modern; some of them in our country and under our own eyes. To preserve them must be as necessary as to institute them. If in the opinion of the People, the distribution or modification of the Constitutional powers be in any particular wrong, let it be corrected by an amendment in the way which the Constitution designates. But let there be no change by usurpation; for though this, in one instance, may be the instrument of good, it is the customary weapon by which free governments are destroyed. The precedent must always greatly overbalance in permanent evil any partial or transient benefit which the use can at any time yield.

Of all the dispositions and habits, which lead to political prosperity, Religion and morality are indispensable supports. In vain would that man claim the tribute of Patriotism, who should labor to subvert these great Pillars of human happiness, these firmest props of the duties of Men and Citizens. The mere Politician, equally with the pious man, ought to respect and to cherish them. A volume could not trace all their connections with private and public felicity. Let it simply be asked where is the security for property, for reputation, for life, if the sense of religious obligation desert the oaths which are the instruments of investigation in Courts of Justice? And let us with caution indulge the supposition, that morality can be maintained without religion. Whatever may be conceded to the influence of refined education on minds of peculiar structure—reason and experience both forbid us to expect, that national morality can prevail in exclusion of religious principle.

"T is substantially true, that virtue or mortality is a necessary spring of popular government. The rule indeed extends with more or less force to every species of Free Government."

ment. Who that is a sincere friend to it can look with indifference upon attempts to shake the foundation of the fabric?

Promote, then, as an object of primary importance, institutions for the general diffusion of knowledge. In proportion as the structure of a government gives force to public opinion, it is essential that public opinion should be enlightened.

As a very important source of strength and security, cherish public credit. One method of preserving it, is to use it as sparingly as possible: avoiding occasions of expense by cultivating peace, but remembering also that timely disbursements to prepare for danger frequently prevent much greater disbursements to repel it—avoiding likewise the accumulation of debt, not only by shunning occasions of expense, but by vigorous exertions, in time of Peace, to discharge the debts which unavoidable wars may have occasioned, not ungenerously throwing upon posterity the burden which we ourselves ought to bear. The execution of these maxims belongs to your Representatives, but it is necessary that public opinion should cooperate. To facilitate to them the performance of their duty, it is essential that you should practically bear in mind, that towards the payment of debts there must be Revenue—that to have Revenue there must be taxes—that no taxes can be devised which are not more or less inconvenient and unpleasant—that the intrinsic embarrassment inseparable from the selection of the proper objects (which is always a choice of difficulties) ought to be a decisive motive for a candid construction of the conduct of the Government in making it, and for a spirit of acquiescence in the measures for obtaining Revenue which the public exigencies may at any time dictate.

Observe good faith and justice towards all Nations. Cultivate peace and harmony with all. Religion and Morality enjoin this conduct; and can it be that good policy does not equally enjoin it? It will be worthy of a free, enlightened, and, at no distant period, a great nation, to give to mankind the magnanimous and too novel example of a People always guided by an exalted justice and benevolence. Who can doubt but that in the course of time and things, the fruits of such a plan would richly repay any temporary advantages, which might be lost by a steady adherence to it? Can it be that Providence has not connected the permanent felicity of a Nation with its virtue? The experiment, at least, is recommended by every sentiment which ennobles human nature. Alas! is it rendered impossible by its vices?

In the execution of such a plan nothing is more essential than that permanent, inveterate antipathies against particular nations and passionate attachments for others should be excluded; and that in place of them just and amicable feeling towards all should be cultivated. The Nation, which indulges towards another an habitual hatred or an habitual fondness, is in some degree a slave. It is a slave to its animosity or to its affection, either of which is sufficient to lead it astray from its duty and its interest. Antipathy in one nation against another disposes each more readily to offer insult and injury, to lay hold of slight causes of umbrage, and to be haughty and intractable, when accidental or trifling occasions of dispute occur. Hence, frequent collisions, obstinate, envenomed and bloody contests. The Nation promoted by ill-will and resentment, sometimes impels to War the Government, contrary to the best calculations of policy. The Government sometimes participates in the national propensity, and adopts through passion what reason would reject; at other times, it makes the animosity of the Nation subservient to projects of hostility, instigated by pride, ambition, and other sinister and pernicious motives. The peace often, sometimes perhaps the Liberty, of Nations, has been the victim.

So likewise a passionate attachment of one Nation for another produces a variety of evils. Sympathy for the favorite nation, facilitating the illusion of an imaginary common interest in cases where no real common interest exists, and infusing into one the enmities of the other, betrays the former into a participation in the quarrels and wars of the latter, without adequate inducement or justi-

fication: It leads also to concessions to the favorite Nation of privileges denied to others, which is apt doubly to injure the Nation making the concessions; by unnecessarily parting with what ought to have been retained, and by exciting jealousy, ill-will, and a disposition to retaliate, in the parties from whom equal privileges are withheld; and it gives to ambitious, corrupted, or deluded citizens (who devote themselves to the favorite Nation) facility to betray, or sacrifice the interests of their own country, without odium, sometimes even with popularity: gilding with the appearances of a virtuous sense of obligation, a commendable deference for public opinion, or a laudable zeal for public good, the base or foolish compliances of ambition, corruption or infatuation.

As avenues to foreign influence in innumerable ways, such attachments are particularly alarming to the truly enlightened and independent Patriot. How many opportunities do they afford to tamper with domestic factions, to practice the arts of seduction, to mislead public opinion, to influence or awe the public councils! Such an attachment of a small or weak, towards a great and powerful nation, dooms the former to be the satellite of the latter.

Against the insidious wiles of foreign influence, I conjure you to believe me, fellow-citizens, the jealousy of a free people ought to be constantly awake, since history and experience prove that foreign influence is one of the most baneful foes of republican Government. But that jealousy, to be useful, must be impartial; else it becomes the instrument of the very influence to be avoided, instead of a defense against it. Excessive partiality for one foreign nation and excessive dislike of another, cause those whom they actuate to see danger only on one side, and serve to veil and even second the arts of influence on the other. Real Patriots, who may resist the intrigues of the favorite, are liable to become suspected and odious; while its tools and dupes usurp the applause and confidence of the people, to surrender their interests.

The great rule of conduct for us, in regard to foreign Nations, is, in extending our commercial relations, to have with them as little Political connection as possible. So far as we have already formed engagements, let them be fulfilled with perfect good faith. Here let us stop.

Europe has a set of primary interests, which to us have none, or a very remote relation. Hence, she must be engaged in frequent controversies, the causes of which are essentially foreign to our concerns. Hence therefore it must be unwise in us to implicate ourselves, by artificial ties, in the ordinary vicissitudes of her politics, or the ordinary combinations and collisions of her friendships or enmities.

Our detached and distant situation invites and enables us to pursue a different course. If we remain one People, under an efficient government, the period is not far off, when we may defy material injury from external annoyance; when we may take such an attitude as will cause the neutrality we may at any time resolve upon to be scrupulously respected. When beligerent nations, under the impossibility of making acquisitions upon us, will not lightly hazard the giving us provocation when we may choose peace or war, as our interest guided by justice shall counsel.

Why forego the advantages of so peculiar a situation? Why quit our own to stand upon foreign ground? Why, by interweaving our destiny with that of any part of Europe, entangle our peace and prosperity in the toils of European ambition, rivalship, interest, humor, or caprice?

"T is our true policy to steer clear of permanent alliances with any portion of the foreign world; so far, I mean, as we are now at liberty to do it—for let me not be understood as capable of patronizing infidelity to existing engagements (I hold the maxim no less applicable to public than to private affairs, that honesty is always the best policy). I repeat therefore let those engagements be observed in their genuine sense. But in my opinion it is unnecessary and would be unwise to extend them.

Taking care always to keep ourselves, by suitable establishments, on a respectably defensive posture, we may safely trust to temporary alliances for extraordinary emergencies.

Harmony, liberal intercourse with all nations, are recommended by policy, humanity, and interest. But even our commercial policy should hold an equal and impartial hand: neither seeking nor granting exclusive favors or preferences; consulting the natural course of things; diffusing and diversifying by gentle means the streams of commerce, but forcing nothing; establishing with Powers so disposed-in order to give trade a stable course, to define the rights of our Merchants, and to enable the Government to support them-conventional rules of intercourse, the best that present circumstances and mutual opinion will permit; but temporary, and liable to be from time to time abandoned or varied, as experience and circumstances shall dictate; constantly keeping in view that 't is folly in one nation to look for disinterested favors from another, that it must pay with a portion of its independence for whatever it may accept under that character—that by such acceptance, it may place itself in the condition of having given equivalents for nominal favors and yet of being reproached with ingratitude for not giving more. There can be no greater error than to expect, or calculate upon real favors from Nation to Nation. 'T is an illusion which experience must cure, which a just pride ought to discard.

In offering to you, my Countrymen, these counsels of an old and affectionate friend, I dare not hope they will make the strong and lasting impression, I could wish, that they will control the usual current of the passions, or prevent our Nation from running the course which has hitherto marked the destiny of Nations. But if I may even flatter myself, that they may be productive of some partial benefit; some occasional good; that they may now and then recur to moderate the fury of party spirit, to warn against the mischiefs of foreign intrigue, to guard against the impostures of pretended patriotism; this hope will be a full recompense for the solicitude for your welfare, by which they have been dictated.

How far in the discharge of my official duties, I have been guided by the principles which have been delineated, the public Records and other evidences of my conduct must witness to You and to the world. To myself the assurance of my own conscience is, that I have at least believed myself to be guided by them.

In relation to the still subsisting War in Europe, my Proclamation of the 22d of April 1793 is the index to my plan. Sanctioned by your approving voice and by that of Your representatives in both Houses of Congress, the spirit of that measure has continually governed me: uninfluenced by any attempts to deter or divert me from it.

After deliberate examination with the aid of the best lights I could obtain, I was well satisfied that our country, under all the circumstances of the case, had a right to take, and was bound in duty and interest, to take a Neutral position. Having taken it, I determined, as far as should depend upon me, to maintain it, with moderation, perseverance, and firmness.

The considerations which respect the right to hold this conduct, it is not necessary on this occasion to detail. I will only observe, that, according to my understanding of the matter, that right, so far from being denied by any of the Belligerent Powers, has been virtually admitted by all.

The duty of holding a neutral conduct may be inferred, without anything more, from the obligation which justice and humanity impose on every Nation, in cases in which it is free to act, to maintain inviolate the relations of Peace and Amity towards other Nations.

The inducements of interest for observing that conduct will best be referred to your own reflections and experience. With me, a predominant motive has been to endeavor to gain time to our country to settle and mature its yet recent institutions, and to progress without interruption to that degree of strength and consistency, which is necessary to give it, humanly speaking, the command of its own fortune.

Though, in reviewing the incidents of my Administration, I am unconscious of intentional error—I am nevertheless too sensible of my defects not to think it probable that I may have committed many errors. Whatever they may be, I

fervently beseech the Almighty to avert or mitigate the evils to which they may tend. I shall also carry with me the hope that my country will never cease to view them with indulgence; and that after forty-five years of my life dedicated to its service, with an upright zeal, the faults of incompetent abilities will be consigned to oblivion, as myself must soon be to the mansions of rest.

Relying on its kindness in this as in other things, and actuated by that fervent love towards it, which is so natural to a man, who views in it the native soil of himself and his progenitors for several generations; I anticipate with pleasing expectation that retreat, in which I promise myself to realize, without alloy, the sweet enjoyment of partaking, in the midst of my fellow-citizens, the benign influence of good Laws under a free Government, the ever favorite object of my heart, and the happy reward, as I trust, of our mutual cares, labors, and dangers.

GEO. WASHINGTON.

UNITED STATES, September 19th, 1796.

TRIBUTE TO GEORGE WASHINGTON

Mr. SHORTRIDGE. Mr. President, all the resources of lofty and loving eloquence have been exhausted in vain attempts to portray the rounded greatness and the genius for war and government of George Washington. Oratory has paid its tribute to his civic virtues. Poetry has laid its immortal wreath upon his brow. Scholarship has sought to sound the depths of his practical wisdom. Patriotism has striven to express its admiration, its gratitude, and its love for the character, the services, and the legacy of George Washington.

His fame increases; it grows with the flight of years. A century and more have come and gone since he closed his eyes in eternal sleep; but he lives—lives in the Government he founded, lives in the principles he enunciated, lives "first in the hearts of his countrymen" that beat with unutterable emotion at the mention of his sacred name.

As military leader, history—the disinterested, the dispassionate judgment of men—has fixed his place. Alexander, Hannibal, Cæsar, Napoleon, Wellington—each has his champions, some their idolaters; but, all things considered—the times, the places, the circumstances, the mighty opposing foe, the small resources, difficulties overcome, dangers removed, victory achieved—thus measured, Washington takes his rightful place at the very head of military genius, and there he will remain forever.

I need not dwell on his military life and achievements. Senators know them by heart—from Boston to Yorktown—and I would hasten to consider Washington other than as a soldier. But with our minds fixed for a moment on the tragedy and triumph of battle, there is one continuing fact which patriotism loves to mention, and may be pardoned for mentioning, at any time, on any occasion, and that glorious fact is that the flag of our country, first lifted to heaven by Washington, has been carried in victory from the days of the Revolution to this very hour, never knowing defeat and blessing alike the victor and the vanquished.

Not only in the camp, but elsewhere Washington wrought great deeds and made himself immortal. The battle fought, the victory won, independence acknowledged, the thirteen Colonies recognized as free, then came the greater task and the greater problem—the task of perpetuating liberty under law, the problem of establishing and maintaining constitutional government. Victory was ours, freedom was ours, but the Colonies took their place among the nations of the earth under a form of government which gave promise of neither permanence hor security. It is easier to gain liberty than to maintain it; it is easier to win a battle than to found a state. To use the thoughtful and beautiful words of Charles Sumner—

Gaining liberty is not an end, but a means only; a means of securing justice and happiness, the real end and aim of states, as of every human heart.

The thirteen Colonies were, in fact, one people, and in their international relations one nation. But in other respects, in

an interstate constitutional sense, they were so many separate sovereignties.

The Articles of Confederation-under which the colonists waged successful war when their indignation was aroused, and patriotism ran high, and there was generous rivalry as to which should perform the greatest service, make the greatest sacrifice for the common cause-were soon found to be utterly inadequate in times of peace. The Articles of Confederation were borne of imminent danger and pressing necessity for joint action. They were prepared by a committee of the Continental Congress, then sitting in Philadelphia, and reported to that body on July 12, 1776. Amended and debated and temporarily laid aside, it was not until November 15, 1777, that they were agreed to and thereupon transmitted to the legislatures of the States for ratification. One by one the several "free, sovereign, and independent States" formally ratified these articles, and the cannon in the yard of Independence Hall announced to the world the "glorious compact" on March 1, 1781. It was indeed a glorious compact, and gloriously did our fathers triumph under it.

The treaty of peace with Great Britain was signed at Paris on September 3, 1783. The military duties of Washington were performed. His country was free. In New York on December 4, 1783, he bade farewell to his officers and repaired to Annapolis, where Congress was then sitting, to return his commission as Commander in Chief. This he did on Tuesday, December 23, and in so doing used these memorable words:

Having now finished the work assigned me, I retire from the great theater of action, and bidding an affectionate farewell to this august body, under whose orders I have so long acted, I here offer my commission and take my leave of all the employments of public life.

Washington retired to his home at Mount Vernon—now a shrine to which his countrymen and lovers of liberty make pilgrimage—in the fond expectation of spending the remainder of his days in domestic tranquillity and peace.

War brought liberty; victory was followed by peace; but liberty was not enough; peace was not enough. The condition of the country was deplorable. The Nation had incurred an indebtedness of over forty millions of dollars—a small sum now, a colossal amount then; the several States were largely indebted. Congress could not raise money by way of internal tax or by a tariff on imports; to borrow money was almost impossible, for how could Congress guarantee payment? The Government's credit at home and abroad was ruined. Congress recommended, but could not enforce its recommendations. The States quarreled; controversies over interstate trade sprung up; conflicting laws as to foreign commerce were enacted; and the discouraging and disheartening fact was that Congress confessedly was powerless to remedy these many and increasing evils.

We had assumed international relations but were unable to carry out our international obligations. We were fast forfeiting the respect of the world, as Congress was losing the respect of the people. The very limited delegation of powers to Congress did not include the elemental power of enacting laws of an essentially national character, binding on all the States. The country was drifting, nay more, it was rushing into internecine strife. Were we a Nation? Was the Republic a success?

A few thoughtful, observant men saw and realized and feared all this and were brave and frank enough to express their views. It was at this critical period of our history, when self-government was rapidly falling into discredit and the young Republic was heading toward disaster, that Washington rendered incalculable service to his country and to mankind. From his retirement at Mount Vernon he saw the danger. He saw that the precious fruits of the revolutionary struggle were in peril and that to save and perpetuate them there must be a change in the form of government. The Confederation was called by him a "half-starved, limping government, always moving upon crutches and tottering at every step. It is clear to me as A B C," he said,

"that an extension of Federal powers would make us one of the most happy, wealthy, respectable, and powerful nations that ever inhabited the terrestrial globe. Without this, we shall soon be everything which is the direct reverse."

Other great men shared in these views. Hamilton, Madison, Franklin, Pinckney, Monroe recognized the situation; they saw the distressing condition of affairs and were active in directing and molding public opinion in the direction of a "more perfect Union."

I do not forget or undervalue their great services, but I think it just to say that Washington led in the movement which happily resulted in the formation and ratification of the Constitution under which we have lived a hundred years and more and grown to be what we are and what the Father of his Country predicted we would become—"One of the most happy, wealthy, respectable, and powerful nations that ever inhabited the terrestrial globe."

Of course, we are familiar with the steps taken to reform, recast, reframe the Government. It will be recalled that upon motion of Madison, of Virginia—and it gives me pleasure to digress to say that the State of Virginia has produced many great men, some of whom are Members of the Senate to-day—it was upon the motion of Madison, of Virginia, that the Virginia Assembly passed a resolution calling for a meeting of commissioners from all the States at Annapolis yonder in September, 1786. It will be remembered that this meeting, made up of commissioners of but five of the States, prepared an address urging the necessity and suggesting a method for forming a stronger and better government, for we were then operating under the old Articles of Confederation. Nor will it be forgotten that this historic address was written by Alexander Hamilton.

Public interest was awakened, the work of the Annapolis meeting was laid before the Congress, and that body passed a resolution calling for a convention-note this, Mr. President-"for the sole and express purpose of revising the Articles of Confederation." Such a convention assembled in Philadelphia on the 25th day of May, 1787, and, judged by its work and its effect on liberty under law, it was the most important convention that ever met, as is appreciated by Members of the Senate whose scholarly minds run over the history of the world and recall the various conventions which have met. I emphasize that the Philadelphia convention met to "revise" the Articles of Confederation, to repair a falling structure; but, with a practical wisdom which has elicited the admiration of the world, it erected a new fabric of government—the Constitution under which we live, and to which we owe whatever makes us proud of our country, or great or respected among the nations of the earth

However much the world may praise Washington for his military achievements, whatever of imperishable luster his genius shed upon our arms, he rendered a greater and more valuable service to liberty when as presiding officer he guided and controlled in large measure the deliberations of that convention. But for his conservative views and conciliating nature, but for the confidence the delegates had in his spotless integrity and self-denying patriotism, but for his calmness and coolness and patience, his proved devotion to his country, his practical wisdom and his consequent influence over the minds and hearts of his associates, we now know that the convention would have dissolved in strife and broken up in quarrel, and that the attempt to form a "more perfect union" would have ended in lamentable failure. Debate was animated, interests clashed, jealousies existed, and rivalry contended, and all to such an extent that at times the convention was "scarce held together by the strength of a hair"; but through those four months of doubt and fear Washington sat patient, forbearing, and by the very force of moral grandeur allayed passion and molded antagonisms into harmony.

The convention over, the new Constitution transmitted to the Continental Congress to be submitted to the several States for ratification, Washington returned to his beloved Mount Vernon, there to remain until again called to the service of his country.

Mr. President, do not for a moment suppose that all men believed in the new Constitution. Elbridge Gerry, Edmund Randolph, and George Mason, members of the convention, had refused to approve it, and 12 others had retired from the convention before its labors were finished. Violent opposition to it sprang up throughout the country. There was intense excitement, and supporters of the great charter of constitutional government felt the most anxious solicitude as to its fate. That instrument—the Constitution—was denounced as the "stepping-stone to tyranny," and as "consolidated tyranny," "inimical to the liberties of a free people."

To the youth of to-day, as they read briefly their school histories, it is, perhaps, not known that chief among the opponents of the Constitution stood Patrick Henry, who, though elected a member, had refused to attend or participate in the work of the Philadelphia convention. Patrick Henry, great orator, great patriot, whose love of liberty was unbounded and unquestioned, whose genius had moved the House of Burgesses to resistance, and whose lofty and fearless appeals had stirred their hearts as they move ours to-day, opposed the new Constitution with all his power and all his might. Nor could he be reconciled, even with the tacit, if not authoritative, promise that immediately upon its ratification it should be radically amended, as we know it was amended, the first 10 amendments being immediately added to the original Constitution. Everywhere the civic battle raged. Hamilton, Madison, Jay, Marshall championed the new form of government. The storm gathered and centered in Virginia; upon her action turned the fate of the "more perfect Union." Out from Mount Vernon went a mighty influence—the influence of Washington. For the first time Virginia refused to follow her beloved Patrick Henry; the victory was won.

How shall we express our gratitude to Washington? As without his genius our battle for independence would probably have been lost, as without his counsel the Philadelphia convention never would have agreed upon the Constitution, so without his influence that great instrument of government never would have been ratified by the people. To him more than to any other man we owe the formation of our present Union; without him there would have been no common country to live for or to die for; without him the flag of our hearts and hopes, the flag of unnumbered heroes whose blood has sanctified it—without Washington the flag of this Republic would not be known and respected on every wave, honored and saluted in every port, the symbol of our power, the emblem of liberty enlightening the world.

To Washington we owe the great blessings of the present American Republic. My words, Mr. President, will be forgotten; but I trust in God that this and succeeding generations will follow the advice of Washington and keep out of the entanglements of Europe; that they will have no permanent entangling alliances with European or other nations, but will stand on American soil, on this continent as a free, sovereign, independent, and just Republic, hating no nation, coveting the possessions of no nation, conspiring against no nation. This was the policy of Washington. This should be our policy.

The nations to-day are in a state of anarchy. If there could rise some man, if there could be spoken some word which would induce the so-called civilized nations of the earth to abandon the idea of future enlargement of territory, and to be content with living on their own soil, cultivating the arts of peace; if some great, mighty voice could arrest the attention of the diplomats, the ambassadors, the kings, the queens, the presidents of the earth and persuade them to have done with war, to have done with mighty armies and mighty navies and live in peace, then we could look forward with greater confidence to the survival, the advancement of what we are pleased to call civilization.

Civilization! It does not consist in material things. It consists in spiritual things—in right, in justice, in freedom, in mercy, in charity, in love. Those divine things make up civilization; not mighty armies, not mighty navies.

Yes; the civic battle was won. Washington was at Mount Vernon. The Constitution having been adopted, the hearts of the people called on him to take charge, to guide the new Nation. Surrounded by Hamilton and Jefferson, by Randolph and Knox, Washington launched this Government upon the untried, uncharted waters, and for eight years directed its course. He was confronted with greater problems than distress us to-day. He encountered greater dangers than surround us. But he resolutely and wisely, in the face of clamor and unmeasured invective—think of it; think of it—in the face and in spite of invective and abuse and ridicule, he held his country on a certain course, and, as you heard read to-day, advised his country to keep out of foreign entanglements. I trust that this and future generations in America will pay heed to the solemn advice of Washington in respect to our relations with foreign countries.

Mr. President, Washington stood, and stands to-day, for constitutional liberty, for regulated liberty, for liberty under "salutary restraint," for liberty under law. He stood, and stands, for regulated liberty under constitutional protections. He knew and taught that without these restraints, these checks, these safeguards, these balances, liberty degenerates into license worse than slavery, into anarchy worse than despotism. Against license, with all its suicidal tendencies, he uttered his warning; against anarchy, in all its frightful and hideous forms, he voiced his protest.

The Nation's power and glory do not altogether depend upon the triumph of its arms; they rest upon the righteousness of its people and the quality of justice which it metes out to all men. The liberty for which Washington stood was the liberty of equality—absolute equality of public burdens, absolute equality of public duty. He believed in a republic of law, a government of order, wherein and whereunder all men should be protected and secure in "life, liberty, and the pursuit of happiness."

Mr. President, Washington and his compatriots were not mere theorists. They were practical men who knew that the liberty they had achieved could only be secured by a government strong enough to protect every man entitled to its care. They strove to embody in constitutional form, and thereby perpetuate, the principles for which they had fought: and their work was one of lofty and disinterested patriotism, marked by concession and compromise. They, the men of New England and Georgia; they, the men of New York and Virginia-Benjamin Franklin, Luther Martin, Rufus King, Robert Morris, and others no less worthy of remembrance-were men who knew their rights, and, "knowing, dared maintain." They had been educated in the English common law and were familiar with history and government; and after a hundred or more years of trialyears of stress and strain, of internal dangers and foreign menace-how true it is to say that they "builded better than they knew "!

I must not detain the Senate longer; but, perhaps, you will suffer me to add just a few words.

Does your love, does our love, body forth an imaginary being? Was there such a man as Washington? Do we overstate it? Does our love betray us into extravagant speech?

Some years ago I happened to be in the great city of Chicago. Walking down State Street, I came to a bookstore. Entering, I saw a table covered with secondhand books. Looking, I saw one, The Speeches of Henry Grattan, Ireland's great orator and patriot. Opening it, there was the bookmark of Ireland's immortal orator, Daniel O'Connell! I have that book now, and would not part with it.

Turning to another book, lo, I saw the Speeches of Charles Phillips—Charles Phillips, another of Ireland's great orators. I pause to say, having in mind Burke and Grattan and Plunket and Curran and O'Connell himself, and the martyr, Robert Emmet—having them all in mind, I say that Ireland has produced no greater orator than Charles Phillips. Opening the volume I was attracted to a speech which he delivered at a dinner given to a young American. In that speech this great Irish orator, over a hundred years ago, paid this eloquent tribute to the Father of our Country:

It matters very little what immediate spot may be the birthplace of such a man as Washington. No people can claim, no country can appropriate him; the boon of Providence to the

human race, his fame is eternity, and his residence creation. Though it was the defeat of our arms, and the disgrace of our policy, I almost bless the convulsion in which he had his origin. If the heavens thundered and the earth rocked, yet, when the storm passed, how pure was the climate that it cleared; how bright in the brow of the firmament was the planet which it revealed to us! In the production of Washington it does really appear as if nature was endeavoring to improve upon herself, and that all the virtues of the ancient world were but so many studies preparatory to the patriot of the new. Individual instances no doubt there were; splendid exemplifications of some single qualification; Cæsar was merciful, Scipio was continent, Hannibal was patient; but it was reserved for Washington to blend them all in one, and like the lovely chef d'oeuvre of the Grecian artist, to exhibit in one glow of associated beauty the pride of every model, and the perfection of every master. As a general he marshalled the peasant into a veteran, and supplied by discipline the absence of experience; as a statesman he enlarged the policy of the cabinet into the most comprehensive system of general advantage; and such was the wisdom of his views, and the philosophy of his counsels, that to the soldier and the statesman he almost added the character of the sage! A conqueror, he was untainted with the crime of blood; a revolutionist, he was free from any stain of treason; for aggression commenced the contest, and his country called him to the command. Liberty unsheathed his sword, necessity stained, victory returned it. If he had paused here, history might have doubted what station to assign him, whether at the head of her citizens or her soldiers, her heroes or her patriots. But the last glorious act crowns his career and banishes all hesitation. Who, like Washington, after having emancipated an hemisphere, resigned its crown, and preferred the retirement of domestic life to the adoration of a land he might be almost said to have

How shall we rank thee upon glory's page, Thou more than soldier and just less than sage; All thou hast been reflects less fame on thee, Far less than all thou hast forborne to be!

Such, sir, is the testimony of one not to be accused of partiality in his estimate of America. Happy, proud America! The lightnings of heaven yielded to your philosophy! The temptations of earth could not seduce your partiotism!

And now listen to the calm words of our own Chief Justice John Marshall:

This hero, the patriot, and the sage of America, the man on whom in times of danger every eye was turned and all hopes placed, lives now only in his own great actions.

What more need be said? As a fixed star in the firmament of freedom, Washington shines on, fadeless to eternity,

Nothing can cover his high fame but heaven; No pyramids set off his memories, But the eternal substance of his greatness, To which I leave him.

GEORGE WASHINGTON BICENTENNIAL COMMISSION (S. DOC. 188)

Mr. FESS. Mr. President, the last meeting of the Bicentennial Commission was held last Monday, at which time the commission received a report from the executive committee, which was made the preliminary report of the commission, to be transmitted to Congress. I shall take only a moment in submitting the report.

The executive committee set forth the reason why the commission could not end immediately. It will have to continue its work for probably nine months more, although no additional amount of money will be needed. No appropriation will be asked for. In other words, there is sufficient money in the hands of the commission, or available until expended, to make it unnecessary to ask for further money.

Mr. President, I do not want to take the time of the Senate to indicate the activities of the commission. I do, however, think it wise to submit a digest of its report to the commission made by the director, Mr. Sol Bloom. I therefore ask unanimous consent as vice chairman of the commission to report for the United States George Washington Bicentennial Commission, established by Senate Joint Resolution 85, approved December 2, 1924, the activities of the commission for the last 18 months, and, if in order, would like to have the report follow the address on George Washington delivered by the Senator from California [Mr. Shortrider]. I would also like to have the digest submitted by the director, Mr. Bloom, indicating the breadth of the work, printed and printed in the Record.

There being no objection, the report and digest were ordered to be printed, and printed in the RECORD.

The matter referred to is as follows:

At the last meeting of the executive committee on January 10, 1933, the committee authorized the director to proceed with the

preparation and completion of material embracing all phases of the commission's activities preliminary to and including the bi-

centennial year. It is estimated that this material will be embraced within about 12 large volumes. There will be a Literary Series in 3 volumes, one of which already is complete; 2 volumes covering Foreign Participation, 3 volumes on Activities, 2 volumes on Music, 1 on the Wakefield Masque, in Braille, and such number of other volumes as will accommodate State Programs.

of other volumes as will accommodate State Programs.

In view, therefore, of this proposed comprehensive compendium of literature covering every phase of the bicentennial celebration, which in itself will constitute memorabilia of George Washington and a veritable library of Washingtoniana to which students may recur in the future, it is deemed unnecessary by your committee in this report to do more than epitomize certain prominent features divested of the details which will be set forth fully in the literature referred to. This literature of the directors and in the literature referred to. This literature report of the director and in the literature referred to. This literature will be preserved in the Library of Congress and in the Hall

of Archives.

The joint resolution of Congress establishing the George Washington Bicentennial Commission provided that the commission shall expire within two years after the expiration of the celebration, December 31, 1933. That much time will not be necessary in which to close the work of the commission; but the essential work yet to be done, including final rendition of accounts, will be completed, it is thought, with the aid of a small force by the end of the present year. It is desirable to terminate the commission's activities as soon as possible, and they will be terminated expeditiously, but not at the sacrifice of orderly procedure. Much is yet to be done for the sake of the enduring and constructive record of a celebration which was unique in its scope and purpose and unparalleled in its extent and duration. Its influence for good upon the younger and upon the future generations is record of a celebration which was unique in its scope and purpose and unparalleled in its extent and duration. Its influence for good upon the younger and upon the future generations is incalculable, imponderable. It may be said in truth and in fact that hereafter the student of the life and character of George Washington will find it unnecessary to go back of the year 1932 for accurate and authentic information. In the publications, in the reproductions, and in the data assembled through painstaking research and subjected to minute scrutiny, care has been exercised by those charged by the commission with this important duty to exclude all things of an apochryphal nature.

The executive committee, to which was committed by the commission at the outset the duty of formulating a plan or plans of celebration, kept constantly in mind that the proposed celebration was to be one in which every American citizen and every organization should participate and have some part, leaving details largely to be arranged and perfected by State commissions acting in conjunction and with the approval of the United States commission. Through these agencies and throughout the bicentennial year on every day in that year all over the world some form of commemoration was observed.

The committee has also borne in mind that the celebration was

The committee has also borne in mind that the celebration was not intended to be a material expression to be evidenced by an exposition of physical resources and the development of the arts and sciences and industries but was intended to be spiritual and educational.

The concept of the character of such a celebration was early expressed by President Emeritus Charles W. Eliot, of Harvard University. "The two hundredth anniversary of the birth of George Washington," wrote Doctor Eliot, "should be celebrated not only Washington," wrote Doctor Eliot, "should be celebrated not only all over this country but wherever in Europe there exists a group of persons who know the value of his writings and his deeds for the promotion of liberty and justice among mankind. This celebration, however, should be solemn, not gay, and spiritual, not materialistic. It should be directed in large measure to the rising generation, not to the passing or the past. It should appeal to thinking people, not to the careless or indifferent. Its aim should be to increase the number of Washington's disciples and followers in and for the struggles of the future."

This noble concent, in keeping with Washington's own life and

This noble concept, in keeping with Washington's own life and character, can be said to have been scrupulously adhered to. In the activities, both here and abroad, the many thousands of commemorative exercises held daily and in divers forms, according to time and place, were on a high plane of dignity and reverence, educational in their aim and purpose, from which the spectacular and material were excluded, and in which spiritual values were stressed. While foreign countries as such did not officially participate it is a representable foot that in peerly every every. stressed. While foreign countries as such did not officially participate, it is a remarkable fact that in nearly every country in the world groups and individuals paid homage to General Washington in various ways. Of these foreign activities record has been kept and will be preserved in the literature on Foreign Participation. ticipation.

In our own country particular attention was bestowed upon "the rising generation," to which the youth of America responded with zeal and enthusiasm; and it can not be gainsaid that there has been a tremendous increase in the number of Washington's disciples and followers in and for the struggle of the future. In our judgment, this commemoration has accomplished more to our judgment, this commemoration has accomplished more to mold the thought and opinions and character of our youth—America's potential rulers—in the fundamentals and ideals of George Washington, both personal and political, and to dissipate and offset un-American propaganda than any one other thing could possibly have done. This, too, in the face of two great obstacles, namely, widespread economic depression and a presidential campaign. These disturbing influences served to distract the people and to divert their minds; nevertheless, this handicap,

great as it was, was met and overcome in marked degree and to such an extent as to exert a steadying influence upon the minds of the American people in the midst of conflicting emotions.

Prior to the establishment of headquarters early in 1930 in the Washington Building in the city of Washington the executive committee held its meetings in the Capitol Building. Its preliminary work consisted chiefly in considering the plans and suggestions invited by the organic act. These plans varied widely in their purpose and scope; some were within the original concept, but the majority of them, if not impracticable, would have been too costly in their execution. costly in their execution.

costly in their execution.

In 1927, on the anniversary of Washington's Birthday, President Coolidge, as chairman of the George Washington Bicentennial Commission, delivered an address to the American people in the presence of the two Houses of Congress, in which he invited their cooperation. This was followed by a concurrent resolution of Congress inviting the legislatures and the governors of the States, Territories, and insular possessions to cooperate with the commission in such manner as would seem to them most fitting "to the end that the bicentennial anniversary of the birth of George Washington be commemorated in the year 1932 in such manner that future generations of American citizens may live according to the example and precepts of his exalted life and character and thus perpetuate the American Republic." To this invitation there was general, widespread, hearty response not only by the States and other geographical units but by municipalities, towns, civic, fraternal, patriotic and religious, and other organizations, resulting in the astounding grand total of 1,555,755 contacts with the commission's headquarters, the appointment of 894,224 committees, and the presentation of 4,780,345 programs.

As interest developed and increased with the approach of the bicentennial year the need of the services of one or more directors became apparent to the executive committee actively to organize

became apparent to the executive committee actively to organize and execute the plans for the celebration. For these responsible and exacting duties the committee, with the approval of the commission, selected Col. U. S. Grant, 3d, United States Army, and Hon. Sol Bloom, Representative in Congress from the State of New Hon. Sol Bloom, Representative in Congress from the State of New York, as associate directors, both of whom generously consented to serve. On account of his other and many official duties Colonel Grant found it necessary to relinquish his work as associate director greatly to the regret of the commission and thereafter the entire work of direction was conducted by Representative Bloom. To this task, with its manifold details and responsibilities, Mr. Bloom applied himself with ardent zeal and enthusiasm and with rare executive ability born of ripe experience and organizing genius. He devoted three years to the work with unfailing fidelity and sacrificial devotion; and under his intelligent direction administered the duties of his office in all of its varied ramifications by istered the duties of his office in all of its varied ramifications by modern business methods and with strict regard for economy. With the result that the celebration was a distinct success from the viewpoint of its original concept and its influence will be perpetual. To Mr. Bloom we extend our gratitude for his unselfish and effective labors, and our hearty congratulations. In his report to the commission doubtless Mr. Bloom will give due need of recognition to those who labored with him, and to them also, especially to Dr. Albert Bushnell Hart, historian; his assistant, Dr. D. M. Matteson; and to Mrs. John Dickinson Sherman, a member of the commission, the executive committee extends its thanks.

matteson; and to Mrs. John Dickinson Sherman, a member of the commission, the executive committee extends its thanks.

Under authority of Congress and of the commission the preparation and editing of a complete and definitive edition of the Writings of George Washington, including his General Orders, never before published, as a congressional memorial, is proceeding as rapidly as the delicate nature of the work will permit. This duty was committed to Dr. John C. Fitzpatrick, editor of the Washington Diaries. This insures accuracy and the production of a literary work in about 25 volumes, the value of which to the present and future generations can not be estimated. Included will be thousands of Washington letters never before published. This will be a permanent contribution to the literature of our country and a notable memorial to General Washington. Seven volumes are complete. The first volume off the press was presented to President Hoover, who wrote the foreword. One hundred and ninety-six sets have been sold to libraries at \$50 a set, but no price to the public has yet been fixed and will not be until the cost of production is more definitely ascertained. It is thought, however, that the price per set will approximate \$125. Volumes 8 and 9 are in page proof, volume 10 in galley proof, and the type for volume 11 is being set. The index will be in one volume.

Of the 1,000 sets of the definitive writings authorized by law to be distributed to Masshare.

Of the 1,000 sets of the definitive writings authorized by law to be distributed to Members of Congress and other officials, 950 copies have been allocated to Members of the Seventy-first Congress, to new Members of the Seventy-second and Seventy-third Congresses, and to officials designated in the law, leaving but 50 sets remaining for distribution by the commission, in its discretion, and for foreign exchange.

On November 15, 1932, with appropriate ceremonies, in which the vice chairman participated, the Mount Vernon Highway con-necting the city of Washington with the Washington Estate at Mount Vernon was dedicated. This magnificent boulevard, author-Mount Vernon was dedicated. This magnificent boulevard, authorized by Congress, was constructed by the Bureau of Public Roads, Department of Agriculture, under the supervision and direction of Mr. Thomas H. MacDonald, and is a model in road building and a product of engineering skill In its construction many physical obstacles were overcome. This commission was charged with the duty of selecting the route and did select what is known as the scenic or river route, 15½ miles in length, which lends itself to superior park facilities. The completion of this highway is the realization of a dream of those who long wished for a connecting link between the home of Washington as he built it and the Capital City which bears his name.

Capital City which bears his name.

To the commission at its meeting last year was submitted a report on the status of the Arlington Memorial Bridge, showing that the essential parts of the project were practically completed, and at that time an inspection of the bridge was made by the President, accompanied by members of the commission and other officials. From the foot of this massive memorial bridge, at Columbia Island, begins the Memorial Highway, and thus spanning the historic Potomac, so prominently identified with the life of George Washington and his concept of better inland transportation facilities for the colonists, and standing as a permanent memorial to him and as a concrete evidence of the union of North and South, this bridge testifies to the reality of an imperishable reunion of sections once sundered by the strife of Civil War.

On May 14, 1932, the Mansion House, so called, was dedicated at Wakefield, Westmoreland County, Va., the birthplace of George Washington. Another fitting shrine was thus rescued from obliv-Washington. Another fitting shrine was thus rescued from obliv-ion and a belated national memorial of major importance made

a signal part of the bicentennial program.

The Wakefield National Memorial Association, organized in 1923, engaged in the work of restoring Washington's birthplace, and it is primarily due to the unselfish spirit of patriotism and the unremitting and consecrated devotion to this task of the late Mrs. remitting and consecrated devotion to this task of the late Mrs. Josephine W. Rust, its president, that Congress was induced to aid the association to recognize Wakefield as a national shrine, and to make provision therefor by supplementing the voluntary contributions raised by Mrs. Rust and the members of the association. In his report to the commission on the rehabilitation of the birthplace of George Washington, Mr. Horace M. Albright, Director of the National Park Service, gave an interesting review of its history as revealed by old records, from which the following is musted:

"The National Park Service of the Department of the Interior was authorized by Congress on January 23, 1930, to take over, by transfer from the War Department, the administration of all Government-owned lands at Wakefield, the birthplace of George Washington, the area to be known thereafter as the George Washington Birthplace National Monument. The service was further authorized to cooperate with the Wakefield National Memorial Association in rehabilitation work which the latter had been authorized by Congress in 1926 to undertake.

"Before the erection of the mansion house could be undertaken it was, of course, necessary to remove the Government monument, a shaft of Vermont granite 51 feet high, to a location at a road intersection about a quarter of a mile distant. The present location of this monument adds greatly to the road approach to the mansion. The base and pedestal of the monument were recut to achieve a classic appearance. In addition to this work and the erection of the mansion house a building has been constructed on achieve a classic appearance. In addition to this work and the erection of the mansion house a building has been constructed on the site of the ancient independent kitchen, a deep-well water supply has been provided, a sewage-disposal plant installed, and telephone and electric-power connections made. The development of the grounds has been an especially interesting feature of the work because of the naturally beautiful location of the old Washington homestead. The point of land on which it was situated affords a beautiful view of Popes Creek with the broader waters of the Potomac in the distance, and innumerable cedars stud the grounds. It was necessary to transplant some of these trees, but wherever this was done the work was accomplished with great care. Many of them were planted on either side of the road leading from the granite shaft to the grounds of the mansion house.

"In the spring of 1930 the association excavated and rebuilt the old family vault at the burial ground and collected the remains of all the bodies that were buried outside the vault and placed them in the reconstructed vault and sealed it. The top of this vault is about 1 foot below the ground surface. Five table stones have been erected, and the burial ground, an area of 70 feet square, inclosed by a wall of handmade brick with iron gates.

"The association is furnishing the mansion with copies of furniture of the period. At present the living room and dining rooms are furnished. The furniture for the other rooms is under contract and delivery is expected at an early date.

"The Wakefield association is now completing plans for a log lodge building to cost \$20,000, which will be located in the recre-

"The Wakefield association is now completing plans for a log lodge building to cost \$20,000, which will be located in the recreational area and dedicated as a memorial to Mrs. Josephine W. Rust, founder and late president of the association.

"The story of George Washington birthplace national monu-ment is largely the story of the Wakefield National Memorial Asso-ciation, under the able presidency of the late Mrs. Josephine W. Rust, who was untiring in her efforts for the preservation of Washington's birthplace. Her death was a great loss to the offi-cials of the park service who have been actively engaged in the rehabilitation work.

"In 1929, at the initiation of the association, Mr. John D. Rockefeller, jr., purchased 273.56 acres of the original Washington tract lying along the Government road between the birth-site area and the Potomac River and Bridges Creek at a cost of \$115,000. This land was transferred to the Government, December 12, 1930, and by proclamation of the President became a part of George Washington birthplace national monument, March 30, 1931.

"In 1929 the association purchased 30 additional acres of land at a cost of \$8,000 to consolidate the lands purchased by Mr. Rockefeller.

"On June 22, 1931, the association deeded its land at Wakefield, about 100 acres, to the Government. The present area of George Washington birthplace national monument is 384.37 acres."

The full text of Mr. Albright's report is embodied in the minutes of the commission's proceedings of January 16, 1932.

Upon the invitation of the commission the District of Columbia, through its Board of Commissioners, created the "District of Columbia Commission George Washington Bicentennial (Inc.)." and Congress appropriated \$100,000 from the District revenues in aid of the local celebration. of the local celebration.

With the president of the District commission, Dr. Cloyd Heck Marvin, and with Dr. George C. Havenner, executive vice president, the executive committee, through a subcommittee styled "committee on program," held frequent meetings, at which plans were formulated for events throughout the bicentennial year, and an

formulated for events throughout the bicentennial year, and an agreeable arrangement was made with respect to such events as were of national and local character, respectively.

The commemorative ceremony in honor of the 200th anniversary of the birth of George Washington was officially inaugurated at a joint session of Congress in the House of Representatives on February 22, 1932, at 12 o'clock, noon, on which occasion the President of the United States, Herbert Hoover, delivered the address opening the Bicentennial Commission. The congressional joint committee on arrangements consisted of the congressional members of your Executive Committee, supplemented by the Hon. CLIFTON A. WOODKUM, of Virginia.

The official ceremony was held under the auspices of the United States Commission, and the exercises which followed at the east front of the Capitol Building were arranged and conducted by the District of Columbia Commission. At night the official Washington's Birthday celebration climaxed with a costume ball at the Mayflower Hotel.

From the birthday anniversary, February 22, until Thanksgiv-

ball at the Mayflower Hotel.

From the birthday anniversary, February 22, until Thanksgiving Day, November 24, a succession of events took place in the city of Washington, in the form of military and civic parades, pageants, plays, and religious exercises, which were locally a reflex of the thousands of similar activities engaged in all over the country and in many parts of the world. Great credit is due the District of Columbia Commission for its fine spirit of cooperation and for the successful execution of its plans. Every facility and possible assistance were rendered to it by Director Bloom and his force, and under the direction of your subcommittee.

The entire net charge upon the Federal Treasury, covering the entire life of the commission, is estimated at \$208,170.91, and this amount may yet be reduced considerably through the sale of commemorative postage stamps and the sale of sets of the Definitive Writings.

tive Writings

Congress appropriated for the work of the commission, including the cost (\$56,000) for preparing the manuscript Definitive Writings, a total of \$1,270,716.02, of which \$ Definitive Writings, a total of \$1,270,716.02, of which \$13,946.02 were reappropriations of unexpended balances of the Bunker Hill and Lexington and Concord appropriations. To February 1, 1933, the amount impounded from the appropriations pursuant to the economy act was \$7,203.52, leaving a balance of \$66,985.39 available for requisition. This amount, together with the disbursing officer's check book balance as of February 20, 1933, of \$120,499.71, makes the total available funds \$187,485.10, from which will be deducted amounts hereafter impounded.

The minimum estimate made by the Post Office Department.

makes the total available funds \$187,485.10, from which will be deducted amounts hereafter impounded.

The minimum estimate made by the Post Office Department of profit derived from the sale of bicentennial stamps is \$1,000,000, which sum, together with the amount paid the Public Printer of \$62,545.11 for the production of the definitive writings which will be returned to the Treasury from proceeds of sale of that work, aggregate \$1,062,545.11, leaving net \$208,170.91 as the total cost for each and every item of expense incurred by the commission covering a period of seven years. The estimates of the amounts to be derived from the sales mentioned are conservative; it is quite likely that the reimbursement from such sales will nearly, if not fully, cover the total amount of appropriations, and possibly with some increment.

In concluding this preliminary report in which details of the operation of administration have been left to be covered by the preliminary report of the director, the executive committee wishes to express the confident belief that the bicentennial of the birth of George Washington was commemorated in the manner in which such event was contemplated without resorting to spectacular and ephemeral devices; and to those persons who expected or anticipated a celebration in the form of displays of material progress and development of resources, invention, and scientific

or anticipated a celebration in the form of displays of material progress and development of resources, invention, and scientific achievements, which at best are evanescent, we desire to say that it was the spirit of George Washington, the simplicity of his life, and the virtue of his character, the renown of his deeds, and the principles of his Americanism that we almed to teach and to inculcate in the minds and hearts of the American people as the most fitting and lasting tribute that could be paid him by a grateful people through the use of agencies for the dissemination of knowledge and accurate information deemed by him to be essential in a government founded on the principle that all just powers are derived from the consent of the governed.

Acknowledgment is here made and recorded of the fact that the late Col. John A. Stewart, of New York, originated the idea of commemorating the bicentennial of the birth of George Washington, and rendered practical aid and suggestions in the creation of the United States Commission. He drafted the organic act, and but for his death soon thereafter he would have been an invaluable advisor to the commission and of great assistance in

invaluable advisor to the commission and of great assistance in the execution of its work.

Total for all States Cities with population of 25,000 and up Cities with population of 10,000 to 25,000 Cities with population of 5,000 to 10,000 Cities with population of 2,500 to 5,000 Cities with population of 1,000 to 2,500 Cities with population under 1,000 611 856 1,329 3.116 Total cities, towns, and villages______Post offices (first class)_______Post offices (second class)______ 123, 153 1, 122 Post offices (third class)______Post offices (fourth class)_____ 10, 485 33, 187 48, 219 Towns and villages served by rural free delivery______ Commissions appointed by governors______ Committees appointed for cities and towns_____ Programs by cities, towns, and village committees_____ 74, 934 107, 803 126, 870 212, 159 190, 194 Churches__ ______ Church committees_____ 210, 320 Church programs______Fraternal, patriotic, and civic organizations_____ 98, 356 Fraternal, patriotic, and civic committees______ Fraternal, patriotic, and civic programs______ School units_____ School committees______ 85, 344 156, 435 887, 073 275, 869 School programs Women's organizations Women's organization programs Agricultural organizations 3, 548, 292 77, 680 316, 221 108, 439 Agricultural committees Agricultural programs Boy and Girl Scout units Boy and Girl Scout programs Boy and Girl Scout committees 108, 439 44,669 153, 478 Music clubs 4, 226 8, 562 Music club programs Schools in declamatory and essay contest Memorial trees planted (estimated by American Tree 73, 168 _____ 30, 000, 000 5, 849 4, 417 Number of news items appearing in newspapers of 4, 926, 083 296, 794 901, 164 Number of posters placed in school rooms_____ Number of posters placed in post offices______ 96, 438 Number of pieces of literature mailed_____ 12, 920, 533 Grand totals Organizations and municipalities contacted______ 1,555,755 Committees appointed_. 894, 224 4, 760, 345 Programs presented_____

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Haltigan, one of its clerks, announced that the House had agreed to a concurrent resolution (H. Con. Res. 50) to authorize the printing of the first edition of the Congressional Directory of the first session of the Seventy-third Congress, in which it requested the concurrence of the Senate.

The message also announced that the House had passed a joint resolution (H. J. Res. 572) to provide for further investigation of certain public-utility corporations engaged in interstate commerce, in which it requested the concurrence of the Senate.

The message further announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 13520) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1934, and for other purposes; that the House had receded from its disagreement to the amendments of the Senate Nos. 1, 14, 15, and 16 to the said bill and concurred therein severally with an amendment, in which it requested the concurrence of the Senate; that the House had receded from its disagreement to the amendments of the Senate Nos. 17 and 18 and concurred therein; and that the House insisted upon its disagreement to the amendments of the Senate Nos. 7, 8, and 9.

PETITION AND MEMORIALS

Mr. HALE presented the petition of the Green Street Methodist Episcopal Church Quarterly Conference, Augusta,

Me., praying for the passage of legislation to regulate and supervise the motion-picture industry, which was ordered to lie on the table.

Mr. CAPPER presented memorials signed by 5,272 citizens of the District of Columbia and the State of Maryland, remonstrating against the repeal of the eighteenth amendment to the Constitution and the return of beer, or the liquor traffic in any form whatever, in the District of Columbia, which were referred to the Committee on the District of Columbia.

REPORTS OF COMMITTEES

Mr. CAPPER, from the Committee on Claims, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

S. 246. An act for the relief of Galen E. Lichty (Rept. No. 1263):

H.R. 3036. An act for the relief of Florence Mahoney (Rept. No. 1264); and

H. R. 3727. An act for the relief of Mary Elizabeth Fox (Rept. No. 1265).

Mr. STEIWER, from the Committee on Claims, to which was referred the bill (H. R. 5150) for the relief of Annie M. Eopolucci, reported it with an amendment and submitted a report (No. 1266) thereon.

Mr. SHORTRIDGE, from the Committee on Finance, to which was referred the bill (H. R. 12977) to amend section 808 of Title VIII of the revenue act of 1926, as amended by section 443 of the revenue act of 1928, reported it without amendment and submitted a report (No. 1267) thereon.

Mr. WALCOTT, from the Special Committee on Conservation of Wild Life Resources, submitted a report, pursuant to Senate Resolution 246, on the question of consolidating Federal agencies engaged in conservation, which was ordered to be printed as report No. 1268.

Mr. FRAZIER, from the Committee on Indian Affairs, to which was referred the bill (S. 5623) referring the claims of the Turtle Mountain Band or Bands of Chippewa Indians of North Dakota to the Court of Claims for adjudication and settlement, reported it with amendments and submitted a report (No. 1269) thereon.

Mr. McNARY, from the Committee on Agriculture and Forestry, to which was referred the joint resolution (S. J. Res. 228) authorizing the American National Red Cross and certain other organizations to exchange Government-owned cotton for articles containing wool, reported it without amendment.

Mr. VANDENBERG, from the Committee on Commerce, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

H. R. 14411. An act to extend the times for commencing and completing the construction of a bridge across the Rio Grande at Boca Chica, Tex. (Rept. No. 1270);

H. R. 14460. An act to extend the times for commencing and completing the construction of a bridge across the Mississippi River at or near Baton Rouge, La. (Rept. No. 1271);

H.R. 14430. An act to extend the times for commencing and completing the reconstruction of a railroad bridge across the Little River at or near Morris Ferry, Ark. (Rept. No. 1272);

H. R. 14500. An act to extend the time for completing the construction of a bridge across the Missouri River at or near Kansas City, Kans. (Rept. No. 1273);

H. R. 14584. An act granting the consent of Congress to the Board of County Commissioners of Allegheny County, Pa., to construct, maintain, and operate a bridge across the Allegheny River between the city of Pittsburgh and the township of O'Hara and the borough of Sharpsburg, Pa. (Rept. No. 1274);

H.R. 14586. An act to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Culbertson, Mont. (Rept. No. 1275):

H. R. 14589. An act to extend the times for commencing and completing the construction of a bridge across the

 $^{^{1}\,\}mathrm{In}$ addition to women's organizations there were 148,520 committees, composed entirely of women, who presented 435,247 programs.

Iowa (Rept. No. 1276);

H. R. 14601. An act to extend the times for commencing and completing the construction of a bridge across the Mississippi River between New Orleans and Gretna, La. (Rept. No. 1277);

H. R. 14602. An act to revive and reenact the act entitled "An act granting the consent of Congress to the highway department of the State of Alabama to construct a bridge across Elk River between Lauderdale and Limestone Counties, Ala.," approved February 16, 1928 (Rept. No. 1278); and

H. R. 14657. An act to extend the times for commencing and completing the construction of a railroad bridge and/or a toll bridge across the water between the mainland at or near Cedar Point and Dauphin Island, Ala. (Rept. No. 1279).

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. CAREY:

A bill (S. 5680) for the leasing of agricultural lands by the Secretary of Agriculture for the purpose of reducing overproduction of certain agricultural commodities; to the Committee on Agriculture and Forestry.

By Mr. WAGNER:

A bill (S. 5681) for the relief of the Sultzbach Clothing Co.; to the Committee on Claims.

By Mr. REED:

A bill (S. 5682) granting a pension to John P. Haupt (with accompanying papers); to the Committee on Pen-

By Mr. BULKLEY:

A bill (S. 5683) to amend the Reconstruction Finance Corporation act approved January 22, 1932; to the Committee on Banking and Currency.

HOUSE JOINT RESOLUTION REFERRED

The joint resolution (H. J. Res. 572) to provide for further investigation of certain public-utility corporations engaged in interstate commerce, was read twice by its title and referred to the Committee on Interstate Commerce.

CORRECTION IN ENROLLMENT OF BILL

Mr. NORRIS. Mr. President, I submit a concurrent resolution and ask unanimous consent for its present consideration. It merely corrects the spelling of two words in an act which was recently passed by Congress

The VICE PRESIDENT. The resolution will be read. The Chief Clerk read the concurrent resolution (S. Con. Res. 43), as follows:

Resolved by the Senate (the House of Representatives concurring), That the Secretary of the Senate be, and he is hereby, authorized and directed, in the enrollment of the bill (S. 4020) to give the Supreme Court of the United States authority to prescribe rules of practice and procedure with respect to proceedings in criminal cases after verdict, to strike out, on page 1, lines 8 and 9, respectively, of the engrossed bill the words "Porto Rico" and insert in lieu thereof "Puerto Rico."

Mr. NORRIS. I ask unanimous consent for the present consideration of the resolution.

The VICE PRESIDENT. Is there objection? The Chair hears none, and, without objection, the concurrent resolution is agreed to.

RULES FOR CONDUCTING SENATORIAL ELECTION CONTESTS

Mr. BLACK submitted the following resolution (S. Res. 367), which was referred to the Committee on Privileges and Elections:

Resolved, That the Committee on Privileges and Elections be, and it hereby is, directed to prepare and report to the Senate as early as practicable rules and regulations providing for the conduct of election contests in this body, including provisions for charges to support such contests, the answers thereto, and the rules as to the admissibility and relevancy of evidence offered in the said contests.

INDIAN ALLOTMENTS

The VICE PRESIDENT laid before the Senate the amendments of the House of Representatives to the bill (S. 3508) to amend section 1 of the act entitled "An act to provide for determining the heirs of deceased Indians for the disposi-

Mississippi River at or near Tenth Street in Bettendorf, | tion and sale of allotments of deceased Indians, for the leasing of allotments, and for other purposes," approved June 25, 1910, as amended, which were, on page 1, line 3, to strike out "That" and insert ""That," and on page 3, line 21, to strike out "Interior." and insert "Interior."

Mr. FRAZIER. I move that the Senate agree to the amendment of the House numbered 1 with an amendment as follows:

In lieu of the word "That," as designated, insert the following:
"That section 1 of the act entitled 'An act to provide for determining the heirs of deceased Indians, for the leasing of allotments, and for other purposes, approved June 25, 1910, as amended, is amended to read as follows:
"'That'"

The VICE PRESIDENT. Without objection, the amendment of the House is agreed to with the amendment to it submitted by the Senator from North Dakota.

Mr. FRAZIER. I move that the Senate agree to House amendment numbered 2.

The motion was agreed to.

CONGRESSIONAL DIRECTORY FOR SEVENTY-THIRD CONGRESS, FIRST SESSION

The VICE PRESIDENT. The Chair lays before the Senate a concurrent resolution from the House of Representatives, which will be read.

The Chief Clerk read the concurrent resolution (H. Con. Res. 50), as follows:

Resolved, etc., That an edition of the Congressional Directory for the first session of the Seventy-third Congress be compiled, pre-pared, indexed, and published under the direction of the Joint Committee on Printing, as provided for in section 73 of the printing act approved January 12, 1895.

Mr. FLETCHER. Mr. President, I move that the Senate concur in the resolution.

The motion was agreed to.

AMENDMENT TO PENDING APPROPRIATION BILL-FEDERAL TRADE COMMISSION

Mr. ROBINSON of Arkansas. Mr. President, I am compelled to leave the Chamber in a few minutes to fill an imperative engagement. I desire to offer an amendment to the committee amendment on page 22 of the independent offices appropriation bill, and ask that the amendment may be reported.

The PRESIDING OFFICER (Mr. Fess in the chair). The clerk will report the amendment for the information of the Senate.

The Chief Clerk read as follows:

On page 22, line 8, strike out "\$780,000" and insert "\$1,081,500." On page 22, line 13, strike out "\$10,000" and insert "\$20,000." On page 22, line 14, strike out "\$790,000" and insert "\$1,101,500."

Mr. ROBINSON of Arkansas. Mr. President, the amendment, if agreed to, will give the Federal Trade Commission \$8,000 less than the Budget estimate. It will be \$365,000 less than the current appropriation—that is, the appropriation for the fiscal year ending June 30, 1933. The reduction as made by the House of Representatives was 65 per cent from the appropriation of the present fiscal year. The appropriation contemplated by the amendment just submitted will increase the amount recommended by the Senate committee by \$311,500. It is necessary to adopt the amendment and make the appropriation unless the Congress wishes to terminate the various economic investigations which the Federal Trade Commission is constantly making under its general power; that is, under the direction by the President or Congress or one branch of the Congress and on its own initiative.

I shall reserve further discussion.

The VICE PRESIDENT. The amendment will lie on the table for the present.

ADDRESS BY WILLARD T. CHEVALIER ON DEVELOPMENT OF HIGHWAYS

Mr. HAYDEN. Mr. President, in view of the very vital interest in the development of our highway system in this country and the proposed legislation now before the Congress, I wish to present for the information of the Senate excerpts from the address given on February 15 at Atlantic City by Mr. Willard T. Chevalier, publishing director of the Engineering News-Record, New York City.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

There is no single influence in this country, in my judgment, that has contributed so powerfully to the development of this new transportation machine as has been the enabling act to set up economically and the control of articulation of all the elements that compose it, equal to the Federal aid to the States. It has not only insisted upon the laying out of contiguous roads for interstate traffic, it has not only insisted upon the continuity that is the essence of a transportation artery as opposed to a land-service facility, but it has also conducted the research necessary, it has established the standards necessary to see that these facilities are designed and built in accordance with the requirements of a transportation agency rather than of a local land-service facility. The national viewpoint in the development of our highway system has been the most powerful single factor to make it truly a transportation system rather than a local land-access facility, and now that we have this need for a better formulation and classification of highway services, there is all the more reason why we should continue the influence of the Bureau of Public Roads in our highway thinking and highway planning. To-day we have the additional reason that Federal highway aid has become self-liquidating by the imposition of a Federal gasoline tax and taxes upon tires, oil, and parts. We are providing an income to the Federal Government more than equal to the requirements of Federal aid, and every reason that can be given for opposing th diversion of State gas and vehicle taxes to other than highway purposes applies to the diversion of Federal taxes upon highway users, because the highway user is paying directly to the Federal Government more than enough to defray the expense involved in the Federal aid and supervision of our highway systems.

I think it is most important that we centralize the control and administration of highway features, so far as practical in every State, to insure sound planning and avoid waste. In a number of States to-day this process is going on. It is wise and well-founded, and if we are going to have a more rational classification of our roads and our highways to integrate them into a complete system, it is going to be of the utmost importance to centralize the design, construction, and administration of that system. In this day of economy it is necessary also for the sake of economy that can be realized over the present dispersement with many administrative agencies absorbing each one a part of the funds available in unnecessary administrative expense. If we are going to give the taxpayer, especially the property taxpayer, more road for his dollar, then it is necessary for us to eliminate much of the waste now involved in the administration of that dollar.

Next we must put forth our best effort to keep the main trunk system on a self-liquidating basis and equal to traffic demands. We have a great highway system to-day, and yet we have congestion, and we have situations that involve the public safety. We have a great need for by-passes in many cases; we have a need for realignment and reconstruction, a need for greater economy and safety in driving the highways. We have need for grade improvements where, in the first rush of road building, some of these new highways of ours were laid upon the same alignment and grades of the old land-service roads.

If we are going to keep our primary highway system as a part of a transportation machine self-liquidating, then it is necessary that we keep them up to it, that we keep up the efficiency, that we keep it in shape to encourage its use as a transportation artery rather than to discourage it. Furthermore, I sometimes wonder whether we have begun to cash in on our highway investment. We are dressed up and don't know where to go. We have made a tremendous investment and have an improved transportation machine and do not know how to use it. What do I mean by that? Simply that one of the greatest benefits to be derived by the community from an improved transportation machine is the simplification of our government structure. This present land of ours is carved up into thousands and thousands and thousands of governmental subdivisions to-day that are of no more necessity than two tails are to a cat. The governmental divisions of the country are based upon the days of the oxcart and the horse and buggy and mud roads as the only means by which the citizen could get to the county seat, the courthouse, or the community. To-day we have our county seats 10 or 15 minutes apart by a modern system of highways. The new transportation machine has offered us an opportunity to save untold millions in the needless cost of administering our government. But we have not yet had the intelligence or the stamina to seize upon it. The same applies to our educational system. There are school houses and school districts in this country to-day that are maintaining a school house and staff and overhead expense for the education of 1 or 2 or 3 children. The development of the school-bus system needs attention. Then we need to take this new transportation agency that we have created, with all of its values, and cash in on some of them. And when I hear people to-day urging that we cut our highway program and that we declare "a highway holiday" in order to cut down the cost of government and slash taxes I become very impatient.

I say to them, the place to cut the cost of government is in the cost of administering the government, not in the capital investment that we are putting into the very facilities that make it possible for us to cut the cost of government, but for one reason or another we do not take advantage of. Cuts in administrative and operating costs are true economies; cuts in capital investment may not be economies in any sense of the word, and the

place to begin cutting the cost of government is in this needless waste of the taxpayers' money in maintaining and operating an anachronistic governmental structure.

anachronistic governmental structure.

The next point to bear in mind is to avoid excessive taxes on our highway users. Do not strangle the highways. That is not just a phantasy of mine or a ridiculous fear. I have been told that last year 2,000,000 cars were laid up by their owners because they were unable to pay the expenses involved in operating them. We are up against it. Give the people a new facility and they will use it and pay for it gladly. But keep loading upon them the expense for the use of the facility and there comes a time when no amount of increase in the rate will make up for the loss of the total revenue due to diminished use. All over the loss of the total revenue due to diminished use. All over the country to-day, animal-drawn vehicles are coming back. I have just returned from a trip of a couple of thousand miles through the Middle West and I know that is so there. I have talked to people who have returned from the South and I know that is so there. Why, actually, they are hitching old Dobbin to the Chevrolet in some communities and putting shafts on automobiles for animal draft. And those are the States that have run their gasoline taxes up out of all reason.

What is the use of making an investment in a great transportation machine and then arbitrarily running the rates up to a point where you cut down the use of it and the revenue from it? We shall have to stop talking about gasoline and vehicle taxes. They are not taxes. They are highway revenues as truly as the passenger receipts of a railroad are revenues, and the rates charged for service must bear some proportion to the cost of rendering the service and the ability of the buyer to pay for it, and it is perfectly proper that you put our highways on a self-liquidating basis, and avoid this insane diversion of our highway revenues to support fish hatcheries and schools for sheriffs, or what have you, all over the country, and avoid bleeding the highway userbuyer of our transportation service; then we shall be able to keep the cost down to a point where we would still patronize our highways and contribute to our revenues in doing so. It is a business proposition pure and simple. The motorist is not a Christmas tree. If we continue to look to him to carry the cost of Government by simply jacking up the taxes that we levy on him which are in fact a charge for the service, we are going to cause him to stop using the service; and if we do the highways will not be the chief agency of transportation.

the chief agency of transportation.

One of the great troubles that our railroads suffer from to-day, one of their great complaints against the highway, is that the highway is taking traffic away that they once had, and why? Because of an utterly irrational rate structure built upon the principle of all that the traffic would bear, and which simply could not stand up under the test. Now, if we are going to follow the same process we are going to find the same problem and we are going to drive our people back from the use of the highway.

Incidentally in this matter of taxes and regulations, and, mind you. I want to insist upon looking at this transportation machine.

Incidentally in this matter of taxes and regulations, and, mind you, I want to insist upon looking at this transportation machine as a whole, I want to refer to the matter of taxation or regulation by taxation, which, in my judgment, is a wholly vicious thing; and yet we are being urged to-day that we should equalize the opportunity of the two means of transportation by loading the more efficient of the two for certain purposes with prohibitive taxation and regulation. Of all the economic folly I ever heard of, that is the worst; that is penalizing progress. If any of our transportation agencies to-day are overtaxed, if they are overregulated, if they are unfairly handicapped, the way to remedy that is to remove the handicap, not to put more handicap upon another agency of transportation that the public has provided out of its own pocket for its own service. That seems so elementary as scarcely to need a statement; and yet we have one great State in the Union that has already passed laws to the effect that the charge for hauling on the highways, regardless of the cost, shall not be less than that on a railroad between the same points; and we have also in the same State a law that trucks shall not carry a greater load than 7,000 pounds unless it is being carried to serve a railroad, and then you may carry 14,000 pounds on your truck. Why? I don't know; but that is an effort to regulate by taxation, and the only result of it will be to tax our traffic off the highways, and if we do that we can not possibly hope to get back a return on our highway investment; and so I say let us devote all of our energy to keeping the charges upon our highway users upon a fair and equitable basis, sufficient to defray the cost of providing and maintaining and regulating our highways with perhaps something over for an extension of our highway system to provide feeders that will increase the traffic and therefore the revenues from our highways rather than regulation or taxation that will drive the traffic off our highways and decrea

I am speaking here in behalf of justice and equity for the new highway transportation agency, but I want to step out of my part long enough to express sympathy for the men in this generation who are charged with the responsibility of operating our railroad facilities. The evils from which they suffer are not of their creation, but God knows the railroad brought all its troubles upon itself, and incidentally we are being treated to a great flood of propaganda on that subject. We hear a great deal to-day about what it is going to do to the whole financial structure of this country if we do not do something to keep people from using the highways and force them to use the railroads. Well, it is a lot of hokum. We hear a great deal about the investments of insurance companies, for example. Well, as a matter of fact, in 1906, 36 per

cent of the resources of our insurance companies were in railroad securities, to-day less than 16 per cent of their resources are in railroad securities. You could wipe out all the railroad securities which are in the resources of our insurance companies to-day and the average paper loss of policy owners would be \$48. So, let us not be too disconsolate about the need for handicapping highway development in order to preserve the financial structure of the

country.

Now, we need, if we are going to develop intelligent highway programs, to keep the public informed on the economic facts and how highway funds are being invested. I wonder if all of you have seen the charts that are being displayed in the railroad stations of this country convenient to the ticket offices calculated to put the fear of Jehovah into the hearts of the taxpayers. I wrote an article, which appears in the January issue of Bus Transportaan article, which appears in the January issue of Bus Hanspotta-tion, which is an analysis of that chart, and I want to say that in 30 years' experience I have never seen a more untrue, a more mis-leading, or a more perverted presentation of data than is conveyed in that chart. It is all full of cute little tricks to frighten the taxpayer out of his wits, but it relies for its effect upon two

The first is that the chart shows the tremendous increase in taxation for our highways during the last seven years, but it does not bring out and is drawn to conceal the fact that substantially the whole of that increase has been from gasoline and vehicle the whole of that increase has been from gasoline and vehicle taxes and that in that time there has been no increase in the property taxes levied in behalf of our highways. It also conceals the fact that practically all the property taxes mentioned in that chart are being spent on the local or land-access roads, which should properly be paid for by taxes upon land to which they give access and value; that substantially the whole amount of money that is being spent upon the main arteries of traffic, the transportation machine proper, come from the users of that transportation machine in the form of vehicle taxes and gasoline tax. That fact is carefully cancealed in this chart. Furthermore, the first item in this dish is a part of the chart which shows a tremendous accumucarefully cancealed in this chart. Furthermore, the first item in this dish is a part of the chart which shows a tremendous accumulating deficit that must be paid for by future taxpayers for a dead horse, the idea being that the life of the bonds so far exceeds the life of the highways that we are building up a huge deficit that is hanging over us like a great cloud and some day will descend upon us and engulf us. That is the impression created upon the average business man by this chart. Well, the joker in that is that the average layman does not understand it, but you will see it. The joker is that the whole calculation is based on the asit. The joker is that the whole calculation is based on the assumption that the life of the highway is no more than 10 years; in other words, the average bond period of our highway bonds is about 20 years. If the maker of this chart had assumed a 20-year life for our highways, his deficit would have disappeared in thin air. And so he has assumed 10 years. I do not know why he did not assume five years; then he could have made a lot more im-pressive exhibit. However, he assumes 10 years as the life of a

not assume five years; then he could have made a lot more impressive exhibit. However, he assumes 10 years as the life of a highway to build up a deficit. Let us look at that for a minute. An analysis of 70,000 miles of Federal-aid roads built between 1917 and 1928 of all sorts shows that 40 per cent of the cost of those highways went into rights of way, grading, drainage structures, and bridges. Now, the maker of this chart, of course, has played upon the layman's impression that the life of a highway is the life of the surface, but everyone knows that it is ridiculous to figure the life of a highway by the life of the surface as it is the life of the surface, but everyone knows that it is ridiculous to figure the life of a highway by the life of the surface as it would be to figure the life of a railroad on the life of the steel rails that the trains run over. Now, I say the average for 70,000 miles of roads of all sorts was 40 per cent in these permanent items. If you take the sand or clay roads, the permanent items amount to 70 per cent of the cost of the road. If you take a gravel road, they amount to 49 per cent of the cost of the road. So you see the quicker the road surface may wear out, the less of the investment is not the road surface. And so it would seem to anyone that knows anything about the matter and wants to be honest that the 20-year term for our highway bonds is a very reasonable that knows anything about the matter and wants to be honest that the 20-year term for our highway bonds is a very reasonable and conservative term, and there is, in fact, no accumulating deficit in our highway system. Nevertheless the man on the street does not know these things that I am talking to you about. He just takes that for granted and wants to know where the highway extravagance of this country is going to lead him. I have had intelligent business men ask me, "Have you seen this chart in the railroad stations?" and they said, "My God, you fellows on the highways are going to run this country into bankruptcy." There is need for some intelligent education on the subject of highway investments.

The legislators of this country are facing an alternative; the alternative is, are they going to relieve unemployment by increasing employment or by dispensing charity? That is all; it is just as clear-cut as that. I admit that the solution is not simple, but I contend that the problem is clear-cut. Our people do not want charity. An engineer told me recently about a man, pretty well charity. An engineer told me recently about a man, pretty well along in years, that he picked up on a road out in one of the Western States, I think in Colorado, and he was walking 15 miles because he heard there was a highway construction job up the line and he wanted to get a job, he wanted one of those 5-hour shifts. That man could have gotten charity in the town he had just left but de did not want charity, he wanted a job and he was walking 15 miles to get it, and that is the spirit of the American people—or has been up to now—and that spirit is a very precious thing and the future of our country depends upon our preserving that spirit, and yet there are times when I am temporarily afraid that we are fastening upon this country to-day a psychology of the dole. I am afraid that we are letting ourselves in for a new racket, the relief racket. I know that the professional welfare worker can show you figures showing how much fur-

ther a charity dollar goes in relief than an employment dollar, but ther a charity dollar goes in relief than an employment dollar, but something way down inside of me tells me that those figures are hay wire. No man living on charity can be anything else than a liability to the community, and a man at work is an asset to the community. He is a producer. He is one of the producing agencies; he is an element of wealth in the community.

You can not put all the unemployed at work on highways, but

we can keep the men we have on the highways now at work and keep them off the bread line, can we not? And we can put a lot of people who are on the bread line to work, can we not? Why should we divert the revenues of our highway system to this thing and that thing, and then lay off men and create more unemployment only to turn around and dole out the money as a charity? Throw the man out of a job and put him on the bread line; you take him from an asset and make him a liability and develop the psychology of the dole. It is a complicated matter, but it is a serious matter and I believe we are fastening upon ourselves an institution that is going to survive long after the need has passed. You will substitute for the will to work and the determination to be self-supporting the feeling that "Oh, well, we can live on the community;" and you are striking at one of the fundamental elements of the country.

It has been said, and well said, that the highway systems of this

country can absorb a great deal of unemployment and relieve it quickly. We have our State highway departments, our programs and our plans. We can go ahead like that. These emergency appropriations have been put under contract and spent like that, and we have other agencies that have floundered and are still trying to get set up to spend some of the money that has been

made available to them.

NATIONAL GRANGE'S PROGRAM FOR RECONSTRUCTION

Mr. CAPPER. Mr. President, I ask unanimous consent to place in the RECORD a recent radio address by L. J. Taber, master of the National Grange, delivered at Washington, D. C., February 18, 1933, and to urge the Senators to give careful and thoughtful attention to the contents of this

I regard Mr. Taber as one of the ablest farm leaders in the country to-day. His statement of the farm situation, of the relationship of agriculture to industry, of the causes of our present distressed condition, and his discussion of basic remedies should be given intensive study by all of us. and by the country.

The Grange program, as outlined and amplified by Mr. Taber in this address, is fundamentally sound, essentially workable, in my judgment. His analysis is clear-cut and compelling. He urges lifting farm prices to restore farm purchasing power. I consider that essential. He points out clearly that while our domestic markets are basically most important, agriculture also must have foreign markets reopened for American farm products.

I especially commend to the Senate Mr. Taber's program for revision of the money system so that we will have a stable dollar-stable in purchasing power, rather than simply constant in the amount of gold it contains.

"We must either reflate or repudiate," Mr. Taber says, discussing the relation of dollars to debts. And I believe he is right. Mr. President, I send Mr. Taber's address to the desk, with the request that it be printed in the RECORD, and again urge my colleagues to give it careful attention.

There being no objection, the address was ordered to be printed in the RECORD, and it is as follows:

Pursuant to the terms of a resolution proposed by Senator Harrison of Mississippi, the Senate Committee on Finance is conducting hearings with a view to determining more clearly the causes of the present depression, to secure suggestions for cure, and as an aid in formulating policies for the prevention of its recurrence.

Upon invitation of Senator Smoot, chairman of the committee, leaders in agriculture, industry, commerce, finance, and other walks of life are appearing before the committee to present their views. As master of the National Grange, it was my privilege to testify at one of these hearings on February 17.

The causes of this depression are many, some of them intricate and some not yet revealed, but the fundamental cause is apparent to all. We have violated the laws of God and the laws of economics and are paying the penalty. The measures necessary to restore normal conditions are some of them shrouded in mystery, but the essential step is that with common sense we apply social and economic justice to all groups alike.

CAUSES OF THE DEPRESSION

The prime cause of all our troubles can be traced back to the World War. This fire, started by ambition and hate, that burned in Europe until it consumed the accumulated savings of a century and burdened the world with debt, was extinguished only with the blood of millions of the best young men of the world. The aftermath of geographic dislocation, unwise territorial distribution, unsound burdens of debt and reparations, created such economic conditions that retribution was almost certain to over-

Second. The wild orgy of speculation that swept the Nation, leading many to believe that playing a bull market was the easy road to wealth and that the old-fashioned virtues of thrift, econ-

omy, and toll had become obsolete, contributed greatly to our difficulties. We are all now paying for this folly.

Third. The maldistribution of wealth that created millionaires like mushrooms and did not equitably distribute the wealth produced was an important factor in bringing on the depression.

Fourth. The machine age, inventive genius and scientific discovery caused productive ability to outrun consumptive capacity. We now know that mass production without mass consumption leads to disaster.

Fifth. Our failure to provide a stable medium of exchange added to national difficulties.

added to national difficulties.

Sixth. Next to the war, the most fundamental cause of the collapse of 1929 and the three years of disaster that has overtaken the Nation was the failure of America to do justice to agriculture. The farm problem was allowed to grow more acute until the purchasing power of agriculture was almost destroyed and large groups of our people were brought to the verge of bankruptcy while the Nation was yet in seeming prosperity.

Agriculture has been basic in every civilization. It produces the food, the clothing, and most of the shelter of mankind. No amount of invention, no amount of scientific discovery, no amount of congesting in cities ever has or ever will enable a nation to get away from its direct relation upon the soil. Farm prosperity is synonymous with national well being. Prosperity and stability can not return until the purchasing power of the and stability can not return until the purchasing power of the farmer is restored.

AGRICULTURAL DEPRESSION 12 YEARS OLD

While the depression is only a little more than three years old, so far as it relates to industry and finance, it is necessary to emphasize the fact that agriculture has been in serious distress for 12 years. In order to get a clear perception of the unparalleled difficulties confronting the farmer to-day, we must go back

to the time of the World War.

The period of 1914 and 1917 found American agriculture in a fairly prosperous condition, because prices of farm products had been gradually advancing since the beginning of the century. The consuming power of our own people was overtaking farm production. From the time when the United States entered the war,

in April, 1917, the highly important part devolving upon the farmer was emphasized in governmental and military circles.

Attractive posters bearing the legend, "Food Will Win the War," were on display throughout the agricultural sections of the war," were on display throughout the agricultural sections of the country. Prices were lifted, and appeals were made to the patriotism of the farmer, while production campaigns were waged in every nook and corner of rural America. Every possible effort was made by the Government to convince the farmer that it was his duty to expand his acreage, purchase improved machinery, and produce the largest possible amount of food. The farmers respected by the most recombination to this coult for inand produce the largest possible amount of food. The farmers responded in the most magnificent manner to this call for increased production, and in addition furnished more than one-fourth of the fighting men for the Army. The food produced on American farms helped save the cause of democracy and bring victory to the Allies. This speeding up of production resulted in the accumulation of large supplies of foodstuffs which, after the close of the conflict, had to compete with commodities that had piled up in Argentina, Australia, and other distant lands, and which were now moved to the markets of the world. which were now moved to the markets of the world.

HOW FARMER WAS DEFLATED

A crusade was launched through the office of the Attorney General to bring down the prices of farm products. Leaders of farmers' cooperative associations in many sections of the country were placed under arrest and prosecuted under the antitrust laws for trying to prevent price decline. Government stocks of food were advertised at bargain prices through the agency of the Post Office Department, and Government wool was sold at auction to the highest hidder. the highest bidder.

All this was in marked contrast to the treatment accorded industry by the Government. After the war the Government paid claims aggregating more than \$500,000,000 to the holders of uncompleted war contracts. Approximately \$500,000,000 was paid the railroads for injury claims to their property, and more than a billion dollars worth of war supplies were left in France and sold for a song. But there was no indemnity paid to the farmer. To add to the difficulties confronting agriculture under these circumstances, the Federal reserve system inaugurated a policy of deflation through successive advances in discount rates. Hundreds of thousands of farmers went bankrupt through no fault of their own during 1921–22. With slight interruptions the agricultural depression continued until the crash of 1929. Since then what had been a depression has become a disaster.

OUR OLDEST UNSOLVED PROBLEM

The oldest unanswered problem confronting the American people is the farm problem. In the famous document submitted by Alexander Hamilton to Congress in 1791, he recommended a protective tariff as an agency of developing our infant industries and providing revenues for the Government. He also pointed out that tariff legislation might handicap the producers of raw material, especially agriculture. To correct this inequality, he recommended that a portion of the tariff revenues should be used as a bounty on agricultural exports as a means of offsetting increased costs to agriculture. Congress adopted the first portion of Hamilton's agriculture. Congress adopted the first portion of Hamilton's l

recommendation, later adding provisions for the drawback and for manufacturing in bond so as not to handicap American manufacturers in their efforts to compete in the markets of the world.

Unfortunately the second part of Hamilton's recommendation, the providing of some offset or means of doing justice to agriculture, was not enacted. Thus, with this complement to our tariff structure ignored, we have maintained a lopsided policy, leaving the products of the major portion of the plow lands of the Nation

the products of the major portion of the plow lands of the Nation without direct tariff protection.

The opening up of new and cheap land, the limitless fertility of our soil, and the improvement in agricultural machinery enabled the American farmer to hold the export market for approximately a century without serious difficulty. In the nineties, David Lubin, of California, founder of the International Institute of Agriculture at Rome and one of the foremost agricultural economists of his day, brought forward the framework of the export debenture plan as an aid in making the tariff effective on our surplus crops but as an aid in making the tariff effective on our surplus crops, but it was not adopted.

The struggle for the equalization fee, the determined fight made by the grange in recent years for the export debenture, and the discussion of the domestic-allotment legislation in this Congress

are all chapters in this century-and-a-half-old struggle to do justice and bring equality to the American farmer.

Ever since the first session of Congress our Government has been constantly tinkering with economic laws through patent grants, tariff acts, restrictive, permissive, and protective legislation, and during this century and a half most of these benefits have gone to others than the farmer. We have been spending hundreds of millions of collers in river and herby development. of millions of dollars in river and harbor development. We have spent millions of dollars in locks and experimental barge service. Large sums are spent in lighting airways across the continent. High prices are given for the carrying of the mail in the hope of developing the merchant marine. The Government delegated some of its constitutional authority of issuing money to the national banks and the Federal reserve system. Our Government has granted the right of eminent domain, has given large tracts of land, and has set up special machinery for the development of railroads and interstate commerce. In the way of protecting our ideals, we have set up stringent immigration restrictions. Authors and inventors have been protected by copyright and patent privileges

Thus for a century and a half our Government has interfered with the operation of economic laws, and in this program others have been benefited more than the farmer. In seeking to maintain on American soil a higher standard of living than obtains in the rest of the world, we have built such a fabric of protective, restrictive, and permissive legislation and administration that it can not be destroyed without affecting patients welfare. can not be destroyed without affecting national welfare. Agriculture must secure the same privileges and opportunities that others enjoy.

others enjoy.

Supporting figures to prove the necessity of lifting farm prices are unnecessary. However, I submit the fact that the value of our farms and their equipment shrunk from \$79,000,000,000 in 1919 to approximately half that figure at present-day levels. Farm income has declined from approximately \$12,000,000,000 in 1929 to \$5,000,000,000 to-day. The latest price index of the Department of Agriculture places all farm commodities at 51 per cent, and the things the farmer buys at 105 per cent of the pre-war level. In other words, the farm dollar to-day is worth approximately 49 cents. mately 49 cents.

STEPS FOR RECOVERY

The first step in the Grange program for stability and prosperity is lifting farm prices and increasing farm purchasing power. We have no choice in the matter. We are compelled to either demand the same type of price-lifting machinery and governmental assistance that is given to other interests, or we must seek a lowering of tariffs and a readjustment of all legislation granting special favors to other groups.

We must bring equivalent tariff benefits to surplus-producing commodities either through the export debenture, through a simplified domestic allotment, the equalization fee, or a combination of these methods. Foreign markets must be restored and new markets found. Through research we must develop new uses for farm products and guide production with intelligence and information.

Another step in lifting prices will come through reduction of distribution costs and in giving the farmer a larger share of the consumer's dollar. Cooperative marketing is yet in its infancy. The final solution of our marketing problems will not come until our major farm crops find their way to market through farmer-owned and farmer-controlled marketing agencies, beginning with the farmer-producer and approaching as pear the ultimate conthe farmer-producer and approaching as near the ultimate consumer as conditions will permit.

sumer as conditions will permit.

The second step to bring stability to agriculture, the Nation, and the world is a stable and honest monetary system. Agriculture demands a dollar worth 100 cents, no more and no less. A dishonest dollar is one that requires more than 100 cents with which to pay a dollar's debt, or one that permits the payment of the same debt for less than 100 cents. Uncontrolled infiation will lead to greater suffering and disaster than deflation. We must recognize the fact, however, that we shall either reflate or repudiate. Inexorable economic laws require reflation of our volume of currency and credit, or the tragedy of bankruptcy and possible repudiation will stalk through the land.

IRON DEETS AND RUBBER MONEY

Agriculture is suffering from iron debts and rubber money. What has happened to agriculture in the way of debt-paying abil-

ity at the present level of commodity prices is graphically told in the subjoined table. The Bureau of Agricultural Economics of the United States Department of Agriculture is authority for the statement that the farm barometer in January, 1933, stood at 51. Comparing to-day's farm prices with the former price index, the table below shows in terms of what the farmer has to sell just how much he has to pay in the way of farm crops for each dollar borrowed during each of the years indicated in the table.

A dollar borrowed in the year (if paid in January, 1933):

1916	\$2.29
1917	3.45
1918	3.92
1919	4.10
1920	4.02
1921	2.27
1922	2.43
1923	2.65
1924	2.63
1925	2.88
1926	2.67
1927	2.57
1928	2.73
1929	2.71
1930	2, 29
1931	1.57
1932	1.12

(January, 1933, equals 100.)

The third step in our program is the reduction of interest rates, and providing an ample reservoir of credit to take care of the needs of agriculture in this crisis.

The wholesale foreclosures of farm mortgages which have been

darkening our land and wrecking the homes and lives of our people must stop. The full power of the Federal Government must be invoked to bring this about in an orderly and effective way.

By reason of conditions for which in the main he is not responsible and which are utterly beyond his control, the American farmer to-day finds himself in the most difficult financial and economic situation that has confronted agriculture since the founding of the Republic.

The alarming increase of tax sales and foreclosures during recent months threatens the very foundations of American institutions. In the last six years every ninth farmer in the United States has lost his farm through mortgage foreclosure, tax de-

States has lost his farm through mortgage foreclosure, tax delinquency, or bankruptcy.

The 1930 census indicates a farm-mortgage debt of about \$9,241,-000,000, with an average rate of interest of 6.1 per cent. All other farm debts approximate \$3,000,000,000, and the interest rate on this additional debt ranges from 6 to 12 per cent. The total annual outlay for interest on the farm debt is more than \$800,-000,000. The two chief cash crops of the American farm, wheat and cotton, were valued at approximately \$600,000,000 for the year 1932, a sum just about sufficient to pay the interest on the mortgage debt alone. gage debt alone.

INTEREST RATES MUST BE CUT

A reduction of one-third in the interest rate on an amortized loan running for 33 years has the same effect as a reduction of more than one-third in the total face of the debt, and yet it will more than one-third in the total face of the debt, and yet it will not adversely affect general security values. It is apparent that the farmer can not continue to pay 6, 7, and 8 per cent interest at prevailing commodity prices. Farm prices must come up or interest charges must come down, and the first step toward security is a 30 or 40 per cent reduction in interest charges to carry farmers through this period of ruinously low prices. This can be done through emergency loans, through the reamortization of loans, and through the postponement of principal payments. Legislation now pending providing for simplified debt composition commissions should pass.

The Reconstruction Finance Corporation act should be smended.

The Reconstruction Finance Corporation act should be amended The Reconstruction Finance Corporation act should be amended and at least \$500,000,000 appropriated to it as a fund from which farmers and small home owners can borrow at low interest rates to pay delinquent interest and taxes, thus preventing foreclosures and stabilizing rural conditions during this period of low prices. Our entire rural-credit machinery must be revamped, coordinated, and consolidated. It is unsound to have such a large number of scattered agencies making loans to agriculture. These should be brought under one head, providing a sound system of rural credit under cooperative farm control and providing:

(a) The unification of the two branches of the farm-loan system.

system.

(b) The retirement of present farm-loan bonds and substituting low interest-bearing Government guaranty bonds in their place.
 (c) Reduce interest rates on all farm mortgages from approximately 6 to 4 per cent or less.

(d) Provide an ample reservoir of credit to take care of the

needs of agriculture and to provide for new loans for the marketing, producing, and long-time credit needs of agriculture.

This program will be of immense value to the Nation, stabilize real-estate values, which are after all the foundation of our credit structure, and do it without placing an undue burden on the Government or injuring any group.

OTHER NECESSARY STEPS

These three essentials of lifting prices, providing an honest dollar, and reducing interest rates are emergency steps that can not be postponed if agricultural conditions are to be stabilized. They

alone will not cure all farm ills, but they are fundamental to re-covery and can be enacted into law at this session of Congress or in a special session later to be called.

A sound program of land utilization is essential to permanent agricultural recovery. We must recognize the conservational, recreational, and forestry uses of land, as well as that of producing food.

tional, and forestry uses of land, as well as that of producing food. Millions of acres of submarginal land should go into forestry. Stability in our banking structure requires revamping and reorganization of the credit machinery of the Nation. One of the dark pages of the last three years has been the story of bank fallures and staggering losses to depositors. We must give careful consideration and study to see if a system of Federal depositories can not be devised where the savings of the Nation will be safe and act as a Rock of Gibraltar in periods of depression.

It is apparent that there will be no stability or permanent re-

It is apparent that there will be no stability or permanent re-covery in prices until the discussion of foreign war debts is brought covery in prices until the discussion of foreign war debts is brought to a stop, and a definite policy is established. These debts are honest; they should be paid and should not be canceled. Nations that can not pay in full should be given credit on purchases of farm products or other commodities in the United States. Payments from the war debt should be used to open markets and promote international trade. However, America's greatest market is at home. Bring back the purchasing power of the millions of farmers and unemployed and they will absorb many times as much goods as was exported from the United States in our greatest veer year.

The farmers' crushing tax burdens are largely of local and State origin. Nevertheless agriculture is interested in economy and efficiency in government from top to bottom. Reorganization and efficiency in the Federal Government is essential. Hundreds of of dollars can be saved by further reorganization. Agriculture has as much at stake as any other group in this reorganization. We must demand that all departments dealing with the surface use of land be brought under the Department of Agrisurface use of land be brought dider the reparation, and sound national development can go forward in harmony with present and future needs of agriculture.

The farmers' transportation costs are greater than his tax bill. Highway development has been of incalculable value to rural life and to the Nation. The farmer is entitled to the cheapest type of transportation that modern science can bring. Rather than burden motor transportation with unnecessary restrictions, we should remove limitations and burdens from the railroads. Highways, railways, waterways, and airways all should be available to serve the best interests of rural life.

In our program for the restoration of normal conditions, we must not lose sight of the fact that health, education, and research must not be crippled by unwise pruning. There are some things that the Nation can not afford to do without even in this period of depression. We must protect the opportunities of generations yet unborn and so plan our reorganization and readjustment that we will preserve the largest measure of opportunity to the future youth of the open country.

CONFIDENCE MUST BE RESTORED

One of the greatest causes of the continuation and severity of the depression is the loss of confidence of many of our citizens. While there have been disappointments, severe losses, and heart-breaking suffering, yet we must remember that the resources with breaking suffering, yet we must remember that the resources with which nature endowed us remain unimpaired. Many of us do not now have property that we once thought we had, but the resources of soil, forest, mine, lake, and stream all remain. Our factories, our public improvements, our transportation machinery are here to serve us. There has not been lost anything that will be fundamental to the welfare of America a quarter of a century half tury or a half century hence, unless we permit ourselves to lose confidence, courage, and hope.

No amount of reflation or protective legislation, no amount of artificial stimulation will bring permanently better times unless we restore and maintain the confidence of the people of this country in our resources, in our Govenment, and in our ability to complete the task of readjustment and reconstruction.

Our difficulties are not insoluble. All necessary readjustments can be made if we have statesmanship and vision and at the same can be made it we have statesmanship and vision and at the same time recognize that the gravity of the situation calls for imme-diate action. A danger in this crisis is the constant tendency to look to Washington as a source of all relief, forgetting the power of individual initiative and organization and community self-help.

A hopeful sign of the present is found in the recognition of the American farmer of the power and necessity for organization. Since the National Grange was established in 1867, community helpfulness and the power of organized effort have been a continuing factor in rural development. The hour is at hand when farmers everywhere should join the farm organization that measures up to their ideals and should utilize the forces of education, organization, and cooperation in restoring and maintaining the morale, the courage, and the fighting spirit of the open country. We must guide our organized activities with the recognition that agriculture has a soul as well as a body and we must seek to touch those spiritual mainsprings that not only sustain in times of trial but build for the better days to come.

IN DEFENSE OF LOUISIANA

Mr. LONG resumed and concluded the speech begun by him yesterday, which follows entire:

Tuesday, February 21, 1933

Mr. LONG. Mr. President, I had intended to have something to say on yesterday as a matter of personal privilege relative to a few statements which have been issued by a gentleman who styles himself "General" Ansell relative to the Louisiana so-called-to-be election probe. I could not see my way clear to interfere with the relief legislation which was being considered yesterday, and for that reason I waited until I could secure recognition on the floor to-day to discuss these matters.

Mr. President, the Senate adopted a resolution providing for the appointment of a committee to investigate expenditures and irregularities in primary and general elections of last fall, and I think I voted for that resolution. I conceded that under the resolution a committee of the Senate had a right to investigate expenditures and irregularities in the primary and general election occurring in all States. The committee was called upon to go into several States, but went into the State of Louisiana only.

When the subcommittee first went there I asked that some showing of irregularity be required. The campaign opposition insisted that it could not make any showing of irregularity at the time, but that the Senate would have to send investigators there to prove the charges that they were willing to swear to, but which they could not offer one line to prove themselves.

NO PROOF OF FRAUD DEVELOPED

That was back in the month of October, 1932. Before that time a horde of investigators was sent to Louisianaseveral of them, I understand seven in number. They investigated in the State of Louisiana through the months of October, November, December, January, and February-five months-and then another hearing was called. At the end of five months I asked, as a Member of the Senate and as a representative of the Senator elect-and the Senator elect, the Hon. John H. Overton, made the same request—that if the hearing was going to be held in Louisiana we be given the report and the charges which we were supposed to face. I was informed by the chairman of the committee that the committee had decided not to make the report accessible to anyone. I therefore requested that we be given a bill of particulars and specifications showing what was charged (as a result of the five months' investigation with the people's money) to have been developed in the State of Louisiana. I was informed again that none such would be forthcoming. So I yielded to that position.

I was told by one or two members of the committee that they saw no reason why we should not be furnished with such report. I was told by the Senator from Alabama [Mr. Bankhead] that in his contest he was given the reports. I was assured by others that they would undertake to secure the same consideration for us as has been given in the Alabama and other cases. But I did not want to use my friends to the point where I thought it might be embarrassing to them, and I made no further request and yielded to the stand of the chairman of the subcommittee that no such information would be forthcoming.

So we went down to Louisiana, gentlemen of the Senate, after the State had been raked from center to circumference for five months, after every roll had been checked with Government money, after the State for five months had had from one to five newspaper reports in it every day that fraud was being discovered by leaps and bounds and merely awaited the coming of a senatorial committee to prove the disastrous calamity with which the investigation was then struggling.

RESCUED BY A BURGLAR

We waited five months. The committee saw fit to employ an attorney to assist it in developing the facts. They employed General Ansell, against whom no less report has been made than was made against Benedict Arnold the night he sold out West Point. They saw fit to authorize the chairman of the committee to employ an attorney, and I assume and believe the chairman acted in good faith and in good conscience in employing an attorney. The chairman sought

assistance and rescue in the employment of his counsel. He might as well have prayed for a burglar to have delivered him from a holdup on the highway at night as to have employed the Hon. "Gen." Samuel Tilden Ansell, concerning whom I will give some belated information as to his career.

The lately designated Samuel Ansell is the famous Grover Cleveland Bergdoll pot-of-gold attorney. He was the gentleman who practically forged his own appointment as Judge Advocate General in 1917. We have it here from the files of the Government that in the year 1917 this man Ansell went to the then Judge Advocate General, Mr. Crowder, and asked, in view of the very heavy work that General Crowder was having to do, if he (Crowder) would not recommend him (Ansell) to be appointed Acting Judge Advocate General. The War Department records show that General Crowder told him that he would have to make that application to the Secretary of War.

The next record of the War Department shows that this man Ansell went to the Chief of Staff and told the Chief of Staff that General Crowder had ordered him to issue an order naming him (Ansell) Acting Judge Advocate General of the Army, and that the Chief of Staff actually ordered such an order to be issued, which was discovered by General Crowder, Judge Advocate General, and the Secretary of War ordered it stricken from the file and not to be published, and demoted Ansell back to brigadier general, and there was no trial, for later he resigned from the Army.

Mr. President, Grover Cleveland Bergdoll was a draft evader of the World War, a very rich young man, the son of very wealthy parents, living in Philadelphia, or near Philadelphia. He was of German-born parentage, I believe, at least on the father's side.

Near the close of the war this draft evader was apprehended and arrested. He was found shielded with considerable artillery in his own house, and it was after considerable risk and effort that he was arrested. He was tried and imprisoned as a military prisoner at Governors Island, N. Y., and while he was in the military prison many efforts were made to secure his release through the courts and by various other processes.

It was along about that time that "General" Ansell, as he calls himself—and the Senator from Missouri [Mr. Clark] disputes his right to that title—it was along about that time that Mr. Ansell was employed in the case.

Mr. Ansell had been in the War Department. He had been in intimate contact and close association with the War Department generals and subordinates who would have had the right to grant release to the prisoner if release could have been granted for any temporary purpose. It was through Mr. Ansell's connections with the men in the War Department, with whom he had been in close daily association, that Mr. Ansell, upon resigning from the Army, was able again to contact them so as to secure the release of the prisoner, Grover Cleveland Bergdoll, from Governors Island, for the purpose of his escape, as Congress so saw it through its committee.

THE "POT-OF-GOLD" ESCAPE

While General Ansell was in the Army he would have been subject to court-martial for his conduct, so the congressional committee reported, but he resigned and took the Bergdoll case, putting himself outside of court-martial before the "pot-of-gold" scheme was advanced by him.

Mr. President and gentlemen of the Senate, it was through General Ansell that there was hatched up the pot-of-gold story, the story that Bergdoll, who was a prisoner at Governors Island, had hidden \$150,000 in gold in the mountains of Maryland, and they wanted his release in order that he might go out and find the gold and bring it back, and it was stated that he would be returned to Governors Island.

The prisoner's release was secured through Mr. Ansell and the contacts which he had with men in the Army; and through the efforts of Mr. Ansell, under promises which he made, but did not keep and did not intend to keep, so the committee says, Bergdoll was allowed to escape. He never went within hailing distance of any mountains where he was

Canada and then found his way to Germany.

Mr. President, as the last part of the history, as the report which will be appended to my remarks will show, Bergdoll's escape was investigated by a committee of Congress, and they found and reported, as will be seen from the report which will be printed to-morrow morning at the conclusion of my remarks, that the master mind of the conspiracy and of the escape was Mr .- or "General"-Ansell, as he calls himself; and they found that the conspiracy was such that, while no punishment by court-martial could be meted out to Ansell for the hatched-up scheme and efforts which resulted in the escape of this prisoner, none the less, said the congressional committee, he ought never to be allowed to practice before a court or to appear before a committee of Congress or of the United States again. That is the report of the Congress I have submitted, which in detail goes further than I care to go at this time.

Mr. CLARK. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Louisiana yield to the Senator from Missouri?

Mr. LONG. Certainly. Mr. CLARK. The Senator will recall that General Ansell's title is simply a courtesy title; that he was actually retired as lieutenant colonel in the Army.

Mr. LONG. He gives himself that title. I say that he has as much right to that as any other title. He has as much right to that title as he has to the title of honorable citizen. He has as much right to be called "General" as he has to be sent to the State of Louisiana, and I will show that in a minute. I will read the record, if that is disputed. He has been sent down to Louisiana. I will show in a moment what part his nefarious record has to do with what happened down in that State.

First I will read from the Literary Digest. They usually have pretty good logic when they are writing about me, my enemies will admit.

The Literary Digest's review of public act in Bergdoll case. September 3, 1921. Quoting from the Literary Digest,

THE WIDENING BERGDOLL SCANDAL

More malodorous than ever, many papers agree, is the case of the notorious draft dodger, Grover Cleveland Bergdoll, as illumithe notorious draft dodger, Grover Cleveland Bergdoli, as Illuminated by the investigation of a congressional committee, the majority of which report finds that his escape was made possible by a conspiracy of Army officers, of which Brig. Gen. Samuel Tilden Ansell was the "master mind." "As the case stands now," remarks the Houston Chronicle, "the country is disgraced not so much by the way Bergdoll flouted its authority, but because there were so many pretended patriots willing to help him."

Quoting the Literary Digest further-

Both the majority and minority reports, the one signed by three members, of whom two are Democrats and the other by two Republicans, "support the reported boast of that fugitive that 'he made the Americans look like a bunch of boobs,'" says the Pittsburgh Gazette Times, "the Americans referred to being those who should have kept him safely in custody."

Quoting the Literary Digest still further

While "there are many who participated in the conspiracy leading to Bergdoll's escape and the acquittal of those who brought it about," says the majority report, according to press quotations, "there are three who are more culpable than the rest." In this connection are named General Ansell, who was one of the draft dodger's counsel, Col. John R. Hunt, commander at Fort Jay, where Bergdoll was confined, and Col. Charles C. Cresson, who prosecuted Colonel Hunt when that officer was court-martialed. As for General Ansell, "he is now out of the Army," runs the report.

Then follows the report in these words:

He (Ansell) is beyond the jurisdiction of court-martial proceedings, but provision should be made against his future practice before any of the departments, before any court-martial, or in the courts of the District of Columbia, or the Nation above whose safety and integrity he has placed gold.

Instead of that, things lay quiet a while, and this year Mr. Ansell was called upon to go down to see if there were irregularities in the election of John H. Overton. This man Ansell, recommended for disbarment, a scoundrel and a thief of the deepest dye and lowest order of crookdom, according to a committee of Congress, was sent down to

supposed to have hidden the gold, but he found his way into | investigate the private life, not of Overton, not of Broussard, but, as he construed his job, of a man who had been elected to every office within the gift of the people of the State of Louisiana-if it did happen to be me.

I want to give the Senate, before I go a little further into the conduct of this scoundrel, the advisor of the chairman, the select counsel of the chairman, picked by the chairman, condemned by the Government as a thief and a scoundrel and a crook-

The VICE PRESIDENT (rapping with his gavel). Senator from Louisiana must not reflect upon a Senator.

Mr. LONG. I am not reflecting on the Senator. I am trying to tell the Senator who he picked and who guided him. He might as well have gone to the galleys.

Thereupon this investigation recessed, or rather proceeded into Louisiana under the guidance of Mr. Ansell. The chairman of the subcommittee, the junior Senator from Nebraska [Mr. Howell], and the junior Senator from Wyoming [Mr. CAREY] were the only members of the subcommittee present. The ruling of the Chair was, therefore, final. Nothing that he did could be undone. I, as a colleague in the Senate, approached the chairman, and I approached the Senator from Wyoming. I was told by the chairman that regardless of whatever anybody else thought, he was absolute in the premises. I thereupon knew that that meant that Mr. Ansell was absolute in the premises.

For many years, Mr. President and gentlemen of the Senate, the conflicts that I have had in the State of Louisiana have been known to the world. They are as well known, I hope, as almost any other ordinary political matters. In those conflicts, if I may call them such-and they are scarcely less than that—when I have managed to be affiliated with men and with women who were able to put out certain opposing candidates and to elect others, I have had to wake up in the morning to find that my enemies made dextrous moves.

CAN NOT REPLY TO OR ATTACK OWN BLOOD

I have had, Mr. President, a rather unfortunate political career. If I had my political career to start over again, with the disappointments I have had, I never would start it. I had to wake up in the morning at times and find my blood brother on the ticket of the opposition unless I was willing to support him myself. This record again tells the story that unless I was willing to go out and try to elect the members of my family to certain public offices, I had to be faced with every kind of a charge on earth made against me by my own blood.

I have never replied to those charges, Mr. President; I have never had to. In no campaign have I ever denied a charge they ever made, and in no campaign, public or private, have I ever made a charge against one of them, and if my public career depends upon making any answer, direct or indirect, to a charge that is made against me by one of my own blood, or depends upon my making a countercharge, I can go out of politics as quickly as I came into it, and probably would be better off by so doing. I can not attack my own blood.

But I had managed to keep the newspapers from printing those canards they would tell. Why? Because if the newspapers printed them, they were on their face libelous, and I would not have had to draw an issue between me and one of my own blood in a public court to have received vindication from it.

But oh, no; when Ansell came down there he brought my brothers into the senatorial inquiry and he put them on the witness stand under privilege where they could tell the damnable tales they had been telling, so that the newspapers could print them, and I was without the slightest opportunity of relief and could not go anywhere to obtain any vindication of any kind. It was not relevant to the hearing. They went back 15 years to permit these men to take the stand and swear to canards they had told the electorate of that State in order that they could be printed in the newspapers of this country, and I would be remediless against that kind of attack.

SENATOR HOWELL'S MISTAKE

What did that have to do with this case? Do not think I am misstating the issue. I am ready to prove what I say from this record. I do not blame the Senator from Nebraska [Mr. Howell]. He is a layman; he is not a lawyer; and when he got in the hands of Ansell, if he ended with any less results than Bergdoll did he was fortunate. If Bergdoll, through Ansell, put out that pot-of-gold story and left this country through that device, then the Senator from Nebraska [Mr. Howell] has exhibited an unusual and cold intelligence not to have done as badly as Bergdoll did, having been under this man's tutelage for 14 days while they were away from home.

I want to read to the Senate how this proceeding went on. Here [indicating] is the testimony of a witness called to testify, Mr. President and gentlemen of the Senate, about an election that occurred in September, 1932. Here is testimony relative to that election as the committee received it after they had been proceeding for about 9 or 10 days. Speaking about me, the witness says—and I quote from his testimony:

I had him to move to Shreveport in the fall of 1918 for the purpose of establishing a law practice—

Speaking about me-

He did not establish it until I went there and practiced with him in December 1, 1920.

That was just 12 years ago. They are getting up rather close to the election.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. LONG. Yes.

Mr. CLARK. Is that part of the examination in chief or cross-examination?

Mr. LONG. It is the examination in chief. I was told not to interrupt this testimony. This is one part of it. Wait until I get down to the hard-boiled goods in this thing. [Laughter.]

I am going to read again from this testimony. This is the trial of the Overton-Broussard election as it has been conducted at an expense of \$25,000 and five months' investigation in Louisiana:

I had him to move to Shreveport in the fall of 1918 for the purpose of establishing a law practice. He did not establish it until I went there to practice with him, December 1, 1920.

If I am not talking loud enough for the junior Senator from Nebraska [Mr. Howell] I will move closer.

The first month we took in \$7.50.

"He and I practicing law," that is a part of the Overton contest, and the committee are getting up to within 12 years of the time when the election occurred, and that is closer than they got most of the time.

After I got there the practice grew rapidly, but no more so than Huey's chest. The result was we had to dissolve.

This testimony occurred while the committee was investigating the election contest of John H. Overton, who was elected in September, 1932.

A few months after that dissolution I became the most active attorney in defending him against charges of slander and libel in Baton Rouge, La., sworn out by Governor Parker. When he ran for governor in 1924 I supported him.

I will now skip about seven pages and see then how the committee are getting along. I read again from the testimony of the same witness.

On his platform for governor he promised the laboring people of this State a reasonable workman's compensation act. He did not do anything of the kind. He absolutely ignored that.

We are now up to 1923; we are getting along better; we are within nine and a half years of the day the election took place.

Mr. CLARK. Is that still the examination in chief?

Mr. LONG. This is the examination in chief, and no interruptions were allowed. I did not interrupt the witness nor cross-examine him.

I saw telegram after telegram. We wrote him and never a response to that firm, sound pledge he had made to the laboring people of this State.

IRRELEVANT ATTACKS

I skip now about 10 more pages to see how far the committee have gotten in the direction of the Overton campaign in the Broussard race. The newspapers were taking it all down and printing every word of it. The committee took one day to a witness. "Great fraud developed," said the newspapers, that I had fought down there for 20 years and beaten them practically solidly for 20 years. Then the witness goes on, the testimony still being under examination in

That is when I was governor; the committee finally got. up, on page 2010, to when I was governor-

He took \$1,800,000 at one time out of the highway fund illegally and bought a piece of land worth about \$200,000 in order to give them that money-

Referring to the Louisiana State University-

He used most of that money in building a competing medical college. * * * He had no word of law or no letter of law. He went in there and took that \$1,800,000 of the people's highway commission fund and gave it to the school in order to promote himself to that extent.

The committee are now getting up to within three or four years of the Senate race. The testimony was given notwithstanding the fact that the matter had gone to court and that the courts of the State had adjudicated it legally, without appeal. I will not read further from the testimony of this witness, but practically not a word of such a thing as evidence was even undertaken by that witness in his testimony, a witness who was brought on to the witness stand for no other reason on earth than that he happened to be a brother of mine.

Now I come to the Ku-Klux Klan part of it. The attorney, Mr. Ansell, decided he would go into the Ku-Klux Klan. I quote from the testimony:

Mr. Ansell. Do you know whether Senator Long is a K. K. K.

That, gentlemen of the Senate, was the question of the attorney of the committee in the Overton-Broussard contest down in Louisiana.

A Ku-Klux Klanner or not.

The witness answered:

I do not think he was a K. K. man; that is my idea; he was not. Mr. Ansell. Did he represent himself as being such?

He was talking about 1923, 10 years before the election.

Mr. Long. He did at one time.

Mr. Ansell. How did he so represent himself?

The witness answered:

In his campaign for governor in 1924 he sent out quite a lot of bogus information showing that HUEY LONG was a cyclops or something else.

[Laughter.]

The chairman became interested and examined the witness a little bit along that line.

Here is another one of the main witnesses. This gentleman had run for mayor and been beaten, and he had been beaten for chairman of the public service commission. was called to the witness stand, so the record shows, and he testified for nearly one whole day, or at least the better part of a day. Finally I said to the chairman:

Mr. Chairman-

This is the substance of my remark-

are we not ever going to try the Overton-Broussard election contest? This is not according to my idea of matter which is material.

Mr. Ansell got up then and said:

In view of those facts—and they are facts—shall I be required to measure up to any requirement as to materiality—legal materiality—any technical rule as to pertinency? If so, this investigation in this atmosphere with this machine in control ought never to have been started. The money would be wasted.

Mr. CLARK. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Louisiana yield to the Senator from Missouri?

Mr. LONG. Yes, sir.

Mr. CLARK. Is it a fact, as reported in the public press, that public funds appropriated by the Senate for the use of this committee were actually expended by Mr. Ansell in pursuing an inquiry on the question of whether or not the junior Senator from Louisiana had Indian blood in him?

Mr. LONG. Yes, sir. Oh, yes; I will get to the Indians. They took time to chase that down. Yes; they investigated whether I was a member of the Ku-Klux Klan, whether I had Indian blood, what I promised when I ran for governor, and went back to the railroad commission rates of 1918. Oh, yes; the whole thing, you know, had to be gone

SUPREME COURT RULING DEFIED

This man Ansell actually got up and said that if he had to measure up to any such thing as a rule that the testimony had to be either material or pertinent, the investigation ought never to have been started; that the money had been

We thereupon read from the Supreme Court of the United States. It did not do any good. It was useless to read it. We might just as well have thrown water on a duck's back in the springtime. We read this in view of this statement of this pot-of-gold attorney of Bergdoll, who was recommended for disbarment, who was found by the congressional committee to be a thief and a crook and a scoundrel, who had practically forged a commission in the Army and had to get out for doing it, who had put up that story, Mr. President and gentlemen of the Senate. This man Ansell wrote a letter in which he said that Grover Cleveland Bergdoll, at that time incarcerated in the United States jail, had hidden \$150,000 in gold in the side of a mountain over in Maryland, and that if they would turn him out of the Army Bergdoll would go over there and get the gold that he had hidden, that nobody knew where this pot of gold was but Mr. Bergdoll, and that he would be responsible for his safe custody, and would go himself, or would have another lawyer go, with a guard, and get the gold and bring Bergdoll back to jail.

According to this pot-of-gold tale of Ansell, in his letter quoted by the House investigating committee, this \$150,000 was supposed to have been hidden in one iron chest. According to the United States Bureau of Standards, it would have weighed about 550 pounds. This chest of gold Mr. Bergdoll was supposed to have taken his lone self and hidden in the mountains, and he was the only man who knew where it was; and Mr. Ansell, who had been in this office, according to this committee, schemed around and lied around and crooked around until he actually got Bergdoll out of that jail and then he got him into Germany!

This man Ansell, by reason of such Bergdoll fame as he had acquired, said to the chairman of this Louisiana pro-

If I have got to live up to any such requirement as materiality and pertinency, this investigation ought never to have started. The money would be wasted.

He was listened to a great deal more than the United States Supreme Court when it said this:

By our opinion-

Said the Supreme Court-

decided since the indictment now before us was found, two propositions are definitely laid down: "One, that the two Houses of Congress, in their separate relations, possess not only such powers as are expressly granted to them by the Constitution, but such auxiliary powers as are necessary and appropriate to make the express powers effective; and, the other, that neither House is invested with "general" power to inquire into private affairs and invested with "general" power to inquire into private affairs and compel disclosures, but only with such limited power of inquiry as is shown to exist when the rule of constitutional interpretation just stated is rightly applied." And that case shows that, while the power of inquiry is an essential and appropriate auxiliary, to the legislative function, it must be exerted with due regard for the rights of witnesses, and that a witness rightfully may refuse to answer where the bounds of the power are exceeded or where the questions asked are not pertinent to the matter under inquiry.

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witnesses, and that a witness rightfully may refuse to answer where the bounds of the power are exceeded or where the questions asked are not pertinent or relevant to the matter under inquiry; but that rule did not apply. The counsel stated that he could not comply with any such thing as the testimony being either relevant, material, or pertinent to the cause under inquiry; and, despite the ruling of the United States Supreme Court, they went again into the inquiry into the private life of a man who was not a candidate in the election that was under investigation.

Mr. CLARK. Mr. President, will the Senator yield? The PRESIDING OFFICER (Mr. HATFIELD in the chair). Does the Senator from Louisiana yield to the Senator from

Mr. LONG. Yes, sir.

Mr. CLARK. Is this the same Ansell who abused such public servants as William H. Taft and Newton D. Baker and Enoch H. Crowder like horse thieves, and who was scathingly rebuked by a committee of the American Bar Association for his conduct?

Mr. LONG. Yes, sir; he is the same bird. [Laughter.] After he had been practically run out of the Army for fraud, when Judge William H. Taft saw a charge made against the administration of Newton D. Baker in the Democratic administraton, Judge Taft, who had been Secretary of War, thinking it was his duty to do so as a good citizen, in the interest of this country, gave information to show that the scoundrel was an infamous liar; and he came out and denounced Judge Taft and everybody else within range. He was hiding his tracks then, as he is now.

Then he went down in Louisiana to investigate me, with \$25,000 placed at his disposal. He came back up here the other day and issued a statement and said that he had quit. He issued a statement containing all kinds of attacks, so I understand-I have not the right to use the statement-all kinds of attacks.

CHARACTERS REBUKED BY THE PEOPLE

In order that I may show this thing up a little differently. he put on the stand this man who had run for mayor, a man by the name of Williams. He had run for mayor of New Orleans, and he had been beaten for mayor. He had lately been deposed as the chairman of the public-service commission. He claimed to be a campaign manager for the opposition in a number of wards in the city. He was called to the stand. He testified that they beat up men by the score on the day of election; that they arrested them by the score; that they stole votes by the thousands; that they bought the commissioners, and paid them money. Oh, he testified to a list of crimes that would have been sufficient to put all the 2,000,000 people in Louisiana in the penitentiary if one-tenth of it was true. Then, after all of his testimony he was allowed to testify not only what somebody had told him but what somebody told somebody that told him, what he believed, what his opinion was-then, after he had gotten through with nearly a day's testimony, he was asked these questions, but meanwhile all he had said had all gone out in the newspapers. It had been read all over the United States under a privilege given to him by Ansell, through this committee. Then, after being asked all those questions—the day's testimony was gone, and the newspapers were out in which he had charged thievery, banditry, stealing, robbing-I was given about 20 minutes of the afternoon of the day. This was on cross-examination:

Senator Long. How many people did you see arrested on the day

of the Broussard-Overton election?

Mr. Williams. I was in charge of the—
Senator Long. Wait a minute. I ask, Mr. Chairman, that this witness answer the question, How many people he saw arrested? I do not want anything but that. I will ask him how many people he personally saw arrested and that is all. That is all I am asking him.

Mr. WILLIAMS. I did not testify I saw anybody arrested.

Senator Long. Did you see anybody arrested?

Mr. WILLIAMS. No; I did not.
Senator Long. Did you see anybody paid any money?

Mr. WILLIAMS. I did not. I got an affidavit of a man who does

say so.

Senator Long. Now, I am asking this witness if he saw anybody paid. That is all I want him to answer.

None of those things that you testified to as to people who were arrested or people who were paid money did you see yourself?

Mr. WILLIAMS. None of what things?

Senator Long. None of those things about people who were arrested or people who were bought. None of those things you w yourself, did you?

Mr. Williams. You mean, did I see anybody get arrested?

Senator Long. Yes.

Mr. Williams. No. Did I see anybody get any money? No. Senator Long. Then, all of those things you have previously testified to as having seen done as to people being arrested and people being bought, those are not of your own personal knowl-

Mr. Williams. I have on file affidavits which are the basis of my statement.

And, Mr. President, they were allowed to put on the witness stand this man Williams, who, at the conclusion of his testimony, swore that he had not seen anything, that he had not heard anything, that he did not know anything; but that was after they had given a privilege to the newspapers of this country to print one volume of testimony that I will now show you was as false as the coinage of hell itself, and everybody knew it at the time. Here is the proof of that:

UNFOUNDED PERJURY

This man would swear to anything on God's earth. He did not have anything to hold him. He was swearing that he did not see it. He was swearing that he did not know it. He was swearing that there was nothing that he saw, heard, or by any sense of understanding or knowledge could possibly give before that committee or before anybody else; but he was given a day's time in which to do that, and in a few moments in the afternoon, though as to his testimony in chief no one has ever seen it denied up this way, at least, he said that he knew nothing about it, and made no denial of the fact that it was false, as I will now prove by the record.

Twelve days elapsed. I will discuss in just a minute other things in this record which could be said to be relevant to this case. There was a little stuff that would have been perfectly all right and legitimate inquiry. We indulged this thing, hoping that he was coming around that way. The thing went so far that citizens of that country went in to see judges of the United States court to ask what they ought to do, and I am informed, though I do not know it of my own knowledge, that those judges went out of their way, because the circumstances required it, to suggest that such persons tell the United States attorney about it, and that he ventured to tell the chairman of that committee in there that he could not put that kind of a thing over in a civilized community, and he did not pay any more attention to it than if he had not been told at all.

Mr. HOWELL. Mr. President, will the Senator yield? Mr. LONG. Yes; I will yield to the Senator. What does he want to know?

Mr. HOWELL. I want to state that no judge in Louisiana called upon me to go into conference with him, and that the statement which has now been made by the Senator is absolutely without foundation.

Mr. LONG. I said the district attorney told the Senator. Mr. HOWELL. The district attorney?

Mr. LONG. Yes; Mr. Edwin E. Talbot, the district attorney, told me he told the Senator, and I believe he told the Senator.

Mr. HOWELL. The United States district attorney sent word that he would like to see me. He said that he had been called upon by Senator Long and several others for an opinion: that he did not want to get into this matter, and he wanted me to understand that he did not want to have any part in this matter. That was my understanding of all that he said to me, and I told him that I thought it was perfectly proper if Senator Long wanted to talk with him; but he gave me no admonition whatever, nor did he state to me that I should not do this or that I should not do that.

Mr. LONG. Did he not tell the Senator that he could not have him or anybody else put a man in jail for not answering irrelevant and impertinent questions there, and that he could not be expected to do anything of that kind? Did he not tell the Senator that?

Mr. HOWELL. He said, "I have been asked if this committee could put anyone in jail," and he said, "What is your view about it?" I understood it was an inquiry. I said, "This committee has absolutely no authority of that kind." I said, "All this committee can do is to report to the main committee in Washington, and that main committee would report and recommend to the United States Senate: that the United States Senate is the only body that might act to have some one prosecuted even for perjury, before the committee."

Mr. LONG. The Senator has not answered the question. Did he not tell the Senator that the inquiry had to be on pertinent and material matters?

Mr. HOWELL. He did not say so. He did not advise me as to how the inquiry should be conducted. He simply called me in there to assure me that whereas he had been importuned for opinions, he wanted me to understand that he was not interfering with this committee.

Mr. LONG. That is not the information I got. Of course, I take the Senator's word. The information I got was that the district attorney was asked by other authorities than me to call in the chairman and to tell him that he could not call those witnesses there and ask them to go back 18 years into their private records and into their private life and into the private life of somebody else and expect to have any court on earth stand behind that, and that he had no such authority under the law. That is what I was told the Senator was told.

Mr. HOWELL. Mr. President-

The PRESIDING OFFICER. Does the Senator from Louisiana yield to the Senator from Nebraska?

Mr. LONG. I yield.

Mr. HOWELL. I want to make it very clear again that I received no admonition whatever from the United States district attorney or from anyone else while I was in New

Mr. LONG. Did the Senator receive the statement from the United States Supreme Court that it had to be material and pertinent? The Senator got that from me, did he not?

Mr. HOWELL. A statement was handed to the chairman during one of the sessions of the committee.

Mr. LONG. Did the Senator read that? Mr. HOWELL. I have it now, at present.

Mr. LONG. Did the Senator ever read it?

Mr. HOWELL. I read a portion of it.

Mr. LONG. Read a portion of it! At any rate, Mr. President, I have the highest respect for the intellect and good motives of the junior Senator from Nebraska. He has shown a motive that is very high and an intellect that is above that of any test. He has shown the power to come out of this situation with Ansell much better than Mr. Bergdoll did and with a more reasonable story. [Manifestations of laughter among the occupants of the gallery.]

The PRESIDING OFFICER. The Senator will proceed in order.

Mr. LONG. I have the highest praise for the Senator. I credit him with every motive pure, and I am confident that had the Senator had any counsel who would have advised him the same as any other layman in his condition, that the Senator's attitude would have been entirely opposite to what it was. I do not blame the Senator. With Ansell running the legal side of the matter and advising a layman what to do, I do not blame the Senator for it. With Ansell assuring him that he was leading up to something all the time, I can see how the Senator was beguiled. If Ansell was able to put over that pot-of-gold story, and make somebody believe that a man had hidden \$150,000 in gold, and that he was getting him out of the "pen" so that he could go over and get the gold and then put him over in Germany-if Ansell could do that, what could he do with somebody out of the United States Senate under such circumstances, anybody, whether it is the Senator from Nebraska or myself, or anyone else?

Along what lines did this matter proceed? I hope I have not gone too far quoting the facts about the things of which I have been reading—that is, that we inquired into the rail1923 and 1924, into the governor's race of 1928, and into my race of 1930.

OUTSIDE QUESTIONS

That is not all. I am not going to read all of it, because what I state now is not nearly so far-fetched as what I have already read. They went into a trial of the session of the legislature of 1930. They went into a trial of the impeachment of 1929, when I was summoned up for impeachment as governor. They went into a trial of the legislature of 1926. They went so far as to try to prove that laws had not been passed on elections, and that the responsibility for laws not having been passed fell upon the governor because the legislature did not do it; and because the legislature did not do it, that the governor was responsible; and because the governor was responsible, that I was responsible; and because I was responsible, that the Senator elect was responsible. They tried to prove as a fact that a bill had been introduced in the Legislature of Louisiana which had failed to pass.

That is not all. Let me tell the Senate what they tried out for three days, and if I make any misstatement of the facts I want to be corrected. Let me tell the Senate what they tried out for three days.

In the year 1929 a constitutional amendment had been adopted by the electorate of the State of Louisiana providing that bonds could be issued to build eight bridges across navigable rivers in Louisiana. That was in 1929.

It was subsequently found that an amendment had been made to that bill between the two houses. It passed both houses by the two-thirds majority requisite before the people could vote on it, but an amendment was made in the house bill in the senate, and when it came back to the house for concurrence only 59 members were present, all of whom voted for the amendment. But there were not 67 men there, and the question arose as to whether or not the amendment was valid, inasmuch as there were not two-thirds of the members of the house of representatives present when the senate amendment was concurred in in the house. Therefore, the validity of the act, though it was ratified by the people 30 to 1, was somewhat in doubt. I am telling the Senate what they tried out.

This amendment was adopted in 1928. It had happened that, while I was governor of the State, Senator-elect John H. Overton had submitted a bridge proposal to build those bridges in the form of toll bridges until we could get through an amendment to buy them, agreeing to build them for less than our estimate was. After they had made their proposal for these bridges to be built as toll bridges until we bought them, the provision was that whatever they bid would be advertised to the public, and the contract would be awarded to the lowest bidder.

It happened that that contract never was consummated, not because I did not favor it-because I did-but because the highway commissioners did not want a toll bridge to be built State owned-private owned, whether it was to be taken over or not, they were against the policy altogether.

Three days' time of this hearing was taken up going into the matter of whether or not in 1929, three and a half years before the election, there had not been a toll bridge proposition submitted, what the details were, and what was my attitude on it, and what was everybody else's attitude on it, notwithstanding the fact that the toll bridge contract was not even finally let. That thing was advertised all over the country as though it was a terrible calamity, and this is what they did. They waited until the very eleventh hour, until finally, by accident, one of their own witnesses read the letter that the contract had to be advertised and let to the low bidder, and the right given to purchase it from the low bidder for the cost of construction plus 6 per cent interest per annum. Three days of the \$25,000 time was taken up with that

What was the balance of this case? The balance of this case was this: They went into a trial of the campaign of 1930 when I was a candidate against Senator Ransdell. They went into a trial of dummy candidates. We thought

road commission race of 1918, into the governor's race of admit anything on earth they wanted to put out about the system of dummy candidates. We tried to admit that they had voted them, that we had voted them, and proved they had filed them, but I want to read what their arbitrator swore after we had gotten to the matter of the dummies.

BROUSSARD'S REPRESENTATIVE'S TESTIMONY

I want to read the testimony of Mr. Viosca, the arbitrator of the opposition. After 12 days had been consumed, we were given two hours. We want to thank the chairman for that two hours. They did not have to give it to us, and we appreciate the two hours we were given. It was rather generous, and we realize that it was strictly within the discretion of the Chair whether we were to be given any time at all or not.

This is the testimony of the arbitrator, Mr. Viosca, a partner of J. Y. Sanders, who was the gentleman who led the opposition at the Chicago convention to unseat me and the delegation of which I formed a part at the time when we nominated Roosevelt for President. He said:

I served as a member-in fact, the chairman-of the arbitration election committee.

I want the Senate to notice this in connection with the hearsay testimony of the witness, Williams, that I told about a moment ago.

Senator Long. I will ask you to please state if you had the assistance of the police force of the city of New Orleans and others cooperating with you on that day.

This is the opposition arbitration commissioner who was made chairman of the election arbitration committee in the senate election that day.

Yes. On that day we had several problems that came up that required communication with the polling places, and the only means of communication we had with those places was through the police department. Chief Reyer was telephoned to on a number of occasions by a member of the committee.

He went on to state they got good cooperation, and that so far as he knew all of their messages were delivered to the various polling places.

I shall not read the testimony of this witness. This man swore that he had been the opposition arbitration commissioner in that city in many elections before that time. He swore that on that day they put them in the mayor's parlors at the city hall; that they gave them absolute, complete cooperation and conformed to every request that was made; and that everything he wanted to do had the unanimous backing of all the other arbitrators. He said it was the quietest election that was ever held, and that there were no arrests made or any disturbances on the day that were reported in the newspapers the next day, or to the police headquarters, that they did not handle in accordance with what they thought to have been fair to the candidates on that day.

But they put this man Williams on the witness stand, who swore that he did not even know there was an arbitration commission in the city hall. In order to show how far the arbitration committee went, I put into the record there that this arbitration committee had gone far enough in other elections, even to take boxes out of the hands of the commissioners and promulgate the election over in the police station and count the ballots themselves, and that they had been upheld in that kind of a proposition when there was danger of the thing not going right. Mr. Viosca, the Broussard arbitrator, testified there page after page that there had not been 10 per cent of the complaints in the Broussard-Overton election that had ever occurred in any other election held in the city of New Orleans within his memory; that there had not been 10 per cent of the complaints made that day that had been made in any other election before that time.

Yet the testimony of this fellow Williams, and of many other witnesses like him, hearsay, double hearsay, and opinion from beginning to end, was offered in the record of that case by the page and by the volume, notwithstanding the fact that the arbitrator who had absolute personal knowledge of the entire matter and was handling it on that day, who that matter would be very quickly disposed of and tried to was serving in the cause of the opposition to our forces, double hearsay opinion testimony was worth the air that it had taken to breathe it into the election probe.

FIGHTING THE DEVIL WITH FIRE

The next thing I want to discuss is the matter of dummy candidates. One of my good friends in the Senate may have said-I doubt if he said it-that probably I had done good work with bad instruments, rather indicating perhaps that some of the good we had done had been done with the weapons of the devil. I do not think any direct statement like that was made, but at least somewhere in the air I got the intimation that maybe we had done the work of the Lord, but with the instruments of the devil. I want to show where the instruments came from.

Mr. President, I got interested in the politics of that State many, many years ago. I got beaten a good many times. I took my beatings. Whichever side I was on was the side that was bound to be beaten. If a man wanted to know who was going to be beaten, all he had to do was to find out who I was supporting and he would know.

Two things have been brought up in this election probe, and I now revert to the only thing that, topside or bottom, touches within 14,000 cubic feet of the matter of inquiry. Two things were brought up-the matter of election expenses and the matter of commissioners of the polls. Under the heading of commissioners of the polls was brought up the question of what are known as dummy candidates.

There were no such things as dummy candidates for the United States Senate. A dummy candidate is this: A system has developed in that State going back so long that the memory of man runneth not to the contrary, by which opposing factions have entered candidates for various offices that they knew were not going to participate really in the election. This was done for years before anybody here ever heard about Louisiana politics.

We do not have the commissioners appointed by the State authority. If we did, our faction would appoint them all, and the other faction would appoint them all when they were in office. That is the system in use in most States, I believe. A state-wide board of appointed election commissioners, and they appoint commissioners for the election. But our State abolished that system. It was done by men who thought more about it than I have ever thought about it. We have there this other system. Every man who is a candidate for a local office can put up the name of a prospective commissioner of election to be drawn out of the hat. If there are 16 candidates, and only 1 for the school board or 2 for the school board, then the school board should draw them all because they are local. But if there is no school-board candidate, then there would be a congressional or railroad commission candidate or some senatorial candidates, and they would put in the names for the prospective list of commissioners.

For more than 30 or 40 years that has been done. Opposing factions have gone out and gotten 3 or 4 men to file for the school board, 3 or 4 men or even 10 men to file for Congress, and they would put names in the hat from all the candidates, and draw for the commissioners of election. Those not commissioned as election commissioners were commissioned as watchers at the polls to see that things went right.

In this last senatorial contest, Broussard against Overton, we were opposed by the Sullivan-Williams faction. The Sullivan-Williams faction was behind the Broussard campaign and we were behind the Overton campaign.

Mr. President and gentlemen, I read this to the committee down there. In 1922 this matter went to court. The Senate has been told by this man Ansell that the whole judicial structure of Louisiana is rotten from top to bottom. He has come back here and said that the courts of Louisiana are in the hands of HUEY P. LONG; that it is a rotten, damnably controlled corrupt polluted condition of the judiciary from top to bottom, particularly the supreme court. They make no more bones about saying that every man sitting on that court is rotten, crooked, and corrupt than they do

testified leaf by leaf and page by page that none of that | about taking a drink of water in the spring time-boldly and openly-and the people have to stand for it. They could not help themselves down there. They had to stand it for a while.

> Mr. President, seven members of that supreme court, all of them elected for terms of 14 years apiece, were elected before I became anything like a political factor in Louisiana. all except one, and I helped to elect him, and he is the one that decided against me. The only one that was ever elected after I was a political power at all in the State of Louisiana was Justice Odom himself, and he decided against me one time, and when I was on the other side he decided against me the next time. He decided in favor of dummies when I was trying to keep them out, and against dummies when my side was trying to put them in. That is the only one I had anything to do with since I became governor, and certainly they will not complain about him. He was the judge to change his mind in the case. The judges of the supreme court of that bench are elected for a period of 14 years. Ansell says they are in the control of myself and my friends. They were elected to the supreme court before I was ever heard of as a general political factor in the State of Louisiana. They will go off of the bench on a pension for life when they get ready to retire. I do not think there is more than one man on the bench who went on there before I was elected governor that does not go off the court on his retired pay whenever he gets ready to go and does not have to fear any man on God's living earth. He does not have to fear us anyway, because we have stood for the reelection of every judge on every court in that State. We have never opposed a judge on the bench. We have stood for the reelection of school boards and of the courts, and never allowed them to get into politics; but if we had, they would have been safe anyway.

> In 1922 this dummy candidate matter went to court. Who carried it there? It was the Sullivan faction that helped to oppose us in the last election. Here is a quotation from the newspapers. The Sullivan faction, in charge of the Broussard campaign in 1932, is the outfit that won this lawsuit in 1922. Here it is:

> Dummy case goes to high court. August 17, 1922. Supreme tribunal to pass on Judge Skinner's jurisdiction.

> The case went to the high court. The report goes on to say that the Sullivan faction which supported Broussard won, Williams himself on the witness stand admitting that he, having testified that the dummy candidate business was a malicious practice, admitted that he was a candidate in 1922 when his crowd put these dummies in and won out in court. Williams testified that he was good at that dummy business himself. This holier-than-thou gang they had up there, that we have put out of every office that they ever held or ever will hold, is a gang that this Senate could not elect to office if it tried—and nothing that can be done here in Washington can restore that gang. You could not do it, Members of the Senate, to save your lives.

> Williams was asked the question, "You have admitted that you put in some twenty-odd dummies in the last election?" and he said, "Yes; self-defense dummies."

> He filed 20, but back in 1922—this was in 1931 and 1932 he is talking about—when they filed dummy candidates the anti-Sullivan crowd, what would have been called the regular crowd which is with us now, went to court to get the court to disqualify those dummy candidates on the ground that men had filed as candidates for office that did not intend to run in order that they might participate in the drawing of election commissioners. But the supreme court said "no." It said the court was without jurisdiction, that it could not meddle or intervene. That was the decision of the supreme court. Who was the organ of the court? Judge Ben C. Dawkins, whom President Coolidge appointed United States district judge for the western district of Louisiana, confirmed by this Senate. They brought in the fact that the Senator elect had a brother on the Supreme Court of Louisiana, Judge Winston Overton. The Senator elect did have a brother on that court. That brother was on the court in 1922, and was one of the seven judges who decided

that they could not disqualify dummy candidates; that the court did not have jurisdiction of the election question. That is not the only time he was on the bench.

In 1927 I went to court—I say "I went to court"—my little crowd went to court; we went to court to try to disqualify a man by the name of Melerine, and again the court said that the court could not take jurisdiction of that question at all; that it had to be placed before the committee and that the committee controlled it. In 1931 I was one of those who went to the court again, and again the Supreme Court of Louisiana, in the case of Hinyub against the Parish Democratic Executive Committee for the Parish of Jefferson, laid down the law, and I lost the case by a vote of 5 to 2 in the supreme court. In 1931 the supreme court, speaking through Justice Odom as the organ of the court—the only judge who was elected to the supreme court since I have been Governor of Louisiana who was not a member of the court previously—said, "It is not a matter that can be brought to the court." I lost that case by a vote of 5 to 2. I lost the Melerine case by a vote of 6 to 1. In 1922 the case grew out of a writ granted by Judge Ben C. Dawkins, without any dissent at all; and in 1932 what were we to do? Were we to sit down with that gang of scalawags that had beaten us in three lawsuits and not "fight the devil with fire"? Were we to go down there, with Sullivan winning in 1922, winning in 1927, and winning in 1931, beating us in three straight lawsuits, the court holding that nobody on the living earth could question those candidates; that once they filed and paid their filing fee they had a right to participate in drawing those commissioners—when we had tried to beat them in three lawsuits and had lost out in the three lawsuits, were we supposed to stand there and not abide by that ruling of the court and "fight the devil with fire"? that is the big point that they have made in this case.

Yes; the candidates on both sides filed dummy candidates. There was not any dummy candidate filed for the United States Senate; no; but there were dummy candidates filed for the school board and there were dummy candidates filed for Congress and there were dummy candidates filed for railroad commissioner. However, we did not lead in it. They filed as many as we did. We have photostatic copies of the filings, and they are in the record in this case, showing that they filed as many as 19 candidates in one little ward at one time for the school board where but one man was going to be elected; and they kept those candidates in the race until the time for drawing the election commissioners was over, and then they withdrew them and they got their money back. We have proved that they had a dummy candidate for railroad commissioner; we proved that they always had dummy candidates there; we proved that we had gone into court, and in each one of those cases Judge Winston Overton, the brother of Senator-elect John H. Overron, had decided against his brother's faction every time in favor of the dummy candidate ticket. Every time we went to court the judges of the supreme court, including Justice Winston Overton, decided that the court did not have jurisdiction to contest the right of the dummy candidate to file and participate in drawing the election commissioners, and Judge Winston Overton stood up with them and decided against his brother's side of the case in 1922, in 1927, and in 1931; and yet in the year 1932 this pot-of-gold character named Ansell has tried to make a veritable lion of skullduggery out of Justice Winston Overton because he decided the same way in 1932 that he did in 1931 and 1927 and 1922. He did not say anything against the only justice of the supreme court who changed his viewpoint about the case. There was only one, and that was Judge Fred M. Odom. He did not say anything about him because, when he contested the dummies in 1931. Judge Odom decided in favor of the dummies; and when they contested the dummies against us in 1932, Judge Odom decided against the dummies. He did not say anything about the only judge that I had anything to do with electing since I have been Governor of the State of Louisiana because he decided against us and every time, regardless of what the question

was, he had been found deciding opposite to the factions rather than on the law. He had a right to change his opinion; I do not condemn him; it is very likely he saw it differently; that is his business. So much for the dummy-candidate question.

NO CORRUPTION EVEN MENTIONED

There is one thing, gentlemen of the Senate, that I want the Senate to note, and I hope I will have particular attention in what I am now going to state. There is not a line of evidence—top, side, nor bottom—reaching one single act of misconduct against John H. Overton, Senator elect. There is not a line of pretended evidence which has been written into this record undertaking to show the slightest misconduct of action or inaction on the part of Senator-elect John H. Overton—not a line. I challenge anyone to produce one line of such proof that was ever offered in this record.

However, before I go into that there is one point that has been mentioned. You have been told by the newspapers that one witness by the name of Weiss declined to answer questions of counsel for the committee. You have not been told the truth by the newspapers. The newspapers had to take what they got from the reports down there in New Orleans, and I know the kind of reports which were sent out. I remember when they were trying to impeach me down there; they tried me for murder for one week, to show that I had hired a man to go and kill another man, and at the end of the week's testimony they just dropped the case entirely and never did vote on it. But one week's testimony had gone into the newspapers of this country, under a privileged hearing, undertaking to show that I had been implicated in a charge of murder when there was not enough to it even to cause a single one of the members of the House of Representatives of Louisiana to propose a vote on that charge.

What did they do in this matter? We had a bank situation in New Orleans. I received some cooperation from the committee in that situation, particularly from the Senator from Wyoming [Mr. Carey]. I called the Senator from Wyoming to my house at night and I told him that there would not be a bank, perhaps, which would open in my town the next day if I did not get some help. I knew I could get it from nobody but him, and I had to have a day in which to work. We sat up in my room on Friday night on the day selected to start this hearing and we drafted a proclamation for a holiday, because we knew the banks could not open up the next day. I can say that much here now, but I can only say here now what I think is discreet.

In order to find a ground upon which to declare the holiday, we spent the night looking up things that might have happened on the 4th of February, but could not find anything. About 1 o'clock in the morning somebody phoned that diplomatic relations with Germany had terminated on the night of February 3. Well, I was not very strong, as Senators perhaps know, for the war; I had been making some pretty recent remarks that I was not strong for America having to pitch into that war in Europe; but a holiday had to be a holiday. The 3d of February was not the 4th, so we drew on our imagination and decided that the proclamation severing diplomatic relations was drawn in the nighttime between February 3 and 4, and we declared a holiday for the 4th day of February in order to get a Saturday holiday. We worked all day and all night Saturday; we worked all day and night Sunday; we worked night and day; there was no such thing as anybody sleeping an hour all day Saturday and all Saturday night and all day Sunday and Sunday night. We received wonderful help from the authorities here in Washington, particularly the Reconstruction Finance Corporation.

The banks opened up on Monday morning. One or two of the banks were crowded, the line reaching away out into the street. I would have to go down there and argue with the crowd and then go back to the hearing and then go from the hearing back to the crowd and then from the crowd back to the hearing and go into conference through the night and then go back to the dad-gummed hearing the next morning and back into conference all night, working night and day and day and night trying to keep that community from a calamity that had practically come on us and that we could not avoid.

DOG SON OF A WOLF

In the midst of it was this gentleman by the name of Ansell, whom I can never describe except as Victor Hugo described some individuals. Hugo said, there is an animal for every human; there is not a human that you can not look at long enough, if you know animal life, without finding his counterpart among the animal kingdom. There is an old fable, Hugo says, that with the birth of every litter of wolves there is one dog born, and the mother immediately devours the dog that is born with the litter of wolves for fear that he will be vicious enough to eat up the balance of the litterthe dog son of a wolf. Put the face on Ansell and you have got the dog son of a wolf. That rascal, so found by the committee of the House, was allowed the next day to ask the witness Weiss about this banking situation. And Weiss refused to answer. I instructed him not to answer. We had all the trouble on earth that we could possibly handle. He was asked why he had not deposited certain accounts, and I called the gentlemen aside and told them why we could not afford to answer that kind of a question. I will say that the committee was kind enough to understand, at least for the time, and immediately resumed the hearing without asking the witness to testify any more about any banking situation, direct or indirect. Lo and behold! On the last day of the hearing the same question was asked again, and the witness was told to answer it; and the witness said:

I will answer any question on earth regarding a campaign fund of Overton or Broussard, directly or indirectly relating to it, but I will not answer any other question of any kind regarding a deposit made in a bank, or money kept anywhere else, unless it is a question affecting the Overton and Broussard campaign.

The witness was clearly within his rights.

Then Ansell was not satisfied with that. Why, nothing on God's earth would have pleased that man Ansell like closing up New Orleans. Nothing on God's earth would have been so pleasing to this scoundrel, who had got Bergdoll out of jail and sent him to Germany on the pot-of-gold tale, as congressional committee reports. He would have had something to his renown if a cluster of stagnation, rampant ruin, and squander could have blazed the trail of this scoundrel, who imposed himself on the chairman of this committee, because the chairman of this committee is too honorable a man to have hired this rascal if he had known that the House committee said he ought to be disbarred. The chairman of this committee would not have hired him if he had known that.

Mr. HOWELL. Mr. President-

The VICE PRESIDENT. Does the Senator from Louisiana yield to the Senator from Nebraska?

Mr. LONG. Yes, sir. I should like to know about that, if you would have hired him if you had known that.

Mr. HOWELL. Certainly the Senator does not want to have this banking matter misunderstood. His memory is at fault.

Mr. LONG. Mine is at fault? Not a bit on earth.

Mr. HOWELL. I will simply make a statement now which the Senator can correct if I am wrong.

Mr. LONG. I am going to read it now.

Mr. HOWELL. Mr. Weiss testified that he was the clearing house for the Democratic association in Louisiana of which Senator Long was the head; that he received the moneys that were paid in on account of campaign matters, and that he paid them out, but that he was not an officer of any committee or of any association. He said that he received money only in cash and he paid it out only in cash.

The only reference to the banking situation that was made at this hearing, as I recall, was this: The question was put to Mr. Weiss why he did not deposit these large sums of money in a bank, and have a bank account, and have some accounts of these receipts and expenditures.

Mr. LONG. Yes.

Mr. HOWELL. He said it was because he did not want to.

Mr. LONG. That is right; yes, sir.

Mr. HOWELL. Then the question was asked, "Why did you not want to?" I think I am correct in that.

Mr. LONG. Yes, sir.

Mr. HOWELL. And he answered, "I refuse to answer."

Mr. LONG. Yes, sir; that is right.

Mr. HOWELL. That was the only reference made to banking at that time.

Mr. LONG. Oh, no, it was not! Oh, no, it was not, any such thing! That is the last day you are quoting now.

Mr. HOWELL. No; I am quoting the first day.

Mr. LONG. Oh, no! I have it here.

Mr. HOWELL. I am quoting the first day, and I think if you will look at the testimony you will find that my memory is in accord with the facts.

Mr. LONG. All right.

Mr. HOWELL. When he refused to answer as to why he did not, I notified him that he should understand that no one could protect him from the results of refusing to answer. Then it was suggested that he would be willing to tell the committee in confidence why he did not deposit his funds in a bank. I was reluctant to receive any information from a witness in confidence, because I recognized the fact that I was merely acting for the Senate of the United States. However, upon the urging of Senator Long, Senator Carev and myself took a recess and went into a room, and there Mr. Weiss gave his reason. I did not think it was a valid reason, and, as a consequence, Mr. Weiss was subsequently questioned, and again he refused to tell us why he did not keep accounts and did not deposit the political funds in his hands in a bank.

Mr. LONG. That is not the correct statement, Senator. The facts are that we went into the room, and I related to the Senator myself, in Mr. Weiss's presence, the circumstance that he would require that witness to tell, and we went back, and the witness was then excused from answering the question, and I will show it here by the record. You did not mention that again for 12 days, when you came back on the closing afternoon and tried to do what you had excused him from doing 10 days before. Now, if your mind has failed you, I will read it to you.

Mr. HOWELL. True.

Mr. LONG. Yes, sir; true. I know it is true, and so do you know it is true.

Mr. HOWELL. Just a moment.

Mr. LONG. Wait just a moment. I am not through yet. I am going to read the record. Your memory can not fail you at this point.

The PRESIDING OFFICER (Mr. Fess in the chair). The Chair would suggest to the Senator from Louisiana—

Mr. LONG. I have the floor.

The PRESIDING OFFICER. Yes; but the Chair is making a statement. No Senator can refer to another Senator in the second person.

Mr. LONG. All right, sir; I beg pardon.

The PRESIDING OFFICER. Instead of saying "you," the Senator should say, "The Senator from Nebraska."

Mr. LONG. I will say, then, "The Senator from Nebraska." I will get it back in whatever person it means. It has to be right because I am going to read from it.

Here is what happened, Mr. President. The Senator from Nebraska will know the circumstance that I told him in that room:

The Chairman. I think it is a perfectly proper question.

Then we rowed around.

The CHARMAN. We will take a recess for five minutes.

(At this point a recess was taken, after which proceedings were resumed, as follows:)

The Chairman. The committee will come to order. Counsel for the committee will proceed.

And thereupon, in accordance with the proceeding in private, Mr. Ansell propounded a brand-new question and left the subject:

Mr. Ansell. Mr. Weiss, were you also the clearing house for the Louisiana Democratic Association?

And the question was never asked any longer.

This was on the 7th day of February, 1933. The time | when Ansell finally came back and asked the witness to answer that question was on the 17th day of February, 1933. The witness did not say on the 7th day of February, 1933, "I do not want to." It was on the 17th day of February that he said, "I do not want to." And here is the question. This was on the 17th:

Mr. Weiss. I have also testified, your honor, I have no bank account in which I kept any political funds; that I kept no books. I do not know that that is any more of his business—I do not care what he makes, but suppose I would ask him if he was getting \$10 a day. That would be overpaying him; but suppose I did ask him that—

Mr. Ansell. Let us examine this witness and let him decline to

answer or not, as he sees fit.

Then we had a row over the conference. No; this is not the place. If the Chair will bear with me just a moment, what happened was this. I will read the record here to prove it, Mr. President, because I remember it very well:

On the day of the 7th, when Mr. Weiss was on the witness stand, and declined to answer these questions, we asked for a recess. The recess was given. We came back to decide whether or not the witness would be made to answer the question, and instead of being asked the question the witness was asked a brand-new question a million miles away, so that nothing would be noticed about it; and I remember what happened in the room. I told the chairman myself of an incident that had occurred there in New Orleans, and I told him he would not want to bring that matter out, and they did not, and we left the matter on the 7th.

Then on the 17th we came back, and Ansell came back with the same question he had asked before, and then is when the witness said he would answer any question on earth about the Overton-Broussard political campaign funds, directly, indirectly, remotely, or otherwise affecting them, but that he would not answer any questions outside of that scope; and that is the question that I will read here in a moment.

I will put these questions and answers in the RECORD, Mr. President. There are over 2,000 pages of this testimony, 2,200 or 2,400 pages. I will put in the RECORD to-night the questions and answers of the two days. I ask that I be given permission to put the questions and answers at the conclusion of my remarks, to show what happened on the 7th and what happened on the 17th.

The PRESIDING OFFICER. Without objection, that order will be made.

(See Exhibit B.)

Mr. LONG. Now, that is not all this man Ansell asked the witness. I want to read you something else. Mr. Ansell said to Mr. Weiss:

How much property, real and personal, do you yourself own?

Mr. Weiss. Not 5 cents' worth. Mr. Ansell. You own nothing now?

Mr. Weiss. I said I own nothing. Mr. Ansell. What property did you personally own in the year

Mr. Ansell. My question said properties, which includes both personal and real property.

Mr. Weiss. You mean personal; a suit of clothes? Mr. Ansell. Personal and real property.

He was asking Mr. Weiss what he owned, now, back in 1932.

Mr. WEISS. Explain it.

Mr. Ansell. Did you have any personal and real property in the year 1932? If so, of what did that property consist?

Mr. Weiss. I am not quite as smart as you are. What is per-

sonal property?

Mr. Ansell. You know what it is. Mr. Weiss. I am asking you to explain it.

ANSELL. Money, checks, stocks, bonds, notes, clothing, neckties

Think of calling upon a man to go back a year or two and say how many neckties he had, how many suits of clothes he had, how many this, and how many that.

Mr. Weiss. That is none of your business.

Mr. Ansell. Pocketbooks or what not.

Mr. Weiss. If that is what it means, that is none of your

I do not think there is a court or a committee or a chamber on the civilized earth that would stand for that kind of a battering and kangaroo proceeding that man tried to pull off down in that country.

That was not all. He had already asked about what he had no right to ask about. He did not fail to get any information, as Senators may have been led to believe. Nothing of the kind occurred. I will show Senators that the first day they had Weiss on the stand, Ansell asked him all about that. This is what he said. He said to him, "Can you tell this committee what moneys you received on account of Long's political organization during that political campaign?" These are the questions he subsequently asked him, after the meeting in the room.

He said: "As well as I could remember, I received just enough to defray the expenses of Senator Overton's campaign."

Mr. Ansell. Did you keep any record of the moneys received for that purpose.
Mr. WEISS. Yes, sir.

Mr. ANSELL. Have you that record with you?

Mr. Weiss. No. sir.
Mr. Ansell. Where is the record?
Mr. Weiss. I dictated the record to Mr. Peltier and Mr. Ellender when they made up the record for the committee, sir.

Mr. ANSELL. What did you dictate from?
Mr. Weiss. From my memoranda on my desk.
Mr. ANSELL. Have you those memoranda?
Mr. Weiss. I have not, sir.

Mr. Ansell. What became of them afterwards? Mr. Weiss. I destroyed them.

ANSELL. How long after your dictation did you destroy your memoranda?

Mr. Weiss. When I gave them the information I had no further use for them. Mr. Ansell. Did you think you would need those memoranda up

to that time?

Mr. Weiss. I did not. Mr. Ansell. Were those memoranda kept in the due course of business?

Mr. Weiss. No. sir: they were not.

He asked all about the bank business, about which he had no right to ask, after the whole thing had been asked and answered.

He said to Mr. Weiss, "What is your salary?" I do not know where they got the right to ask a man what he was making, but when he got Mr. Shushan on the stand he said, What is your business?"

"My business is the wholesale dry-goods business."

"How much is your concern worth?"

"It is rated from \$350,000 to \$500,000."

"How much money did your business make last year?"

"We lost \$7,500 last year."

"How much money did your business make the year before?"

"It lost \$12,000 the year before."

"Well," he said, "that does not seem to be much of a busi-How much money did you make out of the State?"

"I did not make any money at all."

"Is it not a fact that you have been selling the State a lot of goods?"

"No. Whatever I sold the State I had to bid low to get it."

"When did you start bidding on contracts?"

"When I was working under Gov. John M. Parker they did not have any bids for the purchase of goods, but since the Long administration in 1928 we had to have bids submitted, and I had to be the low bidder, and before I sold the State of Louisiana I got it on my low bid."

He went into that man's business from top to bottom, asking him what he made, whom he worked for, who his customers were, and Mr. Shushan went on through his private business.

Then he got Mr. Weiss on the stand and asked him what his salary was.

Mr. Weiss said that was a hard question to answer. He said, "I do not think I can answer the question." I then said to Mr. Weiss, "I want to ask the witness to go on and tell him. Tell him what you get."

Mr. Weiss. It is a very hard thing to determine my salary. I get my rooms, my food, my garage, and my pressing.

Mr. Mr. ANSELL. In money? Mr. WEISS. \$10,000.

Mr. Ansell. Is your salary paid by check or in cash? Mr. Weiss. In checks. Mr. Ansell. Do you deposit your salary in any bank?

Mr. Weiss. I do not.
Mr. Ansell. You keep it in cash?
Mr. Weiss. Yes, sir; part of it.
Mr. Ansell. Do you receive any salary from any sources other than that from the hotel?

Mr. Weiss. None at all, sir.

DEFENSE FOR SENATOR HOWELL

He did not have anybody to put on the stand to prove anything by. In the case of every witness he called there. he took the liberty of going into their personal and private accounts, to make himself as obnoxious as his general demeanor would indicate, conducting a regular kangaroo outlawry proceeding, going into every irrelevant hearsay proposition he could think of. That is the kind of testimony to be found in this record. He asked this man all about his bank account in this hearing, asked him where he kept his bank account. The witness told him of every bank account he had, told him everything he ever kept, told him everything from the height and color of the kitchen stove to the description of the cradle in which he was rocked when he was a baby. And still this scoundrel, as the congressional committee found him to be, came back there day after day, this Bergdoll man. By the way, a few minutes ago I said that if the Senator from Nebraska [Mr. Howell] had known what the congressional report had been regarding Mr. Samuel Tilden Ansell, he would not have had him down there advising him as to his conduct in those proceedings. Thereupon the Senator from Nebraska rose, and I thought he was about to enter what I had already entered for hima disclaimer for inflicting on the people of that State the conduct of a rascal who had been impeached by the House of Representatives because of his low-down effort to deprive the country and when the Senator from Nebraska rose, I thought he was going to confirm what I had thought—that if he had known these things he would not have employed him to browbeat the people of that section of the countrygood, honorable citizens.

I know too much about the Senator from Nebraska to think that he would have taken this man down there as counsel of the committee if he had known he was one who was guilty of a misrepresentation in an effort to make himself Judge Advocate General and who dug up that pot-ofgold story, the story that Grover Cleveland Bergdoll had buried over in Maryland a pot of gold and got him loose and sent him to Germany. I know that if the Senator from Nebraska had known that a committee had said that he never ought to have been allowed to go before any civilized court, he never would have picked an outlaw of that character and carried him to Louisiana.

It is necessary that I make this defense of my colleague. It is necessary that we get this thing straight.

Mr. HOWELL. Mr. President, will the Senator yield?

Mr. LONG. I yield. I want the Senator to tell us about it this time, whether he would or would not have taken this

Mr. HOWELL. I had never met General Ansell until the matter of his employment arose. And I want to say this for General Ansell: He is a very able man. He served the committee and gave the best that was in him. He is learned in the law. I know nothing about the matters to which the Senator from Louisiana refers.

Mr. CLARK. Mr. President, will the Senator yield just a moment?

Mr. HOWELL. In just a moment.

The PRESIDENT pro tempore. The Senator from Louisiana has the floor.

Mr. LONG. I yield.

Mr. CLARK. I want to ask the Senator from Nebraska if he considers it was an evidence of great ability for Colonel Ansell to be spending public funds in going into such irreleSenator from Louisiana had Indian blood in his veins and into the feuds of the Long family?

SENATOR HOWELL EXPRESSES REGRET

Mr. HOWELL. Let me say this: General Ansell spent no public funds afforded by the United States Senate except what he was entitled to have, and his per diem.

Mr. CLARK. Will the Senator yield for just a moment?

Mr. HOWELL. It has been suggested that General Ansell had money with which to accomplish this and accomplish that in New Orleans. He had no money from the committee whatever.

Mr. CLARK. Will the Senator yield further?

Mr. HOWELL. I merely want to say respecting General Ansell, as I have stated before, that I had never met him prior to that time, but I was greatly impressed with his ability as an attorney, and his industry and fidelity to the work he had in hand.

Mr. CLARK. Mr. President, will the Senator yield? Mr. LONG. I yield.

Mr. CLARK. I would like to ask the Senator from Nebraska if he approved of the unprecedented conduct of the counsel of his committee, a servant of the United States Senate, in the middle of an investigation giving out a statement attacking a Member of the United States Senate and a Senator elect, so vicious in its insinuations and so scurrilous and libelous in its assertions that it was not carried by the great press associations of the United States?

Mr. HOWELL. I presume the Senator refers to a statement issued by General Ansell-

Mr. CLARK. On Sunday; yes.

Mr. HOWELL. Which has not been published, as I understand.

Mr. CLARK. The Senator has seen it, has he not?

Mr. HOWELL. I beg pardon?

Mr. CLARK. Did not the Senator from Nebraska see it? Mr. HOWELL. I saw a copy of it. Mr. CLARK. The only reason why it was not published

was on account of its contents. Mr. HOWELL. I regretted very much that General An-

sell gave out a statement. It was wholly without my knowledge. It had not been discussed with me. But he did it, and it was his act, and, as I say, I regret that he did it. Mr. CLARK. Does the Senator think that was proper conduct on the part of an employee of the Senate in the

midst of an investigation? Mr. HOWELL. So far as that is concerned, I have stated that I regretted his act.

Mr. CLARK. Was the Senator correctly quoted yesterday in the New York Herald Tribune, after reading that statement, when he said that there was no disagreement between the committee and counsel?

Mr. HOWELL. I made no such statement as that.

Mr. CLARK. The Senator was so quoted in the New York Herald Tribune of yesterday morning.

Mr. HOWELL. That there was no disagreement between committee and counsel?

Mr. CLARK. Yes; and that was after Colonel Ansell had given out this statement.

Mr. HOWELL. No; there was no such statement given out by me, that there was no disagreement between the committee and counsel.

Mr. CLARK. Then the Senator has been misquoted.

Mr. HOWELL. Unless it was in reference to what had taken place.

Mr. LONG. Mr. President, the Senator seems to think he is very proud of his counsel. He is apparently very proud of the Bergdoll record of the counsel he has picked for the committee, from what he says, unless he means to disclaim it. I gave the Senator credit for better intentions than that.

Mr. CLARK. Mr. President, will the Senator from Louisiana yield again?

Mr. LONG. I yield.

Mr. CLARK. Just for the purpose of the RECORD, I read from the New York Herald Tribune of Monday, February 20. vant matters as the question of whether or not the junior After referring to the statement given out by Colonel Ansell

and the statement jointly issued by the Senator from | Nebraska and the Senator from Wyoming, Colonel Ansell said:

"That is the way I feel about the matter," he said.

He added he had been retained for 30 days and that period was up. Senator Howell told newspaper men there was no disagreement between the counsel and the members.

The PRESIDENT pro tempore. Does the Senator from Louisiana yield to the Senator from Nebraska?

Mr. LONG. I yield.

Mr. HOWELL. I had two calls by telephone on Sunday. However it affects the situation, I want to state that, when I had the interview, as I recall, with the reporter representing the Herald Tribune, I had not seen General Ansell's statement.

Mr. LONG. Mr. President, since the Senator from Nebraska says he is impressed with General Ansell, I want to read the Senator from Nebraska and the other Members of the Senate whom the Senator from Nebraska has picked for his charming angel of this inquisitorial kangaroo business of trying out the feuds of the Long family, the race of 1918 for railroad commissioner, the governor's race of 1924, the issue of the Ku-Klux Klan, the governor's race of 1928, the Long race of 1930, the legislative sessions from the time I was able to get to one to the time I was able to lead them, and various other things which are in this record-I want to read him what they said about this gentleman. I want to read him the record of the man he says he is impressed with.

Here is the report from the United States Congress, the majority report of the committee, and I want to say that the minority report does not do any credit to Mr. Ansell. The minority report differs in some respects, but it did not do any good to Mr. Ansell. It said his conduct was just about as bad as the other one said it was. Let me read what the House said about this man Ansell and about the pot-of-gold story he fixed up for the War Department.

It is interesting to know that General Ansell, until a short time before his employment in the Bergdoll case, had been an officer in the regular Army of the United States for about twenty-five years, and that during the war he was the next officer in control to General Crowder, the Judge Advocate General. However, during the war General Crowder was more directly concerned and employed in preparing and executing the draft law, thus virtually leaving General Ansell as the Judge Advocate General.

They produced two letters that General Ansell wrote to the War Department for Bergdoll, the one he dictated and did not send, and the one he wrote with a pencil and did send, and they showed here, two Democrats and one Republican, from a comparison of those two letters, that there was nothing but a thief at the bottom of them both. Then they go on to say:

The conclusion is irresistible that General Ansell was then using with emphasis the name of Judge Westcott to bring influence to bear upon the Secretary of War should the communication ever reach him.

It never reached the Secretary of War, however.

General Ansell had said that he was going with this man, or else one of the other lawyers, under guard. Here is what the committee said:

General Ansell knew several days in advance that the expedition would start May 20; and he knew that Gibboney himself did not contemplate making more than a part, if any, of the journey. So, there is no escape from the conclusion that General Ansell knew, at least two days and two nights before the journey started, that his pledge made to General Harris in this respect was to be violated.

I wonder how that sounds to the Senator from Nebraska?

When General Ansell was on the witness stand the question was put to him a number of times, and by different members of the committee, to indicate at least one specific act done by him looking toward the redemption of the pledge. To each and every one of those questions he was either nonresponsive or evasive.

Quoting further:

The two letters—the one which was sent and the one which was not sent—when taken in connection with all the other hap-

penings in the case, show that General Ansell was not only taking advantage of his long association in the Army with General Harris, but was actually misleading him into having Bergdoll released for the purpose of seeking the alleged hidden gold.

Quoting still further:

The question naturally arises that if one or the other of them was to go—and Bailey admits that he had agreed to join the expedition at Hagerstown, Md.—why was there a change of mind, pedition at Hagerstown, Md.—why was there a change of mind, just following Bailey's return from a visit to Bergdoll, to the effect that neither was to go at all. And, further, why was not General Harris so advised? He was within a stone's throw of them during these two days and two nights. What happened between May 11 and May 17 that did away with the necessity of even Bailey's going? Was information received by either Ansell or Bailey at Governors Island, where Bergdoll was confined under Colonel Hunt that the gold was not buried at Hagerstown, or that the expedition would not proceed beyond Philadelphia, where Mrs. Bergdoll says the gold was buried, and at which point Bergdoll escaped?

Right here I want to pause to ask the junior Senator from Nebraska if he thinks there is one word of truth in the story of the pot of gold that Bergdoll had buried over here in Maryland? Does the junior Senator from Nebraska mean to say that he would believe there is one word of truth in it or that any sensible man believes such a cooked-up story that Ansell knew would put Bergdoll in Germany, or that there is a word of respectable truth in that pot-of-gold story? I have heard these old pot-of-gold stories ever since I was born, that there is a pot of gold over at the foot of the rainbow, and somebody, it was said, has ridden his life out hunting for the pot of gold. But here comes General Ansell and palms his way into the United States Senate and imposes himself on this good learned and conscientious Senator, after having defrauded the United States and put over that pot-of-gold story. If I had known this about that man when he left Washington with the junior Senator from Nebraska, I would have feared for the Senator from Nebraska [Mr. Howell] coming back with his shoes on, if that man could put that kind of a pot-of-gold story over on the United States Government.

Mr. CAREY. Mr. President-

The PRESIDENT pro tempore. Does the Senator from Louisiana yield to the Senator from Wyoming?

Mr. LONG. Yes, sir.

Mr. CAREY. I happen to be a member of the subcommittee that conducted the hearings. Before General Ansell was employed I was consulted by the Senator from Nebraska. General Ansell was employed on the recommendation of an old friend of the Senator in Nebraska, a man who had previously practiced law in Omaha and in whom the Senator from Nebraska had every confidence. It was through him that General Ansell was employed.

Mr. CLARK. Mr. President-

The PRESIDENT pro tempore. Does the Senator from Louisiana yield to the Senator from Missouri?

Mr. LONG. Yes, sir.
Mr. CLARK. I would like to ask the Senator from Wyoming a question. Does the Senator realize that at least 80 per cent of the testimony taken in the hearing down there was wholly irrelevant?

Mr. CAREY. I would rather not discuss the case until we have reported.

Mr. CLARK. The Senator has permitted his counsel to discuss it in the most public manner.

SENATOR CAREY SAYS TESTIMONY NOT RELEVANT

Mr. CAREY. I admit there was testimony that was not relevant.

Mr. LONG. Mr. President, I can not do the Senator from Wyoming too much honor in this matter. I want to say further that I agree that his statement, I think, clearly forces the conclusion that the Senator from Nebraska in good faith employed Ansell. I think the Senator was in good faith. I do not want him to make another similar mistake at least when I am to be the intended victim. If there is to be any operation performed on me, please do not go to the galleys to get the surgeon.

I read further about this Ansell:

On the 19th of April, 1920, General Ansell prepared a contract fixing the fee which the firm of Ansell & Bailey was to receive as attorneys for Bergdoll. That tentative contract was submitted by General Ansell to Mr. Gibboney for his approval, but Mr. Gibboney declined to approve it. Thereafter, on the 23d day of April, Mr. Gibboney himself, representing Bergdoll with carte blanche au-

thority, submitted a counter, tentative contract to General Ansell.

Under the terms of the first tentative contract Ansell & Bailey, according to the construction put upon it by Mr. Bailey, could

have received \$60,000.

Mr. CLARK. Mr. President, will the Senator yield again? The PRESIDING OFFICER (Mr. Fess in the chair). Does the Senator from Louisiana yield to the Senator from Missouri?

Mr. LONG. Yes, sir.

Mr. CLARK. The Senator from Nebraska stated a moment ago that he did not know about the statement which Colonel Ansell had issued until after it had been issued, and he was not consulted about it, and, of course, everybody in the Senate will accept that statement. I ask the Senator from Nebraska if he considers it proper procedure for the committee counsel to be giving out statements of that sort in the midst of the investigation, and whether he had given Colonel Ansell any authority to make such a statement as that? I ask that question in view of the Senator's statement that he has very high admiration and regard for Colonel Ansell.

Mr. HOWELL. Mr. President, I will read from a copy of the statement signed by the subcommittee that conducted these hearings, composed of the Senator from Wyoming [Mr. CAREY | and myself. This was given out on February 19,

The undersigned, a subcommittee of the Senate appointed to investigate campaign expenditures and other matters in connection with the recent election, returned from New Orleans this morning after holding public hearings in that city covering a period of about two weeks. The subcommittee will report at an early date to the full committee and will subsequently report to the Senate. Other than this the committee has not or will not authorize any report or statement.

That answers the Senator's question. I read this statement in answer to the Senator's question.

Mr. CLARK. It is not in answer to my statement. The Senator said he had high admiration and respect for General Ansell. I am asking the Senator if he considers such conduct on the part of committee counsel as proper?

Mr. HOWELL. I have stated that I regretted that General Ansell issued a statement.

Mr. CLARK. Does not the Senator think that the committee's counsel has been guilty of flagrantly improper con-

Mr. HOWELL. I have gone as far as I will in the statement I have made.

Mr. LONG. Mr. President, I want to say to the Senator from Missouri that that is one of the most civil acts he did in that whole matter; this statement was more civil than many other things he did.

I have clean hands in one part of my conduct in public life. I was once in a fight with the Fuqua administration in Louisiana, attacking the highway commission, when a brother of an important member of the highway commission came to me and wanted to volunteer a statement against his brother's conduct. I declined to receive the statement against my personal and political enemy coming from his brother, and I can give the names and dates and

And for a committee to have allowed this man Ansell to call brothers of a man who was not a party to the contest, who was not a candidate for office, to have allowed this scoundrel, condemned for every phase of crime that Congress could find in the career of a living human being, to have permitted him to call the brothers of a man to testify to irrelevant matters against a man not connected with the case in order that they might have the privilege under the law that what they said could be published without there being a remedy for anyone-I want to say that that was much more low down, and that the day of the cutthroat

had come into its own when Ansell was in charge of the matter.

Now I want to read a little more about Brother Bergdoll in order that the Senator from Nebraska may slumber more soundly than he has been doing. Quoting:

Anybody who has seen or heard all of those associated, either directly or indirectly, with the plan or manner of Bergdoll's escape, not only must recognize General Ansell as the master mind of them all but also as their dominating and controlling spirit * * *.

Bergdoll's escape was the direct result of the proposition submitted by General Ansell to General Harris. Even if General Ansell did not conceive the plan, he presented it and pursued it to its accomplishment. The others had exhausted all remedies known to them as attorneys practicing in the civil courts. It was General Ansell, resourceful and conversant with military possibilities, who must have conceived it who must have conceived it.

Then I skip a little and get back to Brother Ansell again:

The broad, well-defined trail leading to the escape did not become unmistakably evident until General Ansell induced General Harris to authorize the expedition to search for the gold. There can be no doubt about General Ansell's ability and learning, but it

can be no doubt about General Ansell's ability and learning, but it is certain he did not get into the case because of that ability and learning alone. * * * The large fee contemplated by him evidently was based not only upon what he might accomplish through legal channels but, in addition, by exercised influence.

The many fees to be gotten from others, and the big one to be paid by Bergdoll, lured him into questionable paths.

While there are many who participated in the conspiracy leading to Bergdoll's escape and the acquittal of those who brought it about, there are three who are infinitely more culpable than the rest. Those three are General Ansell, Colonel Hunt, and Col. C. C. Cresson. * * *

General Ansell is now out of the Army. He is beyond the jurisdiction of court-martial proceedings, but provisions should be made against his future practice before any of the departments, before any court-martial, or in the courts of the District of Columbia or the Nation above whose safety and integrity he has Columbia or the Nation above whose safety and integrity he has placed gold.

And yet he is the bird who was sent down to Louisiana, who stood up before the chairman and invited one United States Senator out for a fist fight and who stood up and invited a Senator elect out for a fist fight.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. LONG. Yes.

Mr. TYDINGS. I am not familiar with the Ansell-Bergdoll case except very hazily, and I was wondering what action was finally taken in regard to General Ansell. Was he discharged from the Army or disbarred or censured or what was done to him?

Mr. LONG. He got out of the Army just in time to avoid it. The fact of the case is-I am not quite sure-that he took a position as Judge Advocate General and he got out of that and resigned from the Army. Then he got into this.

Mr. CLARK. Mr. President, may I call the attention of the Senator to the fact that prior to his resignation from the Army he had been demoted for misconduct by order of the Secretary of War from brigadier general to lieutenant colonel, which was his regular Army status.

Mr. TYDINGS. Was that the result of his conduct in the Bergdoll matter?

Mr. CLARK. That was prior to his conduct in the Bergdoll case.

Mr. LONG. He had misrepresented facts, and, as a result, he got a commission from the Chief of Staff.

Mr. TYDINGS. May I ask how long it was after the Bergdoll case that he resigned?

Mr. LONG. He resigned before that.

Mr. TYDINGS. He resigned before that?

Mr. LONG. Yes; he resigned before the Bergdoll case. Instead of being retired, he resigned and took the Bergdoll

Mr. TYDINGS. Did the bar associations in the locality in which he belonged take any action because of his conduct?

Mr. LONG. I do not know what the bar associations did, but I have just read excerpts from what the congressional committee said.

Mr. TYDINGS. Did anybody inflict any punishment upon him except what was said by the congressional committee?

Mr. LONG. No; he seems to have gone scot-free, and never bobbed up again until he bobbed up in the company of the Senator from Nebraska. [Laughter.] The next I heard of Ansell after the time he led the united army into Maryland searching for the pot of gold, when he was recommended for disbarment as a scoundrel and a thief, was when he bobbed up as the personal, political, and financial escort of the Senator from Nebraska [Mr. Howell] to investigate me from the cradle to the grave in somebody else's election probe.

Mr. BAILEY. Mr. President-

The PRESIDENT pro tempore. Does the Senator from Louisiana yield to the Senator from North Carolina?

Mr. LONG. I yield.

Mr. BAILEY. I have rarely, Mr. President, heard anyone so vituperated and abused anywhere as I have heard the counsel for the committee investigating the Louisiana election. It is ex parte; it is by a Senator under his privilege of immunity, I take it, and in his character as attorney in the case, as I understand.

Mr. LONG. I do not claim any privilege.

Mr. BAILEY. That is what I wish to ask.

Mr. LONG. No, sir; I do not claim any privilege from this scoundrel anywhere on earth under God's living sun.

Mr. BAILEY. The Senator claims no privilege?

Mr. LONG. None at all.

Mr. BAILEY. And no immunity?

Mr. LONG. None at all.

Mr. BAILEY. And the Senator invites the man accused by him to test the truth of his accusations in the courts? Mr. LONG. Anywhere on earth.

Mr. BAILEY. And the Senator agrees not to claim any immunity or any privilege?

Mr. LONG. Anywhere on earth. That is, however, I invite him to sue me in any court of competent jurisdiction, and I will not defend the suit except on the ground that he is a scoundrel and a thief and a rascal and a crook and has been determined to be such by an investigating committee of Congress. Does the Senator mean to say that the committee of Congress should be censured for its report on him?

Mr. BAILEY. Mr. President, this Senator did not mean to say anything about any committee.

Mr. LONG. I am reading from the report. I will read the Senator what the Literary Digest said. Did the Senator hear what the Literary Digest said about him?

Mr. CLARK. Mr. President, I might call the attention of the Senator from North Carolina to the fact that these remarks of the Senator from Louisiana were preceded by a statement from Colonel Ansell in his capacity as counsel for the investigating committee which was so scurrilous and so libelous that the great press associations of the United States refused to carry it.

Mr. BAILEY. I think the Senator from Louisiana directed a question to me. What was the question?

Mr. LONG. Was the Senator here when I read from the report of the congressional committee?

Mr. BAILEY. I was.

Mr. LONG. Was the Senator here when I read from the Literary Digest?

Mr. BAILEY. I was.

Mr. LONG. I hope I have not said anything about him that is not contained in that report and in the Literary

Mr. BAILEY. Let me say once more that I have heard a great many expressions of the personal opinion of the Senator from Louisiana.

Mr. LONG. Yes, sir.

Mr. BAILEY. I am content-

Mr. LONG. I think he is one of the lowest scoundrels that has ever been allowed immunity of law, and I have the authority of Congress to back me up in that statement.

Mr. BAILEY. I am content with the Senator's statement that he waives all privilege and immunity.

Mr. LONG. Yes, sir; I invite that rascal to sue me in a court of competent jurisdiction; and I will tell you now that there is not any more danger of him suing me than there is report of every investigator you have, and see if you can

of my being made Pope of Rome; and I am a Baptist. [Laughter.]

No, sir; he is not going back to Louisiana to sue anybody. He can sue me in a Federal court, but he is not going down there to sue anybody. He invited me out to a fist fight; he invited the Senator elect, Overton, out of the room for a fist fight; but when the witness Weiss took the stand and told him he could invite him out to a fist fight he knew whom to invite out. He knew neither of us could afford it; so he did not ask the witness to go out. He made a great, big, hocuspocus play there over a police officer coming in there with a gun. A terrible thing—a policeman had a gun on him! He hauled up witnesses and made one of the greatest plays, that an armed gunman had walked in; that his life was in danger!

Mr. TYDINGS. Mr. President, may I ask the Senator a question?

Mr. LONG. Certainly.

Mr. TYDINGS. Would the Senator object to this investigation if counsel other than General Ansell were employed?

Mr. LONG. I did not object to the investigation at all within the limits of the law and what the Senate resolution

Mr. TYDINGS. The point I make is that evidently, assuming that what the Senator from Louisiana says is true-I have not read the testimony, and know nothing about itassuming that it is true, the point is, the Senator feels that the counsel was incompetent and not wisely selected. I should like to elicit from the Senator whether or not he would object to a comprehensive investigation of the proper charges by another counsel whom the committee might or might not select.

Mr. CLARK. Mr. President, will the Senator yield to me? Mr. LONG. Yes; I yield. Mr. CLARK. In line with what the Senator from Mary-

land has suggested, I should like to ask the Senator from Louisiana if it has occurred to him that having squandered \$25,000 of public funds in an investigation that is almost wholly irrelevant, it might now be the intention of the committee, if it could be voted another \$25,000, to devote it to the merits of the case, if any there be.

Mr. TYDINGS. I should like to ask the Senator from Louisiana that question.

Mr. LONG. I did not object to the investigation. They have investigated for 12 days. They have spent \$25,000. They have brought there every enemy I have had; and if the Senator from Maryland will read this record and say that there is any ground, after having squandered \$25,000, for squandering \$25,000 more, I shall be glad to answer the Senator.

I say this: I have not objected to any investigation-

Mr. TYDINGS. Mr. President, if the Senator will yield, I do not want to inject myself into this matter, because I know nothing about it; but what interested me was this:

It seems, from the remarks of the Senator from Louisiana, that the proper kind of an investigation was not made, and that it was made by the improper kind of an investigator. I am simply asking him, if the proper kind of an investigator is selected by the committee, as to whether or not he would have any objection to the proper kind of an investigation?

Mr. LONG. I say that everything that could have properly been brought out has already been brought out. They brought in every record, they brought in every archive, they brought in everything that could be brought in. Do you mean to ask whether I want another gang like that down there in Louisiana? No. There is not any more reason to investigate Louisiana than there is to investigate Maryland—not a bit on earth. Our man did not even have opposition at the general election. He was not even opposed. There was not a single contest filed before the State central committee-nothing at all. The arbitrators gave out a report saying that it was the fairest, the squarest election that was ever held in New Orleans. You have gone down there. You have produced everything you could. Take the find anything in it that justifies the spending of the funds. Oh, no! I think I understand things.

Mr. TYDINGS. Mr. President, will the Senator yield further?

Mr. LONG. Yes; I yield.

Mr. TYDINGS. Understand, I have not read the testimony.

Mr. LONG. No; I know the Senator has not, and the Senator is not going to read the testimony.

Mr. TYDINGS. Yes, I will.

Mr. LONG. I hope the Senator does.

Mr. TYDINGS. But I was just trying to analyze what was the argument of the Senator from Louisiana—

Mr. LONG. I am arguing the facts.

Mr. TYDINGS. That he felt, first of all, that the investigator was not a proper investigator, and he seemed to make out a pretty fair case. Then he brought out the point that the investigation was not relevant, and he seemed to make out a pretty fair case.

Mr. LONG. All right.

Mr. TYDINGS. I do not want to pass upon that kind of investigation, and all I was hoping to do was to give the Senator the kind of an investigation that he wanted.

Mr. LONG. I never asked for any investigation. [Laughter.] I never asked for any. Was there anybody here in the Senate who asked the committee to investigate his State? I did not ask for it.

Mr. CLARK. Mr. President-

The PRESIDENT pro tempore. Does the Senator from Louisiana yield to the Senator from Missouri?

Mr. LONG. I do.

Mr. CLARK. In answer to the Senator's question, I will say that I and another one of the leading candidates for the Democratic nomination in Missouri asked this committee to come into Missouri before the primary, at a time when there was evidence of the excessive use of money on every hand; and the committee replied that they would not come in unless we would get proof and send it to them, in which case we would not need the committee to come in. What we needed was process. If we had had the process and had had the proof, of course we could have proceeded under the criminal laws of the State of Missouri.

Mr. HOWELL. Mr. President-

The PRESIDENT pro tempore. Does the Senator from Louisiana yield to the Senator from Nebraska?

Mr. LONG. Yes; I yield.

Mr. HOWELL. A good deal has been said here about the large sums of money that have been spent upon this investigation. I desire to state that I am chairman of the committee to investigate campaign expenditures and other matters in the recent campaign; and all the expenditure that I have made, including this investigation—

Mr. LONG. You have not made any anywhere else.

Mr. HOWELL (continuing). Including this investigation—

Mr. LONG. That is all you have.

Mr. HOWELL (continuing). Amounts to \$12,000.

Now, Mr. President, I also want to make another statement. We received complaints from Missouri. All they urged was that sums of money were being spent down there; and they wanted us to come down and investigate. Of course that is claimed in every State. We asked them for some details that could justify an investigation—sworn complaints, details, something to investigate about.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. HOWELL. Just a moment. We received no reply. I presented the matter to the full committee; and the full committee decided, as the minutes will show, that no investigator should be sent into that State.

Mr. CLARK. Now will the Senator yield?

Mr. LONG. Yes; I yield.

Mr. CLARK. Mr. President, of course if we had had the detailed proof in the form of affidavits, it would not have been necessary to have a Senatorial investigating committee come in. I take it that the purpose of creating this committee, in addition to the ordinary Committee on Privileges

and Elections, is to serve particularly that purpose; to go into States and supply senatorial process to prevent violations of the law by the excessive use of money before the offense has been committed, instead of waiting until after the offense has been committed and then going in and going through the silly process of locking the barn door after the horse has been stolen.

The Senator's committee refused to come into Missouri in a case where two of the three leading candidates were joining in that request; and now it goes down here to Louisiana on a wild-goose chase in a contest in which the contestant himself stated on the floor of the Senate that he did not even contend that he had been elected.

Mr. HOWELL. Mr. President-

The PRESIDENT pro tempore. Does the Senator from Louisiana further yield to the Senator from Nebraska?

Mr. LONG. Mr. President, I have not time enough to yield for all this argument. It is now 5 o'clock. I want to wind up. As to the merits of the Missouri matter, and any controversy with the Senator's investigating committee, that can be argued out later. I want to complete my statement about this matter.

I want to find out, however, who has poured the holy oil to exculpate this thimble-rigging crook who has been denounced by the House of Representatives as a crook and a thief. I want to know who has poured the oil over this man that Congress says, through its committee, is a crook and a thief and a rascal. I want to know if he has been made holy by going down and pulling off a kangaroo court in Louisiana. I want to know if it makes one holy if he calls in the political opponents of Huey P. Long.

Mr. BAILEY. Mr. President-

The PRESIDENT pro tempore. Does the Senator from Louisiana yield to the Senator from North Carolina?

Mr. LONG. Yes, sir; I yield.

Mr. BAILEY. Do I understand the Senator from Louisiana to say that the investigating committee made up of the Senator from Nebraska [Mr. Howell] and the Senator from Wyoming [Mr. Carey] have conducted a kangaroo court?

Mr. LONG. I did not say any such thing, and the Senator did not understand any such thing.

Mr. BAILEY. I beg the Senator's pardon.

Mr. LONG. All right. I said Maj. Gen. Samuel Tilden Ansell did that. The Senator did not understand me to say anything different than that. If he did, he is mistaken. I said, what had made this crook holy? Let him sue me. Go down there and bring suit. Let this crook bring suit—this man that Congress says is a thief, a crook of every kind, who has been so adjudicated after hearing by honorable men—and it has never been answered. It has never been denied. It has been published in the Literary Digest. It has been published in the public press that he had put up that pot-of-gold story, and sneaked this scoundrel Bergdoll over into Germany, and had received an immense amount of money to do it, and had resigned from the Army, and could no longer be served with process from it; yet he has been picked to go down there.

I did not complain against the investigation. I want the Senator from Maryland [Mr. Typings] to understand that. There is part of the investigation that was entirely relevant; and they went into everything they could get testimony on, that the investigators could find, so far as it was relevant, and I did not make any protest. They had the report of the investigators; and I want the Senator from Maryland to understand that the chairman of the committee announced that they had produced all the testimony they had there at the time. I did not object to that. I am not objecting to all that they went into; but after they had concluded that, and had no more evidence of that nature or description, to have gone in and put on the witness stand the men who had run against you for office, and have them repeat the old tales that they had told the people of that State for years, and have the privilege under law to compel your relatives that you could not support for public office to take the witness stand and remake the slanderous charges that they had made for years, that the people would not believe, and thereby make them whereby they could be published in newspapers, where you would be remediless—that is what I objected to; trying out the issue as to whether I was a member of the Ku-Klux Klan, back in 1923; going into the slander that they did not dare utter except under a privilege which would permit publication without a remedy to the man that was the victim of it. That is what this committee was used for.

I did not object. They had the report. For five months they had been in the State of Louisiana. After five months, and having a hearing there, without producing anybody to show anything at all, we are yet to have the kind of molestation we have had there, where they have brought in everybody they could.

Why, I will read you what the chairman of the committee said. Give me the last volume and I will read you what the chairman of the committee said. There is only one more matter. Here is what the chairman said:

This investigation by the Senate committee appointed to investigate campaign expenditures and other matters has been in progress since early in October, when a subcommittee composed of Senators Connally and Bratton recommended, after a preliminary hearing, that a full investigation be made. A corps of investigators has been in Louisiana since that time, and the present subcommittee has now completed 12 days of public hearings in New Orleans and has largely completed its work in this city. However, much data has been accumulated respecting out-State conditions, but hearings for the development of further facts must be deferred for the present.

But, Mr. President, this did not exactly state all the facts. They had brought witnesses there from Opelousas; they had brought witnesses there from Winnfield; they had brought witnesses there from Shreveport; they had brought witnesses there from Hammond; they had brought witnesses there on every point at all relevant and irrelevant from all over the State of Louisiana; and the Senator's statement there that they had not produced out-State testimony was not exactly according to what had been done, through an error of the Senator, which I know was made in good faith.

Now, here is what I said:

Counsel for Senator Overton was not given any particular notice that he would be permitted to produce witnesses to-day, but, having the opportunity for some two hours or more, has produced the testimony that has gone into the record, and counsel stands ready now to refute by competent testimony any charge of any irregularity that may be charged; and if the committee so desires, counsel for Mr. Overton will bring to Washington, D. C., public records of every kind, nature, and description and the witnesses that may be necessary at any time to show the falsity of any charge of irregularity or any other misconduct that may remotely be said to be connected with the Overton-Broussard campaign.

I ask the Senate this, when they have gone down there and received hearsay testimony for two weeks to prove nothing, if at the end of that time it is treating us exactly fair for them just to have pulled up stakes and left? It was just because there was nothing to be proven. With everything said there that could be said on these irrelevant and extraneous things, they were not able to prove anything.

(At this point Mr. LONG yielded the floor for the day.)

Wednesday, February 22, 1933

Mr. LONG. Mr. President, I have received a little note, which I shall send to the desk and ask the clerk to read. It has something to do with the length of the speech I delivered here yesterday and what I propose to say to-day. I ask that the clerk read it.

The PRESIDING OFFICER (Mr. FESS in the chair). Without objection, the clerk will read.

The Chief Clerk read as follows:

Horace says:

"Be brief, so that the thought does not stand in its own way, hindered by words that weigh down the tired ears."

Huey, I commend the above sentiment to your consideration.

WALLACE H. WHITE, Jr.,

United States Senator.

Mr. LONG. Mr. President, in view of the admonition which the distinguished Senator from Maine has seen fit to go back some two or three thousand years to get and give me, I shall undertake to condense my remarks into a very few minutes.

I wanted to read the majority report of the House on the escape of Grover Cleveland Bergdoll. Instead of reading that I send it to the desk and ask that it be incorporated at the conclusion of my remarks as Exhibit A.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LONG. Further, Mr. President, I should have stated in the beginning of what I said yesterday some matters of fact which I presumed Members of the Senate and the public at large understood a great deal better than it appears they do understand them.

I ask leave of the Senate to insert what I say in these few words relative to the history of the Bergdoll case at an appropriate place in the beginning of my speech of yesterday.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LONG. Mr. President, I further wish to say, since the matter was mentioned by the Senator from Missouri, not by me, that the statement issued by Mr. Ansell upon his return from New Orleans, I am informed by a member of the subcommittee, was issued without any consultation with or notice to any member of the committee whatever. I am informed that "General" Ansell, as he calls himself, wired to Washington, D. C., stating to the press that he would give a conference, and that he had actually wired that before he left New Orleans, without mentioning it to any member of the committee whatever; that he came here on a Sunday and called in the newspaper reporters and handed out a prepared statement which, I am informed, was never mentioned and never read to any member of the committee, with no notice given in any way, shape, manner, or form to any member of the committee that he was going to issue it until he did it here in Washington, an act which the Senator from Nebraska [Mr. Howell] has said he regrets, and an act which the Senator from Missouri [Mr. CLARK! has described as highly infamous, to say the least.

Mr. President, I should conclude what remarks I desire to make, because I have undertaken to discuss only what I have termed the irrelevant matters of this inquiry. I did not go into the matter of the expenditure of money or of any opprobrium on the part of the candidate Overton, because I conceived that those were legitimate matters of inquiry under the resolution. Therefore I have not, in advance of the committee reporting, undertaken to go into these matters at all, and I hope I will not. But I wish to say a word further, and I am required to take some few minutes of the Senate's time.

LOUISIANA ACCOMPLISHMENTS

Mr. President, I do not conceive that the administration of Gov. O. K. Allen, of Louisiana, and of myself as Governor of Louisiana are appropriate objects of inquiry on the part of the Senate. I do not conceive that the merits or the demerits of our administrations as governors of that State are in any respect pertinent. But so much has been printed about these administrations of mine and my successor as governors that I am required to answer, hoping that some of the facts which I mention here may gain their way into the publications of this country to answer what was testified in the hearing and printed, but which was not, I contend, relevant.

Mr. President, I wish to say that when I became the Governor of Louisiana in 1928 the State was committed to a penitentiary losing some years to around a million dollars a year. At the conclusion of my administration and during the administration of Governor Allen that penitentiary, which had been losing a million dollars a year, is on a self-sustaining basis, and perhaps a paying and profitable basis.

I wish to say, Mr. President, that that penitentiary, along with the other penitentiaries of the United States, was investigated by a committee sent out by the N. E. A. newspaper services, and they reported on the penitentiary systems of the 48 States. When they reached Louisiana they stated that the penitentiary of Louisiana was the most ideal, from every standpoint, among all the pen-

itentiaries of the United States. That was printed through- increased my allotment even in these hard times by apout the world in all newspapers, except in the newspapers of the State of Louisiana

Mr. President, the next thing which I hope will find its way into print to counteract what has been printed as a result of this hearing, under privilege, is that when I became the governor of that State, Louisiana was at the bottom of the list as the most illiterate State in the United States, according to statistics of the census of the United States. When I left the governor's office, we had opened up night schools to educate the illiterate people who were 20 years old and older. We sent them to school when they were 20 years old, 40 years old, or 70 years old, and when I retired from the governor's office in 1932 to become a Member of the Senate, illiteracy in that State had been reduced to such a point that Louisiana was among the States recognized for the education of the people, from the top to the bottom, regardless of age. The educational system had been so improved that the illiterates had been reduced from 238,000 by 150,000 adults being educated in night schools.

Mr. President, that is not all I wish to say in order that my State and my administration may not be stabbed unfairly in this proceeding. There was an improvement among the Louisiana colleges. The Louisiana State University, particularly, was rated by the Intercollegiate Association of State Universities as a third-rate college, and when I retired from the office of governor of the State of Louisiana it was rated as an A No. 1 university of the United States, as good as Harvard, Yale, Johns Hopkins, or any other university.

Criticism has been made in the record of the committee hearing of the fact that I built a medical college for the Louisiana State University. That is true. In 1905 a law had been passed providing that a medical college should be built. I completed that work, under that act, in 1931 or 1932, but I wish to say that, regardless of the criticism that has been put into the record, that medical college only a few days ago was given the highest rating that can be given by the American Medical Association to a medical

Then, Mr. President, a great deal has been said about the highway work that has been done in Louisiana. When I became governor of that State we had just a few mfles, perhaps 30 or 40 miles, of paved highways. Up until this day, as a result of what was done under my work as governor and under Gov. O. K. Allen, the State of Louisiana has about 2,000 miles of paved highways and about 9,000 or 10,000 miles of farmers' gravel road. The State of Louisiana stands out to-day when its program is completed, particularly, as the best State in America and the best community of the world for highways to accommodate its citizens, and no one has to go any further than the United States Bureau of Public Roads to find it out.

But that is not all. The roads built in the State of Louisiana, the concrete-paved highways of the best standard type. cost an average of \$27,000 a mile, including ordinary bridges, and we had to build many bridges in that low country. They not only were the standard construction, but, whereas the United States Bureau of Public Roads require a tensile strength of 3,500 pounds to the square inch, some of the highways of Louisiana developed from 8,000 to 12,000 pounds tensile strength per square inch, as shown by tests. The highways of Louisiana cost an average, including the bridges, of \$27,000 per mile, which is the lowest general average cost of highways in any of the 48 States of the American Union built at or before that time. They were built the least expensively, they were built the strongest, under the most adverse conditions of any State; they cost the least, the State has the most complete system, and yet that work has been marked as a matter of discredit and brought into an election investigation that had no more to do with it than the flowers that bloom in the springtime. So much for the highways.

In the matter of education, in order that the facts regarding my State may be known, we adopted the free school-book system in Louisiana, and under my administration I gave the schools, out of the State treasury, \$1,000,000 more than ever had been given them before, and Governor Allen has

propriating out of the treasury \$1,500,000 a year to the school children more than I appropriated when I was governor, and I appropriated \$1,000,000 more than my predecessor.

Whence does the money come? An effort has been made to show that the State of Louisiana is overbonded. Mr. President, the State of Louisiana has never defaulted on a bond nor on a maturity nor on the interest on her bonds. The State of Louisiana is not half overbonded. It is said that we issued something like \$60,000,000 worth of highway bonds. North Carolina issued \$135,000,000 and we have a better road system than North Carolina. North Carolina has a good road system, but not as good as ours. Arkansas has a good one, too.

Mr. BAILEY. Mr. President-

The PRESIDING OFFICER. Does the Senator from Louisiana yield to the Senator from North Carolina?

Mr. LONG. I yield. Mr. BAILEY. I rise to express profound gratitude for the Senator's confession. [Laughter.]

Mr. LONG. When I make such a confession it is a com-

pliment. [Laughter.]

Not only that, Mr. President, but in Louisiana those waterways, which are streams in Nebraska and Michigan, are rivers. By the time they get to our part of the country, that which one may step across in Minnesota, is a mile wide in its ordinary stages. At flood stages it may be 10 miles wide. That means that we have to build a bridge by dumping out a certain length and then making a bridge that is 2 miles in length for a river 2 miles wide. That is what we have done down there in Louisiana that we are being criticized for and investigated because a man was elected on a ticket we happened to favor.

We are building to-day a bridge across the Mississippi River that has been promised the people for 40 years. We are undertaking to start to build another bridge at Baton Rouge. We are building a big, but not so long bridge over the Red River at Shreveport. We have already built a bridge over the Red River at Moncla. We are building another one at Moncla. We are building another one at Alexandria, La., and another one over the Black River at Jonesville. We are building another one over the Ouachita River at Sterlington; another one over the Ouachita River at Monroe—that one has been completed, however. We are building another one over the Ouachita River at Harrisonburg. La.

We have built bridges and are building bridges the like of which can not be found in the length or breadth of this country, under soil conditions such as no other State has had to contend with. We have built the best in the world, we have built the strongest in the world, we have built them at the least cost, and yet all the condemnation that could be poured upon the State and upon her governors has been brought forth in this irrelevant fashion.

TAXES ON THOSE ABLE TO PAY

Where does our money come from? Much has been said about taxation in our State, and after this reference I shall conclude. Where does the money come from? It did not come off the backs of the little man, not a dime of it. We reduced the property assessment in that State. The total assessment of \$1,700,000,000 has been reduced to something like \$1.400,000,000, meaning that the ad valorem assessed basis of property was reduced in that State somewhere between 16 and 20 per cent, meaning that we were receiving that much less in taxes off of the physical property of the little homes of the State and other property, big and little.

But where did the money come from? Mr. President, we put a severance tax on oil. That is where a part of it came from. We put a manufacturers' tax on carbon black. That is where some more of the money came from. We put a tax on the sales of tobacco. That is where some of the money comes from. We put a tax on malt. That is where some of the money comes from. But, Mr. President, under Governor Allen we did the terrible thing of voting a corporation franchise tax to get \$1,000,000 or so, and the still worse thing of voting a tax on the manufacturer of electrical

power and energy, which gives our State 2 per cent of the gross receipts derived from the manufacture of electricity and does not permit or allow it to be charged on the bills of the customers consuming it.

We also put a tax upon the natural gas severed from the soil of one-fifth of 1 cent per thousand cubic feet. As a result we have lowered the taxes on the little man, we have collected from the corporations, who should have paid and who are willing, I think, now to pay. They can not help themselves if they are not willing. Also, we have lowered the taxes on the little man. We have put the taxes on the corporation franchises. We have put the taxes on electricity, which taxes we have not allowed to be charged upon the bills of the consumers. We have put the taxes upon the elements and interests that could best bear the taxes. have taken the State out of illiteracy. We have raised the standards of its colleges. We have reformed the penitentiary to where it is on a self-sustaining basis. We have gone into the hospitals, where they were taking care of 1,600 patients a day in one hospital, and improved conditions so that to-day they are taking care of 3,800 patients in the same hospital. Where the death rate before I became governor was 4.1 per cent, the death rate has been reduced to 2.7 per cent, a reduction of 1.4 per cent that has been made in the death rate at that hospital.

JUSTICE FOR A STATE

Mr. President, I wish to say further, because I want my State to have the credit, that I am merely undertaking to erase the kind of publicity we have been given. We have built there a home for epileptics. There was no such thing in existence before I became governor of that State. When I became Governor of Louisiana our hospitals and asylums were treating the mentally sick, some of them in chairs in which they were locked, in strait-jackets; some of them had chains tied around their hands locking them to plow handles. We have abolished these barbarous practices in Louisiana under my administration and the administration of Governor Allen. There are three insane asylums in the world rated first class to-day that America knows of, and one of those is in the State of Louisiana.

Mr. President, with this statement I am not going to discuss the matter further unless occasion should arise. am prepared, however, to discuss the matter in such other and further detail as may be made necessary. I wish to say only this further word. We have undertaken to keep our State from receiving that kind of unfair and unfavorable publicity. It is a known and open fact that certain of the newspapers of that State have tried to break the credit of that State. They have sent over their wires and printed in their publications every line of misinformation that could possibly be spread. The State has a balanced budget; it has every finished picture; its university, which had 1,500 students, has now between 4,000 and 5,000 students. have built everything modern that a State could have. have come out of it with a State that has less taxes, Mr. President, than any State in America to-day, taking it from one side of the country to the other, that has anything like the improvements that we have in the State of Louisiana with the property we have.

So, Mr. President, I want to thank the Members of the Senate for their attention and hope these remarks will be justified but, at least, will suffice.

Ехнівіт А

[House Report No. 354, Sixty-seventh Congress, first session] ESCAPE OF GROVER CLEVELAND BERGDOLL

Mr. Johnson, of Kentucky, from the Select Committee to Investigate the Escape of Grover Cleveland Bergdoll, submitted the following report:

On the 18th day of April, 1921, the House of Representatives adopted House resolution 12, reading as follows:

"Whereas one Grover Cleveland Bergdoll, recently convicted by Army general court-martial as a draft deserter and sentenced to confinement for five years in the United States disciplinary barracks at Fort Jay, N. Y., has escaped from confinement; and "Whereas charges are made, and there is reason to believe, that

a plot and conspiracy existed among and between divers and sundry persons unknown to consummate the escape of the said Bergdoll from confinement under his said sentence: Therefore be it

"Resolved, That a select committee of five Members of the House be appointed by the Speaker of the House to investigate and procure all facts relevant to fixing responsibility for said escape and for the failure to recapture the said Bergdoll, and particularly to determine whether relatives, friends, counsel, or attorneys of the said Bergdoll participated in a plot or conspiracy to effect or give aid to said escape or to prevent recapture; or whether officers, noncommissioned officers, or privates of the Army or other persons connected with the Army or with the administration of the said disciplinary barracks or any other person participated in a plot or conspiracy to effect or give aid to said escape or to prevent recapture or were derelict in the performance of any duty devolved or devolving upon them which contributed to any duty devolved or devolving upon them which contributed to making said escape possible or prevented or hindered recapture or made it more easy for the said Bergdoll to elude recapture.

made it more easy for the said Bergdoll to elude recapture.

"That the committee so appointed may conduct such investigation by subcommittee or otherwise, may hold sessions during the recess of the House, may employ whatever assistance, either clerical or legal, it may deem necessary to aid in conducting said investigation, may administer oaths, may summon and compel the attendance of witnesses and the production of papers and documents, may employ a stenographer or stenographers to report the same, and have the reports of said hearings printed for use.

"That any and all expenses in connection with such inquiry shall be paid out of the contingent fund of the House upon vouchers to be approved by the chairman of the committee and by the Committee on Accounts: Provided, The expenses of said investigation shall not exceed the sum of \$10,000.

"That said committee shall report its findings to the House at the earliest possible date, together with such recommendations as it shall deem pertinent and advisable."

Under that resolution the Speaker appointed the following

it shall deem pertinent and advisable."

Under that resolution the Speaker appointed the following special committee: Messrs. John A. Peters, Maine; Clifton W. McArthur, Oregon; Oscar R. Luhring, Indiana; Henry D. Flood, Virginia; and Ben Johnson, Kentucky.

The committee held hearings on April 29, May 2, 3, 4, 9, 10, 11, 12, 13, 17, 18, 19, 23, and 24, and again on July 19, 22, 23, and 25; the latter hearings being for the purpose of inquiring into the conduct of Maj. Bruce R. Campbell. From the evidence and testimony given in those hearings the following report is made by the undersigned, a majority of the committee, to the House of Representatives:

A very brief statement of the case under investigation is as follows:

Grover C. Bergdoll, now about 28 years of age, was subject to the draft made during the recent World War. He evaded the draft, became a fugitive as a slacker, and continued such for something more than a year and a half. During that time he was in the United States, and frequently sent taunting and defiant letters to the highest authorities of our Government. His residence was in Philadelphia.

After the armistice was declared young Bergdoll returned to Philadelphia; and, it seems, spent at least a part of his time at his residence there. Just prior to January 7, 1920, the authorities received information to the effect that for several weeks he had been at one or the other of some four or five residences in or near Philadelphia. On the morning of the 7th of January, 1920, officers

Philadelphia. On the morning of the 7th of January, 1920, officers went to each of these residences, surrounded them, and made search of the several premises.

When the officers went to the residence owned by Grover C. Bergdoll, his mother refused them admittance, although the officers had a search warrant with them, and so told her. After spending considerable time endeavoring to get into the house one of the officers placed his pistol against the door look and shot it off. When, in this way, they had gained entrance into the house they were confronted by Mrs. Bergdoll, who held them off with an automatic pistol. However, they managed to get that away from her and then proceeded to search the house. When every part of the house had been searched and they were about to leave without finding Bergdoll, one of the party lifted up the top of a small window seat and found Bergdoll concealed therein, although it seemed next to impossible for a man of his size to get into such small space. small space.

When Bergdoll had come out of the window box he was hand-

When Bergdoll had come out of the window box he was handcuffed to one of the officers, and another of the officers kept the
key to the handcuffs. In this manner he was transported to Governors Island at New York, where the Government had a military,
disciplinary prison in charge of Maj. John E. Hunt. In due course
of time he was tried, convicted, and sentenced to five years' imprisonment for violating the draft laws.

Under usual circumstances he would have been sent immediately
to Fort Leavenworth, Kans., to begin serving his term. However,
under one pretext or another, his being sent to Leavenworth was
deferred. On May 20, 1920, he was permitted to leave the prison
at Governors Island, accompanied by a guard composed of two
sergeants, for the alleged purpose of going into the mountains of
western Maryland to secure something more than \$100,000 in gold
which he claimed to have buried there. When he reached Philadelphia on that pretended mission he made his escape, drove
through the country in an automobile, accompanied by one Ike
Stecker, to the Canadian line, there abandoned the automobile
and went to Winnipeg, Canada. At that place, by false representations, he secured passports for himself and Stecker to London,
from which place they found their way to Paris and thence into
Germany; where, according to the best information, they still are.
Shortly after Bergdoll's incarceration at Governors Island it was
urged that he was of unsound mind, and, therefore, should be
released. However he was declared to be of sound mind.

urged that he was of unsound mind, and, therefore, should be released. However he was declared to be of sound mind.

Next, habeas corpus proceedings were instituted for the purpose of securing his release. The writ of habeas corpus failed to bring his release. Having been convicted, and both the insanity plea and

his release. Having been convicted, and both the insanity plea and the habeas corpus proceeding having failed, some other means of securing his escape had to be resorted to.

Until that time D. C. Gibboney, of Philadelphia, was chief counsel for Bergdoll. It is generally conceded that Gibboney was not much of a lawyer but more of a practical manager for better lawyers. It is in evidence, and undisputed, that Gibboney, representing Bergdoll, sought to employ Judge John W. Westcott, a very eminent New Jersey lawyer. Westcott denies vigorously that he ever accepted the employment; while Gen. Samuel Tilden Ansell and his partner, Edward S. Bailey, testified emphatically to the contrary.

It is admitted that Judge Westcott wrote a letter to the Secretary of War, stating that he (Westcott) was "enormously" interested in Bergdoll's court-martial trial, and would be glad to have the Secretary of War give his personal attention to the case. The Secretary of War courteously replied, but said that the case had not come to his personal attention, and would not unless it reached him through the regular course of business.

It is also admitted that upon a certain occasion Gibboney gave Judge Westcott a \$1,000 bill in payment of "a" fee. Judge Westcott denied that it was in payment of any fee on account of any employment by Bergdoll, stating that it was in payment of other employments.

employments. Bergdoll testified that at one time she paid Gibboney \$10,000 in currency. While she would not state that she ever gave Gibboney a \$1,000 bill, she did state that she kept large sums of

Gibboney a \$1,000 bill, she did state that she kept large sums of money in her house and that upon different occasions she had many \$1,000 bills. Putting those circumstances together it is possible that the \$1,000 bill which Judge Westcott received was paid to Gibboney by Mrs. Bergdoll and then by Gibboney to Judge Westcott, but not necessarily on account of Bergdoll.

After Bergdoll had finally escaped and had fied the country, the grand jury was about to meet in Philadelphia for the purpose of returning indictments against all those engaged in the conspiracy through which Bergdoll escaped. Either just prior to the meeting of the grand jury or during their sittings, Judge Westcott wrote a letter to the Attorney General of the United States, confidently expressing the opinion that Gibboney was as innocent of any part in the conspiracy as an unborn child.

in the conspiracy as an unborn child.

That letter was forwarded by the Attorney General to the district attorney at Philadelphia. Gibboney was not indicted.

The law firm of Ansell & Bailey was employed in April, 1920, by Gibboney to represent Bergdoll in an effort to have the court-martial conviction reversed or set saids.

Gibboney to represent Bergdoll in an effort to have the courtmartial conviction reversed or set aside.

As already stated, both Ansell and Balley testified that Westcott
was cocounsel, but only in "an advisory capacity," or as "advisor
of Mr. Gibboney." General Ansell fell out with Judge Westcott
over this question and quit speaking to him because of differences
in their statements concerning it. But their falling out has nothing to do with the real issue in the case. Westcott contended for
none of Ansell's fee. He merely declined to claim any of the
honors (?) accompanying the victory won, not through the courts
but through the gold-hunting expedition.

For the purposes of this investigation it is not deemed important
whether Judge Westcott was a regularly employed and paid
counsel for Bergdoll, or whether, as a friend to Gibboney, he
merely was counseling him. But it can not be disputed that he
was acting in either one or the other of those capacities. Neither
is it considered important whether General Ansell knew in which

was acting in either one or the other of those capacities. Neither is it considered important whether General Ansell knew in which of these two capacities Judge Westcott was acting, as General Ansell could have made and did make the same use of Judge Westcott, regardless of the capacity in which he was acting. It is interesting to know that General Ansell, until a short time before his employment in the Bergdoll case, had been an officer in the Regular Army of the United States for about 25 years, and that during the war he was the next officer in authority to General Crowder, the Judge Advocate General. However, during the war Crowder, the Judge Advocate General. However, during the war General Crowder was more directly concerned and employed in preparing and executing the draft law, thus virtually leaving General Ansell as the Judge Advocate General.

At the time above indicated General Ansell resigned from the

At the time above indicated General Ansell resigned from the Army and associated himself with the law firm of Ansell & Bailey, making a specialty of military law.

Somebody conceived the idea of concentrating Gibboney's cunning and energy, Westcott's influence with the then administration, and Ansell's standing with the Army officials into one general scheme of defense or escape. Each of these three agencies—purposely or unwittingly—was effectively and concertedly at work at the same time on either one or both of these two propositions. It was known to Gibboney, Westcott, and Ansell that during the preceding October and November, Mrs. Emma C. Bergdoll, mother of the draft dodger, had in full compliance with law, exchanged \$105,000 in currency for that amount in gold at the

exchanged \$105,000 in currency for that amount in gold at the exchanged \$105,000 in currency for that amount in gold at the Treasury of the United States, which gold she claims to have buried. It must be that the mind of one or more of the attorneys just mentioned turned to Mrs. Bergdoll's alleged buried gold; and, upon that story, built the one to which reference is made in a letter sent by General Ansell to Adjutant General Harris, dated Tuesday, May 11, 1920. That story was not used by any of the Bergdoll attorneys, nor did it have any semblance of plausibility until General Ansell was employed in the case, nor until it had been colored and recolored by his fertile imagination.

It is admitted that General Ansell called upon Adjutant General Harris in the afternoon of May 11, 1920, and that later that afternoon, at his office dictated a letter to Adjutant General Harris

relative to the conversation which they had just had about Bergdoll's release. That letter, as dictated, seems not to have been sufficiently strong for General Ansell's purposes. Consebeen sufficiently strong for General Ansell's purposes. Consequently he directed Miss Sisson, his stenographer, not to type-write the letter until the next morning. General Ansell that night at his home, with lead pencil, wrote out another letter. Next morning that was typewritten by Miss Sisson, signed by General Ansell—not by the firm of Ansell & Balley—and sent to The Adjutant General.

Miss Sisson, the stenographer, preserved her shorthand notes of the letter dictated on the afternoon of May 11, 1920. That letter was not sent. In her testimony before the committee she read those notes and reduced them to typewritten copy, reading as follows:

"MAY 11, 1920." MY DEAR GENERAL HARRIS: I wish to confirm, in this informal "My Dear General Harris: I wish to confirm, in this informal way, the statement I made to you a few moments ago orally in support of the request that I am making of you and the Secretary of War. I am counsel for Grover Cleveland Bergdoll, a so-called draft deserter, now in imprisonment at Fort Jay pending the review of his case by the War Department. Bergdoll is represented in Philadelphia by Mr. D. C. Gibboney, a gentleman of the highest standing in that city and a lawyer of unquestioned probity. Judge Westcott, formerly attorney general of New Jersey, and who doubtless is well and favorably known to Mr. Baker, is a consulting counsel in the case and adviser of Mr. Gibboney.

"Last Friday Mr. Gibboney, accompanied by Judge Westcott, came to my office and conferred with me about a situation concerning young Bergdoll's property, which was so strange that the truth of it under normal circumstances would hardly justify belief. In view of the fact that Mr. Gibboney believes Bergdoll's statement to be true, and in view of the numerous circumstances tending to support it, I myself believed it to be credible and such as to justify counsel in making of the department this present request.

"This young man has unquestionably inherited a very considerable property from his father. He has not heretofore developed that sense of responsibility required for the care and proper use of a large sum of money. I understand that the control and influence of his mother have not tended to the development of an inhuence of his mother have not tended to the development of an adequate sense of responsibility in such matters. I am advised also that there have been family difficulties which seem to have produced a desire in this young man to get a physical control over his property, ungoverned by the other members of the family.

"The motive for his action was probably complex and not easily understood, but I am advised that at different times he took two large sums of money in gold coin and plead them in

took two large sums of money in gold coin and placed them in large metal containers; one, I am advised, he left with some person in western Maryland. This has been recovered. The other, Bergdoll states, he took, all alone, and buried it in an out-of-the-way place on some mountainside, at a place within a day's railway place on some mountainside, at a place within a day's railway travel from this city. This sum amounts to about \$150,000 gold coin. He is quite unable to direct Mr. Gibboney or me how to find it, and of course, assuming his statement to be true, it can be found only by him in person. He is now thoroughly perturbed with the apprehension that he may never recover it, and is intensely anxious to be permitted to go with counsel and under guard to find it. He wishes to recover it and turn it over to some proper custodian for safe-keeping and investment.

"And such is my request. Upon all the facts before me. it

proper custodian for safe-keeping and investment.

"And such is my request. Upon all the facts before me, it seemed entirely reasonable to me, and so it seemed to you. I hope and believe it will seem so to the Secretary. I do not desire to ask the privilege, but only that which is necessary for this man to conserve what is his. There can be no danger of escape. The department will, of course, send such guard as it sees fit, and all expenses will be borne by us. In addition, I shall hold myself, as counsel, responsible for the safe return of this prisoner to his place of confinement and that no advantage will be taken of such leave as is granted other than that which is the object of this request.

of this request.

"May I ask that this communication, for the time being, may I ask that this communication, for the time being, will be kept within the knowledge of you and the Secretary alone, and may I ask you to take it up at your very earliest convenience with Mr. Baker and let me know the result?

"With very kindest regards, I am,

"Very sincerely, yours."

The general tenor of the above letter, which was not sent to

General Harris, should, by all means, be compared with the one which was sketched out that night with lead pencil, and which was sent the next day to General Harris. The charges made were most adroit and clever; were not authorized by other counsel in the case whose names were used; in some instances, were not warranted by the facts.

The letter actually sent reads as follows:

Ansell & Bailey, Attorneys at Law, Suite 710-712, Riggs Building, Washington, D. C., May 11, 1920.

My Dear General Harris: Please permit me, in compliance with your helpful suggestion of a moment ago, to place before you in this manner my request, concerning which I have just spoken to you, in behalf of Grover Cleveland Bergdoll, together with a brief statement of the reasons therefor.

This man, in virtue of his conviction and sentence as a so-called draft deserter is now imprisoned at Fort Jay, pending the review of his trial by the War Department. I am his attorney. His home counsel in Philadelphia is Mr. D. C. Gibboney, of unexcelled repute as a man and a lawyer. Of counsel, also, in a consulting capacity, is Judge Westcott, of New Jersey, whom doubtless the

Secretary well knows. These gentlemen visited me last Friday and related to me a situation which we believe to be true and

and related to me a situation which we believe to be true and which impels us to submit this request.

This young man was reared fatherless under family conditions which, even when partially revealed, throw considerable light upon conduct of his that, to say the least, is strange if not unintelligible. From his father he inherited wealth. Apprehending the family desire to control his share he at times has openly submitted and at others has become secretive of his wealth. This latter, perhaps, is the most influential of the many complex motives for his actions in the instance I now speak of. In any event, it is now known that he did secrete one large sum of money which was known that he did secrete one large sum of money which was recovered a year or so ago. He now declares that he also hid a second large sum, the remainder of his fortune (\$150,000), in a lonely spot on a mountainside, distant about a day's journey from this city; that he placed the gold coin in a metallic container and took it himself, unaccompanied, and hid it in a spot which he alone can identify. Circumstances indicate the truth of his statement.

of his statement.

He is now wrought up with fear and anxiety lest he may never recover the money, and accordingly earnestly asks me, other counsel joining him, to endeavor to arrange it that he may go, under guard and with his counsel, to recover the money and place it in safe-keeping; all expense to be borne by us.

We are requesting no privilege—only the necessary liberty of action under guard. This prisoner has no desire to escape, nor could he if he wanted to. Notwithstanding the guard, as his counsel, I stand responsible for his prompt return to prison without advantage to him other than that involved in the object of this request.

I hope this request may be granted immediately. It seems reasonable and right to me, and also to you, and I hope—and doubt not—that it will seem so to the Secretary.

May I ask prompt action upon this request? May I also ask that, if possible, knowledge of the contents of this communication, for obvious reasons, be confined to you and the Secretary, and further that you notify me personally at the first practicable moment after you have decided upon this request?

With kind regards for your many courtesies, I am,

Sincerely.

The purpose of these changes is obvious when the two papers

Ine purpose of these changes is obvious when the two papers are compared and the end to be accomplished considered.

In the first sentence of the letter, which was not sent and which afterwards was pruned and put into more seductive form, he made the request of both General Harris "and" the Secretary of War; while the letter which was actually sent used this language:

"It seems responsible and right to

language:

"It seems reasonable and right to me, and also to you, and I hope—and doubt not—that it will seem so to the Secretary."

If the letter had been sent as first written, it would have been necessary that the request go to the Secretary of War. The second letter—the one that was sent—merely expressed the hope that the request might seem reasonable to the Secretary, but omitted the specific request that the matter be referred to the Secretary.

Another sentence in the letter which was not sent reads as follows:

follows:

"Judge Westcott, formerly attorney general of New Jersey, and who doubtless is well and favorably known to Mr. Baker, is a consulting counsel in the case and advisor of Mr. Gibboney."

That sentence was changed to read as follows in the letter that

was sent:

"His home counsel in Philadelphia is Mr. D. C. Gibboney, of unexcelled repute as a man and a lawyer. Of counsel also, in a consulting capacity, is Judge Westcott, of New Jersey, whom doubtless the Secretary well knows."

General Ansell is a man of extraordinary native ability, wonderfully improved by training and education. No man better knows the exact use of words and their effect than does he. The conclusion is irresistible that General Ansell was then using with emphasis the name of Judge Westcott to bring influence to bear upon the Secretary of War, should the communication ever reach him; and, just as certainly, to bring to bear additional influence with General Harris.

Also, in the letter first dictated, he said that Judge Westcott Also, in the letter first dictated, he said that Judge Westcott was "advisor of Mr. Gibboney." That expression or assertion is left out of the letter which was sent. Is it possible that General Ansell, even at that time, was giving more or less thought, with the view of later dividing responsibility, to the attitude of non-employment which Judge Westcott assumed? Westcott admitted that he "advised" with Gibboney, but denied that he was employed by Bergdoll, and there is no contradictory proof.

In the letter which was not sent General Ansell used this language:

language:

"Last Friday Mr. Gibboney, accompanied by Judge Westcott, came to my office and conferred with me about a situation concerning young Bergdoll's property, which was so strange that the truth of it, under normal circumstances, would hardly justify belief."

Upon consideration by General Ansell that language must have appeared too strong. No doubt he was apprehensive that that language might raise with General Harris a question as to the stated, in substance, that Gibboney and Westcott had conferred with him about a situation which "would hardly justify belief." So, if the story about which Ansell, Gibboney, and Westcott "conferred" would "hardly justify belief," it must be changed, if

General Harris was expected to accept and act upon it.

General Harris was expected to accept and act upon it. Then General Ansell's statement was changed into being such a plausible one that all of them—including Ansell—believed the story; and, in consequence, were "impelled" to make the request.

The changed or altered statement reads as follows:

"These gentlemen visited me last Friday and related to me a situation which we believe to be true and which impels us to submit this request."

When General Ansell dictated the statement that "would hardly justify belief," that statement being the result of a conference with Gibboney and Westcott, one must wonder whether or not those two gentlemen, or either of them, consented to the change from lack of belief to one so certain that they were "impelled" by it to ask for Bergdoll's release. It is a self-evident fact—the others not being in Washington—that Ansell made the change without consulting the others. He attributed to each of them a "belief" which, perhaps, neither entertained. In the first draft it is not stated that either believed the story, but in the second all are represented as believers in it.

It is interesting to note the reasons assigned by General Ansell

It is interesting to note the reasons assigned by General Ansell for the burial of the gold. In the letter not sent he uses this

"This young man has unquestionably inherited a very considerable property from his father. He has not heretofore developed that sense of responsibility required for the care and proper use of a large sum of money. I understand that the control and influence of his mother have not tended to the developand influence of his mother have not tended to the develop-ment of an adequate sense of responsibility in such matter. I am advised also that there have been family difficulties which seem to have produced a desire in this young man to get a physical control over his property, ungoverned by the other members of the family."

In the letter actually sent to General Harris, General Ansell gave the following as an explanation of the unusual conduct of Grover Bergdoll:

Grover Bergdoll:

gave the following as an explanation of the unusual conduct of Grover Bergdoll:

"This young man was reared fatherless under family conditions which, even when partially revealed, throw considerable light upon conduct of his that, to say the least, is strange if not unintelligible. From his father he inherited wealth. Apprehending the family desire to control his share, he at times has openly submitted and at others has become secretive of his wealth. This latter perhaps is the most influential of the many complex motives for his action in the instance I now speak of."

In the letters not sent, General Ansell speaks of certain vague "family difficulties," which "seem" to have caused Bergdoll to desire a physical control of his property. These paragraphs clearly illustrate the difficulties, which even the astute mind of Ansell could not overcome, in giving adequate and sufficient explanation of the motives which prompted Bergdoll to bury the gold. Some excuse for this conduct had to be given, and the labored efforts of Ansell have only tended to make confusion worse confounded.

The letter which was not sent used the language, "There can be no danger of escape." That was changed in the letter which was sent to, "This prisoner has no desire to escape." That change makes the statement stronger to General Harris and also lays the foundation for denial of personal responsibility in the future for counsel not attending the expedition.

It should be noted that General Ansell did not merely express the opinion that the "prisoner has no desire to escape." Instead he made the unqualified statement to that effect. How did he know the prisoner had no desire to escape? According to his own admissions, he then had had no communication with the prisoner relative to the expedition for the buried gold; and consequently no direct information upon which to base that statement as fact. It

admissions, he then had had no communication with the prisoner relative to the expedition for the buried gold; and consequently no direct information upon which to base that statement as fact. It may be that the other attorneys who consulted with General Ansell about the release to get the alleged buried gold agreed to the statement that "there can be no danger of escape"; but it is possible at least that they would not have approved the statement as fact that Bergdoll had "no desire to escape." The former statement, no doubt, was based on the then—but afterwards violated—arrangement that one of counsel was to accompany the expedition; that the prisoner was to be handcuffed; that a commissioned officer was to go along; and that the guard was to be both ample and properly instructed.

missioned officer was to go along; and that the guard was to be both ample and properly instructed.

The first proposition, accompanied by the foregoing considerations, is quite different from the one that "the prisoner has no desire to escape," especially since each and every one of the conditions just related were to be utterly disregarded.

It is going a long way for one of the counsel to make such a wide departure from the original statement without having the environment of the counsel whose names were used in the communication.

wide departure from the original statement without having the approval of the counsel whose names were used in the communication conveying the changed representations.

In the letter which was sent there is something that does not appear in the one which was not sent. That language is this:

"He (Bergdoll) is now wrought with fear and anxiety lest he may not recover the money, and accordingly earnestly asked me (Ansell), other counsel joining him, to endeavor to arrange it that he (Bergdoll) may go, under guard and with his counsel, to recover the money and place it in safe-keeping; all expenses to be borne by us." borne by us.

borne by us."

When it is considered that General Ansell stated that he had no communication with Bergdoll after he saw him at Governors Island on April 17, when, according to General Ansell, no mention was made of the proposed search for the buried gold, was very remarkable, to say the least.

It will be noticed that General Ansell says in the above quotation that Bergdoll earnestly asks him to endeavor to arrange it so that he (Bergdoll) may go, under guard and with his counsel, to recover the alleged buried gold.

If, at that time, General Ansell had had "no communication" with Bergdoll relative to the matter, how is it possible that Bergdoll so "earnestly" made that request of him? General Ansell can not claim that that request was conveyed to him through either Gibboney or Wescott, for the reason that he himself says in the above-quoted paragraph that the request was made by Bergdoll, "other counsel joining him" in the request. Nothing of that sort was said in the letter which General Ansell dictated to his stenographer immediately after he left General Harris on May 11. That must have been an afterthought, originating in his mind, and not warranted by the statement of either Gibboney or Wescott

In both letters—the one which was not sent and the one which was sent—General Ansell stated that he would be responsible for

was sent—deneral Ansell stated that he would be responsible for the return of the prisoner.

General Ansell in his testimony repeated several times the statement that General Harris "did not expect" him to accom-pany Bergdoll on the expedition; but that he did expect some one pany Bergdoll on the expedition; but that he did expect some one or more of counsel, to accompany it. Both General Ansell and his partner, Mr. Balley, testified that the agreed arrangement was that Mr. Balley was, at least, to meet the expedition at Hagerstown, Md., and accompany it during the remaining 20 or 25 miles of the proposed journey to the spot where the gold was said to be buried. The law firm of Ansell & Balley was employed by Bergdoll, but General Ansell did not pledge the firm to see to it that Bergdoll was returned. Instead, the pledge was General Ansell's personal one Ansell's personal one.

been admitted by General Ansell and by everybody else It has who testified upon that point, that at least one of Bergdoll's

attorneys was to accompany the expedition.

General Ansell himself did not state that he told General General Ansell himself did not state that he told General Harris that he himself would not accompany the expedition. He merely expressed the opinion that General Harris "did not expect" him to do so. If General Ansell himself was not to go, but counsel was to go, then the question arises: Whom did General Harris "expect" would go? Neither of General Ansell's letters—the one which was sent nor the one which was not sent—indicates that Westcott was to go. In the letter which was sent, Westcott is referred to as an attorney "in a consulting capacity," while in the one which was not sent, Westcott was referred to as an "advisor of Mr. Gibboney." In addition, Westcott is an old, palsied man, not physically equal to the trip outlined by General Ansell.

General Ansell himself did not in his testimony make even the General Ansell himself did not in his testimony make even the slightest claim that Westcott was to go. Therefore, according to General Ansell, no attorney except Gibboney or Bailey could have been expected to go. General Ansell says he himself did not contemplate making the trip; and since he knew that Judge Westcott could not, if he would; and, further, since he knew two days and two nights before the expedition started that his partner, Mr. Bailey, was not going, he was bound to know that the only one of counsel who might possibly accompany the expedition from beginning to end was Mr. Gibboney.

General Ansell knew several days in advance that the expedition would start May 20; and he knew that Gibboney himself did not contemplate making more than a part, if any, of the journey.

contemplate making more than a part, if any, of the journey. So, there is no escape from the conclusion that General Ansell knew, at least two days and two nights before the journey started, that his pledge made to General Harris in this respect was to be

violated.

When General Ansell was on the witness stand the question was put to him a number of times, and by different members of the committee, to indicate at least one specific act done by him looking toward the redemption of that pledge. To each and every one of these questions he was either nonresponsive or evasive. To some of them he replied, in substance, that he had sought to have Bergell recentured after the escape had been every one of these questions he was either honresponsive or evasive. To some of them he replied, in substance, that he had sought to have Bergdoll recaptured after the escape had been accomplished. In other words, all that he specifically claimed to have done was to undertake to lock the stable door after the horse had gone. He plead, in extenuation, after Bergdoll had escaped, that he offered a reward for his recapture. If he had been recaptured and the reward had been claimed, no doubt every one of the many who furnished information here and there would have claimed all or part of the reward, and litigation over it would have claimed all or part of the reward, and litigation over it would have been interminable, and the day of payment far in the future, if at all. Then, it is most probable, indeed, that an officer, and not a private citizen, would have made the arrest; and an officer can not maintain a cause of action to enforce the payment of a reward for making an arrest which he should have made regardless of the reward.

The two letters—the one which was sent and the one which was not sent—when taken in connection with all of the other happenings in the case, show that General Ansell was not only taking advantage of his long association in the Army with General Harris but was actually misleading him into having Bergdoll released for the purpose of seeking the alleged hidden gold. It also is clear that he undertook to use Judge Westcott for the purpose of bringing to bear a political influence upon anybody in the then administration who might be needed to make sure of the gold-hunt release which at last spelled Bergdoll's escape. Then when Judge Westcott, in response to General Ansell's urging, had not seen the Secretary of War in person, Ansell, still using him, had him write a letter to the Secretary of War, asking him to take Bergdoll's case under personal advisement.

It was known to General Ansell that Judge Westcott had put Woodrow Wilson in nomination for the Presidency of the United States, both at Baltimore and four years later at St. Louis, and that Westcott was a personal friend of both the President and The two letters -the one which was sent and the one which

the Secretary of War. Knowing that, he took particular pains to inject Westcott's name into the letter which he wrote General Harris, and then, in his presence, had Westcott write a letter to the Secretary of War in Bergdoll's behalf, based upon Westcott's alleged "enormous" interest in the case.

It was made clear that Westcott's services as active counsel in the case were sought by both Gibboney and the Bergdolls, and

the case were sought by both Gibboney and the Bergdolls, and just as clear that Westcott declined to act in that capacity.

Since Gibboney, practicing only in the civil courts, and Ansell, practicing as an expert in military law, met, it matters little which found the other, or how, as both were on a hunt for the Bergdoll gold, and each got much of it.

After the employment of the firm of Ansell & Reliev both

found the other, or how, as both were on a hunt for the Bergdoll gold, and each got much of it.

After the employment of the firm of Ansell & Bailey, both Ansell and Bailey visited Governors Island and saw Bergdoll, their visits being made at different times. Mr. Bailey returned from Governors Island to Washington and reported to General Ansell at his residence on the night of the 17th of May, at which time it became understood and agreed between them that neither was to go upon any part of the expedition. The question naturally arises that if one or the other of them was to go—and Bailey admits that he had agreed to join the expedition at Hagerstown, Md.—why was there a change of mind just following Bailey's return from a visit to Bergdoll, to the effect that neither was to go at all. And further, why was not General Harris so advised? He was within a stone's throw of them during these two days and two nights. What happened between May 11 and May 17 that did away with the necessity of even Bailey's going? Was information received by either Ansell or Bailey at Governors Island, where Bergdoll was confined under Colonel Hunt, that the gold was not buried at Hagerstown, or that the expedition would not proceed beyond Philadelphia, where Mrs. Bergdoll says the gold was buried, and at which point Bergdoll escaped?

The fact has been established by Treasury officials that Mrs. Bergdoll, during October and November, 1920, exchanged \$105,000 in currency for that amount in gold; and it is conceded that she took that gold by automobile from Washington to Philadelphia.

About a month and a half after Mrs. Bergdoll got the \$60,000 in gold, which was the last amount gotten, young Bergdoll was arrested in his mother's house in Philadelphia. Shortly after his arrest and his transfer to Governors Island, he there commenced telling about having buried two different amounts of gold. His

arrest and his transfer to Governors Island, he there commenced telling about having buried two different amounts of gold. His mother had gotten two different amounts of gold—\$45,000 and \$60,000—and she has testified that she made two different burials of these amounts. She further states that her son neither knew

that she had gotten gold nor that she had buried any.

It is admitted by Mrs. Bergdoll that young Bergdoll had been at her house in Philadelphia quite a little between the time she got the gold and the time when he was arrested and taken away to Governors Island. It is strikingly strange that he should be telling his associates in prison and counsel that he had buried two sums of gold amounting to more than \$100,000; while, if we believe the mother, she had actually buried the two different sums aggregating approximately the same amount of which Berg-

doll himself was speaking.

The conclusion is not an unreasonable one that, if Mrs. Bergdoll did bury the gold gotten from the Treasury and did make two different burials of it, then young Bergdoll must have known of the whole transaction. Otherwise he only imagined or dreamed of a condition that exactly coincided with the undisclosed but

actual doings of his mother.

actual doings of his mother.

On the 19th of April, 1920, General Ansell prepared a contract fixing the fee which the firm of Ansell & Bailey was to receive as attorneys for Bergdoll. That tentative contract was submitted by General Ansell to Mr. Gibboney for his approval, but Mr. Gibboney declined to approve it. Thereafter, on the 23d day of April, Mr. Gibboney himself, representing Bergdoll with carte blanche authority, submitted a counter, tentative contract to General Ansell.

Under the terms of the first tentative contract Ansell & Bailey.

Under the terms of the first tentative contract Ansell & Bailey, according to the construction put upon it by Mr. Bailey, could have received \$60,000. Still, according to Mr. Bailey, under the

tentative countercontract submitted by Mr. Gibboney, Ansell & Bailey could have received \$55,000.

Bailey could have received \$55,000.

General Ansell stated in his testimony that the tentative contract submitted by Gibboney to him was never executed, notwithstanding the fact that he also stated that the terms of that tentative countercontract were agreeable to him. Now the question arises: If Gibboney prepared and submitted a paper whereby \$55,000 was to be paid, and that paper was fully acceptable to Ansell, why was it not executed? Gibboney, when submitting the countercontract, was personally present with Ansell. All that was necessary was for both of them to sign it. Something, we know not what, only by surmise, must have become understood between those two men upon that occasion that caused them to abandon the execution of a contract agreeable to them both. But it is certain that after that date, from all the committee has But it is certain that after that date, from all the committee has been able to gather, neither that are, from an the committee has been able to gather, neither the execution of that contract nor any other was ever mentioned or pressed by either of the proposed parties to it. General Ansell had gone to the trouble to prepare a contract for employment, and Gibboney had done the same about a counter one; yet, when their minds met in full agreement, all attempts to conclude the contract were abandoned by both

by both.

For all that the committee really knows, General Ansell was employed by Gibboney to represent Bergdoll only in the then pending litigation between the United States and Bergdoll. General Ansell refused to even look at the first papers until he had been paid \$100, and he refused to have anything to do with the case until he had been paid \$5,000 more. Yet we find him departing from that employment and taking up another important piece of work, that of securing the expedition, without disclosed fee or contract for fee, when the actual work to be done by himself and partner, including the visit to Governors Island and the agreement to accompany the expedition for many miles in a mountainous region, to say nothing of the obligation for the prisoner's return, was bigger and more onerous—besides being fraught with the danger of questionable ethics—than was the original proposition, for which he proposed to charge \$50,000.

The absence of a fee or a contract for one must be significant when taken in connection with one whose ever first thought seems

to have been given to the payment or securing of a large fee.

The suggestion that Bergdoll's escape defeated the collection of the Ansell fee is fallacious. Bergdoll had nearly \$1,000,000 worth of property within reach with which to pay fees at any time, either for the preparation of the brief in the military case or for

either for the preparation of the brief in the military case or for procuring the gold-hunting expedition. Consequently it was not necessary to find the gold in order to get the fee.

Already it has been shown that neither Ansell nor Bailey contemplated going with the expedition after Bailey's return from Governors Island, where he saw Bergdoll two days before the expedition started. The only remaining attorney who might be expected by anybody, even by General Ansell himself, to go upon the expedition was Gibboney, and he even falled to accompany the expedition from New York to Philadelphia.

When Bergdoll arrived at the railroad station in North Philadelphia from Governors Island, Gibboney was there to meet him with a letter of identification from Colonel Hunt. However, Gibboney rode only a few blocks in the automobile with Bergdoll and his guards, when he abandoned the party never to join it again.

guards, when he abandoned the party never to join it again.

Mrs. Bergdoll testified that on the next morning, after she received each of the sums of gold, she had her chauffeur to drive her ceived each of the sums of gold, she had her chauffeur to drive her away from her residence to a point where she said she buried it. The Bergdolls owned a farm about 11 miles out of Philadelphia. Mrs. Bergdoll stated that she took the gold in her automobile and took along a shovel with which to bury it. She stated that when she had reached the spot of burial she sent her chauffeur away from the automobile to gather apples, and that while he was gathering apples she buried the gold. If that be true, the gold was buried on the Bergdoll farm, and it was not contemplated that the expedition procured by General Ansell was to go beyond Philadelphia. Can it be possible that an ascertainment of the fact that the gold which Mrs. Bergdoll had gotten from the Treasury had been buried on the Bergdoll farm, not far from Philadelphia, caused all of counsel to repudiate the pledge that counsel was to accompany the expedition?

The fact has been established that when Bergdoll and his guard

fact has been established that when Bergdoll and his guard The fact has been established that when Bergdoll and his guard arrived at North Philadelphia, under directions of Mr. Gibboney, who held Colonel Hunt's letter of identification, they went to the Bergdoll residence, accompanied by "Judge" Romig and Ike Stecher. Stecher is the man who fied with Bergdoll and who now is in Germany with him. The further fact has been just as well established that on that very afternoon these same parties drove out to the Bergdoll farm and roamed about over it, instead of going on to Hagerstown, Md., as represented to General Harris by General Ansell would be done.

General Ansell would be done.

In view of the foregoing, how is it possible to hold General Ansell blameless? Being 46 years of age, he is just in the prime of all of his abundant faculties. He is both able and alert. Intellectually he is wonderfully endowed; and, having spent 25 years in the Army, where he had every phase of humankind to deal with, we must believe that he was fully equipped to counter any attempt at deception upon the part of Bergdoll, Gibboney, or the guards. He was far from being such a novice in the affairs of the world that Gibboney, Bergdoll, Romig, or the guards could have pulled the wool over his eyes and blinded him as to the inevitable result of the expedition which he alone had procured. Anybody who has seen and heard all of those associated, either directly or indirectly, with the plan or manner of Bergdoll's escape not only must recognize General Ansell as the master mind of them all but also as their dominating and controlling spirit. He is not the kind of man that will merely follow. Upon the other hand, his is the character of one who must lead. His ability, his experience, have equipped him to lead even the most intelligent of associates.

equipped him to lead even the most intelligent of associates.

Bergdoll's escape was the direct result of the proposition submitted by General Ansell to General Harris. Even if General Ansell did not conceive the plan, he presented it and pursued it to its accomplishment. The others had exhausted all remedies known to them as attorneys practicing in the civil courts. It was General Ansell, resourceful and conversant with military possibilities, who must have conceived it.

In fact Gibboney Rowling and the Bergdoll family convenience.

In fact, Gibboney, Romig, and the Bergdoll family, conspiring among themselves, were unable to bring about the order for Bergdoll's release. Such, of course, was the object of the conspiracy, but in order to successfully accomplish it it was absolutely necessary to have the active assistance and cooperation of Ansell and Bailey and Colonel Hunt. Without the aid of these latter Bergdoll could not have left Governors Island could not have left Governors Island.

When Bergdoll was arrested on January 7, 1920, as already said, he was taken, in handcuffs, directly to Governors Island, N. Y., and put in charge of Colonel Hunt, commandant of the military

disciplinary barracks at that place.

While Bergdoll was confined there Colonel Hunt was several times apprised of the dangerous character of Bergdoll and of the probability of his attempting to escape. The police authorities at Philadelphia well knew Bergdoll's character as a dangerous, reckless fellow. Notwithstanding that advice, Colonel Hunt, ac-

cording to his own testimony, preferred to rely upon a board of psychiatrists as to Bergdoll's character.

When Bergdoll was arrested on January 7, 1920, after he had been a fugitive for more than a year and a half, approximately 30 guns and pistols were found in the house in which he was arrested. One of those guns was a rifle equipped with a Maxim silencer. All these weapons were removed from the house by Government authorities. However, immediately after his final escape from the same house on May 21, 1920, it was discovered that the supply had been replenished, as seven shotguns in the that the supply had been replenished, as seven shotguns in the meanwhile had been brought in. In addition there was a pistol or two and a blackjack in the house. After his escape to the Canadian line had been accomplished, and he had abandoned his automobile there, a large revolver and a Lueger repeating pistol were found in his automobile. These facts bear out the Philadelphia police in their opinion that Bergdoll was a dangerous man and would do violence if the occasion for doing so presented itself, the contact of the contact of prophilary for the contact of the contact of prophilary for the contact of the cont the opinion of Colonel Hunt's board of psychiatrists to the contrary notwithstanding.

Colonel Hunt admitted that he disregarded the admonitions and

warnings as to Bergdoll's character and his possible escape; and, instead, relied upon the diagnosis made by his board of psychiatrists. When testifying in his own behalf during his court-martial trial, and while referring to the warnings about Bergdoll,

Colonel Hunt said:

The weight of those two warnings—the legal obligations contained in them—was just about the legal obligations of a communication from the mayor of Timbuctoo." (P. 260, court-

martial trial of Colonel Hunt).

One of the warnings given to Colonel Hunt was dated March 8, 1920, and was signed by William Weigel, colonel, General Staff.

The communication reads as follows:

"1. Attention is directed to letter from the department adjutant

dated January 20, 1920, addressed to you and relating to Grover C.

Bergdoll.
"2. In addition to the precautions directed in the letter referred "2. In addition to the precautions directed in the letter referred to above, the department commander directs that at all times when Bergdoll leaves the walls of Castle William, he be guarded by two armed sentinels. Whenever Bergdoll in his present status leaves the island, the commanding general directs that he be handcuffed to one sentinel and guarded by another sentinel. The dangerous character of this prisoner has been reported by the police authorities of Philadelphia, who are in a position to know the amount of force which is probably necessary for his restraint, and this direction is made because of the information gained from these experienced police officials."

Relative to those warnings Colonel Hunt, in his court-martial trial, testified as follows:

"Q. I asked you if you considered him a dangerous prisoner?—

A. During the time of his trial I had more accurate information and was in better position to judge, in my opinion, of the dangerous character of Bergdoll, of his criminal mind, than the judge advocate, than the judge advocate's office, or the judge advocate

advocate, than the judge advocate's office, or the judge advocate of the department, or anybody else; I had received full information from a careful and scientific investigation, conducted by a board of officers, who inquired into his sanity. I received information from Major Baker, who was my psychiatrist, and I regarded it as absolutely dependable. At the time I received these two communications I knew all about Bergdoll. I had received the official and scientific opinion of an authority in regard to Bergdoll. official and scientific opinion of an authority in regard to Bergdoll. Those letters were worth to me just as much as they were based on facts, and they were not based on any facts at all. So far as this information was concerned, there wasn't anything in that." That was one of the several instances of his defiance of superior authority in Bergdoll's favor.

In addition to the court-martial trial with which we are now dealing, Colonel Hunt was court-martialed three times on the charge of drunkenness. In one of these court-martial proceedings he was sentenced to be dismissed from the service. Appeal was

charge of drunkenness. In one of these court-martial proceedings he was sentenced to be dismissed from the service. Appeal was made to President Taft, who, in his usual good nature commuted his punishment to that of a reduction of 50 files. Upon one of these three occasions he undertook to anticipate and prevent conviction by making a solemn pledge that he would not indulge in any intoxicating liquors for a period of 10 years. That promise he failed to keep.

There can be no better nor more convincing proof of Colonel Hunt's defiance of authority and ignoring of instructions than is

Hunt's defiance of authority and ignoring of instructions than is found in his own testimony before his court-martial trial on ac-

Throughout that whole court-martial trial he contended that Bergdoll should have been treated like the least offending prisoner, notwithstanding the information which had been conveyed oner, notwithstanding the information which had been conveyed to him relative to Bergdoll's dangerous character, and his probable attempts at escape. His contention to that effect was based entirely upon the report of the psychiatrists, the actual and patent facts to the contrary notwithstanding. Besides Colonel Hunt was conducting the prison on an "uplift" policy. He introduced witnesses to prove, in effect, that it was better to trust Bergdoll to the extent that he did well-known harmless prisoners than to keep him confined or under close survivillence as he had been keep him confined or under close surveillance, as he had been instructed to do.

He resented every suggestion made to him relative to keeping a He resented every suggestion made to him relative to keeping a close watch over Bergdoll. His determination to pursue his own narrow way about things, his ignoring directions and defying instructions from the higher authorities at Washington are not short of being criminal; and Bergdoll's escape is traceable directly to that criminality as one of the several important happenings contributing to that deplorable end.

Colonel Hunt first endeavored to excuse what, justly, may be termed the insufficient guard, by claiming that he alone had the right to determine how much of a guard should accompany the prisoner, and that nobody else had any right even to make suggestions as to the sufficiency of the guard. Throughout his testimony in the court-martial trial he constantly exhibited that resentment and defiance.

When that attitude had aroused criticism, he sought shelter under the assertion that he did not have a commissioned officer who could be spared when the expedition started.

He said that one commissioned officer was absent on leave, and

that another had just returned from taking some prisoners out to Leavenworth, and was too fatigued to then go upon this expe-dition; and that, in consequence, he sent the prisoner out ac-

dition; and that, in consequence, he sent the prisoner out accompanied by only two sergeants.

When he made that statement he must have thought that other people would overlook the fact that he himself could select the day and the hour when the expedition should start. Therefore, he, after a conference with Bergdoll's counsel and some of the convicted conspirators, chose a day when, according to his own statements, he knew he could not comply with the instructions of his superior officers by sending a commissioned officer along. Except that he was acting in defiance of instructions, and in collusion with the prisoner, his friends, and his attorneys, he would have selected a day for the expedition when all instructions could have been complied with, including the sending of a commissioned officer.

Bergdoll received surprisingly considerate treatment from Col-

Bergdoll received surprisingly considerate treatment from Col-

Bergdoll received surprisingly considerate treatment from Colonel Hunt. A man named Speicher slept in the same cell with Bergdoll. Speicher made many trips to New York during that time. There is no doubt that Bergdoll kept in close touch with the outside world through Speicher, as well as through others.

Harry Weinberger, the New York lawyer, testified that Speicher upon one occasion came to his office and brought a note from Bergdoll. About that time Speicher got into some trouble and \$200 was necessary to get him out of it. That amount was paid by Bergdoll through his mother. If Speicher was receiving that gift and probably others from Bergdoll, and delivering communications to Weinberger, it is reasonably certain that he was delivering communications from Bergdoll to outsiders and from outsiders to Bergdoll. siders to Bergdoll.

siders to Bergdoll.

Mrs. Bergdoll testified that she was permitted to place \$700 in the prison at the disposal of her son, in order that he might purchase knickknacks for his fellow prisoners.

When O'Hare, one of the sergeants who was to accompany Bergdoll upon the expedition, was about to start thereon, he asked Colonel Hunt for handcuffs, but they were refused.

While in prison Bergdoll and the other prisoners were clothed in prison garb, easily distinguishable, and upon the clothing of each was a prison number. Colonel Hunt sent other prisoners than Bergdoll to Philadelphia, and he sent them in the prison garb, bearing their prison numbers. But when he came to send Bergdoll on his buried-gold mission he had the prison garb removed and clad him in the uniform of an honorable soldier, except there was no cord around the hatband. It is quite easily seen that if Bergdoll had escaped in his prison garb, bearing a except there was no cord around the hatband. It is quite easily seen that if Bergdoll had escaped in his prison garb, bearing a prison number, many persons would have been willing to halt him and bring him to account, but the fact that he was clad in the uniform of a soldier of our country threw off suspicion and, instead of blocking his escape, made it easier, as all respected the uniform of the country. Every direction which looked toward Bergdoll's safe-keeping was rejected by Hunt, and everything that might facilitate his escape was done without question or quibble. There is some conflict between the testimony of Colonel Hunt and that of Sergeant O'Hare relative to the instructions given by Colonel Hunt to O'Hare when he was told that he was to go on the expedition as one of the two guards. Notwithstanding this conflict it is quite certain that the main instructions given to O'Hare by Colonel Hunt were given merely by submitting to him, and

by Colonel Hunt were given merely by submitting to him, and having him read the official letters from Washington.

It appears that Colonel Hunt called Sergeant O'Hare into his office and told him that the expedition would start on the morning of the 20th, and that he and another sergeant were to constitute the guard; but that as between himself and the other sergeant, he (O'Hare) was to be the principal officer.

Then Colonel Hunt gave the official letters to Sergeant O'Hare

and told him to read them. While O'Hare was reading the letters Hunt turned to his desk and wrote with pen and ink.

When O'Hare had finished reading the letters Hunt turned to him and asked him if he understood them. O'Hare affirmatively.

Colonel Hunt never asked O'Hare a single question for the pur-Colonel Hunt never asked O'Hare a single question for the purpose of ascertaining whether or not he correctly understood them. He made no effort whatever to learn whether O'Hare understood them just as he, himself, did. As a matter of fact, O'Hare left Colonel Hunt and went upon the expedition as the principal guard, with only his own construction of the letters, without having them explained by Colonel Hunt, and without ascertaining whether the two of them understood the letters alike.

Whether the two of them understood the letters alike.

O'Hare testified that when he asked Colonel Hunt to give him handcuffs so that Bergdoll might be handcuffed, Hunt replied that handcuffs would make Bergdoll "too conspicious."

To test O'Hare's capacity to correctly understand the letters which Major Hunt, without explanation, had shown him, he was asked to spell the word "conspicuous," a word used by Hunt in talking to O'Hare. He spelled it "c-o-n-p-i-c-i-o-u-s."

The following colloquy during the hearings will clearly show O'Hare's lack of education and his consequent lack of ability to properly interpret the letters:

Mr. Johnson. What did you say that Colonel Hunt said about the handcuffs?

- Sergeant O'HARE. He said they would be too 'conspicuous.'
- "Mr. Johnson. Too 'conspicuous?" Sergeant O'Hare. Yes, sir.

- "Sergeant O'Hare. Yes, sir.

 "Mr. Johnson. Spell the word, please.
 "Sergeant O'Hare. C-o-n-p-i-c-o-u-s.

 "Mr. Johnson. The first line of the letter which General Ansell wrote to General Harris, and which letter was submitted to you by Colonel Hunt on that occasion for you to read, starts out this way: 'Please permit me, in compliance with your helpful suggestion.' What does the word 'compliance' there mean?

 "Sergeant O'Hare. To request him to do something.

 "Mr. Johnson. Tell the committee what you think the word
- "Mr. Johnson. Tell the committee what you think the word compliance' means.
- "Sergeant O'Hare. To do something.

 "Mr. Johnson. The second paragraph in the same letter starts out this way: 'This man, by virtue of his conviction and sentence as a so-called draft deserter, is now imprisoned at Fort Jay, pending the review of his trial by the War Department.'

 "What does the word 'virtue' in that sentence mean?

 "Sergeant O'Hare. I couldn't say.

 "Mr. Johnson, What does the word 'pending,' in that sentence
- "Mr. Johnson. What does the word 'pending' in that sentence means?
- "Sergeant O'HARE. Pending the opening up of the case, waiting
- "Mr. Johnson. The next sentence in the letter reads: 'I am his attorney. His home counsel in Philadelphia is Mr. D. C. Gibboney, of unexcelled repute as a man and lawyer.' What does 'repute' mean in that sentence?
- "Sergeant O'Hare. A man who is honest and a good reputation.
 "Mr. Johnson. What does 'unexcelled' mean?
 "Sergeant O'Hare. Unexcelled? Can't be beat.
 "Mr. Peters. That is right.
 "Mr. Johnson. Spell 'unexcelled.'

- "Mr. Johnson. Spell 'unexcelled.'
 "Sergeant O'Hare. U-n-e-x-c-e-l-l-e-d.
 "Mr. Johnson. Another sentence in this letter reads: 'Of counsel also in consulting capacity is Judge Westcott, of New Jersey, whom doubtless the Secretary of State well knows.' What does the word 'consulting' there mean?
- "Sergeant O'HARE. To assist.

 "Mr. Johnson. 'Whom doubtless the Secretary well knows.'
 What does the word 'doubtless' mean?

 "Sergeant O'HARE. Well known.

 "Mr. Johnson. In the next sentence I find the word 'impels.'

- "Mr. Johnson. In the next sentence I find the word 'impels.'
 What does that mean?
 "Sergeant O'Hare. Impel is to assist.
 "Mr. Johnson. In the next paragraph I find the word 'partially.' What does that mean?
 "Sergeant O'Hare. A kind of a helping hand.
 "Mr. Johnson. Spell it.
 "Sergeant O'Hare. Partially?

- "Sergeant O'HARE. Partially?
 "Mr. Johnson. Yes.

- "Sergeant O'Hare. I can't do it.

 "Mr. Johnson. Make an effort at spelling it.

 "Sergeant O'Hare. I can't do it. I can't spell it.

 "Mr. Johnson. In the next line I find the word 'unintelligible.'
 What does that mean?
- "Sergeant O'Harr. Don't know anything; don't know much.
 "Mr. Johnson. In the next line I find the word 'complex." What does that mean?
- "Sergeant O'HARE. Complex?
- "Mr. Johnson. Yes.
- "Sergeant O'Hare. A peculiar case.
 "Mr. Johnson. In the concluding sentence of General Ansell's letter to General Harris I find the word 'obvious.' What does that mean?

- "Sergeant O'Hare. I don't know, sir.

 "Mr. Johnson. Can you spell it?

 "Sergeant O'Hare. O-b-i-o-u-s.

 "Mr. Johnson. In the same sentence I find the word 'practicable.' What does that mean?

 "Sergeant O'Hare. Reliable.

 "Mr. Johnson. Colonel Hunt as I just said has testified that
- Mr. Johnson. Colonel Hunt, as I just said, has testified that he turned these letters over to you that you might read them for the purpose of being instructed as to what you were to do and where you were to go upon that journey. You now state, do you not, that you do not know the meaning of some of the words in those letters?
- "Sergeant O'Hare. Yes, sir. When I read a sentence I can almost make out what it is, or read a paragraph."

 It will be noticed by the last question and answer that O'Hare admitted that he did not know the meaning of many of the words in the letters. According to his own statement the best he can do is "almost" make out what it means.
- York, the sergeant who, with O'Hare, constituted the guard, admittedly was given no instructions whatever. If anything had happened to O'Hare, York would have been absolutely without any sort of instruction.
- As said, while O'Hare was reading the two letters, Hunt was writing a letter in longhand to Gibboney. That letter was shown by Hunt to O'Hare, that O'Hare might be able upon reaching North Philadelphia to identify Gibboney, by whom the letter was

to be shown to O'Hare when he reached Philadelphia to report to Gibboney. That letter reads as follows:

GOVERNORS ISLAND, N. Y., May 17, 1920.

Mr. D. CLARENCE GIBBONEY.

Sir: This letter is to serve the purpose of your identification in the matter which was arranged in my quarters on Governors

Very respectfully.

JOHN E. HUNT, Major, Infantry.

When O'Hare, with his prisoner, arrived at the North Philadelphia station, Gibboney went to O'Hare and presented the letter which had been written by Hunt, and which O'Hare had seen before it was mailed to Gibboney. O'Hare states positively, and the above letter and every other circumstance bears him out, that when the expedition reached North Philadelphia Gibboney. when the expedition reached North Philadelphia, Gibboney, as Bergdoll's attorney, was to have control as to where the party should go. O'Hare, following his construction of the letters, including the one of identification written by Hunt, clearly showed that Hunt intended that O'Hare should report to Gibboney at Philadelphia, and there receive instructions from him as to the rest of the journey, since it is admitted by all that O'Hare knew

neither the road nor the destination.

Believing, and correctly so, that from that moment Gibboney was to control their movements, O'Hare followed Gibboney's in-

structions and took Bergdoll to his own residence.

It seems clear that it never was intended that the expedition should proceed beyond Philadelphia; and it is no difficult matter to determine who knew in advance that it was not to proceed

Two days and two nights before the expedition started both Ansell and Balley abandoned any intention to go that either may have had, as well as any understanding with anyone in authority that either of them was to meet the party at Hagerstown or anywhere else. Hunt did not direct O'Hare and York, the two guards, to compel Bergdoll to go farther than Philadelphia. Instead, he wrote the letter above referred to; showed it to O'Hare; then mailed it to Gibboney, and had Gibboney present it at Philadelphia to O'Hare, in order, as Colonel Hunt says, that O'Hare might be able to identify Gibboney.

be able to identify Gibboney.

The question arises: For what purpose was Gibboney to be identified by O'Hare? Was it that he might merely make the acquaintance of Gibboney; or was it that Gibboney, just as O'Hare says, was to tell O'Hare where the party should go? That letter was not written as an introduction of Gibboney or for any other unimportant matter. It was written with the serious and important intent of having O'Hare report to Gibboney for instructions not given him by Hunt himself. There can be no doubt

about that.

about that.

Following Gibboney's directions the party entered an automobile. Scarcely were they seated in the automobile until Gibboney gave directions to proceed to the Bergdoll residence, he himself leaving the automobile at a convenient place to go to the court room, where Mrs. Bergdoll was then being tried.

Neither Gibboney, Romig, nor Ike Stecker, all of whom said they were going on the journey to Hagerstown, Md., on a mission which required them to be out several days, had any baggage whatever when they met Bergdoll and the guard at North Philadelphia.

Mrs. Bergdoll, although a millionaire, usually does all of her Mrs. Bergdoll, although a millionaire, usually does all of her own work, cooking, washing, and ironing, and other household duties. Notwithstanding this fact, on the day before Bergdoll arrived at her residence in Philadelphia, she arranged for Mrs. Stecker to come to her house on the following day to cook dinner. The next day—the day when Bergdoll and the party actually arrived at the residence—Mrs. Bergdoll had put part of the dinner on the stove to be cooked. Other provisions for the dinner were already in the kitchen Mrs. Bergdoll purchases her meager supply of groceries from day to day, if not from meal to meal.

On this day there would have been nobody at the house for dinner if Bergdoll, O'Hare, and the others were not to be there, except Mrs. Bergdoll, her mother, and the gardener. But, in addi-

dinner if Bergdoll, O'Hare, and the others were not to be there, except Mrs. Bergdoll, her mother, and the gardener. But, in addition to those three there were present for dinner, Mrs. Stecker, Grover Bergdoll, "Judge" Romig. Ike Stecker, Sergeant O'Hare, and Sergeant York. Yet there was ample dinner for all nine. Still, all those who were helping young Bergdoll, including Ansell and Hunt, disclaim that there was to be a stop at Philadelphia. It was testified that Gibboney stated that the journey was not to be pursued farther than Philadelphia that day because the automobile which the party was to use was "knocking." No immediate steps, if any at all, were taken to repair the car.

When O'Hare, with his prisoner and the others, arrived at the Bergdoll residence nobody was there except Mrs. Bergdoll's mother, who was more than 80 years of age.

who was more than 80 years of age.

Bergdoll proposed that they take a ride through the city until dinner time, they having reached the Bergdoll house about 10 o'clock. This they did, returning to the Bergdoll residence about In the meantime Mrs. Stecker had arrived and was

12 o'clock. In the meantime Mrs. Stecker had arrived and was preparing dinner; not for three persons, but for nine.

After dinner was over it was proposed not to have the automobile repaired, but to take another ride. This also they did, and during that ride they visited the Bergdoll farm, 11 miles out in the country. What happened there can be only surmised, but it should be remembered that if Mrs. Bergdoll or Bergdoll himself ever buried any gold it must have been on the Bergdoll farm.

After the visit to the Bergdoll farm the party returned to the Bergdoll residence in Philadelphia. After supper was over there

was nothing done by Ike Stecker, the chauffeur, looking toward the repair of the car; but, instead, the party took another ride in the alleged disabled car, during which time they went to a show and

A bottle or bottles of gin were placed in different parts of the Bergdoll home, where any of the party could partake of it at will. It is conceded that all except O'Hare drank some of it. This will be mentioned again further along.

It must be noticed that Gibboney, one of the Bergdoll attorneys, and who had long been a friend and attorney for the Bergdoll family, was out in town and not at the Bergdoll residence. It must also be noted that "Judge" Romig, an intimate friend and confidential adviser of the family, was within the residence with

must also be noted that "Judge" Romig, an intimate friend and confidential adviser of the family, was within the residence with O'Hare, York, and the prisoner.

It is interesting to see who Gibboney and Romig are. Gibboney was an attorney at law with but little knowledge of the law. His principal profession or occupation was that of a self-styled "uplifter" or reformer. In the latter capacity he pretended to be stamping out the liquor traffic and other evils. The Bergdolls owned a brewery, and some twelve hundred or fourteen hundred saloons dispensed their beer. By and by, Gibboney, as uplifter and reformer, came to be recognized by the authorities as one who, for the sake of peace, should be consulted about the issuing of licenses for these and other saloons. His opinions relative to issuing licenses to the Bergdoll saloons not only did not cause a rupture between himself and the Bergdolls but it brought him and them closer together. He was the man to whom Colonel Hunt delivered Bergdoll and the two sergeants—York and O'Hare. In addition, Gibboney was the man who was on the outside of the Bergdoll residence to observe, while "Judge" Romig was within to report, which he did by telephone.

Who is "Judge" Romig? He was never a licensed attorney. He acquired the title of "judge" because he was a justice of the peace, before whom offenders in the Bergdoll saloons were tried for minor offenses. His conduct as justice of the peace so greatly endeared him to the senior Bergdoll that he, when upon his death bed, asked "Judge" Romig to look after Grover when he was gone. From that day until this "Judge" Romig has been a constant visitor at the Bergdoll residence and their confidential adviser. It was he who accompanied Mrs. Bergdoll and drove her automobile from Philadelphia to Washington upon the two occasions when Mrs. Bergdoll got \$105,000 in gold from the Federal Treasury.

Up to this point it is seen that General Ansel procured the release of Bergdoll from Colonel Hunt; and Colonel Hunt placed

Up to this point it is seen that General Ansell procured the release of Bergdoll from Colonel Hunt; and Colonel Hunt placed Bergdoll in the hands of Sergeants O'Hare and York; and they, by Hunt's orders, delivered him to Gibboney, and Gibboney turned him over to Romig, the foster-father, who accompanied him to the Bergdoll residence from which he escaped. All that was not

accident; it was design.

accident; it was design.

General Ansell in his letter to General Harris extolled the virtues of Gibboney. Yet, when he came to testify, he disclosed that his information as to Gibboney was acquired after the escape and not before. So, his statements were made as facts when he lacked the necessary information upon which to base an opinion as to Gibboney's real character. If General Ansell had said as much to General Harris about Gibboney as he virtually admitted to the committee, no doubt General Harris would have refused, under those circumstances, what he granted under the other unqualified representations.

qualified representations.

Almost immediately after the receipt of the letter sent by General Ansell to General Harris on May 11, Hunt, at Governors Almost immediately after the receipt of the letter sent by General Ansell to General Harris on May 11, Hunt, at Governors Island, was advised over the telephone by Colonel Penn, that Bergdoll was to be released. On Sunday, May 16, "Judge" Romig went over to Governors Island. He saw Bergdoll upon that occasion. As to whom else he saw, and what was said, the committee is not advised. However, "Judge" Romig testified that upon that occasion Bergdoll spoke to him of the contemplated expedition to recover the buried gold. According to "Judge" Romig's own testimony he all but flew up into the air as soon as Bergdoll mentioned "gold" to him; and he reprimanded Bergdoll for having even mentioned "gold." "Judge" Romig had accompanied Mrs. Bergdoll from Philadelphia to Washington in her automobile upon the two occasions when she got, in the aggregate, \$105,000 in gold. He helped her to carry it from the Treasury Building at Washington into the automobile; and in Philadelphia he helped her to carry it from the automobile; and in Philadelphia he helped her to carry it from the automobile; and in Philadelphia he helped her to carry it from the automobile into the Bergdoll residence. But, for some unaccountable reason he said he would not permit young Bergdoll, while at Governors Island, to even mention "gold." By reference to Romig's testimony, it will be seen that when asked if he believed the story of buried gold he stated that he believed the gold to be where he had last seen it; that is, in the Bergdoll's release and the expedition were not a hunt for gold, but intended for Bergdoll's escape, and he commenced in time to disclaim participation.

In the natural sequence of things the conduct of O'Hare should next be considered; but, as the conduct of O'Hare should next be considered; but, as the conduct of O'Hare should next be considered; but, as the conduct of O'Hare should next be considered; but, as the conduct of O'Hare should next be considered; but, as the conduct of O'Hare should next be considered; but, as the co

deemed best that his acts and omissions should be considered at

this point in the report.

As ugly as are many phases of this whole matter, none is more defenseless than the conduct of Colonel Cresson in his pretended

prosecution of Colonel Hunt.

To turn those loose who turned Bergdoll loose but adds insult to injury, and Colonel Cresson was the principal one of the instruments through which this latter offense was perpetrated.

The charges upon which Colonel Hunt was tried, as set out in |

The charges upon which Colonel Hunt was tried, as set out in the specifications, were:

"He suffered and permitted the * * * said general prisoner, Bergdoil, to leave said barracks on the date aforesaid, not properly and suitably guarded, and not accompanied by at least one of said counsel, in view of said information, and warning, in that he did send said Bergdoil from said barracks in the custody of the paragraphics and officers, namely, Servis, John O'Hare and he did send said Bergdoll from said barracks in the custody of two noncommissioned officers, namely, Sergts. John O'Hare and Calvin York, Ninth Disciplinary Company, United States Army, whom he had detailed as guard over said prisoner for and during the journey contemplated by the instructions of The Adjutant General aforesaid, and then and there failed to instruct said guards, or either of them, to handcuff said prisoner or to direct that the said guard be provided with handcuffs for that purpose in case of need therefor, and failed and neglected to give said guards, or either of them, sufficient and adequate instructions as to their journey, the care and safeguarding of said prisoner, and guards, or either of them, sufficient and adequate instructions as to their journey, the care and safeguarding of said prisoner, and their course of conduct in charge of said prisoner, and otherwise failed properly to instruct said guard, and also in view of said information and warning as to said character of said prisoner as aforesaid, failed to send a commissioned officer with said guard as suggested in the instructions of The Adjutant General as aforesaid; by reason of all of which said carelessness, negligence, failure, and neglect of duty in the premises on the part of the said Lieut. Col. (then major, Infantry) John F. Hunt, United States Army, retired, and commandant as aforesaid, and as a result thereof said general prisoner Bergdoll did escape from the custody of said guard at Philadelphia, Pa., on or about the 21st day of May, 1920."

Concretely put, Hunt was charged:

Concretely put, Hunt was charged: First. With not having the prisoner and the guard accompanied

by at least one of the counsel.

Second. That he failed to instruct the guard to handcuff Bergdoll, or direct that the guard be provided with handcuffs in case of

need thereof.

Third. That he failed and neglected to give the guard sufficient and adequate instructions as to their journey and safeguarding of

the prisoner.

Fourth. That he failed to send a commissioned officer with the uard, as directed in the instructions of The Adjutant General. Fifth. That he failed to send Bergdoll out with a suitable guard. Colonel Hunt plead "not guilty" to each of those five charges;

Colonel Hunt plead "not guilty" to each of those five charges; but when testifying in the court-martial trial, and also before this committee, he admitted that he did send the prisoner out without any of the counsel accompanying the expedition from New York to Philadelphia, and the expedition did not proceed beyond Philadelphia. The prisoner and the guard were actually unattended by any of the counsel during any part of the journey except for the few city blocks while Gibboney was in the automobile with them, which was just before he turned the party over to either Romig or to Bergdoll himself.

As to the second charge, Colonel Hunt admitted he did not instruct the guard either to handcuff the prisoner or to take handcuffs along. On the contrary, he forbade both.

struct the guard either to handcuff the prisoner or to take handcuffs along. On the contrary, he forbade both.

As to the third charge, which relates to instructions, it is not claimed by Colonel Hunt that he gave any instructions whatever to York, who was one of the two sergeants in whose charge the prisoner was placed. The only other guard was Sergeant O'Hare. The lack of instructions to him already has been commented upon. However, Colonel Hunt claims that he gave O'Hare verbal instructions in addition to having him read the letters already referred to. Everything that was said and done by either of them, and by all others who were connected with the unfortunate affair, goes to corroborate O'Hare and to discredit Colonel Hunt in this respect. respect.

As to the fourth charge, Colonel Hunt admits that he did not send the commissioned officer, as he was told to do by the higher military authorities at Washington.

The fifth charge is that Colonel Hunt did not send a "suitable"

guard.

guard.

O'Hare testified that he is 5 feet 5½ inches tall and that he weighs 130 pounds. Unquestionably he would have been an uneven match in a grapple with Bergdoll, who was a physical giant in comparison. It may be argued that O'Hare had a pistol; but what could he have done with a pistol if Bergdoll had seized him for the purpose of taking it away from him?

It has been clearly demonstrated that he did not have sufficient education to certainly understand the written instructions. One look at him discloses that he is a man far below the average in intelligence.

intelligence.

That he, without sanction or approval, permitted Bergdoll to be driven to the Bergdoll farm; that he accompanied Bergdoll to a show at night; and then, late at night, permitted Sergeant York to go into a saloon is conclusive proof that he was not a "suitable" guard. That he permitted Bergdoll to get out of his sight while in the Bergdoll residence is but a finishing incident to

while in the Bergdoll residence is but a finishing incident to establish his total inefficiency.

Sergeant York was the other of the two guards. As said, it is admitted by Colonel Hunt himself that he gave no instructions to him. Receiving no instructions whatever from Colonel Hunt, the charge must be true, as stated in the specifications, that he was not properly instructed. Colonel Hunt was not only delinquent in not instructing York, but he was such in selecting him. He made a great boast that in O'Hare he knew he had a sober man. He lays no claim to knowing anything of the habits of York. As just stated, on the night of the first day that the party reached Philadelphia, York went into a saloon in the presence of O'Hare, who was York's immediate superior. Next we find that in

the Bergdoll residence a bottle of gin just "happened" to be wherever York went about the house, and it is not denied that both he and the prisoner drank freely of it.

The charge in the fifth spetification, the one with which we are now dealing, relates to the "suitableness" of the guard. The question well may be asked, "Who, when made acquainted with the facts, will be willing to answer that the guard was 'suitable' for any purpose except for the easy escape of the prisoner?"

As to the five charges made in the specifications against Colonel Hunt, notwithstanding the fact that he plead "not guilty" to each of them, he specifically admitted three of them in his testimony, and the other two were established. Notwithstanding his admission of his guilt as to the first specification, the court acquitted him. acquitted him.

Another count in the specifications was, that Colonel Hunt failed to provide the guard with handcuffs. To that charge he also plead "not guilty"; yet, upon the witness stand, he admitted the truth of the charge. In the face of that admission

To the third count Colonel Hunt again plead "not guilty"; but, in his testimony he admitted that he did not send a commissioned officer. Still, as to that count the court again held him

not guilty.

The other two counts in the specifications related to insufficient instructions to the guard, and to the suitableness of the guard. Those two were established by the proof, but not by Hunt's admissions.

So, all five counts were proven, three of them by Hunt's admissions, and yet the court found him "not guilty" on each and every one of them.

every one of them.

There can be no question that Sergeant O'Hare was imposed upon by Colonel Hunt. However, there can be no excuse made for the opportunity of escape which O'Hare gave Bergdoll. O'Hare was guilty of unpardonable negligence during the night spent in the Berdoll residence, in that he permitted Sergeant York to go upstairs and sleep with a bottle of gin, while he remained downstairs and sleep tin the same room (in another bed) with Bergdoll. Unless Bergdoll had had a safer and just as certain plan of escape, he either would have taken O'Hare's pistol from him while O'Hare was asleep, or he would have covered him with one of his seven shotguns, compelled him to hold up his hands and remain silent, and then go away in the automobile, possibly taking O'Hare with him and throwing him out in the road at such point as might best suit his purposes.

such point as might best suit his purposes.

There can be no defense whatever made for Sergeant York.
On their arrival at Philadelphia he got out of the automobile and On their arrival at Philadelphia he got out of the automobile and went into a saloon. During that night and the next day at the Bergdoll residence, on several occasions, he drank gin, not only by himself but with the prisoner. He too, is just as blamable as is O'Hare for letting Bergdoll get out of sight. He even did not sleep in the same room with the prisoner. Besides, when the telephone bells were ringing—no doubt as a signal to Bergdoll that everything was ready—York says he went to another floor of the house to get a drink of water, when there was water on the floor which he was leaving.

house to get a drink of water, when there was water on the floor which he was leaving.

Lieut. Col. C. C. Cresson, as said, was the judge advocate detailed to prosecute Colonel Hunt in the court-martial trial.

Even before any testimony was introduced Colonel Cresson made the following statement to the court:

"The Government disclaims, and personally and on behalf of the prosecution, any idea of there being anything crooked or any collusion on the part of Colonel Hunt in this matter, or that any money was used, the only charge in the matter being simply neglect of duty and failure to take due precautions in the matter."

(P. 7, Hunt's court-martial trial record.)

By that declaration Colonel Cresson gave notice that he would not, if he could, prove that he did not furnish a sufficient guard if he was bribed not to do so.

if he was bribed not to do so.

In the same way this prosecuting attorney served notice that he would not prove, even if he could do so, that Colonel Hunt had failed to send a commissioned officer along with the guard if he had been paid not to do so.

had been paid not to do so.

The inevitable conclusion is that Bergdoll bought his way out; yet Colonel Cresson, the prosecutor, boldly announced that he would not prove that to be the case even if he could.

That statement by Colonel Cresson clearly shows what a shocking mockery the rest of the trial was.

On pages 16 and 17 of the record of the court-martial trial of Hunt it is shown that the defense undertook to prove by General Harris that he had inspected the prison on Governors Island, of which Colonel Hunt was commandant, on June 11, following May 21, when Bergdoll escaped; and that Colonel Cresson objected to the testimony, but afterwards withdrew this objection and permitted the condition of the prison, after the escape, to be inquired into. All of which had nothing whatever to do with the case, except to avoid the real issues.

On page 18 of the same record it is shown that the prosecution

On page 18 of the same record it is shown that the prosecution, without objection to the question, permitted General Harris to testify relative to an inspection of the prison made by him on April 10, 1918, as if the condition of the prison more than two years

April 10, 1918, as if the condition of the prison more than two years before the escape of Bergdoll had anything to do with his escape. Again, that record shows on page 19 that General Harris was permitted, without objection on the part of the prosecution, to testify as to the condition of the prison in April, 1919, more than a year before the escape.

General Harris declined to say that the release of Bergdoll to go find the gold was not a precedent. The case he cited as precedent was where permission was given a prisoner to go to see his dying

mother. No instance was cited where a man had ever before been permitted to go hunt for any instrument or for gold; gold buried to aid him in avoiding capture in the first place, and to be used toward his escape in the next place.

Attention is invited to that part of the answer of General Harris when he said, "It is not infrequent—it is not a common occur-rence to give consent for a man to go to his house to recover some effects or papers, particularly papers, but they are always sent under guard." In that sentence we have General Harris saying, first, that it is "not infrequent" and next "it is not a common So, no precedent for the Bergdoll release could be occurrence." found.

It is to be taken as granted that the permission which was referred to as a precedent, where papers were to be gotten, that they were not such as could be used by the prisoner in effecting his escape, as the gold was to be used by Bergdoll.

On page 24 of the same record, in the testimony of Colonel Penn, we find the following question and answer, neither of which was objected to by the presecution:

objected to by the prosecution:

"Q. Up to the time of the 20th of May, this year, what would you have to say as to the administration of the disciplinary barracks by Colonel Hunt; was it satisfactory or otherwise?—A. It had

been entirely satisfactory to the department."

Again, the question may be asked: What did the administration's opinion of the condition of the barracks have to do with

the escape of Bergdoll?

On the same page, the following questions were put to Colonel

"Q. Do you know the reason, Colonel, for the disciplinary barracks being directly under The Adjutant General's Office and not under the department, as other posts within the department are?—A. I don't know as I can state offhand the reason for that.

"Q. Would you say this, Colonel, that the handling of prisoners "Q. Would you say this, Colonel, that the handling of prisoners who are to serve a year or more require special study; that it was something entirely different from a guardhouse, and therefore required a man who had special training in it and would be in touch with the definite policy that was adopted at Washington?" At this point the prosecution objected; and in the course of his objection used this illuminating and consistent sentence: "I will not raise an objection if you don't insist on that question." But after the defense "had insisted" on the question, strange as it may be, the prosecution withdrew the objection. After the objection had been withdrawn it was reput by having the stenographer read it to the witness. Just as soon as the stenographer

rapher read it to the witness. Just as soon as the stenographer had finished reading the question, Colonel Cresson, prosecuting, apparently anxious to have it answered for Hunt's benefit, put in and said, "Answer the question, if you can, Colonel."

The above quotation and comment are for the purpose of

showing, just at this point, as can be shown in a great number of places further along in the record, that the prosecution nearly always gave way to what was desired by the defense. Usually when he did not give way the court helped out by overruling the

objection.

After the witness had ceased to testify for the defense, Colonel After the witness had ceased to testify for the defense, Colonel Cresson, prosecuting, had the witness to further testify that Colonel Williams, of the Inspector General's Department, had, in May, 1919, a year before the Bergdoll incident, spoken very highly of Colonel Hunt's management of the barracks. The prosecution also had the witness testify that Maj. G. C. Shaw, of the Inspector General's Department, had reported Colonel Hunt's institution to be in excellent condition on May 6, 1920, and that the morale of the officers and enlisted men and prisoners reflected great credit upon Colonel Hunt as commandant of the place. That testimony is to be found on page 28 of the court-martial record.

But, again, the question may be asked: What did the condition of the prison or the morale of the men at any time have to do with the escape of Bergdoll, who did not escape from the

One of the most ridiculous features ever injected into tragedy came when James H. Sparks was testifying. The defense asked whether or not Bergdoll looked like a dangerous man. It is needless to say that the prosecution did not object to having Sparks, a railroad brakeman, venture his scientific opinion along with that already given by the psychiatrist. This witness would render the world a favor if he would only describe a really dangerous man merely by his looks.

ous man merely by his looks.

In addition to the several warnings which had been given relative to Bergdoll being dangerous and liable to escape, Captain Yuill notified the authorities on Governors Island, when Bergdoll was taken there that he was a very wealthy man and that they

Yuill notified the authorities on Governors Island, when Bergdoll was taken there, that he was a very wealthy man and that they should not keep him in the ordinary garrison guardhouse, because in all probability he might bribe his way out.

When O'Hare was on the witness stand in Colonel Hunt's courtmartial trial, testifying in response to questions put to him by the prosecution, the prosecution itself endeavored to conceal a material part of the escapade indulged in at Philadelphia, as is material part of the escapade indulged in at Philadelphia, as is shown by the following questions and answers, to be found on page 81 of the court-martial record:

"Q. You got out to Bergdoll's house about what time? Do you remember?—A. I think it was between 11 and 12, the first time.

"Q. In the middle of the day?—A. Yes, sir.

"Q. And you stayed there until how long—how long did you stay there?—A. Oh, must have stayed there—we had dinner there and stayed there until about 3 ciclost.

stay there?—A. Oh, must have stayed there—we had dinner there and stayed there until about 2 o'clock.

"Q. What did you do this afternoon?—A. Then took a ride around again in the afternoon.

"Q. Now, skip over to the next day. When was the last time you saw Bergdoll, as you remember it?"

One can not but wonder, and continue to wonder, why the prosecution wanted to "skip over" the escapade of that night when Bergdoll was taken to the show by the guard and Sergeant York went into the saloon. Could it be that the prosecution was "whitewashing" Colonel Hunt's guards by concealing those incidents because the "suitableness" of the guard was one of the isof the guard was one of the is-

on page 90 of the court-martial proceedings it is shown that while O'Hare still was on the witness stand the prosecution itself

volunteered an announcement as follows:

volunteered an announcement as follows:

"I think it is proper to appear here that the sergeant is a man that never takes a drink. He has taken no drinks in 19 years."

When O'Hare came to testify before the congressional investigating committee he stated that prior to the Bergdoll affair he did not know Colonel Cresson, who was prosecuting, and that Colonel Cresson did not know him; and that it was impossible for Colonel Cresson to know whether or not he (O'Hare) drank.

Pages 101, 102, and 103 of the record of Hunt's court-martial trial disclose that counsel for Hunt all but abandoned the defense of Hunt, such defense appearing to be unprecessary no doubt be-

disclose that counsel for Hunt all but abandoned the defense of Hunt, such defense appearing to be unnecessary, no doubt, because of the attitude taken by the prosecution, and commenced the defense of O'Hare and York, who were to be tried later. Presumably, he was moved by the old saw that "all three of them might hang separately, unless they hung together."

Again, to show that Colonel Cresson, conducting the prosecution, was doing both big and little things to avoid the conviction of Colonel Hunt, the following questions and answers of the courtmartial trial, to be found on page 105 thereof, read as follows:

"Questions by prosecution:

"Q. Sergeant, I believe you testified that it was against your

"Q. Sergeant, I believe you testified that it was against your orders to go to Canada?—A. Yes, sir."

That to which attention is invited is the fact that the witness had not so testified. The testimony of the witness upon the preceding day is to be found on page 97, and reads as follows:

"Q. In other words, if you got to Philadelphia and met Mr. Gibboney and Mr. Gibboney said you were to go to Canada, you would know that was wrong, wouldn't you?—A. Yes.

"Q. And you would have refused to go to Canada?—A. Yes."

It will be seen that the witness did not testify that it was "against his orders" to go to Canada; but, instead, he said he would have used his own judgment and would not have gone to Canada. So there is another instance where the prosecution, by leading the witness, undertook to have it appear that Sergeant O'Hare did have detailed instructions from Colonel Hunt, when the O'Hare did have detailed instructions from Colonel Hunt, when the

O'Hare did nave detailed instructions from Colonel Hunt, when the prosecution was based upon the charge that he did not have such instructions from Colonel Hunt.

Frank Paul Keppel, formerly Third Assistant Secretary of War, was introduced as a witness by the defense to prove that the policy of the Secretary of War relative to the management of the disciplinary barracks at which Colonel Hunt was the commandant was in accord with the policy of Colonel Hunt.

The policy of the Secretary of War concerning the mere "management of the institution" had nothing whatever to do with the escape of Bergdoll at Philadelphia.

agement of the institution and nothing whatever to do with the escape of Bergdoll at Philadelphia.

The witness was asked further: "Did you, yourself, make an inspection or two at the institution here?

"A. I did; two inspections. * * *

"Q. On your second inspection did you find a decided change, or otherwise?—A. My impression is conditions were very much better the second time; the appearance of the place was better; the bearing of the prisoners was better, and it was evident the barracks were administered under a very careful supervision, and along a definite policy; I recall that a number of prisoners at that time spent a good part of their time down at the end of the island, not within Fort Williams, but arrangements were made

island, not within Fort Williams, but arrangements were made for making themselves useful down at the other end of the island; I don't think that was the case when I was first there."

But what did "the appearance of the place" have to do with the escape of Bergdoll at Philadelphia? Certainly the "appearance of the place" was changed to some extent by Bergdoll's absence. The witness was actually asked: "Do you know what his (the Secretary of War's) opinion was of the conduct of the institution by Colonel Hunt?"

The opinion of the Secretary of War as to the general conduct of a prison did not excuse Colonel Hunt's refusal of handcuffs, for instance. Yet question after question like that was not objected to by the prosecution.

The defense introduced one McClellan, warden of the West-

The defense introduced one McClellan, warden of the Westchester County Penitentiary, for the general purpose of proving that Colonel Hunt's prison policy was approved by him.

The defense asked him this question: "How did the general policies there compare with that of your institution?"

Even if the question had anything whatever to do with the case, it had not been proven that McClellan was properly conducting his prison at Westchester. Colonel Hunt's policies of managing a prison were permitted to be compared with McClellan's policy of running the Westchester prison, without anybody ever having said how well or how badly the Westchester prison was conducted. But, in order to get Mr. McClellan's and Colonel Hunt's idea of operating a prison, the following is quoted from the former's testimony:

"We have never used—I have never used arms with any guard:

We have never used-I have never used arms with any guard; I do not allow any guard to carry arms in the institution. It might be well to tell you, or the court, that our institution is an -no walls, and our men work in the open, a mile from

the institution at many times. We do not use arms. * * *

"Q. In what kind of a case, with one prisoner, would you consider handcuffs necessary?—A. Well, I would only consider handcuffs in the same light that I would consider a straightjacket, as a matter of restraint."

McClellan and Hunt might have been suitable wardens at a foundling institution, but certainly at no other place. Moreover, McClellan does not permit the word "guard" to be used in his institution; instead he requires everybody to use the word "of-

In answer to a question this witness, whose testimony seems to have been seriously considered, answered:

"I know very little of Bergdoll.

" Q. "Q. You don't know then whether it was necessary to hand-cuff him and send two armed men or not, do you?—A. I don't think that the man lives that it is necessary to do that to, if he

is a normal man, unless he is insane.

"Q. If it became necessary to transfer a man of dangerous and escaping character, then you believe he should be hand-cuffed?—A. I don't think so."

cuffed?—A. I don't think so."

If one will read the latter part of page 189 and page 190, which is a part of the testimony of McClellan given at the courtmartial trial of Colonel Hunt, he will be utterly astounded at the length to which McClellan would go in conducting a prison. He said, in substance, that he saw no reason why he should take the word of a commanding general that a prisoner was desperate; word of a commanding general that a prisoner was desperate, he would not heed warnings, but would rely upon his own opinion and that of a psychiatrist rather than take heed from a warning or obey orders from a superior authority. Except that Hunt entertained those same notions Bergdoll might not have

Another witness in Colonel Hunt's behalf was Capt. Edmund Banks Smith, a chaplain. He stated that he was associated with the prison on Governors Island prior to 1915; that he left there in 1915, but frequently went back. That good man, considering Hunt's administration from the "uplift" or "reform" stand-

point, said in his testimony:

oint, said in his testimony:

"I noticed a slow and gradual changing of what I might term
the atmosphere of the prison, rather intangible to describe, but
perfectly easy to feel, that appeared to me to show an improvement in the morale of the men."

It may be said, not in a spirit of reproach, that at the time when the chaplain "felt the atmosphere" that Bergdoll was "rather in-tangible" at Governors Island, where Colonel Hunt presided with tangible at Governors Island, where Colonel Hunt presided with such motherly intuitions. Perhaps if the reverend gentleman had then "felt the atmosphere" in Germany he would have found it of the breathings of defiance and scorn coming from Bergdoll

for the American flag.

Bergdoll escaped on May 21, 1920. Colonel Hunt's court-martial proceedings commenced July 21 thereafter. During the two months which intervened between the time when Bergdoll escaped and the beginning of Hunt's court-martial trial, Hunt was promoted from major to lieutenant colonel. Then, while the trial was going on, announcement actually was made to the court while in session that Lieutenant Colonel Hunt had again been promoted, this time to the rank of colonel.

Notice: During the two months immediately following the escape of Bergdoll he was promoted twice.

In the midst of the trial, while Capt. Samuel B. Shackford, a witness for the defense, was testifying, the attorney for the prosecution arose and said to the court:

"To save time, I don't think anywhere in the specification it charges that these sergeants were not competent. I don't think negligence was charged in that way, unless the guard was insufficiently instructed by Hunt. I think testimony along that line might be dispensed with. I am not going to object to it, however, but I want to call your attention to the fact that it is not charged that either of these sergeants were improper men, or not good sergeants."

sergeants."

That was a monstrous assertion for the prosecution to make, inasmuch as one of the specifications charged Colonel Hunt with having permitted "Bergdoll to leave said barracks on the date aforesaid not properly and suitably guarded." If they were incompetent, or drinkers, or negligent, they were not "suitable."

The very one whose duty it was to show that the guards were not "suitable" voluntarily stated, in substance, in the above-

quoted language, that it was not charged that either of the sergeants "were" "improper men or not good sergeants." Colonel Hunt was directed to provide a "suitable guard," and in the charge it is plainly specified that he did "neglect his duty in that behalf." The prosecution now is helping out the defense by saying, by reasonable inference, that "improper men" as guards make a "suitable." able" guard.

The witness testified that Sergeant York "is trustworthy-de-

The witness testified that Sergeant York "is trustworthy—depend on him absolutely." What a wonderful statement that is in view of all the facts brought out against him.

Amos T. Baker, one of the psychiatrists who regarded Bergdoll as so beautifully innocent and harmless, notwithstanding the many warnings as to his dangerous character, really testified that handcuffing "would be humiliating to the prisoner and might suggest to him the possibility of escape." Evidently he was proceeding upon the theory that it had never entered Bergdoll's head to escape. As the handcuffs were not used, and as Bergdoll escaped, it must be that the absence rather than the presence of handcuffs suggested the escape. No matter what the consequence had been, the witness could not abandon his theory. He. quence had been, the witness could not abandon his theory. He,

with Hunt's approval, wrote a pamphlet concerning the control and guidance of prisoners.

This witness further testified as follows:

"I do recall Major Hunt not wishing to humiliate the prisoner

by attracting attention to him by sending a superfluous guard or unduly securing him."

Perhaps if Bergdoll had not been so rich, he would not have been so easily humiliated; nor would three men—two sergeants and a commissioned officer—have been deemed a "superfluous guard," nor would the use of handcuffs been considered "unduly securing him."

In one of Hunt's many defiances of authority and advice, he aid, "I don't think the War Department is particularly expert

in arriving at any decision."

It also appears that Colonel Hunt was not at all averse to being put in charge of the prison at Fort Leavenworth, where Bergdoll would have been sent if he had not escaped. One Grafton B. Perkins, an advertising agent, had in charge this prospective promotion for Colonel Hunt.

Perkins, an advertising agent, had in charge this prospective promotion for Colonel Hunt.

While this committee was conducting its hearings, it appeared in some of the western newspapers that one of the committee had expressed the opinion that Hunt had been "whitewashed" at his court-martial trial. Colonel Cresson, who conducted the so-called prosecution of Colonel Hunt, telegraphed and asked that the record of the court-martial trial of Hunt be considered by the committee and that his prosecuting speech also be considered by the committee. He was replied to by wire that both had already been made a part of the record and were considered by the committee. Particularly did he ask that his speech be read to the committee. That request was complied with. Whatever of criticism of Colonel Cresson there is in this report has been gotten entirely from that record, his speech included.

On page 30 of that record Colonel Cresson, prosecuting, said in his concluding speech:

"As I stated in the opening of this case, I want to state again that the prosecution does not for a minute think, nor does it intimate, nor does it care to have anyone think of intimating that Colonel Hunt in any way wanted Bergdoll to escape, that he colluded in the matter or was in any way in any conspiracy."

In another part of his speech he said:

"Of course, the court realizes, as everyone does, that it is not a pleasant duty that devolves on the prosecution in any case, civil or criminal, to come before the court and ask that a brother officer be punished or be admonished or be held guilty of neglect of duty."

In that speech Colonel Cresson also said:

In that speech Colonel Cresson also said:

"Colonel Hunt has a fine record as a prison officer and the Government is not denying that."

In another part of his speech Colonel Cresson said:

"I have sympathy for Colonel Hunt. He has a fine record, has been retired as a colonel. Colonel Hunt has indeed made a magnificent record as an officer, and as to the care of some prisoners * * * I am glad to be able to say that no one can throw any suspicion of crookedness on the part of Colonel Hunt in this matter."

Several times in this report Colonel Hunt's defiance of the directions of superior officers has been mentioned. It is not desired that this report be closed without having it clearly and distinctly understood that his attitude of "defiance" of orders was feigned, at least in material part, in order to fulfill the understanding arrived at between himself and some of those who saw him at Governors Island a very, very short time before the Thursday when he sent Bergdoll away from the island without handcuffs, without a commissioned officer, without the presence of one of the counsel, without a "properly instructed guard," and without a "suitable" guard. It matters not whether he were really stubbornly defiant of orders or corruptly so, he is guilty, the latter offense being more heinous, only.

Just here it should be emphasized again that the prosecuting Several times in this report Colonel Hunt's defiance of the

Just here it should be emphasized again that the prosecuting judge advocate, Colonel Cresson, declared in the court-martial trial that he would not prove that Colonel Hunt corruptly refused the handcuffs, or corruptly failed to send a commissioned officer with the expedition, or corruptly failed to have one of the counsel accompany it, or corruptly failed to properly instruct the guard, or corruptly failed to provide a sufficient guard, even if he

could do so.

could do so.

Colonel Cresson's contention during the trial was that Hunt was guilty—but only of a technical offense—if he, without taking a bribe, disobeyed orders; but that if he disobeyed orders because he was bribed so to do, then he was not guilty.

Prisoners in making escapes use different instruments. Some use crowbars, some files, some saws, and some false keys. The instrument used by Bergdoll in making his escape was money. Crowbars, saws, and files make noise. There is an old, old saying that "money talks," but in illegitimate transactions like this its talking is done in whispers; and, therefore, difficult of proof.

No one can be so dense as not to know that Bergdoll could not have been detained at Governors Island for the unusual length of time that he was detained, instead of being sent directly to

have been detained at Governors Island for the unusual length of time that he was detained, instead of being sent directly to Leavenworth, without the use of money. Neither can any impartial mind fail to see that his expedition to recover the alleged hidden gold was procured by the use of money. It is fair to assume that every discrimination made in his favor, and that every step taken by him leading to his escape, was the direct result of his immense fortune. If he had not been a millionaire, immediately following his conviction he would have gone with other prisoners to Leavenworth, where the doors would have been

securely closed behind him, unless Colonel Hunt had been suc-

securely closed behind him, unless Colonel Hunt had been successful in his effort to be transferred there.

Because a thing is accomplished by employing a licensed attorney to do it does not necessarily put the act beyond merited condemnation. Money was spent lavishly by Bergdoll for the purpose of ingratiating himself, not only with the prison authorities but with his fellow inmates in the prison at Governors Island. There are many instances where money was used, apparently for legitimate purposes, but surely with the ulterior design of escape. His prolonged stay at Governors Island cost him at least six or seven thousand dollars, and it must be remembered in this connection that it was at General Ansell's request that Bergdoll was permitted to remain there. mitted to remain there.

The broad, well-defined trail leading to the escape did not become unmistakably evident until General Ansell induced General Harris to authorize the expedition to search for the gold. eral Harris to authorize the expedition to search for the gold. There can be no doubt about General Ansell's ability and learning, but it is certain that he did not get into the case because of that ability and learning alone. His influence with the Army officers with whom, but recently theretofore, he had been so long associated, must have been considered. The large fee contemplated by him evidently was based not only upon what he might accomplish through legal channels but, in addition, by exercised

Influence.

The many fees to be gotten from others, and the big one to be paid by Bergdoll, lured him into questionable paths. No one knew better than General Ansell that his course was, at least, doubtful. His own conscience seemed to have reprimanded him, even before this investigation commenced. This is evidenced by the fact that while upon the witness stand, when it was taken for granted by those of the committee that his thoughts had not yet turned to his being a possible "pardon broker," he admitted, by citations to the law in various jurisdictions, that already he was mindful of that feature of the case. Then, when it was undertaken to ascertain to what limit he would not go for a fee, he cited instances in justification of himself where other attorneys had defended notoriously infamous characters. That manner of defense of himself did not first or suddenly come to him while upon the witness influence. did not first or suddenly come to him while upon the witness stand. This conclusion is based upon the fact that when he, but recently a general in our Army, was confronted with what he had done, he drew from his pocket a written statement prepared in advance, citing cases, both American and English, to justify his

advance, citing cases, both American and English, to justify his defense of Bergdoll, our country's enemy.

While there are many who participated in the conspiracy leading to Bergdoll's escape and the acquittal of those who brought it about, there are three who are infinitely more culpable than the rest. Those three are General Ansell, Colonel Hunt, and Col. C. C. Cresson. But thus far no punishment has been imposed upon anybody that could not be discharged by the Bergdoll millions, and counted a mere trifle.

General Ansell is now out of the Army. He is beyond the turis-

anybody that could not be discharged by the Bergdon millions, and counted a mere trifle.

General Ansell is now out of the Army. He is beyond the jurisdiction of court-martial proceedings, but provision should be made against his future practice before any of the departments, before any court-martial, or in the courts of the District of Columbia or the Nation above whose safety and integrity he has placed gold.

Colonel Hunt, within the next two months after he had participated so criminally in the escape of Bergdoll, was promoted from major to colonel and immediately retired on the pay of \$3,600 a year. It becomes a serious question who is to pay this life-long reward for his perfidy. Those whose backs already are burdened with the most onerous tax ever imposed must contribute; and, in addition, more than 4,000,000 of our soldier boys must, throughout Colonel Hunt's remaining years, contribute to this munificent retirement fund in recognition only of his instrumentality in this national tragedy. An outraged Nation has the right to demand that Colonel Hunt's annuity be discontinued.

The conduct of Mr. Earl B. Wood should not go unnoticed.

On April 30, 1920, John J. O'Connor, a special agent of the Government in the Secret Service, who had been sent to Philadelphia to look after the Bergdoll case, addressed a letter to Frank Burk, assistant director and chief of investigation, Washington, D. C.

D. C.

That letter reads as follows:

"Dear Str: On the evening of April 27, Lieut. George C. McDonald, who has been and is cooperating with me in the Bergdoll cases, obtained information through one Jacob Strohm, an uncle by marriage of the Bergdoll boys, that Grover C. Bergdoll is to gain his release within a period of two weeks.

"The information, in substance, is that a Colonel Ansell, a Washington attorney who has been retained by the Bergdoll family to attack the verdict of the court-martial, has guaranteed to bring about the release of Grover C. Bergdoll for a consideration of \$10,000. In an effort to gain his freedom, counsel for Bergdoll is expected to apply for the release on bond of Grover C. Bergdoll pending the decision of the court in reapplication for a writ of habeas corpus, which will give Bergdoll sufficient time to depart from the United States.

"If this can be brought about, it will be a repetition of an

"If this can be brought about, it will be a repetition of an application which was made before Judge Hand in the southern district of New York, and at the time of the application counsel requested that the prisoner be turned over to the custody of the United States marshal pending decision. Judge Hand refused the request and ordered Bergdoll returned to the custody of the military authorities.

"If there is some way to prevent Bergdoll's being released, pending the decision of the court before which the application will be made, we will have prevented Grover Bergdoll's escape, together

with protecting Colonel Ansell, whom I believe to be misled, from having to explain the treacheries of his client and of his confederates.

"Very respectfully,

" JOHN J. O'CONNOR, Special Agent."

When that letter reached the department it went to Mr. Wood, he having charge of all correspondence relating to the Bergdoll

When Mr. Wood received the letter, he should have immediately brought it to the attention of the War Department, which then had charge of Bergdoll, for the purpose of having double precautions thrown around him.

It seem that every happening—whether of act or omission—resulted to Bergdoll's benefit, and not one to his real detriment.

All this could not have been accident. Somebody, carrying con-

All this could not have been accident. Somebody, carrying convincing persuasives in great bundles, must have preceded every doing in the case, to see that nothing was left to chance.

The opinion is freely ventured that if O'Connor had written the above letter of warning about any military prisoner other than Bergdoll, the millionaire draft dodger, that that letter or its contents would have been sent at once to the War Department.

In the concealment of this most important letter, Mr. Wood finds himself with no consolation. There is no one with whom he can even divide responsibility for the offense. Confronted, as he was, when on the witness stand, by that predicament, he did not attempt to do so, as the following questions and answers show: was, when on the witness stand, by that predicament, he did not attempt to do so, as the following questions and answers show:

"Mr. Johnson. It (the letter) came to you because you were in charge of this (Bergdoll) particular case.

"Mr. Wood. Yes, sir.

"Mr. Johnson. Have you stated when you received it?

"Mr. Wood. It is on the letter. It looks like May 3, 1920.

"Mr. Johnson. When you received that letter, what did you do with it or about it?

"Mr. Wood. I went to see the assistant attorney general Mr.

"Mr. Wood. I went to see the assistant attorney general, Mr. Robert P. Stewart, who was not in his office, as I remember it, and I discussed the matter with Mr. Herron, the assistant to Mr. Stewart, relative to what steps we should take if Bergdoll should apply for a writ of habeas corpus, and to take steps to resist the issuance of the writ.

"Mr. Johnson, Did you bring the contents of that letter to the attention of anybody also?

attention of anybody else?

"Mr. Wood. No, sir.
"Mr. Johnson. Do you take full responsibility for the failure to bring the contents of that letter to the attention of anybody else?
Mr. Wood. Yes, sir; I take the responsibility. I handled the

"Mr. Johnson. Do you take full responsibility for not having brought it to the attention of anybody else?

Mr. Wood. Yes, sir; I take full responsibility for the way that letter was handled.

"Mr. Johnson. Do you take full responsibility for not having brought the contents of this letter to the attention of anybody

"Mr. Wood. I do.

"Mr. Johnson. That is all."

Believing that no man of Mr. Wood's most extraordinary makeup should continue in the public service, his dismissal is most earnestly recommended. More, it is recommended that he be forever disqualified from holding any appointive position whatsoever with the Government of the United States.

It has been said that there is perhaps no crime, an exact definition of which is more difficult to give than the offense of conspiracy. It has been defined to be a combination of two or more persons, by some concerted action, to accomplish some criminal or unlawful purpose, or to accomplish some purpose not in itself criminal or unlawful by criminal or unlawful means.

It is not necessary to constitute a conspiracy that two or more

It is not necessary to constitute a conspiracy that two or more persons should meet together and enter into an explicit or formal agreement for an unlawful scheme, or that they should directly, by words or in writing, state what the unlawful scheme is to be, and the details of the plan, or means by which the unlawful combina-tion is to be made effective. When two or more persons pursue by their acts the same object, often by the same means, one performing one part of the act and the other another part of the act, so as to complete it, with a view to the attaining of the object which they were pursuing, this will be sufficient to constitute a conspiracy. Concurrence of sentiment and cooperative conduct in an unlawful and criminal enterprise, and not formality of speech are the essential ingredients of a criminal conspiracy. Previous acquaintance is unnecessary, and it is not essential that each conspirator should know the exact part to be performed by the other conspirator in execution of the conspiracy. Moreover, all the conspirators need not enter into the agreement at the same time. When a new party with knowledge of the facts concurs in the plans of the original conspirators, and comes in to aid in the execution of them, he is from that moment a conspirator.

The conspiracy may, of course, be shown by direct evidence, but direct evidence is not indispensible. Circumstantial evidence is competent to prove conspiracy from the very nature of the case. Generally speaking, the crime must be proven by acts of the party himself and of any other with whom it is attempted to connect him.

The evidence in a conspiracy is wider than perhaps in any other case. Taken by themselves, the acts of a conspiracy are

rarely of an unequivocally guilty character, and they can only be properly estimated when connected with all the surrounding circumstances. The process is, after all, an inference from one fact to the existence of another.

The crime of conspiracy very, very frequently involves the use of money as a means to its successful accomplishment and, in such cases, as a general rule it is not necessary that direct evidence be adduced of the payment and receipt of the consideration. It becomes a matter of inference from one fact to the existence of another. That is this case.

existence of another. That is this case.

It must be conceded that the motives which prompted Mrs. Bergdoll, the mother, and "Judge" Romig, the foster father, to take part in the conspiracy were not the motives that actuated either Gibboney, Ansell, Bailey, or Hunt. These latter had no affection for Grover Bergdoll, nor can it be said that his plight aroused their humanitarian impulses. What then incited their activities? There was, of course, the Bergdoll fortune ever present.

present.

There are many, many offenses which are, indeed, most difficult of actual proof. There are a few impossible of proof except by circumstances and by reasoning from cause to effect.

The eye of man is far more easily deceived than is his mature reasoning and calm judgment. Money may pass from hand to hand in an instant, and at some obscure place and not be seen. While the passing of it may be proven beyond doubt, the consideration for which it did pass may be disputed. On the other hand, the full performance of the service to be rendered may be fully established, still the passing of the money in payment for the service may be proven only by appeal from the eye to the mental consideration of a chain of established facts. Again, that is this case. is this case.

However, no witness, willing to tell the whole truth, has seen the money actually pass. But everybody who heard or has read the testimony should be able to see an "effect" which could have been produced by no "cause" except money. In reasoning from cause to effect, we see the Bergdoll millions "the cause," standing out like Piecs Peak against the horizon of a rising sun. As the rays of light advance upon each succeeding scene in this uphely rays of light advance upon each succeeding scene in this unholy affair, there is disclosed to the reasoning mind one hideous thing after another, pictured with the accuracy of the camera, until "the effect," the escape, stands out as clearly as the Egyptian Pyramids against another horizon.

At first only long and meagerly defined shadows, reaching from the "cause," were cast across the Nation's integrity; but as the rays of discernment and analysis rose higher and higher, the shadows shortened and shortened until a black spot stands, and will forever stand, exposed to the light of reason, although none but the guilty may have seen the corrupting influence pass from

But with the advent into the case of him who, by his partner, has been modestly declared to be "the highest authority in this country on military law," we find sorcererlike deception practiced upon the trusting. Next, we see a palsied old man, overflowing with that generate spirit of acquiescence and lack of resistance with that generous spirit of acquiescence and lack of resistance that always accompanies those who grow old beautifully, placed and replaced, in artistlike fashion, wherever his name could best be commercialized.

Then we find the activities transferred from Washington, which

Then we find the activities transferred from Washington, which for the then present must be obscured, to Governors Island. This transfer from Washington to Governors Island was so absolute that even an official letter of warning, sent from Philadelphia to Washington, forecasting Bergdoll's escape within two weeks, was hidden away in a pigeonhole, never to find its way to Bergdoll's prison that he might be properly guarded.

Then we find Bergdoll put into the same cell with a prisoner who is permitted to make almost daily visits to New York, bearing on one occasion, if not on others, a written message to a well-known leader in America against constituted government. Also we find a large sum of money placed at the prison, obviously that Bergdoll might purchase the good will and, perhaps, the silence of guards, or the assistance of fellow prisoners.

Next, we see the commandant of the prison turn deaf, dumb, and blind to every direction that might hinder Bergdoll's escape. We see handcuffs denied, and every other official instruction violated. The pighted faith of counsel absconds before the prisoner does, that his going may be the easier. Finally, and as a fitting sequel to this sordid tale, we find that the derelict commandant at Governors Island was prosecuted by one whose shame should be measured only by his days. Following the dispars presence. at Governors Island was prosecuted by one whose shame should be measured only by his days. Following the flimsy pretense only a pretense-at prosecution, the commandant's fate to a court composed of military officers who found him "not guilty" in the face of his own admissions that he had not comolied with instructions for the violation of which he was then being tried.

Bergdoll escaped through the misdoing of somebody other than the Bergdoll family and their immediate, personal associates such as Romig, Stecker, Gibboney, and Mrs. Bergdoll. It is hoped that this report bares to the Congress the others who are more guilty than even the Bergdoll family. Shall they go unwhipped of

The mother, the brother, the foster father—only those who gave shelter and comfort out of love for the black sheep of the family—have been convicted. Shall those who, for money, conceived, connived at, and executed the escape continue to practice in our Nation's courts, to wear the uniform of an officer of our Army, or to collect an annuity from a wronged people?

The foregoing part of this report was written shortly after May 24, 1921, when it was thought by every member of the committee that the hearings had been concluded. However, about two months after that date the chairman reconvened the committee for additional hearings. These last-mentioned hearings were occasioned by the receipt of a communication sent by a special agent of the Department of Justice, located at Philadelphia, to the Department of Justice at Washington. That communication was forwarded to Mr. Peters, the chairman of this committee, under date of June 22, 1921. The foregoing part of this report was written shortly after May 24.

The communication of the special agent at Philadelphia was The communication of the special agent at Philadelphia was written for the purpose of reporting that he had intercepted a letter written by Grover C. Bergdoll in Germany to his mother, Mrs. Emma C. Bergdoll, at Philadelphia. The communication states, among other things, that the letter ridiculed the seizure of the writer's property by the United States, and that the United States had started something that they could not finish; also that three neutral nations had offered him citizenship. Those statements, and a number of others, are not in quotation marks, but are represented to be a part of the substance of the letter.

That report—a rather lengthy one—embraces in quotation marks the following:

That report—a rather lengthy one—embraces in quotation marks the following:

"We made the Americans look like a bunch of boobs before the whole world. They are all laughing at them. * * * You certainly did tell it to the investigators down at Washington, and you deserve credit. Why did you not tell them of the \$5,000 which we gave Campbell up at Governors Island? If you did not, I would advise you to make it public, so that the grafters will be all exposed. We are writing a book which gives away the whole swindle from beginning to end, and the American public will wake

would advise you to make it public, so that the grafters will be all exposed. We are writing a book which gives away the whole swindle from beginning to end, and the American public will wake up when they read it in the near future."

In the report the special agent says the word "decipiatur" was used in the letter, which, as near as he can determine, is a Latin word meaning "a joker."

Two or three weeks after the reception of that communication by the chairman of this committee, he sent counsel for the committee to Philadelphia to confer with Mrs. Bergdoll relative to that part of Grover C. Bergdoll's letter suggesting that she tell the committee, if she had not already done so, that they had given Maj. Bruce R. Campbell \$5,000.

The chairman of the committee also caused an examination to be made of the account of Bruce R. Campbell and his wife, Laura A. Campbell, at the bank in New York with which they did business. From that examination it was learned that Campbell had purchased an automobile, paying \$1,500 therefor, and that also he had deposited with Wasserman & Bro., stock and bond brokers in New York, two sums of money amounting to \$6,500. The automobile was purchased by Campbell and the deposits made with Wasserman & Bro. shortly after it was alleged that he had received \$5,000 from the Bergdolls.

Upon that information another hearing was had, commencing line 10. In the bearing was had, commencing

made with Wasserman & Bro. shortly after it was alleged that he had received \$5,000 from the Bergdolls.

Upon that information another hearing was had, commencing June 19. In that hearing Mrs. Bergdoll was the first witness. She testified, in substance, that upon one occasion, shortly after the arrest of her son on January 7, she was at Governors Island, and that she and her son had a talk with Campbell, and that he said that if they would place \$100,000 in his hands it could be used with those higher up at Washington and New York to his advantage. Mrs. Bergdoll says that she replied to that proposition by telling him to "go to hell." Then she said that her son Grover put his finger across his lips, indicating to her to be quiet. Continuing her story, she stated that thereafter her son Grover asked her to bring to him at the prison \$5,000, and that in a few days after this request she went back to the prison taking \$5,000 with her, which she delivered to her son. She was most emphatic in saying that she did not know what her son was going to do with the money, and that she never found out afterwards what he did do with it.

She also testified that during the latter part of January or the early part of February, 1920, she was not certain which, while on the boat between Governors Island and New York, Campbell said to her that he had given the money to the proper person, whose name he called, but the name was not remembered by

whose name he called, but the name was not remembered by

Whose name he caned, but the hame was not remembered by Mrs. Bergdoll.

When Mrs. Bergdoll first testified before the committee, which was about two months before her last testimony was given, she stated in just as positive a way that she had never given Campbell any money other than \$50 with which he was asked to purchase cravats and knickknacks for her son Grover while in prison.

Major Campbell, in testifying relative to that feature, said that Mrs. Bergdoll or somebody closely associated with the family—he was not certain which—gave him a small amount of money, something like \$10 or \$12, with which to make similar purchases for the prisoner. He says that he left that sum of money with a near-by store, so that Grover C. Bergdoll could get knickknacks with it

It will be seen that Mrs. Bergdoll testified under oath in her first testimony that she gave Campbell \$50 and no more. It is equally important to note that in her last testimony, when an effort was being made to incriminate Major Campbell, she rigidly effort was being made to incriminate Major Campbell, she rigidly adhered to that story. The press of the country carried the unqualified statement that Mrs. Bergdoll, when last testifying, stated that she gave Campbell the \$5,000; when, as a matter of fact, she stated in no uncertain way that she did not give him the \$5,000, or any sum except the \$50, and no testimony whatsoever was produced to show that Campbell got any money except the small amount admitted by him and Mrs. Bergdoll, unless it be proven by his alleged admission to Mrs. Bergdoll while on the location of the proven that occasion admitted beying received. boat. If Campbell, upon that occasion, admitted having received

any money and having turned it over to another, there is no testimony whatsoever showing that he referred to the \$5,000 and not to the smaller sum which has been mentioned.

The reflection upon Major Campbell was made, not by Mrs. Bergdoll, but merely by the question put to her by her absconding son in the intercepted letter.

An effort was made to complement the suggestion made.

Bergdoll, but merely by the question put to her by her absconding son in the intercepted letter.

An effort was made to corroborate the suggestion made by Grover C. Bergdoll, by showing that the bank account of Campbell and his wife was a very small one, indeed; so small as to forbid the possibility of his having \$6,500 to deposit with Wasserman & Bro. in a "bucket-shop" transaction. That account with Wasserman & Bro. was in the name of Campbell and his wife.

A young man in the Intelligence Bureau was sent from Washington to New York to examine the bank account of Campbell and his wife. The proper way to have secured testimony relative to that account was to have had some officer of the bank testify from the book entries. In the absence of that manner of establishing the bank account, the next best method was to produce a copy of that account. However, neither of those things was done. Instead, the young man who went from Washington to New York returned, appeared before the committee; and, without the original entries, or without a copy of them, or without a single note or memorandum, testified that he had examined the account and that the largest entry in it was \$252.50, Campbell's salary, which was deposited monthly; and that all the checks on that account were small; and that his monthly balances ranged between \$7 and \$60. Notwithstanding that testimony, the fact was afterwards established from the bank itself, that during the very latter part of December immediately preceding the deposit with Wasserman & Bro. There was a deposit to that account of \$5,037.

The next piece of attempted corroborative evidence against Campbell was the production of the books of Wasserman & Bro. That account showed that on the 10th day of February, 1920, Campbell deposited with that firm, to the credit of himself and wife, for speculative purposes, \$4,500, and that within a few days thereafter he deposited the additional sum of \$2,000 for the same purpose.

It should be noticed that our fugitive in Germany had charged

purpose.

It should be noticed that our fugitive in Germany had charged by innuendo in the letter to his mother that they, meaning himself and mother, had given Campbell \$5,000. The assumption was that the \$5,000 of Bergdoll money had been used in the Wasserman & Bro. transaction, because Campbell was supposed not to have had other available money.

It must be borne in mind that Campbell did not deposit \$5,000 with these ways and the second supposed to the best second supposed to the second supposed supposed to the second supposed supposed

It must be borne in mind that Campbell did not deposit \$5,000 with Wasserman, but that he did deposit \$6,500 with them. If he got \$5,000 of it from the Bergdolls, the question very appropriately may arise: Where did he get the \$1,500 in excess of the \$5,000? The answer consistently can be given that he got the \$5,000 where he got the \$1,500, and Grover Bergdoll does not make pretense that he got more than \$5,000, while Mrs. Bergdoll says he got only \$50, and he admits that he got something like only \$10 or \$12.

How very strange it is that the young man who went from Washington to New York to examine the bank account should testify that he had gone through the bank's books, in so far as they related to Campbell and his wife, and found no deposit bigger than \$252.50 when, according to the report made by the bank itself, the deposit of \$5,037 must have been staring him in the face.

the face

Another remarkable feature in this most extraordinary case is that the special agent of the Department of Justice, located at Philadelphia, did not transmit a copy of the letter instead of his construction of it. It seems reasonable that his very first act should have been to make a copy of the letter; better still, a

photostat copy.

Major Campbell was the attorney designated by the War Department to defend Grover C. Bergdoll at his court-martial trial. The intercepted letter refers to others as having gotten dishonest money, but Major Campbell is the only one in that class whose name has been given to the committee by the special agent at

Philadelphia.

Philadelphia.

Again, it may be asked, since Campbell's bank account was not correctly testified to, is it not equally possible that some name other than Campbell's may have been mentioned in the intercepted letter, while Campbell's name, as already stated, was the only one forwarded to the committee?

Major Campbell testified that he never had any conversation with either Mrs. Bergdoll or her son Grover, or with anybody else, concerning the payment to him of any money other than the small amount heretofore mentioned, and for the purposes indicated. Certainly no one in the whole United States will claim that he is less worthy of credit than any of the Bergdolls, especially that one in Germany, who makes the charge against him.

Campbell's father, now past three score years and ten, testified in an open, manly way, which carried conviction with his manner, and told how, within his own knowledge, his son had gotten \$6,000 in a "friendly gambling transaction."

Major Campbell also testified that he and his wife, not a very Major Campbell also testified that he and his wife, not a very great while before the Wasserman transaction, had as much ready money as \$24,000. Those statements have not been contradicted. If Campbell's integrity is to be reflected upon in any report that may be made, proof of the charge is challenged. There is not a scintilla of proof against him, except the mere suggestion made by Grover C. Bergdoll in the intercepted letter. The bank account and the Wasserman transaction, which were expected to corroborate the charge preferred by young Bergdoll, have been completely explained away. If there be any who still insist that Campbell got any of the Bergdoll money, let it be said to them that the only testimony given in support was the statement made by Grover Bergdoll to his mother, which, through the special agent, was repeated to this committee.

Those who heard or have read the rambling statements made by

was repeated to this committee.

Those who heard or have read the rambling statements made by Major Campbell when he testified should know that during a part of the hearings he was in the Walter Reed Hospital as a patient; that while in France during the war he was twice gassed; that he was at a military camp in the State of Arkansas when summoned to come to Washington and appear before the committee; that upon his way here he was confronted, while on the train, by copies of various newspapers stating that Mrs. Bergdoll had appeared before the committee and testified positively that she had paid him \$5,000 to be used for illegitimate purposes; and that upon his arrival here he was neither in physical nor mental condition to tell a concise, connected, and lucid story in explanation of the charge. However, in his disconnected and rambling testimony there was no material statement made by him that did not turn out, from other testimony and evidence, to be true.

Those who would criticize Major Campbell are asked only to turn to the testimony given by his old father, and the manner of its giving, and then compare it with the testimony given by any of the Bergdoll's or by any of their hangers-on. The one is open, frank, and superlatively candid; that of the others, to mildly express it, is exactly the opposite.

The charges against Major Campbell were made in a most indirect manner by Grover Bergdoll. Bergdoll was not under oath nor subject to cross-examination; and his mother, who was expected to corroborate him, not only failed to do so, but actually contradicted him. Major Campbell assumed the burden of proof and clearly disproved the charges. He is, therefore, exonerated.

In that part of this report which deals with those whose names became involved in this affair, by the testimony which seemed to have closed on May 24, the testimony of no Bergdoll has been

In that part of this report which deals with those whose names became involved in this affair, by the testimony which seemed to have closed on May 24, the testimony of no Bergdoll has been necessary for the conclusions reached. Every adverse criticism of anyone in that part of this report is founded almost entirely upon the acts and omissions of him who is criticized. However, in this, the latter part of this report—that which relates to the Campbell affair—Bergdoll testimony, of necessity, can not be avoided, and that fact is the apology for treating their testimony with any degree of seriousness.

In conclusion it is deemed proper to commend Thomas W. Miller, the Alien Property Custodian, for the seizure of the Bergdoll property. It is hoped that he will exercise what seems to be his legal right to compel Mrs. Bergdoll to produce the gold which she claims to have buried on the farm near Philadelphia.

The foregoing is respectfully submitted to the House of Representatives for its consideration and appropriate action.

BEN JOHNSON.

BEN JOHNSON.
O. R. LUHRING. H. D. FLOOD.

(Page 595)

Mr. Ansell. Say that the receipts were \$15,195. How much of that was surplus? You say very little?

Mr. Weiss. Maybe \$50, \$60, or \$70.

Mr. Ansell. May I ask you what salary you receive as manager of the Roosevelt Hotel?

Mr. Weiss. That is a very hard question to determine. And I do not think that has anything at all to do with this, and I do not care to tell you.

Mr. Ansell. Do you decline to tell me?
Mr. Weiss. Yes, sir.
Mr. Ansell. On what ground?
Mr. Weiss. Just because I do not want to.
Senator Long. I want to ask the witness to go on and tell him.
Tell him what you get, Mr. Weiss.

(Page 596)

Mr. Weiss. It is a very hard thing to determine my salary. I get my rooms, my food, my garage, and my pressing.
Mr. Ansell. In money?
Mr. Weiss. \$10,000.

Mr. Ansell. Is your salary paid in check or in cash? Mr. Weiss. In checks.

Mr. ANSELL. Do you deposit your salary in the bank? Mr. Weiss. I do not.

Mr. Ansell. You keep it in cash? Mr. Weiss. Yes, sir; part of it. Mr. Ansell. Do you receive any salary from any sources other

Mr. Massell. By you receive any salary from any sources other than that from the hotel?

Mr. Weiss. None at all, sir.

Mr. Ansell. Aside from your salary in connection with the hotel, do you have any other source of income?

Mr. Weiss. None at all, sir.

Mr. Weiss. None at all, sir.

Mr. Ansell. Do you have any bank account, Mr. Weiss.

Mr. Weiss. A very small bank account; yes, sir.

Mr. Ansell. Did you have any bank account or did you make any deposit to your own account in the year 1930?

Mr. Weiss. Yes, sir.

Mr. Ansell. May I ask what bank?

Senator Long. That is 1930?

Mr. Ansell. Yes, sir.

Senator Long. That is two years before this election.

(Page 597)

Mr. Ansell. May I ask what bank, sir?
Senator Long. Very likely I will instruct the witness not to answer much more of this if you proceed.

Mr. Weiss. I think I had an account with almost every bank in

town; a small account.
Mr. Ansell. In 1931?
Mr. Weiss. About the same.

Mr. ANSELL. And in 1932? Mr. WEISS. About the same.

Mr. Ansell. Could you mention any particular bank in which you had an account in 1932?

Mr. Weiss. The American Bank.

Mr. Ansell. Any other bank?
Mr. Weiss. I may have had; I do not remember.
Mr. Ansell. Have you any idea how much money you had in the bank in August and September in the American Bank—August and September, 1932?

Mr. Weiss. I have not the slightest idea.

Mr. Ansell. None whatever? Mr. Weiss. No.

Mr. Ansell. When did you cease having an account in the bank in town?

Mr. Weiss, I have not ceased. I still have all the accounts I ever had.

Mr. ANSELL. You still have them?

(Page 598)

Mr. WEISS. Yes, sir.

Mr. ANSELL Outside of what we may term salary, have you received any commission or commissions of any kind?

Mr. Weiss. I have not, sir.

Mr. Ansell. These political contributions that you received, Mr. Weiss, did I understand you to say that you had not deposited them in a bank?

Mr. WEISS. I did not say anything. I will tell you that I did

Mr. Ansell. You did not? Mr. Weiss. I did not say anything. That is your idea of it, but I will agree to it.

Mr. Ansell. Answer my question.
Mr. Weiss. I will answer you.
Mr. Ansell. You did not?
Mr. Weiss. No, sir.
Mr. Ansell. Why not?

Mr. Weiss. Because I did not want to. Mr. Ansell. Why did you not want to? Mr. Weiss. That is my own business.

Mr. Ansell. It might be somebody else's.
Senator Long. What was the the question?
Mr. Weiss. He wanted to know whether I deposited any funds in banks and why?

Senator Long. Don't answer that question on my instructions.

(Page 599)

Mr. Ansell. On what ground?

Senator Long. Because I said not to do so.
Mr. Ansell. Is that sufficient?
Senator Long. That is plenty. Kingfish of the lodge. I do not think any member of the committee will ask him to answer that question.

The CHAIRMAN. Do I understand that you hold this committee has not the right to go into the question of bank deposits?

Senator Long. I object to his answering it. If this committee tries to go into the bank situation in New Orleans I will tell him not to answer it. I have had plenty of trouble and I will not let this outfit cause any more on banks. If that is what you want to know I will tell you that is an irrelevant question, and I do not think this committee ought to be trying to cause any more trouble. any more trouble.

The Charman. Let me suggest to the witness advice not to testify by anyone does not protect you from the results for refusal

Mr. Weiss. Will not protect me, you say?
The Chairman. No: will not protect you.

Mr. Weiss. I had no intention to answer, whether counsel advised me or not. I would not answer.

The Chairman. You mean to say you will not answer anything in reference to your bank account?

Mr. Weiss. No. sir. I have answered just as much as I intend

to answer on it.

(Page 600)

Mr. ANSELL. May I have the last question I asked read, Mr. Reporter?

(Page 601)

Senator Long. I will withdraw my objection. The question had reference to political contributions.

Mr. Ansell. I wish to say to the Chair that the question had to do with his depositing political contributions in the bank; that the witness himself declined to answer, and stated that he did not intend to answer; and that his counsel advises he also need not answer.

Senator Long. I will advise him to answer on political contributions.

Mr. WEISS. I answered by telling him I did not. Why I did not

deposit them, that is my business.

Mr. Ansell. I will again ask you why did you not deposit the contributions referred to in a bank?

(Page 602)

Mr. Weiss. Because I did not want to. Mr. Ansell. I ask you why you did not want to? Mr. Weiss. That is none of your business.

Mr. Ansell. None of my business? Mr. Weiss. That is right.

Mr. Ansell. None of my business?
Mr. Weiss. That is right.
Mr. Ansell. The witness declines to answer.
The Chairman. The committee will take under consideration and act subsequently upon the refusal of the witness to testify.
Senator Long. The Chair does not rule he has to answer, does he? The Chair has not ruled he has to answer?
The Chairman. I think it is a perfectly proper question.
Mr. Ansell. I ask that the Chair make a formal ruling that the witness should answer the question.
Mr. Weiss. If you will permit me, sir, I do not mind telling you two gentlemen why I won't answer, but I have no intention of answering out loud. I think you will find I am fully justified. I will be delighted to tell you.
Mr. Ansell. I call the attention of the Chair to the fact that this is a public hearing.
Senator Long. It will be your last appearance in public.
Mr. Ansell. You will see.
Senator Long. You bet I'll see.
The Chairman. We will take a recess for five minutes.
(At this point a recess was taken, after which proceedings were resumed as follows:)

(Page 603)

The Chairman. The committee will come to order. Counsel for the committee will proceed.

Mr. Ansell. Mr. Weiss, were you also the clearing house for the Louisiana Democratic Association?

Mr. Weiss. Not wholly so.

Mr. Ansell. Will you state what your relation to the fiscal affairs of that association have been?

Mr. Weiss. I have no particular relationship to it, sir. I pay bills for them, but I have no official connection with them what-

bills for them, but I have no official connection with them what-

Mr. ANSELL. Will you tell me what the Louisiana Democratic Association is?

WEISS. The Louisiana Democratic Association, as I understand it, and I again repeat I am not a member of it, is an organization composed of friends of Huey P. Long. It is an organization that was organized when he ran for governor and has been perpetuated. It is composed of men who are ward leaders, pre-cinct captains, lieutenants, and staunch friends. The head of that organization had been Senator HUEY P. Long, until such time as he resigned and retired and another man was elected to his

Mr. Ansell. You have received moneys for that organization? Mr. Weiss. Not necessarily in the name of the organization, but frequently I have helped them during campaigns. No campaign has been held in New Orleans since Senator Long was elected governor. The headquarters have been in my hotel.

(Page 604)

Mr. ANSELL, I can not understand what that association is. It is mystic to me. Senator Long. Let me see-

Mr. Ansell. Please, not now, Senator, for the moment. Senator Long. All right. Mr. Ansell. Do you know whether this association has a meet-

ing place or a lodge hall or not?

Mr. WEISS. Yes, sir. The meeting place has usually been the Hotel Roosevelt.

(Page 2208)

Mr. Ansell. Mr. Weiss, you testified the other day that you did not want to deposit any political contributions in the banks of this city or anywhere else. You were asked why you did not want to deposit those contributions in the banks and you said that that was none of my business, none of the committee's business. I ask you now why you did not deposit these political contributions received by you in 1932 in banks?

Mr. Weiss. And again I repeat, it is none of your business.
Mr. Ansell. I ask the committee to instruct this witness to
answer that question and the previous questions I have asked him.
The Charrman. It is the duty of the witness to answer that
question and he will proceed to answer it.

Mr. Weiss. With due deference to the gentleman, I refused to answer the other day. You called a recess, took me into another room, and decided I did not have to answer. Why you have had a change of heart I do not know, but I still am not going to

The Chairman. I want to state to the witness that there is no evidence this committee can take as confidential. We (p. 2209) are sitting here representing the Senate, and the Senate of the United States is entitled to know any reason you have for not

utilizing the banks as a depository of the large sums that you

handled in that political campaign.

Senator Long. I think the Chair owed it to me, if you had changed your idea about that, to have told us before to-day; because you told us—I am not violating any confidence—we would not have to do that, the other day.

(Page 2214)

Mr. ANSELL. As manager of the Roosevelt Hotel, do you, in the due course of business, deposit moneys and papers, such as checks, drafts, and notes, received by that hotel in due course of business, into banks of the city of New Orleans?

Mr. Weiss. I do.

Mr. Ansell. What banks?

Mr. Weiss. Practically all of them. Mr. Ansell. Will you name them? Mr. Weiss. The American Bank, the Hibernia Bank, the Canal

Bank, the Whitney Bank.

Mr. Ansell. Inasmuch as you have testified that you deposited the money belonging to the hotel in the banks of the city of New Orleans, I ask you why you did not deposit in the banks of the city of New Orleans or elsewhere the political contributions received by you?

Mr. Weiss. Because I did not want to.

Mr. Ansell. I will ask you again why you did not want to? Mr. Weiss. That is none of your business. Mr. Ansell. I ask the committee to instruct the witness to answer that question.

(Page 2215)

The Charman. The witness will answer the question.

Mr. Weiss. I am sorry, sir; I refuse. Mr. Ansell. How much property, real and personal, do you yourself own?

Mr. WEISS. Not five cents' worth.

Mr. Ansell. You own nothing now? Mr. Weiss. I said I own nothing. Mr. Ansell. What property did you personally own in the year 1932?

Mr. WEISS, None.

Mr. ANSELL. My question said properties, which includes both personal and real property.

Mr. Weiss. You mean personal—a suit of clothes?

Mr. Weiss. You mean personal—a suit of clothes?

Mr. Ansell. Personal and real property.

Mr. Weiss. Explain it.

Mr. Ansell. Did you have any personal and real property in the year 1932? If so, of what did that property consist?

Mr. Weiss. I am not quite as smart as you are. What is per-

Mr. Weiss. I am not quite as smart as you are. What is sonal property?

Mr. Ansell. You know what it is.

Mr. Weiss. I am asking you to explain it.

Mr. Ansell. Money, checks, stocks, bonds, notes, clothing—Mr. Weiss. That is none of your business.

Mr. Ansell. Pocketbooks, or what not.

(Page 2216)

Mr. WEISS. If that is what it means, then it is none of your

Mr. ANSELL. I ask the chairman to instruct the witness to answer that question.

Senator Long. I have undertaken to assist this committee. think this committee knows that you can not ask questions that are not pertinent to this inquiry. I have tried to see that witnesses were properly advised about this matter. But asking a man about his wife's clothes, which, by the way, is the personal property of a witness in this State, and that kind of a business, is not proper. I think if the committee would restrict this counsel's questions to political matters, matters that are political in nature, I do not think we would have any trouble getting them answered. But to rule a man has got to disclose little personal affairs of that kind is so impertinent to this issue that I do not think the chair kind is so impertinent to this issue that I do not think the chair can possibly make any mistake in not understanding that it is. We would like to be courteous, as we should be, to this committee. I am trying to be. The committee does not deserve the courtesies which counsel may think they do, particularly in view of some of the questions that counsel has asked. I realize the two Members sitting are laymen. I happen to know the law. This witness and myself stepped into the United States attorney's office the other day—we were on passable terms with him—and even went to other Government officials, to ask about some of these personal matters and see whether or not we might be wrong or (p. 2217) matters and see whether or not we might be wrong or (p. 2217) they might be wrong. We were given to understand beyond any question that the range of these kinds of questions were not proper at all; and I had previously looked it up. Why can't we

The CHAIRMAN. Do you state that the United States district attorney told you that such questions as these would be improper?

Senator Long. I stepped into the United States attorney's office myself the other day. I asked him, "Do I understand the law or not?" I handed him some quotations. I said, "Have you had occasion to look this up? If I understand the law at all, this is wholly irrelevant." He read my authorities and he says, "I think those authorities are sound." But it would not make any difference whether he did or not. I am lawyer enough to know, and I do not see. and I do not seeThe Charman. I assume you thought that at the time, because you went to him and wanted to know about it.

Senator Long. I have stated what he told me. I did not want

Senator Long. I have stated what he told me. I did not want to be relying strictly upon my own judgment in the matter, because these questions were so ridiculous, some of them, that have been asked here. For instance: Your honor, you have tried out my early life in this court; you tried it out before I was 21 years old for an hour yesterday, almost. Now, certainly you know that is irrelevant. I allowed them to go on. It would not have done any good to object. You have tried whether or not I contributed money to my father—

(Page 2219)

Senator Long. I was addressing the Chair and asking your honor trying to get a ruling we could all agree on. I do not want this witness to go away from here with an unanswered question as to any campaign fund that he ever handled. In other words, in fairness to us, we do not want the witness to fail to answer anything regarding the campaign fund. It is not fair to us for him not to answer as regards a campaign fund he may be handled. We need that the same as the other side, but going back and asking the man if he owned a suit of clothes, if he owned the

The Chairman. No such question has been asked.

Senator Long. It was personal property, which means your suit.

Mr. Weiss. I told him I owned no property.

The Chairman. The witness will restrain himself.

Senator Long. And whether his wife owned her clothes, and those kind of things. That is what that question embraces. Why not let us get down and the Chair instruct counsel to ask him anything he wants to about political contributions directly or indirectly to the Overton campaign or anybody running at the time. directly to the Overton campaign or anybody running at the time, so that we will be in the proper light. The witness, of course, is a layman. He does not segregate these questions. Let us restrict it to political contributions and I am certain the witness will answer those kind of questions.

(Page 2220)

The CHAIRMAN. Is counsel through now? Senator Long. Yes.

Senator Long. Yes.

The Charman. Counsel for the committee is now recognized.
Mr. Ansell. It is admitted by this witness, by his counsel, and by all other people testifying here on the subject that there were campaign contributions received by this witness that were not accounted for, that no record of them was kept, that there was no record kept of them, by design and for purposes—
Mr. Weiss. Who testified to that?
The Charman. The witness will not interrupt.
Mr. Ansell. When such is the case it is within the power—I say it is the duty—of this committee, confronted with such a situation, to endeavor to ascertain all of this witness's receipts, in order that, not helped by the witness or by counsel or by anybody else, it may endeavor to determine which of those were political and which were not.

It may endeavor to determine which of those were political and which were not.

The CHAIRMAN. The reporter will read the question.

The record was read, as follows:

"Mr. ANSELL. Did you have any real and personal property (p. 2221) in the year 1932? If so, of what did that property consist?"

The CHAIRMAN. The witness may answer.

Mr. WEISS. I am sorry, sir. I refuse to answer.

Mr. ANSELL. I will ask the committee to rule that the witness should answer.

should answer.

The CHAIRMAN. He has refused to answer. The committee requires an answer, and the witness understood that we required an answer?

Mr. Weiss. Mr. Chairman, did you understand the question? Whether I had any property, real or any other kind, personal? That is his question.

That is his question.

The Charman. Any real or personal property. There is no necessity of stating "or anything of that kind."

Mr. Weiss. That is what it is made up of.

The Charman. What he wants to know is what property, what assets, did you have in the nature of real or personal property.

Senator Long. Let us tell him. Let us tell him anything you had in 1932. Let us not let them go away from here without that. Let us tell them. It is ridiculous and absurd, of course.

Mr. Weiss. Mr. Counsel, I have just testified that I owned no real estate, not a nickel's worth. Now, then, he wants to know what personal property I have. Do you want me to sit down here and enumerate the many different things I own; whether or not I have an automobile that is paid for; whether I have two pairs of shoes that are paid for? I testified I do not (p. 2222) own a nickel's worth of real estate, and that is that. Now, the rest of it is my own personal affairs, and I refuse to answer. Go ahead with the show.

Mr. Ansell. Did you open any savings account with the Canal

Mr. Ansell. Did you open any savings account with the Canal Bank & Trust Co. in October, 1931?

Mr. Weiss. That is none of your business.

Mr. Ansell. You refuse to answer? Mr. Weiss. Yes. Mr. Ansell. Did you have a savings account in the Canal Bank

Mr. Ansell. Did you have a savings account in the C. & Trust Co. in October, November, and December, 1931? Mr. Weiss. That is none of your business. Mr. Ansell. And you refuse to answer? Mr. Weiss. Yes, sir. Senator Long. What is that last question?

Mr. Ansell. Did you deposit in a savings account in any bank in this city an amount which represented your salary as manager of the Roosevelt Hotel, with certain deductions or monthly charges against it, such as long-distance telephone calls, etc., in the Canal Bank & Trust Co. in 1931?

Mr. Weiss. That is none of your business. It is not true, however.

(Page 2223)

Mr. Ansell. Do you at the present time deposit your salary check as manager of the Roosevelt Hotel in a savings account in the Canal Bank & Trust Co. or any other bank in this city?

Mr. Weiss. That is none of your business.

(Page 2225)

(Page 2225)

Mr. Ansell. You refuse to answer that?
Mr. Weiss.. Yes. You are away from Mr. Overton's campaign
If you will ask me something about that, I will try to answer.
You have probably forgotten that.
The Chairman. The statement of the witness was improper and
utterly out of order, and he will conduct himself otherwise.
Mr. Ansell. I will ask you again why it was that you deposited
hotel moneys in the banks and not your own.
Mr. Weiss. None of your business.
Mr. Ansell. You refuse to answer?
Mr. Weiss. Yes.

(Page 2226)

Senator Long. All right. I will ask you to state as fully as you can everything that you remember that you received for any campaign for the year 1932, outside of what you have already testified to; any other information that you found?

(Page 2227)

Mr. Weiss. Yes, I found where I had certain contributions made to candidates, to our candidate for public-service commissioner; to our various Congressmen who ran, and I will be glad to give the information.

Senator Long. All right, give all you can then. Mr. Weiss. I think I testified the other day Mr. Caleb Weber gave \$2,000.

Senator Long. Gave it to who? Mr. Weiss. Gave it to me.

Senator Long. For whom?

Mr. WEISS. Wade Martin.

Senator Long. Who else? Mr. WEISS. James E. Noe.

Senator Long. How much did he give, and to whom? Mr. Weiss. He gave me \$1,000 at one time and \$2,500 at another time, making \$3,500 total.

Me, making \$5,500 total.

Senator Long. For whom was that?

Mr. Weiss. For the Congressman in his district.

Senator Long. Who else?

Mr. Weiss. P. M. Atkins.

Senator Long. How much did he give you and for what?

Mr. Weiss. \$4,000 for the same purpose. Senator Long. All right. Who else? Mr. Weiss. R. L. Gay.

(Page 2228)

Senator Long. How much did he give you?

Mr. Weiss. \$2,500. Senator Long. For who?

Mr. Weiss. For the same purpose; for the Congressman in his district

Senator Long. That is Fayette Gay you are talking about?

Mr. Weiss. Yes. Senator Long. Was that not for the Martin campaign? Mr. Weiss. It may have been. That is what it was used for anyhow.

Senator Long. He lives in the eighth district, the Sabine Parish, and so forth. That is the eighth district. Did we have a candidate for Congress in the eighth district?

Mr. WEISS. Yes.

Senator Long. Think carefully, if we supported anybody in the Overton district at all; that is between Mr. Dear and Mr. Hunter. Mr. Weiss. Ne, sir; we did not. Wade Martin ran in that dis-

Senator Long. That is in Avoyelles Parish. Did not the chairman and counsel of this committee go with you and me into a room the other day and agree they would not ask you these

banking questions?

Mr. Weiss. It was my understanding, and they certainly came back and did not ask them.

(Page 2229)

Senator Long. Was not the chairman in there? Mr. Weiss. He was there.

Senator Long. Did we not give him the reasons for our asking them not to do it?

Mr. Weiss. Yes, sir.
Senator Long. Did they not agree not to have you do it?
Mr. Weiss. That was my understanding of it.

Senator Long. Coming back-

The CHARMAN. Just a moment. Does the witness mean to

Senator Long. I mean to say you did.

The Charrman.—That either member of the committee stated he would not insist upon your answering that question?

Mr. Weiss. The facts are I came back and they were not asked of me, sir.

The Chairman. But your refusal to answer remained on the record and it was so indicated by the committee.

Senator Long. Are you going to make this a question of veracity as between you and me on that? Do you not know we went into that room and left this thing, that the witness need not answer

The CHAIRMAN. There was no such agreement on my part. Senator Long. There was not? I wonder if I could not refresh your memory?

Senator Carey. Senator Long, my recollection is that we did not pass on it finally. It is true that we did not have him (p. 2230)

Senator Long. That is right.

Senator Carry. I do not think it is fair to say there was any agreement that the question never would be asked. It is true that we did not insist on an answer at that time.

Senator Long. I do not claim you foreclosed yourself from coming back to it, but this man is a layman and we all went in and discussed this thing. We gave honorable and good motives

Senator Carey. We accepted his answer at the time.

Senator Carry. We accepted his answer at the time.

Senator Long. I thought it was best not to go into that. We gave you the reasons in private. I will say this, those questions could well be written out at this time. It is hardly right to the witness or others of us without any understanding at all to come in here this morning and propound questions that were at least waived at the time. Now, I want to be fair with the committee and I want the committee to be as fair with this witness as possible. I even gave this committee instances and details and went into most elaborate details for some of the reasons and to come into most elaborate details for some of the reasons, and to come out here and ask these questions anew, I do not think is proper, and I in a very civil way undertook to approach the chairman so that we could talk this thing over again, so that if you are going to change as to what you thought we would do then, if you were going to take a course, that we— [page 2231 omitted from copy of transcript furnished Senator Long].

(Page 2232)

Senator Long. How many accounts do you have in the Roosevelt Hotel a day?
Mr. WEISS. Thirty-five hundred.

Senator Long. Thirty-five hundred accounts to-day? The question which the attorney asked you required you to disclose the affairs of 3,500 people a day that you have sometimes in the Ansili. I asked no such question.

Senator Long. Yes; you did. Don't dispute me.

Mr. Ansell. You know I asked no such question.

(Page 2233)

Senator Long. I will ask you if the questions that this counsel asked you did not require you to disclose the personal affairs of as many as 3,500 people a day sometimes, or whatever hundred

Mr. Weiss. You asked me how many accounts I had. I said 500. I have not 3,500 people. Senator Long. I mean guests. 3.500.

Mr. Weiss. Five hundred to a thousand people. Senator Long. A day? Mr. Weiss. Yes, sir.

Mr. Weiss, ies, sir.
Senator Long. Do you handle accounts, checks, drafts, and so forth, and things like that for your guests?
Mr. Weiss. Yes, sir; as does every other hotel in the world.
Senator Long. Your personal accounts would include those,

would they not?

Mr. Weiss. In many instances; yes, sir. Senator Long. The fact of the case is you were called on to

explain a lot of that once, were you not?

Mr. WEISS. I would much prefer not to go into that. That is exactly what the counsel would like me to do and that is why I won't do it.

Mr. HOWELL. Mr. President, about the middle of last September a complaint was received from the senior Senator from Louisiana, Mr. BROUSSARD and, after stating that certain fraudulent practices had been indulged in during the previous primary election held on the 13th day of September, 1932, the request was made that the ballot boxes in New Orleans be seized and impounded. Doubting the committee's authority to take such action, the chairman of the committee appointed by telegram the Senator from Texas [Mr. Connally] as a subcommittee of one to proceed to New Orleans, investigate, and report with recommendations. Subsequently the Senator from New Mexico [Mr. Brattonl was added to that subcommittee. On October

6 and 7 that subcommittee held hearings in New Orleans. The result of those hearings was summed up in the concluding remarks of the chairman of the subcommittee, in which he stated that it was the view of the subcommittee that investigators should be sent to Louisiana to go into the situation.

Upon receiving a copy of the proceedings, the chairman of the committee dispatched an investigator to supplement the investigator who had been sent to the assistance of the subcommittee. That was about the middle of October. Following the election two other investigators were dispatched to New Orleans. One of them returned in December. The other three remained in Louisiana until just recently.

In the latter part of January the committee, of which I am chairman, determined to send an attorney to New Orleans to sum up the work of the investigators and report with such recommendations as he might deem proper. A report was submitted shortly thereafter recommending that hearings be conducted, beginning in New Orleans.

As the full committee was unable to proceed to New Orleans, the chairman appointed a subcommittee composed of the Senator from Wyoming [Mr. Carey] and the chairman. They began hearings in New Orleans on February 3 and were occupied with those hearings for about two weeks, when it was deemed necessary that the committee should return so that, if it were required, the testimony could be briefed and a progress report made before the adjournment of the present session of Congress.

I might say that the investigation was conducted under great difficulties in Louisiana, and the hearings and the service in the hearings were not wholly agreeable. However, the committee performed its duty as it deemed proper, and I expect to make a progress report at a later date.

Mr. President, the work of this committee was but partially done. The investigators had secured a great deal of data out in the State, and it was planned that hearings should be conducted out in the State. If this shall be done, additional funds should be afforded, and as to whether it is to be done is for the determination of the Senate.

I say frankly that I do not care to return to Louisiana. However, as chairman of the committee, if the Senate sees fit to proceed with the investigation, I shall return and perform the duty that has been placed upon me.

I now—out of order—ask unanimous consent from the special committee to investigate campaign expenditures of the various presidential, vice presidential, and senatorial candidates in 1932, to report a resolution and request that it may be read and referred to the Committee to Audit and Control the Contingent Expenses of the Senate.

The VICE PRESIDENT. Is there objection?

Mr. CLARK. Mr. President, I shall have to object to that request for the time being.

The VICE PRESIDENT. The Senator from Missouri objects.

Mr. THOMAS of Oklahoma obtained the floor.

Mr. LONG. Mr. President, will the Senator yield to me for a moment?

Mr. THOMAS of Oklahoma. I will yield for a question. The VICE PRESIDENT. The Senator from Oklahoma yields for a question.

Mr. LONG. I do not desire to ask a question. I thank the Senator.

Mr. McNARY. Mr. President, will the Senator from Oklahoma yield in order that I may suggest the absence of a quorum?

The VICE PRESIDENT. Does the Senator from Oklahoma yield for that purpose?

Mr. THOMAS of Oklahoma. I yield provided I do not lose the floor.

The VICE PRESIDENT. The Senator will not lose the floor by yielding to a call for a quorum. The Secretary will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Ashurst Schuvler Costigan Kean Sheppard Shipstead Shortridge Smith Austin Bailey Couzens Kendrick King La Follette Logan Bankhead Dale Dickinson Barbour Smoot Steiwer Stephens Barkley Dill Long Bingham Fess Fletcher McKellar Swanson Thomas, Idaho Thomas, Okla. Frazier George McNary Metcalf Blaine Borah Bratton Glass Moses Norbeck Trammell Goldsborough Broussard Bulkley Gore Grammer Norris Tydings Vandenberg Bulow Nye Oddie Wagner Walcott Byrnes Hale Capper Caraway Hastings Pittman Waish, Mass. Carey Hatfield Reed Walsh, Mont. Reynolds Robinson, Ark. Watson Hayden Clark Connally Hebert Wheeler Robinson, Ind. Copeland Johnson Russell

The VICE PRESIDENT. Ninety-one Senators have answered to their names. A quorum is present.

NATIONAL BANKING ASSOCIATIONS

Mr. COUZENS. Mr. President-

The VICE PRESIDENT. Does the Senator from Oklahoma yield to the Senator from Michigan?

Mr. THOMAS of Oklahoma. I yield for a statement of the purpose of the request.

Mr. COUZENS. I thank the Senator from Oklahoma.

I desire to ask unanimous consent to take up, out of order, without displacing any pending business, Order of Business 1366, Senate Joint Resolution 256. It is a brief joint resolution, and is of considerable importance; and I should be glad if the clerk would read it.

Mr. McKELLAR. Mr. President, the Senator from Arkansas [Mr. Robinson] is absent. Does the Senator know whether the joint resolution meets with his approval?

Mr. COUZENS. The Senator assured me that it did.

Mr. THOMAS of Oklahoma. Mr. President, if the matter can be disposed of without any lengthy discussion, I shall be very glad to yield.

The VICE PRESIDENT. The clerk will read the joint resolution.

The Chief Clerk read the joint resolution (S. J. Res. 256) authorizing the Comptroller of the Currency to exercise with respect to national banking associations powers which State officials may have with respect to State banks, savings banks, and/or trust companies under State laws, which was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Resolved, etc., That, with the approval of the Secretary of the Treasury, the Comptroller of the Currency shall have and may exercise to such extent as he deems advisable with respect to national banking associations any powers which the State officials having supervision of State banks, savings banks and/or trust companies in the State in which such national banking associations are located may have with respect to such State institutions under State laws now in force or hereafter enacted: Provided, That nothing in this joint resolution shall be construed to extend the authority of the Comptroller of the Currency under section 5155, as amended, of the Revised Statutes, with respect to the establishment of branches of national banking associations.

Expenses incurred by the Comptroller of the Currency in the exercise of such powers may be assessed by him against the banks concerned and, when so assessed, shall be paid by such banks.

concerned and, when so assessed, shall be paid by such banks.

Nothing herein shall be construed to impair any power otherwise possessed by the Comptroller of the Currency, the Secretary of the Treasury, or the Federal Reserve Board.

of the Treasury, or the Federal Reserve Board.
All powers conferred herein shall terminate on March 3, 1934.

LABOR CONDITIONS ON MISSISSIPPI FLOOD-CONTROL PROJECT

Mr. WAGNER. Mr. President-

The VICE PRESIDENT. Does the Senator from Oklahoma yield to the Senator from New York?

Mr. THOMAS of Oklahoma. I yield to the Senator from New York.

Mr. WAGNER. I ask unanimous consent to have considered and passed Senate Resolution 300, which is upon the calendar, providing for an investigation of labor conditions prevailing upon the Mississippi flood-control project.

Mr. THOMAS of Oklahoma. I yield for that purpose if it does not take any particular time.

Mr. WAGNER. I understand that there is no opposition to the resolution.

The VICE PRESIDENT. The resolution will be read.

The legislative clerk read the resolution (S. Res. 300) authorizing an investigation of labor conditions prevailing upon the Mississippi flood-control project, which had been reported from the Committee to Audit and Control the Contingent Expenses of the Senate with amendments, on page 1, line 1, after the word "That," to strike out "the Committee on Commerce, or any duly authorized subcommittee thereof" and insert "a select committee of three Senators to be appointed by the Vice President"; in line 9, after the word "committee," to strike out "or any duly authorized subcommittee thereof"; on page 2, line 1, before the word "Congress," to strike out "second" and insert "third"; and on the same page, line 9, after the word "exceed," to strike out "\$10,000" and insert "\$1,000," so as to make the resolution

Resolved, That a select committee of three Senators to be appointed by the Vice President is authorized and directed to investigate the labor conditions prevailing upon the Mississippi

vestigate the labor conditions prevailing upon the Mississippi flood-control project and, as soon as practicable, to report to the Senate its findings and its recommendations.

Sec. 2. For the purposes of this resolution the committee is authorized to hold such hearings, to sit and act at such times and places during the Seventy-third Congress, to employ such experts, and clerical, stenographic, and other assistants, to require by subpena or otherwise the attendance of such witnesses and the production of such books, papers, and documents, to administer such caths and to take such testimony and to make such expendisuch oaths and to take such testimony and to make such expendi-tures, as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hunreport such nearings shall not be in excess of 25 cents per hundred words. The expenses of the committee, which shall not exceed \$1,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the continuous. upon vouchers approved by the chairman of the committee.

The VICE PRESIDENT. Is there objection to the consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

The VICE PRESIDENT. The question is on agreeing to the amendments of the committee.

The amendments were agreed to.

The resolution, as amended, was agreed to.

RELIEF OF PUERTO RICO

Mr. BINGHAM. Mr. President-

The VICE PRESIDENT. Does the Senator from Oklahoma yield to the Senator from Connecticut?

Mr. THOMAS of Oklahoma. Mr. President, there appear to be a number of small matters to be attended to: and, if agreeable to the Senate, I shall be glad to yield for their disposition.

I yield first to the Senator from Connecticut.

Mr. BINGHAM. Mr. President, there are on the calendar Orders of Business Nos. 1323 and 1324, Senate bill 5408 and Senate Joint Resolution 183. They are two very small measures, unanimously reported for passage by the Committee on Territories and Insular Affairs, which will protect the United States Government in its efforts to collect from persons to whom money has been loaned in Puerto Rico the money loaned for relief purposes.

We have been informed by the Relief Commission that they needed to have the time extended from 5 to 10 years in order to make these collections, and that they also needed to have the power to foreclose mortgages to protect the United States Government. There was no objection to the measures in the committee. The Senator from Arkansas [Mr. Robinson] has looked into them, and they are entirely satisfactory to him. It will be a protection to the United States Government to have them passed; and I hope that may be done.

The VICE PRESIDENT. The clerk will read the first bill.

The legislative clerk read the bill (S. 5408) relating to the revolving fund established by the joint resolution of December 21, 1928, for the relief of Puerto Rico, as follows:

Be it enacted, etc., That the last sentence of section 3 of the joint resolution entitled "Joint resolution for the relief of Porto Rico," approved December 21, 1928, is amended by striking out "5 years" and inserting in lieu thereof "10 years." "5 years

The VICE PRESIDENT. Is there objection to the present consideration of the bill? The Chair hears none.

The Senate proceeded to consider the bill.

Mr. KING. Mr. President, may I ask the Senator whether it was conceded that 10 years were needed, rather than an intermediate period between 5 and 10 years?

Mr. BINGHAM. It was the opinion of the relief commission that they could work out the indebtedness due the United States better if the period were increased from 5 to 10 years.

Mr. KING. I shall not object.

The bill was ordered to be engrossed for a third reading. read the third time, and passed.

The VICE PRESIDENT. The clerk will read the next

The legislative clerk read the joint resolution (S. J. Res. 183) to amend a joint resolution entitled "Joint Resolution for the relief of Porto Rico, approved December 21, 1928," as amended by the second deficiency act, fiscal year 1929, approved March 4, 1929, which had been reported from the Committee on Territories and Insular Affairs with amendments, on page 1, line 7, after the word "the," to strike out "Porto" and insert "Puerto," and on page 2, line 2, after the words "island of," to strike out "Porto" and insert "Puerto," so as to make the joint resolution read:

Resolved, etc., That in carrying out the provisions of the joint resolution entitled "Joint resolution for the relief of Porto Rico, approved December 21, 1928," as amended by the second deficiency approved December 21, 1926, as amended by the second deficiency act, fiscal year 1929, approved March 4, 1929, the Puerto Rican Hurricane Relief Commission is authorized to acquire in the name of the United States the title to parcels of land and other property, real or personal, in the Island of Puerto Rico, in satisfaction erty, real or personal, in the Island of Puerto Rico, in satisfaction of debts owing to the United States, and to purchase parcels of land at sales under judgments or decrees of foreclosure of mortgages on such land. The commission is further authorized to lease and/or to dispose of all property so acquired under such rules and regulations as it may make from time to time, and in the exercise of these powers may execute deeds or other necessary and composite instruments in the pame of the United States. and appropriate instruments in the name of the United States

Mr. KING. Mr. President, what is the purpose of this joint resolution?

Mr. BINGHAM. The purpose of the joint resolution is to permit the commission to foreclose mortgages. There are a number of people in Puerto Rico to-day who have borrowed from the commission and are unwilling to pay, although they have property and ought to pay; and we neglected to give the commission the power to foreclose on

Mr. KING. I have no objection.

The VICE PRESIDENT. Is there objection to the present consideration of the joint resolution?

There being no objection, the Senate proceeded to consider the joint resolution.

The amendments were agreed to.

The joint resolution was ordered to be engrossed for a third reading, read the third time, and passed.

COMPETITIVE CONDITIONS RELATIVE TO THE WOOD-PULP INDUSTRY

Mr. DILL. Mr. President-

The VICE PRESIDENT. Does the Senator from Oklahoma yield to the Senator from Washington?

Mr. THOMAS of Oklahoma. I yield to the Senator from Washington.

Mr. DILL. I ask unanimous consent to take up a resolution to which I think there will be no objection. It is Senate Resolution 365, which was on the table yesterday, but was not reached because of the resolution of the Senator from Kentucky [Mr. BARKLEY]. It is a resolution asking the Tariff Commission to make an investigation as to the effect of depreciated currency on the pulpwood industry. I have talked with the Senator from Oregon [Mr. McNary] and the Senator from Arkansas [Mr. Robinson] regarding the resolution, and they have no objection to it.

The VICE PRESIDENT. Let the resolution be read. The legislative clerk read the resolution (S. Res. 365) submitted by Mr. Dill on the 20th instant, as follows:

Resolved, That the Tariff Commission be, and is hereby directed to investigate and report to the Senate at as early date as possible the competitive conditions as they relate to the wood-pulp

industry of the United States, and particularly in relation to pulp timber, pulpwood, and mechanical and chemical wood pulp produced in Canada, Sweden, Finland, and Norway, said investigation duced in Canada, Sweden, Finland, and Norway, said investigation to be based upon the costs in the various countries as computed on the standard gold value of United States currency used in payment for labor and other costs in domestic industry.

The commission is further directed to make such use of the data and findings of the United States Conservation Board, which has conducted a complete survey in the domestic field of the pulp business during the past few years as will be useful in making its

business during the past few years, as will be useful in making its

report to the Senate.

The VICE PRESIDENT. Is there objection to the present consideration of the resolution?

Mr. KING. Mr. President, I have no objection to the consideration of the resolution; but I ask the Senator, why limit the investigation to several countries, and why attempt to limit it to an investigation as to the effect of the gold standard? Why not take into account all factors and elements that would go to determine whether the tariff was too high or too low?

Mr. DILL. I may say to the Senator that there is no tariff on pulpwood. The only places that pulpwood comes from in any quantities are the countries I have mentioned here. The Tariff Commission have much of this material on hand, but it ought to be brought up to date. It is of such importance to the pulpwood industry in this country that I think it is essential that we have the information.

Mr. KING. I have no objection.

The VICE PRESIDENT. Is there objection to the present consideration of the resolution?

There being no objection, the resolution was considered by the Senate and agreed to.

PAYMENT OF CLAIMS OF MEXICAN GOVERNMENT

Mr. BORAH. Mr. President-

The VICE PRESIDENT. Does the Senator from Oklahoma yield to the Senator from Idaho?

Mr. THOMAS of Oklahoma. I do.

Mr. BORAH. I invite attention to Order of Business 1325, House bill 13534, authorizing an appropriation of \$15,000 each for the families of the two Mexican students who were killed in Ardmore, Okla., last year.

The bill has been passed by the House, and has the unanimous support of the Committee on Foreign Relations. It is rather important that the matter be disposed of as speedily as possible. I therefore ask unanimous consent for its consideration.

The VICE PRESIDENT. Let the bill be read.

The legislative clerk read the bill (H. R. 13534) authorizing the appropriation of funds for the payment of claims to the Mexican Government under the circumstances hereinafter enumerated, as follows:

Be it enacted, etc., That there are hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of \$15,000 for payment to the Government of Mexico for the account of the family of Emilio Cortez Rubio, and a further sum of \$15,000 for payment to the Government of Mexico for the account of the family of Manuel Gomez, as an act of grace and without reference to the question of legal liability of the United States, for the killing in or near Ardmore, Okla., on June 7, 1931, of Emilio Cortez Rubio and Manuel Gomez by two deputy sheriffs of the State of Oklahoma.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to con-

Mr. KING. Mr. President, I have no objection to the consideration of the bill, but I want to suggest to my friend from Idaho that I hope the passage of this measure will be an admonition to Mexico that she ought to deal fairly with the families of American citizens who have been killed in Mexico. The Senator recalls that at San Ysabel eight or nine fine American engineers who went into Mexico, in the pursuit of their calling, and in part for the benefit of the Mexican Government, under the assurance by the Mexican Government that they would be protected if they did so, were massacred. Not a penny was paid to their relatives nor to the relatives of any of the five or six hundred American nationals who have been killed in Mexico during the past 15 or 20 years.

The bill was ordered to a third reading, read the third time, and passed.

PARTICIPATION OF FOREIGN NATIONS IN CHICAGO WORLD'S FAIR

Mr. KING. Mr. President, several days ago I reported favorably House Joint Resolution 561, amending section 2 of the joint resolution entitled "Joint resolution authorizing the President, under certain conditions, to invite the participation of other nations in the Chicago World's Fair, providing for the admission of their exhibits, and for other purposes," approved February 5, 1929, and amending section 7 of the act entitled "An act to protect the copyrights and patents of foreign exhibitors at A Century of Progress (Chicago World's Fair Centennial Celebration), to be held at Chicago, Ill., in 1933," approved July 19, 1932.

The passage of this joint resolution by Congress is desired by those who are conducting the World's Fair in Chicago and the administrators of that fair, both those representing the Federal Government as well as those representing the municipality. The joint resolution merely authorizes the President to extend invitations to foreign governments to become exhibitors and provides the methods by which they may bring in their exhibits for presentation and make such disposition of them as may be authorized. It is in the usual form, and there is no appropriation provided.

The VICE PRESIDENT. Is there objection to the immediate consideration of the joint resolution?

There being no objection, the Senate proceeded to consider the joint resolution, which was ordered to a third reading, read the third time, and passed, as follows:

Resolved, etc., That section 2 of the joint resolution entitled "Joint resolution authorizing the President, under certain conditions, to invite the participation of other nations in the Chicago

World's Fair, providing for the admission of their exhibits, and for other purposes," approved February 5, 1929, be, and the same hereby is, amended so as to read as follows:

"Sec. 2. That all articles which shall be imported from foreign countries for the purpose of exhibition at the exposition to be held by and known as A Century of Progress, in section 1 of this joint resolution called the Chicago World's Fair Centennial Celebration of for the intervence for was in section in the chicago world's Fair Centennial Celebration of the chicago world's Fair Centennial Celebration of for was in section in the Chicago world's Fair Centennial Celebration of for was in section. bration, or for use in constructing, installing, or maintaining forbration, or for use in constructing, installing, or maintaining for-eign buildings or exhibits at the said exposition, upon which articles there shall be a tariff or customs duty, shall be admitted without payment of such tariff, customs duty, fees, or charges under such regulations as the Secretary of the Treasury shall pre-scribe; but it shall be lawful, at any time during or within six months after the close of the said exposition, to sell any articles provided for herein, subject to such regulations for the security of the revenue and for the collection of import duties as the Secretary of the Treasury shall prescribe: *Provided*, That all such articles, when sold or withdrawn for consumption or use in the United States, shall be subject to the duties, if any, imposed upon such articles by the revenue laws in force at the date of their withdrawal; and on such articles, which shall have suffered diminution or deterioration from incidental handling or exposure, the duties, if payable, shall be assessed according to the appraised value at the time of withdrawal: Provided further, That imported articles provided for herein shall not be subject to any marking requirements of the general tariff laws, except when any marking requirements of the general tariff laws, except when such articles are withdrawn for consumption or use in the United States, in which case they shall not be released from customs custody until properly marked, but no additional duty shall be assessed because such articles were not sufficiently marked when imported into the United States: Provided further, That articles which have been admitted without payment of duty for articles which have been admitted without payment of duty for exhibition under any general tariff law may be accorded the privilege of transfer to and entry for exhibition at the said exposition under such regulations as the Secretary of the Treasury shall prescribe: And provided further, That all necessary expenses incurred, including salaries of customs officials in charge of imported articles, shall be reimbursed to the Government of the United States by A Century of Progress, also known as the Chicago World's Fair Centennial Celebration, under regulations to be prescribed by the Secretary of the Treasury."

SEC. 2. That section 7 of the act entitled "An act to protect the

Sec. 2. That section 7 of the act entitled "An act to protect the copyrights and patents of foreign exhibitors at A Century of Progress (Chicago World's Fair Centennial Celebration), to be held at Chicago, Ill., in 1933," approved July 19, 1932, be, and the same hereby is, amended so as to read as follows:

"Sec. 7. All necessary avenues incurred by the Matter State.

"Sec. 7. All necessary expenses incurred by the United States in carrying out the provisions of this act shall be reimbursed to the Government of the United States by A Century of Progress, also known as the Chicago World's Fair Centennial Celebration, under regulations to be prescribed by the Librarian of Congress and by the Commissioner of Patents, respectively."

SEC. 3. That the receipts from reimbursements to the Government of the United States paid by A Century of Progress, also known as the Chicago World's Fair Centennial Celebration, as provided in the joint resolution entitled "Joint resolution authoriz-

ing the President, under certain conditions, to invite the participation of other nations in the Chicago World's Fair, providing for the admission of their exhibits, and for other purposes," approved February 5, 1929, as hereby amended, and in the act entitled "An act to protect the copyrights and patents of foreign exhibitors at A Century of Progress (Chicago World's Fair Centennial Celebration), to be held at Chicago, Ill., in 1933," approved July 19, 1932, as hereby amended, shall be deposited as refunds to the appropriations from which paid, instead of being covered into the Treasury as miscellaneous receipts as provided by the act entitled "An act making appropriations for sundry civil expenses of the Government for the fiscal year ending June 30, 1908, and for other purposes," approved March 4, 1907, in the manner provided for receipts from reimbursable charges for labor, services, and other expenses connected with the customs, in section 524 of the tariff act of 1930.

METHOD OF RATIFICATION OF AMENDMENT TO THE CONSTITUTION

Mr. ASHURST. Mr. President, I hope that what I now say may prove to be timely and efficacious in forestalling what might lead to a serious error, namely, a number of lawyers, some of them highly respectable in ability, are promulgating opinions that Congress has the power to prescribe the method in which the States should call conventions to ratify the amendment to the Constitution recently proposed by the adoption of Senate Joint Resolution 211.

Mr. President, when Congress proposes—that is to say, submits—an amendment, the function of the Congress therewith has ended. When Congress proposes or submits an amendment, its functions as to that amendment are completed, and Congress has no power to recall that action.

It is harmful for the country to get the impression that the Congress will or should consider the question of enacting any law which will prescribe for the States the kind or nature of conventions the States shall hold to consider ratification thereof. The States would resent—and justly resent—the enactment of such a law by Congress. I am convinced that if Congress attempted to prescribe the nature, form, or character of conventions or how the conventions should be called or conducted, and if the controversy could ever reach the Supreme Court of the United States, that court would declare such act of Congress to be beyond the authority of Congress.

Mr. President, there is, or at least there should be, no complexity about the question; Article V of the Constitution of the United States grants to Congress the power to propose amendments to the Federal Constitution, and it also grants to Congress the discretion and right to choose whether proposed amendments shall be ratified by the legislatures of or conventions in the several States. If Congress chooses the legislature, the States are restricted in ratifying to the legislature. If Congress chooses the convention, then the States are restricted in ratifying to the convention. Congress has no power or authority to interfere with the action of a State in regard to calling such convention.

Mr. President, suppose some State, instead of clinging to a bicameral legislature, should conclude to have a one-chambered legislature—as indeed one of the States for a time did have—that fact would not resolve the legislature of that State into a convention; it would be a legislature nevertheless. Therefore timely warning should be sounded against any proposal to appropriate money from the Federal Treasury to pay the expenses of conventions in the various States.

The States have plenary power to call their own respective conventions. Congress has no right, no authority, and no business to attempt to dictate to the States how they shall call these conventions. If a State desires to have 150 delegates in its convention, or desires to have 50 delegates, that is the right, duty, and function of the State, and the Federal Government would be an offensive and unconstitutional intruder if it attempted to dictate to the States what sort of a convention should be held, or how the delegates should be apportioned or selected.

Mr. KEAN. Mr. President, will the Senator yield?

Mr. ASHURST. I yield.

Mr. KEAN. I would like to ask the Senator whether the way to get at this, so as to settle the whole thing, would not be for Congress to pass a resolution asking the Attorney

General to render an opinion to Congress as to its right and as to the rights of the States.

Mr. ASHURST. I have no objection to the Attorney General furnishing an opinion, but I doubt if he would care to do so. I fail to perceive why there should be doubt and complexity about the question. It has astonished me that eminent lawyers, including a former Attorney General, of large ability, apparently take the view that Congress should or may prescribe the mode to be followed by the conventions in the several States.

Possibly some of the confusion and complexity arises from this circumstance, that whilst the original Constitution was, indeed, submitted to conventions in the States, every amendment except the instant case has been submitted to the legislatures of the several States, rather than to conventions in the several States.

My view is that it would be offensive, unconstitutional, almost insulting, to the States for the Federal Government to attempt in any way to dictate to the States how or in what manner they should choose the delegates or hold the conventions. That is left to the respective States.

COMMENTS ON ECONOMIC CONDITIONS

Mr. THOMAS of Oklahoma. Mr. President, I propound a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. THOMAS of Oklahoma. What is the pending business before the Senate?

The VICE PRESIDENT. The independent offices appropriation bill.

Mr. THOMAS of Oklahoma. Mr. President, the bill which is now the unfinished business before the Senate is House bill 14359. As I understand, that bill has been temporarily laid aside so that the appropriation bill might be considered.

The unfinished business, as I understand, is the bill I have just mentioned. It has the following title:

An act to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States."

By reference to page 40 of the bill I find that the measure before the Senate is simply an added chapter to our existing bankruptcy laws, chapter 8, under the title "Provisions for the Relief of Debtors."

On page 48 I find section 75, with the heading "Agricultural Compositions and Extensions":

SEC. 75. Agricultural compositions and extensions: (a) Courts of bankruptcy are authorized, upon petition of at least 15 farmers within any county who certify that they intend to file petitions under this section, to appoint for such county one or more referees to be known as conciliation commissioners.

Mr. President, this is the bankruptcy bill. Why is it necessary at this time to propose to enact additional bankruptcy legislation? What is responsible for present conditions? The answer must appeal to everyone. First, low prices. Second, a lack of buying power. Third, no money. Fourth, no credit.

What little available money we now have based upon the buying or purchasing power of farm products is worth 200 cents to the dollar. There is at this time practically no credit whatever. Yet, on yesterday, the spokesman for reactionary thought for a decade in the Senate made the statement that there is plenty of gold; that there is plenty of currency; that there is plenty of credit, and that neither gold nor currency nor credit should be disturbed.

Mr. President, I want briefly to refer to the speech made yesterday by the distinguished senior Senator from Ohio [Mr. Fess], but before I do that let me say that to-day is the anniversary of the birth of George Washington, the two hundred and first anniversary of the birth of the Father of his Country.

George Washington established the greatest structural government ever devised by the genius of man. Under such fundamental concepts of just governmental policies, this Government of ours became the richest, the strongest, the most respected, and, therefore, the most influential Nation of the earth. To-day, almost 137 years since this famous

address was given by the Father of his Country, it having been delivered on the 7th of September, 1796, what conditions do we find in this Nation established under the charter shaped by the genius of Washington?

We find 12,000,000 of our citizens wholly unemployed and an estimated 6,000,000 more only partially employed. Those citizens do not represent single individuals. As a rule, the unemployed men and partially unemployed men are married and have families. The average family is five, composed of a man, his wife, and three children. If it is true that we have to-day 18,000,000 unemployed and partially unemployed, we must multiply that number by something like five, and thus we arrive at a correct estimate of the number of people in the country to-day without means of support, without buying power, without money, without food, and without shelter.

Mr. President, it is somewhat embarrassing to have to admit that after 137 years under such a Government, to-day, the two hundred and first anniversary of the birth of the Father of his Country, we are proposing to enact bankruptcy legislation to take care of the multiplied tens of millions of the citizens of the Nation to-day destitute and in want.

The problem of the unemployed is not the only problem. We now have something like 30,000,000 of men, women, and children forming the farm population of America, and hundreds of thousands of them have already lost their farms. Against others perhaps hundreds of thousands of foreclosure petitions are pending. These farmers, having the lands of the Nation, in many sections having the best crops ever raised, can not sell those good crops for enough money to pay their taxes. Even if they could pay their taxes they would not have enough left with which to pay their interest. If they could pay their taxes and their interest they would have nothing left with which to support themselves and their families.

Yet the distinguished Senator from Ohio [Mr. FESS] made the statement yesterday that we have plenty of gold, we have plenty of currency, we have plenty of credit, and as I interpret his statement he argued against any increase in the prices of the products of the farm.

I can not allow such statements to pass without protest. I am not going to oppose the pending measure. I am not now taking time with that in view. If one should have a cancer it might be necessary to have the member containing the deadly germs removed. It may be necessary, since we have gone so far, to enact this bankruptcy legislation. But for 41 months the Congress, the only policy-making branch of the Government, has remained in session days and weeks and months, and now, when the people of the country are becoming insolvent and bankrupt, we propose to pass a bill providing that when they become insolvent, bankrupt, and destitute, they can go to a Federal agent, admit their pauperism, admit their bankruptcy, and have a Federal agent take charge of their affairs for a few days, hoping that perchance their ship may come in.

But, Mr. President, millions of these farmers and laboring men do not even live upon a river, they do not live upon a lake or upon an ocean, and if they did, even so they have no ship to come in. There is no hope for relief for these millions of our people if we are to sit here and enact bankruptcy legislation and propose to loan the Federal credit to such of our citizens who may have collateral and therefore credit.

Let me call attention to some remarkable statements made by the distinguished Senator from Ohio [Mr. Fess] on yesterday. His remarks will be found on pages 4571 to 4584 of the Congressional Record. The first statement he made is as follows:

Cheap money has always been regarded as a panacea. It was so in colonial days.

Mr. President, the distinguished Senator from Ohio has left the Chamber. I desired to ask him some questions. In the colonial days, the population living along the Atlantic seaboard was something like 3,000,000. They had their trials and tribulations and struggles. They had to have money. They had to have a medium of exchange. They could not use corn. They could not use wampum any longer. It was

not practical to use tobacco. So they adopted a system of money. When the gold gave out, when the silver was exhausted, there was nothing left for the Continentals to do except to begin issuing paper money. They issued the paper money, and it served its purpose. If the Senator from Ohio were present I would ask him what would have happened to the Colonials had they not issued paper money in those trying days of the Revolution.

The second proposition referred to by the distinguished Senator from Ohio was the matter of the greenbacks issued during the time of the great conflict between the North and the South. I read from his speech of yesterday:

When we were confronted by the great Civil War and our money seemed to be exhausted we had to resort to the issuance of paper currency.

Mr. President, who was it that resorted to paper currency? Was it not the patron saint of the distinguished Senator from Ohio—Abraham Lincoln?

The Senator from Ohio has just reentered the Chamber. I will repeat the question I proposed a moment ago. What would have happened to the Colonies had they not issued the paper currency referred to on yesterday in the address delivered by the distinguished Senator from Ohio? I get no answer. The second question: What would have happened to the Northern States had not Lincoln and the Congress issued and provided for greenbacks away back yonder in 1862, 1863, 1864, and 1865? Again the Senator from Ohio reads his newspaper and refuses even to indicate that he hears my interrogatory.

Mr. President, a little further on in his speech the distinguished Senator from Ohio made this statement, referring to the greenbacks:

To-day the amount is \$346,000,000, and it changes not from year to year, as the Federal reserve bank notes change according to the amount of reserves deposited in the Federal reserve banks.

In that statement the distinguished Senator from Ohio admitted that although the greenbacks were issued way back yonder in 1862 to 1865, to-day we still have in circulation \$346,000,000 of this worthless money so described by him on yesterday. When the gold of the North gave out in the sixties, when the silver was exhausted, the Northern States found it necessary to issue money. They had no gold. They had no silver. The States of the North were forced to issue greenbacks, and hundreds of millions of those greenbacks were issued in those trying times. I wonder what would have happened to the North if the Congress at that time had been under the leadership of the distinguished Senator from Ohio. He would not have issued greenbacks. There was no gold and there was no silver. The North would have collapsed. There could have been no alternative.

Mr. President, what confronts the Nation to-day? Not the conditions that confronted us in the days of the colonies, not the conditions that confronted us during and immediately after the War between the States, but a condition may confront this Congress and this people in the course of the next few months as serious as confronted the Colonials and as confronted the North in those trying days away back yonder in the sixties.

Mr. President, to-day we have a \$5,000,000,000 Government with a \$2,500,000,000 income. Last year and this year our Nation has created deficits in sums approximating \$2,500,000,000 per annum. When this fiscal year ends the Nation and we, the policy makers, will have to face a \$5,000,-000,000 deficit. That is not all. During the past two years we have not only run behind \$5,000,000,000, but Congress has created the Reconstruction Finance Corporation which has in turn distributed Federal credit to the extent of \$2,000,000,000 in making loans to banks and railroads and business concerns of the Nation. Add that \$2,000,000,000 to the \$5,000,000,000 deficit and there is \$7,000,000,000 in those two items alone.

But that is not all. We are now proposing to loan additional Federal credit, and when that is done at the end of the next fiscal year, instead of having a \$5,000,000,000 deficit and \$2,000,000,000 loaned, we may have \$4,000,000,000

loaned. That will make \$9,000,000,000 of deficit and loans that must be paid.

But that is not all. During the coming few months we face the refunding of something like \$6,000,000,000 of Government bonds. We must raise that money somehow. Add that to our deficit of \$5,000,000,000 and the \$2,000,000,000 loans, and perhaps \$2,000,000,000 we will loan this year, and we have a sum approaching \$15,000,000,000 that we must raise somehow in the immediate future. How is it to be done?

The Senator from Ohio [Mr. Fess] proposes to raise that money on the basis of a 200-cent dollar, so when we raise by taxes on borrowing a dollar we make somebody contribute 200 cents to pay or to loan us that dollar. Who in the end is to pay those obligations? The people must pay them. Labor must pay the money. Wage earners must pay the money. Farmers must pay the money. Producers must pay the money. When they do, if the policy of the distinguished Senator from Ohio prevails, they will be forced to raise 200 cents in value to pay off each dollar of those obligations.

I can not support that kind of a proposal, Mr. President. But the Senator from Ohio, in his lengthy speech on yesterday, laid down those different proposals.

Let me call attention to some other remarks made by the distinguished Senator from Ohio on page 4668 of the RECORD, I read:

I can not think there can be any sound contention whatever that we need more money. The only sound contention is that we should better use what we have.

The money that who has, Mr. President? Do the 18,000,-000 unemployed have money? Do the men in the soup lines of the cities have money? Let them make a better use of the money they have. What about the 30,000,000 farmers of the Nation, have they money? They can not pay their taxes; they can not pay their interest; they can not pay their debts; and yet the distinguished Senator from Ohio lays down the proposition as a remedy for existing conditions that if the unemployed and the farmers will only use what money they have, their day of salvation will assuredly be at hand. A little further on the distinguished Senator says:

If we could proceed now to balance the Budget * * *.

Mr. President, that is about all we have heard recently. "If we could just balance the Budget, the sunshine of prosperity would begin to dawn upon the American people and upon the world." Balance the Budget! Well, last winter we balanced the Budget, so we were told; at any rate, the House of Representatives passed a bill in conformity with the recommendations of the Treasury. The bill came to this body and we were proceeding to consider the bill when hurriedly one day the President sent the word "In 20 minutes I will be there." This body took a recess; the President all nervously excited came here and made a speech and told the Senate that the figures given by the Treasury were too small; that we could not balance the Budget if we accepted those figures; that we must accept a larger estimate of deficit. Then the Senate, acting through its Finance Committee, proceeded the same day to raise the rates, and the same day, if I remember correctly, we passed a bill recommended by the Treasury Department and the President to balance the Budget and exactly as the administration recommended. Yet after that bill was passed we now learn that our tax income is less this year than it was before the new tax measure was passed.

Mr. WHEELER. Mr. President, will the Senator from Oklahoma yield to me?

The PRESIDING OFFICER (Mr. George in the chair). Does the Senator from Oklahoma yield to the Senator from Montana?

Mr. THOMAS of Oklahoma. I yield.

Mr. WHEELER. Another suggestion, as I recall, that was made by the Senator from Ohio yesterday was to the effect that before we could have any prosperity we must do something to restore confidence in the banks. I should like to remind the Senator of the testimony that was given by Mr.

Charles E. Mitchell yesterday to the effect that he had been drawing down bonuses and salary amounting to something like \$3,000,000 in three years, and that he had sold his stock on one occasion to one of his relatives in order to avoid paying his income tax. The best way, it seems to me, I should say in answer to the Senator from Ohio, to restore confidence in the banks would be for them to remove these crooked presidents from the banks and treat them the same as Al Capone was treated when Capone avoided the payment of his income tax.

Mr. THOMAS of Oklahoma. I thank the Senator from Montana. The Senator from Ohio said:

If we could proceed now to balance the Budget.

Mr. President, the Senator from Ohio has been a Member of the Senate for years; the Senate is still organized by his party; the committees are under the control of members of his party and of his administration. What recommendation have we for balancing the Budget? How can the Budget be balanced? "Why," some one says, "cut expenses"; somebody else perhaps might say, "Raise more taxes." From what source, however, can the Congress get more taxes? We could pass a sales tax bill, it is said. Perhaps we could; and if a sales tax bill were passed, placing a tax upon food, upon clothing, upon overalls, upon brogan shoes and cotton socks and hickory shirts, the things that the people eat and wear, it would raise some money; that is true; but, Mr. President, a sales tax has been considered in both branches of the Congress.

It has been proposed in the other branch of Congress and was turned down; it has been discussed in this branch; but, unless public sentiment changes, I make the prophecy now that it will be a long time before the Congress of the United States adopts a general sales-tax policy in order to balance the Budget. How, then, can the Budget be balanced? Here is what the Senator from Ohio says about the matter, and, at this particular point, I think he reasons logically. He says:

No manufacturer is going to increase his expenses in expanding his business and employing labor unless he knows that there is reasonable ground for him to believe that what he produces will be purchased, that he can sell it. If he can not sell what he makes, what is the use taking the risk?

That is a good argument. Why are the factories closed? Because the factories can not sell the commodities they are equipped to make; and when they can not sell them, of course, they will not make them. That is the condition today. The factories would like to reopen; the factories would like to be employing labor; the factories would like to be borrowers of money; but, because they can not sell the things they make, they do not dare to reopen their doors.

Why can not they sell their products? Because there is nobody to buy such products. Why is there no one to buy them? Because there is no one who has the gold, who has the credit, who has the currency, to make the purchases; and yet we heard the statement made yesterday that we had plenty of gold, plenty of currency, and plenty of credit.

Mr. HATFIELD. Mr. President—
The PRESIDING OFFICER. Does the Senator from Oklahoma yield to the Senator from West Virginia?

Mr. THOMAS of Oklahoma. I yield.

Mr. HATFIELD. The factories have no credit at the present time. In other words, their investments are frozen assets. Is that not true?

Mr. THOMAS of Oklahoma. Exactly so. The factories have no credit. On yesterday the distinguished senior Senator from New York interrogated the Senator from Ohio, suggesting a criticism of the bankers for not loaning money. Mr. President, I am not a banker; I never was behind the counter of a bank; and yet I can not complain and criticize the bankers for not loaning money. Why are the banks not loaning money? The money in the vaults and on the books of the banks does not belong to the bank officials. The money in the banks belongs to the depositors of the banks. The bank officials are nothing more nor less than the custodians, the guardians, the trustees of the funds under their jurisdiction and control, and when bank officials loan these trust funds

such officials should be sure that they will not only get their profit in the form of interest but in time that the principal will be paid back to them; and now what business in the country, what property in the country, is sufficiently secure and sufficiently prosperous upon which banks dare take the chance of making loans? I pause for a reply.

Mr. President, the Senator from Ohio is eminently correct in excusing the factories for not reopening; he is eminently correct and logical in explaining why they can not reopen and why they are not now open. They are not open because they can not sell their products, and, unless they can sell their products, they can not get money with which to pay for their raw materials and for their labor. Factories are not open and they can not reopen until times get better and a demand comes for the products they are equipped to make.

Then, Mr. President, the Senator from Ohio referred to one of his friends out in Ohio whose business is in the hands of a receiver, and the Senator from Ohio says:

Did not that man make a better product, which could be sold for less money, without a sacrifice of the wages of labor? He did. Then what is the matter? There were no purchasers, and that man's business is now in the hands of a receiver.

That is what has happened to the factories in Ohio; that is what has happened to the factories in Pennsylvania; that is what has happened to the factories scattered throughout the length and breadth of this land.

Mr. FESS. Mr. President, will the Senator yield there? The PRESIDING OFFICER. Does the Senator from Oklahoma yield to the Senator from Ohio?

Mr. THOMAS of Oklahoma. I yield.

Mr. FESS. The Senator from Ohio would like the Senator from Oklahoma not to make the statement that the factory referred to was in Ohio.

Mr. THOMAS of Oklahoma. I accept the correction. The Senator did not state in his address yesterday in what State the factory was located, and I was reasoning by analogy. I am glad to make the correction.

Then, Mr. President, on the same page I find this state-

No man is going to be willing to risk the purchase of raw material to go into a manufactured product unless he knows that he is not to be forced to sell at a declining price instead of a rising price.

Mr. President, what causes receding prices; what causes falling prices? One thing is the deflation of money—making money scarce. When money becomes scarce it goes up in value, and as money goes up in value commodity prices go down. A generally falling market is predicated upon a rising dollar, and vice versa. So, Mr. President, if the Senator wants to help his friend reopen his factory and get it out of the hands of the receiver in my judgment, he should join the forces of the country who are in favor of reflation instead of urging and extenuating further deflation of the money of the country.

Under reflation, by placing more money in circulation, money becomes more plentiful, and as money becomes more plentiful it becomes cheaper, and as money becomes cheaper commodity prices go up in value. There is no argument contrary to that statement of an economic principle.

Then further, Mr. President, I find this statement:

Let me repeat-

Says the Senator from Ohio-

what I stated a moment ago; the plain duty of the Congress is to cut the expenses of the Government, without fear or favor, everywhere it can be done.

Of course, we are all in favor of that; there is no man anywhere who is not in favor of cutting the expenses of the Government where it can be done. The clause "where it can be done" is a saving limitation. The Senator in his argument says we can not cut the expenditures required to pay interest on the public debt. We have a public debt of \$21,000,000,000, and that public debt carries a specified and specific rate of interest, and in order to preserve the credit of the Nation we must pay that interest. That sum can not be reduced, and the Senator does not propose to reduce it.

As a second proposition the Senator says we must continue to provide for our sinking fund. We have to raise now about half a billion dollars a year to be placed in the sinking fund so that as the bonds of the Government become due we will have a fund there to retire them. The Senator from Ohio is in favor this year of raising a half billion dollars to replenish the sinking fund so that the holders of the obligations of the Government may be assured that when their bonds mature there will be money available with which to redeem them.

Then the Senator from Ohio says, "We can not cut the Army appropriation, we can not cut the Navy appropriation, and we can not cut the Veterans' Administration appropriation."

Mr. President, the Senator says, "We must balance the Budget." We must do that by cutting appropriations; but we can not cut the interest on the public debt. We must still appropriate money to make up the sinking fund. We can not cut the Army appropriation. We can not cut the Navy appropriation. We can not cut the appropriation for the Veterans' Administration. What is left? Nothing but salaries and the little construction going on throughout the Nation.

Mr. McKELLAR. Mr. President, will the Senator yield?
The PRESIDING OFFICER. Does the Senator from Oklahoma yield to the Senator from Tennessee?

Mr. THOMAS of Oklahoma. I yield.

Mr. McKELLAR. We pay out a great deal of money in subsidies. As the Senator knows, the Senate Committee on Appropriations, and afterwards the Senate, cut off some of these subsidies—notably the air subsidies—and the House of Representatives and the representatives of the majority in this body put them back. We can cut off the subsidies if we will, but it seems that it is very difficult to get subsidies to the great interests even cut down, much less cut off.

Mr. THOMAS of Oklahoma. Mr. President, the testimony shows—and I thank the Senator from Tennessee for making that suggestion—that we are making an appropriation of \$19,000,000 each year to carry mail by airplane. It shows that the companies having these air mail contracts are financed from New York City. The biggest banks in New York City own and control, if not in toto, substantial portions of the financial structure of these great air lines. So, Mr. President, when the Congress proposes to cut down the subsidies for carrying mail we immediately run into the spider web yonder.

I call the attention of the Senate to that diagram up on the wall, something like 10 feet square. It shows a gigantic spider web. In the center of that spider web is the spider himself that wove it. At the top of that chart I find these words:

Spider web of Wall Street.

Mr. President, every web upon that chart leads out to a name in the circle; and the name is the name of some bank, some railroad company, some smelting company, some oil company, some transportation company, some ship line. There are 100 names, perhaps, upon that web; and there, in the center, is the spider.

I said in New York, a few nights ago, that the Congress of the United States was simply one of the clients of the big banking interests of New York City. I had never seen that map at that time; but that is the best contribution I have seen, the best argument to demonstrate the truth of my assertion, made a few nights ago in the great city of this Nation.

Again I read from the address made by the distinguished Senator from Ohio, on page 4582:

There would be for a little while an impetus that would cause an increase in commodity prices.

The Senator from Ohio was arguing that if money were put in circulation it would not increase prices.

You could increase the gold of the Republic, you could increase the silver of the Nation, you could throw billions upon billions of paper money into circulation and that would not increase commodity prices—

Says the Senator from Ohio. He says-

If you put this money in circulation we might have a little rise immediately, but then prices would start to go down, and they would go down and down and down until soon they would be lower than they are to-day.

I will read again:

There would be for a little while an impetus that would cause an increase in commodity prices, but that increase would soon be retarded, and the result would be that in a very short time we would be selling at a lower price than we are selling at the present time.

Mr. President, to prove that statement the Senator from Ohio quotes from a great former Secretary of the Treasury, John G. Carlisle.

I am going to quote from Mr. Carlisle the same words quoted yesterday and see whether or not this quotation sustains the argument undertaken to be made by the Senator from Ohio.

Mr. Carlisle says—I am quoting from a part of the quotation read on yesterday—as follows:

Their wages-

Meaning the wages of wage earners-

Their wages will remain stationary, or at best they will rise slowly and at long intervals, while the prices of the necessities of life are liable to rise suddenly from day to day as the value of the currency changes.

Mr. Carlisle says that if we put money in circulation, it is true that salaries will not be raised immediately, that perhaps the wages of laborers will not be raised immediately; but if we put money in circulation, while salaries may not rise, commodities will rise, he suggests, violently, from day to day. They would if the increase were not controlled.

Then, again, says Mr. Carlisle:

And he must pay whatever prices are demanded in the market or go without food.

Yet the Senator from Ohio made the statement yesterday that we could increase our gold and increase our silver and increase our currency and yet prices would not go up, and he quoted Mr. Carlisle. Mr. Carlisle's whole question is just to the opposite effect—that while salaries will not be raised, while wages will not go up immediately, the moment we increase the currency of the country prices will go up, because money will come down; and one is the corollary of the other.

Then on the next page we find this, to me, amusing admission made by the Senator from Ohio. He said:

That is my position. Senators, that statement is incontrovertible. The laborer, representing 85 per cent of our population, is going to be harmed to the extent that the price of necessities increases.

On the previous page he said the prices would not increase; that they would go down. On the next page he says that if we put money in circulation, make money cheap, make money plentiful, wages will not go up, but the prices of commodities will go up and labor will be injured and destroyed.

This is the kind of "sound money" argument that has been made to the people for 15 years.

Again says the Senator from Ohio:

Here are \$24,000,000,000 of American savings in the savings banks of this country. That is cash.

Mr. President, I know that the distinguished Senator from Ohio knows the difference between cash and credit. He did not mean that that \$24,000,000,000 was cash. He could not have meant that it was cash. There are only nine billions of cash—gold, silver, and paper—in existence in the Nation. Take all the gold—that is four and a half billions—take all the silver, take all the paper money of all kinds that we have, and add it together and it makes nine billions and that is all. Yet the Senator from Ohio told the Senate on yesterday that the savings banks of the Nation have on deposit twenty-four billions of the hard-earned nickels and dimes and quarters and dollars of the washerwomen and the day laborers, and the street cleaners of the country—twenty-four billions in cash in the savings banks of the Republic.

Mr. President, to-night when the banks all close to balance their books—there are something like 20,000 banks re-

maining—when all those banks close in all the States, North and South, East and West, national banks and State banks and private banks, they will not have in their vaults the sum of \$800,000,000 in cash; yet on yesterday we were told that the savings banks alone had on deposit twenty-four billions in cash!

On yesterday I presumed to call the attention of the Senator from Ohio to some misstatements that I thought he was making. He advised me that he was quoting from the record; that he did not take statements made upon the Senate floor. Mr. President, I now quote from the record.

I have here the text of the Annual Report of the Comptroller of the Currency, December 5, 1932. On page 75 of that report I find the following statistics, under the heading as follows:

Summary of reports of condition of all reporting banks in the United States and possessions by classes at the close of business June 30, 1932.

That was the 30th day of June of last year. On that date the Comptroller of the Currency reports that all the banks—national, State, and private—of all the country had cash in their vaults in gold and gold certificates and all other cash in the sum of \$791,627,000. That is all the money that all the banks had in their vaults. Yet on yesterday there was made upon this floor the statement that the savings banks alone had 24 billions in cash in their vaults; and we have only a comparatively few savings banks!

That is a sample of the monetary education that the people of the country have had flaunted before them during the past 10, 12, or 15 years. It is no wonder that the country is befuddled. It is no wonder that upon this floor, when one starts to speak upon the money question, we have perhaps a dozen Senators present, and most of them holding private conversations and conferences and conventions.

Mr. President, on the next page of this authority—and I take it to be authority, because it comes from one of the agents of the administration still in power—we have a report of the division of the money that is now in the banks. The banks had only \$791,000,000. That is less than \$1,000,000,000. While all the banks together to-night have 40 billions on deposit, such deposits are only credit money. To-night they will have less than \$800,000,000—less than \$1,000,000,000—of real gold and real silver and real paper money in their vaults when the books are balanced.

According to this publication, on the 30th day of June last these banks all together had in their vaults, and on their books, the sum of \$45,390,269,000 in deposits. That is the total amount of credit money that they had on their books. That is deposit money. That is credit—credit based upon two notes, two debts: First, the debts that the people incurred when they went to the bank to create this deposit money. It used to be easy and simple to create credit or deposit money.

A merchant or farmer went to a bank to borrow money In former times the banks would loan money. They would hand out a note for \$1,000 for example for the farmer or merchant to sign. The farmer or merchant signed the \$1,000 note. Then the bank clerk, cashier, teller, president, or whoever it might be, would take the pass book of the depositor and enter therein the date and "\$1,000." So when that simple transaction was completed, the borrower had signed a note for 30, 60, or 90 days, and the bank clerk had placed on the customer's pass book "\$1,000." Then, there was created \$1,000 of deposit money. Under the law, the customer had the right and the privilege of converting his property, his collateral, either with or without mortgage, his good name for prompt payment, into deposit money: and when that was done, this bank had on deposit \$1,000 more money, deposit money, than it had before the transaction was begun.

The Senator from Ohio thinks that is money. He thinks that is cash. He thinks that is gold. He thinks that is silver. He thinks that is currency. It is not either. It is only credit or deposit money based upon the note of the borrower; but when the note was signed and accepted, the deposit was made and entered upon the pass book, and the

bank had \$1,000 more on deposit than before the transaction was completed.

When such a transaction has been completed, there are two debts; first, the debt the farmer or the merchant owes the bank; and, second, the debt the bank owes the farmer or merchant, because at will the farmer or merchant can write his check on all or any part of the thousand dollars. Under the law of averages, like the laws which control life insurance, only a certain percentage of the public, with a certain amount of deposits, will want currency. They write checks; they do not want gold. If they have a deposit in a bank, they do not want silver, and perhaps not currency. They want the opportunity of writing checks against their credit or deposit money. But if such a depositor wants the actual money, it is there for him. They could not all get their money in cash, in gold or silver or paper. The law of averages are such that only a few require it. That is the reason why the law requires the banks to carry in their vaults only a small percentage of their actual deposits in

Mr. President, on the first of last July the banks had \$45,000,000,000 on deposit. But they have not that much to-day. In the past few months, since last July, the deposits have been gradually going down and down and down; and while I do not have authentic figures, I venture the suggestion that these banks to-night, when they close their doors for balancing, will not have on their books more than some \$40,000,000,000 of deposit money. They have been losing at the rate of \$5,000,000,000 a year in the last three years. The deposits were \$60,000,000,000. They are down in three years to \$45,000,000,000. I contend and assert that the withdrawal of this deposit money in the last 12 months would be approximately the same, so that to-night, instead of these banks having on deposit what they had last June, they have lost \$5,000,000,000 more of the deposit money; it is gone; and to-night when the banks close they will have around \$40,000,000,000 of deposit money on their books and less than \$800,000,000 of real gold or silver in their vaults.

How is that deposit money divided? I am still reading from the report. On the 30th of June last there were demand deposits of \$14,327,000,000 and there were time deposits in the sum of \$24,774,000,000.

Mr. President, these time deposits are not subject to check. The money can be withdrawn upon notice, but of the \$45,000,000,000 in the banks last June there were \$24,774,-000,000 under time-deposit certificates. Of the \$45,000,000,000 of deposit money in all the banks of the Nation on the 1st of July, \$24,000,000,000 of it was tied up in time deposits, not subject to check, no doubt most of it on interest. It is in the bank for a certain specified time, and of the \$45,000,-000,000, \$16,000,000,000 was on demand deposit, subject to check, to be used at any time.

Mr. President, I place these figures in the Record in answer to the statement made yesterday that just the savings banks had \$24,000,000,000 in cash in their yaults.

Again, let me call attention to another statement made by the distinguished Senator from Ohio. I quote from page 4583:

First, Mr. President, there is enough gold.

In the opinion of the distinguished Senator from Ohio, the country has plenty of gold, and we do not need more gold. I would like to ask him who has plenty of gold? I would like to have him name one person who has plenty of gold. The banks do not have plenty of gold. At least 12,000 of them have been forced to suspend because they did not have plenty of gold, did not have any gold or silver or paper, and had run out of currency entirely. Twelve thousand banks have been forced to suspend in the past few years. But the Senator from Ohio says there is enough gold. Second, he says there is enough currency; and, third, he says there are the reserves of the Federal reserve banks in abundance.

If there is plenty of gold and plenty of currency and plenty of silver and plenty of Federal reserve bank reserves, there should not be any trouble about having plenty of money. But who can get the money? The unemployed

can not get it, the farmers can not get it, and the merchants can not get it. These banks which have been forced to fail could not get the money. Who has this plentiful supply of gold? Who has this surplus of currency?

Mr. President, what is the trouble? If there is plenty of gold, if there is plenty of silver, if there is plenty of currency, and if there is plenty of credit, what is the trouble? Nobody has any confidence. There is a minus quantity of confidence in the country, but if we just had confidence the dawn of a new day would come immediately, so says the Senator from Ohio.

Mr. President, how are we to get that confidence? The Senator from Ohio says that if we will just balance the Budget, confidence will come from somewhere and will shine upon us. All we have to do is to get confidence; that is the thing we need. We have plenty of gold, plenty of currency, plenty of bank reserves, and plenty of credit, and if we can just balance the Budget that will give us confidence, and then if we have confidence the economic world will be saved.

How does the Senator propose to balance the Budget? He has no proposition. He made this statement, which appears on page 4583 of the RECORD—

But I must resist with all the energy I possess all these threatening proposals looking to undermining sound principles of government.

Are our sound principles of government now to be undermined? Who is responsible for these sound principles of government which we have had for at least the past 12 years? The distinguished Senator, a leader of his party, the nominator of Presidents, the maker of Presidents, the presiding officer of great conventions which have named Presidents, the chairman of the great committee which wielded such power over the affairs and destinies of this Nation. He says that if we can maintain our sound principles of government, can acquire confidence, and a balanced Budget, the Nation can be saved.

Mr. President, he resolves his speech into advice to the incoming President, and says that if the incoming President will take that advice perhaps that will bring back confidence. That advice is, Do not tamper with our existing sound money.

Mr. President, if we are to keep the existing so-called sound dollar, we are to keep a dollar that buys 200 cents worth of the farmers' products. Can the farmers live under such a program? It is utterly impossible. Because they have to-day to get a 200-cent dollar to pay their taxes, because they have to get a 200-cent dollar to pay their interest, because they have to get a 200-cent dollar to pay a dollar of debts farmers can not raise enough money through the sale of their products to get these high-priced dollars to pay their taxes, and as the result their taxes are not being paid. They can not pay their interest, and interest is not being paid, and because interest is not being paid, there are foreclosures everywhere throughout the land.

Mr. WHEELER. Mr. President-

The PRESIDENT pro tempore. Does the Senator from Oklahoma yield to the Senator from Montana?

Mr. THOMAS of Oklahoma. I yield.

Mr. WHEELER. The Senator from Ohio on yesterday stated that if the incoming President would issue a statement to the effect that there would be no tampering with our money, that would do more to help business than anything else. I want to ask the Senator if it is not a fact, notwithstanding the fact that President Hoover stated repeatedly that we were going to remain on the gold standard and that there would be no tampering, that business has constantly during his entire term of office gotten worse and worse?

Mr. THOMAS of Oklahoma. Mr. President, the present President delivered his farewell in New York a few nights ago, and I quote from one paragraph of that to-be-historic address. He said:

An organization that can show more than 15,000,000 adherents after 70 years—an irreducible minimum in the reaction from the

worst depression the world has ever seen—is indeed testimony to the virility of the principles which Lincoln enunciated.

In that statement the President admitted that under his four years of administration, under the four years of his predecessor, and under the four years of the administration before that, 12 years of Republican administration, under the guidance of the distinguished Senator from Ohio, we to-day have the worst depression in history.

Then he said further on in that to-be-historic address:

We find some 44 countries definitely off the gold standard.

Further he said:

The United States has held stanchly to the gold standard.

And again:

We have thereby maintained one Gibraltar of stability in the world and contributed to check the movement to chaos

Mr. President, it is possible to get nearer chaos than we are to-day, and if we follow the program that has been followed for the past 12 years, and if the next administration takes the advice of the distinguished Senator from Ohio, that chaos is as sure to come as time.

We can not exist under this formula of government. We can not exist under sound money as defined by the Senator from Ohio. A great party of the Nation, following those principles, has passed away. Let me say that if the administration coming into power in a few days chooses to follow the program and the policies and the principles of the past administration, we will just as surely come to the same inglorious end to which the other great party and the other great administration came. If we do not change the existing policies, there will be no hope for the people, no hope for the wage earners, no hope for farmers, no hope for merchants, no hope for factories, no hope for cities, no hope for States, no hope for this great Government of the United States founded by Washington, whose birthday we celebrate to-day by reading his farewell address delivered 137 years ago.

Mr. President, if the party coming into power chooses to follow the leadership emanating from the bankers of New York, our doom is sealed.

The power of that spider pictured yonder on the Senate wall still rules. The only change has been that the solicitors for that spider have been changed.

Now let me call attention to some quotations taken from a magazine published in Wall Street. When a magazine of Wall Street makes an admission, I take it that at least it will bear the scrutiny and the consideration of the Senate of the United States, because some of us get most of our inspiration from Wall Street. Any time Wall Street wants a bill passed, they send a suggestion down to Washington, and we are kept here sometimes until midnight to pass the bill. If Wall Street is opposed to legislation pending in the Congress, it can not be gotten out of a committee, and it can not be gotten before the Senate for consideration, and it has no chance of passage.

Mr. President, I am going to call some witnesses to testify in opposition to the case made yesterday by the distinguished Senator from Ohio [Mr. Fess]. I call first the magazine of Wall Street. On page 464 I find the following language:

Being denied access to regular money as a medium of exchange, they have created their own. Yet they

Meaning the people of the United States.

Yet they had far greater buying power and social efficiency before they were cast out because society couldn't keep its economic machine going full time, although they were competent to pay their own way and more. If a foreign power should undertake to annex a territory inhabited by one-fifth of our people and cut us from all commercial relations with it, we would fight as we have never fought before. But for the time being we face substantially the same condition except that we are spending hundreds of millions of dollars to support the economic expatriates. It doesn't make sense.

I commend that to the attention of the distinguished Senator from Ohio. Plenty of gold, plenty of currency, plenty of credit, but because we have so much gold and currency and credit the people are forced to go to the printing presses and have slips of paper printed, to go to the may have taken a valise full of paper money to buy a sack

woodpile and get pieces of wood and have shavings therefrom printed stipulating that one represents a dime and another one represents 25 cents.

Let me next call as a witness a distinguished former citizen of my State, now a resident of California, Will Rogers. On February 16, only a few days ago, Will Rogers said:

This depression must have finally hit the Senate. The Senators are investigating it. If they want to know what is holding back relief measures, all they have to do is look in the mirror.

Mr. President, let me next call attention to a few paragraphs from an address delivered at Miami, Fla., just a few nights ago. This address is destined to be likewise an historic address. It was delivered by the chairman of the National Democratic Party, Mr. James A. Farley. In that Miami address, delivered I think on Saturday night, February 11. Mr. Farley said:

I know that our people to-day are in no mood for delay. They feel that a liberal government is the crying need of the present. We must not deny them this liberal government.

In our realization of the failure of conservatism, we should

speedily liberalize our institutions and do everything in our power within the restrictions of constitutional safeguards to make it easier for people to live from their own resources.

If Mr. Farley's advice is to have any weight in the policymaking branch of the Nation, instead of following the policies in force for the past 4 or 8 or 12 years, there will be a change. Instead of making a dollar worth 200 cents in 1933, which was worth only 50 cents in 1922, a liberal policy would be to take the advance of the buying power of the dollar and instead of leaving it at 200 cents in value of corn, wheat, and livestock, the buying power of that dollar will be brought down to at least 100 cents, where it was in 1926. At that time the dollar had a sufficient buying power to buy wheat on the basis of \$1.50 a bushel, cotton at the rate of 20 cents a pound, corn at 75 or 80 cents a bushel, and livestock in proportion. That is all I am asking. I am simply pleading for a governmental policy that will check the rise of the American dollar-not only check it, but bring it back down where the people of the Nation can have a chance to see some of those dollars occasionally. I commend the Miami address of Mr. Farley to those on my side of the aisle in the Senate of the United States.

Mr. President, I said a moment ago that when the administration changes, we see a change in the solicitors coming down from New York, and sometimes that is the only change we see. Let me read from a statement made by one of those new solicitors from Wall Street:

Wholesale prices are reaching what appears to be a normal

That is the language of the new solicitor. Wholesale prices are getting down to about where the normal level should be. He does not mention farm commodities, but if wholesale prices are coming down to where they should be, no doubt farm products are getting down where they should be-corn selling at 12 cents a bushel, oats selling in the far West for 7 cents a bushel, cotton selling for 5 cents a pound, hogs at 21/2 cents a pound, beef cattle at 2.75 cents per pound, and wheat for 25 cents a bushel. When those prices go lower we will be down to a proper level-so says by inference the new solicitor from Wall Street.

I want to refer to one other statement of this article found in the New York Times of last Sunday. This argument is against inflation of money. It is against the inflation of money, because if money is placed in circulation it becomes more plentiful, and to the extent that it becomes more plentiful to that extent it becomes cheaper, and as it becomes cheaper commodities become cheaper; and the argument would follow, of necessity, that if enough money shall be placed in circulation to make money come down in value commodities will go up. This new Wall Street solicitor says:

It would do as it did in Germany when it took a valise full of paper marks to buy a sack of flour.

Mr. President, I was not in Germany at that time. It

of flour, but what is the difference between taking a valise full of paper marks to buy a sack of flour and taking a truck load of wheat to buy a dollar? I am not advocating the German system of inflation. There is no occasion for that. Other countries are not going to the German system of inflation. Italy did not go that route, although Italy did revaluate her lira and reduced its buying power from 19.3 to 5.5 cents. France did not go that route, although France did reduce the buying power of the French franc from 19.3 to 3.91. Great Britain is not going that route. Great Britain has gone from the gold standard. A paper pound based upon gold was worth \$4.85. Great Britain went off the gold standard and immediately the paper pound fell to \$3.17. It is now being stabilized, with little gold back of it, around \$3.40. If Great Britain and the British financiers are able to stabilize the buying power of the pound off the gold standard, then we here in America ought to be able to stabilize the buying power of the dollar on the gold standard.

Mr. President, I have been doing the best I could for a year, arguing and pleading for more money to be placed in circulation. I could not get any response here. Perhaps I should not have expected such response. It took me a long time to find it out. Senators will not even listen. But after a year's time we are getting results. Even in the State of Ohio the demands from the constituency of the distinguished Senator who spoke on yesterday are so many in number and they are writing him so many letters that he can not answer them, and so he had to make a two and a half hour speech in the Senate yesterday to answer the thousands of demands being received from his constituency for more money to be placed in circulation.

Mr. President, I am going to demonstrate from the record that the demand for more money is resulting in having more money, and having more money is resulting in a check of deflation and even an increase in commodity prices. Here are the facts. For the week ending January 19 the Federal reserve system placed in circulation the sum of \$13,000,000 of new money. Circulation was increased in those seven days by the sum of \$13,000,000. During the week ending January 25, the following week, the Federal reserve system placed in circulation \$9,000,000 of new money. In the week ending on the 2d day of February the Federal reserve system placed in circulation \$41,000,000 of new money. In the week ending on February 9-this is all recent, just a few days ago-the Federal reserve system placed in circulation the sum of \$53,000,000 of new money. Last week, during the seven days prior to February 16, the Federal reserve system placed in circulation the sum of \$149,000,000 of new money. There are five weeks, and in those five weeks the Federal reserve system placed in circulation an additional sum of \$265,000,000 of new money. In other words, in those five weeks the circulation was increased by over a quarter of a billion dollars.

Has that done any good? Let me give the record. I have here a news story under a headline, as follows:

Circulation highest in history.

It then proceeds to give substantially the facts I have just asserted. Then I have a second news story, of date February 18, a New York Times dispatch. I find the story under the following heading:

Price recession halts.

Immediately that money is going into circulation, making money more plentiful, making it cheaper, the downward trend of prices is being halted.

Price recession halts.

The next heading:

Commodities hold steady for first time since December.

Then in the body of the news story I find this language: Money in circulation again increases.

Then down a little farther:

The extended decline in wholesale prices was halted for the first time since early December.

Mr. President, I have been contending upon the floor of the Senate for two years for more money to be placed in circulation, and now when the circulation starts up the papers of the country are forced to carry legitimate evidence of increased prices and halt in the decline. I call attention now to another page of the New York Times of February 19. I will merely read the headlines of the first column:

Some trade lines gain moderately. Steel industry improves and wholesalers report larger volume of business. Apparel sales advance.

I find another headline as follows:

Cotton up again as supplies drop. Gains are 3 to 6 points.

Another headline reads:

Freight loadings rise 3.8 per cent in week.

Mr. President, if placing that small additional amount of money in circulation has made money more plentiful, has made it cheaper, and it has had the result that we notice from a paper of last week, why should not the policy be continued? It will take a lot of money right now to raise prices as they should be raised. A quarter of a billion dollars will not do it. It may take a half a billion dollars; it may take three-quarters of a billion dollars; it may take a billion of dollars; it may take two billion dollars; but we have the money in the Treasury by the billions, being aged, seasoned, and made ready for circulation.

Then, Mr. President, we have heard a lot about setting the printing presses to work to print money. Let me read from a news story appearing in a newspaper during the past two or three days. Here is something that will shock the sensibilities of the distinguished Senator from Pennsylvania [Mr. REED], and which, no doubt, will shock the sensibilities of the distinguished senior Senator from Ohio [Mr. FESS], who now presides over this body. We have heard it stated that if inflation comes the printing presses will have to be worked overtime; that they will have to be worked day and night in order to take care of the situation. Mr. President, during the past two years the printing presses have been working overtime, not in printing money but in printing bonds-\$5,000,000,000 of them-which are drawing interest which the people must pay. What is the difference between working the printing presses to print bonds and working them to print money? But that is not all. Listen:

Engravers toil on rush order for bank notes-

I am reading from a news story-

Urgent demands from the Federal Reserve Board for bank notes of 10 and 20 dollars' denominations yesterday kept presses at the Bureau of Engraving and Printing working overtime.

Day and night shifts were ordered put to work by Director Alvin

Day and night shifts were ordered put to work by Director Alvin Hall, and 225 employees who ordinarily would be off to-day were instructed to be on hand

instructed to be on hand.

Mr. Hall said it would probably be a week before all the currency ordered by the reserve board is printed.

The Federal Reserve Board refused to disclose why the currency was needed so hastily. It was reported the bank notes are being rushed to meet the banking crisis in one of the States.

The printing presses are running. They have been running for two years and they are running now night and day. but, Mr. President, if by running the printing presses money can be placed in circulation and commodity prices can be raised, I shall not object. The price of wheat is 25 cents a bushel; the farmers can not live and sell wheat at 25 cents a bushel; the price of corn is 12 cents a bushel, and the farmers can not live raising corn at 12 cents a bushel; oats are 7 cents a bushel, and the farmers can not live raising oats at 7 cents a bushel. These prices must be raised. Cotton must be raised above 5 cents a pound, hogs must be raised above 21/2 cents a pound, and cattle must be raised above 3 cents a pound, or the farmers can not live. If running the printing presses for a little while will give us more money in circulation, and if more money in circulation will raise the price of corn and raise the price of cotton and raise the price of hogs and raise the price of cattle, then, Mr. President, I hope the printing presses will be continued in operation until these prices are sufficiently high to enable

the people of the Nation at least to live. Yet on yesterday for two and a half hours the distinguished Senator from Ohio, who is now presiding over the Senate, argued against increased prices, if I interpret his argument correctly. He said in his speech, "If you raise prices that will cause the wage earner, the salaried man, to pay more for the things he eats and more for the things he wears." That is the issue, Mr. President. That spider yonder [indicating chart on the wall], representing Wall Street, wants cotton cheaper; that spider wants corn cheaper; that spider wants meat cheaper; hogs and cattle cheaper. So say the solicitors from that section of the United States.

It is significant in support of the argument I have just made, that by reason of placing more money in circulation, a quarter of a billion dollars of it, during the past five weeks the decline has been halted and prices are now going

I exhibit here now a chart from the New York Times. This chart was published on Sunday, February 19, which is only a few days ago. It is headed:

Weekly business index shows slight upturn.

There is the answer to what I have been arguing for for two years, Mr. President. Car loadings increased; the decline of wholesale prices checked. I hope the prices of farm commodities are now going up somewhat; but here is the proof of the principles and the theories to which I have been trying for two years to have the leaders of both sides of this body and some in places outside the Senate Chamber listen.

Mr. LONG. Mr. President-

Mr. THOMAS of Oklahoma. I yield to the Senator from

Mr. LONG. The slight betterment to which the Senator referred took place after an inflation of about \$250,000,000 in the currency, which was put out from the Federal Reserve banks; money that they had called in.

Mr. THOMAS of Oklahoma. It is money placed in circulation by the Federal reserve banks during the past five weeks. In other words, the circulation has been increased during the past five weeks by the total sum of \$265,000,000.

Mr. LONG. I want to suggest that the Senator from Oklahoma, the Senator from Montana, and the Senator from Texas had to speak here for nearly three weeks in order to get \$250,000,000 of inflation. If the Senator will continue his remarks for about nine more weeks we might get more real results along this line.

Mr. THOMAS of Oklahoma. Mr. President, on the 4th of March, if I am here, I will have a new commission in this body, and that commission will last for six years. I am convinced that economically there is no chance for the wage earners to live, economically there is no chance for the farmers to live, economically there is no chance for the merchant to live; there is no chance for the cities to live and for the counties to live and for the States to live and the Government to live unless the buying power of the dollar shall be brought down to a reasonable figure so that the commodities, the products of the people of the country, when they are sold may bring sufficient money to cover not only the cost of production but, in addition, a reasonable profit.

Mr. President, the Committee on Finance have been holding some hearings. Those hearings should have started 40 months ago, but they started about two weeks ago. Those hearings are for the purpose of having experts so named, so designated, to come before the committee and advise the committee what should be done, if anything, to lift us out of this terrific depression. A former mayor of New York, Mr. John F. Hylan, testified before that committee; I do not happen to know the gentleman except by reputation; I do not know whether he is a "hard money" Democrat or a "soft money" Democrat; I do not know his standing in New York; but the committee thought enough of his reputation, standing, and judgment to invite him to appear before the great Finance Committee. Mr. Hylan came and testified. I have a news story purporting to give a synopsis of what he said. I read:

John F. Hylan, former Democratic mayor of New York City, preceded Duffield on the stand and charged a "conspiracy" exists among the "big bankers" to dominate industry throughout the world.

Hylan declared that "not satisfied with control of the mone metal, gold, the big bankers have set out to secure

of the production and distribution of the necessities of life."

The Federal reserve system has been perverted into a tool through which the credit and currency of America are ruthlessly exploited by a powerful banking group, the witness declared. He

continued:

"The system is being manipulated so as to give us a financial government of the banks, by the banks, and for the banks.

"In enforcing their international equilibrium policy by the forcible reduction of the prices of commodities, the international bankers and their allies are reducing the wages of American work-

men to the level of the pauper labor of Europe.

"The distribution of doles seems to be a part of the scheme to keep the people quiet while the surgeon is performing the operation."

Hylan asserted that the bankers deliberately fanned the flames of the gigantic stock market boom prior to October, 1929, in order to "unload upon the people stocks and bonds at highly inflated prices." He added:
"The bankers got real money for this paper."
Hylan accused the Federal Reserve Board and its member banks

of direct complicity in a scheme by international bankers to corner the world's gold supply. He demanded:
"Who can deny that the Federal reserve administration, in co-

operation with the central bankers of Europe, was utilized to secure control of gold to regulate circulation of all kinds of money, currency, and credit in this country and abroad?

"Who will contend that the system has been administered in the interest of legitimate business and industry?"

CALLED "GREATEST SHAM"

Hylan asserted that the plan to induce foreign governments to adopt the gold standard, "successfully operated all over the world," was "the greatest sham of the ages."

Mr. President, I desire to place in the RECORD some further statistics, but before doing so I want to quote a statement purported to have emanated from a former distinguished President of the United States, James A. Garfield. He is alleged at one time to have said:

Whoever controls the volume of money of any country is absolute master of all industry and commerce.

Mr. President, I call attention again to that chart hanging on the wall [indicating]. That spider, if it controls those various organizations named on the chart, is able to control the policies of those hundreds of institutions located throughout the length and breadth not only of this land but of the world. There are three banks in New York City, Mr. President, which are called "the Big Three." I have here an Associated Press dispatch which so designates them:

Big three New York banks close year with \$5,000,000,000.

So says the press dispatch. I will place the entire dispatch in the RECORD at this point, if I may have permission to do so.

The PRESIDENT pro tempore. Without objection, it will be so ordered.

The matter referred to is as follows:

BIG THREE NEW YORK BANKS CLOSE YEAR WITH FIVE BILLIONS

New York, January 7.—With combined resources of nearly \$5,000,000,000, the big three New York banks wound up 1932 in unusually liquid condition.

unusually liquid condition.

Their year-end statements, considered fairly typical of the larger banks, show gains in deposits over the preceding quarter, increased holdings of Government securities and cash, and virtually no change in capital, surplus, and undivided profits accounts.

Chase National continued to hold the ranking of world's largest bank. It had resources of \$1,856,290,000. National City, with \$1,615,260,000, was second. Guaranty Trust Co., a State-chartered institution, held third ranking in size, with resources of \$1,410,786,000. 786,000

Deposits stood as follows: Chase, \$1,466,038,000; National City,

Deposits stood as follows: Chase, \$1,466,038,000; National City, \$1,299,377,000; and Guaranty, \$1,018,967,000.

In combined capital, surplus, and undivided profits, Guaranty Trust led the group with \$271,233,000. Chase had \$259,130,000 and National City \$205,454,000.

Government security holdings of Guaranty were almost equal to those of Chase and City combined. Guaranty had \$527,071,000 of United States paper, against \$364,536,000 for City and \$214,996,000 for Chase for Chase.

Chase had \$391.297.000 cash on hand, against \$300.619.000 for

City and \$197,891,000 for Guaranty.

The loan accounts showed that nearly \$2,000,000,000 of their total resources of about \$5,000,000,000 were outstanding in the

form of loans.

Of Chase's \$1,856,290,000 resources, \$887,187,000, or 48 per cent, were in loans. Of National City's \$1,615,260,000 resources, \$619,791,000, or 38 per cent, were in loans.

Mr. THOMAS of Oklahoma. Mr. President, I desire to call attention to some of the figures presented by this dispatch. It is shown that the total resources of these three banks, the Chase National Bank being the largest, the National City Bank being the second, and the Guaranty Trust Co. being the third, are \$4,882,136,000.

That is the amount, Mr. President, of the resources as measured in dollars, but each one of those dollars has the buying power of 200 cents. So for every dollar of the resources of these three banks there are \$2 in buying power. So in order to get the power of these three banks, multiply the \$4,882,136,000 by 2 and we get the enormous sum representing the buying power of the three banks in New York City approximating \$10,000,000,000.

Then, Mr. President, this dispatch further gives the information that these three banks own together the sum of \$1,106,603,000 of Government bonds. Each dollar represented by those bonds has a buying power in the sum of \$2. So if they own \$1,106,603,000 of Governments bonds, they have a buying power through those bonds of double that sum, or two and one-fourth billion dollars.

Mr. President, if the dollar were cheapened it would take away from these three banks some of their buying power. If the dollar could be reduced from 200 cents down to 100 cents, there would be taken from these three banks alone \$5,000,000,000 worth of buying power. If we reduce the buying power of the dollar from 200 cents to 100 cents, we take from these billion bonds that these three banks hold the sum of \$1,106,000,000 of buying power. No wonder these banks do not want the dollar decreased in buying power, but want it increased!

Instead of placing money in circulation, these banks want money taken out of circulation. They want to make money scarce, to make money dear, to make its buying power high, so that their resources of \$5,000,000,000, instead of buying \$5,000,000,000 worth of commodities on their equitable value, will buy \$10,000,000,000 of value, will buy \$15,000,000,000 of value. They would even double it again and make it buy \$20,000,000,000 of value.

I am trying to show you, if I may, the reason why these big banks located in New York City are opposing the cheapening of the dollar. When it is cheapened it takes buying power from their hands, and that is the reason they oppose the cheapening of the dollar.

Mr. President, we hear it said frequently upon this floor that if we should be forced off the gold standard we would have an uncontrolled currency. That did not happen in Great Britain. A year or two ago Great Britain went off the gold standard. When Great Britain went off the gold standard they could only manage the buying power by placing money in circulation, and, when money became too plentiful, withdrawing money from circulation. That is a simple process. We can do it here. We are doing it every day. During the last five weeks we placed a quarter of a billion dollars in circulation, and we can take it out in the next five weeks.

Some one might say, "How can money be taken from circulation?" Here is a simple process.

The Federal reserve banks, under the supervision of the Federal Reserve Board, now hold in their vaults something like \$1,800,000,000 worth of United States bonds. All they have to do to take money from circulation is to sell a billion dollars of bonds, or \$1,500,000,000 of bonds, whatever they want to, collect the money on the sale, and take it out of circulation. It is just like a sponge. The board has the power to put money in circulation, as it did during the last five weeks. It has the power to take money out of circulation as readily and as quickly as it had the right and power to put it in circulation, by selling bonds and requiring the buyers of bonds to pay, not in credit or checks but in currency—gold, silver, and paper.

Mr. President, at this point I desire to place in the RECORD one paragraph from an article appearing in one of the great publications of the country of recent date. It is an article signed by John Maynard Keynes. This Mr. Keynes is a famous British economist and financial authority. He is writing from London. He says:

The countries which are off gold have had more stable prices; their exchanges have settled down at a figure at which their export industries can live in relation to world competition; and their central banks, freed from the task of having to protect their gold reserves, can, without any anxiety, maintain low rates of interest and abundant credit suited to their domestic needs.

Now, Mr. President, I want to place in the RECORD some of the plans for relief.

The plan of the distinguished Senator from Ohio [Mr. Fess] is to balance the Budget, but he does not tell us how it is going to be done. I desire to place in the Record at this time, if I may have permission, a story signed by Ray Tucker, appearing in a local paper of recent date.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The article is as follows:

[From the Washington Daily News of Thursday, February 16, 1933]

DEBT SLASH SENTIMENT GAINS GROUND ON HILL—RELIEF OF
BURDENED INDIVIDUALS AND CORPORATIONS MAY REPLACE RECONSTRUCTION FINANCE CORPORATION POLICY OF BOLSTERING PRESLUMP VALUATIONS

By Ray Tucker

Sentiment for downward revision of corporate and individual indebtedness instead of the Reconstruction Finance Corporation policy of propping up corporations on the basis of predepression values appeared to-day to be gaining headway rapidly in Congress and among leaders of business and industry.

Although the Reconstruction Finance Corporation may be utilized by President Roosevelt as an agency for financing relief and public works, it is believed that means for Federal assistance in a gradual and orderly scaling down of the Nation's burden of indebtedness will be proposed.

This question will be raised in acute form within the next few

This question will be raised in acute form within the next few days in and out of Congress. The Wagner bill for liberalizing Reconstruction Finance Corporation relief and self-liquidating policies will be taken up by the Senate soon.

To-morrow mayors of 100 large cities, headed by Mayor Frank Murphy, of Detroit, will try to obtain Reconstruction Finance Corporation aid in marketing municipal bonds.

HOUSE BILL MEETS PLAN

The idea of cutting the mountain of debt is carried out with respect to railroads and individuals in the LaGuardia measure as passed by the House.

The report of the National Transportation Committee declared that railroads are "not entitled to earnings to preserve present structures, if overcapitalized." Bernard M. Baruch, Roosevelt adviser, has proposed a program for cutting down farm mortgages and plans to extend the idea to other forms of inflated indebtedness.

Several leading industrialists and financiers appearing before the Senate Finance Committee have condemned the Reconstruction Finance Corporation policy of trying to preserve "vanished values," as Baruch put it.

WOULD LEAVE WEAK FAIL

Senator Glass (Democrat, Virginia), who may be the next Secretary of the Treasury, has bitterly condemned the Reconstruction Finance Corporation's use of Federal funds. In his opinion, recovery can be hastened by permitting unstable, unnecessary, and inefficient corporations to fail, thereby reducing the burden of debt piled up on an artificial level in the boom years.

It his contention that depositors often lose rather than gain

It his contention that depositors often lose rather than gain from Reconstruction Finance Corporation aid to banks. More than 500 have failed after receiving Federal funds, with most of their assets going to the Government. It is Glass's contention the depositors would have recovered more money had the banks been permitted to go under in the first instance.

depositors would have recovered more money had the banks been permitted to go under in the first instance.

Even Senator Reen (Republican, Pennsylvania), who led the fight for passage of Reconstruction Finance Corporation legislation, now says his vote was a "mistake." He thinks the effort to save many corporations and institutions by pouring good money after bad has "postponed recovery."

Mr. THOMAS of Oklahoma. I shall not take the time to read this article, but it presumes to quote the distinguished junior Senator from Virginia [Mr. Glass] and likewise the distinguished senior Senator from Pennsylvania [Mr. Reed]. They both apparently have come to the conclusion that the way to get us out of this difficulty is not to balance the Budget but to let all the weak banks fail, to get them out of the way; to let all the weak corporations fail, to get them out of the way; to quit making loans to them, and the sooner they are in bankruptcy and out of the way the better it will be for the Nation to get these weak institutions, corporations, and individuals out of the way. Let the men now employed by them, who then will be unemployed, starve to death. Then we can start at the bottom and build up

Now I am going to quote very briefly from letters received from eminent economists, taken from all parts of the United States.

The distinguished Senator from Ohio is against raising prices. He says we can not raise prices by putting money in circulation; that that drives prices down; and his argument is, according to my interpretation of it, that we should not raise prices. That is the New York idea—that we should not raise prices; they are about down to where they ought to be.

These economists do not take that view of the situation. I quote first from Mr. F. A. Pearson, of Cornell University. I read simply one or two lines from his letter, as follows:

I think that most of our troubles would be eliminated if we could restore prices to the 1926 level and maintain that level.

I quote next from Mr. G. F. Warren, an eminent economist of Cornell University. I read one paragraph from his letter:

There is just about enough gold in the world to support prewar prices if gold were used with pre-war efficiency. Such efficiency is, however, not to be expected for some years. Our debt, tax, and business structure became fairly well adjusted to the price level 40-50 per cent above pre-war. We are now confronted with the necessity of either lowering of this whole structure or making a definite monetary change which will raise prices. There is considerable question as to whether we can, even if we wish, succeed in completing the deflation process. The Nation has never before attempted any such violent decapitalization. In the panic of 1873 commodity prices fell 18 per cent in three years. This time they fell 30 per cent in three years. The decapitalization in 1873 was bad enough. This must, of course, be far worse.

The next economist comes from the University of Minnesota. I read from a letter just received from Alvin H. Hansen, professor of economics. I will read just one or two lines from his letter:

I should favor a rise of prices of about 20 per cent-

Says Mr. Hansen.

I next call attention to a letter received from Mr. John Ise, department of economics, University of Kansas. These letters are all of recent date. Mr. Ise says:

I have been a reflationist since this depression struck, and it seems to me that your scheme would help bring back prosperity. I am not certain that there is any hope of getting out of it on the present price level. I am not certain that our capitalist system can stand many years of this situation, and I am fairly certain that, if prices do not rise, we will have an indefinite period of stagnation. In other words, it seems to me that a scheme such as you outline is about our only hope.

scheme such as you outline is about our only hope.

With this should be combined a drastic income tax, to secure greater equalization of wealth, a comprehensive scheme of public improvements to get the money out into the hands of those who need goods, and a drastic reduction of the tariff, to start foreign trade once more. Such a general policy would get us out in a

short time, I believe.

I call attention next to a letter signed by John B. Canning, professor of economics, Stanford University. I will read just one sentence:

I concur in your belief that a moderate degree of inflation of the price level should be brought about as part of any program that looks to immediate beginning of recovery.

I next call attention to an article prepared by Paul H. Douglas, of the department of economics of the University of Chicago. Mr. Douglas has prepared an article that is published in the World Tomorrow of date February 8, 1933. Mr. Douglas writes as follows:

There is to-day a rapidly growing body of opinion that the amount of monetary purchasing power should be increased and prices raised.

Mr. President, these economists do not agree with the distinguished Senator from Ohio [Mr. Fess]. He says prices should not be raised, and that even putting money in circulation would not raise prices; that putting money in circulation would drive prices down. If that should be the case, that spider in Wall Street would be favorable to putting more money in circulation, to make prices go still farther and farther down.

Again, says Mr. Douglas:

During the depression there has been a cumulative and vicious spiral of declining prices, production, employment, and monetary brains the Nation produces, or the world produces, because

purchasing power, with the result that the depression has fed upon itself and steadily deepened.

There was quite an argument yesterday as to what "purchasing power" meant. The Senator from Ohio said money is not purchasing power; gold is not purchasing power; silver is not purchasing power; currency is not purchasing power. Mr. President, wheat is not purchasing power; cotton is not purchasing power under present prices; livestock is not purchasing power under present prices; labor is not purchasing power under present conditions. What is purchasing power to-day? Virtually nothing.

Mr. President, I was not satisfied with the definition given by the distinguished Senator from Ohio yesterday as to what purchasing power is. It is not money. It is not commodities. Then what is purchasing power? Mr. President, let me suggest a definition. It is the ability to get

money that is purchasing power.

If a man has the ability to get money, that man has ability to acquire and secure purchasing power. If a laborer has ability to get a job, he has purchasing power. If a farmer has ability to raise produce and sell the produce for money, he has the ability and the opportunity to get purchasing power. So, purchasing power, if it is not money, if it is not wheat, corn, cotton, or livestock, is the ability and the opportunity to get money, to get wheat, to get corn, and to get cotton.

Again, says Mr. Douglas:

The banks, moreover, showed an unwillingness to lend, since they were afraid that they would not be repaid for their loans. The combined result has been stalemate, but the followers of the conservative tradition still insist that attempts at credit inflation are the only legitimate means which can be employed, and that any attempts at directly increasing the supply of currency itself are nefarious. The Government, according to these interests, should not intervene directly to break the industrial deadlock, and recovery should take place only within the present structure of business and banking. But they do not tell us how they are going to force the banks to make the added loans to business.

And that is a pertinent point. Banks can not loan money now. There is nothing to loan on. They can not loan on farms. They do not dare to do it. They can not loan on livestock in any appreciable quantities. They do not dare to make such loans. There is nothing that the banks can make loans upon to-day, on which they are assured of getting their profit in the form of interest and a return of the principal; and for the reason that there is nothing prosperous, nothing upon which to make loans, banks are not making loans. I am not a banker, yet I am not criticising the banks for not taking undue chances with the money of their depositors.

The closing paragraph of Doctor Douglas's article on the subject Should We Reflate? is as follows:

It will be seen from the above analysis that the real issue turns on whether the country has the intelligence to manage its currency and credit system for the purpose of stabilizing prices and preventing or lessening depressions. If the skeptics are right, then we are doomed to be the football of deflationists and inflationists, and our prices will move up and down in roller-coaster fashion. If they are not, it may be possible to reflate and then stabilize

Mr. President, a few days ago I took the liberty of preparing a letter and sending copies of it to the presidents and managing heads of what I conceive to be the five great banks of the Nation. In addition to sending a copy of this letter to the head of each of these banks, I sent a copy to their economic advisers. The economic adviser to the head of a bank is the economic attorney for the head of the bank. In other words, the bank official, the head of the bank, is an executive official. When it comes to knowing whether a policy proposed or suggested will result well or badly, they call in their economic doctor, and he prescribes and tells them whether or not they should do this or do that. The economic adviser is the power in these big banks that directs them in their operations, and these big banks have the best men that they can hire. They have practically all the money there is. Money is no object. Men who have ability want to work, and want to get good salaries. So in these big banks in New York there have been the best financial some of them, while they may have been naturalized, were | not born in this country. So that these big banks have the best financial brains money can hire. They have the best.

I sent copies of this letter to these big bankers and their economic advisers. I will not ask that the letter be read, but I will ask permission to insert a copy of the letter in the RECORD at this point in my remarks.

The PRESIDENT pro tempore. Is there objection? There being no objection, the letter was ordered to be printed in the RECORD, as follows:

UNITED STATES SENATE, COMMITTEE ON APPROPRIATIONS,

COMMITTEE ON APPROPRIATIONS,
February 15, 1933.

To: Mr. George Harrison, governor New York Federal Reserve
Bank; Dr. W. R. Burgess, deputy governor and chief economic
adviser, New York Federal Reserve Bank; Mr. Winthrop W. Aldrich, directing head, Chase National Bank; Dr. B. Anderson, jr.,
chief economic adviser, Chase National Bank; Mr. William C.
Patten, directing head, Guaranty Trust Co.; Dr. Henry Chandler,
chief economic adviser, Guaranty Trust Co.; Mr. Charles
Mitchell, directing head, National City Bank; Mr. George Roberts, chief economic adviser, National City Bank; Mr. J. P.
Morgan, directing head, J. P. Morgan & Co.; Mr. Thomas W.
Lamont, J. P. Morgan & Co.; Mr. Parker Gilbert, chief economic
adviser, J. P. Morgan & Co.; Mr. Jackson Reynolds, president
and directing head, First National Bank.

Gentlemen: On February 6 I made some reports.

GENTLEMEN: On February 6 I made some remarks to a group of business men assembled at the Waldorf-Astoria Hotel in New

In such address I said that the Congress, under present leader-ship, was impotent; and, if we should act, the President would

ship, was impotent; and, if we should act, the President would no doubt veto our proposals.

At that time I referred to "powerful influences," which shaped, if not controlled, the financial policies at Washington. I mentioned the Federal reserve bank and referred to "the great banks of New York City." I had in mind, among others, the Chase National, the National City, the Guaranty Trust, and J. P. Morgan & Co.; hence, special copies of this statement are going to the directing heads, and their economic advisers, of the institutions mentioned.

What I said was not intended as a criticism of, but rather an appeal to, such "influences" to direct their great abilities and mental resources to the task of helping find a remedy for our growing distress.

must be apparent that the banks can not survive unless the It must be apparent that the banks can not survive unless the people, the cities, the counties, the States, and the Government itself survive. Almost every orderly process in the interior of our country has broken down. The program of relief, sponsored by the present administration, has been given a trial and has failed; hence, some other program must be formulated and given the public, if any semblance of peace and order is to be preserved.

Conditions are now too serious to indulge in arguments as to the course of the distress. Partisanship should not have a program to the course of the distress.

Conditions are now too serious to indulge in arguments as to the cause of the distress. Partisanship should not be permitted to confuse the issue. Remedies that are remote in point of time are out of the question. If the banks are to withstand the drain, if the courts are to continue to function and if the people are to endure their distress, some hope must be promised and forth-coming at once. A promising program of relief must come early in the new administration. Such program must give assurance that the deflation will be checked. The people have been patient but my correspondence, heavy and widespread, forces the conviction that all is not well anywhere in our country.

The records show that hoarding has started again.

Wise owners of deposits will not hoard currency. More gold will be demanded than is available; hence, you well know the inevitable results. Forty-three billions of deposits can not be met with the available gold; can not be met with the available stock of money even if all is forced into circulation; and, if a crash should come, collateral and securities of all kinds will further depreciate in value.

You must, I think, concede that it is timely to suggest that

You must, I think, concede that it is timely to suggest that

conditions demand our most serious consideration.

I am convinced that our troubles are mainly financial, that you, and your associates, control our fiscal policies and legislation, and, knowing of your power, I am appealing to you to divert your abilities to the task of providing a program for the consideration of the Congress.

of the Congress.

The policies of deflation are unmistakably responsible for the present high purchasing power of the dollar and such scarce high priced dollars are responsible for the nonpayment of private interest and debts; responsible for the nonpayment of taxes, and the nonpayment of taxes is directly responsible for the nonpayment of public interest and the widespread default in city, county, and State bonds. Further, because the people and the corporations have no incomes, no Federal taxes are assessed against them; hence, the Government is borrowing funds with which to meet the interest on the public debt and general overhead expenses.

Your policies are, in my judgment, contrary to a just public policy; are against the public welfare and, hence, should and must be changed.

must be changed.

Industry, including the banks, can not survive under a continuation of such policies. Already many have had their dose of oxygen from the Reconstruction Finance Corporation. Millions of wage earners, hundreds of thousands of farmers and business men, and thousands of banks have fallen by the wayside.

men, and thousands of banks have fallen by the wayside. A general farm revolt has temporarily stopped farm foreclosures. As mentioned above, industry, great and small, now has a brief breathing spell. Advantage should be taken of this truce to find a way to prevent the resumption of a secondary clash.

Industry, including the banks, are to-day on the defensive. Your banks, as an industry, owe your depositors some forty-three billions of dollars, which sum you can not now pay, for the very good reason that the people can not pay you their notes and obligations; hence, your notes will have to be extended. Also, when the farm moratorium expires, creditors will renew their demand for payment and the second battle will be on.

demand for payment and the second battle will be on.

During all this time, one small favored class, with safes and boxes bulging with gold tax-exempt securities, sits back in apparent self-satisfaction that the further the deflation, the scarcer the dollar and the higher its buying power, the richer they become.

The people of the country, save perhaps the stockholders of the larger financial institutions, understand this situation. During the past few years, your policies have deflated all save fixed investments. Such policies are now deflating the weaker fixed investments, and, if not checked, will soon reach savings accounts, bank

deposits and your gold tax-exempt city, State, and Government

Already you have pursued deflation to a point where now it may be a question as to how much you can save of such investments. You can not reasonably expect to deflate and ruin the masses of the people and then hope to remain immune yourself. You can not reasonably expect to complete deflation against the masses and even hope that they will be either unwilling or unable to retaliate, and, if the period, between now and the coming special session of the Congress, does not bring forth a satisfactory program of relief, not only you may, but you will, see a determined effort to bring about the following results:

A gigantic program of public works.
 Payment in cash of the soldiers' bonus.

3. Payment of the Government deficit with Treasury notes instead of through bond financing.
4. Evaluation of the gold dollar.

Such a program, once under way, may go as far on the road towards complete inflation as you are now insisting that we go on the road towards complete deflation.

After months of effort here, we are forced to appeal from an impotent Congress and a short-sighted administration to you, a higher power, to stop forcing the retreat and to at once give the order to advance.

The people will not be satisfied with an alibi. Let me remind you that during the past year every legislative proposal even suggesting possible expansion of the currency, emanating from New York and having the approval of the great news journals, caused an immediate and positive upturn in commodity and stock security prices and consequent renewal of hope and confidence in the minds and hearts of the people, and then, just as soon as wise observers saw that such intimations were false alarms, prices began to sag and hope and confidence began to

If even the suggestions of the expansion of the currency, such as those contained in the Glass-Steagall bill, in the open-market program of the Federal reserve system, and later the Borah amendment to the home-loan bank bill, were sufficient to revive prices and hope, then what might be expected if a sincere, honest, and reasonable program of expansion were announced in New York and Washington?

Would not the following things happen immediately?

(a) Owners of bank deposits would immediately begin to convert such deposits into commodities, stocks, and property to secure the benefits of the advance in price and value.

(b) Owners of collateral would begin immediately to negotiate

loans in order to be able to take advantage of the rising market.

(c) Merchants would begin to place orders for goods to stock their empty shelves.

(d) Wholesalers would place orders for additional stocks of

(d) Wholesalers would place orders for additional stocks of goods to supply increasing demands.

(e) Manufacturers would take chances on opening their factories, thus making demands for raw materials.

(f) Such activities would make business for the railroads and

likewise, the banks.

(g) Labor would be employed and additional demand would arise for the products of the farms; hence, stimulating and raising farm prices.

(h) Bank deposits would be thawed out and banks would become active. (i) Value would be replaced in all kinds of collateral and securi-

(j) Credit would be in demand and would begin to expand.
 (k) The people could secure money with which to pay taxes, interest, and debts.

Last, but not least, a general revival of business would be reflected immediately in increased orders for advertising space in the newspapers and news journals of the country. Other benefits too numerous to mention would be manifested immediately. The greatest relief, perhaps, would come to the troubled mass mind of America.

What other plan of general relief is possible? As a rule, Congress does nothing more than write into law the crystallized public sentiment and demands of the people. If bankers and bondholders, who control financial sentiment and policies and largely

the press of the country, refuse to assist in working out a co-operative solution for our distress, then the Congress may have no alternative other than the enactment of the policies already widely demanded and mentioned herein.

Respectfully submitted.

ELMER THOMAS United States Senator, Oklahoma.

Mr. THOMAS of Oklahoma. Mr. President, in reply to this letter I have received a number of answers, and I am going to ask permission to insert in the Record a typical reply, a very intelligent reply. It is the reply to the letter sent by Mr. Mitchell, of the National City Bank. Mr. Mitchell, in a five or six page letter, sets forth his viewpoint as to what should be done. He says that Congress can solve the situation if it will only balance the Budget; that we will immediately be on the high road to prosperity if Congress will only balance the Budget. Then he says that if Congress will keep sound currency for the country we can keep the Budget balanced. Then he says that if Congress will adjust or cancel the war debts owing this country by foreign nations we can restore our foreign trade. Then if we will help the little countries abroad which are now off the gold standard, if we can lend them some of our gold to permit them to get back on the gold standard, we will be back in the height of prosperity. That is the remedy suggested by the big banks of New York to balance the Budget, and that can not be done under a declining price level. How are we going to raise \$5,000,000,000, how are we to raise \$4,500,000-000, how can we raise even \$4,000,000,000, when every dollar that is paid in taxes represents 200 cents of value? Somebody must pay these \$4,000,000,000, and they must pay the \$4.000,000,000 with 200-cent dollars, so that the people, in order to balance the Budget, must part with value to the extent of \$8,000,000,000 of wealth, even under the program of the incoming administration, under which the Budget is to be reduced 25 per cent.

Mr. President, I ask permission to insert at this point the complete letter sent me by Mr. Mitchell, the chairman of the Board of National City Bank of New York City.

Mr. BLACK. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. BLACK. Before the letter is put in I desire to know whether there is any statement in it as to the claim made by Mr. Mitchell about the manner in which the balancing of the Budget would bring about prosperity.

Mr. THOMAS of Oklahoma. This letter reads very much like an article for the Saturday Evening Post. It deals in glittering generalities. They demand that the Budget be balanced, and when we insist on knowing how the Budget is to be balanced, they say, "Go back to Washington, cut off half of the employees, cut off half of the departments, cut out your extravagant expenditures." But they do not name the department, they do not specify the employees. When the Senate proposed to cut off the air mail, taking \$19,000,000 from Mr. Mitchell's bank, could we do it? No; it could not be done.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Oklahoma?

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

> THE NATIONAL CITY BANK OF NEW YORK, New York, February 20, 1933.

Hon. ELMER THOMAS.

United States Senate, Washington, D. C.

My Dear Senator Thomas: Your letter of February 17 has been received and I am very glad indeed to reply.

I appreciate the concern for the economic condition of the country which has prompted your letter. I share with you, as, of course, everyone must, this concern and the desire to find the solution of our difficulties. The fervent prayer of us all is to get the country started on the road to recovery as soon as possible. There is no difference of opinion between us as to the urgency of the situation, nor as to the goal to which we are all working.

The major point of your letter upon which I am bound to disagree is the assumption that the New York banks have it in their

agree is the assumption that the New York banks have it in their power to bring back prosperity, if they would, but that for some reasons, upon which I am not clear, they have not seen fit to do so, but instead have deliberately pursued a policy which is bringing ruin upon the country.

Now I am ready to agree entirely with your proposition that Wall Street could not possibly hope to benefit from policies which are destructive of the interests of the country as a whole. This,

indeed, is the very basis of my argument. I hold it to be self-evident that the New York banks, and what is commonly known as Wall Street, are as vitally concerned in the recovery of the country as any other interest or section. I realize that a contrary opinion is held by some of our people. We frequently hear statements indicative of a belief that somehow or other the interests of Wall Street and of the rest of the country are in conflict. But surely a moment's reflection must refute this point of view. The New York banks are not bankers only to a small group of interests confined within the limits of lower Manhattan Island and isolated from the rest of the country. They make their living by financing the trade of the whole Nation. They hold in their portfolios the notes and bonds of individuals and corporations

portfolios the notes and bonds of individuals and corporations located in every State in the Union. Every day Wall Street watches the reports from all sections of the country by press, by private wire, and by telephone, detailing the progress of the crops, the output of the factories, and the movement of trade. If the news is good, Wall Street recognizes this as favorable and registers its satisfaction in the movements of the markets. If the news is Wall Street is disappointed and registers its disappointment in the markets accordingly. Nothing, to my mind, could be clearer than the proposition that the prosperity of New York as a financial center is inseparably bound up with the prosperity of the rest of the country; and nowhere is this fact more keenly realized than

the country; and nowhere is this fact more keenly realized than in Wall Street.

Since this is the case, it seems equally clear that if the New York banks had had the power to end the depression at will, they would have required no outside pressure to induce them to exercise it. Their own self interest would have been pressure enough. Is it not utterly inconceivable that these banks would have tolerated conditions which have involved them in continuous anxiety and loss over a three-year period if it had been within their power to avoid it? And considering the world-wide scope of the deto avoid it? And considering the world-wide scope of the de-pression, is it not straining a point a good deal to assume that the control of the whole thing lies in the laps of a few New York

Of course, the answer is that the New York banks do not have any such power. They can not create a demand for goods, put the millions of unemployed back to work, consume the commodity surpluses, correct the disparities between prices and incomes which bear so heavily upon certain classes of our population, reduce the burden of taxation, remove the artificial barriers shackling international trade, offset the destructive effects of depreciating foreign currencies upon our commodity markets, or remedy the various other maladjustments of industry and trade which have conother maladjustments of industry and trade which have contributed to and prolonged the depression. Banks are merchants of credit, and their service to business lies in supplying a means of facilitating production and distribution. It is true that the New York banks have large sums of money available for lending. But, like any other merchant, they can not sell their wares unless solvent customers come to buy. And there is where the trouble lies to-day. The solvent customers of banks do not, as a rule, want to borrow, for the simple reason that, conditions being as they are, they do not see how they can use the money at a profit.

Under such conditions it must be perfectly apparent that a demand that the bankers should "do something to end the depression" can mean only one thing, that they should lower their credit standards and lend more freely, and with less insistence upon adequate security and full satisfaction as to the borrower's ability to repay at maturity. Certainly this would be a new conception of the proper conduct of banking, and one which I doubt would prove to be very popular with bank depositors. Moreover, I am equally doubtful as to the likelihood of selling this method of combatting the depression to the departments of our Govern-

of combatting the depression to the departments of our Government charged with bank supervision, and I am still more doubtful as to the benefits to the country to be expected ultimately from such a policy.

I am, of course, thoroughly aware of the widespread and often bitter criticism to which banks are being subjected. But I am also impressed by the fact that the criticism of banks which have gone ahead and loaned too freely and got themselves into diffi-culties so that they could not pay their depositors is just as loud and bitter as the criticism of banks which have not granted credit

as freely as some of their would-be borrowers think should be the practice,

Of course, it would be useless to deny that some of the criticism of banks is justified. Bankers made mistakes of judgment cism of banks is justified. Bankers made mistakes of judgment during the boom, as did most everyone else, and the overexpansion of credit which took place at that time is the cause of one of our basic difficulties to-day. Much of the criticism, on the other hand, is founded on ignorance of the problems facing bankers and of the nature of the banking business. Doubtless it is true that bankers in many instances have tightened up unduly in their credit-granting policies. But it must be remembered that they have had good grounds for caution in the nervous state of the public psychology and in the need that exists for being fully the public psychology and in the need that exists for being fully prepared for any emergency that might develop. Moreover, we know that in some communities the withdrawals of deposits by the public have been on such a scale as to force an almost complete suspension of credit-granting activities

Obviously, where banks have been deprived of their lending power it is useless to command them to lend. And to criticize other banks which have retained their liquidity for reluctance to impair this liquidity with what they judge to be questionable loans would appear to me to be decidedly poor public policy. Only recently we have had a demonstration of the value of liquidity in the aid which the New York banks have been able to extend in the Michigan situation. Moreover, this liquidity is going

to be needed when business picks up and there is a demand for credit from firms legitimately entitled to it. If at such time it should be found that the banks had involved themselves in a lot of second-grade paper where would we be then?

In short, the New York banks have never "forced the retreat," nor have they the power "to give the order to advance." They can aid in the situation, but their aid must consist, after taking care of all proper demands upon them, in keeping themselves in sound and liquid condition so that they may be in a position to finance industry when it revives. Whatever the mistakes of the past may have been with respect to incautious extensions of credit, they should not be repeated now. The impetus to reviving industry must come from industry itself.

Nor can such revival be stimulated by dosing the markets with additional supplies of currency and credit. More currency is

Nor can such revival be stimulated by dosing the markets with additional supplies of currency and credit. More currency is now outstanding than at any previous time in our country's history, and for over three years the money markets have been kept flooded almost continuously with Federal reserve credit. And yet the depression has not lifted. Hence it is evident that the difficulty does not lie with the supply of currency and credit, but with the inability of industry to put the currency and credit that we have to use

that we have to use

How to remedy this difficulty and permit these supplies of money and capital to circulate freely once more is the problem that concerns us all. This, as I see it, is primarily a problem of gradually working out a new equilibrium in industry in place of that the test that the transfer of the collection. that shattered first by the war and later by the collapse of 1929. Of course, readjustments of such magnitude necessarily take time, depending in part upon how much resistance is offered to the corrective forces. But much undoubtedly has been accomplished, and there can be little question but that there exists to-day a very large backed-up demand for goods which would make itself felt with any revival of confidence. In conclusion, I venture to suggest that the opportunities open

In conclusion, I venture to suggest that the opportunities open to Congress for allaying the anxieties of the American people are far beyond anything within the power of the banks. Congress alone can assure the country a balanced Budget and a sound currency—two essential points in any program of recovery. And Congress alone has the authority to arrive at the settlements with foreign nations necessary to clear the way to a general return to the gold standard, with all that the means in the way of restoring stability to the exchanges and correcting the evils of depreciating

It is the uncertainty in the minds of business men and investors with respect to such vital questions of national policy that damps down initiative and keeps capital locked up unused or concentrated in investments of short term and highest liquidor concentrated in investments of short term and highest liquidity such as Government bills and certificates. To make capital more venturesome it is essential to remove these causes of apprehension. If Congress will address itself to an attack upon the business depression along these lines, I am confident that the results would be most encouraging in demonstrating at last the way for the country to move forward toward better times.

Very truly yours,

C. O. MITCHELL.

Mr. BLACK. Mr. President, will the Senator yield further?

Mr. THOMAS of Oklahoma. I yield.

Mr. BLACK. It is my understanding that the argument made by Mr. Mitchell and others, the argument advanced in favor of balancing the Budget as a means of bringing about prosperity, is that money that is now being paid by taxes would be released for use in business. I call the Senator's attention to the fact that the bulletin gotten out by Mr. Mitchell's bank in January makes the statement that there is more money now in the possession of the banks than can possibly be used in business. So I am wondering whether he gives any reason in this letter as to why balancing the Budget would bring about prosperity.

Mr. THOMAS of Oklahoma. The letter will appear in the RECORD to-morrow, and, of course, speaks for itself. I would not want to give my interpretation, which might possibly

be in error.

Of course, there is no chance for this Congress to take any action upon this question. I hope that we will have conditions such that when the next Congress convenes, which may be around April first, we will have a body here that will at least listen to reason and not listen for whispers from Wall Street. We have had those whispers for 12 years and, as a result of following the nod and the whisper coming from Wall Street, we have the admission of the present President that the United States is in the worst depression in history.

There is no possible solution for the condition in which the people find themselves, who are now over their heads in debt, except to reduce the buying power of the dollar, so that they can secure the dollars with which to pay their obligations. It is the program, on the one hand, to scale down the debts. As a practical proposition, perhaps some

of the contracts might be scaled down. We might find a farmer debtor and his creditor, the man who made the farmer the loan, who might get together in an isolated case and agree on a scaling down of a mortgage. But there are so many of the mortgages, and so many of these debts, that as a practical proposition in my judgment the plan is wholly impractical. I can see no possible way for the Budget to be balanced, for the unemployed to get work, for the farmers to secure living prices for their commodities, save through a cheapening of the dollar, bringing its buying power down, and that can be done by placing more dollars in circulation. If placing more dollars in circulation would not have that effect, why do the big financial powers oppose it so viciously? If placing money in circulation will not do what we claim it will do, then why do the powers which control the financial policy of the United States and of the world oppose such

I have tried to show this afternoon that through force of circumstances the Government has been forced to place in circulation a quarter of a billion dollars during the past five weeks, in the banks, not among the people, and even that has stopped the decline in wholesale prices. That trend is checked. Not only was it checked but we can see a slight advance. If the putting of a quarter of a billion dollars into circulation checks the decline and causes a slight upturn, perhaps another quarter of a billion dollars put into circulation would cause a further upturn. If these things happen, then we must admit that we have ability enough to control the amount of money placed in circulation, and can keep it from getting beyond us as it did in

Mr. HATFIELD. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. HATFIELD. How much of an inflation would the Senator think would be sufficient to take care of the situa-

Mr. THOMAS of Oklahoma. Of course, I could not answer that question. Last year, when the bonus bill was before us, I submitted that identical question to economists, not only at home but abroad, and it was the universal opinion at that time that the amount of the bonus, \$2,400,000,000, would be too much money to go into circulation. Most of those to whom I submitted the matter thought that a billion or a billion and a half would be sufficient to raise commodity prices, which was one of my reasons for supporting the bonus bill. A quarter of a billion has stopped the decline in prices and showed a tendency to an upturn. If a quarter of a billion would do that, a half billion would show a further upturn. We have the best brains studying this problem. They have lines of communication in every direction. They have the radio and the trans-Atlantic lines, they have information not only here but abroad and throughout the world, and all they have to do is to watch the trend of prices and to control the matter through placing money in circulation when prices trend downward and taking money out of circulation when prices trend upward. Great Britain and Sweden are thus managing their currency, and prices in both countries are controlled and stabilized.

Mr. HATFIELD. Mr. President, would the Senator limit the amount at a certain point up or down?

Mr. THOMAS of Oklahoma. The bill I have pending, of course, fixes certain limitations; but I do not care to discuss the bill at this time. At no time during this winter have I gone into the details of how reflation should be accomplished. Until the Senate and the country come to the conclusion that inflation, or reflation, or expansion is necessary, there is no use discussing details of administration. I am not discussing silver; I am not discussing the Rankin-Thomas bill: I am not discussing any other bill. There is no use discussing details until we get a conviction that something must be done along the line of inflation or expansion. When we get to that point we will decide on the best means of doing it, and there are various means by which reflation or expansion of the currency can be accomplished.

This question is the paramount issue before the country, and no other question or issue can be settled until we proceed to regulate the value of the dollar. The sooner this is done, the sooner the Budget may be balanced, and the sooner will confidence return to an embarrassed and a harassed people.

BEQUEST OF THE LATE WILLIAM F. EDGAR

The PRESIDENT pro tempore laid before the Senate the amendments of the House of Representatives to the joint resolution (S. J. Res. 48) to authorize the acceptance on behalf of the United States of the bequest of the late William F. Edgar, of Los Angeles County, State of California, for the benefit of the museum and library connected with the office of the Surgeon General of the United States Army, which were, on pages 1 and 2, to strike out the preamble; on page 2, line 4, to strike out "the said bequest" and insert "the bequest of the late William F. Edgar, of Los Angeles County, Calif., as contained in his will and testament and codicil thereto and such interest as may have accrued on the funds covered by such bequest"; and on page 2, line 8, after "codicil," to insert "copy of which shall be filed in the General Accounting Office."

Mr. REED. I move that the Senate concur in the amendments of the House.

Mr. ROBINSON of Arkansas. Mr. President, may I inquire what the joint resolution is?

Mr. REED. It is a joint resolution which originated in the Senate authorizing the acceptance by the Surgeon General of the Army of a bequest left for a medical library in the Surgeon General's Office. It has been held that he has no authority to accept it without permission of Congress. The amendment of the House does not change the purpose of the joint resolution.

Mr. ROBINSON of Arkansas. Very well. The PRESIDENT pro tempore. The Senator from Pennsylvania moves that the Senate concur in the House amend-

The motion was agreed to.

INDEPENDENT OFFICES APPROPRIATIONS

The Senate resumed the consideration of the bill (H. R. 14458) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices for the fiscal year ending June 30, 1934, and for other purposes.

Mr. McNARY. Mr. President, a committee meeting is in progress at this time, engaging the attention of a number of Senators who have expressed a desire to be present when the appropriation bill is taken up, and I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Ashurst	Couzens	Kendrick	Sheppard
Austin	Cutting	King	Shipstead
Bailey	Dale	La Follette	Shortridge
Bankhead	Dickinson	Logan	Smith
Barbour	Dill	Long	Smoot
Barkley	Fess	McGill	Steiwer
Bingham	Fietcher	McKellar	Stephens
Black	Frazier	McNary	Swanson
Blaine	George	Metcalf	Thomas, Idaho
Borah	Glass	Moses	Thomas, Okla.
Bratton	Glenn	Neely	Townsend
Brookhart	Goldsborough	Norbeck	Trammell
Broussard	Gore	Norris	Tydings
Bulkley	Grammer	Nye	Vandenberg
Bulow	Hale	Oddle	Wagner
Byrnes	Harrison	Patterson	Walcott
Capper	Hastings	Pittman	Walsh, Mass.
Caraway	Hatfield	Reed	Walsh, Mont.
Carey	Hayden	Revnolds	Watson
Clark	Hebert	Robinson, Ark.	Wheeler
Coolidge	Howell	Robinson, Ind.	White
Copeland	Johnson	Russell	
Costigan	Kean	Schuyler	
CoonPan	ARCUMA	A CONTRACTOR OF THE PARTY OF TH	

Mr. SHEPPARD. My colleague, the junior Senator from Texas [Mr. Connally], is unavoidably detained by illness.

The PRESIDENT pro tempore. Ninety Senators having answered to their names, a quorum is present. The clerk will report the first amendment.

The first amendment of the Committee on Appropriations was, under the subhead, "Office of the President," on page out "\$10,000" and insert "\$20,000," is in the nature of an

2, line 12, before the word "secretaries," to strike out "additional" and insert "assistant," and in line 13, after the word "at" in line 12, to strike out "\$10,000 each; \$115,665" and insert "\$9,500 each; \$114,665," so as to read:

Salaries: For personal services in the office of the President, including Secretary to the President, \$10,000; two Assistant Secretaries to the President at \$9,500 each; \$114,665.

The amendment was agreed to.

The next amendment was, on page 3, line 15, to reduce the total appropriation for the Executive Office from \$428,498 to \$427,498.

The amendment was agreed to.

The next amendment was, under the subhead, "Vocational rehabilitation," on page 15, line 22, after the word "the," to strike out "act of June 9, 1930" and insert "acts of June 9, 1930, and June 30, 1932," so as to read:

Cooperative vocational rehabilitation of persons disabled in industry—Rehabilitation: For carrying out the provisions of the act entitled "An act to provide for the promotion of vocational rehabilitation of persons disabled in industry or otherwise and their return to civil employment," approved June 2, 1920 (U. S. C., title 29, sec. 35), as amended by the act of June 5, 1924 (U. S. C., title 29, sec. 31), and the acts of June 9, 1930, and June 30, 1932 (U. S. C., Supp. VI, title 29, secs. 31-40), \$1,097,000.

The amendment was agreed to.

The next amendment was, on page 16, line 6, after the word "the," to strike out "act of June 9, 1930" and insert "acts of June 9, 1930, and June 30, 1932," so as to read:

Salaries and expenses: For making studies, investigations, and reports regarding the vocational rehabilitation of disabled persons and their placements in suitable or gainful occupations, and for the administrative expenses of said board incident to performfor the administrative expenses of said board incident to performing the duties imposed by the act of June 2, 1920 (U. S. C., title 29, sec. 35), as amended by the act of June 5, 1924 (U. S. C., title 29, sec. 31), and the acts of June 9, 1930, and June 30, 1932 (U. S. C., Supp. VI, title 29, secs. 31, 40), including salaries of such assistants, experts, clerks, and other employees, in the District of Columbia or elsewhere, as the board may deem necessary, actual traveling and other necessary expenses incurred by the members of the board and by its employees, under its orders; including attendance at meetings of educational associations and other organizations, rent and equipment of offices in the District of Columbia, and elsewhere, purchase of books of reference. Isw of Columbia, and elsewhere, purchase of books of reference, law books, and periodicals, newspapers not to exceed \$50, stationery, typewriters and exchange thereof, miscellaneous supplies, postage on foreign mail, printing and binding, and all other necessary expenses, \$64,400, of which amount not to exceed \$50,680 may be expended for personal services in the District of Columbia.

The amendment was agreed to.

The next amendment was, under the heading "Federal Trade Commission," on page 22, line 8, after the word "act," to strike out "\$500,000" and insert "\$780,000, of which \$280,000 shall be available for the completion of the publicutilities investigations undertaken pursuant to Senate Resolution No. 83, Seventieth Congress."

So as to read:

For five commissioners, and for all other authorized expenditures of the Federal Trade Commission in performing the duties imposed by law or in pursuance of law, including secretary to the imposed by law or in pursuance of law, including secretary to the commission and other personal services, contract stenographic reporting services; supplies and equipment, law books, books of reference, periodicals, garage rental, traveling expenses, including not to exceed \$900 for expenses of attendance, when specifically authorized by the commission, at meetings concerned with the work of the Federal Trade Commission, not to exceed \$300 for newspapers, foreign postage, and witness fees, and mileage in accordance with section 9 of the Federal Trade Commission act; \$780,000, of which \$280,000 shall be available for the completion of the public-utilities investigations undertaken pursuant to Senate Resolution No. 83, Seventieth Congress.

Mr. ROBINSON of Arkansas. Mr. President, at this point I ask consideration of the amendment which I sent to the clerk's desk some time ago.

The PRESIDENT pro tempore. The amendment will be reported for the information of the Senate.

The CHIEF CLERK. The Senator from Arkansas offers the

On page 22, line 8, strike out "\$780,000" and insert "\$1,081,500." On page 22, line 13, strike out "\$10,000" and insert "\$20,000." On page 22, line 14, strike out "\$790,000" and insert "\$1,101,500."

The PRESIDENT pro tempore. The Chair is of the opinion that the second amendment, on page 22, line 13, to strike amendment to the text, while the others are amendments to the committee amendment.

Mr. ROBINSON of Arkansas. I am proposing to amend the committee amendment.

The PRESIDENT pro tempore. The Chair so understands, but there are two committee amendments which the Senator wishes to amend.

Mr. ROBINSON of Arkansas. Very well.

The PRESIDENT pro tempore. The question is on agreeing to the amendment proposed by the Senator from Arkansas to the amendment of the committee, on page 22, in line 8.

Mr. SMOOT. Mr. President, the committee gave for the investigation by the Federal Trade Commission \$280,000 more than the House provided. That was the amount asked for by Francis Walker, chief economist of the board. But in the letter which he sent to the committee these words appear:

These estimates, it should be noted, relate to the utilities in-quiry only and allow nothing for other regular investigatory work of the commission authorized and contemplated by the Federal Trade Commission act.

The amendment of the Senator from Arkansas covers the estimated amount for the items I have just named, and I have no objection to having the amendment agreed to and let it go to conference.

The PRESIDENT pro tempore. The question is on agreeing to the amendment proposed by the Senator from Arkansas to the amendment of the committee.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The PRESIDENT pro tempore. The question now is on the amendment of the Senator from Arkansas, on page 22. line 13, to strike out "\$10,000" and insert "\$20,000."

The amendment was agreed to.

The PRESIDENT pro tempore. The question now recurs on the amendment of the Senator from Arkansas to the amendment of the committee on page 22, line 14, to strike out "\$790,000" and insert "\$1,101,500."

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

Mr. ROBINSON of Arkansas. Mr. President, I ask leave to have printed in the RECORD a letter addressed to the Hon. THOMAS J. WALSH, dated February 2, 1933, from the chief counsel of the Federal Trade Commission explaining the effect of the reductions that have been attempted in connection with the appropriations for the Federal Trade Commission and the necessity for the amendments that have just been adopted. I ask that the letter be printed in the RECORD in connection with and following the remarks I am now making.

The PRESIDENT pro tempore. Without objection, it is so

The letter is as follows:

FEDERAL TRADE COMMISSION. Washington, February 2, 1933.

Hon. THOMAS J. WALSH

Hon. Thomas J. Walsh,

Senate Office Building, Washington, D. C.

My Dear Senator: You have asked me to write you what the effect would be of a reduction in the Federal Trade Commission's appropriation from the Budget figures of \$1,109,550 (which is about \$200,000 under the commission's reduced request) down to the sum of \$500,000, plus \$10,000 for printing, as reported and recommended by the House Subcommittee on Appropriations.

With only \$10,000 for printing we shall not be able to print records and briefs necessary to the enforcement of section 5 of our act and the sections of the Clayton Act committed to us, even assuming the legal division was permitted to use the entire amount.

I do not believe that with this reduced appropriation we can adequately perform our functions of enforcement under section 5 of the Federal trade act, sections 2, 3, and 7 of the Clayton Act, and of the Webb-Pomerene Act.

As to the utility investigation under Senate Resolution 83, it

As to the utility investigation under Senate Resolution 83, it will be impossible to complete the field work, write reports, and put these reports and the testimony concerning them into the record by July 1, even on the companies now being examined.

As I think you probably know, most of the field work and reports on the financial structure and practices has been largely carried on by specially selected and qualified temporary accountants and engineers. Some of these have already left the commission for better jobs, and have not been replaced for lack of sufficient funds or the impounding of such funds, and the pro-

posed cut would definitely terminate the services of all the remainder by July 1 and, it may be, of most of the regular staff engaged on this work. The effect on their work in the meantime with this definite fate ahead of them is problematical. If the appropriations and a sufficient force had been available, it seems likely that the field work might have been substantially completed by July 1. In this connection it should be remembered that with an inadequate staff and appropriation the commission has been carrying on for the Congress not only the utility investigation, but also extensive investigations under congressional resolutions of cottonseed, chain stores, Government building prices, and

As the situation now stands, there will remain on July 1 several large groups not examined which should be looked into. In my large groups not examined which should be looked into. In my judgment, this would mean halting the work at a crucial stage, because as this work has progressed it has become increasingly evident that it is in the public interest that all large companies, both holding and operating, should be examined, in so far as the jurisdiction of the commission could carry the inquiry. Practices, inimical both to the public and the investors, have been so widespread as to warrant making the investigation as complete as possible.

The decreased appropriation would mean stopping the work on the power and gas investigation on July 1. In addition to the omission of certain important groups and companies this would mean that we should be unable to complete the work on certain groups and companies that have been studied, on certain ones on which reports are now in preparation, and be unable to put them into the record.

In addition, I don't know how we shall be able to write final reports based on these examinations and to make the recommendations to the Senate that its resolution contemplates.

dations to the Senate that its resolution contemplates.

As you know, under the terms of the Senate resolution, the transcript of testimony and accompanying exhibits have been transmitted to the Senate on the 15th of each month. Hearings now being conducted will be incorporated in the fittieth part. Obviously, to be of value to the Congress and the public, this testimony and the exhibits must be brought together and summarized in orderly form—probably in two reports, one on the propaganda and one on the financial structure and practices. Considerable work has been done on the propaganda report. The financial report has been started and will require the activities of a sizable staff from both the economic and legal divisions for considerable time to make the kind of report which its public importance warrants. It is our plan to boil down all the detailed information, which has been assembled, into as small a space as possible and into understandable form to make it valuable to Congress and others. able to Congress and others.

I believe I am speaking conservatively when I say that as a result of this investigation, together with the speeches of yourself, Senator Norris, and others, and the statements of President-

self, Senator Norars, and others, and the statements of Presidentelect Roosevelt, far-reaching effects are already apparent. The
electric utility industry has abolished practically all their State
information bureaus, they are dissolving Nela, and have stated
that they are abandoning their propaganda activities.

No exact measurement can be made of the effect on the rate
structure, but rather obviously it has been substantial. That
means real savings to all users, immediate and continued. Part
of this results from withdrawals, or lowering to actual cost, of
holding company charges upon their degring co holding company charges upon their dominated operating companies.

panies.

Most important of all, they have announced a program of financial reform, through the Edison Electric Institute which, if it is carried out in good faith, will save the people of the United States hundreds of millions of dollars.

In my opinion, if we do not take on a single additional company, we can not complete the work satisfactorily or write worthwhile reports on the material already in the record if the appropriation is cut down as proposed.

Even with increased appropriation, and without enlarging our

priation is cut down as proposed.

Even with increased appropriation, and without enlarging our present program, there would be left almost untouched the big natural-gas field which has grown so rapidly in importance during the period in which this investigation has been under way. Furthermore, if the appropriation is cut down in the manner proposed, there is grave danger that the economic division, with its experienced and trained men, may be destroyed. This might mean the abandonment of all work under section 6 of the Federal trade act and the breaking up of a trained staff which ought to be maintained as the original act intended, as a virtual standing investigating committee for the Congress, ready, as it always has investigating committee for the Congress, ready, as it always has been, to undertake the numerous investigations which either or both Houses of Congress and the President have sent over. Neither will the proposed reduced appropriation permit the com-mission to institute investigations of its own, as the act intends, nor do other things required by section 6 of the act.

Very truly yours,

ROBT. E. HEALY, Chief Counsel.

Mr. ROBINSON of Arkansas. I also ask to have inserted in the RECORD at this point a memorandum appearing at page 30 of the hearings before the subcommittee on the pending bill, signed by Francis Walker, chief economist of the Federal Trade Commission.

The PRESIDENT pro tempore. Without objection, that order will be made.

The memorandum is as follows:

MEMORANDUM FOR THE SENATE APPROPRIATION COMMITTEE

IN RE: COST OF COMPLETION OF THE PUBLIC UTILITIES INQUIRY

The appropriation estimates for the Federal Trade Commission, as prepared by the commission for the Bureau of the Budget last summer, were made on the supposition that no allowance summer, were made on the supposition that no allowance would be made by the Budget for the inclusion of additional public utility groups in order to close the record of public hearings thereon by July 1, 1933. However, it was represented to the Budget Bureau at that time that it would be very desirable to include several additional groups of companies in the electrical industry and, even more important, to cover a somewhat greater number of groups of companies in the gas industry. The naturalgas industry, as stated to the Senate committee, has grown very rapidly in the last two years and has taken on a complicated corporate structure like that of the electrical industry including gas producing companies, gas pipe-line companies, and gas distributing companies, together with a similar congeries of holding companies, security companies, service companies, construction

uting companies, together with a similar congeries of holding companies, security companies, service companies, construction companies, etc.

The list furnished to the Senate committee, as stated, is in three parts, showing (1) those groups or companies for which the information is already in the record; (2) those groups or companies which are in process of examination and for which the reports were expected to be in the public record by the end of June, 1933; and (3) those groups or companies with respect to which the need of further inquiry was deemed highly important if the requirements of the Senate resolution were adequately complied with.

complied with.

complied with.

It now appears, however, that even if the inquiry is limited to the first two lists referred to above, it will be impracticable to put all the reports and oral testimony in the record by June 30, 1933. This list includes some of the most important groups, among which may be mentioned especially the Cities Service, the Niagara Hudson Central Public Service, and United Gas Improvement. It is expected, however, that the field work and nearly all of the reports on these companies will be ready to put in the record on or before that date, June 30, 1933. Here, however, has developed another difficulty, namely, an overcrowding or "jam" in the matter of putting all these reports in the record, together with the oral testimony near the close of the fiscal year. As the committee is probably aware, the Senate resolution ordering this inquiry requires the procedure just indicated, namely, sworn testimony. In connection with this "jam" it should also be explained that the reports, when prepared by the examiners, are submitted in advance to the companies affected in order that they may have their representatives present and "have their day in court." This procedure also enables the commission, in case any error or questionable statement is made, to have their objection considered in tionable statement is made, to have their objection considered in advance. As a consequence the testimony of the commission's examiners goes into the record practically uncontested.

As to the estimated cost of the work referred to above, two figures are submitted herewith which are as nearly accurate as the

ures are submitted herewith which are as hearly accurate as the undersigned is able to compute at such short notice.

First, taking only the companies in the first two lists referred to above and allowing for putting them all in the public record, together with the expense of preparing the final report to the Senate (on a record probably exceeding 20,000 pages for the financial features alone), the estimated expense is \$70,000.

Second, taking all three lists and making the inquiry cover the ground that the commission believes necessary for an adequate report, including putting the information into the record through public hearings and writing the final report, the estimated expense is \$280,000.

These estimates, it should be noted, relate to the utilities inquiry only and allow nothing for other regular investigatory work of the commission authorized and contemplated by the Federal Trade

FRANCIS WALKER, Chief Economist.

Mr. ROBINSON of Arkansas. Mr. President, I do not desire to enter upon a prolonged discussion of the amendments which have been accepted by the Senator from Utah [Mr. Smoot] and agreed to by the Senate, but I do wish to point out in a very brief summary the fact that the Bureau of the Budget made a reduction of 24 per cent from the appropriation for the present fiscal year; that is, the amount carried by the Budget estimate was 24 per cent less than the amount appropriated for the fiscal year ending June 30, 1933. The action of the House constituted a reduction of over 65 per cent from the appropriation for the present fiscal year and over 54 per cent from the Budget estimate.

The action of the Senate Committee on Appropriations resulted in a provision for continuing the utilities investigation, but it did not provide the funds essential for other investigations and other work on the part of the commission. They have assembled there a corps of experts and investigators. Their appropriation is comparatively small in any event. It is very much reduced under the appropriation for 1932 and for 1933. The amendments which I have

offered and which have been agreed to provide a sum \$8,000 less than the amount carried in the Budget estimate.

I make this statement in order that it may be understood that these amendments are of primary importance and it is expected they shall remain in the bill.

Mr. HATFIELD. Mr. President, in support of the amendments of the Senator from Arkansas I wish to offer for the RECORD a statement made by the bureau of investigation of the American Medical Association and published in its official organ, the Journal of the American Medical Association. a periodical published weekly with a circulation of 88,200 copies, in support of the good work being done by the Federal Trade Commission. I think this testimonial will in all probability justify the conferees in agreeing to the approval of the amendments of the Senator from Arkansas as they have just been adopted.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The statement is as follows:

FURTHER GOOD WORK IN PROTECTING THE PUBLIC

At various times attention has been called to the good work that is being done by the Federal Trade Commission in protecting the public against misrepresentation or fraud in the medical or quasi-medical fields. Before the Federal Trade Commission was brought into existence, there were only two Federal agencies that offered any protection to the public in this field—the Department of Agriculture, through its food and drug administration, which the protection of the protection enforces the national food and drugs act, and the Post Office Deenforces the national food and drugs act, and the Post Office Department, which can issue fraud orders debarring fraudulent schemes from the mails. Both of these agencies, however, have sharp limitations. As physicians know, no matter how fraudulent a "patent medicine" may be in its advertising, if the manufacturer is shrewd enough—and most manufacturers of "patent medicines" do not lack shrewdness—to make no false, misleading, or fraudulent statements on or in the trade package, but confines his mendacity to newspaper advertisements, radio talks, billboards, etc. he can not be reached under the national food and drugs act etc., he can not be reached under the national food and drugs act. That law prohibits false or misleading statements regarding com-position or origin and false and fraudulent statements regarding therapeutic effects of medicine only when they are made in or

therapeutic effects of medicine only when they are made in or on the trade package.

The postal authorities have the power of denying the use of the United States mails to concerns that have been found guilty of obtaining money through the mails by false and fraudulent pretenses and promises. This power is exercised through the use of what is known as a fraud order. The authorities act, however, broadly speaking, only in cases in which a definite complaint is registered with the Post Office Department by one who feels that he has been defrauded through the use of the mails.

But there are many dubious schemes in the medical or quasimedical field that can not be reached under either of these two

medical field that can not be reached under either of these two governmental powers. It is here that the Federal Trade Commission comes into the picture. Congress has given this commission power to investigate and take action on cases that involve or that seem to involve what are broadly spoken of as unfair trade pracseem to involve what are broadly spoken of as umair trade practices. Where such investigations prove that unfair trade practices have been indulged in, the commission can, and in many instances does, obtain from the individual or concern involved a signed stipulation to the effect that the objectionable methods will be abandoned. If a stipulation can not be arrived at, the commission may issue what is known as a cease and desist order, in which the person or concern involved is ordered to cease and

in which the person or concern involved is ordered to cease and desist from the objectionable practices.

The Federal Trade Commission issues bulletins at frequent intervals detailing, sometimes briefly, sometimes at length, the results of its work. In cases of ordinary stipulations the commissions of its work. sults of its work. In cases of ordinary stipulations the commission as a rule does not publish the names of individuals or firms involved, although this rule is not absolute. In all cease and desist orders the names and addresses of the concerns are given, and in many instances the details of the case are also made public. Brief abstracts of a few of the many cases reported in the commission's bulletins in the past few months follow, supplemented in some instances by information on file in the bureau of investigation.

investigation: Restoria hair dye: Beautifactors (Inc.), of New York City, who sold a hair dye called "Restoria," agreed to discontinue the use of the name "Restoria" and to discontinue representing that the compound is a French discovery that will restore color to gray hair; that it is harmless; and that it is undetectable, when such

are not the facts.

Artery-Lax: L. E. Bowen, of Chicago, who did business under the trade name of Artery-Lax Co., sold an alleged treatment for high blood pressure. Bowen, following an investigation by the commission, has declared that he has discontinued all advertising

of Artery-Lax and will not resume it.
Yvonne Bebeaux hair dye: Yvonne Bebeaux, of New York City, who sold a hair dye, has agreed to discontinue representing that the dye will "restore" the color of the hair; that it was perfected by a French scientist; that offices had been established in Paris and London; and to discontinue representing that the hair dye

recolors the hair shaft and that the hair will never grow gray again, when all such statements are false.

again, when all such statements are false.

Curetive: This was an alleged remedy for skin diseases. It was put out by the Curetine Laboratories, which has agreed to discontinue advertising and offering the product for sale.

Palmo Co.: One Harry D. Powers, of Battle Creek, Mich., who did business under the name Palmo Co., distributed "Palmo Globules," an alleged cure for bladder trouble, cystitis, and general debility. Following an investigation by the commission, he agreed to discontinue representing that any definite proportion of men are afflicted with prostatic trouble, to discontinue representing that his treatment will cause the user to sleep all night, and to discontinue representing that Palmo Globules will produce a soothing or healing action, when such is not the fact.

senting that his treatment will cause the user to sleep all night, and to discontinue representing that Palmo Globules will produce a soothing or healing action, when such is not the fact.

Germico Products: "Germico Hygienic Powder" and "Germico Vaginal Suppositories" or cones were sold by one Max Elman, who did business under the trade name Germico-Pharmaco. Elman has agreed to discontinue advertising and selling the products.

Marvo: William Witol and Marvo (Inc.), of New York City, sold a skin peel called "Marvo." Following an investigation of their methods by the commission, they agreed to discontinue representing that the Marvo treatment is one for which foreign beauty doctors have charged enormous sums, when such is not the fact. resenting that the Marvo treatment is one for which foreign beauty doctors have charged enormous sums, when such is not the fact, to discontinue representing that Marvo will within three days' time remove pimples, blackheads, crow's-feet around the eyes, wrinkles, etc. From information in the bureau of investigation files it appears that Witol's Marvo had at one time as its active caustic ingredient salicylic acid. Later resorcin seems to have been the active ingredient. Reports have been received from physicians in various parts of the country of severe reactions suffered by patients who had used the Marvo product.

Hildebrand Laboratories: Frank Granzow, of Chicago, whose trade name is "Dr. Hildebrand Laboratories," sold an alleged treatment for gallstones, stomach trouble, nervousness, jaundice, and constipation. He signed a stipulation with the commission to discontinue representing that his treatment will cure the ail-

to discontinue representing that his treatment will cure the allments specified, when such is not the fact; to discontinue representing that a treatment of 100 capsules is a complete treatment, when such is not the fact; and to discontinue representing that the testimonials published are unsolicited, unless they actually are unsolicited. The Hildebrand product has been reported to

are unsolicited. The Hildebrand product has been reported to contain menthol, oleic acid, phenolphthalein, powdered gentian, castile soap, and sodium salicylate.

American Vienna Co.: The American Vienna Co., of Battle Creek, was a trade name used by Floyd R. Perkins and Mrs. E. M. Boyer. These people have agreed to discontinue the use of the word "Vienna" in the trade name within six months and to discontinue representing that the product is a competent remedy for eczema, when such is not the fact.

Acriform Co.: This was a Cincinnett concern formerly known.

Aeriform Co.: This was a Cincinnati concern, formerly known Aeriform Co.: This was a Cincinnati concern, formerly known as the Aeriform Laboratories, which sold an inhaler and some medicated tablets for the alleged treatment of colds, catarrh, and similar ailments. The company has agreed to discontinue representing that a month's treatment of the "Doctor Beaty Blood Tonic" will be sent free to the purchasers of the inhaler, when actually the cest of this tonic is included in the price paid for the inhaler, and to discontinue representing that the Beaty Blood Tonic purifies the bood and that the Aeriform vapor treatment is a competent remedy for lung trouble and catarrh, when such are not the facts. are not the facts.

Young's Victoria Cream: This preparation, sold by the Frederick H. Young Co., of Toledo, was alleged to correct all skin troubles. The vendor has agreed, among other things, to discontinue representing that the cream will in a short time remove all skin blemishes.

all skin blemishes.

French Vigortabs and Toniquettes: Carroll V. Gianitrapany, who did business under the trade name Modern Sales Co. and also La France Laboratories Co., both of New York City, sold "French Vigortabs" and "French Toniquettes." These were alleged to be "pep" tablets. Gianitrapany has agreed to discontinue advertising the product or any similar medicinal preparation and to discontinue its sale in interstate commerce.

Valen's Bio-Dynamo-Prostatic Normalizer: This Valen's Bio-Dynamo-Prostatic Normalizer: This imposingly named appliance, sold by the quack, George Starr White, of Los Angeles, was merely a rectal dilator, sold under the claim that it would banish prostate troubles. White has agreed to discontinue advertising the product in newspapers, magazines, or by direct mail. "George Starr White—Quack," was the title of an article published in the bureau of investigation department of The Journal, April 13, 1929. In it White's various excursions into the field of crude quackery were described in detail.

Lanzette Hair Remover: Annette Lanzette (Inc.), Chicago, which sells a synthetic pumice stone, has agreed to discontinue representing that the device permanently removes hair and to discontinue the use of the word "rid" or any other words that imply that the product permanently removes hair, when it has no such

Goldman Hair Dye: The Monroe Chemical Co., of St. Paul, using Goldman Hair Dye: The Monroe Chemical Co., of St. Paul, using the trade name Mary T. Goldman, has agreed to discontinue representing that Mary T. Goldman is actively engaged in the business, when the fact is she is dead, and attributing to Mary T. Goldman statements and representations, without indicating that such statements were made when Mary T. Goldman was alive. The company also agreed to discontinue representing that the dye will "restore" the color of the hair, that the treatment takes only seven or eight minutes and requires only a few cents' worth of dye, and that the gray hair regains its youthful color overnight, when such are not the facts. The Goldman product is a hair dye of the silver-salt type. The product was discussed at length in Hygeia some years ago in the article "To Dye or Not to Dve.

Aphrotone: This alleged aphrodisiac was sold by one Charles N. Mallory, who used the trade name L. E. Norton Products Co., Chattanooga. Mallory has agreed to discontinue the use of the trade name "Aphrotone" and to refrain from the use of any other word that might imply aphrodisiac properties, and to discontinue also representing that regardless of age or cause sexual vigor will

be restored, when the product does not have any such capacity.

Cystex: The Knox Co., of Kansas City, Mo., which has exploited an alleged cure for bladder trouble, back-ache, muscular pain, etc., under the name "Cystex," has agreed to discontinue making false and misleading claims for its nostrum. The files of the bureau and misleading claims for its nostrum. The files of the bureau of investigation show that the exploiters of Cystex have made a pretense of giving composition of their product. Cystex, it seems, comes in the form of two tablets, gray and brown. A few years ago the gray tablets were said to contain hexamethylenamine, powdered extracts of colchicum, calcium phosphate, and thyroid substance. Later the claims made for these tablets omitted all reference to thyroid substance. The brown tablets have been claimed to contain extracts of hydrangea, corn silk, buchu, and triticum, with boric acid, potassium bicarbonate, and atropine sulphate. No quantities of the ingredients seem to have been published.

Pile-Foe: The Peoples Drug Stores, of Washington, D. C., venders of "Pile-Foe." an alleged cure for hemorrhoids, have agreed to discontinue representing that the preparation will stop pain instantly, regardless of the length of time a person has suffered, and that piles can be relieved or healed in five days or any other definite time. definite time.

Keller's Kapsules: J. T. Keller, who trades as the Keller Kapsule Co., Kansas City, Mo., has agreed to discontinue representing his preparation as a competent treatment for lumbago, rheumatism, neuritis, neuralgia, etc., without qualifying statements, and to discontinue representing that the preparation produces a prompt decrease in uric-acid formation, when such is not the

High blood pressure cure: H. B. Tonnies, of Cincinnati, did business under the trade name Landis Medicine Co. and also advertised as C. R. Landis. He sold an alleged treatment for high blood pressure under the false claims that it was the prescription of a famous specialist and was a competent remedy for hyperten-sion due to arteriosclerosis, nephritis, toxic goiter, etc. Tonnies sion due to arteriosclerosis, nephritis, toxic goiter, etc. has agreed to discontinue such claims.

Mak-Ova stomach tablets: This was an alleged treatment for the relief of "stomach agony," pain, vomiting, stomach ulcers, chronic gastritis, acidosis, and indigestion. It was put on the mar-ket by one C. W. Reynolds, trading as the Reynolds Chemical Co., of Mound, Minn. Reynolds has agreed to discontinue advertising that his nostrum is a competent treatment for the conditions just mentioned, or that the formula was the result of years of experi-mentation by a specialist that cost thousands of dollars to perfect.

Stomach-ulcer remedy: Normal H. Tufty, of Minneapolis, who traded as Morgan Miles Co. and sold an alleged treatment for stomach ulcers, has agreed to discontinue advertising this nostrum.

Lepso: This quack epilepsy cure is put on the market by R. P. Neubling, of Milwaukee, doing business under the trade names R. Lepso and Lepso Co. Neubling has agreed to discontinue his claim that the stuff can be taken safely by children, when such is not the fact, and also to cease claiming that the product is a competent treatment for epilepsy without indicating the limits of its effectiveness. Lepso was the subject of an article published in bureau of investigation department of the Journal June

the bureau of investigation department of the Journal June 12, 1915. The matter is reprinted in the pamphlet, Epilepsy Cures. The product, at the time it was examined in the American Medical Association chemical laboratory, was found to contain the equivalent of 51 grains of potassium bromide to the dose.

Radium Spa: This was one of the numerous water jars sold under the claim that it will render water radioactive. It was put out by the American Radium Products Co., of Los Angeles. The Federal Trade Commission has ordered the company to cease and desist from misrepresenting the therapeutic value of the jar.

Ten Herbs: This nostrum is put out by the Ten Herbs Co., of Chicago. The concern has agreed to discontinue claiming that the preparation is a remedy for rheumatism, neuritis, nervousness, the preparation is a remedy for rheumatism, neuritis, nervousness, etc. Readers of this department of the Journal may remember that in the issue of June 6, 1931, there was published a photographic reproduction of a posthumous testimonial. This consisted of the facsimile of a Ten Herbs testimonial by a Mr. J. M. Hocker that appeared in the Harrisburg (Pa.) Patriot March 5, 1931, together with the facsimile reproduction of Mr. Hocker's death notice. Both testimonial and death notice appeared in the same issue of the Patriot.

Varicose veins and eczema cure: F. P. John, of Thiensville, Wis., has agreed to discontinue advertising his alleged treatment for

varicose veins, old leg sores, and eczema.

Youth-Tint hair dye: This preparation was marketed by L.
Pierre Balligny and Balligny Products (Inc.), of New York City.
The vendors have agreed to discontinue claiming that their product will restore the color of the hair or stating that it is anything

other than a hair dye.

Dermolax: H. G. Levy, who traded as the Interstate Laboratories, of Chicago, has agreed to discontinue the use of the firm name "Laboratories," as he neither owns nor operates any laboratories. He has also agreed to discontinue representing that psoriasis is caused by a germ localized in the tissues of the skin and that

Dermolax ointment and soaps would reach the seat of the trouble, when such is not the fact. He has also agreed to cease representing that Dermolax is a specific treatment for psoriasis. Information received by the bureau of investigation in 1929 from the National Better Business Bureau was to the effect that the Dermolax treatment consisted of a white product containing ammoniated mercury and a brown preparation that contained chrysarobin.

Mr. ROBINSON of Indiana. Mr. President, in further support of the amendments offered by the Senator from Arkansas [Mr. Robinson], I ask unanimous consent to have inserted in the RECORD at this point an editorial appearing this morning in the Washington Herald under the heading "Trade Commission Must Not Be Hamstrung by False Economy Moves."

The PRESIDENT pro tempore. Without objection, it will be so ordered.

The editorial is as follows:

TRADE COMMISSION MUST NOT BE HAMSTRUNG BY FALSE ECONOMY MOVES

Altogether wise is the action of the Senate Committee on Appropriations in stipulating that \$280,000 shall be available for completing the investigation of public utilities which the Federal Trade Commission has been conducting since 1928.

If the Senate sustains its committee and insists that the House agree to appropriating this sum, the most useful inquiry which the Federal Trade Commission has yet made will be pressed until completed.

The Federal Trade Commission is practically the only governmental agency with the power to protect the public from exploita-tion at the hands of dishonest business.

By the law creating the commission, it is given two main func-

ons—one, regulatory, and the other, investigational.

The commission is charged with the responsibility of suppressmonopolies and unfair competition in interstate commerce

where the public interest is menaced.

The commission is also given the duty of acting as a fact-finding body for the Congress or the President.

Already the public utilities investigation, which the commission has pressed with fidelity and vigor, "has exposed the vicious proparations of the utilities convertible to the public transfer of the utilities are presented as the contraction of the utilities are presented as the utilitie ganda of the utility corporations through colleges, schools, governmental agencies, and the press."

It has also laid bare the use of inaccurate forms of accounting which resulted in "an extensive padding of costs to operating companies through exorbitant fees charged for alleged services by

But for the commission's inquiry, the country would not yet know that there has been an inflation of capitalization by a deliberate "write-up" of assets of more than \$1,000,000,000 in the com-

erate "write-up" of assets of more than \$1,000,000,000 in the companies already probed.

To shut off this inquiry before it had been completed would be an indefensible blow against the public interest.

If the Senate will appropriate the comparatively small sum required to complete the public utilities investigation, public sentiment will compel the House to support the leadership of the Senate.

It would be false economy of the most flagrant sort to hamstring the Federal Trade Commission by refusing it a sufficient appropriation to keep its searchlight on our public utility companies until their every transgression against statutory law and public morals is dragged into the light and written into the record.

Mr. NORRIS addressed the Senate. After speaking for nearly an hour, he said:

Mr. President, I will say to the Senator from Oregon [Mr. McNary] that, since the interruption has taken place, I prefer to yield to him now rather than a little later, because I understand it will be necessary to conclude the session of the Senate in a short time, in any event. So I yield to the Senator from Oregon. I do not, however, desire to yield the floor.

The PRESIDING OFFICER (Mr. LA FOLLETTE in the chair). The Chair understands the Senator from Nebraska retains the floor.

Mr. NORRIS. Very well.

IMr. NORRIS'S speech is printed entire in RECORD of February 23.]

STATEMENT BY SAMUEL TILDEN ANSELL

Mr. BAILEY. Mr. President-

The PRESIDING OFFICER. The Senator from Oregon has the floor. Does he yield to the Senator from North

Mr. McNARY. I yield. Mr. BAILEY. Out of order, and by unanimous consent, I rise to request that there may be published as a part of my remarks a statement by Samuel Tilden Ansell in answer to the accusations made against him on the floor of the Senate on yesterday and to-day. I have submitted the statement

to the Senator who made the attack and he offers no objection to publication of the statement in the RECORD.

Let me say just a word further. My reason, Mr. President, for taking this action is that General Ansell is a constituent of mine, a native of North Carolina, and at the present time a citizen of that State, and I feel that he is entitled to publish his defense in the RECORD.

The PRESIDING OFFICER. Without objection, the statement will be printed in the RECORD.

The statement referred to is as follows:

STATEMENT OF SAMUEL TILDEN ANSELL

The attack upon me in the Senate by the junior Senator from Louisiana, in which he revived accusations conclusively proven to be false at the time they were uttered many years ago, demands attention from me personally, and as attorney for the subcommittee which employed me, I desire that due record be made in justice both to the committee and myself as to these accusations.

He brings up the Bergdoll incident of nearly 14 years ago, the facts of which are as follows: Associated with other counsel I did represent Grover Cleveland Bergdoll who evaded the draft. neither apology nor regret for my conduct in that case. In April, 1920, nearly a year after I had resigned from the Army, I was first consulted and later retained by Bergdoll's Philadelphia attorneys—one of whom was Judge Westcott, a prominent practitioner and political figure of that date, who twice nominated Mr. Wilson for the presidency and who was a friend of Secretary of War Baker—to present to the War Department the question of the legality of Bergdoll's trial by court-martial, which was then

of the legality of Bergdon's that by court-martial, which was then pending upon review in the department.

I contended then, and I contend now, that under the Bill of Rights, once so sacred to Americans and all English-speaking peoples, as well as under the draft act itself, Bergdoll, not having been inducted into the Army, was triable only by a civil Federal court and jury for a noncapital civil offense and not by a court-martial for the military capital crime of descripe in time of war. court and jury for a noncapital civil offense and not by a courtmartial for the military capital crime of desertion in time of war.
Federal precedents and principle supported my contention, and
the judge advocate handling the case in the War Department
told me that he despaired of successfully resisting my view.
But before the question was decided in the War Department
Bergdoll escaped from military custody.

His counsel, representing to me that Bergdoll had money hidden

in various places and wanted to leave prison under guard to get it, asked me to present the matter to the War Department. This I did in writing, stating that the representations were those of reputable Philadelphia attorneys whom I believed, but beyond that I myself knew nothing. As a matter of record fact, Bergdoll and his mother had withdrawn over \$100,000 in gold from the United States Treasury at or after the time he disappeared in evasion of the draft. The War Department granted the authority evasion of the draft. The War Department granted the authority and, without conference with me and without my knowledge, itself prescribed the size of the military guard, selected the soldiers who comprised it, and gave the soldiers all their orders. I knew nothing further about the matter and was never in the slightest touch with it. Bergdoll escaped from the soldiers assigned to the duty of guarding him.

During the war as the chief law officer of the Army I had incurred the enmity of certain high-ranking militarists and certain political and fireside "natriots" by insisting that military power should

cal and fireside "patriots" by insisting that military power should never encroach on civil rights; by insisting on my right to review all death sentences before execution; by ameliorating the harsh sentences imposed by courts-martial upon tends of thousands of our untrained citizen soldiery; by fighting for, and finally obtaining, a revision of our archaic Articles of War; and, after the war, by acting as counsel for a House committee investigating military expenditures, a subject which might well have been

investigated with beneficial results to this country. When Bergdoll escaped, these superpatriots and profiteers, who had cared little how many other people's sons were killed, seized had cared little how many other people's sons were killed, seized their opportunity and through their influence had a House committee appointed to investigate the Bergdoll escape, members of which later openly declared that their purpose was to "investigate the investigator" of war expenditures and the "chief critic of the necessarily rigid code of military discipline." I appeared before the committee only as a witness. Three of the members made a report, backed by not one scintilla of evidence but refused by it all, holding me—not the War Department—culpably responsible for the escape.

These committeemen never called up the report and never took

These committeemen never called up the report and never took or manifested any desire to take any action upon it. The House of Representatives was never requested to take and never took any action. My enemies were content to rely upon this unsupported report of this "select committee" to besmirch my record. That committee report has lain dormant from the day it was made until now.

I myself requested that the fullest investigation be made by all I myself requested that the fullest investigation be made by an Government agencies. The Department of Justice, through its several agencies, investigated and found absolutely nothing to connect me in any manner with the escape. The War Department, where at the time I was persona non grata, made, through the Inspector General of the Army, a thorough investigation and absolutely exonerated me. In addition, 12 lawyers of national repute and distinction, acting entirely upon their own initiative, reviewed all the evidence taken by the committee and published their formal conclusions. They completely exonerated me and expressed unqualified approval of my conduct. Those lawyers were Profs. E. M. Morgan and Edward S. Thurston, of the Harvard Law School; Frank J. Hogan and J. Kenyon Miller, former presidents of the District of Columbia Bar Association; George S. Wallace, banker and lawyer, of Huntington, W. Va.; Roy D. Keehn, major general, now commanding the National Guard of Illinois; Fred W. Ash.on, of Nebraska; former United States Senator George E. Chamberlain, of Oregon, chairman of the Military Affairs Committee; Rome G. Brown, publisher of the Minneapolis Tribune; Judge Stephen J. Cowley, of Montana; Frederick A. Brown, of Illinois; and John S. Dean, of Kansas.

These lawyers published it as their conviction that if the so-called select committee had fairly weighed the evidence they could have come to but one conclusion, namely, that I was in no way responsible for or connected with the escape of Bergdoll.

It has always been a matter of great consolation to me that after Bergdoll escaped and the patrioteers had made their vicious attack upon me, the great Chief Justice White, who also came from Louisiana, long a warm personal friend to me, called upon me several times, unfailingly giving me his assurances of the entire rectitude of my conduct, assurances which continued till his death.

In those days war passions took the place of calm judgment. Time has served to vindicate my actions then so bitterly assailed. Most of the leaders in the vehemence of that day long ago sought me out and asked my forgiveness for the part they played. But the utterly discredited statements made then by men confessedly

Time has served to vindicate my actions then so bitterly assailed. Most of the leaders in the vehemence of that day long ago sought me out and asked my forgiveness for the part they played. But the utterly discredited statements made then by men confessedly to serve their unworthy ends are revived to-day by Senator Long. However high war passions ran, I, as principal law officer of the Army, stood firm for the preservation of civil liberty; throughout my professional career I have opposed lawlessness and oppression wherever found, whether in the Army, or on the bench, or at the bar, and at all times I have gone to pains to insist upon the rightful deserts of the men of our armed forces, especially those of the humblest rank, the enlisted men. For the rightful, even if at times unpopular, part I have borne I offer no apology; I have nothing but pride.

The Senator made the statement that by forgery or by false representations I brought about the order that made me the Acting Judge Advocate General of the Army during the War. The absurdity of the statement leaves nothing to answer. President Wilson appointed me brigadier general in the Judge Advocate General was performing the duties of Provost Marshal General I should perform the duties of Acting Judge Advocate General I should perform the duties of Acting Judge Advocate General. I had nothing whatever to do with bringing about my appointment. I performed those duties throughout the war to the evident satisfaction of the head of the War Department. I resigned from the Army, as I had long intended to do, under no pressure of any kind and at the special request of my principal

resigned from the Army, as I had long intended to do, under no pressure of any kind, and at the special request of my principal enemy I remained longer than I otherwise should have done in order that my work in releasing thousands of enlisted men who were unjustly imprisoned might be fully accomplished. On January 27, 1919, the following general order, at the direction of President Wilson, was published awarding me the distinguishedservice medal:

"By direction of the President, under provisions of an act of Congress, approved July 9, 1918, and in pursuance of the proceedings of a board of officers appointed to consider awards of such medals, the distinguished-service medal is awarded to the such medals, the distinguished-service medal is awarded to the following named officers and civilians for 'especially meritorious service to the Government in a duty of great responsibility'

* * Brig. Gen. Samuel T. Ansell, United States Army, for especially meritorious and conspicuous service as Acting Judge Advocate General of the Army, whose broad and constructive interpretations of law and regulations have greatly facilitated the conduct of the war and military administration." conduct of the war and military administration.'

SAMUEL TILDEN ANSELL.

MESSAGE FROM THE HOUSE-ENROLLED BILL

A message from the House of Representatives by Mr. Haltigan, one of its clerks, announced that the Speaker had affixed his signature to the enrolled bill (H. R. 7522) to provide a new Civil Code for the Canal Zone and to repeal the existing Civil Code.

ECONOMIC ANALYSIS OF FOREIGN TRADE OF THE UNITED STATES IN RELATION TO THE TARIFF

The PRESIDING OFFICER (Mr. LA FOLLETTE in the chair) laid before the Senate a letter from Thomas Walker Page, acting chairman of the United States Tariff Commission, transmitting manuscript supplemental to that previously transmitted in partial response to Senate Resolution No. 325, an economic analysis of the foreign trade of the United States in relation to the tariff, stating that these data are in answer to paragraphs 1, 2, 3, 4, and 9 of that resolution and that additional material will follow as quickly as it can be made ready.

Mr. COSTIGAN. Mr. President, the material referred to in the communication addressed to the Senate by the vice chairman of the Tariff Commission comes in response to a

resolution asking information for the use of the Senate and of the incoming Chief Executive of the United States. I move that the material, when fully transmitted, be printed as a Senate document.

The motion was agreed to.

Mr. McNARY. I move that the Senate take a recess until 11 o'clock a. m. to-morrow.

The motion was agreed to; and (at 5 o'clock and 18 minutes p. m.) the Senate took a recess until to-morrow, Thursday, February 23, 1933, at 11 o'clock a. m.

HOUSE OF REPRESENTATIVES

WEDNESDAY, FEBRUARY 22, 1933

The House met at 11 o'clock a. m.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Almighty God, who art over all and blessed forever more, whose majesty and glory move the lives of men, we wait at the altar of prayer and praise. In every national emergency Thou hast lifted up one to combat injustice and to confront the foes of the march of civilization. To-day may there burn in all hearts a diviner purpose and a purer flame of patriotism because of that peerless one whose dust sleeps on the shore line of the historic Potomac. The hearts of all loyal Americans are unspeakably grateful to him who refused to tolerate the enemies of free government and the unchangeable foes of human liberty. We praise Thee that he declared to the world that kings' scepters can not harmonize with free, democratic institutions. Grant that his name may resound about every hearthstone, in every schoolhouse, and in every altar in all our land. The Lord God save our people and direct this Congress to the glory of Thy holy name. Amen.

The Journal of the proceedings of yesterday was read and

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Craven, its principal clerk, announced that the Senate insists upon its amendments to the bill (H. R. 14363) entitled "An act making appropriations for the Departments of State and Justice and for the judiciary, and for the Departments of Commerce and Labor, for the fiscal year ending June 30, 1934, and for other purposes," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. Hale, Mr. Keyes, Mr. Moses, Mr. McKellar, and Mr. Hayden to be the conferees on the part of the Senate.

The message also announced that the Senate had passed without amendment a bill, joint resolution, and concurrent

resolution of the House of the following titles:

H. R. 13534. An act authorizing the appropriation of funds for the payment of claims to the Mexican Government under thé circumstances hereinafter enumerated.

H. J. Res. 561. Joint resolution amending section 2 of the joint resolution entitled "Joint resolution authorizing the President, under certain conditions, to invite the participation of other nations in the Chicago World's Fair, providing for the admission of their exhibits, and for other purposes, approved February 5, 1929, and amending section 7 of the act entitled "An act to protect the copyrights and patents of foreign exhibitors at A Century of Progress (Chicago World's Fair Centennial Celebration), to be held at Chicago, Ill., in 1933," approved July 19, 1932.

H. Con. Res. 50. Concurrent resolution to authorize the printing of the first edition of the Congressional Directory of the first session of the Seventy-third Congress.

The message also announced that the Senate had passed a joint resolution of the following title, in which the concurrence of the House is requested:

S. J. Res. 256. Joint resolution authorizing the Comptroller of the Currency to exercise with respect to national banking associations powers which State officials may have with respect to State banks, savings banks, and/or trust companies under State laws.

The message also announced that the Senate had passed the following concurrent resolution, in which the concurrence of the House is requested:

Senate Concurrent Resolution 43

Resolved by the Senate (the House of Representatives concurring), That the Secretary of the Senate be, and he is hereby, authorized and directed, in the enrollment of the bill (S. 4020) to give the Supreme Court of the United States authority to prescribe rules of practice and procedure with respect to proceedings in criminal cases after verdict, to strike out, on page 1, lines 8 and 9, respectively, of the engrossed bill the words "Porto Rico" and insert in lieu thereof "Puerto Rico."

The message also announced that the Senate had agreed with an amendment to the amendment of the House No. 1, to the bill (S. 3508) entitled "An act to amend section 1 of the act entitled 'An act to provide for determining the heirs of deceased Indians, for the disposition and sale of allotments of deceased Indians, for the leasing of allotments, and for other purposes,' approved June 25, 1910, as amended," and had agreed to the amendment of the House No. 2 to said bill.

NAVY DEPARTMENT APPROPRIATION BILL-FISCAL YEAR 1934

Mr. AYRES. Mr. Speaker, I move that the House resolve itself into Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 14724) making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1934, and for other purposes.

Mr. RANKIN. Will the gentleman withhold that a mo-

The SPEAKER. Does the gentleman from Kansas desire to limit the time for general debate?

Mr. AYRES. Yes, Mr. Speaker. Pending this motion I desire to consult the gentleman from Idaho and see if we can not agree upon some time for limiting general debate. I would suggest seven hours, to be equally divided and controlled between the gentleman from Idaho and myself.

Mr. FRENCH. That is all right.
Mr. RANKIN. Mr. Speaker, reserving the right to object, will the gentleman yield?

Mr. AYRES. Yes.

Mr. RANKIN. I am trying to get an agreement among the leaders on this side that at some time during the day Washington's Farewell Address shall be read in the House. I do not think this time ought to be taken out of the time for general debate on the bill now before the House, and I do not think the Farewell Address should be read in the Committee of the Whole. I wonder if the gentleman from Kansas [Mr. Ayres] and the gentleman from Illinois [Mr. RAINEY], the majority leader, would not be willing to name the hour, say 1 or 2 o'clock, for the Speaker to have the Clerk or some one read the address.

Mr. AYRES. I will say to the gentleman that so far as I am concerned, that will be perfectly agreeable.

Mr. RANKIN, Then I ask unanimous consent, Mr. Speaker-

Mr. AYRES. Suppose we do not set any particular time, but I will yield the time to the gentleman and he can ask the Clerk at that time to read the address, if he wants to.

Mr. RANKIN. I do not think it should be read in the Committee of the Whole. I think the address ought to be read in the House. Another thing, we ought to fix a special hour so that the Members who want to be here will know when the address is to be read.

Mr. AYRES. I may say to the gentleman that we can have an arrangement of that kind. We are pressed for time. We have got to get this bill out. I am perfectly willing to yield time for anyone to read the address.

Mr. RANKIN. I agree that this bill is important, but I do not think anything is more important to the American people, especially at this time, than the fundamental doctrines laid down by Washington in his Farewell Address.

Mr. AYRES. I may say to the gentleman that we intend to have the address read.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

Mr. RANKIN. Mr. Speaker, reserving the right to object, I want to know if the gentleman will agree for the committee to rise at 2 o'clock and for the Speaker to appoint some one to read the address?

Mr. AYRES. I do not know that I can enter into that agreement.

Mr. RANKIN. Then I will ask unanimous consent that that be done.

The SPEAKER. The gentleman from Kansas has the floor and has moved that the House resolve itself into Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 14724.

The question is whether unanimous consent shall be given to limiting general debate to seven hours to be equally divided and controlled between the gentleman from Kansas and the gentleman from Idaho.

Mr. RANKIN. I reserve the right to object-

Mr. SNELL. Under reservation of objection, I have no objection to the reading of George Washington's Farewell Address, but the probabilities are that if it is read this afternoon there will be a point of no quorum, because there will not be a large number of Members on the floor at any time this afternoon on account of the general debate. Why would it not be a good idea to rise at a certain time, say, 4 o'clock, and then have the Farewell Address read?

Mr. RANKIN. What about 2 o'clock?

Mr. SNELL. And then have the House go back into committee again?

Mr. RANKIN. Yes; have the House go into committee again after it is over.

Mr. SNELL. Personally, I would rather have it at 4 o'clock, but I will leave it to the gentlemen on that side to

Mr. BLANTON. Mr. Speaker, if I thought that the Members would stay on the floor and hear it, I, too, would insist on it's being read. We have during the past year placed George Washington's Farewell Address into every schoolhouse in every hamlet in the Nation. I hope that it is being read to-day by the people in the States. In the closing hours of the session, when there will not be over 40 or 50 Members here on the floor to hear the address, and these Members who stay on the floor are familiar with it, I doubt whether stopping business now to read it would accomplish anything of great value.

Mr. RANKIN. The Members of Congress need to hear it. Mr. PARKS. Mr. Speaker, I ask for the regular order.

The SPEAKER. The regular order is, Is there objection to the request of the gentleman from Kansas?

There was no objection.

The SPEAKER. The question is on the motion of the gentleman from Kansas that the House resolve itself into Committee of the Whole House on the state of the Union for the consideration of the bill, H. R. 14724.

The question was taken, and the Speaker announced that the motion was agreed to.

Mr. RANKIN. Mr. Speaker, I object to the vote on the ground there is not a quorum present, and make the point of order there is not a quorum present.

Mr. AYRES. I hope the gentleman will withhold that, because it will take a lot of time now.

Mr. RANKIN. I will not withhold it, and you are going to keep a quorum here unless the address is read to-day. I insist upon the point, Mr. Speaker.

The SPEAKER. Evidently, there is not a quorum present. The call is automatic.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were-yeas 302, nays 3, answered "present" 1, not voting 120, as follows:

> [Roll No. 164] YEAS-302

Abernethy Adkins Allen Allgood

Amlie Andresen Andrews, N. Y. Arentz

Arnold Auf der Heide Ayres Bacharach

Bachmann Bacon Bankhead Barbour

Barton Beck Beedy Biddle Estep Evans, Mont. Fernandez Black Bland Fiesinger Flood Foss Frear Blanton Bohn French Fulbright Boileau Boland Bolton Fuller Gambrill Garber Britten Browning Brumm Gavagan Gifford Brunner Gilchrist Gillen Bulwinkle Burch Burdick Glover Goldsborough Burtness Busby Goss Granfield Green Canfield Cannon Carley Greenwood Gregory Griswold Cary Castellow Guyer Celler Hadley Haines Hall, N. Dak. Hancock, N. Y. Chapman Chindblom Chiperfield Christopherson Claque Hartley Clark, N. C. Hastings Haugen Cochran, Mo. Cochran, Pa. Cole, Iowa Cole, Md. Hess Hill, Ala. Hill, Wash. Hogg, Ind. Holaday Hollister Colton Condon Connolly Cooper, Ohio Holmes Hooper Cooper, Tenn. Hope Hopkins Coyle Horr Howard Huddleston Hull, Morton D. Cross Crowe Crowther Crump Jacobsen Jeffers Culkin Cullen Jenkins Johnson, Mo. Curry Johnson, Okla. Johnson, Tex. Darrow Davis, Pa. Davis, Tenn. Jones Delaney Dickinson Kahn Keller Kelly, Pa. Dies Kemp Kennedy, Md. Doughton Douglass, Mass. Dowell Kerr Ketcham Doxey Kinzer Kleberg Drewry Driver Kopp Kunz LaGuardia Dyer Eaton, N. J. Lambertson Lambeth Ellzev

Gilbert

Kvale

ANSWERED "PRESENT"-1 Seiberling VOTING-

Aldrich Almon Andrew, Mass. Baldrige Beam Bloom Boylan Brand, Ga. Brand, Ohio Buchanan Cable Campbell, Iowa Campbell, Pa. Carden Carter, Calif. Carter, Wyo. Cartwright Cavicchia Chase Chavez Christgau Clarke, N. Y. Collins

Cooke Corning Crail Crosser Davenport De Priest DeRouen Dickstein Dieterich Dominick Douglas, Ariz. Eagle Eaton, Colo. Englebright Evans, Calif. Fish Fishburne Fitzpatrick Flannagan Fulmer Gasque Golder

Griffin Hall, Ill. Hall, Miss Hancock, N. C. Harlan Hart Hawley Hogg, W. Va. Hornor Houston, Del. Hull, William E. Igoe James Johnson, Ill. Johnson, S. Dak. Johnson, Wash. Kading Kelly, Ill. Kennedy, N. Y. Kniffin Lanham

Lankford, Va.

McLeod Manlove Mansfield Mead Montague Moore, Ohio Mouser Nelson, Wis. Neison, Wis.
Oliver, N. Y.
Owen
Pettengill
Pou
Pratt, Harcourt J. Pratt, Ruth Rayourn Reid, Ill Sanders, N. Y. Schneider Schuetz Smith, Idaho Smith, Va. Smith, W. Va.

Robinson Rogers, Mass. Rogers, N. H. Romjue Rudd Sabath Sanders, Tex. Sandlin Schafer Seger Selvig Shallenberger Shannon McClintock, Ohio Simmons McCormack Sinelair McDuffle Sirovich Snell Somers, N. Y. Sparks Spence Stafford Stalker Stevenson Stokes Strong, Kans. Strong, Pa. Sumners, Tex. Sutphin Swanson Swick Taber Tarver Taylor, Tenn. Temple Thatcher Thomason Thurston Tierney Timberlake Tinkham Treadway Turpin Underhill Underwood Vinson, Ga. Vinson, Ky.

Warren

Wason

Watson Weeks Welch

West Whitley

Wingo

Whittington

Wigglesworth Williams, Mo.

Williams, Tex. Williamson

Wolfenden

Wood, Ga. Woodruff

Woodrum Wright

Lehlbach

Lewis McGugin

Yates

Lamneck Lankford, Ga.

Lichtenwalner Lindsay

McClintie, Okla

Loofbourow

Larrabee Larsen

Leavitt

Lovette

Ludlow

McFadden McKeown McMillan

McReynolds McSwain

Mapes Martin, Mass. Martin, Oreg.

Maas Magrady

Major Maloney

May Michener

Millard

Milligan

Mitchell

Montet

Nolan Norton, Nebr. Norton, N. J.

Moore, Ky. Morehead

Murphy Nelson, Me. Nelson, Mo.

O'Connor Oliver, Ala

Overton Palmisano

Parsons

Patman Patterson

Perkins

Prall

Purnell Ragon Rainey

Ramseyer Ramspeck

Ransley Reed, N. Y. Reilly

Rich

Rankin

NAYS-3

Person Pittenger

Parker, Ga. Parker, N. Y. Parks

Niedringhaus

Miller

Lozier

Taylor, Colo. Weaver White Sullivan, Pa. Stewart Stull Summers, Wash. Wolcott Wood, Ind. Sweeney Sullivan, N. Y. Wilson Wyant So the motion of Mr. Ayres was agreed to. The following pairs were announced: Until further notice:

The following pairs were announced:
Until further notice:

Mr. Mansfield with Mr. Doutrich.
Mr. Eagle with Mr. Lehlbach.
Mr. Wilson with Mr. Christgau.
Mr. Taylor of Colorado with Mr. Englebright.
Mr. Griffin with Mr. Carter of Wyoming.
Mr. Smith of Virginia with Mr. Sinclair,
Mr. Fulmer with Mr. Carter of Wyoming.
Mr. Smith of Virginia with Mr. Sinclair,
Mr. Gavagan with Mr. Turpin.
Mr. Rayburn with Mr. Withrow.
Mr. Fitzpatrick with Mr. James.
Mr. Pettengill with Mr. Reid of Illinois.
Mr. Oliver of New York with Mrs. Pratt.
Mr. Douglas of Arizona with Mr. Manlove.
Mr. Montague with Mr. Krutz.
Mr. Corning with Mr. Krutz.
Mr. Corning with Mr. Krutz.
Mr. Corning with Mr. Suckbee.
Mr. Mead with Mr. Carter of California.
Mr. Cartwright with Mr. Botkbee.
Mr. Hack with Mr. Bownan.
Mr. Hack with Mr. Bownan.
Mr. Hack with Mr. Bownan.
Mr. Kennedy of New York with Mr. Cooke.
Mr. Carden with Mr. Fre.
Mr. Dickstein with Mr. Fre.
Mr. Dickstein with Mr. Fre.
Mr. Fishburne with Mr. Fre.
Mr. Fishburne with Mr. Hawley.
Mr. Schuetz with Mr. Davenport.
Mr. Collins with Mr. Andrews of New York.
Mr. Leonen with Mr. Andrews of New York.
Mr. Kelly of Illinois with Mr. Johnson of Washington.
Mr. Bloom with Mr. Andrews of New York.
Mr. Smith of West Virginia with Mr. Moore of Ohio.
Mr. Sengal with Mr. Pratt.
Mr. Sweney with Mr. Smith of Idaho.
Mr. Boylan with Mr. Sullivan of Pennsylvania.
Mr. Harlan with Mr. Bullivan of Pennsylvania.
Mr. Harlan with Mr. Campbell of Pennsylvania.
Mr. Harlan with Mr. Campbell of Pennsylvania.
Mr. Harlan with Mr. Baldrige.
Mr. Hancock of North Carolina with Mr. Cable.
Mr. Fiannagan with Mr. Buldrige.
Mr. Hancock of North Carolina with Mr. Cable.
Mr. Fiannagan with Mr. Bulkouer.
Mr. Fiannagan with Mr. Wouser.
Mr. Dieterich with Mr. De Priest.

The result of the vote was announced as above re
Accordingly the House resolved itself into the Con

The result of the vote was announced as above recorded. Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union, with Mr. Doxey in the chair.

The Clerk read the title to the bill.

Mr. AYRES. Mr. Chairman, I yield to the gentleman from Massachusetts [Mr. Connery] such time as he may desire.

Mr. CONNERY read Washington's Farewell Address, as follows:

To the people of the United States.

FRIENDS AND FELLOW-CITIZENS: The period for a new election of a Citizen, to administer the Executive Government of the United States, being not far distant, and the time actually arrived, when your thoughts must be employed in designating the person, who is to be clothed with that important trust, it appears to me proper, especially as it may conduce to a more distinct expression of the public voice, that I should now apprise you of the resolution I have formed, to decline being considered among the number of those, out of whom a choice is to be made.

I beg you, at the same time, to do me the justice to be assured, that this resolution has not been taken, without a strict regard to all the considerations appertaining to the relation, which binds a dutiful citizen to his country-and that, in withdrawing the tender of service which silence in my situation might imply, I am influenced by no diminution of zeal for your future interest, no deficiency of grateful respect for your past kindness; but act under and supported by a full conviction that the step is compatible with both.

The acceptance of, and continuance hitherto in, the office to which your suffrages have twice called me, have been a uniform sacrifice of inclination to the opinion of duty, and to a deference for what appeared to be your desire. I constantly hoped, that it would have been much earlier in my power, consistently with motives, which I was not at liberty to disregard, to return to that retirement, from which I had been reluctantly drawn. The strength of my inclination to do this, previous to the last election, had even led to the preparation of an address to declare it to you; but mature reflection on the then perplexed and critical posture of our affairs with foreign nations, and the unanimous advice of persons entitled to my confidence, impelled me to abandon the idea.

I rejoice that the state of your concerns, external as well as internal, no longer renders the pursuit of inclination incompatible with the sentiment of duty or propriety; and am persuaded, whatever partiality may be retained for my services, that in the present circumstances of our country, you will not disapprove my determination to retire.

The impressions, with which I first undertook the arduous trust, were explained on the proper occasion. In the discharge of this trust, I will only say, that I have, with good intentions, contributed towards the organization and administration of the government, the best exertions of which a very fallible judgment was capable. Not unconscious, in the outset, of the inferiority of my qualifications, experience in my own eyes, perhaps still more in the eyes of others, has strengthened the motives to diffidence of myself; and every day the increasing weight of years admonishes me more and more, that the shade of retirement is as necessary to me as it will be welcome. Satisfied, that, if any circumstances have given peculiar value to my services, they were temporary, I have the consolation to believe, that, while choice and prudence invite me to quit the political scene, patriotism does not forbid it.

In looking forward to the moment, which is intended to terminate the career of my public life, my feelings do not permit me to suspend the deep acknowledgment of that debt of gratitude, which I owe to my beloved country, for the many honors it has conferred upon me; still more for the steadfast confidence with which it has supported me; and for the opportunities I have thence enjoyed of manifesting my inviolable attachment, by services faithful and persevering, though in usefulness unequal to my zeal. If benefits have resulted to our country from these services, let it always be remembered to your praise, and as an instructive example in our annals, that under circumstances in which the Passions agitated in every direction were liable to mislead. amidst appearances sometimes dubious, vicissitudes of fortune often discouraging, in situations in which not unfrequently want of success has countenanced the spirit of criticism, the constancy of your support was the essential prop of the efforts, and a guarantee of the plans by which they were effected. Profoundly penetrated with this idea, I shall carry it with me to the grave, as a strong incitement to unceasing vows that Heaven may continue to you the choicest tokens of its beneficence-that your union and brotherly affection may be perpetual—that the free constitution, which is the work of your hands, may be sacredly maintained—that its administration in every department may be stamped with wisdom and virtue-that, in fine, the happiness of the people of these States, under the auspices of liberty, may be made complete, by so careful a preservation and so prudent a use of this blessing as will acquire to them the glory of recommending it to the applause, the affection, and adoption of every nation, which is yet a stranger to it.

Here, perhaps, I ought to stop. But a solicitude for your welfare, which cannot end but with my life, and the apprehension of danger, natural to that solicitude, urge me on an occasion like the present, to offer to your solemn contemplation, and to recommend to your frequent review, some sentiments; which are the result of much reflection, of no inconsiderable observation and which appear to me all important to the permanency of your felicity as a People. These will derives from the East supplies requisite to its growth and comfort, and what is perhaps of still greater consequence, it must of necessity owe the secure enjoyment of indispensable outlets for its own productions to the weight, influence, and the future maritime strength of the Atlantic side of the Union, directed by an indissoluble community of interest, as one Nation. Any other tenure by which the

be offered to you with the more freedom, as you can only see in them the disinterested warnings of a parting friend, who can possibly have no personal motive to bias his counsels. Nor can I forget, as an encouragement to it your indulgent reception of my sentiments on a former and not dissimilar occasion.

Interwoven as is the love of liberty with every ligament of your hearts, no recommendation of mine is necessary to fortify or confirm the attachment.

The Unity of Government which constitutes you one people, is also now dear to you. It is justly so; for it is a main Pillar in the Edifice of your real independence; the support of your tranquility at home; your peace abroad; of your safety; of your prosperity in every shape; of that very Liberty, which you so highly prize. But as it is easy to foresee, that, from different causes, and from different quarters, much pains will be taken, many artifices employed, to weaken in your minds the conviction of this truth; as this is the point in your political fortress against which the batteries of internal and external enemies will be most constantly and actively (though often covertly and insidiously) directed, it is of infinite moment, that you should properly estimate the immense value of our national Union to your collective and individual happiness; that you should cherish a cordial, habitual, and immovable attachment to it; accustoming yourselves to think and speak of it as of the Palladium of your political safety and prosperity; watching for its preservation with jealous anxiety; discountenancing whatever may suggest even a suspicion that it can in any event be abandoned, and indignantly frowning upon the first dawning of every attempt to alienate any portion of our country from the rest, or to enfeeble the sacred ties which now link together the various parts.

For this you have every inducement of sympathy and interest. Citizens by birth or choice of a common country, that country has a right to concentrate your affections. The name of American, which belongs to you, in your national capacity, must always exalt the just pride of Patriotism, more than any appellation derived from local discriminations. With slight shades of difference, you have the same Religion, Manners, Habits, and political Principles. You have in a common cause fought and triumphed together. The Independence and Liberty you possess are the work of joint councils, and joint efforts—of common dangers, sufferings and successes.

But these considerations, however powerfully they address themselves to your sensibility, are greatly outweighed by those, which apply more immediately to your Interest. Here every portion of our country finds the most commanding motives for carefully guarding and preserving the Union of the whole.

The North in an unrestrained intercourse with the South, protected by the equal Laws of a common government, finds in the productions of the latter great additional resources of maritime and commercial enterprise-and precious materials of manufacturing industry. The South in the same intercourse, benefiting by the agency of the North, sees its agriculture grow and its commerce expand. Turning partly into its own channels the seamen of the North, it finds its particular navigation invigorated; and, while it contributes, in different ways, to nourish and increase the general mass of the national navigation, it looks forward to the protection of a maritime strength to which itself is unequally adapted. The East, in a like intercourse with the West, already finds, and in the progressive improvement of interior communications, by land and water, will more and more find, a valuable vent for the commodities which it brings from abroad, or manufactures at home. The West derives from the East supplies requisite to its growth and comfort, and what is perhaps of still greater consequence, it must of necessity owe the secure enjoyment of indispensable outlets for its own productions to the weight, influence, and the future maritime strength of the Atlantic side of the Union, directed by an indissoluble community of interest, as one Nation. Any other tenure by which the from its own separate strength, or from an apostate and unnatural connection with any foreign Power, must be intrinsically precarious.

While then every part of our Country thus feels an immediate and particular interest in Union, all the parts combined in the united mass of means and efforts cannot fail to find greater strength, greater resource, proportionably greater security from external danger, a less frequent interruption of their Peace by foreign Nations; and, what is of inestimable value! they must derive from Union an exemption from those broils and wars between themselves, which so frequently afflict neighboring countries, not tied together by the same government; which their own rivalships alone would be sufficient to produce; but which opposite foreign alliances, attachments, and intrigues would stimulate and embitter. Hence likewise they will avoid the necessity of those overgrown Military establishments, which under any form of government, are inauspicious to liberty, and which are to be regarded as particularly hostile to Republican Liberty: In this sense it is, that your Union ought to be considered as a main prop of your liberty, and that the love of the one ought to endear to you the preservation of the other.

These considerations speak a persuasive language to every reflecting and virtuous mind, and exhibit the continuance of the Union as a primary object of Patriotic desire. Is there a doubt, whether a common government can embrace so large a sphere? Let experience solve it. To listen to mere speculation in such a case were criminal. We are authorized to hope that a proper organization of the whole, with the auxiliary agency of governments for the respective subdivisions, will afford a happy issue to the experiment. Tis well worth a fair and full experiment. With such powerful and obvious motives to Union, affecting all parts of our country, while experience shall not have demonstrated its impracticability, there will always be reason to distrust the patriotism of those, who in any quarter may endeavor to weaken its bands.

In contemplating the causes which may disturb our Union, it occurs as matter of serious concern, that any ground should have been furnished for characterizing parties by Geographical discriminations-Northern and Southern-Atlantic and Western: whence designing men may endeavor to excite a belief, that there is a real difference of local interests and views. One of the expedients of Party to acquire influence, within particular districts, is to misrepresent the opinions and aims of other districts. You cannot shield yourselves too much against the jealousies and heart burnings which spring from these misrepresentations; they tend to render alien to each other those who ought to be bound together by fraternal affection. The inhabitants of our Western country have lately had a useful lesson on this head. They have seen, in the negotiation by the Executive, and in the unanimous ratification by the Senate, of the treaty with Spain, and in the universal satisfaction at that event, throughout the United States, a decisive proof how unfounded were the suspicions propagated among them of a policy in the General Government and in the Atlantic States unfriendly to their interests in regard to the Mississippi. They have been witnesses to the formation of two Treaties. that with Great Britain, and that with Spain, which secured to them every thing they could desire, in respect to our Foreign Relations, towards confirming their prosperity. Will it not be their wisdom to rely for the preservation of these advantages on the Union by which they were procured? Will they not henceforth be deaf to those advisers, if such there are, who would sever them from their Brethren and connect them with Aliens?

To the efficacy and permanency of your Union, a Government for the whole is indispensable. No alliances however strict between the parts can be an adequate substitute. They must inevitably experience the infractions and interruptions which all alliances in all times have experienced. Sensible of this momentous truth, you have improved upon your first essay, by the adoption of a Constitution of Government, better calculated than your former for an intimate Union, and

for the efficacious management of your common concerns. This government, the offspring of our own choice uninfluenced and unawed, adopted upon full investigation and mature deliberation, completely free in its principles, in the distribution of its powers, uniting security with energy, and containing within itself a provision for its own amendment, has a just claim to your confidence and your support. Respect for its authority, compliance with its Laws, acquiescence in its measures, are duties enjoined by the fundamental maxims of true Liberty. The basis of our political systems is the right of the people to make and to alter their Constitutions of Government. But the Constitution which at any time exists, 'till changed by an explicit and authentic act of the whole People, is sacredly obligatory upon all. The very idea of the power and the right of the People to establish Government, presupposes the duty of every individual to obey the established Government.

All obstructions to the execution of the Laws, all combinations and associations, under whatever plausible character, with the real design to direct, control, counteract, or awe the regular deliberation and action of the constituted authorities, are destructive of this fundamental principle, and of fatal tendency. They serve to organize faction, to give it an artificial and extraordinary force—to put in the place of the delegated will of the Nation, the will of a party; often a small but artful and enterprising minority of the community; and, according to the alternate triumphs of different parties, to make the public administration the mirror of the ill-concerted and incongruous projects of faction, rather than the organ of consistent and wholesome plans digested by common councils, and modified by mutual interests. However combinations or associations of the above description may now and then answer popular ends, they are likely, in the course of time and things, to become potent engines, by which cunning, ambitious, and unprincipled men will be enabled to subvert the Power of the People and to usurp for themselves the reins of Government; destroying afterwards the very engines, which have lifted them to unjust dominion.

Towards the preservation of your Government and the permanency of your present happy state, it is requisite, not only that you steadily discountenance irregular oppositions to its acknowledged authority, but also that you resist with care the spirit of innovation upon its principles, however specious the pretexts. One method of assault may be to effect, in the forms of the Constitution, alterations which will impair the energy of the system, and thus to undermine what cannot be directly overthrown. In all the changes to which you may be invited, remember that time and habit are at least as necessary to fix the true character of Governments, as of other human institutions-that experience is the surest standard, by which to test the real tendency of the existing Constitution of a Country—that facility in changes upon the credit of mere hypothesis and opinion exposes to perpetual change, from the endless variety of hypothesis and opinion: and remember, especially, that, for the efficient management of your common interests, in a country so extensive as ours, a Government of as much vigor as is consistent with the perfect security of Liberty is indispensable. Liberty itself will find in such a Government, with powers properly distributed and adjusted, its surest Guardian. It is, indeed, little else than a name, where the Government is too feeble to withstand the enterprises of faction, to confine each member of the society within the limits prescribed by the laws, and to maintain all in the secure and tranquil enjoyment of the rights of person and property.

I have already intimated to you the danger of Parties in the State, with particular reference to the founding of them on Geographical discriminations. Let me now take a more comprehensive view and warn you in the most solemn manner against the baneful effects of the Spirit of Party, generally.

This Spirit, unfortunately, is inseparable from our nature, having its root in the strongest passions of the human mind. It exists under different shapes in all Governments,

more or less stifled, controlled, or repressed; but, in those of the popular form, it is seen in its greatest rankness, and is truly their worst enemy.

The alternate domination of one faction over another, sharpened by the spirit of revenge-natural to party dissension, which in different ages and countries has perpetrated the most horrid enormities, is itself a frightful despotism. But this leads at length to a more formal and permanent despotism. The disorders and miseries, which result, gradually incline the minds of men to seek security and repose in the absolute power of an Individual: and sooner or later the chief of some prevailing faction, more able or more fortunate than his competitors, turns this disposition to the purposes of his own elevation, on the ruins of Public Liberty.

Without looking forward to an extremity of this kind (which nevertheless ought not to be entirely out of sight), the common and continual mischiefs of the spirit of Party are sufficient to make it the interest and duty of a wise

People to discourage and restrain it.

It serves always to distract the Public Councils, and enfeeble the Public administration. It agitates the community with ill-founded jealousies and false alarms, kindles the animosity of one part against another, foments occasionally riot and insurrection. It opens the doors to foreign influence and corruption, which find a facilitated access to the Government itself through the channels of party passions. Thus the policy and the will of one country, are subjected to the policy and will of another.

There is an opinion that parties in free countries are useful checks upon the Administration of the Government, and serve to keep alive the Spirit of Liberty. This within certain limits is probably true—and in Governments of a Monarchical cast, Patriotism may look with indulgence, if not with favor, upon the spirit of party. But in those of the popular character, in Governments purely elective, it is a spirit not to be encouraged. From their natural tendency, it is certain there will always be enough of that spirit for every salutary purpose, and there being constant danger of excess, the effort ought to be, by force of public opinion, to mitigate and assuage it. A fire not to be quenched; it demands a uniform vigilance to prevent its bursting into a flame, lest, instead of warming, it should consume.

It is important, likewise, that the habits of thinking in a free country should inspire caution in those intrusted with its administration, to confine themselves within their respective constitutional spheres; avoiding in the exercise of the powers of one department to encroach upon another. The spirit of encroachment tends to consolidate the powers of all the departments in one, and thus to create, whatever the form of government, a real despotism. A just estimate of that love of power, and proneness to abuse it, which predominates in the human heart, is sufficient to satisfy us of the truth of this position. The necessity of reciprocal checks in the exercise of political power, by dividing and distributing it into different depositories, and constituting each the Guardian of the Public Weal against invasions by the others, has been evinced by experiments ancient and modern; some of them in our country and under our own eyes. To preserve them must be as necessary as to institute them. If, in the opinion of the People, the distribution or modification of the Constitutional powers be in any particular wrong, let it be corrected by an amendment in the way which the Constitution designates. But let there be no change by usurpation; for though this, in one instance, may be the instrument of good, it is the customary weapon by which free governments are destroyed. The precedent must always greatly overbalance in permanent evil any partial or transient benefit which the use can at any time yield.

Of all the dispositions and habits, which lead to political prosperity, Religion and morality are indispensable supports. In vain would that man claim the tribute of Patriotism, who should labor to subvert these great Pillars of human happiness, these firmest props of the duties of Men and Citizens. The mere Politician, equally with the pious man, ought to respect and to cherish them. A volume could not trace all their connections with private and public felicity.

Let it simply be asked where is the security for property, for reputation, for life, if the sense of religious obligation desert the oaths, which are the instruments of investigation in Courts of Justice? And let us with caution indulge the supposition, that morality can be maintained without religion. Whatever may be conceded to the influence of refined education on minds of peculiar structure—reason and experience both forbid us to expect, that national morality can prevail in exclusion of religious principle.

'T is substantially true, that virtue or morality is a necessary spring of popular government. The rule indeed extends with more or less force to every species of Free Government. Who that is a sincere friend to it can look with indifference upon attempts to shake the foundation of the fabric?

Promote, then, as an object of primary importance, institutions for the general diffusion of knowledge. In proportion as the structure of a government gives force to public opinion, it is essential that public opinion should be enlightened.

As a very important source of strength and security, cherish public credit. One method of preserving it is, to use it as sparingly as possible: avoiding occasions of expense by cultivating peace, but remembering also that timely disbursements to prepare for danger frequently prevent much greater disbursements to repel it-avoiding likewise the accumulation of debt, not only by shunning occasions of expense, but by vigorous exertions in time of Peace to discharge the debts which unavoidable wars have occasioned. not ungenerously throwing upon posterity the burden which we ourselves ought to bear. The execution of these maxims belongs to your Representatives, but it is necessary that public opinion should cooperate. To facilitate to them the performance of their duty, it is essential that you should practically bear in mind, that towards the payment of debts there must be Revenue—that to have Revenue there must be taxes—that no taxes can be devised which are not more or less inconvenient and unpleasant; that the intrinsic embarrassment inseparable from the selection of the proper objects (which is always a choice of difficulties) ought to be a decisive motive for a candid construction of the conduct of the Government in making it, and for a spirit of acquiescence in the measures for obtaining Revenue which the public exigencies may at any time dictate.

Observe good faith and justice towards all Nations. Cultivate peace and harmony with all. Religion and Morality enjoin this conduct; and can it be that good policy does not equally enjoin it? It will be worthy of a free, enlightened, and, at no distant period, a great nation, to give to mankind the magnanimous and too novel example of a People always guided by an exalted justice and benevolence. Who can doubt that in the course of time and things, the fruits of such a plan would richly repay any temporary advantages, which might be lost by a steady adherence to it? Can it be that Providence has not connected the permanent felicity of a Nation with its virtue? The experiment, at least, is recommended by every sentiment which ennobles human nature. Alas! is it rendered impossible by its vices?

In the execution of such a plan nothing is more essential than that permanent, inveterate antipathies against particular nations and passionate attachments for others should be excluded; and that in place of them just and amicable feelings towards all should be cultivated. The Nation, which indulges towards another an habitual hatred or an habitual fondness, is in some degree a slave. It is a slave to its animosity or to its affection, either of which is sufficient to lead it astray from its duty and its interest. Antipathy in one nation against another disposes each more readily to offer insult and injury, to lay hold of slight causes of umbrage, and to be haughty and intractable, when accidental or trifling occasions of dispute occur. Hence frequent collisions, obstinate, envenomed and bloody contests. The Nation prompted by ill-will and resentment sometimes impels to War the Government, contrary to the best calculations of policy. The Government sometimes participates in the national propensity, and adopts through passion what reason would reject; at other times, it makes the animosity of the Nation subservient to projects of hostility instigated by pride, ambition, and other sinister and pernicious motives. The peace often, sometimes perhaps the Liberty, of Nations, has been the victim.

So likewise a passionate attachment of one Nation for another produces a variety of evils. Sympathy for the favorite nation, facilitating the illusion of an imaginary common interest in cases where no real common interest exists, and infusing into one the enmities of the other, betrays the former into a participation in the quarrels and wars of the latter, without adequate inducement or justification: It leads also to concessions to the favorite Nation, of privileges denied to others, which is apt doubly to injure the Nation making the concessions; by unnecessarily parting with what ought to have been retained, and by exciting jealousy, ill-will, and a disposition to retaliate, in the parties from whom equal privileges are withheld; and it gives to ambitious, corrupted, or deluded citizens (who devote themselves to the favorite Nation) facility to betray, or sacrifice the interests of their own country, without odium, sometimes even with popularity: gilding with the appearances of a virtuous sense of obligation, a commendable deference for public opinion, or a laudable zeal for public good, the base or foolish compliances of ambition, corruption or infatuation.

As avenues to foreign influence in innumerable ways, such attachments are particularly alarming to the truly enlightened and independent Patriot. How many opportunities do they afford to tamper with domestic factions, to practice the arts of seduction, to mislead public opinion, to influence or awe the public councils! Such an attachment of a small or weak towards a great and powerful nation, dooms the former to be the satellite of the latter.

Against the insidious wiles of foreign influence, I conjure you to believe me, fellow-citizens, the jealousy of a free people ought to be constantly awake, since history and experience prove that foreign influence is one of the most baneful foes of republican Government. But that jealousy, to be useful, must be impartial; else it becomes the instrument of the very influence to be avoided, instead of a defense against it. Excessive partiality for one foreign nation and excessive dislike of another, cause those whom they actuate to see danger only on one side, and serve to veil and even second the arts of influence on the other. Real Patriots, who may resist the intrigues of the favorite, are liable to become suspected and odious; while its tools and dupes usurp the applause and confidence of the people, to surrender their interests.

The great rule of conduct for us, in regard to foreign Nations, is, in extending our commercial relations, to have with them as little Political connection as possible. So far as we have already formed engagements, let them be fulfilled with perfect good faith. Here let us stop.

Europe has a set of primary interests, which to us have none, or a very remote relation. Hence she must be engaged in frequent controversies, the causes of which are essentially foreign to our concerns. Hence therefore it must be unwise in us to implicate ourselves, by artificial ties in the ordinary vicissitudes of her politics, or the ordinary combinations and collisions of her friendships, or enmities.

Our detached and distant situation invites and enables us to pursue a different course. If we remain one People, under an efficient government, the period is not far off, when we may defy material injury from external annoyance; when we may take such an attitude as will cause the neutrality we may at any time resolve upon to be scrupulously respected. When belligerent nations, under the impossibility of making acquisitions upon us, will not lightly hazard the giving us provocation when we may choose peace or war, as our interest guided by our justice shall counsel.

Why forego the advantages of so peculiar a situation? Why quit our own to stand upon foreign ground? Why, by interweaving our destiny with that of any part of Europe, entangle our peace and prosperity in the toils of European ambition, rivalship, interest, humor, or caprice?

"T is our true policy to steer clear of permanent alliances, with any portion of the foreign world; so far, I mean, as we

are now at liberty to do it—for let me not be understood as capable of patronizing infidelity to existing engagements (I hold the maxim no less applicable to public than to private affairs, that honesty is always the best policy). I repeat therefore let those engagements be observed in their genuine sense. But in my opinion it is unnecessary and would be unwise to extend them.

Taking care always to keep ourselves, by suitable establishments, on a respectable defensive posture, we may safely trust to temporary alliances for extraordinary emergencies.

Harmony, liberal intercourse with all nations, are recommended by policy, humanity, and interest. But even our commercial policy should hold an equal and impartial hand: neither seeking nor granting exclusive favors or preferences; consulting the natural course of things; diffusing and diversifying by gentle means the streams of commerce, but forcing nothing; establishing with Powers so disposed—in order to give trade a stable course, to define the rights of our Merchants, and to enable the Government to support them-conventional rules of intercourse, the best that present circumstances and mutual opinion will permit; but temporary, and liable to be from time to time abandoned or varied, as experience and circumstances shall dictate; constantly keeping in view that 't is folly in one nation to look for disinterested favors from another, that it must pay with a portion of its independence for whatever it may accept under that character—that by such acceptance, it may place itself in the condition of having given equivalents for nominal favors and yet of being reproached with ingratitude for not giving more. There can be no greater error than to expect, or calculate upon real favors from Nation to Nation. 'T is an illusion which experience must cure, which a just pride ought to discard.

In offering to you, my Countrymen, these counsels of an old and affectionate friend, I dare not hope they will make the strong and lasting impression, I could wish, that they will control the usual current of the passions, or prevent our Nation from running the course which has hitherto marked the destiny of Nations. But if I may even flatter myself, that they may be productive of some partial benefit; some occasional good; that they may now and then recur to moderate the fury of party spirit, to warn against the mischiefs of foreign intrigue, to guard against the impostures of pretended patriotism, this hope will be a full recompense for the solicitude for your welfare, by which they have been dictated.

How far in the discharge of my official duties, I have been guided by the principles which have been delineated, the public Records and other evidences of my conduct must witness to You, and to the world. To myself the assurance of my own conscience is, that I have at least believed myself to be guided by them.

In relation to the still subsisting War in Europe, my Proclamation of the 22d of April 1793 is the index to my plan. Sanctioned by your approving voice and by that of Your Representatives in both Houses of Congress, the spirit of that measure has continually governed me: uninfluenced by any attempts to deter or divert me from it.

After deliberate examination with the aid of the best lights I could obtain, I was well satisfied that our country, under all the circumstances of the case, had a right to take, and was bound in duty and interest, to take a Neutral position. Having taken it, I determined, as far as should depend upon me, to maintain it, with moderation, perseverance, and firmness

The considerations which respect the right to hold this conduct, it is not necessary on this occasion to detail. I will only observe, that, according to my understanding of the matter, that right, so far from being denied by any of the Belligerent Powers, has been virtually admitted by all.

The duty of holding a neutral conduct may be inferred, without anything more, from the obligation which justice and humanity impose on every Nation, in cases in which it is free to act, to maintain inviolate the relations of Peace and Amity towards other Nations.

The inducements of interest for observing that conduct will best be referred to your own reflections and experience. With me, a predominant motive has been to endeavor to gain time to our country to settle and mature its yet recent institutions, and to progress without interruption to that degree of strength and consistency, which is necessary to give it, humanly speaking, the command of its own fortune.

Though, in reviewing the incidents of my Administration, I am unconscious of intentional error—I am nevertheless too sensible of my defects not to think it probable that I may have committed many errors. Whatever they may be, I fervently beseech the Almighty to avert or mitigate the evils to which they may tend. I shall also carry with me the hope that my country will never cease to view them with indulgence; and that after forty-five years of my life dedicated to its service, with an upright zeal, the faults of incompetent abilities will be consigned to oblivion, as myself must soon be to the mansions of rest.

Relying on its kindness in this as in other things, and actuated by that fervent love towards it, which is so natural to a man, who views in it the native soil of himself and his progenitors for several generations; I anticipate with pleasing expectation that retreat, in which I promise myself to realize, without alloy, the sweet enjoyment of partaking, in the midst of my fellow-citizens, the benign influence of good Laws under a free Government, the ever favorite object of my heart, and the happy reward, as I trust, of our mutual cares, labors, and dangers.

GEO. WASHINGTON.

UNITED STATES, September 19th, 1796.

[Applause.]

Mr. AYRES. Mr. Chairman, I yield to the gentleman from Georgia [Mr. VINSON] 30 minutes.

Mr. VINSON of Georgia. Mr. Chairman, the sums provided in the naval appropriation bill always seem large, although they total only 7 or 8 per cent of the total Federal appropriations. The Army and Navy bills are always looked to when economies are demanded. Great reductions have been made in those bills in recent years, and it is proper that reductions should have been made, in view of the economic conditions throughout the country. But there are limits beyond which the Congress should not go. It would be foolish to spend hundreds of millions of dollars in the creation of a Navy and the training of its officers and men and then destroy the Navy that has so painstakingly been built up by providing insufficient funds to maintain it.

The Federal appropriations for the fiscal year 1933 total \$4,149,627,304. The table below shows the purposes under general heads for which that sum was expended.

	Amount	Per cent
Veteran's Administration	\$1, 020, 464, 000	24. 59
Public debt retirement. Interest on the public debt. Executive Offices, legislative and independent establish-	496, 803, 478 640, 000, 000	11. 97 15. 42
ments	103, 715, 032 1, 091, 133, 910	2. 5 26. 29
Nonmilitary activities, War Department. War Department, military activities. Navy.	162, 864, 819 305, 739, 924 328, 906, 141	3. 93 7. 37 7. 93

Pacifists throughout the country are prone to state that the expenditures in this country for wars—past, present, and future—are in excess of 70 per cent of the total Federal appropriations. In that 70 per cent they include the cost of the Veterans' Administration, the funds provided for the retirement of the public debt, and the interest on the public debt. These three items in 1933 consumed 51.98 per cent of the Federal appropriations for that year. These expenditures added not one iota to the strength of our national defense or to its readiness to-day to defend the Nation. The \$2,157,267,478, which comprises 51.98 per cent of the total appropriations, is the cost that this country pays annually for unpreparedness. Prior to our entry into the Great War, Colonel House, the intimate adviser of President Wilson, made this most significant statement:

If war comes with Germany, it will be because of our unpreparedness and her belief that we are more or less impotent to do her harm.

In the figures which I have just given to you, the only items which directly contribute to the national defense of this country are the \$305,739,924 which are spent for the military activities of the War Department and the \$328,906,141 which are spent for the Navy. These two sums are equal to only 15.3 per cent of the total Federal appropriations.

Large though these sums may seem, they do not constitute that crushing burden of armaments which the pacifist speaks of so glibly. Why, gentlemen, the citizens of this country spend more each year upon perfume alone than is spent for the maintenance, upbuilding, and operation of the Navy. They spend approximately one-third of the sum necessary for the Navy on chewing gum alone. The income derived from the tax upon tobacco would build and maintain our Navy with ease. In other words, gentlemen, the cost of armament in this country does not constitute the crushing burden which the pacifist would have you believe. The Navy costs each person in this country less than one cent per day. Armament and preparedness are not the things that cost so much; it is the result of unpreparedness that is so costly. Again and again history repeats itself. Our national defense in time of peace is allowed to decline and to grow weak, and when war comes, as unhappily it does. billions of dollars are poured out in the vain effort to build up our Navy and to create an Army to meet the emergency that we find upon us. Again and again we must be taught that soldiers can not be made in a day and that it takes years to create ships.

In the last war we laid down 171 destroyers, but by the time the armistice had been declared we had been able to complete only 38 of that number, and only 27 of those completed reached the war zone before November 11, 1918. We sent our men to battle against the most highly trained army in the world when some of them did not know how to load and fire a rifle or a machine gun. They had not been trained to do it. Thorough military and naval training requires time. The policy of our country has been to maintain a relatively small Army, to which civilian components could be added in the event of an emergency, but on the other hand to maintain a strong Navy, which would act as a sure protection to our country while our Army was being prepared.

I do not for a moment wish to indicate that the amounts expended upon our Navy should not be carefully scrutinized or that the expenditures made by the Navy should not be regulated by the strictest economy, but if we are to have a Navy we must appropriate adequate funds to build it, to maintain it, and to operate it. The income of our people. even in these times of depression, is greater than that of any other country in the world. Under normal conditions forty-three one-hundredths of 1 per cent of our national income went to the maintenance of our Navy. Three times as great a percentage, or 1.48 per cent, of the national income of Great Britain went to the maintenance of her navy, exclusive of her air force; 1.67 per cent of the French income went toward the navy, exclusive of the air force; 1.75 per cent of the Italian national income went for their navy. exclusive of the air force. And in Japan 2.39 per cent of the national income went for the maintenance of the Imperial Japanese Navy. If we are to remain a great power and a great force for good in this troublesome world, we must have the will to do so, the will to provide a proper Navy, for the influence that we will exert in Europe and in the Far East will be largely in proportion to the naval strength which we have.

It must be remembered that appropriations made for the Navy are in no sense an economic waste. The money provided for the Navy is expended for American commodities and is used to pay the wages of Americans. These funds placed in circulation furnish the medium for the purchase of products that are produced in all parts of the country. The wages paid to the men at shipbuilding plants enable

them to purchase food and clothing, which helps to maintain commodity prices throughout the country. But food and clothing are not the only items to benefit. During a recent 12-month period the Navy drew from its storehouses for use more than 20,000 tons of iron and steel, more than 2,700 tons of nonferrous metal, more than 1,100 miles of insulated wire and cable, nearly 800,000 gallons of paint. It utilized more than 5,700,000 barrels of fuel oil, more than 500,000 tons of coal, more than 20,000,000 feet of lumber, more than 3,400 bales of cotton, and more than 200,000 pounds of wool.

These items had to be replaced, and the replacement furnished labor for the steel worker in Pennsylvania, the brass worker in Connecticut, the oil driller in Texas, the coal miner in Virginia, the lumberman in the great Northwest, the cotton grower in the South, and the sheep herder in Montana.

To feed the enlisted men of the Navy and Marine Corps, millions of pounds of meat, flour, vegetables, dairy products, and fruit, and millions of eggs are required annually, and this demand aids in keeping up the market price for the products of the farmer, the stockraiser, the dairyman, and the poultryman. These funds appropriated for the construction of new ships and for the maintenance and operation of those ships already built percolate to all parts of the country. Every State benefits.

In 1932 it is estimated that more than a million dollars of the naval appropriation was expended for the products of each of the following States: West Virginia, Tennessee, Minnesota, Kentucky, Kansas, Iowa, Colorado, and Alabama; more than \$2,000,000 for the products of Wisconsin, Indiana, Georgia, and Florida; more than \$3,000,000 for those of Texas, South Carolina, Missouri, and Michigan; more than \$5,000,000 for those of Washington, Rhode Island, Maryland, Maine, Illinois, Delaware, and Connecticut; more than \$10,-000,000 for the products of New Jersey; and even greater sums in Virginia, Pennsylvania, New York, Massachusetts, and California. Every State benefits by these expenditures, and its industries are stimulated thereby.

The following table shows an estimate of the distribution of naval expenditures for the fiscal year 1932-that is, the States whose activities would receive direct benefits from these naval appropriations through the stabilization of markets:

Alabama	\$1, 158, 283
Arizona	
Arkansas	812,019
California	
Colorado	
Connecticut	
Delaware	7, 428, 280
District of Columbia	18, 051, 051
Fiorida	
Georgia	
Idaho	
Illinois	6, 576, 522
Indiana	
Iowa	1,749,574
Kansas	1, 204, 346
Kentucky	
Louisiana	
Maine	7,093,946—
Maryland	
Massachusetts	
Michigan	
Minnesota	
Mississippi	
Missouri	
Montana	200 000
Nebraska	
Nevada	
New Hampshire	
New Jersey	
New Mexico	
New York	
North Carolina	
North Dakota	
Ohlo	
Oklahoma	
Oregon.	
Pennsylvania	
Rhode Island	
South Carolina	

South Dakota	\$272, 104
Tennessee	1,543,306-
Texas	3, 878, 804
Utah	431, 238
Vermont	456, 648
Virginia	20, 780, 307
Washington	8, 638, 685
West Virginia	1, 495, 496
Wisconsin	2, 830, 477
Wyoming	145, 788

353. 628. 362 --Total expenditures____

There can be no better means of providing relief for the unemployed than through the construction of new ships for the Navy and through the maintenance and operation of those which we now have. As indicated above, the benefits of such construction extend to every corner of this great country. When you place out of active commission a battleship, you immediately decrease the demand for those products and manufactured articles which are necessary to maintain and operate it. The greater the number of ships so taken from active commission, the greater will be the decrease in the demand. Decreased demand means a still further lowering of price levels, and this lowering of price levels means further unemployment on the farm and in the factory. That is one phase of the naval situation, but an important one.

One of the primary duties that the Constitution places upon the Congress is to provide for the national defense. That obligation rests upon us individually and collectively. In view of the conditions pertaining throughout the world to-day and the inferior strength to which our Navy has fallen in heavy cruisers, aircraft carriers, light cruisers, destroyers, and submarines, it behooves every Member of this House to consider carefully if he wishes to still further reduce the relative strength of our Navy in comparison with that of Japan and Great Britain.

The 5-5-3 ratio so often spoken of, sounds well but is fast becoming for us only a self-deluding fiction.

Under the terms of the London and Washington treaties the United States may have a total maximum combatant ship tonnage of 1,201,700, as compared with 1,201,700 for Great Britain and 763,000 for Japan. Separate tonnage limitations are applied to the battleships, aircraft carriers, heavy cruisers, light cruisers, destroyers, and submarines as follows:

TABLE I. Treaty allowances

	United States	Great Britain	Japan	France	Italy
Battleships	Tons 1 2 525,000 135,000 8 180,000 7 143,500 150,000 52,700	Tons 1 \$ 525,000 135,000 146,800 192,200 150,000 52,700	Tons 1 3 315,000 81,000 108,400 100,450 105,500 52,700	Tons 4 175,000 60,000 (6) (6) (6) (6) (6)	Tons 4 175,000 60,000 (6) (6) (6) (6) (6)
Total	1, 186, 200	1, 201, 700	763, 050		

1 15 vessels.
1 Replacement allowances.
2 9 vessels.
1 France and Italy are not limited as to number of vessels, but are limited in tonnage to 175,000 tons.
2 30,000 tons may not be completed until 1936, 1937, and 1938.
5 France and Italy did not ratify the London treaty fixing allowances in these categories.
7 15,500 tons may be added to this amount if the United States elects to have only fifteen 8-inch-gun cruisers instead of eighteen 8-inch-gun cruisers.

As you know, the United States has led the world in its efforts to reduce and limit armaments. It instigated the Limitation of Armaments Conference that resulted in the Washington treaty of 1922. After the ratification of that treaty we neglected to lay down and to build ships of those types in which we were inferior to other powers, in the vain hope that they would follow our example and that competition in naval armaments might be eliminated; but while we failed to build, other nations proceeded to construct ships of those types which the Washington treaty did not limit, and they have continued consistently to lay down ships in those categories.

We became a signatory of the London conference in 1930, | which established tonnage limits on those types of ships which were not limited by the Washington treaty. But while definite ratios have been established, the necessary steps have not been taken to provide for the construction of ships in those types in which we are below the treaty ratio, or even to replace ships which are becoming over age.

Since the Washington treaty of 1922 we have provided for but 40 ships, of a total of 197,640 tons, as compared with 148 ships, of a total of 472,311 tons for Great Britain, and 164 ships of 409,867 tons for Japan. During that period France has provided for 196 ships of 507,737 tons, and Italy for 144 ships of 297,072 tons. The types and tonnages that go to make up totals are as follows:

TABLE VI.—Ships laid down or appropriated for since Washington treaty (1922)

	United States		Great Britain		Japan		France		Italy	
	Number	Tons	Number	Tons	Number	Tons	Number	Tons	Number	Tons
Battleships	11	13, 800	2	67, 400	1	7,600	1	. 26, 500		
Cruisers Destroyers Submarines Miscellaneous	*11 *11 6 6	152, 900 16, 500 11, 970 2, 470	25 54 30 37	210, 260 73, 904 37, 664 83, 083	20 63 42 38	160, 275 89, 016 59, 871 93, 105	19 58 481 37	152, 902 111, 197 79, 223 137, 915	19 42 54 \$ 29	138, 086 53, 18- 44, 65 61, 15
Total	40	197, 640	148	472, 311	164	409, 867	196	507, 737	144	297, 07

¹ United States, England, and Japan have each converted 2 ships to aircraft carriers since the Washington treaty; France, 1.
² 2 additional authorized, but may not be laid down until 1934 and 1935.
³ Only 5 actually under construction, but contracts have been awarded for 3 additional.
⁴ Includes Promethee and Ondine, sunk.
⁴ Includes 1 aircraft tender of 4,862 tons converted from merchant steamer.

Our failure to provide new ships to bring us up to the ! treaty ratios and replacements for those ships that became over age has resulted in our having on the 31st of December, 1932, only 101 under-age ships of 728,000 tons, as com-

pared with 138 of 980,169 tons for Great Brintain and 184 of 726,138 tons for Japan. The detailed distribution of ships and tonnage is as follows:

TABLE II - Under-one completed pessels on December 31, 1932

	United States		Great Britain		Japan		France		Italy	
	Number	Tons	Number	Tons	Number	Tons	Number	Tons	Number	Tons
Battleships. Carriers Cruisers A Cruisers B Destroyers Submarines	14 3 9 10 14 51	429, 300 77, 500 82, 850 70, 500 16, 560 51, 290	15 6 19 24 40 34	473, 650 115, 350 183, 686 114, 020 52, 849 40, 614	10 4 12 17 72 69	298, 400 68, 870 107, 800 81, 455 93, 205 76, 408	6 1 6 5 44 62	133, 134 22, 146 60, 000 33, 016 75, 499 58, 586	5 4 52 28	86, 532 50, 000 19, 583 60, 697 24, 548
Total	101	728, 000	138	980, 169	184	726, 138	124	382, 381	93	241, 362

That situation, when you analyze it, is astounding. Instead of a 5-3 ratio as to Japan, we find ourselves with less than five-ninths of the number of under-age ships that she has and about an equal tonnage. In under-age heavy cruisers, light cruisers, destroyers, and submarines we are inferior to Japan, both in numbers and in tonnage.

Let us consider this situation, type by type, as it existed on the 31st of December, 1932.

CAPITAL SHIPS

Take first the capital ships; that is, the battleship or battle cruiser. Japan has 10 under-age ships of this type with a total of 298,400 tons' displacement, as compared with 15 possessed by Great Britain of 473,650 tons' displacement and 14 possessed by the United States of 429,300 tons' displacement. Although we are below our treaty ratio, we can not under the terms of the London treaty lay down any capital ships prior to the expiration of that treaty in 1936.

AIRCRAFT CARRIERS

Japan has 4 under-age aircraft carriers of a total of 68,870 tons, as compared with 6 of Great Britain of 115,350 tons and 3 of the United States of 77,500 tons. One of our 3 carriers is the Langley, an old converted collier.

HEAVY CRUISERS

Japan has 12 under-age heavy cruisers of 107,800 tons, as compared with 19 of Great Britain of a total of 183,686 tons and 9 of the United States of 82,850 tons.

LIGHT CRUISERS

Japan has 17 under-age light cruisers of a total of 81,455 tons, as compared with 24 of Great Britain of 114,020 tons and 10 of the United States of 70,500 tons. We are completely outclassed in light cruisers.

DESTROYERS

Japan has 72 under-age destroyers of a total of 93,205 tons, as compared with 40 of Great Britain of 52,849 tons and only 14 of the United States of 16,560 tons. Our vaunted destroyer superiority has vanished, and we are far below Great Britain and Japan.

SUBMARINES

Japan has 69 under-age submarines of a total of 76,408 tons, as compared to 34 of Great Britain of 40,614 tons and 51 of the United States of 51,290 tons. Although we are superior to Great Britain in the number and tonnage of under-age submarines, we are far below Japan in both numbers and tonnage.

It is true, gentlemen, that we have the following over-age

	United States		Great Britain		Japan		France		Italy	
	Number	Tons	Number	Tons	Number	Tons	Number	Tons	Number	Tons
Battleships.	1	26, 100					3	52, 791		
Cruisers A	1	7, 350	0	36, 885	2	15, 720 11, 920	5	54, 424 25, 625	4 7	33. 642 22, 386
Cruisers B	237 31	250, 910 16, 500	116 20	123, 490 10, 710	31 2	28, 680 1, 434	35 25	25, 706 16, 986	30 21	23, 750 8, 109
Total	270	300, 860	145	171, 055	38	57, 754	73	175, 532	62	87, 887

It must ever be remembered when we consider over-age | ships that such ships are just as obsolete to-day as are the aircraft which were built in 1918. Some of the planes we then sent our aviators aloft in were referred to as "flying coffins." These over-age ships, with inferior gun power, with slower speed, with deteriorated hulls and machinery will truly be "floating coffins" if they are sent to battle against modern ships. We keep them to-day because we have nothing better, but they are no ships on which to send the youth of this country to do battle with an enemy. No country has a moral right to demand that her soldiers and sailors go into battle with strength and equipment inferior to her opponents. Yet, unless we prepare adequately in time of peace, that is the inevitable necessity when war comes. Once war has been declared it will be too late to prepare, and all the wealth of Cresus would not be able to furnish ships and guns and proper training to be effective in sufficient time. Battle is a gruesome contest, upon which the fate of our other ships are built-will be as follows:

Nation may depend. Are the people of this country, the richest country in the world, even in spite of the depression, willing to send their sons out to meet an enemy in ships that are old, slow, obsolete, and of inferior strength, in order to save a few dollars? Is the defense of your country to be jeopardized? Are the lives of your sons and grandsons to be offered up as a living sacrifice because you are unwilling to provide the funds for the support of a proper Navy in time of peace?

Bad as is the situation to-day, it will be far worse in 1936 unless the Congress takes immediate steps to authorize and lay down new ships. As I previously indicated, no capital ships can be laid down prior to the expiration of the London Treaty in 1936. The under-age aircraft carriers, heavy cruisers, light cruisers, destroyers, and submarines that the several powers will then have-provided that the ships now building and appropriated for are completed and that no

Vessels under-age on December 31, 1936, provided vessels now building and those appropriated for are completed, exclusive of

					-3200	H110000				
	United States		Great Britain		Japan		France		Italy	
	Number	Tons	Number	Tons	Number	Tons	Number	Tons	Number	Tons
Carriers	3 116 10	79, 800 152, 850 70, 500	6 15 17	115, 350 144, 260 104, 980	12 18 70	68, 870 107, 800	1 7 12	22, 146 70, 000 82, 902	7	70, 000 68, 086 58, 855
Destroyers Submarines	711 20	16, 500 27, 070	56 36	76, 839 44, 059	70 47	103, 895 96, 291 63, 972	158 81	111, 198 78, 927	12 48 54	58, 856 44, 463
Total	60	346, 720	130	485, 488	151	440, 828	159	365, 173	121	241, 404

¹ 2 additional authorized but not appropriated for and under terms of treaty may not be completed until 1937 and 1938.

¹ Contracts let for only 8.
¹ 31 of these are classed as destroyer leaders, but under terms of London treaty would be classed as light cruisers.

aircraft carrier, heavy cruiser, light cruiser, destroyer, and submarine categories, as compared with 130 for Great Britain and 151 for Japan.

It must be apparent to anyone that if the Navy of the United States is to be able to support our policies, protect our trade, and defend our possessions it must be provided with new aircraft carriers, new light cruisers, new destroyers, and new submarines.

The position of our country as a world power and the strength of our policies are closely related to the strength of our Navy. Without doubt, our influence in the Far East has been greatly lessened with the decrease of the strength of our Navy, as compared with that of Japan.

The international situation to-day is far from reassuring. The future is far from bright.

We stand practically alone and friendless in this turbulent world, and must depend upon ourselves for our protection and defense. This is no time to scuttle the Navy and Jeopardize the safety of our country. Rather must we proceed to build up that Navy to the relative strength provided by the Washington and London treaties. We must provide replacements for those ships that become over age and build new ships to bring us up to treaty strength. That building up of our Navy must be along gradual and progressive lines in order that the ships may be constructed with the greatest economy. With such a progressive continuing program, our Navy can be built up with an expenditure, for new construction, of about \$63,000,000 per year, and that sum is the amount that is available for expenditure during the fiscal

I wish hereby to give notice to the House that, with the convening of the next Congress, I propose to introduce a bill providing for the upbuilding of our Navy and to use my utmost endeavor to have it enacted into law. The time has not yet come when America must depend upon the Navy of some foreign power for its safety and the protection of its interests. [Applause.]

Mr. OLIVER of Alabama. Will the gentleman yield? Mr. VINSON of Georgia. I will, with pleasure.

Mr. OLIVER of Alabama. The speech of the gentleman from Georgia is most timely, and what is even more important, it is accurate and very informing. If convenient,

We will have a total of only 60 underage vessels in the | I hope my friend, after the percentages of expenditures listed, he will translate into dollar and cents such percentages. Also after the statement showing food products, which the Navy purchases, it would be interesting to have the gentleman insert the low cost per man that the Navy maintains its personnel on.

Mr. VINSON of Georgia. I will do so.

Mr. OLIVER of Alabama. Will the gentleman further insert the building programs that have been authorized since the program of 1916?

Mr. VINSON of Georgia. I will. Mr. Chairman, I yield back the balance of my time.

Mr. FRENCH. Mr. Chairman, I yield five minutes to the gentleman from Massachusetts [Mr. Underhill].

Mr. UNDERHILL. Mr. Chairman, I rise to address myself for just a moment to a very important insertion in the Record of yesterday, February 21, 1933, beginning on page 4720, entitled "Work of the League of Nations from July 24, 1922, to September 30, 1922." That is some 11 years ago. The question under consideration at the time was the joint resolution proposing an amendment to the Constitution of the United States. I have looked carefully through the speech, although I have not read it all, to find some allusion to the subject matter, but I find, instead, that the salaries of the registrars of the Permanent Court of International Justice take up quite a little space, and also find that minorities in Albania, and in Estonia are given considerable prominence; also that the Silesian question comes into this discussion of a change in our Constitution, and the work of council in the Aaland Islands.

I do not know where they are, though I suppose I ought to, but they are not part of the United States. Then there is a whole lot about Eastern Carelia in this speech. Going through it I found something along toward the end that I thought would have something of interest in it, and that is the position of Georgia, but upon reading it I find that it does not refer to the Georgia from which our good friend CARL VINSON comes, but a Georgia somewhere in the innermost recesses of the Balkan Mountains.

This whole thing must have been of very great importance, because it takes up 24 double pages of the RECORD, and cost the people of the United States over \$1,200 to print.

Mr. BRITTEN. I suggest to the gentleman that it takes | 40-odd pages instead of 20.

Mr. UNDERHILL. I said double pages. It cost over \$1.200.

Mr. Chairman, we are not allowed to refer in any way, shape, or manner to another body, and I have not done so, but it seems to me that action should be taken in the Committee on Printing to bring about a continuity of action on the part of the House and the Senate. I am leaving this body, but for the past several years I have perhaps handicapped my colleagues here by objecting to the insertion in the RECORD of matter which would have cost the taxpayers an unconscionable sum of money. The House has been very generous with me. Its Members have treated me kindly; they have accepted the position I have taken in respect to these matters, realizing that I did it not because of anything which might bring me benefit, but because I was trying to protect them from the criticism of the press, to protect them and to protect the taxpayers of this country. But it is unfair that a man should rise on the floor of this House and ask for an insertion in the Record of certain matter, and that I should object, or that some other person should object for the reasons set forth, and that somebody in another body can put such drivel as this into the RECORD. which costs the taxpayers more money than it would cost to print the book in the first place and print it as a public document. It has nothing whatever to do with the United States. It is subject matter in which not one-half of onetenth of 1 per cent of the people of our country could have any interest, and I protest at this waste of public money. [Applause.]

Mr. AYRES. Mr. Chairman, I yield now to the gentleman from Texas [Mr. Mansfield].

Mr. MANSFIELD. Mr. Chairman, much has been said in recent years about the condition of the farming industry and especially as to that of the cotton farmer. Congress has speculated on almost every supposed remedy that human ingenuity might suggest. The equalization fee, the export debenture, and the allotment plans have all been seriously considered, though none of these measures have been put into actual practice.

The Federal Farm Board has been created, and tariffs have been levied upon the importation of certain farm products. Still the condition of the cotton farmer has been growing worse with each year, and few, if any, farm crops can be sold for a price sufficient to cover the cost of production.

In 1929, when the Committee on Ways and Means was holding hearings upon the Hawley-Smoot tariff measure, with a view, as stated, of "equalizing the products of the farm with the products of the factory," I went before that committee and made an argument for a tariff to be levied upon the importation of copra and coconut oil.

These articles were then coming in from the Orient, and principally from the Philippines, at the rate of about \$50,000,000 worth per annum, and constituted by far the greatest competitor of cottonseed oil. The imports of copra and coconut oil at that time constituted about 12 per cent of the total imports at San Francisco, 34 per cent of the imports at Portland, and 49 per cent of the total imports at Oakland. Other importations of these commodities, but in less volume, comparatively, were received at Los Angeles and other Pacific ports and at Atlantic and Gulf ports.

My statement before the Committee on Ways and Means was bitterly assailed by the importers, manufacturers, and users of coconut oil. They contended that the principal consumption of coconut oil was in the manufacture of laundry soap, though large quantities were also used in making toilet soap and for various other purposes.

Those gentlemen contended that cottonseed oil could no longer be profitably used in the manufacture of soap for the reason that the public had become educated to the white soap made from the coconut oil and would buy no other. They said that the soap made from cottonseed oil was of a yellow tint, and to which the customers objected. It was an admitted fact, however, that the yellow-tinted soap made

from the cottonseed oil was just as good as the white soap made from the coconut oil.

At the time of those hearings, I was not aware of the fact that the railroads were discriminating against cottonseed oil in their freight rates to the large consuming centers of the interior. Under more recent developments we find that it was not the difference in the color of the soap, but the difference in the freight rates charged by the railroads, that rendered it impossible for the cottonseed oil to compete with the coconut oil.

My colleague from Texas, Hon. Marvin Jones, chairman of the Committee on Agriculture, has been making investigations in regard to freight rates as they affect farm products. In an able address on December 16, 1930, he presented some interesting figures obtained from the Interstate Commerce Commission. Among other things it was shown that the rail rate on coconut oil from Galveston to Chicago was 35 cents per 100 pounds, while on cottonseed oil it was 55 cents. The rate from Galveston to Cincinnati on coconut oil was 30 cents per 100 pounds, while on cottonseed oil it was 61½ cents.

It will be observed that in the rate to Cincinnati, the discrimination against cottonseed oil was in far greater proportion than it was in the rate to Chicago. The rate on coconut oil to Cincinnati was 5 cents less than it was to Chicago, while on cottonseed oil it was 6½ cents more, and a little more than double the rate on coconut oil. In every instance the advantage in rates was in favor of the coconut oil, but in the enormously discriminatory rates to Cincinnati, the effect has been to completely eliminate cottonseed oil from competing with coconut oil in the manufacture of soap.

It will be borne in mind that Cincinnati is the location of the establishment of the Procter & Gamble Co., the largest manufacturers of soap in the world. That company is also said to be the largest consumer of coconut oil in the United States. With this great discrimination in freight rates against cottonseed oil, it is plain enough to see why such great effort has been put forth by interested parties to popularize the white soap made from the imported coconut oil

A few months ago, Thornton Hamilton, president of the Cuero Cotton Oil & Manufacturing Co. of Cuero, Tex., shipped several tank-car loads of what is known as "cottonseed foots," a by-product of the refined oil. The price received lacked about \$110 of paying the freight charges. In former years, one tank-car load of this oil was worth more than \$2,000, f. o. b. at Cuero. While the market price of this farm commodity has been reduced enormously, the freight rate upon it has been increased enormously.

This is an illustration of the course mapped out by the railroads. All other industries in the United States, including labor and agriculture, must bear their part of the great burden of the depression, but railroad rates must not be interfered with. They must stand, though the heavens should fall.

The South is largely interested in the production of cotton-seed oil. The production in Texas alone, in normal times, is about 525,000,000 pounds, and worth about \$42,000,000. Many other States are largely interested. The 35,000,000 people who inhabit those States can do much to aid this industry. Other things being equal, they should patronize its products. They should at least do as much to promote the industry as other interests have done to destroy it through discriminating and confiscatory freight rates.

The soap made from cottonseed oil, having a delicate yellow golden tint, is a thousand times more beautiful than the plain white soap made from the imported coconut oil. All admit that it is just as good. Why not purchase and use it? The yellow color in soap is the cotton farmer's trademark. It represents the product of the toil of many millions of our home people, now in the hour of their greatest adversity.

Every possible effort should be put forth to popularize and encourage the use of the tinted soap made from the product of our native soil. Every newspaper of the South should call it to the attention of the public. Every chamber of commerce should put forth an organized movement in its behalf. An intensive program of advertising would | add many millions to the income of our cotton farmers, and without one cent of additional cost to the consumers. Factories would adjust themselves to the demands of the trade, and freight discriminations against cottonseed oil would soon disappear. While we are conducting intensive studies to discover new uses for cotton, this movement would be a forward step in that direction.

Mr. FRENCH. Mr. Chairman, I yield myself 30 minutes. Mr. Chairman, the first thought that is in my mind is to acknowledge the debt of gratitude of myself, and I am sure, of my colleagues upon the committee, to our distinguished chairman, the Hon. WILLIAM A. AYRES, of Kansas. Gracious, courteous, kindly at all times, he has presided over the committee with such fairness, dignity, and sense of patriotic devotion as to command the confidence and support of all. [Applause.]

The Congress at all times is solicitous of the welfare of the Republic. Particularly upon the occasion when supply bills are brought to our attention that have to do directly with national defense do we make special inquiry and ask,

With the presentation of the annual Budget for the support of the Naval Establishment we want to think over the mission of the Navy and consider whether or not it is in a

state of readiness to perform its mission.

The Naval Establishment is an adjunct of our Government. Its mission, its policies, must be the mission, the policies of our Government. Our country is dedicated to the ideals of peace; we have no grudges to satisfy, no scores to make even; we aspire to no conquests. As a member of the world community of nations, we have rights to uphold and defend-rights that are not narrow or selfish, but that are world-wide and under which humanity as it is represented in all nations may go forward.

It is not difficult to write formulæ to which substantially all people may subscribe, declarations of love for humanity, professions of devotion to country, dedications to the ideals of peace, condemnation of the waste of war, approval of adequate national defense; but the writing of these formulæ into statutes and budgets and ships and men in uniform,

"aye, there is the rub!"

I think of our Naval Establishment just as I think of the fire department of a city. I can not agree with the patriotic, earnest men and women who feel that world peace would be more secure if the United States alone were to wipe out our Navy, any more than I could retire at night with a sense of added security if the fire department had been abolished. Nor would I approve of a fire station with engines and hose and ladders and clanging cars and sirens and fire fighters on every corner. I should be afraid the fighters would strike matches just to have something to do and to maintain public interest.

So, Mr. Chairman, I am opposed to greater naval establishments than we need. We must not be moved by the advice of centers that have navy yards to maintain, or that hope to add pay rolls to their communities by the establishment of navy yards; we must not be controlled by the advice of officers, no matter how honest and patriotic they may be, who are entirely wrapped up in the service, who have promotions to consider, retirement pay to augment, and personal interest to serve, and who by their very environment have been given a distorted opinion oftentimes of world affairs; and we must be deaf to the advice of munition manufacturers who grow strong on war and who make profits through death and carnage.

Hazards that threaten conflagration in any city determine the adequacy of the fire department. Cities give thoughtful attention to the removal of hazards. Naval and other military establishments exist because of world hazards. Nations must give attention to their removal.

When the World War came to an end November 11, 1918, all great powers found themselves with enormous armies and navies and with a distorted conception of what would constitute adequate peace-time military and naval establishments. An army of 300,000 to 500,000 men, a navy that would cost \$500,000,000 or more a year to maintain-these I through which reductions were made in the number and

were recommendations of devoted Army and Navy officers for America.

Only last week one of our illustrious naval officers repeated the stock argument of a dozen years ago that if in 1914 the United States had been prepared with an adequate navy "we could have prevented the World War." Of course, there can be no basis for such a statement. People who make it forget that history is against them. They forget that the nations that were not drawn into the war speedily or at all were the nations of moderate naval and military programs. They forget that during the decade prior to 1914 the nations that first of all became involved had made themselves the most heavily armed; that during those 10 years these nations had been building up their so-called defense establishments, until at the time the World War broke there existed the most powerful armies and the most powerful navies the world had ever known. They forget that each of these powerful nations pretended to think, and probably did think, that its army and its navy would prevent war.

Mr. BRITTEN. Mr. Chairman, will the gentleman yield at this point?

Mr. FRENCH. No. I am following a line of thought that I want to carry through. Later I shall be glad to yield.

With what conceit may we assume that if only one more nation had been wickedly armed-that nation the United States-the World War would not have been?

CONFLICTING COURSES

With blurred vision, sometimes with quickened and sometimes with disturbed understanding, world powers during all the years following the armistice have tried to follow two courses that lie in opposite directions.

Through their statesmen, they have solemnly said that the World War was the war to end war; through the treaty of Versailles they have arraigned military establishments as responsible for war and provocative of war; through that same treaty the victorious nations placed limitations upon the military establishments of Germany as the declared basis for bringing about reduction of their own; through the Paris peace pact they have renounced war as a means of determining international relations and covenanted that they will not be aggressors in war.

But the other side of the picture is disturbing. Whereas in 1913 the powers that were to enter upon war were spending upon their military and naval establishments about \$2,000,000,000 annually, they were expending nearly \$3,000,-000,000 in 1932.

THE WASHINGTON AND LONDON TREATIES

Mr. Chairman, when the treaty of Versailles was approved, thoughtful people of our and other lands said, "The time has come when we may free the world of the burdens of armaments." In this inspiring movement the United States took leadership. The Washington conference was called and through the driving force and clarity of vision of the then Secretary of State, the present Chief Justice Hughes, the first treaty for the limitation of naval establishments was brought into being. This treaty accomplished much.

·It called a halt to competition in tonnage in two of the major types of battle craft. It placed limits upon gun power. It set a pattern for further agreements. It saved construction of ships that for the United States alone would have entailed a cost of some \$350,000,000 under the 1916 program. It saved the United States alone an annual expenditure of \$200,000,000. It has saved the five contracting nations a grand total approximating \$8,000,000,000 in ship construction and in operation cost during the past 10 years.

But the war for competition in armaments was not closed; it was transferred to cruiser and other types not limited by the Washington treaty.

The most significant work of President Hoover has been his leadership in efforts to remove international causes of world trouble and to pave the way for peace.

In this work probably the most far-reaching factor was his activity in conjunction with Prime Minister Ramsey McDonald, of Great Britain, in bringing to a successful termination the London Naval Conference and agreement

tonnage of capital ships and definite limits were brought about in tonnage, number, replacement, and other factors of all military types of craft.

This treaty was agreed to by the United States, Great Britain, and Japan. France and Italy were not able to concur, but their building programs have not been out of harmony with the spirit of the treaty.

GUNS AND TONS

The London treaty (1930) revised and fixed the total unit limits in capital ship, aircraft carrier, cruiser, destroyer, and submarine classes, for the United States, Great Britain, and Japan, with the following limitations:

United States	(alternately	British	cruiser	types	and	Tons
tonnage may	be substitut	ted)				1, 123, 700
Great Britain						1, 151, 450
Japan						717, 170

Within the battleship type alone are all nations built up to the limint of authorization.

As to all the other types—aircraft carriers, cruisers, destroyers, and submarines, the nations were given the privilege of extensive construction work by way of replacement—the United States to the extent of 451,750 tons; Great Britain, 376,626 tons; and Japan, 185,584 tons.

At this point may we consider the status of the Naval Establishment of the United States and particularly its status as compared with the establishments of the other powers that were signatory to the Washington (1922) and London (1930) treaties.

BATTLESHIPS

The London treaty modified the Washington treaty as to battleships, reducing the number for each of the three greatest naval powers, so that each to-day may have capital ships as follows: United States, 15; Great Britain, 15; Japan, 10.

Prior to December 31, 1936, no new ships of the battleship type may be built. The battleships of the three powers are of substantially comparable age and effectiveness. Eleven of the capital ships of the United States are in full commission; one is reduced; three are undergoing modernization at a cost of approximately \$30,000,000. The comparable ships of Great Britain and Japan are in full commission.

AIRCRAFT CARRIERS

Aircraft tonnage was fixed by the Washington conference at 135,000 tons for the United States and like tonnage for Great Britain, 81,000 tons for Japan, and 60,000 tons each for France and Italy. The London conference clarified but did not change the tonnage.

Of the tonnage allowed, the United States has in her fleet three carriers of 77,500 tons, and another ship, the Ranger, of 13,800 tons, under construction, to be completed in the spring of 1934. Of our existing tonnage, the Langley, of 11,500 tons, being an experimental ship, may be replaced. The United States thus may build 55,200 tons of aircraft carriers under the treaties.

These ships have not been authorized, and it has been the sound judgment of the United States that we have more to gain by following a slower construction program on carriers and building eventually the types most suited to our needs.

With the Ranger well on the way toward completion, already there is great demand for radical modification of her plans that will cost some \$2,000,000. Unquestionably, experience has shown us that of 55,000 tons remaining we had better build four or five carriers of the Langley or Ranger size than two only slightly smaller than the Saratoga or the Lexington. More than that, we are learning how to build.

Great Britain, of her 135,000 tons, has 6 carriers of 115,300 tonnage in her navy; while Japan has 4 carriers of 68,700 tons; France, 1 carrier of 22,146 tons; and Italy, none at all.

CRUISERS

The treaty provides for two types of cruisers—cruisers carrying guns of more than 6.1-inch caliber and spoken of as 10,000-ton, 8-inch cruisers, and cruisers of 6.1-inch guns or less.

Of the former, the United States was allowed 180,000 tons, of which on December 31, 1932, she had 10 in full commission, 6 under construction, and 1 appropriated for, 1 provided for in the pending bill, and 1 which may not be appropriated for until the fiscal year 1935. These latter three may not be completed until 1936, 1937, and 1938, respectively. With the exception of one old cruiser, the *Rochester*, which is in service in the Orient, all of the ships of this class are new, the oldest one having been completed in 1929.

Of the cruisers carrying 6.1-inch guns, the United States was allowed 143,500 tons, of which she has 10 in full commission, of 70,500; and 70,000 tons remaining to be authorized.

Probably I should say that 25 per cent of the tonnage in cruisers may be equipped with landing decks.

Great Britain has 183,686 tons of large cruisers all underage. As she is entitled to 146,800 tons under the London treaty, she will need to retire four cruisers, with a total of 36,886 tons. Of the smaller cruiser type, she is entitled to 192,200 tons; she has 114,020 tons in underage craft, 36,855 tons over-age, and 66,000 tons building or appropriated for. She will need to retire about 25,000 tons.

Japan is entitled to 108,400 tons of the large-type cruisers. She has 107,800 tonnage under-age and 15,720 tonnage in two over-age ships; none building. She is entitled to 100,450 tons of the smaller cruisers, and has 81,455 tons in underage craft, 11,920 tons in craft over-age, and she has appropriated for or is building four cruisers of 34,000 tons. Upon the completion of this latter building program, she will retire about 27,000 tons of her oldest craft.

DESTROYERS

Under the London treaty, the United States was allowed in destroyer strength 150,000 tons. The life of a destroyer was fixed at 16 years, and thus most of the tonnage allowed the United States will be eligible for replacement prior to December 31, 1936. Even so, all of our destroyers were completed following the World War, and most of them have had extensive overhaul and have not seen more than one-half their normal service because we have had so many that sometimes two-thirds have been held in decommissioned status. Of this type, we are building or have appropriated for eight of 12,000 tons, and money is carried in the pending bill for four others of 1,850 tons each. Authorization has not been made for more.

Great Britain is entitled to 150,000 tons of destroyers. She has 52,849 tons of under-age craft of this type, 123,490 tons over age, and 26,325 tons building. She will need to retire about 52,000 tons.

Japan is entitled to 105,500 tons, of which she has 93,205 tons under-age, 28,680 tons over-age, and 16,536 tons appropriated for or building. She will need to retire about 33,000 tons.

SUBMARINES

Of submarines, the United States was allowed 52,700 tons, and has 51,290 tons in 51 submarines under-age. Of this tonnage, 29,750 tons will become over-age by the expiration of the treaty.

We are now building two submarines with a tonnage of 2,260 tons. No further tonnage has been authorized.

Great Britain is entitled to 52,700 tons, and has 40,614 tons of under-age craft, 10,710 tons over-age, and has appropriated for or is building 9,125 tons. Some 8,000 tons will be retired.

Japan is entitled to 52,700 tons and has 76,408 tons of under-age craft, 1,434 tons over-age and has 11,700 tons appropriated for or building. Japan will need to dispose of about 40,000 tons under the treaty.

In the matter of new construction work the United States, as of December 31, 1932, had 21 vessels—1 aircraft carrier, seven 10,000-ton cruisers, 11 destroyers, and 2 submarines—building or for which appropriations had been made, aggregating 102,500 tons (we are carrying money in the bill for 1 additional destroyer); Great Britain, 42 vessels—ten 6-inch-gun cruisers, 22 destroyers, and 10 submarines—105,450 tons; and Japan, 25 vessels—four 6-inch-gun cruisers, 12 destroyers, and 9 submarines, of 62,236 tons.

The United States has been more conservative in her programs of new construction work under the treaties than have some of the other nations.

Under the treaties we may know that no nation will go above certain definite limitations. We recognize that the treaties are not mandates to build up to tonnage limits, but rather that while we may have assurance that no nation will exceed limits fixed in tonnage we or any other nation may within the limits fixed for that nation, from the standpoint of developing types at the least cost and from the standpoint of holding the tax burden to the lowest level, or for any other reason, pursue a course of moderation.

WILL THE WORLD BE SANE?

Within two years the signatory powers to the Washington and London armaments agreements will be face to face with whether or not the provisions of those treaties shall be renewed, abandoned, or modified, and whether or not any other nations will join in the understanding.

Upon the latter idea it would seem that since all the great powers are adherents to the Paris peace pact, other powers besides the United States, Great Britain, Japan, France, and Italy might be desirous of becoming members of the limita-

Again, it would seem that the original five signatory powers would gladly renew their agreements and that the limitations might be extended downward.

The money savings to the five signatory powers will have been not less than approximately \$10,000,000,000 from 1922 to 1936 over what the expenditures would have been had the Washington and London conferences never been held.

But we may go further: The Versailles treaty clearly outlined the purposes of the great powers to reduce armaments. That at the time of the Versailles agreement the army and navy burdens should have been at the peak of peacetime numbers of men and money costs is not surprising; we had just emerged from war; men and nations were mad; but that 14 years after the treaty that marked the end of the World War they should still be on a plane far above the level of costs prior to the World War is astounding.

At this point I desire to insert a table that will indicate the comparative costs of operating and maintaining naval and military establishments for the seven most heavily armed world powers just prior to the outbreak of the World War and the costs on the last date for which reliable figures may be obtained:

Military and naval burdens of the seven most heavily armed

	1913-1914	1930-1931
United States 1	\$251, 957, 456	\$703, 531, 180
Great Britain 1 Japan 1	375, 000, 000 96, 000, 000	535, 000, 000 232, 000, 000
France 1	349, 000, 000	455, 000, 000
Italy 1	179, 000, 000	259, 000, 000
Germany 1	463, 000, 000 448, 000, 000	170, 000, 000 \$ 579, 000, 000
Total	2, 161, 957, 456	2, 933, 531, 180

From Buresu of the Budget data,
 Foreign Policy Reports, Vol. VII, p. 20.
 Foreign Policy Reports for 1930.

It is estimated that, including the figures given as to the seven leading nations, all nations were expending for naval and military establishments \$3,000,000,000 in 1914, and that 14 years after the close of the "war to end war" those same nations were expending \$4,000,000,000.

THE ZERO HOUR

We approach the zero hour. Under the terms of the London treaty another conference of the powers signatory to that pact will be convened in 1935. Its problem will be to study again the relative needs of the world powers in the matter of armaments.

We all know that when the conference was held in Washington, the abortive conference in Geneva, and the conference in London the need of nations was obscured by pride in existing craft and reluctance of nations to destroy ships that they then had. The result was that the terms of neva Armaments Conference of 1927?

Washington and of London were far above the needs of nations. They were framed that nations might not need to destroy that which they possessed. Great good was done, competition was removed in substantial part, and vast moneys were saved, but more could have been accomplished had more reasonable tonnage figures been possible.

It has been my hope and prayer that when the conference shall convene in 1935 nations would be found not to have built up to their tonnage limits so that the more readily could they come to common understanding. More than any other nation the United States has pursued the course of moderation.

If nations will keep that thought in mind, in another two years we ought to be able to make still further strides in reduction of the great burden of armaments, which rests upon our world, and at the same time make the peace of the world more secure and avoid a condition that in another 30 years or less might lead to the incalculable loss of life and burdens of tax that governments must meet, to which the gentleman from Georgia [Mr. VINSON] referred, and that are the result of war.

I was disappointed in the part of the speech of the gentleman from Georgia [Mr. VINSON] where he referred to the selfish attitude that apparently he believes ought to be assumed by every State that has an ax to grind. If it has something to sell that the Navy can buy, then apparently he urges a bigger and still bigger Navy, because producers can sell more.

The argument is not only selfish; it is fallacious. To the extent that it means greater appropriations for the support of the Navy, to that extent increases in taxes must surely follow.

Again much is heard of navy yards and the effect any modification of the Naval Establishment will have upon pay rolls and local interests, whether reductions will be made or new yards created. I can not say with too much emphasis that it is utterly abhorrent to think of world peace, of human lives, of humanity, in terms of whether or not a navy yard shall be created here or constructed there. The size of our Naval Establishment ought not to rest upon any such basis; it ought to rest alone upon our country's need.

Again, I say, we approach the zero hour.

The course that I recommend will be opposed by a variety of interests. The unconscious influence of personal selfbenefit will be addressed against it. Communities with pay rolls and centers of activity, communities that hope for pay rolls, splendid patriotic officers with possible rank to attain and positions to defend-many of these will oppose; but it will be opposed by the selfish interest of the basest sort; it will be opposed by fabricators of munitions and ships and stores; it will be opposed by those who make profit out of human wretchedness and war.

Have we forgotten the deliberately false propaganda published in the press of Great Britain and of France for 10 years prior to the World War of what Germany was doing by way of increasing her armaments, for the plain purpose of influencing those countries to increase their armaments?

Have we forgotten the deliberately false statements published in Germany during the same period of what Great Britain and France proposed to do?

Have we forgotten that these stories were manufactured by fabricators of ships and of munitions for all countries alike?

Have we forgotten that vehement denunciation of Lord Welby in 1914 in the House of Lords, when he unmasked the sources of propaganda and said:

We are in the hands of an organization of crooks. politicians, generals, manufacturers of armaments, and journalists. All of them are anxious for unlimited expenditure and go on inventing scares to terrify the public and to terrify ministers of

Do we remember only five years ago the spectacle of Shearer, an American, suing American manufacturers of ships and munitions for \$255,000, balance due for services that he claimed that he had rendered for them at the GeHave you read that powerful article in the New Outlook for February, from the pen of Dorothy Dunbar Bromley, on the subject, What Does France Want? There is told the sordid story of munition manufacturers of France, long after it was apparent that there would be war between France and Germany, shipping their munitions to the Krupp factories of Germany, and that certain of their products throughout the war, obviously with their knowledge and approval, continued to flow into Germany though a neutral country. These same fabricators of three-fourths of all munitions shipped from one country to another control and dominate the most influential papers of the French capital. Similar forces are engaged in propaganda elsewhere.

The drive is on to compel all nations to build up to the limit, and you will see in two years from now the drive will be against reducing a single ship on the plea that they are new.

Looking to the future, having in mind recognition of nations in the solemn hour when the Treaty of Versailles was written that large military establishments are provocative of war, having in mind the crushing taxes that support military and naval institutions, having in mind the waste of life of officers and enlisted men when service is not needed, one of the factors of major significance to which thoughtful men and women of all lands may address themselves is to prepare the way for the conference that will be held in 1935.

The needs of nations in naval and military strength are relative. Greater security can be brought about by their reduction. This reduction can be attained most reasonably by team work upon the part of the fine and patriotic people of our respective lands.

The gentleman [Mr. Vinson] in his address referred to the great wealth of the United States. Similar data have been sent to my office, I assume to every Member of Congress.

In a data sheet prepared by the Navy Department as of January 7 to 9, 1932, it was pointed out that the annual income of the people of Japan is \$5,500,000,000; of Italy, \$4,500,000,000; of France, \$8,500,000,000; of Germany, \$12,-000,000,000; of Great Britain, \$18,390,000,000; and of the United States, \$89,419,000,000.

The argument is made that because of this we should spend more upon our Navy; that we can afford to spend.

We seek security, and the way of security lies in world reduction of armaments, not in their increase.

Having in mind the position of security that geography has given us, having in mind the very conditions of wealth that gentlemen point out, having in mind our freedom from entanglements, the United States is in that happy position, that blessed position referred to in the message of the Father of his Country that you heard read this morning, through which better than any other nation we can afford to take leadership in the reduction of the burden of armaments. Such a course will not mean the laying of our country and other lands open to spoliation; rather it will mean strength, strength that comes from peace and fellowship and good will, which ought to be the everlasting tie that binds the nations of the world one to another. Such a course will develop the elements of justice in determining the rights of humanity. Mr. Chairman, in this great program our country can play an important part, indeed, because of wealth, a part that would be denied to a nation less favored by natural resources, or with respect to other powers of precarious location, and whose object might be misunderstood. [Applause.]

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The time of the gentleman has expired. Mr. FRENCH. Mr. Chairman, I yield 25 minutes to the gentleman from Ohio [Mr. Cooper].

Mr. COOPER of Ohio. Mr. Chairman, Saturday, February 11, I spoke from this floor and called to the attention of Congress the large amounts of steel imports entering the United States from foreign countries.

A few days later the gentleman from Kentucky [Mr. VINSON], in a speech delivered during the debate to dis-

charge the Committee on Ways and Means of the Crowther bill, stated that I was unduly alarmed about steel imports as the value of steel-skelp imports into our country, which was one of the items I mentioned, in 1932 was so small that there was nothing to be alarmed about.

After I read his speech, printed in the RECORD, I concluded the proper place for me to get authentic information relative to the value of steel imports into the United States was from the Commissioner of Customs, which I did.

The records at the office of the Commissioner of Customs show that the total value of steel imports into our country in 1930, which included ore, pig iron, completed steel, and finished steel products, amounted to \$18,883,235, and in 1931, \$21,960,887, making a total value of ore and steel products imported into our country in 1930 and 1931, \$40,884,122. I was unable to secure the completed figures for 1932. I was, however, informed that the imports for last year fell below that of 1930 and 1931.

Mr. Chairman, I want to call to the attention of the House the fact that there is a vast difference between \$100,681, which the gentleman from Kentucky stated was the value of certain steel imports in 1932, and the report of the Commissioner of Customs, which shows that the value of steel imports into the United States in 1930 and 1931 amounted to \$40,884,122, which resulted in the curtailment of our own steel production and deprived many thousands of steel workers of employment. I want to say, however, that the gentleman from Kentucky referred to only a small part of the value of steel imports into our country in 1932 and not to the total value of 1931–32.

It is fair to say that large quantities of iron ore enter our country duty free. But if we cut the ore out of the total value, we still have steel imports for 1930 and 1931 amounting to \$32,224,874.

Mr. Chairman, the steel industry is not alone in its fight against foreign competition to-day. In 1931 Japan imported into the United States 70,000,000 electric-light bulbs. In addition, more than 54,000,000 Christmas-tree lights from Japan were sold on the American market. We are told that the importation of Japanese Christmas-tree lights compelled the General Electric Co. to close two of its plants—at Cleveland and Buffalo—which deprived 1,800 American workers in these factories of the jobs. It is estimated that the loss in wages to American workers on account of the importation of Japanese light bulbs amounted to \$1,805,000 in 1931, and the loss in 1932 is expected to be as high as \$2,320,000. China and Soviet Russia are now, or will be shortly, importing millions of light bulbs into the United States also.

IMPORTATION OF SHOES

For the first nine months of 1932 there were 1,057,446 pairs of women's and misses' leather shoes, valued at \$1,335,672, imported into the United States, approximately half of which came from Czechoslovakia. In addition to the women's and misses' shoes in 1932, there were sold on the American market 135,190 pairs of men's leather shoes, valued at \$431,191, which came from other countries. During the same period we received from foreign lands 60,491 pairs of children's shoes, valued at \$81,739.

For the first nine months of last year there were imported into the United States 3,764,525 pairs of boots and shoes with uppers of cotton, silk, and fiber; 2,292,261 pairs, valued at \$263,584, had rubber soles; and 1,472,264 pairs, valued at \$263,584, had soles other than rubber. The importation of rubber-sole shoes into the United States has about destroyed our own rubber-sole shoe industry.

LEATHER IMPORTS

Imports of leather into the United States for the first nine months of 1932 were: Belting leather valued at \$189,-565; leather welting, value \$120,345; patent leather, value \$44,969; upholstery leather, value \$97,104. The following figures give a true picture of the inroads foreign leather is making upon the American market: For the month of October, 1932, there was imported into the United States 373,702 square feet of goat and kid leather, valued at \$91,904.

The same month we also received from foreign countries 1,209,681 square feet of calf and kip leather, valued at \$223,112.

POTTERY IMPORTS

The absolute need of tariff protection to save the American pottery industry from disaster on account of the flood of cheaply produced china from Japan and other countries of extreme low labor costs should be considered by every Member of Congress.

Fully half of the dishes used in the United States to-day are made in foreign countries, such as Japan, England, Germany, Holland, and Czechoslovakia, and this competition is growing every year, especially from Japan, whose imports in 1932 were 11 per cent greater than they were in 1931. To-day in the Capital City of our Nation you can find cups and saucers imported from Japan selling for 15 cents for 1 dozen cups and the same price for 1 dozen saucers. The cost of manufacturing this same cup and saucer, or the equivalent thereof, in the American industry is 72 cents per dozen.

Decorated gold band cups and saucers made in Japan are being sold on the American market for 58 cents per dozen. It costs \$1.50 to make the same article in our own industries.

I have here a very beautiful small china table piece. It is decorated with a gold finish and a fine painting on the inside of the dish. This piece of table chinaware was purchased in one of the Washington stores for 10 cents and on the next counter there was a sign 3 feet long, "Buy American." On the bottom of this dish you will find the stamp "Made in Germany." The landed cost of this piece of china into the United States is 4 cents. The cost of manufacturing this same article in the American industry would be no less than 10 cents.

The skilled pottery worker in Japan received 46 cents per day. He works 11 hours and 7 days per week, earning about 4 cents per hour. Japanese children, 9, 10, 11, and 12 years old, are permitted to work 4 hours a day and for this they receive 1 pot of tea, 1 bowl of rice, and about 1 cent in money. The tariff rates on china must be increased if we are going to maintain and save the American pottery industry from cheaply produced china from Japan and other countries of extreme low manufacturing and low labor costs.

Lumber production in the United States in 1932 reached its lowest level in more than 50 years. Mill prices on lumber were less than half the 1929 level, which was itself below the level of preceding years. The gross income of the lumber industry in 1932 was about 16 per cent of its 1929 income, and approximately one-half of this was paid out in State and local taxes. Unemployment in forest regions, particularly in the Pacific Northwest, is critical.

Yet, with unsold lumber piled high in all the mills and yards in the country and offered at pre-war prices, Soviet Russia managed to more than double its sale of lumber in the United States, in spite of a tax of \$4 per thousand feet imposed on lumber imports.

The growth of Russian lumber trade is indicated by the following table of imports into our country:

	Feet
1927	9,000,000
1928	21,000,000
1929	37,000,000
1930	72,000,000
1931	13,000,000
1932	30,000,000

It will be noted that the imports of Russian lumber grew by leaps and bounds from 1927 to 1930. However, in 1930, on account of the law which we passed prohibiting imports into the United States of goods manufactured by forced and indentured labor, and which the Treasury Department tried to enforce, the imports of lumber from Russia dropped in 1931 to 13,000,000 feet. However, we found we could not enforce that law, and as a consequence in 1932 imports into this country of Russian lumber jumped to 30,000,000 feet, and they will continue to increase all the time.

Shortly after Russia began to send her lumber into the United States reports from that country indicated that its lumber industry was being developed by transporting to the sparsely populated north of Russia convoys of convicts; and where additional labor was needed the typical Russian method of exile was invoked. In an effort to protect itself against the growing menace, the American lumber industry began to collect evidence concerning the conditions surrounding production of lumber in Russia. In the course of its investigation an agent was sent abroad to secure additional facts and to determine the effect of Russian trade on the lumber markets of Europe. As a result of the evidence thus secured the Treasury Department, early in 1931, made a formal finding to the effect that convict labor was being widely used throughout the lumber section of north Russia. Subsequently all cargoes of Russian lumber were made the subject of special inquiries, but because of a defect in the law prohibiting imports of goods made by convict and forced labor it proved impossible to deny entry to any shipment of Russian lumber. Nevertheless, fear on the part of the Russians that a case against them would be made out resulted in decreased imports during 1931 from 70,000,000 to 13,000,000 feet.

In 1932, when it appeared that the law could not be effectively enforced against Russia, lumber imports increased to 30,000,000 feet, notwithstanding the severe decline in consumption and the lowest price level since 1913.

I hold here in my hand a news dispatch sent out by the Associated Press from Archangel, Russia, February 4, 1933. This dispatch was carried on the front page of all our leading newspapers, and is as follows:

RUSSIAN PEASANTS DRAFTED TO SAVE LUMBER-EXPORT PLAN

NORTHERN FARM FOLK MOBOLIZE FOR MONTH'S LABOR CUTTING TREES IN "STALIN'S MARCH TO FOREST"—WILL FORM BRIGADES

ARCHANGEL, RUSSIA, February 4.—All peasants in the northern region, whose numbers run into thousands, have been summarily drafted for one month's labor in the lumber camps in an effort by the Soviet Government to prevent failure of the timber-export plan for 1933-34.

Admitting that recent bad work in cutting and transporting of lumber endangers this import phase of the second 5-year plan, the northern region communist party has proclaimed a 31-day period, beginning February 7 and ending March 10, as a month for "Stalin's march to the forests." All able-bodied peasants, individuals, and collectivists, in the whole northern region, covering 1.119,000 square kilometers, stretching from the White Sea to the Urals and southward to the Vologda district, will be mobilized for compulsory work compulsory work.

SHIRKERS TERMED "TRAITORS"

During this period the party's order, reading like a war-time military decree, directs women and children to carry on the work of the villages, which will be stripped of men, and declares that those peasants who refuse service in the forests will be considered traitors and dealt with accordingly.

The peasants will be required to supply their own horses. They will be formed into brigades each based by a trusted experience.

will be formed into brigades, each headed by a trusted appointee.

Lumber markets in western Europe have been destroyed by soviet competition and is penetrating into the United States. In addition to lumber imports from Russia \$2,700,-000 worth of Russian coal found its way into American markets in 1932, which amounted in pay losses to our miners of \$1,600,000. All labor in Russia is forced. It is not only conscripted-male and female-but is also controlled by arbitrary and militaristic power.

DAIRY PRODUCTS

There is probably no industry in our country to-day that is more depressed than agriculture, yet we find that \$14,-000,000 worth of dairy products from foreign countries were sold on the American market in 1932. Mr. Chairman, it is repeatedly stated on the floor of this House by our Democratic Party brethren that protective tariff only benefits the big industries and the rich. Ah, my good Democratic friends from the South, you do not hear the demand that is being made by millions of workers in the industrial sections for protection against foreign competition.

Mr. Chairman, in presenting these figures to-day relative to the value of imports into the United States I have only scratched the surface. In addition to the imports I have mentioned there were many, many millions of dollars worth | the European nations. Chief among those who advocate of foreign imports into the United States in 1930, 1931, and

VOICE OF LABOR

A short time ago in a speech delivered over a nationwide radio hookup by Mr. Matthew Woll, vice president of the American Federation of Labor, he said:

It is well enough for the theorists in tariff to spin their arguments and recite their formulas, but our wage earners do not live by those things. They live by jobs and wages. Every article of American consumption that is produced abroad at wage our level and thus offered to our consumers is that much taken from the wage total of our country and that much, also, taken from the manufacturing capacity of our country. By this process there is nothing added to our purchasing power. Given protection against the peonage and near-peonage wage products of Europe and Asia, and the no-wage products of the bolsheviks, given a fair wage in our own country and the masses of our orkers will take care of American production and consumption

To-day there are 25 foreign nations that charge a higher average rate of duty than the United States.

November 18, 1932, at the Hotel Astor in New York City, there was held a convention of the Academy of Political Sciences. England's speaker, a London banker, devoted most of his time to a denunciation of the tariff, in which

The tariff must be slashed in order to reduce the trade barriers so that England could pay her war debts out of current earnings.

Eighteen months ago England declared in her protectivetariff policy to shut out imports. The president of England's board of trade, who in connection with the treasury prepares England's tariff, recently stated:

That the principal purpose of her tariff was to shut out imports as they were only interested in protecting their own market and developing their industries.

On March 1, 1932, Mr. Chamberlain, chancellor of the exchequer, said:

We propose by a system of protection to transfer to our fac-ories and fields, work that is now done elsewhere, thereby, decreasing unemployment in the only way we can.

In a recent address delivered by Prime Minister Bennett, of Canada, he said:

Our business is to see we do not expand the foreign trade of any country when we ourselves are producing, or can produce, the goods so imported.

Mr. Chairman, in presenting these figures relative to value of imports into the United States, I have scratched only the surface. In addition to those imports which I have mentioned there were many millions of dollars worth of foreign imports into our country the last two years.

That the American industries are badly affected by the present condition is apparent from a report of the Treasury Department showing that 103 articles imported into this country were sold at an average profit of more than 300 per cent above the landed cost, with some individual articles sold at a profit as high as 3,325 per cent above the landed cost. Imagine the cost of production when goods are manufactured, packed, transported to this country, duty paid, and then sold at profits ranging from 300 to over 3,000 per cent in successful competition with American-made goods.

The Department of Labor gives the statistics of wages paid in 11 industries in the United States compared with 8 other countries as follows.

Per week of 48	Per week of 48 hours			
United States	\$26.30			
England	11.37			
Sweden	10.20			
Germany	9.02			
France	7.25			
Belgium	6.21			
Japan	5.31			
Hungary	5.08			
China	1.31			

INTERNATIONAL BANKERS AND IMPORTERS

There are those who advocate the lowering of our tariff duties so as to admit into this country more goods of foreign manufacture for a proportionate lowering of tariff rates by

this policy of lowering of tariff rates are the international bankers and importers who are more interested in the welfare of foreign nations and their own selfish interests than the welfare and prosperity of the American people. Oh, they say if we lower our tariff to permit the foreign nations to sell more of their goods on the American market they in turn will buy more of our commodities. If the foreign importer can now get past our tariff duties and drive American production out of our domestic market, how can American products, with our standard of living and wages, compete in the foreign markets with low production costs of articles produced by cheap, peon, and forced labor in the countries of depreciated currencies. The paramount duty of America to-day is to protect its home market against foreign competition.

We regulate immigration. For the last year and a half we have almost entirely restricted immigration into the United States. Why? Because we have millions of unemployed in our country. Ninety per cent of our people approve of our present restrictive immigration policy. Now we should go a step farther and exclude importation of those foreign products into our country which is now a serious menace to American industries, agriculture, and labor.

"BUY AMERICAN"

To-day we hear a great deal about "Buy American." This campaign was started some time ago by Mr. William Randolph Hearst, owner of a powerful chain of newspapers. There was a time, not very long ago, when he opposed the principle of protective tariff. Now he seems to be a strong advocate of the same. I congratulate him on his good sense and rejoice that he has seen the light and been converted to the Republican Party policy of protection. A short time ago there was published in Mr. Hearst's newspapers a photo of several Members of Congress standing on the Capitol steps in a moving picture entitled "Buy American."

In this moving picture there were several Democratic Members of Congress, who wanted to get into the movies, including the gentleman from Illinois [Mr. Sabath] who have always voted, and would vote to-day, against any pro-

tective-tariff legislation.

Mr. SCHAFER. Will the gentleman yield? Mr. COOPER of Ohio. In just a minute.

Mr. SCHAFER. And also the gentlewoman from New Jersey [Mrs. Norton].

Mr. COOPER of Ohio. And the gentlewoman from New Jersey [Mrs. Norton]. I believe the gentleman from Illinois [Mr. Sabath] has been in Congress now for about 24 years, and during that time he has never voted for one single measure that would protect American industry and American labor from foreign competition; and then he has the nerve and the hypocrisy to get into a movietone to be flashed all over the country and advocate "Buy American."

[Here the gavel fell.]

Mr. FRENCH. Mr. Chairman, I yield one additional minute to the gentleman from Ohio [Mr. Cooper].

Mr. COOPER of Ohio. The campaign "Buy American" is a worthy and patriotic American movement. However, all the editorials Mr. Hearst can write, and all the speeches and ballyhoo made in behalf of "Buy American," will do no good unless Congress enacts tariff legislation which will prevent foreign imports from coming into our country and preserve American market for our own products. The buying power of the Nation must come from the rank and file of the working classes, and the first step we must take to restore this buying power is to close our market to the entry of any foreign goods that American labor, industry, and agriculture can produce. [Applause.]

Mr. VINSON of Kentucky. Mr. Chairman, will the gentleman yield?

Mr. COOPER of Ohio. I think my time has expired. Mr. VINSON of Kentucky. The gentleman should be fair and let me know what he said referring to me.

Mr. COOPER of Ohio. The gentleman has his own time,

Mr. VINSON of Kentucky. Then let me have your printed speech so I can see what you said.

Mr. COOPER of Ohio. The gentleman just heard me.

Mr. VINSON of Kentucky. No; I was not on the floor when the gentleman began his speech, and made specific reference to me.

Mr. COOPER of Ohio. I will let the gentleman have that part of my speech in which I referred to him.

Mr. FRENCH. Mr. Chairman, I yield five minutes to the gentleman from Wisconsin [Mr. Schaffer].

Mr. SCHAFER. Mr. Chairman, I agree with almost everything that the preceding speaker has stated.

I, however, want to call the attention of the country and the House to the fact that for one day at least the Democratic majority has thought first of America and her people instead of first for foreign nations and foreign people. Yesterday when it came to adopting the Senate amendment, the "Buy American" amendment, requiring the Federal Government to "Buy American" in all of its purchases, there was not a voice raised on the Democratic side against it. The Democratic Party for one day at least, therefore, went on record unanimously in favor of an embargo tariff. I hope the party will continue a protective-tariff policy. After reading to-day's papers we have no hope, because we find two Cabinet appointments for the next administration. One, the next Secretary of State, a simon-pure free trader, who will, no doubt, enter into treaty negotiations with foreign countries to carry out the Democratic platform pledge of reducing our already too-low tariff rates and canceling, in part or in whole, with that reduction the billions of dollars handed to foreign nations by the last Democratic administration.

With that policy in effect our Democratic-controlled Government will then let the products of the industries and farmers and workers of foreign nations, who have been relieved of this tax burden, come into competition with American factories and farmers and workers who will have to bear the extra burden from which the foreign taxpayers have been relieved.

You Democrats claimed during the last campaign that prosperity of America and of the world depended upon great foreign trade and great foreign importations. It appears that during the next few years we will have a great foreign trade at the expense of the American taxpayers, American industry, farmers, and workers. We will have plenty of cheap foreign importations, but there will not be many pay checks for the American workers or for the American farmers with which to purchase these foreign products, as the flood of foreign products will destroy the American market for American products, and the American people will have less jobs and less money with which to purchase.

It was rather surprising that after appearing in the movietone our distinguished Democratic brethren and sister who took the leading part in advocating "Buy American," which is an embargo tariff, did not vote to bring the Crowther bill before the House for consideration. As usual with the Democrats, it is the case of much talk and no action.

Mr. Chairman, Democratic movietone speeches of "Buy American" can not meet unfair competition of foreign importations and help furnish pay checks for American workers and farmers. We must have a protective tariff to do so. This Democratic talk of "Buy American" and vote against protection from unfair foreign competition is just another sample of Democratic demagoguery and hypocrisy.

Mr. Chairman, in the last campaign in Wisconsin the La Follette progressive Republican leaders, in collusion with Democratic leaders, had a working arrangement which was so cohesive that \$2,000 was sent into Wisconsin by the Democratic National Campaign Committee, received and expended by the La Follette progressive faction of the Republican Party to pay its primary election campaign debts, in violation of the Wisconsin corrupt practices acts. This unholy alliance denounced the protective tariff and supported the Democratic presidential candidate, who promised to carry on the interrupted march of the Democratic war adminis-

tration, which so ruthlessly tried to politically crucify the late Senator La Follette; they denounced the Hawley-Smoot bill, claiming that it was responsible for most of the ills of America and of the world.

Shortly after the election the Democratic United States Senator elect from Wisconsin had his picture appear in the Hearst papers with a wonderful statement in favor of the principles of an embargo tariff—"Buy American"—although he denounced tariff protection throughout his campaign.

[Here the gavel fell.]

Mr. TABER. Mr. Chairman, I yield the gentleman three additional minutes.

Mr. SCHAFER. The Democratic speaker of the Wisconsin State Assembly, who, with his companions in the campaign, denounced protective tariff, introduced in that Democratic-controlled State legislative body a "Buy-American" resolution and spoke eloquently in its behalf.

Why, Mr. Chairman, our State Senate is controlled by a coalition majority of La Follette Republicans and Democrats. The leaders of this coalition in the last campaign ran all over our State denouncing protective tariff. Our State assembly is controlled by an overwhelming majority of Democratic brethren, and still, what do we find? The present Wisconsin State Legislature spent about \$200 of the Wisconsin taxpayers' money in unanimously passing a resolution, a part of which I quote:

Whereas the action of foreign countries which are large producers of wood pulp, in going off the gold standard, and the resulting depreciation in their currencies, has given foreign producers an unfair advantage over American producers and enabled them to flood the American markets; * * * Therefore, be it

Resolved by the senate (the assembly concurring). That the legislature of Wisconsin hereby respectfully memorializes the Congress of the United States to pass bill H. R. 13999, by Congressman Hill of Washington, or some similar measure, imposing a compensating tax on wood pulp and other articles imported from countries with depreciated currencies sufficient to offset the depreciation in their currencies.

Mr. Chairman, Joint Resolution 239, which I hold in my hand, was also passed unanimously by our Democratic and La Follette Republican controlled State legislature.

This resolution asks Congress to raise existing tariff rates on butter, casein, Swiss cheese and other cheese, condensed and evaporated milk and cream, dry malted milk, cream, milk, and all dairy products.

I want to say to my Democratic and La Follette Republican friends in Wisconsin and this Congress that spending about \$200 of the Wisconsin taxpayers' money to pass such memorializing resolutions to Congress, talking "Buy American" in movietone pictures, and releasing "Buy American" statements to the press while the Democratic-La Follette Republican controlled Congress fails to raise one tariff rate, but talks about lowering the existing ones will not protect the American markets from unfair competition of cheap foreign importations which are flooding our country. [Applause.]

Mr. TABER. Mr. Chairman, I yield 15 minutes to the gentleman from Montana [Mr. Leavitt].

Mr. LEAVITT. Mr. Chairman, the matter I have to present is not of a controversial nature. I hesitate to break into this spicy debate for the presentation of it, but I do consider it to be of great importance. It has to do with the matter of alleviating to some extent the unemployment situation, and I wish to emphasize that in the proposal I am about to make, I am not claiming that I have here a solution for the entire unemployment problem. Neither have I anything that is in conflict with other proposals, such as the one that has come to the House from the Senate for the use of the cantonments that were built during the great war, for the housing of the unemployed in connection with military training or other uses.

What I have to propose applies in some measure to 38 different States, in greater measure, of course, to those States of the western part of the country in which the greater part of the national forest areas are found. It is a discussion, and I am going to make it a brief one, of the

part that the national forests properly should play in the relieving of the unemployment situation.

There are about 150,000,000 acres of national forest lands in this country. This is land that belongs to the United States of America and the development of which is the problem of the United States of America. Thus money spent on this land in legitimate ways can be considered an investment rather than use of money without a permanent purpose and a permanent value.

These areas are so distributed in these 38 States as to give a kind of employment that will benefit directly the people, not only of the localities but to a great extent that great army of wandering young men who would be attracted to work in the forest areas, and who, instead of being damaged by the life they are forced to live under present unfortunate conditions, would be greatly benefited, not only by the possibility of employment but also by the fact that they would be in contact with the beauties and the inspiration of the forest itself.

The question is asked as to what could be done in the forest that would be of benefit to the Nation and at the same time help to alleviate this situation of unemployment. It would be work that is now being done under appropriations made by the Congress, but by speeding it up and by doing in the next year or so what otherwise would be spread out over a period of five or six or seven years or more would meet the immediate emergency to the extent of employing 269,668 men for a 6-month period. That is as long, of course, as men could be profitably employed in the forest areas under ordinary conditions, and perhaps a little longer than would be possible under most conditions.

We will take the 6-month idea, first, as to the number of men that could be employed. This will take care of about 270,000 men scattered over 38 States. If you gave them a 3-month period of employment, it would take care of something over 500,000 men.

I see my friend here from the State of Washington [Mr. Horr], and I will use his State as an illustration of the result

Out in his home town of Seattle within the last two or three days 5,000 unemployed took possession for a day or two of the courthouse. This character of unemployed men—on account of the foreign competition that was spoken of here a few moments ago by the gentleman from Ohio [Mr. Cooper] and which has thrown out of employment men who largely work in the woods—have been thrown out of employment.

There are in the State of Washington about 50,000 unemployed men, and about 17,000 of these men could be given six months' work this year in the National forests of that State.

If you divide by two the length of periods they were allowed to work, you could provide for twice that many men. For three months you would thus take up a very large proportion of the unemployed.

Mr. BURTNESS. Will the gentleman yield?

Mr. LEAVITT. With pleasure.

Mr. BURTNESS. Will the gentleman tell us the kind of work that they would do?

Mr. LEAVITT. I was leading up to that by showing first the number of men that could be put to that labor. Here is the kind of work they would do. It is contemplated to construct 704 lookout houses, towers, and observatories for forest-fire detection. Those would be in the eastern forests as well as in the western. Nine thousand eight hundred and forty-four miles of telephone line ought to be built, 2,740 firebreaks, 4,682 camp grounds. You might ask what use is to be made of the camp grounds, but they are proper, and it means a great deal in the protection from fire in forests where people are using the areas for recreation purposes. There would be constructed 6,691 miles of range fence. That fence will need to be constructed in the next few years. We could speed up the construction. That would greatly aid in the handling of livestock and would mean a great deal in the manufacture of the barbed wire that would be used in the construction and add thereby to employment.

Then there are 54,404 miles of roads and trails. These are not those referred to as high-class roads, but they are roads and trails that are useful in the protection of forests from fires.

Then there would be improvement thinnings, and so forth, on 2,560,420 acres of forest lands—

Mr. GOSS. Will the gentleman yield?

Mr. LEAVITT. I yield.

Mr. GOSS. Can the gentleman give us the estimated cost

of the various projects that he is laying out?

Mr. LEAVITT. I have a tabulation that will segregate these possibilities for the different States and give the estimated cost. The whole proposal I am making is not to have the men working without wages, as you may suppose. They would be paid the going wages of the various communities, so that they will be able to take care of their families. It would also result in putting a great deal of money into circulation. The velocity of circulation of which from these somewhat isolated forest areas might easily multiply the value many times.

Mr. GOSS. And will the gentleman also put in the cost

of this material that he is proposing to use?

Mr. LEAVITT. I have not all those details, because the time given was very short. There is also planned the eradication of major infestation of insects of trees and tree diseases from 787,650 acres. This is work we are carrying on, and nothing would be more valuable to promote the protection of forests than to speed it up.

Then there is the planting. It has been proposed that a great deal of tree planting might be done to help relieve the unemployment situation. Unfortunately, that has been met with ridicule, because the proposal was not explained and the time that would be necessary to grow the necessary nursery stocks, and so on, not outlined.

The planting, due to lack of planting stock available, would have to be held down to about 75,000 acres the first year. Even that might be found to be greater than could be achieved in the first year. That will probably be the maximum. But a start needs to be made toward procuring additional planting stock through seed planting and so on. Considerable labor could be employed in that way, and we would have under way a program that would ultimately, within the next very few years, employ a great many men beneficially. I call attention to the fact that there is nothing in all this proposal that can be called "made" work; nothing that is just proposed to keep men busy, without having results in themselves beneficial.

In addition there is, of course, work that might have to do with soil erosion and that sort of activity which, to make it entirely efficient, has to be extended over a considerable period of years. A start could be made on that.

To break down my statement of range development, there would be, in addition to the fencing, many corrals and driveways, and much water development in these national forests. There would be the possibility of increased eradication of poisonous plants and rodents. We could extend that work

Mr. GARBER. Mr. Chairman, will the gentleman yield? Mr. LEAVITT. Yes.

Mr. GARBER. How many States would receive the benefit of this work?

Mr. LEAVITT. Thirty-eight States. There are forest areas that would be benefited in 38 States and indirect benefits beyond that. Of course, the bulk of the national forests are in the western country. There, however, we do not have these Army cantonments that are being spoken of to any extent. That form of relief could not be greatly beneficial to us in the West. Out there we could better use these men in the national forests in the development of national property. On the other hand, many of the Eastern States do have some national forest areas that have been acquired by purchase under the Weeks Act and in other ways, so that the forest plan I am proposing would be extended into the Eastern and Southern States.

This is not a completely-new work. Some States have been putting people to work on their forest areas. Connecti-

cut, for example, has done quite a little work along that line which has been locally very beneficial.

Governor Trumbull recently brought out something about the work done in these Eastern States, and it could be extended and applied to national forest areas in these States. He says it is essential to safeguard these forests against fire, and that fire lanes 15 feet wide are cleared of all material, and that all dead trees 50 feet back are removed, and so forth. Then he says:

This work opens up a new and important argument for the extension of our State forests, for they will always furnish remunerative labor to a considerable number of local residents. Experience of older countries proves that well-managed forests will support a larger population than a similar area of poor land devoted to agricultural pursuits. There is a great deal of land in Connecticut of this character which can be more profitably used for timber raising than for any other purpose.

I use that quotation to show what is being done in several of the Eastern States.

California last year established several forest camps, and employed in the year 1932 about 17,000 men and boys. They were not paid wages. The camps give an opportunity for a place where men can be comfortable and can eat and do something that is useful rather than simply be fed somewhere by charity. My information is that a fine character of people have taken advantage of that. Only one forest officer is in charge of each of these camps. They have their own kangaroo court and take care of policing and the care of those camps and they do valuable work, particularly in building fire breaks.

The question was asked as to where these forest areas are. I can illustrate it best by a map which I have here. Gentlemen will see from this map the location of the national forest areas, and also the extent. One can see, in figures, the number of men that could be employed on this useful work for six months. If it is done for a 3-month period, of course, you could take care of twice that many men. If I had time this afternoon, from a forestry standpoint, I would like to develope another feature of this question which would be of special value to the eastern part of the country. I refer to speeding up the acquisition of forest areas. At no time in our history could they be acquired more easily than now, from farmers who have marginal land who would be glad to dispose of a part of their holdings, retaining only their agricultural land. That would put money in circulation with them, and would bring other forest land under the control of the Government. Then this useful labor in the development of those forest areas could be carried on more extensively in this eastern country.

Mr. TABER. Will the gentleman yield for a question? Mr. LEAVITT. I yield.

Mr. TABER. I wonder if the gentleman would put in, as a part of his remarks, something about the cost of such

Mr. LEAVITT. Yes. I will be glad to do that. I am glad the gentleman referred to that, as it is very important. Figuring out the amount of work I have proposed here, from the standpoint of the payment of local wages-that is, the going scale of wages in various parts of the country—it would cost about \$160,000,000, but entirely in the development of our own property. Of course, that seems like a tremendous amount of money, but we are considering almost that amount of money to put men in the cantonments, where they will not be doing this kind of useful work. This is merely speeding up to do in one year what will otherwise extend over a period of several years.

Mr. SWICK. Will the gentleman yield?

Mr. LEAVITT. I yield.

Mr. SWICK. Will the gentleman state in that cost, the allocation to the various States?

Mr. LEAVITT. Yes. I will be glad to put in a tabulation showing just what could be expended advantageously in the various States, under a plan which has been worked out through the Forest Service.

The CHAIRMAN. The time of the gentleman from Montana has expired.

Mr. LEAVITT. Mr. Chairman, I ask unanimous consent to include the material I have referred to.

The CHAIRMAN. Is there objection to the request of the gentleman from Montana?

There was no objection.

The matter referred to is as follows:

DECEMBER 23, 1932, ESTIMATES OF NUMBERS OF MAN-SEASONS (1) AND COSTS (2) OF SERVICEABLE (3) WORK AVAILABLE ON THE NATIONAL FORESTS FOR UNEMPLOYMENT RELIEF

The numbers given below are also shown, in rounded-off form, on the map by States.

"Indirect labor" needed for the production of materials, other than the minor amount shown on the tabulation, is not included in the figures by States.

Basis of 150 work days per season.
 At going wage of \$3.60 per day in West and \$2.40 per day in East, plus all other costs.

(3) The classes of work in the detailed estimates are divided

Class A. Projects or activities for which the Forest Service would ask appropriations in normal times and which (in the case of investments) would be useful enough to the public or to (national forest) activities so that the Forest Service would be willing to carry the construction costs in its investment records and currently charge depreciation and maintenance to the activity benefiting.

Class B. Other projects which the Forest Service would not be willing to carry in its investment and depreciation records, but which would improve the national forest properties or facilitate their use and enjoyment by the public as well as contribute to the preservation of human and social values by giving work to the unemployed. "Made" work, which will merely result in keeping men busy, is excluded.

The classes of work to be done include the construction of telephone lines, roads, trails, landing fields, fire breaks, lookout towers and observatories, other small structures for the fire protection and administration forces, range fences and range water developments, corrals and driveways, public camp ground improvements, planting, erosion control, insect and tree-disease control, eradication of poisonous plants and of rodents, and other range and forest cultural work.

Preliminary summary

	Man seasons		Direct labor,	Total	costs	
	A work	B work	total man years	A work	B work	Total
Alabama	538	203	741	\$245, 329	\$99,000	\$344, 329
Alaska	500	500	1,000	360,000	360, 000	720,000
Arizona	5, 970	926	6, 896	4, 852, 419	701, 470	5, 553, 889
Arkansas	4, 935	1, 171	6, 106	2, 295, 323	503, 180	2, 798, 503
California	30, 479	22, 262	52, 741	21, 675, 500	14, 572, 500	36, 248, 000
Colorado	5, 903	1, 279	7, 182	4, 933, 010	763, 968	5, 696, 978
Florida	843	249	1,092	388, 305	123, 094	511, 399
Georgia	1, 374	373	1,747	622, 678	167, 120	789, 798
Idaho	15, 702	12, 121	27, 823	12, 411, 030	9, 031, 970	21, 503, 000
Illinois	(833)		(833)	(550, 000)		(550, 000)
Indiana	7 24		24	7, 295		7, 295
Louisiana	231		231	8,640		8, 640
Maine	((1, 000)	~~~~~	(1, 000)	\$4,058 (700,000)		84, 058
Michigan	4, 744	3	4, 747	2, 036, 564	1,560	(700, 000) 2, 038, 124
Minnesota	3, 268	519	3, 787	1, 542, 580	221, 419	1, 763, 999
Mississippi	915	76	991	425, 176	34, 700	459, 876
Montana	11, 452	5, 801	17, 253	13, 014, 300	4, 053, 650	17, 067, 950
Nebraska	54	0,002	54	62, 270	500	62, 770
Nevada	422	102	524	326, 580	73, 280	399, 860
New Hampshire	869	520	889	473, 983	240, 970	714, 953
New Mexico	6, 495	1,760	8, 255	5, 324, 508	1, 344, 350	6, 668, 858
New York	(833)		(833)			(550, 000)
New Jersey	2		2	1,920		1,920
North Carolina	3, 015	435	3, 450	1, 392, 849	204, 320	1, 597, 169
North Dakota	2		2	1,090		1,090
Oklahoma	260	5	265	322, 129	4,400	326, 529
Oregon	18, 970	7,813	26, 783	12, 549, 350	4, 578, 405	17, 127, 755
Pennsylvania	705	1,307	2,012	338, 197	88,770	426, 967
Puerto Rico	66		66	26,000		26,000
South Carolina	3		3	2,440		2,440
South Dakota	1, 283	4, 922	6, 205	946, 459	2, 803, 500	3, 749, 950
Tennessee	969	381	1,350	444, 596	185, 670	630, 266
Utah	2, 793	1,170	3, 963 378	2, 263, 550	839, 440	3, 102, 990
Vermont	2,842	1, 166	4, 008	83, 343 1, 312, 996	100, 340	183, 683
Virginia Washington	12, 327	4, 596	16, 923	7, 997, 090	533, 600 2, 713, 040	1, 846, 596 10, 710, 130
West Virginia	1, 261	2,786	3, 047	584, 526	1, 311, 100	1, 895, 626
Wisconsin	1, 231	17	1, 248	600, 907	10, 110	611, 017
Wyoming	2, 373	834	3, 207	1, 902, 433	550, 185	2, 452, 618
Total	145, 664	73, 004	218, 668	103, 659, 423	46, 275, 611	149, 935, 034
Indirect labor						1
(other)			51,000			
Grand total, man sea- sons	E .		269, 668			1149,935,034

Other Federal lands not included in these estimates are:	Acres
National parks	8, 417, 261
Indian reservations	71, 144, 213
Game and bird reservations	1, 214, 000

¹ Hand labor basis.

Mr. AYRES. Mr. Chairman, I yield to the gentleman from Georgia [Mr. Lankford] such time as he may desire.

Mr. LANKFORD of Georgia. Mr. Chairman, I ask unanimous consent to extend my remarks in the Record and to include therein a bill introduced by me on the 9th day of March last, entitled "A bill to provide for the settlement of past-due interest and installments due Federal land banks, to prevent foreclosure of loans due such banks, and for other purposes.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. LANKFORD of Georgia. Mr. Chairman, there is no doubt in my mind that Congress is criticized unduly about minor and insignificant matters but is subject to much more criticism than is heaped upon it about the larger and more important affairs. This paradoxical statement is true because those who approve the failure of Congress to handle promptly the larger and most important matters are most anxious to draw the attention of the public away from those in Congress and out of Congress who are servile to the big interest and away from the crookedness of the big interest. And, they are succeeding in this respect by magnifying, twisting, and falsifying the record of Members of Congress concerning small and very minor affairs.

Those most responsible for our present, awful plight much prefer to lead the public to believe that the cause of the present depression is a few dollars stationery allowance or a few dollars mileage allowance, or the franking privilege, rather than the corner of the money of the Nation by the big bankers. They rather cause the public to blame the panic on the salary of some humble Government employee who is struggling to exist rather than admit that their own hands are dripping with the innocent blood of countless thousands whose lives are being snuffed out because of the murderous designs of the international and other big bankers.

The greatest guilt of Congress—Democrats and Republicans—is procrastination. Talk, talk, talk, and nothing done. Promise, promise, promise, and nothing performed. The country is praying and I am praying that the next Congress may render some real service to the average individual citizen.

At the very beginning of this Congress, when we met in December, 1931, I began to offer amendments, introduce bills, and plead and beg for something to be done to stop loan foreclosures. Those in authority in the House blocked every effort I made along the line of seeking legislation to stop loan foreclosures. The only thing that was done, in so far as the Federal land banks-the chief offenders-are concerned, was to hand them another hundred and twentyfive million dollars to use in the further slaughter of the farmers. Finally, the depression has become so serious that the farmers are taking the law into their own hands, and now some of those who 12 months ago blocked all this kind of legislation in the House are beginning to talk about doing something to stop loan foreclosures. And it is possible that either more money will be voted to the Federal land banks to use in furtherence of their orgy of foreclosures, or, after all the farmers have lost their homes, it may be that some sort of law may be written on the books to stop foreclosures. There will be no need of such law after all the farmers are ruined and the Federal land banks have sold, bought in, and speculated on the lands of the farmers to the surfeit of the greedy financial desires of the officials of this institution.

Along with the numerous efforts I made many months ago to secure the passage of some legislation to help this situation, I introduced on the 9th day of March, 1932, H. R. 10326, entitled "A bill to provide for the settlement of past-due interest and installments due Federal land banks, to prevent the foreclosure of loans due such banks, and for other purposes."

The bill provides:

That when any Federal farm loan association, or any member or members thereof, become in default as to any interest and/or

principal installment during the year 1932 or 1933 and the Federal farm loan association determines that neither it nor said member or members are financially able to pay said interest and/or installment without undue financial burden on it or any of its members, the Federal land bank through which said association obtained its loans shall loan said association sufficient money to purchase enough bonds of said Federal land bank for the purpose of and to be used in paying off and retiring said past-due interest and/or installments. Said loan to said association shall be for five years with interest at 6 per cent payable annually for said period and with interest and principal to be amortized or paid annually for five years after said first five years. The Federal farm bank shall neither require nor accept any security for said loan other than a lien for said amount on the land by which said loan in default is secured and second only to the said lien of such Federal land bank. The bonds of the Federal land bank shall be accepted by it at face value in payment of such past-due interest and/or installments; and the Federal land bank, for the purpose of carrying this act into effect, shall sell to the Federal farm loan association said bonds at the then market value of the same from bonds now owned or hereafter purchased by said bank, and shall accept as full and complete security for said loan and in execution of said contract by the Federal farm loan association an extension agreement as to said past-due interest or principal for said 10 years as hereinbefore mentioned, after same has been credited with and by the difference between the market value and the face value of the bonds used in the transaction.

SEC. 2. In carrying into effect said contract it shall not be necessary to enter written transfers of said bonds to the Federal farm loan association to be in turn retransferred to the Federal land bank, but the proper bookkeeping entries shall be made by the bank and the extension agreement executed as herein provided.

SEC. 3. When and where since January 1, 1930, land has been sold under foreclosure by the Federal land bank, bid in by the bank, and is still owned by the bank, upon request by the original owner or by the Federal farm loan association of which said owner was a member, in the event the original owner refuses or fails to make the request, the said land shall be resold to the said original owner or to the association in the event he refuses to make such request and it is made by the association. The consideration for such resale shall be the balance due on the loan at the time of the foreclosure and interest on the principal amount date. In no event shall any expenses or cost of said foreclosure or attorneys' fees be included. The terms of payment shall be the same as those of the said original loan and the borrower and the association shall have the same rights as to the payment of interest and/or installment that would have been due had said foreclosure not taken place, as is provided in this act for delinquent borrowers where no foreclosure has taken place.

Mr. Chairman, the bill which I have just inserted in the Record is intended to give relief to the farmers whose land is about to be sold by foreclosure or which has been sold and bid in by the Federal land banks. If my bill had become law last March and if the Federal land banks had given it a sympathetic enforcement, there would not have been any more foreclosures and much of the land already lost to the farmers would have been returned to the original owners.

It is admitted that for some time the Federal land banks have been foreclosing on farm land which should have been carried longer, but which the banks sell for the express purpose of buying in, at a great sacrifice, and then reselling it at a still greater sacrifice for cash so as to use this cash in buying in the bonds of the particular land bank at a sacrifice to the owner and at a great profit to the bank. These banks are not willing to accept their own bonds in settlement of either the interest on these loans or the principal thereof, but they sell the farmers' lands for much less than they are at all willing to accept from the farmers in the way of an extension of the loan, so as to speculate in and with the bank's own bonds. These land banks were set up for the farmers, and the farmers were even forced to buy and pay for the stock in these banks; and yet while the farmers own these institutions, they are among the farmers' most deadly enemies during this awful depression.

Several bills have been introduced seeking to force the Federal land banks to accept their own bonds in payment on the loans of the farmers. These bills would help some, and I would vote for them, realizing that very little good would come from their enactment. If the farmer can not get money to pay his interest and taxes, how can he get money to buy these bonds for cash, so as to use them in part payment on his loan? The fact is that these bills would only enable those who are trying to get farm lands for

nothing to obtain them without the necessity of a foreclosure and with all the profit going to the one buying in the farm lands rather than be split between the Federal land banks and the purchaser of these lands covered by distressed loans. Even this though would take from the Federal land bank officials part of the incentive which causes them now to make foreclosures instead of renewing these loans

I seek to provide that whatever profit is made by buying in these bonds at a discount shall all go to the distressed farmers who are not able to pay the interest, taxes, and principal installments on their loans. I would require the Federal land banks to use the money voted to them by Congress to buy in these bonds for the use and benefit of the farmers and then accept these bonds at face value in payment of the past-due interest and principal installments due on these loans. The money would be appropriated by Congress to be used by the banks to stop loan foreclosures. The Federal land banks would buy the bonds and then the balance of the procedure would be simply a matter of bookkeeping. In theory the banks would loan enough money to the farmers to purchase enough of these bonds at their present selling price to pay the farmer's past-due interest and principal installment and the bank would then accept the bonds at their face value in settlement of this interest and installments. The farmer would get the benefit of buying the bonds at a discount and using them at face value in the settlement of part of his loan. The loan would be credited with the payment after the cost of the bonds used in connection with the particular loan had been added to the original amount due before the payment. In this way the additional amount loaned to the farmer to buy the bonds would be secured by the original lien on the farmer's land. The net result would be that the farmer would be able to make enough profit out of the transaction to pay his interest and past-due principal installments and find himself no further in debt and with his loan in good shape for another year or term of years. The low price of these bonds which are causing these foreclosures at this time would become the agency by which the farmers would be enabled to save their homes.

Why should this not be done for the farmers? This money was appropriated by Congress for the use of the farmers. These banks were set up for the farmers and are now owned by the farmers and the officials of these banks are the agents of the farmers, and why should this agency with these officials not be loyal to and act for the farmers?

With my bill enacted into law there would be absolutely no trouble whatever about either the legality or mechanics of the proposition. The only question is, Does Congress want to do this for the farmers?

Since so much time has elapsed and there has been so many foreclosures and the farmers' condition has become so much worse it is becoming more and more evident that there must be used even more drastic means than could have been effectively used a year or two ago.

I am now thoroughly convinced that the most effective manner of handling this matter is by the monetization of farm lands and farm products. I am absolutely opposed to furnishing any more money to the Federal land banks without the most positive directions as to the expenditure of every dollar of the fund. In fact, I believe this matter should be handled by the monetization of farm lands and farm products so as to make the Federal land banks absolutely unnecessary.

To my mind the idea of issuing bonds to raise money to loan farmers on their lands is all wrong and should be handled, in the first instance, by issuing the money on the lands as the base for the currency and thus save all this red tape. all these salaries, all this interest, and all this orgy of foreclosures and vandalism.

Practically every suggestion of a remedy for the depression provides for the issuance of billions upon billions of dollars of additional bonds with the additional interest that always goes with the issuance and sale of bonds, and with years to tax money in hoarding each month, regardless of

the additional taxes that must be collected to pay this interest.

As I have repeatedly said, the Government goes in debt less by issuing \$1,000,000,000 of currency than it does by issuing the same amount of 3 per cent bonds. The exact difference is the interest on the bonds to the amount of \$30,000,000 per year. There is another very vital difference; the bonds will very probably only cause the purchasers to further hoard their riches, whereas the currency, if issued to help the farmers, or to pay the adjusted compensation due the veterans, or to give employment to labor, will go into active circulation. Some are urging that no more taxexempt securities should be issued. To my mind, during this depression there ought not be any more securities of any kind issued carrying either a tax or interest when taxfree and interest-free currency can be issued instead. If we do this within reasonable limits during the depression, we will not find cause to abandon the policy after the return of more prosperous times. Here is the greatest cause of the depression and its elimination will go far in bringing back much better times.

Regardless of what brought about the depression in the first instance, I am sure that our vicious banking system contributed much to our serious condition and that a proper remedy applied here will relieve the situation very much. When I say banking system I do not have in mind the small bankers or the small banks. They are victims of the same awful system which is wrecking and destroying everybody else. I am criticizing the greatly centralized political and financial power of the Wall Street and allied interests.

At the present time our people are suffering death because of the lack of a sufficient medium of exchange. All must admit this, and yet the big interests are determined that nothing shall be done to overcome this awful condition. They have cornered the money market and as yet have not decided that the time has come for them to relax their grip on the throats of the people. They are determined not to let go until they have the Nation more completely in their grasp than ever before, with greater centralization of wealth and political influence than was ever dreamed of by our founders and with the people further enslaved and in the most complete subjection ever exercised since the beginning

The fight between the people and the great wealth of the Nation goes on, with corporate greed winning every important objective. Of course, some laws will be enacted in the name of the common people, but unless there is a great improvement over the past, for every slight advance of the private individual citizen there will be a tremendous victory for the corporate interest, overcoming and annulling all that is gained by the people.

Take the proposal to issue money or certificates as a medium of circulation, to be taxed by attaching a 2 per cent stamp every time the certificate passes, and you have an example of the idea of how many people would seek to help this situation. If this scheme was put into effect, it would burden the poorest of the poor with the most vicious sales tax ever suggested. The general sales tax has exemptions and is very light, whereas this stamp tax on every transaction would know no exemptions and would be on every transaction with respect to every article of food, clothing, or medicine. The general sales tax, which I oppose so much as a Federal proposition, would only be paid by the manufacturer of certain articles, with no tax to be paid on the articles used in the production of the particular articles or on any sale by which the manufactured article was handled after it left the manufacturer. Not so with the proposed stamp tax levied and collected each time money is used in buying any article, or in paying taxes, or in use in any other

I have heretofore pointed out the vast difference between this proposal to tax the use of money, thus putting a burden on the circulation of money, and the plan which has been in use in one form or another in various nations for many

whether it is in circulation or not. I am only mentioning | this stamp sales tax plan now as an illustration and shall not further discuss it at this time.

Mr. Chairman, the greatest economic need of the hour is for a greater-yes, a much greater-circulation of currency, both in velocity and amount.

Those who now have the money of the Nation cornered are urging that it will never do to inflate the currency. They can not control an inflated currency as much and as well as they can the present smaller volume. The trouble is that our currency has been deflated in circulation and inflated in value. We now at least need to reflate the circulation back to where it was and deflate the cost of the dollar to its original position. It is just as vicious and criminal to deflate the currency too far as it is to inflate it too much, and just as criminal to inflate the cost of the dollar too much as it is to deflate the value of the dollar to an unreasonable extent. To my mind the present process or program of deflation of the circulation and inflation of the cost of the dollar is the principal direct cause of the present depression, and the proper inflation of circulation and deflation of the cost of the dollar would relieve the depression and with proper other legislation entirely overcome the present awful economic condition.

There should at least be a reasonable reflation of the currency. No one who is a student of this subject can honestly ask for either an overinflation or too much deflation of our currency, such as is wrecking our Nation at this very minute.

On the 6th of this month at a banquet at the Waldorf-Astoria Hotel in New York City, Dr. Irving Fisher, professor of political economy of Yale University, in an address expressed what to my mind is the true rule in this respect, as follows:

But reflation really is not inflation. The distinction between the two is important. We should aim, like a good chauffeur, to keep in the middle of the road, veering neither to the inflation side of the road nor to the deflation side. But once we find ourselves, as at present, in the deflation ditch, our first task must be to get back in the middle of the road. That is, reflation is, in my opinion, not only a need but a necessity if we are to recover from this depression soon and without great further bankruptcies and unemployment. and unemployment.

Doctor Fisher concluded his New York address by saying:

Anyone who wants uncontrolled inflation is as much an enemy of society as those who want no control over deflation. We must have control over both. We must get our great machine, now out of control, under control. We must get it back into the middle of the road and keep it there.

Mr. Chairman, our currency is controlled at this time by the big banking interests. They now inflate and deflate the currency in their own behalf, regardless of the effects on the rest of the country. This very important governmental function should be controlled by an agency acting for all the people of the whole Nation, or an automatic commodity standard should be put into effect so that our currency would adjust itself to the needs of the people and at all times be the agency or medium of all the people of the whole Nation.

Doctor Fisher mentioned the fact that Sweden has adopted a true commodity standard of money, thus stabilizing her unit of money value, the krona, and asked why not the United States do likewise and stabilize the American dollar.

To my mind this is what we should do, but I realize that it will never be done until Congress is able to break loose from the domination of the big bankers and act solely and only for the best interest of all the people.

We can very easily monetize our commodities and our farm products and solve practically all our serious troubles at this time. Then again we can even stay on the gold standard and yet solve our most serious trouble—the lack of sufficient circulation of money both in volume and amount. We can even keep the amount of our currency just where it is and yet overcome the depression by putting sufficient money in circulation to do the job. We can do this and at the same time save our people hundreds of millions of dollars in interest on the public debt-all without

putting the Nation further in debt but by reducing our public debt.

Then why not let us do this and do it at once and save all the anguish and wreckage that now exists on every side? There is only one answer—the big financiers of the Nation object.

Now, how can all this be done? How can we actually stay on the gold standard, actually not increase the amount of our currency, actually reduce our public debt, actually save hundreds of millions of dollars of taxes for our people, and yet increase the volume of our money in active use and increase its speed so as to overcome the present awful depression? The answer is: Withdraw from the banks the money now hoarded by them, cancel the bonds which is the basis for this money, cut down the public debt the amount of the annual interest on these bonds, save the taxpayers the amount of this interest, and, in lieu of this present big bankers' monopoly, issue to the farmers Government bonds in exchange for first liens on farm property, with both drawing the same rate of interest and maturing at the same time; then let the farmers file their bonds back in the Treasury Department as the basis for the equivalent amount of currency to be owned by the farmer or used by him in settling the indebtedness now against his property. This will do everything I suggested in my question and at the same time put a first lien on absolutely safe property behind every bond issued under this scheme in addition to that which is there now, the unsecured promise of the Government to pay.

But, it may be suggested that where banks own the bonds which are on deposit as the base for the issuance of the currency, the Government can not recall the bonds or cancel them without paying the amount of the bonds in cash. This is true but the Government could issue the currency to pay off the bonds just as easily and as safely as it issues the bonds and at the same time reduce the public debt the amount of the annual interest on the bonds which are paid by interestfree money. Then again, even if the bonds be not cancaled, they could be returned to the owner bank and the money based on them withdrawn and an equivalent amount of money issued to the farmers in exchange for first liens on farm property, thus keeping the amount of currency just where it is and at the same time speeding up the circulation of the currency. It would get the money out of hoarding, get it in the hands of the farmers, stop loan foreclosures, help the insurance companies, give liquidity to long-term farm loans and go a long distance in making the Reconstruction Finance Corporation unnecessary.

To my mind, instead of our issuing Government bonds for every imaginable purpose, we should issue currency, save the interest and furnish a medium of circulation in the first instance. If farm lands had been monetized when the Federal Farm Loan Board was first set up, all the farmers would still have their homes, no interest or principal installment would have accrued and the enormous amount of loss occasioned by the owners of Federal Land Bank bonds would have been avoided. Practically all, if not entirely all, of the Government activities where bonds are issued and sold in order to secure money for their operation, could be financed much better by the issuance of currency to begin with and without interest. I am thoroughly convinced that the most available complete remedy for the depression can be promptly and effectively administered by the Government withdrawing a very large amount of Government bonds and issuing in lieu thereof the equivalent amount of currency.

On the 17th of this month the great editorial writer, Arthur Brisbane, said:

GOVERNMENT AIDS HOARDING

In its postal savings banks it does not compete with your avings banks, and so the little man who can accumulate \$1,000 or so can not hoard through the Government. But to the man who has \$10,000,000 the Government gives every facility for hoarding, for it has outstanding \$22,000,000,000 in bonds.

If I were the dictator of this country, I would call in \$10,000,000,000 of those bonds and issue in their place what-

ever was necessary. I would say to the rich man: "You now have the Government's promise to pay with interest; I will give you in exchange the Government's promise to pay that will not bring any interest."

Thus the Government would save \$400,000,000 a year on the interest. The remaining \$12,000,000,000 would be used for bank-

ing purposes, bank reserves and so forth.

Mr. Chairman, our entire economic trouble is one of currency and the control of the inflation, deflation, and circulation thereof. Of course the question of a proper base enters into the question. These matters, if properly handled, along with farm-relief legislation and other remedial measures, will solve our difficulties and forever make sure our national success. We are nearing an awful economic abyss of dreadful and unknown horrors, and can only turn aside and save our national existence by a proper handling of our currency. Will we be equal to the occasion or will we be weighed in the balance and found wanting?

There is now much talk about holding large amounts of cotton off the market by the Government buying it in and entering into a contract with the farmers concerning this cotton and the farmers' production. I am very much in favor of this proposal. It is in part what I had hoped could be accomplished by the farm marketing act, and is much akin to the contract system of controlling production, marketing, and prices so long advocated by me. But why should the Government have to raise money by taxation or the issuance of bonds in order to handle any of these marketing or farm-relief schemes? Why not use the cotton-or other farm product for that matter—as the base for the issuance of sufficient currency to handle the entire situation by putting up a lien on the property—cotton or other farm product-to secure Government bonds for an equivalent amount to be held by the Government as security for the issuance of the equivalent amount of currency with which to purchase the farm product? The farm problem will become much easier when we give the farmer and the masses of our people a fair deal in the issuance and control of the currency.

There is another matter I wish to mention in this connection. I have always believed that our farm-loan system was on the wrong idea. There is too much expense to the farmer and not enough real help. Why not cut out all this expense and make foreclosures impossible by simply monetizing farm lands and issuing to the farmers tax-free and interest-free currency instead of all this expense and awful destruction of the farmers' property rights?

For many years I have favored and worked for the settlement of all farm loans by a bond issue and by greatly reducing the interest rate of the farmers' loans, but we have now come to the place where this will not be sufficient. We must do much more; and I now believe that the entire matter should be handled by issuing money on these lands as the base, either with Government bonds intervening or without, so as to refinance the farm loans at a great discount, on long terms, without the payment of any annual interest or installment of principal, and under an arrangement which will enable the farmers to actually carry the loans indefinitely without the payment of any principal or interest. I have discussed this particular matter rather freely heretofore and shall not do so again now.

I have endeavored to make clear my idea of a cure for the depression. Now let me suggest that in order for this cure to be effective it must be given to the patient who is ill, and not to some one in good health as a proxy for the patient. Medicine in large containers in the drug store does not help the sick man until it is carried to his bedside and administered in proper doses to him. The issuance of more currency by the big bankers and held by them does not help the average run of people. Billions of money hoarded in Wall Street banks do not help my farmers in Georgia. They need more money in their own pockets with which to pay their debts and buy the necessaries of life. More money is the remedy for the depression, but we must see that the remedy is carried to and administered to those who are suffering because of all these economic ills.

Let us ever remember that the way to make our country happy and prosperous is to help the average run of people

and all else will be well. We can not cure our present troubles by administering to the rich and expect them to help the poor. Neither medicine nor financial aid administered to the rich of New York City will aid or cure the poor man down in my district, suffering with either a physical or financial disability. This kind of aid has been tried too long. Let us strengthen the foundation if we would build a permanent superstructure.

Mr. AYRES. Mr. Chairman, I yield 10 minutes to the

gentleman from Oklahoma [Mr. HASTINGS].

Mr. HASTINGS. Mr. Chairman, the farm-mortgage question continues acute. Congress should not adjourn without enacting some constructive legislation to refinance farm mortgages. I have called this to the attention of the House before. I prepared and introduced a comprehensive bill on the subject (H. R. 14135). It provides for the creation of Federal rural mortgage land banks similar to the Federal land banks, one for each of the 12 Federal land-bank districts, with a capital of from \$25,000,000 to \$40,000,000 each, to be subscribed by the Secretary of the Treasury with funds to be furnished by the Reconstruction Finance Corporation, and with the authority to issue bonds guaranteed by the Government in the sum of twenty times their capital.

By this bill loans are provided to be made to farmers up to 60 per cent of the appraised value of the land and 25 per cent of the value of the permanent insured improvements at 3 per cent interest, to be repaid upon the amortization plan.

The Bureau of Economics has reported that there are \$9,241,000,000 of farm-mortgage loans outstanding, and that there are \$4,283,000,000 of other farm loans outstanding not secured by real-estate mortgages. This will aggregate more than \$13,500,000,000 of indebtedness of farmers.

Of course the farmers are deeply interested in legislation of this character. Everyone in the agricultural sections—laborer, merchant, banker, professional man—is interested in the welfare of the farmer. They depend upon him.

During the past 10 years it is an exceptional farmer who has made enough to pay the taxes and upkeep of his farm from the sale of farm products. The result is that 42 per cent of the farms throughout the country are mortgaged. Untold thousands of farms have been foreclosed, and in the Middle West and South a very large percentage of the farms are owned by mortgage companies, insurance companies, and others, and are occupied by tenants.

When the farmers can not pay their taxes, schools and county governments and municipalities are affected. Many schools are closed. The condition throughout the country is very serious. We need permanent, constructive legislation. I do not favor temporary or emergency legislation.

Among other things legislation must provide for a low rate of interest, and for an extension over a period of years, in order to induce the farmer to hazard the risk of going back on the farm and investing all he has in improving it and trying to make it pay. He can not do this on loans for 1 or 2 or 5 years. It must be done over an extended period of years. The bill which I have introduced provides for the payment of the principal of the loans upon the amortization plan by adding 1 per cent to the principal, extending over a period of $34\frac{1}{2}$ years.

Not only are the agricultural communities deeply interested in this legislation, not only are the schools and municipalities interested, but the people of the East, including New England, are vitally interested in the farm problem.

The Bureau of Economics reports that of the \$9,241,390,-000 of farm loans, the Federal land banks have loaned \$1,200,000,000, the joint-stock land banks have loaned \$667,000,000, commercial banks \$1,020,000,000, mortgage companies \$988,000,000, insurance companies \$2,164,000,000, retired farmers \$1,006,000,000, active farmers \$339,000,000, other individuals \$1,453,000,000, and other agencies, including savings banks, \$685,000,000. The savings of a lifetime are involved and threatened. What are we going to do about it?

The report shows there are \$1,098,610,000 loans on farm lands in the State of Iowa, \$428,227,000 in Missouri, \$487,-122,000 in Kansas, and \$214,033,000 in my State of Oklaboma

Savings banks, insurance companies, individuals, and ac- ! tive farmers all have very large sums of money invested in farm mortgages.

At one time farm mortgages were regarded as the safest investment. In the event the value of farm mortgages is reduced to the vanishing point, of course, everyone appreciates how the assets of all the companies and individuals above enumerated will be affected.

I am just reminded by the gentleman from Connecticut IMr. Gossl that there are 125,000,000 life-insurance policies in the United States. While many individuals do not have a policy, untold thousands have one or two or twenty or more. In the aggregate, I am assured there are 125,000,000

life-insurance policies outstanding.

Everyone will see, therefore, that the East is vitally interested in the refinancing of farm mortgages. The East is also interested looking at the matter from a commercial standpoint. When the farmers are bankrupt, their purchasing power is gone. They can buy goods only sparingly, and the local merchant buys less from the jobbers and wholesale houses and manufacturers. This affects adversely the unemployment situation, until to-day it is estimated there are from twelve to fifteen million unemployed in this country. It also affects the railroads, because they haul less freight.

Members of Congress, we see in reviewing the situation that every section of our country is deeply interested in the prosperity of the farmers. We can not live to ourselves alone. The farmers felt these distressed conditions first. They can not continue without Government aid.

Mr. CAVICCHIA. Mr. Chairman, will the gentleman vield?

Mr. HASTINGS. I yield.

Mr. CAVICCHIA. There are insurance companies in my town which hold \$200,000,000 in mortgages on farm lands in the gentleman's section of the country. These companies have decided not to foreclose and also not to press the payment of interest in order to help these farmers out of their difficulty. Does the gentleman think this is stimulating the farmer any at all?

Mr. HASTINGS. I am glad to hear the statement of the gentleman, for I am sure it will encourage many other insurance and mortgage companies to follow their example; but perhaps there are mortgage or insurance companies not in the same financial position and not able to postpone collections as the insurance companies to which the gentleman has referred.

Mr. GIBSON. Mr. Chairman, will the gentleman yield?

Mr. HASTINGS. I yield.

Mr. GIBSON. The gentleman has stated that the East is vitally interested in this mortgage situation. In support of this statement I call the gentleman's attention to the fact that the savings banks and trust companies of the State of Vermont, holding the savings of the people, have \$50,000,000 invested in real-estate mortgages in the West and the South-

Mr. HASTINGS. Of course, if the farmers lose their farms and if the value of farm lands depreciate to the vanishing point, the assets of those companies are of little or no value, and I know that the East is beginning to appreciate the importance of this question.

When I was interrupted a moment ago I said I believed we ought not to have any temporary or emergency legislation; that we ought to have constructive legislation; and I was about to refer to other bills on the subject.

Mr. GARBER. Will the gentleman yield?

Mr. HASTINGS. Yes.

Mr. GARBER. I was very much interested in the bill that the gentleman introduced, and I believe it is the best farmmortgage finance bill pending, without disparaging other

The gentleman has suggested that the policy be a constructive one and extended over a period of a long time.

Mr. HASTINGS. I thank the gentleman for the complimentary reference to the bill I introduced; but, regardless

of the author of the bill, we ought to get some legislation during this Congress, no matter who prepared or who introduced the bill.

The chairman of the Committee on Agriculture, Mr. Jones, has introduced a bill. I think it is H. R. 14476. It accomplishes the same purpose. It permits long-time loans. It permits loans to be made up to 80 per cent of the value of the farm lands. The bill which I introduced and to which my colleague, the gentleman from Oklahoma [Mr. Garber] refers, permits loans to 60 per cent of the value of farm lands and up to 25 per cent of the value of insured improve-

Mr. GARBER. That was one of the strongest features of the gentleman's bill, because it is sound. The great trouble with the bills pending is that the value is too high, the security is not sufficient, and the Government is required to take too much risk.

Mr. HASTINGS. There are a number of other bills pending before the House, some before the Banking and Currency Committee, some before the Committee on Agriculture, and others are pending in the Senate. I do not have the time to analyze all of them. I am in favor of any one of these bills that will supply the money or bonds to refinance farm mortgages on long terms and at a low rate of interest. I have heretofore discussed my bill, H. R. 14135. I am sure it is conservative and, if enacted, would bring no loss to the Government other than perhaps the expense of its administration. However, I am not wedded to any one particular bill.

My attention, as I stated a moment ago, has been invited to a bill just introduced by the gentleman from Texas [Mr. Jones | which would create a division of agricultural loans in the Department of Agriculture, with authority to concentrate in that division many agricultural bureaus and activities, including all bureaus and agencies which are authorized to make agricultural loans.

The bill would authorize the establishment of regional offices in the Federal land-bank cities throughout the country, through which mortgages may be exchanged up to 80 per cent of the value of the lands for Government bonds which are tax exempt and which would have the circulation privilege. This would insure the bonds' bringing par. The bill would authorize any amount of bonds to be issued to meet the situation. It would permit the exchange of first mortgages made by farm land banks, joint-stock land banks, commercial banks, insurance companies, individuals, and, in fact, those held by all of the companies, corporations, or individuals above mentioned. It also provides for repayment of the principal on the amortization plan. That is a good feature. It would provide for new loans.

There is not much difference in principle between this bill and the one which I have introduced. Both would provide ample funds for the refinancing of farm mortgages. Both provide for low rates of interest on the loans. The one which I introduced provides for 3 per cent interest, whereas the Jones bill would authorize loans not in excess of 31/2 per cent, but would also provide for an exchange for 2 per cent Government tax-exempt bonds. Both would provide for repayment of the principal on the amortization plan. Both would be permanent legislation. I would be glad to support that bill. Other bills are mere flyspecks. One assists farm land banks. Why not aid all interested in farm mortgages? Let us do the job well and not enact legislation to care for only one class of mortgages.

I have taken the floor again this afternoon to detain the House to bring to your attention this acute situation and to again express the hope that some one of the many bills, permanent and constructive, may receive the favorable consideration of the House before adjournment.

Mr. VINSON of Kentucky. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD by including therein Table No. 1 of the Commerce Year book for 1932.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. VINSON of Kentucky. Mr. Chairman, I rise in order to keep the record straight. On Saturday, February 11, the gentleman from Ohio [Mr. Cooper], who occupied the floor a few moments ago and whom I now see on the floor in debate upon the Crowther tariff bill affecting depreciated-currency countries, referred to the fact that Belgian skelp was being imported into this country and fabricated into steel pipe, to such extent that it was hurtful to American steel industry.

In that same speech the gentleman also referred to the importation of steel bars, tin, and pig iron. At the conclusion of his speech I made certain investigations relative to the items and articles referred to by the gentleman from Ohio [Mr. Cooper], particularly with reference to Belgian skelp and steel bars.

I contacted the Tariff Commission for the information, and I found from them that there was such a small amount of Belgian skelp used in the American steel industry that they were unable to tell me in what quantity it had come in during 1931 or 1932.

It was included in paragraphs 307 and 308 of the Smoot-Hawley tariff bill, which included many other items. For the sake of accuracy, we will quote these paragraphs:

Par. 307. Boiler or other plate iron or steel, except crucible plate steel and saw plate steel, not thinner than one hundred and nine one-thousandths of 1 inch, cut or sheared to shape or otherwise, or unsheared, and skelp iron or steel sheared or rolled in grooves, valued at not above 3 cents per pound, five-tenths of 1 cent per pound; valued at over 3 cents per pound, 20 per cent ad valorem: Provided, That all sheets or plates of iron or steel thinner than one hundred and nine one-thousandths of 1 inch shall be subject

to duty as iron or steel sheets.

Par. 308. Sheets of iron or steel, common or black, or whatever dimensions, and skelp iron or steel, valued at 3 cents per pound or less, thinner than one hundred and nine one-thousandths and not thinner than thirty-eight one-thousandths of 1 inch, forty-five one-hundredths of 1 cent per pound; thinner than thirty-eight one-thousandths and not thinner than twenty-two one-thousandths of 1 inch, fifty-five one-hundredths of 1 cent per pound; thinner than twenty-two one-thousandths and not thinner than ten one-thousandths of 1 inch, seventy-five one-hundredths of 1 cent per pound; corrugated or crimped, seventy-five one-hundredths of 1 cent per pound; all the foregoing when valued at more than 3 cents per pound, 20 per cent ad valorem: Provided, That all sheets or plates of common or black iron or steel not thinner than one-hundred-and-nine one-thousandths of 1 inch shall be subject to duty as plate iron or plate steel.

It will be remembered that I was endeavoring to secure the best information I could relative to the quantity of all skelp imported, as well as its value.

As stated in my speech of February 13, the Tariff Commission said that all of the articles, including a very limited amount of skelp, described in paragraph 307 of the Smoot-Hawley bill, aggregated 752 tons in the year 1931 and 409 tons for 1932; that the valuation of all such imports in 1931 was \$32,306 and in 1932, \$9,088.

With the same purpose in mind, as affecting paragraph 308 of the tariff act, I used the figures given me by the Tariff Commission relative to the total tonnage and value of all the steel products referred to in section 308, which included some skelp. For 1931, all of the articles in paragraph 308 total 10,827 tons as compared to a total of 3,931 tons for 1932. The valuation of all such articles in 1931 was \$416,147 as compared with the value of \$100,681 for 1932.

Then, with reference to steel bars, I gave the Tariff Commission figures that in 1931 steel bars which had a value of not over 3½ cents per pound, showed a tonnage of 46,759 tons, valued at \$1,009,223; for 1932, the tonnage was reduced to 29,628 tons, with a value of \$483,696. For steel bars valued at 3½ cents and more per pound, in 1931, the tonnage was 3,259 tons, with a value of \$522,393; for 1932, the tonnage was reduced to 1,493 tons, with a value of \$233,058.

Further, at that time, I referred to the fact that it is inescapable that such imports as there were of Belgian skelp and steel bars came mainly from Belgium, France, Germany, and other nations, who had not depreciated their currency, and consequently would not be affected by the

passage of the Crowther bill. We have been unable to get the amount of Belgian skelp imported—it is so small.

To-day the able and distinguished gentleman from Ohio [Mr. Cooper], in debate upon this floor, took the position that I had made the statement that the total importation of steel for the year 1932 was \$100,681, when, according to him, it totaled a much larger sum. I quote from the gentleman's statement. He said:

All ore, pig iron, completed steel, and other finished products in 1930 totaled \$18,883,235, and in 1931, \$21,960,887 plus.

Adding the two years together, he reaches the figure of \$40,884,122, and then he said there was a vast difference between \$100,681, to which I referred, and \$40,884,122, the sum total of the two years to which he referred.

The gentleman from Ohio used the figures of \$40,884,122. Let it be understood that is the total imports for two years, 1930 and 1931, according to his own statements. He says, further along in his speech:

I was unable to secure the completed figures for 1932. I was, however, informed that the imports for last year fell below those of 1930-31.

I would say to the gentleman that not only did they fall below the total of 1930-31, but the imports for last year, to which he referred, fell below the imports of either year. All iron and steel imports in 1932 were \$11,804,880.

Now, the gentleman from Ohio [Mr. Cooper], in his speech on the floor on February 11, 1933, mainly referred to Belgian skelp. In no place in my remarks of February 13 did I state the total of importations of ore, pig iron, completed steel, and other finished products. It is not in the speech. So when the gentleman from Ohio takes the total of two years for the imports of "ore, pig iron, completed steel, and other finished steel products," and says that they add \$40,-884,122, his mathematics is correct, but when he compares that total of \$40,884,122 to the total of \$100,681 I used in regard to the largest possible value of Belgian skelp under section 308 for 1932, it is inaccurate and unfair.

In the first place, the gentleman totals 1930 and 1931, the two years, to get his \$40,884,122. It is the value of two years' imports instead of one year. In the second place, he uses the value of all "ore, pig iron, completed steel, and other finished products," whereas the reference that he uses from my speech is to the value of Belgian skelp under section 308, tariff act for the year 1932, which was \$100,681.

I have no purpose to enter into a tariff discussion. The remarks of the gentleman from Ohio on February 11 referred to the Crowther tariff bill, dealing with depreciated-currency countries. My remarks on February 13 dealt with the same Crowther bill.

Mr. COOPER of Ohio. Will the gentleman yield?

Mr. VINSON of Kentucky. I will be more fair with the gentleman than he was with me. I will be glad to yield.

Mr. COOPER of Ohio. Well, if the gentleman feels that way about it—

Mr. VINSON of Kentucky. I came on the floor when I heard the gentleman had used my name. I sought information from the gentleman and he declined to yield. After the gentleman concluded I endeavored to secure the statement. I did not get it except after insistence.

Mr. COOPER of Ohio. The gentleman knows that my time had expired.

Mr. VINSON of Kentucky. But it had not expired when I first sought it of the gentleman.

Mr. COOPER of Ohio. I have no desire at all to try to misrepresent the gentleman. I will be very glad to change my remarks and have it so printed in the Record, that the gentleman referred only to steel products for 1932, such as Belgian skelp, and so forth.

Mr. VINSON of Kentucky. The gentleman from Ohio did not say that the total of \$18,000,000 for 1930 and \$21,-000,000 for 1931 referred to Belgian skelp.

Mr. COOPER of Ohio. I said that represented all steel products; and I shall be glad to make the correction.

Mr. VINSON of Kentucky. I am very happy to have the gentleman correct it, because it really questions my accuracy and fairness. I practiced law back in the old | days and I always tried to be fair with court and jury. In my remarks here to the House I want to be fair and accurate; and this inaccurate statement impelled me to take

The gentleman from Ohio was talking about certain specific imports on Saturday, February 11, with no figures involved. On the Monday following I addressed my remarks to his statement. Of course, when he puts in my mouth the comparison that it was \$100,681 for total steel imports, I am now certain that it was an oversight.

The gentleman referred to certain importations. I wish to say now that I believe in fair protection to American industry. The trouble is the propaganda that went through this country in regard to this depreciated-currency bill represented that every ill with which this Nation now suffers as coming from importations from depreciated-currency countries when in fact this is not the case. Take, for instance, the reference the gentleman makes to shoes. He refers to importations from Czechoslovakia. Why, Mr. Chairman, Czechoslovakia is not a depreciated-currency

country. Czechoslovakia would not be affected by the Crowther bill.

The gentleman refers to rubber shoes imported from Japan and Czechoslovakia. The imports from Czechoslovakia would not be affected; and the Tariff Commission just within the last two or three weeks, just a few days before the hearings, remedied this situation under the flexible tariff provision; it was met, not because it was a depreciated-currency competition but because the cost of production, as they found it, justified the increase in the rate.

I feel sure the gentleman from Ohio understands that the comparison he made is not applicable. [Applause.]

Under the leave granted me, I am inserting at this point Table 1-Iron and steel summary, found on page 307 of the Commerce Yearbook for 1932, corrected by the Department of Commerce and including the figures for 1932, which is proof conclusive that the aggregate imports of iron and steel for 1932 was 43,000 tons less than in 1931, and about one-half of what they were in 1929. Their total value for 1932 was about one-half that shown by the gentleman from Ohio [Mr. Cooper] for 1931.

TABLE 1 .- Iron and steel summary [Thousands of long tons; prices represent dollars per long ton]

Item	1910-1914 average	1921	1926	1927	1928	1929	1930	1931	1932
Iron-ore shipments Production of—	50, 851	26, 653	69, 293	61, 232	63, 433	75, 603	55, 201	28, 517	5, 36
Production of— Pig iron and ferro alloys Steel ingots and eastings.	26, 996 27, 167	16, 688 19, 784	39, 373 48, 294	36, 566 44, 935	38, 156 51, 544	42, 614 56, 433	31, 752 40, 699	18, 426 25, 946 969	18,750
Total exports	2, 194	2, 213 124	2, 167 1, 071	2, 183 750	2, 865 783	3, 038 739	1, 983 537	969 421	598 378
Average price of— Basic pig iron, Valley furnaces Bessemer billets, Pittsburgh Composite steel products		\$21. 74 34. 46 56. 96	\$18.55 35.00 53.96	\$17.70 33.27 51.21	\$16.66 32.67 50.49	\$18. 19 34. 66 51. 45	\$17. 98 31. 84 47. 29	\$15. 85 29. 36 45. 16	\$13. 90 26. 55 43. 8

Excludes charcoal iron; 1931 figure, excluding charcoal iron, 18,275,000 gross tons.
 Excludes castings; 1931 figure, excluding castings, 25,429,000 gross tons.

Excludes casting For year 1913.

Mr. FRENCH. Mr. Chairman, I yield 15 minutes to the gentleman from Washington [Mr. HORR].

Mr. HORR. Mr. Chairman, I want at this time to express the appreciation of my State and city for the presentation of the conditions that exist in my home city of Seattle, as presented by the gentleman from Montana [Mr. LEAVITT]. The gentleman told of the 5,000 people who encamped in our city hall, remained there for days asking for relief, and presented to you, in my opinion, a method of relief which you may hesitate to adopt because of the amount of money it would cost to carry out the program; but when you consider that you have sent into my own city alone in the past four months through the Reconstruction Finance Corporation, to be paid out as a dole, over \$1,250,000, you can realize that the gentleman from Montana has presented to you a mighty good investment. My remarks here to-day are going to be along the line of what it has cost the West in supplanting such men as the gentleman from Montana [Mr. LEAVITT] and many of the other great leading figures of this House, through the last Democratic victory that we have just passed through. [Applause.]

Mr. Chairman, as this Congress is drawing to a close and a new Congress will soon take over the matters of national legislation, with many new Members supplanting men of long and distinguished service, it is of interest to note how this change in personnel will affect the West, that great territory lying beyond the Mississippi and embracing almost two-thirds of the area of the United States.

In referring to any particular locality which through political upheaval, has become favored in the matter of positions of power and influence on committees in the Senate and the House, may I not be misunderstood as being critical of such State or group of States. But may I rather be credited with a desire to bring home to the people of the West the great loss sustained by them in changing from Republican to Democratic representation.

I congratulate the South and East—and particularly the South—on what the recent election has brought to them.

But to the people of my country, the West, I wish to say that in changing from Republican affiliation to Democratic they have thrown away the advantages gained in representation through almost a century of national life. Never in the history of the country did the West exert such influence in national legislation as it exerted before this Congress became Democratic.

In the new Congress, the Seventy-third, only 23 Republican Members will have seats representing States west of the Mississippi River.

In the Seventy-second Congress the House Republican membership is 89 from the West. Even with this representation from the West, when the House became Democratic the South was given 11 of the 14 major committee chairmanships. Ten of these major chairmanships now held by the South belonged to the West and were lost to it when the Democrats got control of the House at the first session of the Seventy-second Congress.

The Democratic Members elected from the West to the Seventy-third Congress will not supplant any of the 11 southern chairmen, as these chairmen are protected by seniority, which governs in the selection to those posts.

By changing to Democracy Oregon surrendered the chairmanship of the powerful Ways and Means Committee to Mississippi. Iowa is succeeded by Texas on the great Agricultural Committee.

The chairmanship of the Irrigation and Reclamation Committee, one of the most important committees in the development of the West, through the Democratic victory went from Idaho to Alabama. Utah lost the chairmanship of the Public Lands Committee to Florida.

Following is a list of committees the chairmanship of which the West lost through the Democrats securing control of the House of Representatives:

- 1. Ways and Means Committee.
- 2. Judiciary Committee.
- 3. Agriculture Committee.
- 4. Irrigation and Reclamation Committee.

- 5. Pensions Committee.
- 6. Mines and Mining Committee.
- 7. World War Veterans' Legislation Committee.
- 8. Public Lands Committee.
- 9. Claims Committee.
- 10. War Claims Committee.

These are all important committees, and the chairmanship of them is very material when legislation affecting the West comes before Congress for determination.

There are 47 standing committees, large and small, of the House of Representatives. The South now has the chairmanships of 30 out of these 47 committees. Six are controlled by Tammany, and only 11 chairmanships are north of the Mason and Dixon line.

The West has only one committee, Indian Affairs, its chairman being from Nebraska. Of the 11 northern committee chairmanships, not one can be classified as a major committee of the House.

Texas has 6 committee chairmanships in the House, Alabama has 4, North Carolina has 4, South Carolina has 4, Mississippi has 2, Florida has 2, and other Southern States have one.

The Democratic victory also destroyed the prestige of the West in the Senate. The chairmanships of the great Committees on Appropriations, on Finance, on Post Offices and Post Roads, held by the West, now go to the South and East.

The Naval Affairs Committee of the Senate, which means so much to California and Washington, leaves the Pacific coast and goes in all probability to either Florida or Virginia. This is a wonderful boon to the Norfolk Navy Yard, but is not so advantageous to the Puget Sound Navy Yard in Washington or to Mare Island in California.

The chairmanship of the great Agriculture Committee leaves Oregon and goes in all probability to South Carolina.

Texas, in line of seniority for the chairmanship of the very important Committee on Irrigation and Reclamation, takes the place of Idaho.

The Democratic victory deprived the West of the following Senate committee chairmanships, and moves the majority of them to the South:

- 1. Agriculture Committee.
- 2. Appropriations Committee.
- 3. Banking and Currency Committee.
- 4. Claims Committee.
- 5. Commerce Committee.
- 6. District of Columbia Committee.
- 7. Expenditures in the Executive Departments Committee.
 - 8. Finance Committee.
 - 9. Foreign Relations Committee.
 - 10. Interoceanic Canals Committee.
 - 11. Irrigation and Reclamation Committee.
 - 12. Judiciary Committee.
 - 13. Mines and Mining Committee.
 - 14. Naval Affairs Committee.
 - 15. Post Offices and Post Roads Committee.
 - 16. Public Lands and Surveys Committee.

Out of the 14 major committees of the Senate, under Democratic control, 10 go to States of the South. May we again congratulate the South and commiserate with the West.

How long will it take the West to regain its former prestige? It took Haugen, of Iowa, 34 years to achieve his commanding position on the Agriculture Committee; Hawley, of Oregon, former chairman of the Ways and Means Committee, has 26 years to his credit; French, of Idaho, saw 26 years of service, and he now holds the fourth ranking position on the Appropriations Committee; Smith, of Idaho, Dyer, of Missouri, Johnson of Washington have served 20 years each in Congress, and under Democratic control have relinquished, respectively, their committee chairmanships of Irrigation and Reclamation, Judiciary, and Immigration and Naturalization.

HADLEY, of Washington, and TIMPERLAKE, of Colorado, each had 18 years of continuous service, and have attained the fourth and fifth ranking places on the powerful Ways and Means Committee. BARBOUR, of California, spent 18 years

in Congress in reaching the eighth ranking position on the Appropriations Committee. Summers of Washington, the only Washington man to serve on Appropriations, has been in Congress for 14 years. These are only a few typical examples of what the West has lost through the Democratic victories.

There is little likelihood that the new Members from the West will gain admission to any of the major committees for several years to come. After membership is acquired years of seniority in service on those committees is necessary before the prize of chairmanship may be realized.

It took the West almost a hundred years to reach its peak of influence. Out of the new western Members there may come a committee chairman if he survives elections for 20 or 25 years. But not in 50 years, or even a longer period of time, with everything being favorable, will the distinction of having 10 major committee chairmanships come to the country west of the Mississippi. Estimates by men of experience in the House indicate that it would probably take the West from 60 to 75 years to regain its position lost two years ago.

I am going to digress a moment to refer to what this means to the Pacific Northwest. Naturally, in matters of irrigation and reclamation, the gentleman from Alabama who will be the presiding Chairman of this committee, and the gentleman from Tennessee, whose committee controls appropriations, are going to see more merit in the projects in their own State than they will in the great Columbia Basin where the Government has already brought in a favorable report.

Then I pick up the paper to-day and what do I find?

Mr. COCHRAN of Missouri. Will the gentleman yield? Mr. HORR. I will yield if the gentleman can get me more time. At the end of my remarks I will yield to the gentleman and talk to him for an hour.

I want to call your attention to the new appointments in the next Cabinet. I find here headlines "Hull"—Strong Indorser of Slashes in Tariff. Oh, my people of Washington, I want you to realize what you have done when you changed over and lost the prestige that had been brought to you through 100 years of national life. Tariff is necessary for your very existence. You must know what foreign competition has done to your industries. Your timber, your pulp, your fisheries, your fruit—all have been destroyed by foreign competition and cheap foreign labor. And soon the arch enemy of tariff will be at the helm of the new Cabinet.

Your depreciated currency legislation, has that been taken care of by our Democratic friends? They refused to report out the bill, and when we Republicans brought it out, they killed it as dead as a gnat.

Mr. SCHAFER. Will the gentleman yield? Has the gentleman forgotten Woodin, who is to be Secretary of the Treasury and who has large investments in foreign countries?

Mr. HORR. Yes. Here is a wonderful opportunity for my friend from Texas [Mr. PATMAN] to again start his impeachment proceedings, because I find here in Mr. Woodin's record almost an exact analogy to Mr. Mellon. that Mr. Woodin is the responsible head of the American Car & Foundry Co., and American Locomotive, two of the country's largest corporations. He is also a director of Remington Arms, New York Federal Reserve Bank, three concerns with railroad and sugar interests in Cuba, Montreal Locomotive Works, and several smaller organizations. "He is also considered quite a musician." A wonderful opportunity, Mr. PATMAN, and I only wish that the fates had been so kind as to decree that I could be here and join, as I did not in the past, in your impeachment proceedings against the gentleman who will represent you in the Department of the Treasury in the next administration. [Applause].

Mr. COCHRAN of Missouri. The gentleman shed tears over the fate of the Columbia River Basin project. Is it not the fact that a Republican House voted down the project and refused to provide for it?

Mr. HORR. No; that is not the fact. It is O. K'd by the President, by the Department of Interior and by all the

engineers of the War Department. Since survey and favorable report by engineers no vote has been taken.

Mr. COCHRAN of Missouri. But what happened to it in the House of Representatives when we voted on it?

Mr. HORR. That was before the feasibility of the project was determined. But now let us return to the subject of representation lost to the West by the recent unpleasantness and the probability of the West regaining her once proud

Pennsylvania, Massachusetts, and other States east of the Mississippi returned their Members, and probably will retain them as long as those Members are physically and mentally able to serve. With the return of a Republican administration the major committees will go to them under the rule of seniority.

To the uninformed the advantage of the control of committees may not be apparent.

In the Committee on Agriculture, will corn and wheat and other northern products be the first concern of that committee, or will cotton-the product of the State from which the chairman hails-receive first consideration.

With FREE of California gone, the West loses its only representation on the Committee on Merchant Marine, Radio, and Fisheries. The chairman of that committee is from the inland State of Tennessee. Has he an understanding of the necessities of the merchant marine and of the problems confronting the salmon and halibut fisheries on the Pacific Coast, or the extensive fisheries of the Atlantic.

From the powerful Ways and Means Committee can the West hope for a protective tariff when the ranking Democratic Member thereof, and the next ranking Democratic Member, are emphatically opposed to protecting the Western industries, such as timber, fish, oil pulp, and similar products? The effect of Democratic control of the Ways and Means Committee has already been felt in the industrial sections as a result of the action of the Democratic majority on that committee in refusing to favorably report the depreciated currency bill. The Republicans, by petition, forced a vote on this bill on the Floor of the House, but it was defeated by a solid Democratic majority against it. Only an aroused people will force passage of this bill in the new Congress. [Applause.]

The shifting of power in the Committee on Irrigation and Reclamation from Republican to Democratic control has already resulted in the consideration of southern rather The President elect knows than western projects. where the legislative power lies. Development of the Tennessee watershed, calling for reclamation of lands, power production, and reforestation covering an area of 640,000 square miles, and running over the States of Virginia, West Virginia, Tennessee, the Carolinas, Kentucky, and Alabama, is the first development of natural-resources projects to receive his consideration. Why should this project be first in line? It is because Alabama has the chairmanship of Irrigation and Reclamation and Tennessee of Appropriations.

The Tennessee project is not as far advanced in survey or authorization as western projects. The arguments advanced for it are not as sound as those advanced for western projects. If overproduction can be taken care of through the consuming capacities of the settlers, as the President elect cites as a solution, surely it can not be denied that the western appetite compares favorably with that of the South.

Why select Tennessee when we have in my own State of Washington the Columbia Basin project? The feasibility of the latter project has been established. The Army Engineers, after three years of intensive investigation and survey and the expenditure of much money, have made a favorable report on the Columbia Basin project. The Board of Engineers have affirmed the findings of the district engineer, the Interior Department is favorable, and the Executive of the Nation has placed his stamp of approval on it.

Why go to the Tennessee to survey and determine the feasibility of a project when another project in the West, bringing into cultivation over 2,000,000 acres of land with a power development greater than that at the Hoover Dam.

lies ready and declared sound from an economic and engineering standpoint?

Washington State, you went Democratic and your neighboring States followed your example. Do you realize that through that action you took from the West the chairman of the committee who will eventually pass upon our Columbia Basin project? Can you blame the gentleman from Alabama, chairman of the Irrigation and Reclamation Committee, and the gentleman from Tennessee, chairman of the Appropriations Committee, if they see more merit in the development of projects in their own States than the advancement of the one in the State of Washington? Give this matter a little thought, fellow Washingtonians.

The West has lost. Years must pass before that great out-of-doors country again comes into its own. This is a tragedy when one considers the needs of this great undeveloped territory. But the people so desired it. The desire for a change, occasioned by depression, caused a normally Republican group of States to turn Democratic-but with what sad results!

However, the expression of the will of the people must not be curtailed. In the language of my good friend, Colonel Robertson, newspaper dean and publisher, of Yakima, Wash .:

It was the people's victory; they must like it that way. They decided to return to the position of beggar at the rich man's table; it will be 30 years before they can possibly sit up at that table again and get anything better than a wing.

Yes, Colonel; it will be twice 30 years—and why the wing? That is not the part of the bird which goes last over the fence. [Laughter.]

Once again we salute the new rulers of the Nation-the South. The West has lost, and while we regret the passing of a long-time-acquired position, we yet congratulate the South upon its opportunity to serve. May we of the West be rewarded with the crumbs of the feast. [Applause.]

May I submit the following list of committees and their respective chairmen:

COMMITTEES OF THE HOUSE OF REPRESENTATIVES (1. Southern)

Committee and name of chairman and State he represents: 1. Accounts, Warren, of North Carolina. 2. Agriculture, Jones, of Texas.

- Agriculture, Jones, of Texas.
 Appropriations, Byrns, of Tennessee.
 Banking and Currency, Steagall, of Alabama.
 Civil Service, Jeffers, of Alabama.
 Disposition of Useless Executive Papers, Green, of Florida.
 Elections No. 1, Clark, of North Carolina.
 Elections No. 3, Kerr, of North Carolina.
 Flood Control, Wilson, of Louisiana.
 Exercise Africant Manual Control Carolina.

- 9. Flood Control, Wilson, of Louisiana.
 10. Foreign Affairs, McReynolds, of Tennessee.
 11. Insular Affairs, Hare, of South Carolina.
 12. Interstate and Foreign Commerce, Rayburn, of Texas.
 13. Irrigation and Reclamation, Hall, of Mississippl.
 14. Judiciary, Sumners, of Texas.
 15. Library, Gilbert, of Kentucky.
 16. Merchant Marine, Radio, and Fisheries, Davis, of Tennessee.
 17. Military Affairs, McSwain, of South Carolina.
 18. Mines and Mining, Smith, of West Virginia.
 19. Naval Affairs, Vinson, of Georgia.
 20. Pensions, Gasque, of South Carolina.
 21. Printing, Stevenson, of South Carolina.
 22. Public Buildings and Grounds, Lanham, of Texas.
 23. Public Lands, Lankford, of Georgia.
 24. Rivers and Harbors, Mansfield, of Texas.
 25. Roads, Almon, of Alabama.

- 24. Rivers and Hardors, Mansheld, of Texas.
 25. Roads, Almon, of Alabama.
 26. Rules, Pou, of North Carolina.
 27. Territories, Williams, of Texas.
 28. War Claims, Allgood, of Alabama.
 29. Ways and Means, Collier, of Mississippi.
 30. World War Veterans' Legislation, Rankin, of Mississippi.

(2. Tammany)

- 1. Claims, Black, of New York.
 2. Coinage, Weights, and Measures, Somers, of New York.
 3. Elections No. 2, Gavagan, of New York.
 4. Election of President, Vice President, and Representatives in Congress, Carley, of New York.
 5. Immigration and Naturalization, Dickstein, of New York.
 6. Patents, Sirovich, of New York.

(3. North)

- District of Columbia, Norton, of New Jersey.
 Education, Douglass, of Massachusetts.
 Enrolled Bills, Parsons, of Illinois.

- 4. Invalid Pensions, Underwood, of Ohio.

- Labor, Connery, of Massachusetts.
 Memorials, Morehead, of Nebraska.
 Post Offices and Post Roads, Mead, of New York.
 Revision of the Laws, Harlan, of Ohio.

(4. West of the Mississippi)

- Census, Lozier, of Missouri.
 Expenditures in the Executive Departments, Cochran, of Missour
 - 3. Indian Affairs, Howard, of Nebraska.

Thirty chairmen from the South, 6 from Tammany, 7 from the North, and only 3 unimportant chairmanships from the West is the record. To think that the State I love assisted in this destruction. [Applause.]

Mr. FRENCH. Mr. Chairman, I yield one minute to the gentleman from Pennsylvania [Mr. Warson].

Mr. WATSON. Mr. Chairman, the issue of a manufacturers' sales tax at this time is very important, not only to raise revenue, but to balance the Budget. As was stated by the Treasury Department, a 2 per cent sales tax would raise \$600,000,000.

I ask unanimous consent to insert in the RECORD an article written by my colleague, the gentleman from Massachusetts [Mr. TREADWAY] upon the subject of the sales tax.

The CHAIRMAN. The gentleman from Pennsylvania asks unanimous consent to extend his remarks in the RECORD as indicated. Is there objection?

There was no objection.

Mr. WATSON. Mr. Chairman, under the leave to extend my remarks in the RECORD, I include the following article, entitled "The Why of the Sales Tax," by Hon. ALLEN T. TREADWAY, of Massachusetts, which appeared in the North American Review for March:

THE WHY OF THE SALES TAX

(ALLEN T. TREADWAY, one of its leading congressional advocates, argues the merits of the manufacturers' excise tax)

The Federal Government has gone in the red five and one-half billion dollars in the 3-year period ending June 30 next. What can be done about it?

Nothing is more unpopular than taxes. Nothing is more intri-cate and perplexing to the average man or woman than any system of taxation. Nothing except death is more certain than the absolute necessity of some form of tax collection to meet Federal, State, and municipal expenditures.

On the other hand, States can not exist without expenditures, and the average citizen expects much, and rightly so, from his Government. He expects protection at home and abroad, good roads and bridges, waterways, aid for the needy and suffering, and relief for those who may have fought the Nation's battles. Thus, there is an irreducible minimum below which expenditures can not be cut.

can not be cut.

About the only way of bringing home to every citizen the need of care in public expenditures is a call from the tax collector. Extravagance can be condoned only in time of great emergency, such as our participation in the World War. Our tax needs to-day are an inheritance from our expenditures of yesterday. We are now reaping the harvest of national extravagance which followed the war and our lack of foresight in failing to realize the inevitable result of profligacy. This harvest is augmented by the effects of the world depression, which became acute in this country in the fall of 1929 the fall of 1929.

What then is the present financial situation? Our expenditures for the fiscal year ending June 30, 1932, reached the enormous sum of \$5.006,000,000, and our receipts were only \$2,121,000,000. Even under a program of strict economy, expenditures for 1933 will be in the neighborhood of \$4,268,000,000. Receipts for 1933, after heavy tax increases, are estimated at only \$2,624,000,000. 82,624,000,000.

Twenty years ago our Government was efficiently conducted for \$724,000,000, and our Budget was in practical balance. To-day, our expenditures are six times what they were in 1913 and our Budget is entirely out of balance. It will be interesting to combriefly, receipts and expenditures of 1913 with those of 1930 and 1932.

THE WHY OF THE SALES TAX

First, consider the years 1913 and 1930. In both of these years the Budget was in practical balance, there being a small deficit of \$400,000 in the former year and a fairly large surplus of \$183,000,000 in the latter year. In 1913 44 per cent of our revenues were derived from customs, 42 per cent from tobacco and liquor taxes, 5 per cent from income taxes (excise tax on corporate incomes), and the remaining 9 per cent from miscellaneous sources. In 1930, on the other hand, 15 per cent of our revenues were derived from customs, 12 per cent from tobacco and liquor taxes, 60 per cent from income taxes (on both corporations and individuals), and the remaining 13 per cent from miscellaneous sources. In other words, in 1913, customs and excise taxes on tobacco and liquors constituted our main source of revenue, while in 1930, income taxes were the principal source.

Comparing the expenditures for 1913 with 1930, we are immediately impressed by the enormous increase in "civil and miscellaneous expenditures" amounting to over \$1,400,000,000. It is true that some \$600,000,000 of this increase may be ascribed to ordinary civil expenditures in operating the Government, but the great bulk of the increase will be found in miscellaneous expenditures which include such items as the Veterans' Administration, the agricultural marketing fund, the adjusted-service certificate fund, good roads appropriations and other similar items. There was an increase of \$637,000,000 in interest charges and \$553,000,000 for debt retirements. In other words, our war debt has increased our annual Budget by over \$1,000,000,000.

Now, consider what has happened during the period since 1930 by a comparison of the figures given for the fiscal years 1930 and 1932. Total receipts have declined from \$4,177,000,000 to \$2,121,-1932. Total receipts have declined from \$4,177,000,000 to \$2,121,-000,000 or nearly 50 per cent. Every source of revenue has fallen off, not from a decrease in tax rates but as a result of economic events. Customs duties have decreased 44 per cent; income taxes, 56 per cent; tobacco and liquor taxes, 11 per cent; miscellaneous internal revenue, 43 per cent, and other miscellaneous receipts, 58 per cent. On the other hand, expenditures increased from \$3,994,000,000 in 1930 to \$5,006,000,000 in 1932. This increase of slightly over \$1,000,000,000 is accounted for largely by extraordinary relief measures, necessary during the economic crists, such as \$500,000,000 for the Reconstruction Finance Corporation, \$125,-000,000 for Federal land banks and heavy expenditures for public works to create employment.

000,000 for Federal land banks and heavy expenditures for public works to create employment.

In the spring of 1932 the Congress, warned of the impending deficit for that fiscal year (which ended on June 30), made strenuous efforts not only to increase taxes but also to cut expenditures. These efforts were partially successful, as it is now estimated that at the close of the fiscal year 1933 expenditures will be approximately \$740,000,000 less than in 1932 and receipts approximately \$500,000,000 greater. Unfortunately this is not a sufficient gain, for a deficit of \$1,644,000,000 still is probable for 1933 if we take into account the sinking-fund requirements on the public debt.

The measures taken to reduce the expenditures consisted of an economy bill providing for general salary cuts from 8½ per cent to 10 per cent and reductions in the regular appropriation bills. The measures taken to increase the revenues consisted of, first, a general income-tax increase more than doubling existing

first, a general income-tax increase the revenues consisted of, first, a general income-tax increase more than doubling existing rates; second, an increase in the estate tax more than doubling existing rates; third, a new gift tax designed to return revenue directly and also to prevent avoidance of the estate duty; fourth, an increase in postal rates; and, fifth, special sales taxes on numerous items, such as automobiles, tires and tubes, jewelry, toilet preparations, furs, electrical energy, malt sirup and like products, gasoline, lubricating oil, matches, theater admissions, firearms, candy, etc. The stock-transfer tax was also increased, and a new levy on checks and drafts was added.

The problem now facing the Congress is the task of balancing the Budget for the fiscal year 1934. The fiscal year 1933 is too far spent to hope for a balanced budget in that year. According to the estimates of the Secretary of the Treasury, the expenditures for 1934 are placed at \$3,790,000,000 and the receipts at \$2,949,000,000, leaving a deficit of \$841,000,000. In making these estimates economies have been taken into account which will result in a reduction in the expenditures for 1934 over 1933 of about \$478,000,000. What must be done to meet this deficit of \$841,-000,000, in view of the fact that it will exist even after the most drastic economies? We must either increase present taxes or turn to some new source for revenue.

Can we increase existing levies? The income tax has already been increased nearly to the war-time level. The receipts from this source depend on economic conditions. When business is this source depend on economic conditions. When business is prosperous and employment is plentiful the tax is a good revenue producer. However, in times of economic stress, such as we have been through in the past few years, it has proved to be unstable and unreliable. It is in such times that the demands upon the Government are greatest. What about estate taxes? These are already much higher than ever before imposed. Do any luxuries remain untaxed? No; we not only tax all luxuries of any importance but also many necessities. In fact, if all our taxes are surveyed individually, it will be found that the rates imposed in nearly all cases are so high as to approach the point of diminishing returns; that is, further increases in rates will depress business and result in less instead of greater revenue.

ing returns; that is, further increases in rates will depress business and result in less instead of greater revenue.

There is one and only one sound conclusion. We must seek a new form of taxation with a broad base which will be productive of substantial revenue regardless of economic conditions. We do not go to the point of advocating that such a levy should be substituted for our income and estate taxes. These are equitable and proper taxes when levied at reasonable rates, but they must be supplemented, at least in times of emergency, by something more stable in character and more certain in its productivity.

In the final analysis we find ourselves in this predicament: It is very evident that existing methods of taxation will not meet governmental needs during this emergency. Neither will the most sweeping economies meet the situation. It can also be readily demonstrated that the present tax laws in many instances are extremely burdensome as well as inequitable. Common sense, good judgment, and fairness to the people demand a new form of taxation.

taxation.

If we look outside our own borders we will find in nearly all countries of advanced civilization except England a very productive tax, popularly called the sales tax. France has had such a levy since 1920, Germany since 1919, Canada since 1920. Australia,

Belgium, Brazil, Cuba, Ecuador, Hungary, Italy, Poland, the Philippines, Rumania, Mexico, and a number of other countries have

such taxes in varying forms.

The sales levies in different countries vary widely, but it is significant to note that they have been excellent producers of revenue, have been continued in operation following the experimental stages, and the longer they are in force the more satisfactory appear to be their results.

The sales tax is not of modern origin, as many suppose, but

The sales tax is not of modern origin, as many suppose, but on the contrary we hear of it in ancient Egypt. History records that such a levy was used in Greece 500 years before Christ, and was imposed in Rome under Emperor Augustus. It was found in Europe during the Middle Ages, and has continued in one form or another to the present time. Of the modern levies of this character those of Mexico and the Philippines date from the beginning of the present century.

of the present century.

The sales-tax movement in recent years arose out of the urgent revenue needs of the postwar period. Canada's manufacturers' sales tax was adopted at a time when the Government was faced sales tax was adopted at a time when the Government was faced with a situation quite similar to that in this country at the present time. The French turnoever tax was inaugurated with the financial condition of that country in an alarming condition, necessitating an increase in receipts by 70 per cent. In nearly all cases these levies were adopted as the quickest and easiest way to raise the desired revenue. Attention should be directed to the fact that in all these countries they were not used to replace the income tay but to augment it. income tax but to augment it.

Within our own borders there are at the present time nine States which impose what may be termed "general sales taxes," although some hardly deserve the name. Those levied in the States of Pennsylvania, Mississippi, and West Virginia are the broadest in scope and the most productive of revenue. Other

broadest in scope and the most productive of revenue. Other States are considering its adoption.

General sales taxes have been discussed in this country on three different occasions. During the Civil War period such levies were proposed, but they were rejected in favor of sales taxes on selected commodities. Half a century later, in the period from 1918 to 1921, discussion again arose in respect to this form of taxation. At that time, the tax was proposed as a substitute for the irksome excess-profits tax and for some of the nuisance taxes. It was opposed on the ground that, as it was to be cumulative on each successive sale of an article, it would discriminate against single-process enterprises in competition with multiprocess or self-contained concerns. In 1932 the existing financial emergency once more brought the sales tax before Congress. This time, however, discussion was not with reference to the general sales tax proposed discussion was not with reference to the general sales tax proposed in 1921, but to a modified form of the tax which meets most of the objections to the former levy. Moreover, this modified form was not advocated as a substitute for any existing revenue measures, but to supplement them. The bill which provided for this tax will be discussed later.

These are three recognized forms of sales tax, namely, the turn-over tax, the retail sales tax, and the manufacturers' sales tax. These different forms deserve analysis.

These different forms deserve analysis.

The turnover tax applies to all sales generally, although, of course, some limited exemptions may be provided. Broadly speaking, however, the tax attaches to manufacturers', producers', wholesalers', and retailers' sales. It is pyramided, therefore, and an article may not only be taxed several times but there may even be a tax upon a tax. From this fact, these turnover levies are also classified as multiple turnover taxes. One rate may be levied on all sales or different rates may be levied on different classes of sales.

The retail sales tax applies only to retail sales, and usually to prevent evasion also attaches to sales by a manufacturer or wholesaler when he sells direct to the consumer. Here we have a

wholesaler when he sells direct to the consumer. Here we have a levy which is a single instead of a multiple turnover tax, inasmuch as it is applied to the commodity but once on its way from the manufacturer or producer to the consumer. It is obvious that, since it is applied at the last point in its transfer, it is based on a greater price than would be the case if it were applied to the manufacturers' or wholesalers' selling prices.

The manufacturers' sales tax applies only to manufacturers' or producers' sales, and, like the retail sales tax, is a single rather than a multiple turnover levy. In this case, as in the case of the retail sales tax, there is no pyramiding, and the levy attaches but once to each commodity. However, the manufacturers' sales tax is applied at the first point in the transfer of the commodity to the consumer and thus attaches to a lower price than the retail sales tax. In other words, at a given rate the manufacturers' sales tax imposes a smaller burden than the retail sales tax.

Outstanding practical examples of these three principal forms

Outstanding practical examples of these three principal forms of sales taxes are worthy of description.

The present French turnover tax is perhaps the best example The present French turnover tax is perhaps the best example of the multiple tax. It is levied at the general rate of 2 per cent, although sales of luxuries are taxed at a higher rate. It is imposed on all money payments made in exchange for commodities or services delivered or rendered in the ordinary course of business. The principal exemptions apply to the receipts of farmers, laborers, and professional men. There are a number of exemptions applying to specific commodities, but the important ones relate to sales of bread, wheat, and rye for use in its making, and to milk for consumption in its raw state. The tax can, of course, be pyramided, the sale of the article itself not only being taxed at every transfer, but also sales of the material of which such article may be manufactured. The receipts from the French turnover tax in 1932 amounted to 7,524,000,000 francs, or about \$300,000,000.

West Virginia and Mississippi both levy taxes which come under the same category as the French turnover tax, although they are not quite so general in scope. West Virginia applies different rates to different classes of busi-

West Virginia applies different rates to different classes of business; for instance, 1 per cent on oil production, 0.21 per cent on manufacturing, 0.20 per cent on retailing, 0.05 per cent on wholesaling, 1 per cent on amusements, and a number of other different rates on other classifications.

Mississippi follows a similar system and applies various rates to different classes; for example, 2 per cent on oil, one-quarter per cent on manufacturing, one-eighth per cent on wholesalers, 2 per cent on retailers, 1 per cent on automobile dealers, and other rates for other classifications. The result of these different rates is somewhat to minimize pyramiding, although it still remains as a defect in this system. West Virginia realizes about \$4,000,000 annually from the tax, and it is estimated that Mississippi will realize over \$2,000,000 in the first year of operation.

Perhaps the best example of the levy on retail sales is the new emergency sales tax recently enacted by Pennsylvania. This levy is a 1 per cent tax applying to the "sales of tangible personal property for any purpose other than for resale." It attaches, therefore, to all retail sales of such property, and also to sales by producers and manufacturers when made direct to the consumer. It is not pyramided, and, since it is based on the retail price, it will return more revenue than a tax at the same rate placed only It is not pyramided, and, since it is based on the retail price, it will return more revenue than a tax at the same rate placed only on the manufacturers' price. The Pennsylvania tax, however, has not been in effect long enough to judge of its productivity or as to the difficulties of its administration.

A good example of the manufacturers' sales tax is found in Canada. The present rate is 6 per cent and applies to the manufacturers' prices of all goods produced or manufactured in Canada or imported into Canada. Pyramiding of the tax is effectively prevented by a license system which exempts from the levy sales to a licensed manufacturer or to a licensed wholesaler. Practically speaking, Canada collects its tax solely from licensed manufacturer. speaking, Canada collects its tax solely from licensed manufacturers, wholesalers, or importers, and articles sold to such licensees are exempt and collections are made from the manufacturer who sells the finished product. Canada allows a very large number of specific exemptions covering many articles of food and clothing, farm machinery, ores of all kinds, and many other items, the enumeration of which, in fact, covers some eight pages of the law. The receipts from this source in 1930 were about \$44,000,000.

The best example of a sales tax on the manufacturers' selling price undoubtedly would have been the manufacturers' excise tax

The best example of a sales tax on the manufacturers' seiling price undoubtedly would have been the manufacturers' excise tax as proposed by the Committee on Ways and Means to the House of Representatives of the United States early in the year 1932. A description of this bill is important, although it failed of passage. As reported to the House and as perfected by later committee amendments, the bill provided for a manufacturers' excise tax of 2½ per cent on the sale price of every article sold in the United States by manufacturers or producers required to be licensed thereunder, and upon the duty-paid value of importations. Manufacturers and producers whose gross business with respect to ufacturers and producers whose gross business with respect to taxable articles for the preceding year was less than \$20,000 were not required to be licensed and were not taxed. In order not to place a burden on necessary articles of consumption, sales of food, wearing apparel, and medicines were exempted. Other exemptions included agricultural implements, ice, coal and wood for use as fuel in the home pawspapers and particles and cartein home, newspapers and periodicals, and certain fuel in the articles for use in churches.

As the levy was to be imposed on articles at the point of manu-

facture or production, sales by wholesalers, jobbers, and retailers were not separately taxed. In order to prevent pyramiding or accumulation of the tax on articles used in the fabrication of other products, the bill provided that sales by one licensed manufacturer to another licensee should be exempt. Thus the tax applied when the completed article was sold for consumption, but if an article was sold to another manufacturer for further assembly or fabrication, it would not be taxed except as a constituent part

of the finished product.

of the finished product.

Let us consider for a moment how the manufacturers' excise tax would have operated had it been enacted. We may take, for purposes of illustration, a lead pencil, which commonly retails for 5 cents. A pencil is composed of a number of component parts, such as the wood, lead, eraser, etc. Under a general sales or turnover tax the sale of each of these constituent parts to the manufacturer of the pencil would be taxed, and then the completed pencil would be taxed when sold by the manufacturer, the wholesaler, and the retailer. Under the manufacturers' excise tax only one levy would be imposed, which would be on the sale of the finished pencil by the manufacturer.

finished pencil by the manufacturer.

Under the system of licensing set up under this plan, the producers of the various items going into the manufacture of the ducers of the various items going into the manufacture of the pencil would be permitted to sell their own finished products to the pencil manufacturer tax free. When the pencil was assembled and sold to a wholesaler or jobber the tax would then apply. The manufacturer would be responsible for the amount due and would make monthly returns to the Government. In selling the pencil to the wholesaler the manufacturer could pass the tax on, in whole or in part, if he saw fit or was able to do so. It may be that competitive conditions in the pencil market would require him to absorb some of the amount. To the wholesaler the tax, if it were passed on, would be just an item in the cost, and he in turn might pass it on to the retailer. The retailer would have the same opportunity, depending upon a number of circumstances. A 2½ per cent levy on the manufacturers' selling price of a pencil retailing for 5 cents would be such an infinitesimal amount that we have no money to represent it. Under such circumstances it is hardly probable that the consumer would ever feel the effect of the 21/4 per cent tax on the manufacturer. In the case of articles selling for larger amounts the tax can more easily be passed on. Even in such cases, however, there is usually a sufficient margin of profit for 2½ cents on each dollar of the wholesale price to be absorbed. In many cases the retailer's mark-up is as high as 100 per cent. Where this is the case the sales tax would be but 1½ cents on each dollar of the retail selling price. Even if it be assumed that every cent levied on the manufacturer will be passed on through the wholesaler and retailer to the consumer,

there would be no tax paid on food, wearing apparel, or medicines, and the public would find that there would be few essential articles which would be subject to taxation.

The proposed levy was called a manufacturers' excise tax, being so denominated in order to remove some of the prejudices which exist against sales taxes. Actually, the term accurately described the subject. It was not a true general sales tax, since it was not a true general sales tax, since it was not to be imposed on the gross receipts of all business. It was nothing more than the extension to a large group of commodities of the many special excise taxes which have been known to us since the

beginning of our Government.

A Federal manufacturers' excise tax of this character A Federal manufacturers' excise tax of this character would operate uniformly throughout the United States without disturbing competitive conditions. State sales taxes, however, give rise to two important difficulties of administration. One is the opportunity to escape taxation by securing commodities from neighboring States which do not impose such a tax, and the other is the constitutional restriction against burdening interstate commerce. These objections, however, would not apply under Federal statute. The fact that States are from time to time adopting the principle of a sales tax is an additional argument for prompt action.

ciple of a sales tax is an additional argument for prompt action on the part of the Federal Government in order that States may

ciple of a sales tax is an additional argument for prompt action on the part of the Federal Government in order that States may know that the Government considers such a levy to a certain extent a Federal prerogative rather than a State right. We already have too many interlocking forms of taxation, as illustrated by the present gasoline tax, collected both by the Federal Government and by many of the States.

Consumption of certain products is necessary, whatever economic conditions exist. A levy on the consumption of goods would apply, in a small way, at least, to every man, woman, and child in this country. It would be productive of revenue because buying power, though it may be greatly diminished, is always present. The manufacturers' excise tax is such a levy.

The natural tendency in taxation is to place the burden where it can best be borne. For instance, the income-tax brackets increase in proportion to the size of incomes. During the war patriotic motives permitted excessive levies. In the postwar period, these levies were from time to time decreased, but in the last revenue act it was necessary to increase them again nearly to their war level. There would be no substantial support for the enactment of a law in this country, even of a temporary nature, that would tax foods and such other items as can be designated as absolute necessities. We, therefore, come to the point where to a certain extent a sales tax is a voluntary tax upon the part of the people. For instance, a family may want a piano, but if it can not afford to buy one, it pays no tax on the plano purchased by its neighbor. On the other hand, the family which can afford the highest-priced piano will pay the heaviest tax on this product. A manufacturers' excise tax such as proposed at the last session.

its neighbor. On the other hand, the family which can afford the highest-priced piano will pay the heaviest tax on this product. A manufacturers' excise tax such as proposed at the last session of Congress is unlike those used in the States and in most of the foreign countries. By eliminating most of the objectionable features of the general sales tax this manufacturers' tax is of such a nature that it should command the support of every loyal American citizen who is anxious to place the financial structure of his Government on a sound basis. While it is a tax on consumption, necessary articles of consumption have practically been eliminated from its scope. The principle of ability to pay is not wholly violated because the graduated income tax would still be retained, and the total tax burden would continue to be much heavier as the total income of the taxpayer increases. The levy would be no more harmful to business than any other tax not based upon net income, and by providing an artificial stimulus to prices it might even be helpful.

More revenue must be raised, and it must be raised in large

More revenue must be raised, and it must be raised in large measure from people who are not now subject to Federal tax. A manufacturers' sales tax would provide the necessary revenue by allowing all our citizens to contribute to the support of the by allowing all our citizens to contribute to the support of the Government, even though the contribution of each person would be relatively small. It would not be oppressive as it would be collected indirectly and in small amounts from day to day. As a tax on buying power, which is always present to a certain degree, it would constitute a dependable source of revenue at all times. The tax would be paid only by those having money to spend, and as the rich buy more than the poor, and pay more for what they buy, they would contribute proportionately more. Since the levy is imposed at the point of production, it is quite possible that some of it will be absorbed as the articles taxed pass from the manufacturer through the hands of the wholesaler and retailer, especially in times like the present when competition for business especially in times like the present when competition for business

is keen.

Even if the whole amount were passed on to the consumer, and the profit of the wholesaler and retailer included a percentage on the tax, it still would be a negligible amount. Take the case of a family of five, living on a \$1,000 income. Social agencies estimate that with such an income, 40 per cent should go for food, 15 per cent for clothing, and 25 per cent for shelter. This leaves a balance of 20 per cent for operating and miscellaneous expenses. Assuming that the whole \$200 spent for such expenses went for

taxable goods, the manufacturers' price for which might be in the neighborhood of \$140, the total tax would be \$3.15 for the year at a rate of 21/4 per cent. This amount would be three-tenths of 1 per cent of the income. Of course, where the income is greater a smaller percentage of the whole will be spent for necessaries, leav-

smaller percentage of the whole will be spent for necessaries, leaving a larger amount to be spent for taxable goods.

The administration of a manufacturers' excise tax would be a fairly simple matter, and would not involve certain difficulties encountered in the administration of our income tax law. In the first place, a comparatively small number of returns would be filed, since only manufacturers (and other licensees) of taxable articles would be required to make returns, and then only when their gross business was over \$20,000 per year. Since it is imposed on gross receipts it would be easy to compute. Under the income tax it is necessary to determine the net income after making certain deductions and credits, which often involves complex ques-tions of law and fact. It is true that the manufacturers' excise tions of law and fact. It is true that the manufacturers' excise tax is somewhat complicated by the methods adopted to prevent pyramiding but no difficult problems of administration are presented. In making collections, existing machinery could largely be used, as was done in Canada when a sales tax was adopted there. Manufacturers and producers would file monthly returns, which could easily be audited by any one familiar with simple arithmetic. Periodic examination of the books of manufacturers would be made to check any irregularities in reporting gross sales. The percentage of cost of collection to the amount collected would be comparatively small.

In summarizing the subject which has been been been as

In summarizing the subject which has been briefly set forth, it is believed that the following conclusions are fully justified:

First, sound financing demands the balancing of the national

Second, it is impracticable to balance the Budget without

Second, it is impracticable to balance the Budget without additional revenue.

Third, the present sources of revenue appear to have been tapped to their maximum yield.

Fourth, new sources of revenue are needed.

Fifth, the experience of foreign countries shows that the sales tax is not excessively burdensome and is productive of large revenue. The experience of Canada with its manufacturers' sales tax is eminently successful and shows the tax easy of administration istration.

Sixth, a manufacturers' excise tax, such as proposed in the last session of Congress, avoids the principal objections to existing levies of this character.

Seventh, such a manufacturers' excise tax is not a substitute for our income tax, but supplements it by providing a certain and stable revenue when the income tax fails.

Eighth, the manufacturers' excise tax has a broad base, is too small to be seriously felt, is paid only when the taxpayer has money to spend, is paid in proportion to spending, and will not interfere with business since it bears equally on all competitive articles.

This subject and the conclusions drawn could be elaborated in This subject and the conclusions drawn could be elaborated in much greater detail. Many other facts could be stated in support of the views presented. Objections of some weight may be made to the form of tax recommended, but it is easier to criticize than to construct. Certainly no more practical suggestion has yet been presented for balancing the Budget than a general manufacturers' excise tax. Let those who attack this plan first present a levy of equal productivity to balance the Budget and then let the merits and demerits of their scheme be compared with the manufacturers' excise tax. Every alternate scheme thus far presented has failed to meet this comparison.

The manufacturers' excise tax appears to offer the best simplest.

The manufacturers' excise tax appears to offer the best, simplest, and most equitable way out of our financial difficulty.

Mr. AYRES. Mr. Chairman, I yield to the gentleman from Oregon [Mr. MARTIN].

Mr. MARTIN of Oregon. Mr. Chairman, that great Democratic President, Grover Cleveland, stated the justification of legislation to proctect American farmers and workers from cut-throat depreciated foreign currency competition when he declared, of another crisis, "We face a condition, not a theory."

The condition faced in my district, in my State of Oregon, and in the Nation at large is unemployment largely due to this destructive competition. More than 100,000 persons are out of work in the Pacific Northwest. Many thousands of these are idle because of the flood of imports from countries which have debased their currencies. In the whole Nation it is estimated that more than 1,000,000 have lost jobs as a result of these imports.

So important is this invasion of our markets considered by the Legislature of the State of Oregon that a petition has been sent to Congress asking immediate legislative action at this session to rectify the situation. Other States have petitioned likewise. It is a national demand.

I do not ask, nor do they ask, any increase in tariffs. The remedy proposed is to give our farmers and workers a fair chance in our own markets by equalizing these depreciated foreign currencies with the dollar. Therefore this is employment, not tariff, legislation. Not a single tariff or customs duty would be raised above the rates or duties in existing laws. All that is asked, when competing merchandise and products of the soil arrive at our ports from countries with debased currencies, is that these products be valued according to the dollar and according to conditions before they debased their currencies, some of which are 60 per cent below the dollar value.

We have bread lines and relief agencies caring for thousands in my section of the country, while other thousands are using up their last meager resources to avoid public charity. Our farmers and fruit growers are struggling with this foreign competition as well as our industries in the cities. These men and women face a condition, not a theory. They are resentful of the failure of Congress to act to stem this unfair foreign competition. I favor legislation along this line as the quickest, most effective way to reduce unemployment. It is not a cure-all, but it will be a tremendous help.

Our great salmon industry, for instance, is faced with ruin by Japanese competition. The currency of Japan is 60 per cent below that of the dollar. This amounts to a 60 per cent cut in Japanese wages, and when this is added to their already low scale it gives their fishermen an advantage over our fishermen that can not be met and still allow our workers a decent livelihood. Japanese salmon in some varieties is offered in our market at approximately half the American price. Although our fishing industry has cut wages and made every other possible economy to meet this competition the depreciated Japanese and other foreign currencies give the alien producers an insurmountable advantage. The entire Pacific coast fishing industry represents \$90,000,000 annually and it is facing destruction.

That is only one industry affected. Our forest-products industry also is being destroyed by depreciated currency competition. Latest figures issued by the Canadian Bureau of Statistics show that logging operations in January of this year in Canada employed about 2,000 more men than in January of last year; whereas in the Pacific Northwest the opposite is true, as shown in increasing unemployment. Canadian and Scandinavian wood pulp are also underselling mills in the United States. This has resulted in more thousands being thrown out of work.

The same distress is reported in our cement and other basic industries. Our fruit growers are seeing their sales abroad curtailed as England and other nations buy apples and other fruit from Canada and Australia at prices made lower than our prices by depreciated currencies and perferential agreements. Our dairy and other farm industries are losing as foreign butter and other products undersell them.

With our great basic industries so demoralized all other business shows a slump. The purchasing power of the workers thrown out of jobs by foreign cutthroat competition is so reduced that retail stores are suffering losses. Railroad workers lose jobs because there is less freight to haul. All concerns selling machinery and supplies to the basic industries are losing business. Thus the vicious circle of unemployment spreads in all directions increasing unemployment. I could cite dozens of industries damaged by the flood of depreciated currency imports, covering almost everything needed in the household and in trade and industry.

The United States Department of Commerce has just received word from its representative in Japan that Japan now can make pig iron more cheaply in Manchuria than it can be made anywhere in the world and is planning to ship pig iron to the Pacific Coast States and to Africa and Europe. Foreign cement is underselling American cement. Many buildings are going up in the United States made of foreign structural iron and steel and foreign cement, lumber, and other materials, all of which imports mean that Americans in such industries have been thrown out of work.

They are able to undersell us because of depreciated currencies. What are we going to do about it? The advantage they have enables them to pay ocean transportation, Ameri-

ment, not tariff, legislation. Not a single tariff or customs | can tariff, and any other charges and still land their goods duty would be raised above the rates or duties in existing | in this country at prices that mean starvation to our farmers laws. All that is asked, when competing merchandise and | and workers.

In this situation to talk about legislation proposed to protect our workers by tariff raising is absurd. These foreign imports can and do come in despite any tariffs we have. They will continue to come in despite any tariffs we might raise unless we use the remedy that will automatically eliminate their great advantage, namely, a law to equalize their debased currencies with the dollar. This proposed legislation would restore jobs to Americans because it would restore competition to where it was before more than 40 countries went off the gold standard.

It is bad enough to suffer from our domestic depression, but to have added to this a ruinous foreign competition with workers living on starvation levels is inexcusable so long as we have the remedy at hand. We should, as the proposed legislation specifies, place a tax on imports from depreciated-currency countries which will offset the advantage depreciation has given them. If we do not, we either will go into a national collapse worse than anything we yet have known or we will sink to oriental and other wage levels so distressing that we will have a revolt in this country.

The Democratic Party will hold the esteem of the people by constructive measures. An ounce of employment is worth far more than a pound of charity or governmental relief. Let us do that which will put Americans to work rather than seek ways of feeding and clothing them out of the Treasury in the weak hope that the depression will cure itself. Let us pass this employment legislation. It deals with a situation wholly outside the tariff question as such. Later we can go into a world economic conference or bargain for trade advantages as we elect, but the present crisis must be dealt with now. With this legislation we will have that which will give us a bargaining issue. Thus it will relieve the present and fortify us for the future. [Applause.]

Mr. FRENCH. Mr. Chairman, I yield five minutes to the gentleman from Virginia [Mr. Lankford].

Mr. LANKFORD of Virginia. Mr. Chairman, I have listened with a great deal of interest to the remarks of the gentleman from Washington [Mr. Horr], and, although he belongs to the same party that I do, I regret that he has raised the question of sectionalism. There is no place for it here. We are now one country. I agree that these chairmen of the committees through years of experience are valuable men, but this is true by reason of the fact that they are men of experience and ability and not because they come from the North, the South, the East, or the West. I, as a Member from the South and a Republican, regret his bringing that question up.

Mr. RAGON. Will the gentleman yield? Mr. LANKFORD of Virginia. I yield.

Mr. RAGON. I would like to say to the gentleman that the new President has announced his Cabinet.

Mr. LANKFORD of Virginia. I heard that a moment ago, and I am very glad that one of them is the Senator from Virginia [Mr. Swanson]. The next President could not find a better man to fill that position.

Mr. RAGON. And I want to say that of the 10 men selected by the Democratic President, 7 come from the North and only 3 from the South.

Mr. LANKFORD of Virginia. As I say, I regret that the question of sectionalism was raised, for I think this is no place for it.

Now, this discussion has gone far afield, and I want to come back to the naval bill. I listened to the gentleman from Idaho [Mr. French] in his statement, and he was very complimentary to the subcommittee, of which I heartily approve.

I have had some experience with that committee, for as a member of the Naval Committee I have appeared before it many times. I have always received every courtesy, and they were helpful and thoroughly informed. I am sure the House has the same impression that there is no more valuable group in the House than the gentleman from Kansas [Mr. Ayres] and the gentleman from Alabama [Mr. Oliver] and the gentleman from Idaho [Mr. French].

I want to say a word this morning in regard to the gentleman from Idaho. I listened with almost sorrow to his magnificent address on the Navy, because when the gavel falls at the end of the session the gentleman from Idaho ceases to be a Member. He has been the victim of a political upheaval which it is hard to understand in his case. I hope soon he may come back and give the country the benefit of his valuable services. If his constituents knew what an able, conscientious, well-informed, and industrious Member he is they will soon send him back.

I can not always agree with all the conclusions of the gentleman from Idaho, but I have long since learned to respect men who differ with me when I know that they are sincere and honest in their convictions, and I know he is. I agree with him of course that the road to international peace, the way to final disarmament, is by international agreement, and I think we are approaching that, probably, in the right way. But after the London Conference it will be recalled that one of our friendly nations began to elevate its guns, that it took advantage in that way, and that in the Far East another friendly nation now is practically getting ready to get out of the League of Nations because its treaty obligations do not suit her. It will be recalled that when the World War started, Germany regarded treaties as a scrap of paper. So, Mr. Chairman, I do not believe that we have yet reached that high plane of international cooperation, where we can afford to let down and reduce. I believe in the Theodore Roosevelt policy of a strong arm for peace and protection. For instance, if I were alone, with a good deal of money in my pocket, going through a forest infested by bandits, I would want the strongest and most powerful guns that I could take with me. That it seems to me is our condition to-day in the present state of international affairs.

So far as this committee is concerned, I think they have done wonderfully well, with a reduced Budget and the necessity for economy, in bringing out the bill that they have. I think it is the best that could be done and is very satisfactory.

Take the question of modernization. The gentleman from Idaho [Mr. French] mentioned that our ships, ship for ship, were as good as those of any nation on earth. I hope that is true, but it would not have been true with the last three battleships, if they had not been modernized. They would have been as useless in combat with a modern ship as a painted ship on a painted ocean. When they were built, submarines had not yet reached the stage of effectiveness that they have now, and it was necessary to put blisters on them to protect them from submarine attacks. Airplanes had not reached the efficiency they have now, and it involved putting on additional steel decks to protect them from airplane attacks. Elevating the guns gives them a longer range, and now those ships, when completed, will be the equal of any ships on earth.

The destroyers built years ago are more or less obsolete. Advances have been made in speed operations, and handling in many ways. Our newest cruisers are, I believe, the equal of any on earth, but I believe we should go a long way toward increasing our national defense until the time comes when we can, by international agreement, safely protect ourselves.

I represent a naval district, but I can say frankly that while I see the importance of work there, I do not believe that I have ever tried to get work for that yard if I did not believe that the prime object was for the best interest of the country. Of course, I believe in national defense. I was raised around it, was a part of it in the World War, and I know its importance. My mind works in that direction, but I have never attempted to get money from the Treasury of the United States for local benefit if the country would not profit by it.

In conclusion, as a step in the right direction toward this international peace, I think the most important step since the Monroe doctrine is the Hoover agreement now accepted by the League of Nations, which provides that an aggressor

nation will not be recognized in the conquest of the territory of another, in controvention of the terms of the Kellogg Pact. That is happening in the world to-day, and if the nations stick to that policy I believe it will be a long step in the direction of final international peace, and at that time disarmament or limitation of armament can come.

I have known many hundreds of naval officers in my lifetime, and I have never heard a naval officer who would not agree that when the time comes when other nations shall limit their armament they would be willing to cut down ours. They do not want a navy that is larger than every other navy, but they do want an equal chance, man for man, and ship for ship. They want all of the others to come down at the same time, so that we will at least be equal. [Applause.]

Mr. TABER. Mr. Chairman, I yield 15 minutes to the gentleman from Oklahoma [Mr. Garber].

Mr. GARBER. Mr. Chairman, members of the committee, this being the anniversary of the birth of George Washington, I preface my remarks with a poem by George E. Phair:

" WHY? "

"Why quit our own to stand on foreign ground?"
This warning rang in Washington's farewell,
For even then he felt the deadly spell
That sought to bind the land he had unbound.
Simple his words, but studied and profound,
The last paternal counsel ere he died.
They are forgotten now and cast aside
For alien creeds that bear a lofty sound.
Snared in the tangled web across the sea,
We find the world without a friendly hand.
We seek the favor of a foreign land
As one who begs a dole on bended knee.

Now and forever let those words resound: "Why quit our own to stand on foreign ground?"

I submit the above without comment, with the suggestion only that our Democratic friends heed the sound advice and adhere to the wise, enduring, and proven policies of the Father of our Country.

Mr. Chairman, the consideration of the pending bill naturally calls attention to the committee membership having it in charge, and without disparagement to any other member, I know of no Members of this distinguished body who in their quiet, modest, conservative, courageous, and conscientious way have contributed more valuable service to the Nation than have the distinguished gentleman from Kansas [Mr. Ayres], who is the chairman of that committee, and the senior ranking member, the gentleman from Idaho [Mr. French]. [Applause.] I believe those two gentleman voice the conscience of a peace-loving Nation in expressing the policy for this country to pursue and limiting its aggressiveness and its action to thorough preparedness in its defense.

At this time I want to say a word in defense of the incoming President, to protect him from the keen disappointment that will inevitably result because of the exaggerations and misrepresentations made in reference to the accomplishments which may be effected by reason of the abolishment of bureaus, boards, and commissions. The public now believes that they are so numerous that they are eating out the substance of the people, and that by their discontinuance millions, nay, hundreds of millions of dollars annually can be saved. The delegation of power made yesterday was accompanied by such misrepresentation. I want to quote a distinguished member of the Democratic Party upon this very question. About a year ago the one-time Secretary of the Navy, Mr. Josephus Daniels, while in Washington naturally visited and consulted with the Democratic House leaders, and inquired into the policies they were about to adopt. At that time, in an Associated Press interview, he said:

It looks like the Democratic House is determined to abolish all the boards and commissions which crowd on each other's heels in Washington. I am not exactly thoroughly familiar with the House program, but if I had a voice I would say wipe out every independent board and bureau and commission heretofore authorized.

Here is Josephus Daniels, one-time Secretary of the Navy under President Wilson, from 1913 to 1921, now a member of the National Democratic Executive Committee, publisher of daily newspapers with wide circulation, representing to the people that if he were placed in power he would wipe out every independent board, bureau, and commission in existence. In addition to that he said:

Speaker Garner and his associates are on the right track, getting rid of the boards and commissions and securing economy and uniting departments. If well done, it will save millions and hundreds of millions of dollars to the country and promote efficiency. The chief thing that stands in the way, however, up to date is that Congress has done nothing to reduce its own expenses or compensation. Reforms must begin with themselves.

Here is where the former secretary hits the bull's-eye the first step for Congress to take to effect real, substantial reductions, is to reduce its own compensation and expenses.

After more than a year of control it would be interesting to learn how the situation now "looks" to the former secretary. Does he still think the Democratic House is "determined to abolish all the boards and commissions which crowd on each other's heels in Washington?" Does he still think that "Speaker Garner and his associates are on the right track in getting rid of boards and commissions?" This is not said in criticism of Daniels. Not at all. There is not any question but what a year ago it "looked" as though the Democratic Party was determined to abolish all such agencies, but then "looks," especially Democratic "looks," are sometimes deceptive. They rarely materialize in promises fulfilled.

A year ago it looked as though the Democratic House was going to reduce the iniquitous rates in the Smoot-Hawley bill, but they did not. As a substitute for repeal they enacted a rateless tariff bill, and the distinguished gentleman from Kentucky, with his cathedral-bell solemnity, justified his action in support of it by solemnly declaring it was necessary to "bring the Government back home to the Constitution." [Laughter.] A year ago it "looked" as though the House majority was going to repeal the tariff law which places "a billion dollars tax annually upon the consumers of the country," but it did not!

At one time it "looked" as though they would enact a sales tax and balance the Budget, but they have not!

When this session convened it looked as though important major measures would be enacted, restoring the purchasing power to farm products and giving jobs to the unemployed, but they have not. Mr. Daniels was fully justified in saying a year ago that it "looked that way," for it did. It not only looked that way but it sounded that way. It sounded that way at every crossroads in the country, where people were told by distinguished gentlemen, speaking for the party, that innumerable boards, bureaus, and commissions existed in Washington, and that if entrusted with power, they would abolish them all!

Mr. SCHAFER. Will the gentleman yield?

Mr. GARBER. For a question only.

Mr. SCHAFER. Only yesterday the Democratic leader admitted that the Democrats did not know what boards could be abolished, and they had to retain the Bureau of Efficiency under the supervision of Mr. Swager Shirley, whoever he may be, to go out and investigate and see what could be abolished.

Mr. GARBER. There is no question but what they do not know what boards can be abolished; they have already passed seven appropriation bills, and of the bureaus, boards, and commissions in existence they have succeeded in abolishing how many? Let some Democratic authority answer. How many boards and bureaus and commissions have you abolished? No reply. They have abolished one, and only one! And at a saving of what? Not hundreds of millions of dollars to the taxpayers, but at a saving of only \$9,188! Such is the distinction between the representations of Democratic leaders at the crossroads and their performance here in the Capital of the Nation. [Applause.]

Mr. MAY. Will the gentleman yield for a question?

Mr. GARBER. I regret that my time is so limited that I am not permitted to do so.

Now, how many independent boards, bureaus, and commissions are there, which the Democratic leaders represented

to the people were "crowding upon each other's heels in Washington?" Let some Democratic leader answer. I pause for a reply. No answer. I will tell you how many there are. There are only 73 independent commissions in existence. Seventy-three! At what cost? At a total cost for their maintenance not of hundreds of millions of dollars but at a total cost of \$45,722,179. My friends, 12 of those independent commissions cost \$40,000,000 plus, and the remaining 61 commissions and boards cost the remaining \$5,722,179.

Now, my Democratic friends, speak up and tell us how many of those 12 major commissions you have abolished or would abolish. This Chamber remains as silent as the grave.

Mr. HASTINGS. If my colleague will yield, I will ask him to put in the Record in connection with his speech those specific ones that he would abolish.

Mr. MILLARD. Mr. Chairman, the gentleman did not yield.

The CHAIRMAN. Does the gentleman yield and, if so, to whom?

Mr. GARBER. I only yield for the request of my distinguished colleague. The request of my colleague but emphasizes the exaggerations of Democratic leaders. They do not know. When interrogated they remain silent in sharp contrast to their volubility at the crossroads. The Republican Party has taken the position that such agencies are necessary in the economic administration of the Government, and should be discontinued as soon as they become unnecessary.

Mr. VINSON of Kentucky. Will the gentleman yield? Mr. GARBER. My time is limited, and I regret that I am unable to do so.

The 12 agencies are the Civil Service Commission, the Employees' Compensation Commission, the Federal Board for Vocational Education (which includes \$10,000,000 to be matched with the funds of the several States), the Federal Trade Commission, the General Accounting Office (which includes the office of the Comptroller General), the Federal Reserve Board, the Interstate Commerce Commission, the National Advisory Committee for Aeronautics, the Office of Public Buildings and Public Parks, the Smithsonian Institution, the Supreme Court Building Commission, and the United States Tariff Commission. The remaining \$5,722,188 provides for the 61 remaining commissions that are short lived but temporarily necessary in administration, the larger number of which will soon expire by their own limitations.

The number of commissions set up under recent administrations are:

ı	President	Roosevelt	107
ı	President	Taft	63
١	President	Wilson	150
i	President	Harding	44
	President	Coolidge	118
	President	Hoover	44

The commissions, committees, or conferences are of three classes.

First. Temporary bodies created by the President's order for the purpose of coordination of Government activities, or for the determination of facts and advice as to policies on special subjects. These commissions cost the Government nothing.

Second. Commissions or committees created by Congress upon recommendation of the President. The expenses of such committees are paid by appropriation.

Third. Commissions created by Congress on its own motion. These expenses are always paid by appropriation.

During President Wilson's administration, approximately one-half of the total of 150 commissions were created by Congress upon its own motion. Of those created by or upon recommendation of the President, 10 are still in existence.

During the Coolidge administration 74 commissions out of a total of 118 were created by Congress. Of the 44 created by the President or upon his recommendation, 39 have completed their tasks and have been released.

During President Hoover's administration 24 out of the 44 commissions were created by Congress. Of the 20 created directly by the President or upon his recommendation, 12 have completed their tasks and have been released, and only 2 are other than temporary. Of the purely presidential commissions, the expenses of four have been paid by the Federal Government, while 17 either cost nothing or

rely upon public support.

Abolish all the independent boards and commissions, and how much would you reduce the cost of government? Forty-five million seven hundred twenty-two thousand one hundred and eighty-eight dollars! It goes without saying that all unnecessary boards, bureaus, and commissions should be abolished, but let us not continue to deceive the people as to their number and the amount of savings to be effected by their abolishment. The Budget can not be balanced by any such means. Although large savings can be effected by the merger and consolidation of bureaus in the departments, cutting out all duplications, reduction must go deeper than the costs of administration. It must go to the reduction of the appropriations made by Congress. Congress must just stop spending the people's money.

Because of this depression our revenues have fallen off more than 50 per cent. In 1929 our national income was \$85,000,000,000; in 1932 the national income was \$37,500,000,000. Our deficit for the fiscal year 1931 exceeded \$902,000,000. For the fiscal year 1932 it was \$2,472,732,549. The estimated deficit for the fiscal year 1933 is \$1,146,478,307. Reductions by reorganization must be supplemented by reductions of appropriations and even such reductions are limited somewhat by the so-called fixed obligations of the Government as shown by the following table:

So-called fixed charges of the Government

	1933 (esti- mated)	1934 (esti- mated)
Reduction in principal of public debt Interest on public debt. Veterans' Administration Navy Army (military and Panama Canal) Postal deficit.	\$498, 153, 400 695, 000, 000 1, 073, 381, 000 356, 360, 500 319, 831, 000 134, 075, 000	\$534, 070, 300 725, 000, 000 1, 105, 008, 000 330, 126, 000 300, 979, 400 97, 075, 000
Total, fixed charges, as above	3, 076, 800, 900 4, 268, 888, 400	3, 092, 258, 700 3, 974, 794, 200
Total appropriations from which reductions may be made based on above figures	1, 192, 087, 500	882, 535, 500

Our annual Budget requirements under the existing socalled fixed charges of the Government, estimated for 1933, total approximately \$3,076,800,900, leaving an estimated deficit for the fiscal year 1933, \$1,146,478,307.

The national platform of the Democratic Party and its President elect have pledged a reduction in the costs of Government of 25 per cent. Can they effect a reduction of such an amount without going into the so-called fixed charges?

Having defeated all the efforts of the present administration to reduce the costs of Government by consolidation and reorganization, and having been unable to effect such reductions, the House majority yesterday delegated power to the incoming President for such purposes. In other words, after being in power for more than a year the House majority now announces:

We have been unable to abolish or consolidate these bureaus and commissions. We thought we could, but we can not, so we have turned the matter over to the incoming President.

Such action of unloading its responsibility upon the incoming President, although a humiliating confession, was in fact the only thing that could be done under the circumstances. "What is a President for anyhow, if he can not take the ball once in a while?"

The President elect, however, did not come from Mars, from the land of supermen where they have no bureaus and commissions. He comes from the State of New York as the former chief executive of that State where bureaus and commissions are still used as convenient agencies in the administration of government, and he undoubtedly will re-

tain such as may be found necessary. The House majority should begin to soft-pedal on the evils of such agencies, upon their number, and the enormous amount of savings to be effected by their discontinuance, for such continued exaggerations will only accentuate the disappointment of the people when the President elect will be unable to meet their expectations.

The House majority leaders have been kept continually on the run, from one announcement to another, from one exaggeration to another, from one misrepresentation to another, from one failure to another, until it has been one

continuous runaway policy.

If the incoming President could effect all the reorganization work outlined in the delegation of power, the reductions thus effected would not balance the Budget. The House majority can not escape its responsibility. It can not delegate its power to grant appropriations. It is not the Chief Executive who can be empowered to effect the big reductions in the cost of Government. Congress alone is vested with that power. It can refuse appropriations. It can save millions where the Chief Executive can save but thousands of dollars.

There is no lack of power in Congress to reduce appropriations, and there should be no lack of power in the Chief Executive to clean out the departments and abolish all unnecessary boards, bureaus, and commissions. There will be no alibi for the \$2,000,000,000 pledges made to the people. The Democratic Party pledged a reduction of \$1,000,000,000 annually by repealing the Smoot-Hawley bill. It has pledged a reduction of \$1,000,000,000 in the costs of Government. Let the roll of its accomplishments be called a year hence, and then listen to the alibis.

For more than a year the Democratic House majority has piddled and loafed along without reducing or even attempting to reduce a single tariff rate and has abolished but one commission, at a saving of \$9,179, a difference in performance and pledges of \$1,999,990,821. How long will the people continue to tolerate such deception and such flagrant violation of pledges made?

In this crisis, demanding drastic reductions, the people are demanding that immediate action be taken, that actual reductions be made, and as stated by Mr. Daniels, former Secretary of the Navy and member of the national Democratic executive committee, it is the duty of Congress to set the example by reducing its own expenses and its own compensation! It should not only do this but cooperate with the incoming President. The people have expressed their confidence in his sincerity of purpose to secure the enactment of remedial legislation and reduce the costs of Government. No greater responsibility ever faced an incoming President. If he can survive the "Greeks bearing gifts," the importunities of his partisan friends, the pleadings of selfish politicians, and stand up squarely, facing the issues involved with an unfaltering will and determination to discontinue the employment of all unnecessary employees of the Government, abolish all unneccesary boards, bureaus and commissions, and reduce the National expenditures 25 per cent, he will have kept faith with the people and justly earned their undivided support and gratitude!

For, say what you will and speculate as you may as to the remedies, a balanced Budget is the corner stone of the credit structure of the Nation and essential to its preservation. A balanced Budget will be the first major recommendation of the President elect to the incoming Congress. Mark the prediction! A balanced Budget is necessary for the economic refinancing of the Government's obligations at a low rate of interest. With a balanced Budget, such refinancing can be accomplished with a saving of approximately \$300,000,000 annually in our interest charges. A balanced Budget is necessary to create a market for bonds to furnish finances to operate the industries of the country. It is necessary to enable the banks to furnish the credit necessary to carry on the business activities of the country at the crossroads. It is the first step necessary to remove the existing uncertainty and to restore confidence essential to investment and recovery! Until our Budget is balanced, until such uncertainty is removed, and such confidence restored, capital will not invest, industries will not revive, idle labor will not be reemployed, and conditions will continue to sag through to complete liquidation and indefinitely postpone recovery. [Applause.]

Mr. FRENCH. Mr. Chairman, I yield 10 minutes to the

gentleman from Pennsylvania [Mr. COYLE].

Mr. COYLE. Mr. Chairman, my appearance on the afternoon of this historic occasion, when farewell addresses from people in the history of the country, far more entitled to make them than I, is, in some measure, to make for the second time a farewell address and something of a testament to the Congress.

I bring to this service in the Congress now drawing to a close no great ideas of reform that were going to be accomplished by COYLE; but as a second time we come to the close of COYLE's term I do have certain things in mind which, having been drawn from my own experience in the past, it seems to me might perhaps be left with the Congress

as something of a testament.

From the people at home I have had the utmost consideration. I go out, I know, with their good will, even though there was a substantial majority against me. After all, Coyle has had from his thirtieth district of Pennsylvania three-quarters of all the Republican time in the Congress and, as a consequence, he has nothing but appreciation for them. Had the rest of the country been as true to political affiliations as was the Democratic thirtieth district of Pennsylvania, the history of the national election of last November would, indeed, have been very different.

Coming to a question that continually recurs in Congress, there are certain things the next Congress should perhaps bear in mind. I have in mind to mention particularly the question of contests for congressional seats, and in this connection I want to refer the Members of Congress who will sit in the next Congress to a bill introduced by the former Member from Massachusetts, Mr. Dallinger, and to the remarks that he made at that time concerning contests. I wish to say to the incoming Congress that they should scrutinize carefully some of the contests that have been started. Indeed, they should scrutinize all of them. It is apparent that in some cases idle, frivolous contests have been started apparently with the purpose, perhaps the prime purpose, of getting the substantial allowance which the Congress generally makes to both contestant and contestee. The rules of Congress, however, require that the election committee scrutinize carefully not only the form of the vouchers submitted, but the good faith with which the contest is underlaid; and it is perfectly within the power of the committee hearing contests to determine that a contestant has started a frivolous contest and perhaps to refuse to that contestant the full fee to which otherwise he might

There may be developing a certain amount of solicitation on the part of some lawyers for business in conducting contests before Congress, and I raise this voice of warning that the incoming Congress look closely to the underlying facts of each contest.

And now, as I am approaching the end of my time and the end of my term, may I leave another bequest to the Congress? It has particularly to do with the District of Columbia. For a long time Presidents have said to Congress, one after the other from the time of the first Adams to the present day, that matters affecting the District of Columbia crowding onto the shoulders of Congress, the work of which has multiplied at least tenfold in my time, frequently fell on crowded ground, frequently fell in years in which there was hardly time to attend to the detailed affairs of the District of Columbia.

To the Congress itself I seriously suggest that some sort of a joint and continuing committee be appointed from among the residents of the District of Columbia and the Members of Congress to consider and report to the Congress some method of taking off the shoulders of Congress

these manifold matters of detailed legislation regarding the local affairs of this city.

In tune with the great farewell address we heard earlier in the day, one other word may I leave with you, and that is in reference to my first love, the Naval Service. Two times have I had the privilege of serving in my country's Navy in the Marines, and one time, through the National Guard, have I served in the Army of the United States. Some 33 years ago I had the privilege of graduating from the Naval War College at Newport, and as a result, I believe you will agree, I have brought to my more mature judgment some experience gained in the military service. To-day, as on the day it was written, the statement of Washington in his Farewell Address regarding national preparedness is just as true and just as sound. It rings down through the ages a challenge to America to trust in God, but in national defense to keep her powder dry. I thank you. [Applause.]

Mr. AYRES. Mr. Chairman, I yield 15 minutes to the gentleman from Texas [Mr. Blanton].

Mr. BLANTON. Mr. Chairman, I ask unanimous consent to revise and extend my remarks, and to incorporate some excerpts, including a statement from the clerk of the Committee on Appropriations showing the amount of reductions made in the appropriation bills.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. BLANTON. Mr. Chairman, there are 10 dailies, and, counting little and big, there are altogether 64 newspapers published in my district. The editors of many of them, and their readers, have at last become convinced that many articles sent them from Washington are specially written unfairly, unjustly, and designedly to injure me. Several editors in my district have lately mailed me articles of this character, calling my attention to the many inaccuracies and unfair references they contained.

Editors in my district have begun checking these unfair reports with the Congressional Record. Many of my constituents who take the Congressional Record have begun to check these unjust references to me with what really happened, and they are losing confidence in many reporting agencies with seats in our press gallery.

Because I assisted Chairman Cannon in preventing numerous amendments carrying millions of dollars from being added to the appropriation bill then before the House, the gentleman from Wisconsin [Mr. Schafer], as the wet leader here, with no intentions other than to take his usual wet swipe at me simply because I am a dry, took the floor to berate me for fighting such amendments. Certain wet reporting agencies in the gallery, who never overlook a chance to sideswipe and try to hamstring any dry, seized upon the incident to send some misleading reports of this trivial and unimportant incident to Texas papers.

And they were published in my district by some papers. Here is what was published last Sunday in the great Star-Telegram of Fort Worth that goes all over my district. The big headlines are, "Schafer Upbraids Blanton for Many Speeches," and is dated Washington, last Saturday, February 18, and states:

When Representative Schafer, Republican, Wisconsin, gained the floor to-day on a motion to strike out "the last word," he began to upbraid Representative Blanton, a Democrat, Texas, for making so many speeches.

Now, had the paper gone on and told what kind of speeches they were and what they were for and what they accomplished, it would have been all right; but they just left it up in the air like that.

The article then states that SCHAFER said:

If the gentleman from Texas continues to interrupt proceedings in the House, it will cost the taxpayers much more than the \$328,816 in the last word—

Indicating that my speeches here were costing the people money, when just the opposite was true, as they helped to defeat many amendments and saved large sums of money for the Public Treasury.

Now these newspaper reporting agencies can not get away with that. Why, that same misleading report was sent to my own newspaper, the splendid Abilene Reporter News, than which there is not a better paper in the State of Texas or the South; and on its front page last Sunday it carried this same article about SCHAFER upbraiding me. The idea of Schafer upbraiding me! The people at home do not understand the situation here. [Laughter.] As if he could upbraid me and get away with it!

I hope there are sitting in the press gallery the reporters of one agency that I still have confidence in, the great Associated Press. Its dispatches go into my State and district and every part of the country. I want it to be fair enough to send to the editor of my home paper, and to the editor of the Star-Telegram, at Fort Worth, just what those numerous speeches I have been making were about. This is what they were about: I was asked by Chairman Cannon, as a member of his committee, to stay on this floor and help him keep these money-spending amendments out of that appropriation bill. I helped him, and you who stayed on this floor know how I helped him defeat all of those amendments carrying large sums.

Mr. SCHAFER. Will the gentleman yield? Mr. BLANTON. In just a moment, I shall be glad to

I hope the Associated Press is fair, and I believe it is going to send down to these newspapers in Texas these amounts that we kept out of this bill by speaking against all of those amendments that would have added millions to be appro-

Here are some of these amendments: One of the amendments proposed to give free schooling in Washington, from kindergarten through high school, to 2,587 school children living in Maryland and Virginia. That was one of the amendments I was fighting and which I helped to defeat.

Here is an amendment by DE PRIEST to spend \$67,000. That was defeated. Here is one by Holaday to appropriate \$185,000. That was defeated. Here is one by McLeon to spend \$40,000, and it went out of that bill on my point of order made against it that it was not authorized by law.

Here is an amendment by the gentleman from New York [Mr. LaGuardia] for \$625,000. At first we defeated it. We kept it out of the bill on a point of order, and later the new occupant of the chair held it in order and he got it in and it was passed, and that is the only amendment that was passed and added to that measure during the entire consideration of that bill.

Here is the amendment by the gentleman from Illinois [Mr. HOLADAY] for \$35,550. That we defeated. Here is one by the gentleman from Illinois [Mr. Keller] for \$11,000 that we defeated.

Here is another by Mr. Keller for \$12,000 that we defeated. Here is still another by Mr. Keller for \$20,000 that we defeated.

Here is another by Mr. McLEOD for \$40,000 that he tried to place in this bill and that went out on my point of order that it was not authorized by law.

Here is one by the gentleman from New York [Mr. LaGuardial, the first time he offered it, for \$26,000, that went out on a point of order.

Here is an amendment of my own to strike out \$3,500,000 from that bill. If the gentleman from Wisconsin [Mr. SCHAFER] had supported it, and if he had gotten the gentleman from New York [Mr. SNELL] to help in trying to save, we could have stricken this \$3,500,000 out of the bill.

Mr. SCHAFER. Will the gentleman yield? If the gentleman had supported the position of the gentleman from Wisconsin he would have saved about \$40,000,000 a year on prohibition enforcement.

Mr. BLANTON. It was not to the credit of the gentleman from Wisconsin [Mr. Schafer] that he was not in favor of enforcing the prohibition laws and sought to cripple enforcement by not appropriating the necessary money needed to enforce such laws. When the eighteenth amendment prohibited the manufactured and sale of intoxicating

liquors, and I am under oath to support the Constitution, I naturally did all I could to make my oath good.

Here is an amendment by the gentleman from Indiana [Mr. Wood] for \$5,451 that we defeated.

Here is one by the gentleman from Virginia [Mr. SMITH] for \$48,585 we defeated. Here is one by Mr. HOLADAY for \$9,490 that we defeated. Here is another by Mr. HOLADAY for \$100,000 that we defeated, and another by Mr. HOLADAY for \$35,000 we defeated. Here is still another by Mr. HOLADAY for \$20,000 that we defeated. Here is one by the gentleman from Missouri [Mr. Cochran], on page 4267 of the RECORD, which sought to fix the minimum wage per hour that could be paid in Washington for personal services either by direct employment or under contract.

Mr. COCHRAN of Missouri. For what?

Mr. BLANTON. That was the amendment that you offered which we defeated the other day. If the gentleman will look on page 4267, he will find it in the Congressional RECORD covering proceedings the other day when I was helping Chairman Cannon keep expensive amendments out of the appropriation bill. I quote the following from what then occurred:

Mr. BLANTON. Will the gentleman yield?

Mr. Blanton. Will the gentleman yield?
Mr. Cochran of Missouri. I yield.
Mr. Blanton. Does the gentleman approve of the decision of the Treasury Department requiring this Government, out of the people's Treasury, to pay carpenters \$11 a day and to pay plasterers \$14 a day and to pay bricklayers \$14 a day, when back in Missouri they are glad to get three or four or five dollars a day? Mr. Cochran of Missouri. The gentleman does not know what he is talking about. Laboring men in Missouri get as high wages as they do any place in the country, and before the depression carpenters got \$15 a day; plasterers got \$16 a day; plumbers got \$16 a day; painters got \$12 a day.
Mr. Blanton. They tell me thousands of artisans in St. Louis and Kansas City are without jobs to-day.
Mr. Cochran of Missouri. I know they are without jobs, and I will vote for any legislation to provide jobs for them.
Mr. Blanton. Mr. Chairman, I make the point of order that the amendment is legislation on an appropriation bill. I am thinking of the people in the 48 States and not merely in the District of Columbia.
Mr. Cochran of Missouri. Mr. Chairman, I concede the point of

Mr. Cochran of Missouri. Mr. Chairman, I concede the point of order.

The CHAIRMAN (Mr. PRALL). The gentleman from Missouri concedes the point of order. The Chair sustains the point of order.

I called the gentleman's attention to the fact that here in Washington carpenters refused to accept less than \$11 a day and went out on strike when they were asked to accept less; painters refused to accept less than \$11 a day, and plasterers and bricklayers refused to accept less than \$14 a day, when they have all had the good fortune to be employed on the \$100,000,000 that has been spent here on public buildings and construction here in the last three years paid out of the people's Treasury. Many good artisans in the 48 States can not get half that. The Washington artisans have been holding up the people, and I had to oppose my friend's amendment.

Mr. COCHRAN of Missouri. Will the gentleman yield? Mr. BLANTON. If I had the time I would gladly yield. Mr. COCHRAN of Missouri. Right at that point I would like to say to the gentleman that if my amendment had carried, we would have saved the District thousands of dollars that we would not have to vote for relief purposes.

Mr. BLANTON. I am sorry. I can not agree with the gentleman. On some things I would take the gentleman's judgment quicker than I would that of anybody else in the world, but on the question of saving money for the people I will not do it.

All of the above-mentioned amendments were offered on one appropriation bill. If we had not fought and defeated them, they would have cost several million dollars. I am going to put into my remarks a statement from the clerk of our committee to show you just how much the various supply bills have been cut by our Committee on Appropriations below the amounts that the President has asked this Congress to appropriate.

It takes somebody on this floor to stand up here and fight against the amendments. It takes somebody on this floor to stand up here now and help our good friend in charge of this bill, the gentleman from Kansas [Mr. Ayres], in trying to effect some economy and keep out of this bill all increases. He has worked hard, his committee has worked hard, and we should back him up 100 per cent here in trying to keep his bill in line.

Here is a correct statement made by our very efficient clerk of the Committee on Appropriations, Mr. Sheild, showing that to this date we reduced the supply bills thus far reported \$77,310,346.02 below the amounts President Hoever asked us to appropriate, and deducting the amounts the House added to the bills through amendments Members effered from the floor and passed, we have made a net reduction so far of \$74,114,143.02 below the amounts President Hoover asked us to appropriate.

Comparison of appropriation bills as reported to the House with the Budget estimates

the Budget estimates	
First deficiency (vetoed): Budget estimates Bill	\$43, 706, 708. 99 31, 421, 520. 57
Reduction	12, 285, 188. 42
Treasury and Post Office: Budget estimates Bill	994, 328, 901. 00 961, 416, 597. 00
Reduction	32, 912, 304. 00
War Department: Budget estimates Bill	352, 530, 145. 00 345, 833, 532. 00
Reduction	6, 696, 613. 00
Interior Department: Budget estimatesBill	46, 083, 929. 00 43, 172, 904. 00
Reduction	2, 911, 025. 00
Agriculture: Budget estimatesBill	
Reduction	7, 833, 716.00
Independent offices: Budget estimatesBill	1, 004, 548, 301. 00 1, 002, 890, 779. 00
Reduction	1, 657, 522. 00
Four departments (State, Justice, Commerce, Labor): Budget estimates	103, 282, 039. 00
Reduction	5, 284, 742. 60
Legislative bill: Budget estimatesBill	21, 348, 908. 00 16, 588, 878. 00
Reduction	4, 760, 030. 00
District of Columbia: Budget estimates Bill	37, 420, 770. 00 34, 451, 565. 00
Reduction	2, 969, 205. 00
Navy Department: Budget estimatesBill	308, 669, 562. 00 308, 669, 562. 00
Total reduction	77, 310, 346. 02
Deduct net amount added by House to bills which have passed House	3, 196, 203. 00
Total net decrease below estimates	74, 114, 143. 02
Mr. Chairman it took months of hard w	ork and holding

Mr. Chairman, it took months of hard work and holding tedious hearings for the past 10 weeks and fighting bureau chiefs and heads of departments across the table to make the above reductions. And you will note that we allowed for the Navy Department every cent that the Budget asked for, when, in my judgment, several big reductions in that bill should have been made. And I intend to try to reduce this bill when it is up for amendment.

But I want to get back to my subject, and that is "unfair newspaper reports."

Let me call your attention to something else. The Washington Times of yesterday carried an article, concerning which there is not one single scintilla of basis or foundation for it. There is not a member of the Committee on Appropriations who will say that he ever dreamed of such a thing. There is not a Member of this Congress who will say that he ever dreamed of such a thing. Here is what the Times said yesterday afternoon to try to hamstring me and to try to hamstring Clarence Cannon because he made a man's fight here for the people. The article starts out with big headlines, "Texan slated as D. of C. fund dictator." Then the following subhead:

Reports persist that Blanton is to fall heir to Cannon's rôle on appropriations.

I now quote from the article:

In the face of denials by both principals, rumors persisted about the halls of Congress to-day that Representative Thomas L. Blanton, Democrat, of Texas, would succeed Representative Clarence Cannon, Democrat, of Missouri, as chairman of the House Appropriations Subcommittee for the District.

The change according to the rumor, will be effective with the

The change, according to the rumor, will be effective with the next Congress and, if so, Blanton will wield the whip in writing the 1935 District supply bill.

BACKED BY BLANTON

Cannon wrote the 1934 District supply bill, just passed by the House, but Blanton backed him whole-heartedly, and in most cases during the bill's stay on the floor led the fight which resulted in the death of most of the amendments offered by friends of the District in an effort to bring the bill to an approximation of Budget Bureau figures.

There is not a word of truth in this whole statement. There was not any basis or foundation whatever for such a statement as this. Why does a paper want to broadcast a thing like this? It was an effort to injure me and an effort to injure that splendid, hard-working, honest Representative of the people, Clarence Cannon, of Missouri, than whom there is not a more valuable man in this Congress.

Do you think they are going to get away with a thing like this? Do you think in this day and time press representatives in the Press Gallery can send out reports of this kind to people all over the United States and get away with it? They can not do it.

Mr. SCHAFER. Will the gentleman yield?

[Here the gavel fell.]

Mr. BLANTON. May I have two minutes more? The gentleman from Wisconsin is dying to ask me a question and I am dying to answer him.

Mr. AYRES. I yield the gentleman two minutes more.

Mr. SCHAFER. Does the gentleman intend to criticize the Washington Times for recognizing his sterling worth as a financial guardian of the People's Treasury by suggesting it is rumored he is going to be the financial dictator of the District, so that he can 100 per cent carry on the great work which he boasted about to-day?

Mr. BLANTON. No newspaper has the right to fabricate statements. Now, let me tell you some more about the press. They play John Schafer and myself up as if we just hated one another. We fight each other like hell across this aisle, but we are the best kind of friends personally.

When he runs for the Senate I do not want any wet Wisconsin people to vote against John Schafer next year, because I am his friend. I want the wets out there to support him, because he is a past master wet, and he did not deserve to be beaten by the wets this year. The wets ought to have taken care of him. He has not let a day pass in this Congress or in the last Congress or in any Congress since he has been here without making a speech for the wets, and yet they let him go by when election time came. They ought to take care of you, John, and it is ridiculous to play you and me up as enemies just because you are a wet and I am a dry and just because you get up here and make foolish proposals once in a while. [Laughter.]

[Here the gavel fell.]

Mr. AYRES. Mr. Chairman, I yield 15 minutes to the gentleman from Illinois [Mr. Parsons].

Mr. PARSONS. Mr. Chairman, I have not taken up much time of the House at this session, and but very few lines in the Congressional Record, but I have asked for this time to call attention to H. R. 14664, a bill introduced by me last week, designed to apply drastic laws and regulations in order to restore farm commodity price levels and incidentally rehabilitate labor and our financial structure which has all but crumbled during the depression.

This economic collapse is now beginning its fourth year. In the meantime hundreds of schemes are proposed for its treatment and cure. The catalogue of opiates, stimulants, and remedies includes vast loans of money for every known activity; currency expansion, with little regard for our basic monetary system; coinage of silver, harking back to the days of the Populist and Bryanism; revaluation of gold with its attendant grave consequences; various schemes for agricultural relief include the equalization fee, debenture, and bounties, down to the present allotment plan which was recently passed by the House; farm mortgage loans of various sizes and denominations are proposed; and proposals for amending the bankruptcy law which borders on the line of debt repudiation. Throughout three years of this constantly increasing catastrophe we seem to be getting further and further away from the real issue.

Without going into detail, let us briefly for a moment review the deep-seated causes of the depression. The germ was first sown in the summer of 1920, when the Federal Reserve Board issued its call for deflation. Between July and December 31 of that year, agricultural commodity prices to the farmer broke almost 50 per cent. A panic for business generally was averted at that time by an expansion of industry and manufacturing in an era of building and construction. This activity kept at a level war prices, for everything except farm products. It was indeed a golden era of prosperity for everybody except the 35,000,000 people on the farm. Gradually but surely their buying power diminished. Industry, temporarily crazed by the machine age through mass production and selfish ambitions for huge fortunes, substituted in the place of man labor, inventions of labor-displacing machines by the score, thus placing more than 2,000,000 men in idleness. Their buying power, together with that of agriculture, became almost nil. The expansion of corporate interests must need find a market for stocks and bonds, that gave rise to a securities market, the like of which had never been known in any nation in the world before, and in the wild scramble for gold which followed, these paper securities were inflated to two, three, and in many instances five times their intrinsic values. The bubble burst with its attendant evils and the gravity which pulled the prices down was in direct ratio to the inflated levels they had reached prior to the collapse. To sum up, the causes of depression are: First, deflation of farm prices; second, the era of invention and machines; third, plant expansion and stock securities issue; fourth, reaction and deflation of security values.

Now, what has been done since October, 1929? The first measure proposed was the reduction in income taxes passed in December of that year, which made the reduction retroactive to apply to the year of greatest speculation and profits in the history of the country, with an accompanying loss in revenue to the Federal Treasury. Second, a moderate expansion of construction and public building, advocated by the Federal Government, all of which was a drain upon the gradually diminishing revenues of the Federal Treasury. Third, the Hawley-Smoot Tariff Act, which brought about retaliatory tariffs and destroyed our foreign trade. Fourth, declaration of the moratorium on foreign debts, which closed the door of the Treasury to more than \$250,000,000 revenue annually. Fifth, passage of the Reconstruction Finance Corporation act, with the power to prop up the credit of the railroads, insurance companies, and banks, which entailed further drains upon our diminishing revenues. Sixth, extension of \$125,000,000 loan to Federal land banks, four-fifths of which was to stimulate the price of their bonds and keep solvent these institutions. Seventh, expansion of the currency through the Borah amendment to the home-loan bank bill, which only accumulated currency in the vaults of the banks. Eighth, to ease the credit of the banks, through the Glass-Steagall bill, which permitted open-market operations in the purchase of Government bonds by the Federal reserve, with no result of opening up credit extensions to the public generally. Ninth, passage of the Goldsborough bill to raise the commodity price level, but without machinery and teeth in the law to bring results. Tenth, passage of amendment to bankruptcy laws, although well intentioned, that must inevitably destroy, not only the creditor class, but the debtor class as well by wiping out credit extensions in the future. Eleventh, consideration and passage of the allotment plan for agriculture, which I supported as the only measure seriously proposed, but which can accomplish no beneficial results for any farm commodity, except those of which we produce a surplus; that is, wheat and cotton. I am willing to try it, but it covers such a small portion of the total wealth produced by agriculture that we can not hope for flattering

In all of these proposed measures, some of which have become law, we have ignored the burning question at issue, and have sought through some miraculous way, unknown to the ingenuity of man, to someway, somehow, bring about a reaction and upturn in commodity prices. The purpose of the Farm Board was to aid and assist our basic industry. Great claims were made in advance for its immediate restoration of agriculture. In the light of subsequent events, the only purpose it accomplished was to hold out an incentive for greater production, with successive accumulation of stocks of cotton and wheat, that drove the price to the lowest level, almost, in history.

For the first 10 years following its fall in 1920, leaders were constantly speaking of restoring agriculture to a parity with industry. For the moment, at least temporarily, the talk to-day is to restore agriculture to its pre-war level. Let us not deceive ourselves that the pre-war price for agriculcultural commodities will carry us out of our present difficulties. Why do I say that? Taxes on farm lands since 1913 have increased 300 per cent. The best economy in the world can not reduce the tax burden more than one-third without destroying established functions of government, whether it be Federal, State, county, or city. In the same period governmental debts, corporate and individual, have increased on an average of more than 1,000 per cent and in the way of our national debt more than 2,000 per cent. The cost of the standard of living in the same period has increased at least 400 per cent. Does anyone for a moment believe that 1913-14 prices for agriculture will improve and permanently relieve the present situation? It will help, of course, but it is impossible to expect such prices to pay the increased taxes, interest, and debt in this country or in any other country that was engaged in the World War.

The World War cost approximately \$260,000,000,000 in money and treasure, the largest portion of which was financed by bonds, and of which at least \$150,000,000,000 remain unpaid. Interest alone on these loans approximate \$5,000,000,000 annually, which is far more than the total wealth of agricultural production in the United States annually. The total indebtedness of the world, including national, internal, corporate, and individual debts, approximate \$500,000,000,000. To amortize the repayment of these debts over a period of 33 years at a rate of 5 per cent interest gives the enormous total of one thousand billion dollars, or about an equal amount of the value of all property, both tangible and intangible, in the world in 1929. It is not my purpose to discuss the debt situation. I only mention these figures to show how futile it is, to think for a moment, that pre-war prices for farm commodities can pay this debt.

The following table shows the price level of all classes of commodities for the years 1931-32, compared with the year 1913, based on the 1926 index price level, and indicates clearly not only the poverty of agriculture but the futility of 1913 prices to meet the demands of increased buying power to-day.

Index numbers of wholesale prices by groups of commodities, years 1931-32, compared with 1913

[Note comparative index in columns 10, 11, and 12-1926=100]

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		2	3	4	5	6	7
Year	Foods	Hides and leather products	Textile products	Fuel and lighting	Metals and metal products	Building materials	Chemi- cals and drugs
1931 1932	74. 6 61. 8	86. 1 72. 9	66. 3 54. 9		84. 5 80. 2	79. 2 71. 4	79. 3 73. 5
1913	64. 2	68.1	57.3	61. 3	90.8	56. 7	80. 2
	8	9	10	11	Gran C	12	
Year	House furnish- ing goods	Miscel- laneous	A verage, all com- modities	Farm products	Farm prices below com- modities prices		
1931	84. 9 75. 1	69. 8 64. 4	76. 9 69. 3	64. 8 48. 2	12.1, or 18.67 per cent. 21.1, or 43.77 per cent.		
1013	56.3	93.1	69.8	71.5	17 or 24	ner cent al	ove other

In the year 1931 farm products showed a price level of 64.8 compared with an average of all other commodities of 76.9, or 12.1 below the general commodity price level. In 1932 the farm products price level stood at 48.2 compared with the average of all other commodities of 69.3, or 43.77 per cent below other commodities in purchasing power. Therefore the purchasing power of the agricultural dollar is only 56.23 cents.

commodities.

To give a better idea of the present plight of agriculture, let us see what the record shows with reference to price of basic products compared with the price of the processed, manufactured, or finished product as of the month of November, 1932. Bear in mind that all prices are based on the 1926 index.

Index numbers of wholesale prices of farm products compared with index wholesale prices of processed or manufactured commodities for November, 1932

[1926=100]

Farm products	Index, November, 1932	Manufactured products	Index, November, 1932
Corn Oats Wheat Cattle. Hogs Sheep Poultry. Cotton Fruits Peanuts Tobacco Potatoes Wool Hides. All grains (average) All farm products (average)	26. 4 30. 0 52. 0 35. 5 72. 4 31. 9 44. 2 24. 1 42. 3 35. 6	Corn products Oat products Bread. Beef Pork Mutton Poultry, dressed. Cotton goods (average) Fruits Peanut products Tobacco products (average) Potato products. Woolen goods. Boots and shoes (average) Farm machinery (average) Fertilizer Motor vehicles (average) Building material (average) House furnishing goods (average) All commodities (average)	52.1 87.6 87.9

Quotation of a few items will suffice. Wheat shows an index price of 29, while bread for a like period is 87; cotton is 35.5, while cotton goods are 56.6; hides are 35.6, while boots and shoes are 84.2; all grains average 34.3, while all farm machinery is 94.2; all meats average 34.4, while motor vehicles average 92.7 for the same period. A sad story, indeed, is told by these facts. The world is fed, clothed, housed, and transported at the expense of the farmer or consumer, or both. Some say that the consumers' price must come down to the farm products' price; others say these prices should strike a happy medium. I claim that any price level substantially below the 1926 price index can not suffice for a permanent recovery for agriculture.

The goal I purpose to reach in H. R. 14664 is the 1926 price level, which is gaged in the following table, and shows

the price per unit of major farm products compared with the present ruinous prices based on the market quotations of February 6, 1933.

Comparative price for farm commodities for the year 1926, with market quotations for same products February 6, 1933

Year	Co	rn	0	ats	W	heat	c	attle	Hogs	Sheep	Poul- try	Cotton
1926 1933	\$0.	759 21		430 15		542 42		0. 354 4. 25	\$13, 115 3, 30	\$13. 701 5. 10	\$0. 252 . 125	\$0. 175 . 05\$3
Year	100	Eg	gs	App	ples	Hay	y	Milk	Pea- nuts	Tobacco	Pota- toes	Wool
1926 1933		\$0.	356 145	\$4. 3.	102 281	\$21. 00 9. 00		\$3, 130 1, 85	\$0.050 .015	\$22, 462 7, 94	\$3. 525 . 75	\$0.457 .12

Thus it will be seen the standard of price to be attained is three-fold over the present price and in the case of a few products an increase of 400 per cent. Unlike other farmaid measures it attacks the root of economic distress—"overproduction"—whereas other measures designed to aid agriculture only resulted in accumulated surpluses to hang over the market as a constant threat and beat down prices.

So far to date we have pursued only one course in this economic disaster, and that is the route of bankruptcy, receivership, and liquidation. It is true we have tried to prop up, temporarily, the credit of railroads, insurance companies, and banks, and this action was warranted and justified. The Reconstruction Finance Corporation has served a useful purpose, but unless price levels are reestablished no corporation or concern whatsoever will be able to make returns on its loans. Already many banks which sought and received temporary aid, have, in the last few months, closed their doors. Reconstruction Finance Corporation loans stand as priority claims against the banks, and leave little or no hope for depositors to receive anything after liquidation. The recent failure of the largest bank at Knoxville, in eastern Tennessee, is an example of the vicious system of undertaking to break the depression through further extension of credit. Are we so blind to conditions to believe that credit poured out by the millions on banks and corporate institutions will retrieve our losses and reverse the wheels of economic machinery and check falling prices? No economist believes such doctrine for a moment. No amount of credit, however great, or however widespread, can scotch falling prices so long as agriculture overproduces and consumers underconsume.

Much of the time of the last session of Congress, and no little talk in the present session, has been taken up with balancing the Federal Budget. There is a thought prevalent among big business men to-day that the Federal Budget must be balanced. That is, that sufficient revenues be raised to meet the expenses of government. I too, believe in that philosophy, were it possible to muster the revenues without further destroying business activity at this time. But I declare to you that before the Federal, State, or county budgets can be balanced with any degree of permanency, that the budgets of the more than six million farmers of this country must first be balanced. From whom flows the revenues to balance our Government budgets? Those revenues depend wholly and entirely upon the surplus budgets of the farmer, the laborers, and the business and corporate institutions of this country. You must first balance the individual's budget by assuring to him an earning power that will enable him to meet the requirements of taxation. I submit to the United States Chamber of Commerce, whose committee has spent so much time in propagandizing the balancing of the Federal Budget, that had they spent as much time devising ways and means to balance the individual's budget, there would be no cause to worry about balancing the Government's Budget.

I desire to call your attention to what the national agricultural commodities act proposes to do. It declares what ought to be declared—a great national emergency existing

as threatening to our national existence and domestic tranquillity as a state of war, and seeks to do directly what we have been trying to do indirectly, limit production and raise agricultural commodity price levels. For a period of two years, or until such time as the 1926 price level is reached, the President of the United States is authorized to act through a board of five members appointed for the express purpose of carrying out the provisions of the act. First, to limit acreage and production by the assignment of fixed quotas of acreage and facilities of production, not to exceed 20 per cent in any one year, to be applied and exacted in the discretion of the board and the President. The President also has power to assign quotas that may be marketed in any one period so as to make the marketing conditions orderly and as natural as the law of supply and demand. The board may, at its discretion, fix and publish successive minimum prices, at which the following products may be sold by the producer: Corn, oats, wheat, rice, peanuts, tobacco, sugar, cotton, wool, cattle, hogs, sheep, fish, poultry, and dairy products and such other agricultural products as the President may deem it necessary to bring within the scope of the act in order to effectively carry out its purposes. The check-up is accomplished through requiring reports under oath from each farmer who produces more than a given amount of any commodity, and through the licensing of dealers in such commodities in interstate commerce. It repeals the Federal Farm Board act, except that provision supplying loans to cooperatives, and transfers the powers to the emergency board. It provides for tariff adjustments so as to protect the American market from importations of foreign goods at a less price than the established minimum price, and protects manufactured goods as well as agricultural products. It provides an appropriation of a sum not to exceed \$100,000,000, of which \$10,000,000 may be used by the board for fostering and developing public patriotic cooperation by means of advertising in newspapers, magazines, periodicals, and radio broadcasting. It also provides for further unemployment relief by authorizing the Reconstruction Finance Corporation to extend loans to States, counties, and municipalities in a sum not to exceed \$500,000,000. It places teeth in the law to enforce the provisions of limitation of production and against seditious propaganda to defeat the purposes of the act.

Mr. LANKFORD of Georgia. Will the gentleman yield?

Mr. PARSONS. I yield.

Mr. LANKFORD of Georgia. Does your bill provide for loans to farmers while their products are being held for the

Mr. PARSONS. Not at all. It proposes to raise the price so that he will have increased revenue and consequently will not need to borrow.

Mr. GARBER. Will the gentleman yield?

Mr. PARSONS. I yield. Mr. GARBER. I am much interested in the gentleman's suggestion and the importance of his pending bill, but I would like to know if in case such delegation of power was given to a board to curtail production it would be sustained by the courts as constitutional?

Mr. PARSONS. Does the gentleman believe that conditions to-day are as serious as conditions during the war?

Mr. GARBER. Economically, I think they are.

Mr. PARSONS. And the gentleman believes that general unrest and disturbance incident to our economic life is as dangerous to our institutions and the safety of our Republic as in a state of war?

Mr. GARBER. Probably so.

Mr. PARSONS. Then we are justified in declaring such

Mr. GARBER. Except in war physical conditions of the country may result in an emergency, but it will not warrant the radical violation of the Constitution.

Mr. PARSONS. The gentleman is correct—in fact, the Constitution does not give any right, even in time of war, except in relation to suspension of habeas corpus and the quartering of soldiers.

Mr. GARBER. Suppose you enact your bill delegating this power, and the farmer, who has 10,000 acres of wheat, says he does not want to curtail, that this is his property and his private right. Does the gentleman think we would have any constitutional right to invade that man's right?

Mr. PARSONS. I will answer that by saying that this bill, placed into operation by proper, patriotic cooperation, will create a psychology in scarcity of agricultural products, which will raise the price at once, and, in my judgment, will attain results. However, I will get to the constitutional phases of the bill in a moment.

DOES NOT INTERFERE WITH BUSINESS

The bill does not interfere with the normal current of business transactions. It does not interfere with manufacturing, processing, distribution, or sale of either agricultural commodities or other products except by giving protection to the American market.

It does not interfere with normal agricultural activity except to restrict production so as to make the law of supply conform to the demands of consumption. It does not pay a bounty or subsidy to any class or group. It does not provide for any tax or cost to the Federal Government except for its administration. It does not operate for a period longer than two years unless extended by Congress or unless the 1926 commodity price level is reached, in which event all operations under the board cease.

I know full well that the first argument to be made against the bill is its unconstitutionality, and I admit that under a strict construction the argument has import, but under every emergency in war Congress and the people have found some way of avoiding strict constitutional provisions. The purpose of the Constitution, as recited in its preamble, was to provide for the common defense, insure domestic tranquillity, promote the general welfare, and secure the blessings of liberty to the founders and their posterity. That was a prescription, as it were, to be filled for the restoration of orderly government and control of the thirteen original Colonies or States, then disrupted and frought with dangers at the close of the Revolutionary War, and from the sad experiences of government under the Articles of Confederation. Many compromises had to be made. After months of deliberation the various chemical elements of political sagacity and statutory law were assembled into what we know to-day as the Constitution of the United States. Fortunately for us, their posterity, it was drawn so loosely as the many conflicting opinions of the time made necessary that it should be. It was made strict enough to force orderly procedure out of chaos, and liberal enough to throw its mantle over every emergency we have had to face in the 150 years of its history. More than once in time of war some of its provisions have been suspended. No time to wail or quake then, when the destiny of the Republic was at stake. There is not one in this Chamber who does not believe that conditions are as serious to-day and as threatening to our domestic tranquillity and individual liberties as any day of any war in our history. If there is one so optimistic as to believe otherwise, I pause for him to rise from his seat to make it known. If there was as much unrest and domestic strife in time of war as there is in America to-day, this Congress would not hesitate for a moment to pass any and every drastic act to counteract such poison in the national system.

If in time of war any individual citizen who willfully permitted waste and extravagance or repressed labor and those under his control and permitted citizens to starve and freeze by failing to provide the necessities of life, the law would take him into its clutches and deal with him accordingly. When the Nation is at war patriotic fervor is awakened and the mystic chords of memory bind and cement us into one common purpose of self-preservation. We are at war to-day, not with a foreign foe from without but at war with a domestic foe from within. We are at war with depression that is laying its palsied hand upon business and commerce. Strange, but it is true, that the very system of mass production created to care for our people is driving thousands to

desperation, near starvation, and destitution. In times of war with a foreign enemy our people feel themselves justified in making personal and physical sacrifices for the common preservation of our country. We must be taught in this crucial hour to make the same financial, personal, and physical sacrifice that we have been wont to make in the past. If we can temporarily suspend the Constitution in time of armed conflict to promote the general welfare of our people, I submit that in times of unarmed conflict we are warranted and justified in adopting drastic law and regulations to obtain the same result.

I was about to say we were cowards-afraid to do it-but we are not cowards. We simply do not fully realize the serious condition we are in and the urgent necessity of restoring commodity price levels and with them former values to property. The buying power of the world, no matter what country or under what flag, depends on agriculture. Everything that was, everything we have, and everything we hope to create has and must come from the soil. The billions of wealth invested in lands and properties and things material were once a natural resource more or less hidden in the soil of mother earth. The farmers of this country and of every other country are "the hewers of wood and the drawers of water." From the toil of him who plows in the field and labors in the mine and the quarry comes the foundation of our national wealth to-day and in the future. The safety of any country, and especially of republics, lies in giving to him that labors a larger portion of the consumers' price for the raw material which he produces. I believe in the capitalistic system, but I frankly say that if the capitalistic system is to endure it must admit the premises of labor and assure to him a just wage for his toil.

Mr. Chairman, these are perilous times. The patient is critically ill with lingering sickness. We have tried one kind of opiate and stimulant after another without permanent improvement or recovery. We know the desired end we hope to attain. That is, higher prices for farm products. Why waste further times in unknown cures and panaceas? To continue the present policy means further bankruptcy and lower price levels. Bloodshed and revolution can and may follow in its wake with some form of dictatorship in the end. I plead for the alternative to revolution—higher price levels.

I realize that nothing can be done in the few remaining days of this session, but I submit this relief plan, for your consideration in the special session which will soon be called. President Hoover, in his message yesterday, said it is essential temporarily to reduce farm production so as to remove the back-breaking surpluses of agricultural products and thus raise agricultural income.

I agree with the President in this belated announcement. Limit production, wipe out the surpluses, create at least a psychological scarcity of food materials, and prices will rise overnight. A rising market exerts activity; activity begets employment and employment means wages and prosperity. Let us mobilize the energy of the Nation; every agency of Federal, State, county, and city governments; all the forces of finance, industry, and agriculture, and unite them into one common patriotic impulse of "destroying depression and winning prosperity." The press of the Nation is anxiously waiting to help carry out such a program. [Applause.]

Mr. TABER. Mr. Chairman, I yield 30 minutes to the gentleman from New York [Mr. Culkin].

Mr. CULKIN. Mr. Chairman, every economist of note in America assents to the proposition that the return to normal times is dependent very largely upon reestablishing the buying power of the farmer. I am advised that this view is shared by Mr. William Green, president of the American Federation of Labor.

The allotment bill recently passed by the House had for its objective the raising of commodity prices and the restoration of the buying power of the farmer. In the House bill it was provided that the agricultural groups who were to be the beneficiaries of this legislation were to reduce their acreage of production by 20 per cent.

PROBLEM OF SURPLUS

The House recognized the effect of a ruinous surplus in each line of production covered by that bill. The Senate, as I understand, has stricken out this provision. In my judgment, the absence of that limitation on production will create an even greater surplus because of the increased prices obtained for the particular product. It is axiomatic to say that the farm problem to-day is a problem of surplus and the problem of surplus will be the determining factor in causing commodity prices to rise or fall.

THE RECLAMATION FOLLY

During my service here I have given some study to reclamation as a factor in creating surplus crops from which agriculture suffers. The matter was forcibly brought to my attention by the vegetable farmers in my locality who claimed that they were being destroyed by crops grown on Government reclaimed lands. For the purpose of curing this situation I introduced a bill, H. R. 13917, by which it is declared to be the policy of the United States that no public moneys shall be expended, either directly or indirectly, for irrigation or reclamation purposes, except for projects now in work by any department, officer, employee, or representative of the Government. I marked the bill for reference to the Agricultural Committee, but the parliamentarian, or whoever is in charge of reference of new legislation, sent it to the Committee on Irrigation and Reclamation. The gentlemen composing this committee are all ardent advocates of reclamation, and the bill, of course, is sleeping its last sleep in the files of the committee. I am not optimistic enough to believe that the committee will report this bill or any other bill that qualifies in any way this fatal procedure which is destroying the American farmer. To my mind, the greatest economic crime in the history of civilization has been the policy of reclamation blindly and stupidly followed by the Bureau of Reclamation during the past 30 years.

PUBLIC ENEMIES

In the city of Chicago, during the pending civic crisis, the vice commission charged with bringing the criminal element of that city to book designated certain underworld leaders as public enemy No. 1, public enemy No. 2, and so forth. I here and now indict and charge the Reclamation Bureau of the Department of the Interior as being public enemy No. 1 of these United States. This outfit has brought the farmers of the country to their knees and has well-nigh destroyed them. The unhappy condition in which the farmer, East and West, now finds himself is largely due to this reclamation folly which has been fostered and propagandized by public officers with public moneys.

Not one of these reclamation projects has been economically sound. All of them, whether public or private, have been subsidized either from the Public Treasury or by investors who have lost heavily. There are many of these projects, running into millions of dollars, which the Government has written off the books. The remaining and existing governmental projects show a period of repayment extending as high as 96 years with an annual payment per acre as low as 98 cents. It should be remembered that these are deferred payments not actually beginning until the project has been for many years under going conditions.

METHOD OF PAYMENT

To give you an illustration of the period of repayment I cite you a partial list of these projects with the period of repayment.

Project	State	Period of repayment
Boise Belle Fourche Strawberry Garland Kittitas Baker Vale Owyhee	Idaho South Dakota Utah Wyoming Washington Oregon do Oregon-Idaho	Years 46 41 32 40 96 85 67 75

From these figures it will be seen that the grandchildren of the present workers on these projects will still be paying for this land. No further evidence is needed of their absolute futility.

PRESENT ACREAGE SUFFICIENT

The House should take into consideration in deciding the continuation of this policy the fact that there are out under the suns in these United States, lands suitable for producing crops without irrigation and reclamation amounting to 973,000,000 acres. The acreage report of the Census Bureau of crops harvested in 1929 shows something less than 300,000,000 acres in use. This is less than one-third of the potential crop acreage of the United States. So that, during the period when \$300,000,000 was poured into this mad reclamation scheme by the Government and more than \$800,000,000 by private enterprise, there was available 600,000,000 acres of land suitable to cropping.

My friends from the reclamation States will say that the Government has no control over private enterprise that has entered this field. This is true from a legislative standpoint, but the fact is that the Bureau of Reclamation has had its finger in every one of these projects. It has fostered and encouraged them. In its report of 1929 they take under serious advisement the proposition of taking over certain private projects. Not one of these projects but has had the definite backing of Mr. Elwood Mead and his group of reclamationists. Not one of them but could have been stopped. Not one of them but would have died aborning if the Reclamation Service had declared them uneconomical or impractical. This group, whom I definitely charge with destroying the American farmer, East and West, has been the power on the throne and behind the throne in the promotion of these projects. No governmental group compares with them in power. No government official has dared to raise his voice against their wanton and ruthless procedure.

Mr. EATON of Colorado. Mr. Chairman, will the gentleman yield?

Mr. CULKIN. For a brief question.

Mr. EATON of Colorado. Does not the gentleman know that the amount of money which has been used for these reclamation projects has come out of the lands and the revenues produced from the very State in which the money has been spent, and not out of the Treasury of the United States?

Mr. CULKIN. That, I will state to the gentleman, is one of the conventional fictions and unsound claims made in connection with this matter. These receipts, the so-called revolving fund, come from the sale of public lands owned by the United States, not by these reclamation States. The reclamation States are no more entitled to that sum than is the city of New York—or the State of New York entitled to the customs receipts that are paid at the port of New York.

Mr. GOSS. Mr. Chairman, will the gentleman yield? Mr. CULKIN. Yes.

Mr. GOSS. Does the gentleman know how many million dollars of permanent, either specific or indefinite, appropriations are expended for this purpose and have been for the last hundred years, perhaps?

Mr. CULKIN. The gentleman means directly by the Government?

Mr. GOSS. As the result of permanent law, appropriations that do not come up for consideration of Congress each year in the annual supply bills—permanent appropriations?

Mr. CULKIN. The gentleman has reference to money that has been appropriated by Congress?

Mr. GOSS. Certainly. All these laws that have been passed, and where the appropriations are annual, out of the jurisdiction of the Congress, and never come back to it in the annual supply bills, appropriating for reclamation and irrigation matters.

Mr. CULKIN. Yes, that amounts to millions of dollars a year.

SURPLUS CREATED BY RECLAMATION

I desire to put into the RECORD at this point a table showing the amount of crops grown under irrigation in the United States in 1919.

Relative importance of crops grown under irrigation and the ratio of the value of the part of each crop grown on irrigated land to the total value of that crop for the United States, 1919

	Value of irr	igated crop		Percentage relation of	
Crop	Amount	Percentage of value of all ir- rigated crops	Total value of crop for the United States	value of irrigated crops to total value of the same crops for the United States	
Total	\$819, 655, 184	100.0	\$14,755,364,894	5. 6	
Corn. Oats. Winter wheat Spring wheat Barley. Kafir, milo, etc. Rough rice Dry beans, navy, etc. Timothy alone. Timothy alone. Timothy alore mixed. Alfalfa. Other tame grasses Wild, salt, and prairie grass. Grains cut for hay. Silage crops. Potatoes Grapes. Apples. Peaches Peaches Pears Plums and prunes. Oranges. Lemons. Sugar beets grown for sugar. Cotton.	11, 692, 813 9, 534, 495 15, 269, 840 37, 556, 853 10, 775, 076 12, 986, 298 4, 582, 995 13, 782, 635 186, 391, 209 6, 743, 377 17, 954, 630 8, 448, 901 38, 31, 525 50, 778, 993 24, 566, 584 24, 670, 284 4, 695, 648 15, 188, 490 58, 244, 422 244, 566, 584 24, 670, 284 15, 188, 490 58, 244, 422 26, 750, 832	1 1.2 1.9 4.6 1.3 3 .8 11.8 1.6 .6 1.7 7 22.8 8 2.2 2 1.0 .4 4.3 0 3.0 .6 1.9 7 7.1 2.0 4.7	160, 427, 255 90, 221, 046 97, 194, 481 61, 795, 225 315, 040, 747 416, 178, 534 133, 181, 607 226, 502, 614 120, 229, 829 240, 022, 388 639, 440, 521 95, 586, 021 241, 573, 577 95, 569, 868	.3 1.1 .9 8.0 .7 7.5 99.1 21.0 1.5 2.3 44.9 4.9 7.9 7.0 6.8 0.0 38.0 10.1 25.8 17.7 37.1 53.0 87.7 62.6	

I ask the membership of the House to examine this table at their leisure. The table shows that in the year 1919 the percentage relation of the value of irrigated crops to the total value of the same crops for the United States was 5.6 per cent. The percentage of cereals, including corn, oats, wheat, and barley, for that year was 11 per cent. The value of beans was 21 per cent; potatoes, 8 per cent; grapes, 38 per cent; peaches, 25 per cent; pears, 17.7 per cent; plums and prunes, 37 per cent; lemons, 87 per cent, and oranges, 53 per cent. It should be remembered in this connection that oranges have largely replaced apples which had an earlier place in agricultural production.

I place in the Record also a table showing the relative importance of crops grown under irrigation and the percentage of the value of the part of each crop grown on irrigated lands to the total value of that crop for the United States for the year 1929.

Relative importance of crops grown under irrigation and the ratio of the value of the part of each crop grown on irrigated land to the total value of that crop for the United States, 1929

	Value of irrigated crops	Acreage of irri- gated crops		Percent- age rela- tion of value of
Стор	Amount	Percentage of United States total of the specified grops	Total value of crop for the United States	irrigated crops to total value for the same crops for the United States
Total	\$899, 942, 549	4.0	\$8,077,812,320	11.1
Cereals (including corn, rye, bar- ley, oats)	94, 057, 264 43, 777, 658 169, 163, 452	1. 6 5. 2 10. 4	3, 170, 691, 603 234, 194, 340 988, 436, 875	3. 0 18. 7 17. 1
Silage and miscellaneous forage crops. Root crops for forage. Vegetables ¹ Planted sugar crops.	3, 740, 885 74, 784 138, 809, 727 42, 678, 942	1. 1 9. 0 12. 2 46. 9	196, 883, 541 885, 220 1, 004, 568, 393 86, 903, 003	1. 9 8. 4 13. 8 49. 1
Other crops Small fruits Orchard fruits Grapes Subtropical fruits	68, 480, 808 6, 305, 508 111, 113, 718 37, 351, 036	1.9 5.3	1, 739, 542, 956 63, 810, 720 299, 049, 812 56, 168, 987 217, 446, 880	3. 9 9. 9 37. 2 66. 5 79. 2
Nuts	172, 184, 856 12, 203, 911		19, 229, 990	63. 5

¹Including potatoes (white) and sweetpotatoes and yams,

In that year the total value of all irrigated crops was | \$899,942,549. The total value of all crops in that year was \$8,077,000,000. In that year irrigation produced 11 per cent of the crops of the United States. Cereals in that year, including corn, oats, rye, and wheat, were 3 per cent of the value of that product. This was production enough to break the market. Vegetables were 13.8 per cent; orchard fruits 37 per cent; and grapes 66 per cent.

For the purpose of keeping the record clear, I am placing therein the actual crops grown on Federal reclamation

Relative importance of crops grown on Federal reclamation projects and the ratio of the value of the part of each crop grown on such lands to the total value of that crop for the United States,

		f crop on led land	Total value of	Percentage relation of value of crops pro- duced on reclaimed land to total value of the same crop for the United States	
Crop	Amount	Percentage of value of all crops on reclaimed land	crop for the United States		
Total	\$88, 459, 390	100.0	\$8, 077, 812, 320	1.1	
Cereals	7, 236, 744 1, 345, 544 21, 772, 631 19, 925, 976 12, 108, 685 26, 069, 810	8. 2 1. 5 24. 6 22. 5 13. 7 29. 5	3, 170, 691, 603 234, 194, 340 1, 186, 205, 636 1, 004, 568, 393 655, 706, 389 1, 826, 445, 959	.2 .6 1.8 2.0 1.8	

This table shows the conventional percentage of 1.1 as the value of crops produced on reclaimed lands to the total value of the crops of the United States. But the committee should bear in mind in that connection that the Bureau of Reclamation has been the chief influence which brought about these other projects.

Another phase of this matter which is worthy of consideration, is the fact that not only has this mad policy brought ruin to the agricultural group in America but also to the unfortunates who, under the drive of departmental propaganda, located on these lands and farmed them. Not a single one of these projects, public or private, has been self-sustaining. They have been subsidized either by the Government or private investors who have, as a rule, lost a large percentage of the money invested in these irrigation schemes. The greatest sufferers, I repeat, were the men and women who went on these lands. They found no local market except for a small portion of their production and by reason of existing overproduction in these fields they found little market outside. Despite their heroic toil and labor they faced financial ruin from the beginning as did the investors who financed the copartnership or corporate groups. I repeat, not one of these projects was sound. It simply added to the surplus with little local market for the product of their labor.

DUMPING

Let me read from a clipping which appeared in the New York Times of June 20, 1930, and was found in my file when preparing these remarks. The article states in part:

In the 10 days ending June 19 the Pennsylvania Railroad dumped 49 cars of perishables from the South and Southwest States and California. The total included 31 cars of beans, 1 car of squash, 7 cars of cucumbers, 1 car of cabbage, 1 car of beets, and 8 cars of California lettuce.

Dumping has been continued through the years 1931-32. It is the direct result of the crime of reclamation. Normally these markets would not have been glutted by these products and the local vegetable grower to whom the market naturally belongs, would have received a fair price for his product. As it is the grower, east and west, is at the mercy of the nimble middleman. Both the eastern and western growers are, in fact, ruined and have been in a state of chronic bankruptcy since this overproduction under Government auspices or propagandized by Government officers began. This group in the Bureau of Reclamation are the most expert propagandists in the history of our Government. Nor do they hesitate to invade other fields if occasion requires. They even regulate the public morals.

On page 4 of the Report of the Commissioner of Reclamation for 1930 the distinguished commissioner states in regard to Boulder City:

When the reservoir is filled the water will come up the valley when the reservoir is filled the water will come up the valley almost to the town and the great lake will stretch away more than a hundred miles through a region of rare scenic beauty. The region is healthful and it is anticipated that a popular resort may grow up here when the reservoir has been developed. The town is located on public land, and the Government plans to retain ownership of the land and lease it to those who live on it or use it for commercial purposes. it or use it for commercial purposes. Leases will continue only during the period of good behavior on the part of the tenant. Every effort will be made to prevent the bootlegger or other law violator from interfering with the well-being of the workmen. Instead of a boisterous frontier town, it is planned to bring into being here a wholesome American community with simple homes, gardens with fruits and flowers, schools, and playgrounds.

All of this is to be done at the expense of the American farmer and is preliminary to a reclamation scheme which will put into production some 1,500,000 acres.

This reclamation outfit prints a magazine called The Reclamation Era. It comes to your desk and mine, printed on finely calendered paper and copiously illustrated by the alleged achievements of reclamation. May I suggest to the Economy Committee that here is a place where they might exercise a definite economy with no harm to anyone by discontinuing this useless and misleading publication.

COLUMBIA RIVER PROJECT

The latest scheme of these alleged empire builders is the Columbia Basin irrigation project. This project will bring into production 1,200,000 acres of land. The Board of Engineers for Rivers and Harbors estimate the cost of this development, including interest at 4 per cent, at \$711,000,000. The engineers recommended a navigational project between Vancouver and the mouth of the Snake River at an estimated cost of \$16,100,000. This report was made to the Rivers and Harbors Committee on March 30, 1932. The battle against the reclamation phase of it was led by Secretary Hyde of the Department of Agriculture who, in a letter to the engineers pertinently called attention to the overproduction from which the farmer was suffering. He stated:

As it is, American agriculture is cruelly out of balance. It will require a good many years to shift the balance, even if no acreage by homesteading or reclamation is added.

But Doctor Mead is hopeful. In a letter to Gen. Lytle Brown, Chief of Engineers, dated March 19, 1932, copy of which is embodied in the general report, Doctor Mead gives his unqualified endorsement of the Columbia River project which has been condemned by the National Grange, the Farm Bureau Federation and other agricultural bodies. In this letter to the Chief of Engineers he contemptuously brushes aside the views of these authoritative groups when he states:

To your views of conditions as they exist at this time, I should To your views of conditions as they exist at this time, I should like to add my belief that no development of the land and water resources of the arid region equals this in importance and in the beneficial results which would come. It will enable the largest single water supply of the arid region to be utilized to give cheap power to industries, and to make feasible the irrigation of the largest and finest body of unreclaimed land left in the arid region.

Mr. GARBER. Mr. Chairman, will the gentleman yield?

Mr. CULKIN. Yes. Mr. GARBER. Is it not evidence of the greatest maladministration to permit a man in the Interior Department to encourage reclamation and increase the acreage and production, in flat violation of the policy announced by the Secretary of Agriculture, and who has been constantly urging the adoption of that policy since his incumbency in office?

Mr. CULKIN. The gentleman speaks feelingly and correctly with reference to that situation.

TENNESSEE RIVER DEVELOPMENT

The development of the Tennessee River and its tributaries in North Carolina, Tennessee, Alabama, and Kentucky is another gigantic proposal that is now confronting the Nation. The Reclamation Bureau has taken this under its wing. This proposition covers navigation, flood control, power development, and irrigation. The estimated disbursement for the plan when completed is \$1,200,000,000. This includes the construction of a 9-foot channel for navigation and various other power and land propositions. It is set forth in House Document No. 328, Seventy-first Congress, Second session. The reclamation involved in this plan is not considerable. The plan involves the reforestation of the inferior land and the recovery and cultivation of the marsh-lands which are highly productive.

It also involves the Muscle Shoals proposition. The distinguished President elect, for whose well-being, official and otherwise, I have only kind wishes, recently visited Muscle Shoals in company with Senator Norris and certain other Members of the House and Senate. So effectually did these gentlemen impress the distinguished President elect with their views and desires that on January 21, in the present year, he came out unqualifiedly and wholeheartedly for the development of the Tennessee River watershed. He characterized it to the newspaper men, according to the New York Times of that date, as probably the "widest experiment" ever undertaken by a Government. It includes reforestation of the hillsides of the watershed; flood control in that watershed; water-power development, including the utilization of Muscle Shoals; reclamation for farm use of the bottom lands of the river in which farming is now prevented by frequent floods; improvement of navigation; stimulation of decentralized industry in the region by a supply of cheap power; and elimination of unprofitable agricultural lands by reforestation.

I do not know how many of you have seen the details of this project. It will give you some idea of the stupendous character of it when you know it cost the Government \$1,000,000 to make the survey and prepare the plans. I am wondering if the President elect ever saw them? I am also wondering where the money is coming from in these times of depression-\$1,200,000,000 for the purpose set forth in the Tennessee project. I have a copy of the report in my office and will be glad to show it to the Members of the House who are interested. Nor does the distinguished President elect stop there. While the ship of state is passing through a storm, the fury of which is as yet unabated, his proposition of spending \$1,200,000,000 is not comforting or reassuring to the country when the Budget is now unbalanced in the sum of nearly \$2,000,000,000. The mere suggestion, coming from this powerful and influential source, is of itself almost sufficient to seriously affect the credit of the Government. After stating there is no doubt that bonds could be issued for the Tennessee undertaking, he continues:

If the project is successful, and I am confident it will be, I think the development will be the forerunner of similar projects in other parts of the country, such as the watersheds of the Ohio, Missouri, and Arkansas Rivers, and the Columbia River in the Northwest.

 Tennessee River and its tributaries
 \$1,200,000,000

 Columbia River
 711,310,269

 Missouri River (estimated)
 300,000,000

 Arkansas River (estimated)
 300,000,000

Total_____ 2, 511, 310, 269

These figures more or less stagger the imagination. How the money is to be raised for these projects under existing circumstances it is difficult to tell. It is suggested that a bond issue be floated. It is obvious these bonds would be unsalable unless the Government guarantees them.

The program as suggested by the distinguished President elect will bring into production through irrigation and reclamation, as estimated, an acreage of 3,700,000. These ambitious schemes have revived the hopes of the Reclamation Bureau, which is now casting its eyes toward this new field.

It is the definite purpose of the reclamation group to put the country into the hydroelectric power business. They are seeking new worlds to conquer. Dame Rumor states that the zealous gentlemen in the Reclamation Bureau sold the idea of a national hydroelectric development to the President elect and Mr. Morgenthau, at present conservation commissioner of the State of New York, who is said to be slated for a high post in the new administration. I hold no brief for public utilities and I am definitely opposed to the Government in business. By this I do not mean that the Federal Government should surrender its natural resources to any group. These resources should be marketed on proper terms through the ordinary channels of transmission. The private investment in utilities in the United States runs into many billions. The destruction of these utilities would fall the heaviest upon the widows and orphans and the small investors, who hold most of the bonds of the companies. We find it difficult to legislate efficiently on matters which are within the present scope of the Constitution, but when the Federal Government goes into commercial business 531 Senators and Representatives become the actual board of directors of that business. Such procedure would be less efficient than the Russian experiment. It is contrary to American doctrine.

THE SHANNON REPORT

The Members of the House have recently received the advance copy of the report of the Shannon committee. This committee has made an investigation of the problem presented by the Federal Government when it comes into competition with private business. The committee states at page 19 of its preliminary report as follows:

The Government as it now exists was conceived and organized for political and social control and activity. It was not vested with any economic functions beyond those essential to the proper exercise of its own functions in coining money, collecting and disbursing revenue, emitting credit, operating post offices and carrying mails, and in developing and maintaining military establishments for the protection of the lives and property of its citizens.

The report goes on to state that the entry of the Government into business is, therefore, in general repugnant to our fundamental democratic institutions and aspirations.

The report continues:

Our people, if they so elect, might decide to own and operate their own utilities, or might declare any branch of industry or business to be affected with a public interest, and through proper legal measures might acquire and operate such economic institutions. Even such extreme action, however, under our Constitution, would have to be carried out without any confiscation or impairment of private property or property rights. * * *

The carefully considered and sound doctrine put forth by this report simply means that in the event of the Government entering the public utilities business in Tennessee or elsewhere would have as a preliminary and necessary step to reimburse the existing investment in that field. If it fails to do that it destroys not the great power magnate but the widow and orphan and the thrifty citizen who has invested his little all in the bonds of these utility companies.

My main purpose in getting this time to-day was to call the attention of the House to the situation of agriculture and how reclamation has contributed to its ruin. The reclamation phases of these projects that I have enumerated will bring into production approximately 3,700,000 acres of land. This insane policy can only be stopped by the House. I trust the membership will give this matter careful consideration and that they will "hold the line," to borrow an expression from the distinguished gentleman from Texas [Mr. Blanton], against these mad reclamationists who would continue to use the public moneys to destroy the American farmer. [Applause.]

Mr. BLANTON. And that is going to be the slogan of the fathers and mothers of America—"Hold the line."

Mr. CULKIN. I am with the gentleman on that.

Mr. EATON of Colorado. Mr. Chairman, will the gentleman yield?

Mr. CULKIN. Yes.

Mr. EATON of Colorado. The gentleman has made such a study of statistics that I wonder if he can not properly include a statement of the source of the funds and the amount of money that have been received and expended by the Reclamation Bureau. It is in one little block in the report.

Mr. CULKIN. If the gentleman will let me have it I will be very glad to put it in. I wish to be fair about it.

Mr. EATON of Colorado. Then I ask unanimous consent, Mr. Chairman, to extend my remarks in the Record and to include that in my remarks if I can not get them to the gentleman to-night.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. COCHRAN of Missouri. Mr. Chairman, will the gentleman yield?

Mr. CULKIN. Yes.

Mr. COCHRAN of Missouri. Did I understand the gentleman to say that there was danger by Government interference in connection with public utilities that it might prove ruinous to widows and orphans who have invested in publicutility securities?

Mr. CULKIN. Yes; unless there is reimbursement of them. The gentleman knows, and there is no use in getting away from the fact, that billions of dollars of utility security bonds and junior financing have been sold under the auspices of the various States to a lot of people in moderate circumstances, not only widows and orphans, but to the thrifty citizen of small means, who is trying to protect his future.

Mr. COCHRAN of Missouri. Was the Government of the United States in any way responsible for the robbing of widows and orphans by the Insull interests?

Mr. CULKIN. The Government of the United States was not, but the States where those manipulations were carried on are to blame. I say to the gentleman that the sooner we put that type of utility magnate in jail, the better it will be for all of us.

Mr. COCHRAN of Missouri. I agree with the gentleman that the jail is the place for them, and we should get that man back from Europe and put him in jail.

Mr. CULKIN. I agree with the gentleman, but we should not destroy the small investor by Government competition.

Mr. COCHRAN of Missouri. But he is the man who destroyed the small investor.

Mr. CULKIN. Yes; he did destroy some of them.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. TABER. Mr. Chairman, I yield five minutes to the gentleman from Vermont [Mr. Gibson].

Mr. GIBSON. Mr. Chairman and members of the committee, I wish to call the attention of the House to certain significant recommendations made by the National Transportation Committee in the report released for publication February 15, 1933. The outstanding recommendation of this committee is the one which, if carried out, would create regional consolidation, "looking eventually to a single national system."

This idea of substituting a single noncompetitive rail system for the present ideal—a limited number of competing systems—raises questions of such far-reaching import that an early evaluation of the idea is paramount.

The distinguished character of the personnel of the National Transportation Committee, the wide publicity given to its report, and the keen interest of every section of the country in the present plight of the railways demands careful scrutiny of this recommendation which would divide, as I understand it, the continental United States into several great regions, and within the confines of these regions there would be set up a single noncompetitive railway system. This would be a primary step to create a single national system with all railway competition eliminated.

THE NEW ENGLAND SITUATION

As a representative of one of the six New England States, I have given special study to this particular question, because my State is peculiarly dependent on adequate railway transportation, as is in fact all of New England. This peculiar dependence of New England on our railways arises from the fact that we are large consumers of raw materials, foodstuffs, and other necessaries of life produced in every section of the Nation, and at the same time we manufacture goods whose market is nation-wide. It has been well said that no other large and important industrial region in the world is so fully dependent on through transportation as is New England, for no other similar district is so little self-contained. England, Japan, and Belgium all produce far greater proportions of their food. All of them have coal, and all produce considerable amounts of the raw materials used in their industries. New England alone among the great industrial producers has to buy all her fuel, practically all her raw materials, and nearly all her food from outside, and in the main from her closest industrial com-

Keenly aware of our dependence on transportation by rail and water, I venture to assert that no section of this country has given greater thought or more intensive study to this question of transportation than have we in the six New England States.

Twice within the past 10 years an all-New England railway committee was appointed by the duly elected governors of the six New England States. Comprehensive studies were made on the very question involved in this major recommendation of the national transportation committee with respect to creating a single noncompeting regional system. In New England there have been two schools of thought. One school advocated an all-regional New England system—a single system with competition eliminated. The other school of thought has been in accord with the policy of Congress laid down in the national transportation act of 1920. The policy of that act was to divide the United States into several large territorial or regional areas and consolidate all railways in these territorial or regional areas into a few competing systems.

NATIONAL TRANSPORTATION COMMITTEE OVERLOOKS CONGRESSIONAL INVESTIGATION OF 1919

The consolidation of the railways of the country into a limited number of systems was settled as a national policy by the transportation act of 1920, and the wisdom of that policy has never since been questioned, either within Congress or among students of the question outside of this body. I would remind you, however, that prior to the passage of the transportation act the Congress of the United States made one of the most intensive studies of this question of railway consolidation which has ever been made. It would be a serious mistake to underestimate the thoroughgoing consideration given by the late Senator Cummins and his associates to these very questions.

I consider that it is extremely important to go back to the year 1919 and ascertain the views of Senator Cummins and others, which views were later written into the transportation act of 1920 as a basic plan for railway consolidation. It was a plan that might have been compared to the work of an architect in drawing plans for a monumental building. By the adoption of Congress it became a national policy of the most far-reaching import.

A review of the record discloses that prior to the passage of the transportation act it was then proposed that the United States be divided into regions, and single noncompeting systems be created within the confines of those regions. After hearing leading experts the Senate committee made a report in which it laid down as fundamental the preservation of railway competition. On this subject the committee said:

REPORT OF SENATE COMMITTEE

The superior efficiency of several systems need not be enumerated at length, but there is one consideration to which attention should be called. Competition, not in rates or charges but in service, will do more to strengthen and make public regulation successful than any other element which can be introduced into

the business of transportation. Honorable rivalry among men is the most powerful stimulus known to human effort. For this reason, largely, the committee, recognizing the necessity for consolidation, determined in favor of the gradual unification of the railways into not less than 20 nor more than 35 systems; not regional or zone systems but systems that will preserve substantially existing channels of commerce and full competition in service.

Senator Cummins, speaking of the report of this committee of which he was chairman, having demonstrated that the only solution of the railway problem was through consolidation of the railways into a limited number of systems, then discussed the plan of consolidation into one system, as now proposed by the national transportation committee; but went on record in favor of the plan of the Senate committee for consolidation into several systems because this would promote competition in service. Senator Cummins on this point said—

Rivalry and competition in service begin with a desire to please people who ride on trains or ship property; mean attention, courtesy, concern for the public mind, prompt furnishing of cars, speedy movements of cars, effort made in every quarter to do the work at hand in a most efficient manner.

Numerous railway presidents and experts on railroad transportation appeared before the Senate committee in 1919, and almost without exception they advocated that while railway consolidation was necessary and imperative there should be retained competition between a few great consolidated systems. The following remarks of Mr. Howard Elliot, president of the Northern Pacific Railway Co., are typical of the expert opinion presented to the Senate committee in 1919 on this subject:

Regulated competition, especially as to service, should be continued between the great systems. Without reasonable competition, development, and the introduction of the most improved and advanced methods for giving service to the public will be checked. Without attempting to say at this time how many great systems will serve the country best, a few examples may be given.

To those who desire to refer more at length to the reasons which led the Congress of the United States to reject, as a national policy, the creation of noncompeting regional systems and to adopt as a national policy the consolidation of railways into a limited number of systems competing within the confines of certain large territorial districts, I refer to the preliminary report of study of railroad consolidations and unifications submitted to Committee on Interstate Commerce by William C. Green, special counsel, Part I (S. Res. 290, 71st Cong.). In this report two great principles emerge. First, consolidation of our railways into a limited number of systems is essential. Second, these consolidations should be brought about so as to create an even-handed, well-balanced competition between a few great systems.

SECTIONALISM TO BE AVOIDED

There is, to my mind, a further and most conclusive reason why we should adhere to the present national policy as laid down in the transportation act of 1920. Nothing would be more detrimental to the future development of the United States than to create in this country economic regions which regarded themselves as set apart, as it were, from other economic regions. Suppose, for example, we created a New England economic region: a northeastern economic region west of the Hudson, composed of the Middle Atlantic States; a southeastern economic region, composed of the Southern States bordering the Atlantic seaboard; a southeastern economic region, composed of States surrounding the Gulf of Mexico; a middle west region; a southern Pacific coast region; a northern Pacific coast region. Imagine establishing a single railway system in each of these regions. It is a wellknown fact that the railway systems have been, and they will continue to be, the chief agency in developing the national wealth and resources of the country. Would not regional railway systems, such as proposed by the national transportation committee, inevitably result in creating in the United States separate economic countries, as it were, reestablishing here the geographic and economic rivalries which have been the bane and the downfall of western Europe? The goal, on the other hand, should be to create a few great

competing territorial railway systems, national and continental in their scope, with sufficient competition between these large systems to keep alive the enterprise and progress which is the essential character of competition throughout all industry.

I assert with all confidence that the 4-system plan approved July 21, 1932, by the Interstate Commerce Commission for eastern territory under the policy of the transportation act, is a wiser and a more constructive plan than this idea of regional noncompeting systems.

The eastern territory that is involved in the 4-party plan approved last July by the Interstate Commerce Commission includes the portion of the country east of the Mississippi and north of the Potomac and Ohio Rivers. In it live nearly half of the people of this country. It produces about two-thirds of our industrial goods and seven-eighths of our coal.

The railroads of that eastern territory include about one-fourth of the mileage of the entire country. Under the plan approved by the Interstate Commerce Commission, four great competing systems—the New York Central, the Pennsylvania, the Baltimore & Ohio, the Chesapeake & Ohio-Nickel Plate—are so established that each of these giant systems will reach and serve all, or nearly all, the principal producing and consuming centers in this eastern territory. These systems will also serve the principal North Atlantic ports.

NEW ENGLAND'S OPPORTUNITY

I am particularly interested in this 4-system plan for eastern territory because New England is an integral part of that territory. I look back to that period of 1921-1923 when the two leading New England railways—the New York, New Haven & Hartford and the Boston & Maine-were actually threatened with bankruptcy and it appeared that a complete breakdown in our railway transportation was imminent. It was then that many of us in New England came to the realization that comparatively small sectional railways, such as the New England roads, were too weak to stand alone; for such sectional roads rest upon too narrow a transportation base to exist and prosper as independent systems. If all of the railways within New England were consolidated into a single noncompeting system, it is exceedingly doubtful if such a New England system would in itself be strong enough to stand upon its own feet and make that progress in the development of transportation which would be essential to preserve this most important industrial and commercial section, located in the northeastern part of the United States.

I am confident the plan approved by the Interstate Commerce Commission for four great competing systems in eastern territory is a constructive movement in the right direction. To substitute for that plan regional noncompeting railways in eastern territory, as suggested in the report of the national transportation committee, would be not a step forward but a step backwards.

This subject is of the utmost importance to my own State of Vermont and to the other five New England States because New England is a part of eastern territory and eventually the solution of the New England railway problem should, and in my opinion must be, the extension of the four party system into New England. This would place the six New England States on the same transportation footing as the great industrial States west of the Hudson. We must bear in mind that the most direct industrial competition that New England has to meet is that furnished by the States in the same eastern territory. It is essential, therefore, that New England railways be shortly integrated and made a part of the great systems now set up to serve the balance of eastern territory. What we need in New England is to get away from railways of a purely sectional character. What we need to avoid in New England is transportation isolation. The goal in New England and the goal of every other part of the United States should be to bind closer together each of the great industrial sections. In the past, this has been the important function of the great railway net of this country. In making a national transportation plan, this should be the guiding principle, a plan which would

make our United States more closely united, more intimately bound together, utilizing all agencies of transport—our railways, our highways, the newly developing airway lines, and our great natural inland waterways. Any plan which would tend to divide the United States into isolated transportation regions, creating economic rivalry and conflicting interests should, by all means, be frowned upon.

In saying this I realize that the national transportation committee expressed the hope that sometime there might be created a single national railway system. Whatever may be said of a single national system as an ideal, it has been the general opinion in the past that such a single national system could only be brought about under Government ownership and operation. The price of Government ownership and operation is, in my opinion, too much to pay even for a single national railway system, however much might be said for such a single system. [Applause.]

Mr. TABER. Mr. Chairman, I yield 12 minutes to the gentleman from Massachusetts [Mr. TINKHAM].

Mr. TINKHAM. Mr. Chairman, on April 28 last the Geneva correspondent of the New York Times, Clarence K. Streit, sent to that newspaper a dispatch from Geneva in which appeared the following paragraph:

It is noteworthy that A. Sweetser, the American official in the League Secretariat, on whom Mr. Stimson depends for information about these secret meetings, was again excluded to-day. Efforts to obtain an explanation of this proved fruitless, but informed circles tend to link it to Sir John Simon, who has several times said or implied he was authorized or able to give the commission the views of the United States Government.

On May 3 a letter was addressed to the Department of State asking what authority Sir John Simon or any other British agent had to represent the United States.

On May 10 the Acting Secretary of State replied as fol-

Referring to your letter of May 3, 1932, quoting a dispatch from Clarence K. Streit at Geneva which appeared in the New York Times of April 29, 1932, to the effect that Mr. Arthur Sweetser had been excluded from secret meetings of the committee of nineteen of the League of Nations and that Sir John Simon had said or implied that he was authorized or able to give the committee the views of the American Government, I have pleasure in replying to the two questions listed in your letter as follows:

teen of the League of Nations and that Sir John Simon had said or implied that he was authorized or able to give the committee the views of the American Government, I have pleasure in replying to the two questions listed in your letter as follows:

According to the department's information, Mr. Sweetser is an American citizen employed by the League of Nations. His service with the league is of course in his capacity as a private individual and he has no official connection with this Government. Consequently, the question of his exclusion from meetings of the committee of nineteen of the league would appear to be a matter for determination by the league. This department has no information with regard to his reported exclusion from the meetings mentioned.

mentioned.

Neither Sir John Simon nor any other official of the British Government is authorized to represent the American Government. As you know, the American Government has, since the beginning of the present trouble between China and Japan, cooperated with other governments and agencies in attempting to bring about by pacific means a solution of the difficulties existing between the two disputants. At the same time, this Government has, of course, reserved its full independence of judgment with regard to any action by it. In pursuing this cooperative course, there have naturally resulted conversations and discussions between representatives of this Government and of various foreign governments, including Sir John Simon, and the representatives of foreign governments have therefore, at times, been in position to know and to express to others the attitude of this Government on certain questions. Representatives of this Government have also, from time to time, received information from officials of the league and of the governments members thereof.

In an Associated Press dispatch dated at London, July 26, 1932, it was reported that Sir John Simon, British foreign secretary, had made a speech in which he had stated:

After being in Lausanne and Geneva and very closely in touch with responsible representatives in the United States, I believe that if wisdom prevails on both sides of the Atlantic we might find growing into fruition a firmly rooted plant of Anglo-American cooperation upon which, as much as anything in the world, depends the peaceful progress of mankind.

At the time of which Sir John Simon speaks, Secretary of State Stimson was in Lausanne, if not in Geneva.

Much secret diplomacy has characterized the present administration, not only in relation to what it has done and how far it has committed the country in European political affairs, but also in relation to what has been arranged or

promised to Great Britain under the euphemistic cloak of "Anglo-American cooperation."

Has a secret political commitment been made by this administration, offensive or defensive in character, or of any other character, with Great Britain?

Some representations out of the ordinary must have been made to Sir John Simon for him to have used the language he did.

Has Great Britain been promised that she shall have further control of the seas and that the American Navy and American naval defense shall be further curtailed?

That would have been in accordance with the policy of the present administration during the last four years. It would have been in accordance with the London treaty negotiated by the present administration. This treaty made the size of the American Navy dependent upon the exigency of the maintenance by Great Britain of the so-called two-power standard in the Mediterraneon, thereby supporting British navalism, it would have been in accordance with the subsequent policy of the present administration of not building any naval vessels and of preventing any attempt by the United States Congress even to approximate the agreed treaty ratio.

Has Great Britain been promised that the United States will continue to avoid the issue of the "freedom of the seas"?

This issue of the "freedom of the seas," a vital one as American history shows, was eliminated by the present administration on the occasion of the last visit to Washington of Premier MacDonald, when an accord might have been reached. This issue involved us in the World War and was one of President Wilson's "fourteen points." It was almost immediately eliminated upon the demand of Great Britain at the conference which preceded the adoption of the Versailles treaty.

Has Great Britain been promised that the United States shall enter the Permanent Court of International Justice of the League of Nations, and support British policies there?

The present administration dictated the plank in the Republican platform of 1932, urging entry of the United States in this political court, the political subsidiary of the League of Nations.

Has Great Britain been advised that having entered the Permanent Court of International Justice of the League of Nations, the United States will then naturally, by force of circumstances and by force of logic, and with the help of the present administration, enter the League of Nations and support British policies there?

Has Great Britain been promised that arrangements will be made to insure that the United States will not be neutral in the next war?

Neutrality in the next war seems to have been made impossible by the present administration by the proposal of an affirmative commitment under the Kellogg-Briand pact.

The present administration in the last election was crushingly defeated. This was not due alone to the economic depression. It was due, in part, to the opinion of the American people that this administration had been an alien administration, devoted to the interest of Europe and not to the interest of America; that it had abandoned American traditions and had impaired American security and safety. Its defeat was due, in part, to its abandonment of the great American traditional policy of no interference or participation in the political affairs of Europe, and its utter defiance of the repeatedly expressed will of the American people to avoid foreign political entanglements, to remain independent and neutral in the next war, and to be at all times a friend of all nations, a partner of none. It was defeated because of its demonstrated constant purpose to denationalize the United States.

Even a casual observer can arrive at no other conclusion in reference to the foreign policy of this administration than that in its policy of vain and emotional unrealities it has been willing to commit American neutrality and American safety to foreign political events over which the United States has no control.

No American traveling in Europe to-day can be unaware that not only has the United States lost much of its prestige abroad, but also that in many quarters the United States is regarded with contempt or ridicule for its emotional and maladroit interference in the political affairs of Europe, of which its officials during the past four years have had little or no understanding.

It is unthinkable that the Republican Party can ever again obtain control of the Government under such leadership as it has had during the past four years under Mr. Hoover, Mr. Stimson, and Mr. Mills.

The Republican Party must purge itself of their influence and their philosophy, which have never been sympathetic to American traditions, American public interests, and American independence.

The Republican Party can never achieve success under a leadership so incompetent and so lacking in foresight that on the eve of the greatest economic disaster the United States has ever known it talked of the abolition of poverty and inaugurated a policy of the most extravagant public expenditures ever attempted; a leadership which when the signs of the present economic catastrophe were plain, had no conception of its character, and for many months postponed vital decisions again and again until circumstances forced action: a leadership which leaves public office talking of peace and international good will when its policies have brought the United States to the brink of war in the east.

The administration to be inducted into office on March 4 will suffer the same character of defeat as did the present administration if it, too, fails to adhere to the sound American policy of not interfering or participating in the political affairs of Europe and of maintaining at all times American neutrality; if it, too, fails to adopt and to adhere to an American policy, not a European policy. [Applause.] Mr. AYRES. Mr. Chairman, I yield to the gentleman

from Texas [Mr. Johnson] such time as he may desire.

Mr. JOHNSON of Texas. Mr. Chairman, I ask unanimous consent to revise and extend my remarks and to include a paragraph from the New York Times on wooden

The CHAIRMAN. Is there objection to the request of the gentleman from Texas.

There was no objection.

Mr. JOHNSON of Texas. The darkness of economic distress continues unabated. Efforts thus far apparently have availed nothing. Why? Because some of the major remedies applied have, instead of improving, aggravated the disease from which the Nation is suffering.

Inflation of credit, too much debt, State, National, municipal, and individual, have caused our downfall, and now we are trying to rise by a still further expansion of credit. You can not sober a drunken man by giving him more liquor; you can not liquidate indebtedness by creating more debt.

For 10 years we have had an orgy of speculation, creating fictitious values based upon worthless stocks and bonds, inspired and promoted by Wall Street bankers and brokers, and now when pay day has arrived and obligations can not be discharged, these so-called better minds who had steered us into this economic abyss, advised that what was needed was more credit and that we could borrow ourselves out of debt: that by making credit cheap enough, the troubles of the debtors would be remedied, and they launched the Reconstruction Finance Corporation (for which I did not vote) by which there has already been loaned on January 31, the huge sum of \$1,788,666,009. Contrary to their predictions, low money rates cured none of our economic maladies. The major portion of the money loaned went to the larger banks, railroads, insurance companies, and these corporations used the sums so borrowed to pay their debts to other corporations, and very little of it found its way into the channels of commerce, or into the pockets of the laborer, the artisan, the farmer, the merchant, or the toiling masses who produce our wealth. If a substantial portion of this could have gone to individuals who would have spent it for necessities, it would in a measure have been helpful, but except for the

sum of \$65,000,000 that was especially allocated by Congress for crop-production loans, and \$54,000,000 that has been allocated to agricultural-credit corporations, the rest has gone into the reservoirs of corporations and has become frozen assets, at least frozen so far as the public is concerned since it has not gone into circulation.

Individuals can not now borrow from the banks, unless they have Government bonds as security. As a recent issue of a financial publication puts it, "The banking business is at present conspicuously functioning for and by the Government, with the result that no bank can afford to pay interest on public deposits." Deposits of county and municipal funds which previously brought from 2 to 4 per cent on daily balances now go begging and a county or municipality is fortunate if it can secure a fraction of 1 per cent as interest thereon.

The banks in the agricultural regions can not make loans because the farmers can not secure for the commodities that they produce a price equal to the cost of production. A farmer's crops, his horses, mules, and farm implements, constitute his only security, and these have become practically worthless. The people have no money with which to buy, and the buying power of the Nation is paralyzed.

The debts in the United States, public and private, are now equal to the national wealth, based upon present values. It is evident that we can not cure this malady by increasing those debts. We must either deflate the debts or inflate the money with which the debts are to be paid. The farm mortgages alone in this country aggregate \$9,500,000,000, upon which the farmers are required to pay an annual interest charge of \$600,000,000 per annum.

It is not an inflation of credit but an inflation of our currency that is needed. Debts can not be canceled or reduced by legislative action, as that would impair the obligation of contract and also destroy the confidence upon which our financial structure is based.

Economists tell us that inflation of money means the cheapening of the dollar, and so it is, but that means a reduction of the debts in the same proportion. What is needed is to make it easier to pay debts. Because of the increase in the value of the American dollar it is now impossible for the debtor to pay the creditor, for if, in 1927, he contracted to pay \$10,000, due to the inflated value of the gold dollar measured in the value of other commodities, his debt has increased to \$16,500. Measured in the present value of agricultural commodities, the increase in the value of the American dollar is far greater. To-day it requires five bales of cotton to pay a debt of \$100 where two bales or less would have done it before.

Those opposing expansion of the currency contend that the volume of money is now sufficiently large. Conceding that to be true, no one can deny that the value of money is now so dear and out of all proportion with the value of other commodities that the people have not the wherewithal to possess it.

The masses of the American people have no money at this time. There is as much real wealth in America to-day as there ever was, but real wealth does not consist of stocks and bonds, or even of money. It does not come out of banks or from brokerage houses, but it does come from human labor, physical and mental. Money in its true sphere is not wealth; it is simply a medium by which to measure values, but we have exalted the value of our money until it is beyond the reach of all save the few. Prior to 1929 an economist claimed that the American dollar was a dishonest dollar because its purchasing power was only slightly above 60 cents in the United States, although it was supposed to be worth a hundred cents. To-day that same gold dollar has a purchasing power equivalent to 160 cents. If some commodities had advanced and some declined, then it might be contended that the value of money had remained stable, but when every other commodity declines, then it is evident that the value of our money has been enhanced.

The real hope that recovery will be had is based upon the impregnable ground that America has as much real wealth as it ever had. But money, the medium by which commodities are bought and sold, is not to be had. Why? Because the value of our money has increased out of all proportion to the value of goods and services. Incomes have shrunk, prices of all commodities, agricultural and otherwise, have drastically declined, and all of the time money, not the real wealth of the Nation but the mere medium of exchange, has gone higher and higher, until the masses of the American people do not possess it and can not secure it.

The New York Times in a recent issue contains the startling news that 500,000 citizens of the United States, having no money of the coin of the realm, are using so-called wooden money. They are buying goods and services with an improvised money which has no legal backing, no authorization from the Government, but which serves in this emergency as a medium of exchange.

Quoting from the article, which is written by Stuart Chase, one of the staff writers of the Times, we read:

Falling abrupt recovery, of which no signs are now visible, it is probable that before the year is out millions will be doing business without legal tender. Scores of communities in 29 States are using this new and, incidentally, very old method for increasing purchasing power. In Seattle, where the movement seems to have started more than a year ago, 50,000 members, organized into 20 locals, have not only markedly improved their economic position, but have formed a political party strong enough to influence the city government.

Another organization, the Natural Development Association of Salt Lake City, has 30,000 members and branches in four States. State-wide clearing houses are forming, and in New York a national organization is being developed. Altogether there are 144

organizations throughout the country.

The States where this movement is under way in some form are Arizona, California, Colorado, Connecticut, Florida, Georgia, Idaho, Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Mississippi, Montana, Nebraska, New Jersey, New York, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, Tennessee, Texas, Utah, Washington, Wisconsin, and Wyoming.

The associations of individuals thus organized mutually agree to exchange services for goods and goods for services, and so forth, and in payment thereof use a form of printed scrip, in pads, like petty cash tickets, in denominations of 5 cents, 10 cents, up to \$10, which scrip is called "wooden money." The members of the group pay one another for goods and services in this scrip. As Mr. Chase very truly states:

Back of the scrip stands not gold or signed paper, but real wealth, the labor, and the products of the group. Purchasing power is expanded by the scrip, real wealth is expanded by the goods and services which otherwise would be idle or nonexistent.

The use of this so-called wooden money instead of real American money by the people in 28 States speaks more eloquently than words of the scarcity of money in the United States as a circulating medium.

It is an indictment of our present monetary system which we can not longer ignore. It proves what some of us in Congress have contended since the beginning of this depression—that it is cheaper money and not more credit that is needed as a cure for our economic ills.

Those who insist that the volume of money is greater than before the crash in 1929 can not seriously contend that it is in the hands of the masses.

Whatever the cause or causes of this awful depression, all competent observers now agree that lack of effective purchasing power of the people is prolonging it, and that no recovery is possible until this purchasing power is available.

Expansion of the currency, it is believed, will, in a measure at least, accomplish this purpose. It will increase the value of agricultural commodities and thereby restore the buying power of 40,000,000 of our people who are directly dependent upon agriculture for a living, and when these begin to buy the clothing and other necessities of life which they have had to deny themselves for the past three years then factories, the railroads, and other industries will begin to feel the magical effect, orders will pour in, and artisans, mechanics, salesmen, clerks, and the vast army who earn their living will find employment, and the darkness of our economic night will vanish.

MORE SILVER AS MONEY DESIRABLE

Various forms of monetary expansion have been proposed, but the plan which I favor—and which I think would be most desirable—is that of a greater use of silver as money. Four reasons concur in causing me to reach this conclusion:

First. Expansion of the currency, when based upon a metallic base, can be more easily controlled and regulated, and expansion should, of course, be restricted within reasonable bounds. Wild and unrestricted expansion would bring disaster just as surely as a too restrictive currency has done. The volume of silver, like that of gold, is limited, and silver would be an ideal auxiliary with gold as a metallic base for our currency.

Second. Silver, the universal money of the world for a thousand years, is now used in a vast majority of the countries of the world as money, and its use by the United States would enhance its value and would therefore not only increase the purchasing power in our own country but in the other silver-producing countries, and would therefore materially increase our international trade with these countries, a thing devoutly to be wished for.

Third. The value of silver and commodity prices have always increased and decreased in the same ratio. When the value of silver was high, so were commodity values, and when silver declined, other commodities declined in the same proportion. A chart prepared by the Federal reserve shows that the relation between silver prices and commodity prices from 1913 to 1931 clearly demonstrates the close relationship between these values. Silver to-day is worth 26 cents an ounce, whereas only a few years ago it was worth 60 cents an ounce, and its decline in value has been practically in the same proportion as the value of agricultural and other stable commodities, as well as the wholesale commodity prices.

Fourth. The United States, Mexico, and Canada produce practically 70 per cent of all the silver used in the world. and a remonetization of silver would naturally enhance the value of silver, and this of itself would bring a large direct benefit to the silver-producing States. While Texas produces scarcely any silver, producing in 1931 only 1,500 ounces out of the total of 24,425,000 ounces produced in the United States, and this reason for the remonetization of silver is not therefore based upon any sectional or selfish desire for my State, yet I realize full well that a commodity produced in such large proportions throughout the United States will, when its value is enhanced, benefit not only the States where the same is mined but, indirectly, all of the people of the entire Nation. Just as an increase in the value of cotton would more directly benefit those in the cotton-producing States, yet the entire Nation would reap indirectly material benefits therefrom.

In my judgment the use of silver as money in the United States would, therefore, expedite the payment of debts, increase commodity values, expand international trade, and speed the return of prosperity.

The House Committee on Coinage, Weights, and Measures to-day reported out H. R. 14729, a bill to authorize and direct the acceptance by the Treasury of silver bullion and the issuance therefor of certificates for the purpose of correcting the dislocation of exchanges, elevating the price level, and so forth.

While this bill is not exactly in the terms that I would have desired, yet it is a step in the right direction, and I believe that its passage would tend to accomplish that for which those of us who have been advocating an expansion of the currency are striving. With a few amendments it could be made an ideal bill. The Constitution of the United States confers upon Congress power to coin money and regulate the value thereof. Let us no longer shirk this duty and this responsibility.

There is very high authority for the statement that "money is the root of all evil," and in my judgment it is also the root of this economic crisis through which we are passing.

Let us no longer defer for the future the consideration of this most vital subject; the welfare of the Nation is at stake, conditions are grave, and delays are dangerous. I implore the Rules Committee to permit immediate consideration of this bill. [Applause.]

Mr. BLANTON. Will the gentleman yield?

Mr. JOHNSON of Texas. I yield.

Mr. BLANTON. The remarks of my colleague are so valuable and form such a splendid speech that I am wondering whether or not the gentleman is going to have it printed in pamphlet form. If so, I would like to get a few copies.

Mr. JOHNSON of Texas. I thank my colleague, and if it should be deemed worthy of printing and the state of my finances permits it to be done, I shall gladly comply with

his request.

Mr. GARBER. Will the gentleman yield for a question?

Mr. JOHNSON of Texas. I will.

Mr. GARBER. I assume the gentleman is recommending the purchase of silver at the market price instead of at any fixed ratio?

Mr. JOHNSON of Texas. Yes. The bill restricts the price to a maximum of 40 cents per ounce for the first three months, 50 cents for the next three, and so on until the price reaches 75 cents an ounce.

Mr. GARBER. And the issuance of silver certificates against the bullion?

Mr. JOHNSON of Texas. The Secretary of the Treasury shall coin the bullion into silver dollars and hold them in reserve against silver certificates issued thereon. These silver certificates are made legal tender for all debts, public and private. I do not have time to discuss the bill in detail at this time.

Mr. LANKFORD of Georgia. Will the gentleman yield? Mr. JOHNSON of Texas. I yield.

Mr. LANKFORD of Georgia. I quite agree that the great need of the country to-day is additional currency and additional circulation. Is it the idea of the gentleman that the bill which has been reported will not only increase our currency, but will increase the circulation both in velocity and amount, so as to give the required relief?

Mr. JOHNSON of Texas. Undoubtedly it will increase the volume of the currency and will bring a measure of relief. The bill is what I would call a conservative measure; it does not jeopardize the gold standard. My chief objection to the bill is that it is rather too conservative, but it can be amended; but even if passed in its present form it will, in my judgment, do much to help the intolerable conditions now prevailing.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. TABER. Mr. Chairman, I yield five minutes to the gentleman from Minnesota [Mr. KVALE].

Mr. KVALE. Mr. Chairman, I ask unanimous consent to revise and extend my remarks and to include therein a few editorial excerpts.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. KVALE. Mr. Chairman, members of the committee, we all receive petitions. I have received one that is out of the line of the ordinary, circulated by volunteers and signed by more than 1,200 representative business and professional men, farmers, and laboring men, and I am going to vary the usual procedure, read the petition and the accompanying letter, and then present the petition at the Speaker's desk for reference to the proper committee.

The petition is as follows:

Petition addressed to the United States House of Representatives through Congressman Paul J. Kvale, of Minnesota

HONORABLE GENTLEMEN ASSEMBLED: We, the undersigned, residents of the State of Minnesota and citizens of the United States of America, heartily indorse the agricultural credit features of the Frazier bill and respectfully and sincerely petition for the enactment of this measure, or any measure containing similar features, into law as a means of consistent agricultural reconstruction.

The accompanying letter is interesting. I want it in the RECORD, and of the little handful of loyal Members who sit here so late in the afternoon, I ask indulgence while I read this letter.

HANSKA, MINN., February 1, 1933.

Hon. PAUL J. KVALE, Congressman, United States House of Representatives,

Washington, D. C.

Dear Mr. Kvale: We are sending to you under separate cover a package containing petitions bearing the signatures of 1,231 residents of Brown County, Minn.

These petitions have been circulated in every township of the county, cities and villages included. We find an urgent demand for consistent agricultural refinancing and a hearty support for the new pending Fragies bill

the now-pending Frazier bill.

These petitions are not dated and may be used, at your discretion, either at the present session or at the special session. We do not wish to dictate, but we would like to impress upon the statesmen, from this State as well as other States, that until agriculture gets direct and effective refinancing, very little national prosperity need be looked for.

Fural bankers merchants and business men favor such recon-

Rural bankers, merchants, and business men favor such reconstruction. The situation is serious, and unless something is done in the very near future, our agricultural structure will crumble

and go to the radical extreme.

Please share this information with your fellow statesmen and accept these petitions in the spirit in which they were circulated.

Respectfully yours,

J. O. PETERSON, FRED SCHMIESING, H. M. FREDERICKSON, FERDINAND AMUNDSON, HENRY NORSBY, PAUL THORDSON,

OLIVER C. AMUNDSON, Chairman (A voluntary committee, with helpers).

Now, Mr. Chairman, instead of adding observations of my own in support of the sentiments expressed in that letter and accompanying petition, I wish the RECORD to contain the observations of two representative editors, one of a country weekly (the Truman Tribune), and one of a country daily (the Fairmont Sentinel), published in the State of Minnesota, and I ask unanimous consent that the Clerk may read them in my time. They are the convictions of thinking citizens at home.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

The Clerk read as follows:

[From the Truman Tribune, Thursday, February 2, 1933]

AN OMINOUS RING

By A. L. Almen

"Three Thousand Farmers Prevent Foreclosure Sale." So runs a headline in a recent Associated Press dispatch.

No, the scene was not in Soviet Russia, but in Minnesota—

Madison, Minn., to be exact.

The same day we read of similar scenes in two other Minnesota

The same day we read of similar scenes in two other Minnesota sas in about your sature to the transfer and the provided and leave and order has been going on throughout the Northwest.

Some years ago while in Massachusetts we went out to Concord and Lexington to see the scene of the first battle in the Revolutionary War. There on a bronze tablet were inscribed the famous and immortal words, "Here the embattled farmer stood and fired the shot heard round the world."

For years the farmer of that age had offered passive resistance to onerous conditions forced upon him. Suddenly in '75 came the spark that transformed that resistance from passive to active and militant. Leaving the plow he grasped his musket and began

and militant. Leaving the plow he grasped his musket and began the bloody war that finally lifted the yoke from his neck and enabled him to live free and untrammeled to work out his indi-

vidual destiny.

From that day on the farmer has lived an individualistic life. He is by nature a peaceable, law-abiding, patient, and optimistic person. He has asked no favors from nature or fellow man. He has performed his tasks in calm and philosophical mood through

good times and poor; he has grimly weathered the lean years and calmly enjoyed the rich with deliberate moderation.

When other classes seethed with indignation he plodded serenely on in hopes of better times to come. When others spent their substance in riotous living his indiscretions culminated in the huwing of a family car a radio in the improvement of his their substance in riotous living his indiscretions culminated in the buying of a family car, a radio, in the improvement of his home, and in the education of his children. The only indictment that can be brought upon him is that he did his work (raising food, that the world might be fed) too well.

For this mistake how has our economic system punished him? By taking his home from him. By ruthlessly driving him and his family off the acres where he has grubbed and toiled a lifetime that he might have security as the sunset of life approaches.

What boots it that his life blood is in that place? What matters it that he has planted and nursed every tree and shrub that grows around that home? What difference does it make that he and his wife have raised their children in the environs of that home? What matters it if they have loved ones buried in the neighborhood cemetery? * * the maws of a soulless capineighborhood cemetery? the maws of a soulless talistic system must be filled even to the extent of human flesh and blood.

So when we read of a fast-spreading passive resistance on the part of our agrarian population to this shortsighted policy on the part of those in power we wonder if we may not soon hear other shots, fired by embattled farmers, that will be heard around the world—or at least in Washington where Congressmen fiddle with "beer bills" while American homes are being destroyed. Surely Nero had nothing on the modern American politician.

[From the Fairmont Daily Sentinel] YOU IN WASHINGTON, HEAR By Arthur M. Nelson

By Arthur M. Nelson

The patience of American toilers will not continue forever.
You can not longer with safety defer performance of your plain duties, the exercise on behalf of all the people, of the powers with which the people themselves have vested you.

That was but a little discharge of arms, only a small rattle of musketry, when embattled farmers at Lexington "fired the shot heard around the world."

There was nothing of magnificence in the desultory bombardment of Fort Sumter, but it ushered in four years of civil war.

There was not much of violence in the outbreak at Fairmont or at the other places in the farm States where the like has occurred. But beware!

The rumblings thus begun threaten to grow speedily into the mighty roar of revolution, unless restrained either by the further patience of a suffering people themselves, and this is too much to expect, or by the speedy acts your wisdom may evolve for immediate relief.

THE REMEDY

America is in danger!

This is not a mere Shibboleth. It is statement of a fact which only those wilfully blind can fail to see.

We in the agricultural States ask no doles, no special acts of

All that we want is a decent return for our work in feeding America and we ask no odds.

It has been within the power of you men in high places to wrongfully withhold this from us. For that we will stand no longer.

It is likewise within your power to give us that which we now demand.

Act!

Further delay multiplies the danger.

The Clerk read the first paragraph of the bill.

Mr. AYRES. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. Doxey, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee, having had under consideration the bill H. R. 14724, the Navy Department appropriation bill, fiscal year 1934, had come to no resolution thereon.

PROCEDURE IN CRIMINAL CASES AFTER VERDICT

The SPEAKER. The Chair lays before the House the following message from the Senate.

The Clerk read as follows:

Senate Concurrent Resolution 43

Resolved by the Senate (the House of Representatives concurring), That the Secretary of the Senate be, and he is hereby, authorized and directed, in the enrollment of the bill (S. 4020) to give the Supreme Court of the United States authority to prescribe rules of practice and procedure with respect to proceedings in criminal cases after verdict, to strike out, on page 1, lines 8 and 9, respectively, of the engrossed bill the words "Porto Rico" and insert in lieu thereof "Puerto Rico."

The concurrent resolution was agreed to.

EXTENSION OF REMARKS

Mr. COCHRAN of Missouri. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein a brief editorial from the St. Louis Post-Dispatch.

Mr. STAFFORD. Mr. Speaker, I must object to editorials being included in extensions of remarks.

Mr. BLANTON. It is just a short editorial. The quoted matter does not extend over half an inch.

Mr. STAFFORD. If it is that short, I shall not object. How long is the editorial?

Mr. COCHRAN of Missouri. It would be half a column. Mr. STAFFORD. Mr. Speaker, I object.

CRIME OF OVERTHROW OF GOVERNMENT OF THE UNITED STATES

Mr. COX, from the Committee on Rules, presented the following privileged report, which was referred to the House Calendar and ordered printed:

House Resolution 386

House Resolution 386

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of H. R. 8378, a bill to make it a crime to advocate or promote the overthrow of the Government of the United States by force and violence; that after general debate, which shall be confined to the bill and shall continue not to exceed two hours, to be equally divided and controlled by the member reporting the bill and the ranking minority member of the Committee on the Judiciary, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment the committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to passage without intervening motion except one motion recommit.

WATER USERS ON IRRIGATION PROJECTS

Mr. DRIVER, from the Committee on Rules, reported the following privileged resolution, which was referred to the House Calendar and ordered printed:

House Resolution 393

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of S. 5417, a bill to extend the operation of the act entitled "An act for the temporary relief of water users on irrigation projects constructed and operated under the reclamation law," approved April 1, 1932. That after general debate, which shall be confined to the bill and shall continue not to exceed 30 minutes, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Irrigation and Reclamation, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment, the committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and the amendments thereto to final passage without intervening motion, except one motion to

NAVY DEPARTMENT APPROPRIATION BILL, FISCAL YEAR 1934

Mr. AYRES. Mr. Speaker, I ask unanimous consent that to-morrow, when we go into the Committee of the Whole House on the state of the Union for the further consideration of the Navy Department supply bill that general debate be continued for one hour, the time to be equally divided and controlled between the gentleman from Idaho [Mr. French] and myself.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

LEAVE OF ABSENCE

By unanimous consent leave of absence was granted to Mr. Lewis, for 3 days, on account of illness.

ENROLLED BILL SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H.R. 7522. An act to provide a new civil code for the Canal Zone and to repeal the existing civil code.

ADJOURNMENT

Mr. AYRES. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 2 minutes p. m.) the House adjourned until to-morrow, February 23, 1933, at 12 o'clock noon.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII.

Mr. HANCOCK of North Carolina: Committee on Banking and Currency. H. R. 14618. A bill to enable borrowers under the Federal farm loan act to secure the release of their mortgages by the transfer of land-bank bonds to the registrars; with amendment (Rept. No. 2089). Referred to the Committee of the Whole House on the state of the Union

Mr. SWING: Committee on the Public Lands. H. R. 14181. A bill to provide for the selection of certain lands in the State of Arizona for the use of the University of Arizona; without amendment (Rept. No. 2090). Referred to the Committee of the Whole House on the state of the Union.

Mr. McSWAIN: Committee on Military Affairs. S. 5233. An act to provide for the protection of national military parks, national parks, battlefield sites, national monuments, and miscellaneous memorials under the control of the War Department; without amendment (Rept. No. 2091). Referred to the Committee of the Whole House on the state of the Union.

Mr. BANKHEAD: Committee on Rules. House Resolution 386. Resolution providing for the consideration of H. R. 8378, a bill to make it a crime to advocate or promote the overthrow of the Government of the United States by force and violence; without amendment (Rept. No. 2092). Referred to the House Calendar.

Mr. DRIVER: Committee on Rules. House Resolution 393. Resolution providing for the consideration of S. 5417, an act to extend the operation of the act entitled "An act for the temporary relief of water users on irrigation projects constructed and operated under the reclamation law," approved April 1, 1932; without amendment (Rept. No. 2093). Referred to the House Calendar.

Mr. FULMER: Committee on Agriculture. S. 5122. An act to provide for the purchase and sale of cotton under the supervision of the Secretary of Agriculture; with amendment (Rept. No. 2094). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII.

Mr. FOSS: Committee on the Post Office and Post Roads. H. R. 14211. A bill granting a franking privilege to Grace G. Coolidge; without amendment (Rept. No. 2088). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of Rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. CABLE: A bill (H. R. 14754) authorizing the President to suspend the operation of the anti-trust laws during periods of economic depression, and for other purposes; to the Committee on the Judiciary.

By Mr. LEAVITT: A bill (H. R. 14755) to relieve unemployment by protecting, developing, and improving the national forest, and for other purposes; to the Committee on Agriculture

By Mr. SOMERS of New York: A bill (H. R. 14756) to authorize the acceptance by the Treasury of silver bullion and the issuance therefor of silver certificates for the purpose of correcting the dislocation of exchanges, elevating the price level, and maintaining the gold standard, and for other purposes; to the Committee on Coinage, Weights, and Measures.

By Mr. PETTENGILL: A bill (H. R. 14757) to provide for the issuance of stamped money certificates, and for other purposes; to the Committee on Banking and Currency.

By Mr. ARENTZ: A bill (H. R. 14758) for the establishment, development, and administration of the Boulder Canyon National Reservation, and for other purposes; to the Committee on the Public Lands.

By Mr. GUYER: A bill (H. R. 14759) granting the consent of Congress to agreements or compacts between the States of Kansas and Missouri, for the acquisition and maintenance and operation of a toll bridge over the Missouri River, at or near Kansas City, Kans., and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. DRIVER: Resolution (H. Res. 393) for the consideration of S. 5417, an act to extend the operation of the act entitled "An act for the temporary relief of water users on irrigation projects constructed and operated under the reclamation law approved April 1, 1932," to the Committee on Rules.

By Mr. CELLER: Resolution (H. Res. 394) authorizing the Federal Trade Commission to investigate practices of the American Tobacco Co., the P. Lorillard Co., the R. J. Reynolds Tobacco Co., the Ligget & Myers Tobacco Co., and the Great Atlantic & Pacific Tea Co.; to the Committee on Interstate and Foreign Commerce.

By Mr. FULMER: Concurrent resolution (H. Con. Res. 51) to provide for a study of radio broadcasting in the United States and other countries, to obtain information to be used as a basis for legislation, and for other purposes; to the Committee on Rules.

MEMORIALS

Under clause 3 of Rule XXII, memorials were presented and referred as follows:

Memorial from the State of California, memorializing the Congress of the United States to enact into law H. R. 13312, legalizing the sale and transportation of naturally fermented wines; to the Committee on the Judiciary.

Memorial from the State of Montana, memorializing the Congress of the United States to enact legislation to place the farm industry upon the same footing as other great industries of the United States; to the Committee on Agriculture.

Memorial from the State of Montana, memorializing the Congress of the United States for a grant of land for the use and benefit of the Northern Montana Agricultural and Manual Training School; to the Committee on the Public Lands.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII,

Mr. SWICK introduced a bill (H. R. 14760) granting an increase of pension to Esther J. Smith, which was referred to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

10600. By Mr. BACON: Petition of Camp 55, Patriotic Order of Americans, Queens Village, N. Y., urging the repeal of the furlough provisions of the economy act; to the Committee on Appropriations.

10601. By Mr. CARTER of California: Petition of Elva F. Secord and 13 other residents of Alameda County, Calif., urging the passage of the stop-alien-representation amendment to the United States Constitution; to the Committee on the Judiciary.

10602. Also, petition of E. C. Thomas and 30 other residents of Alameda County, Calif., urging the passage of the stop-alien-representation amendment to the United States Constitution; to the Committee on the Judiciary.

10603. Also, petition of the members of the First Russian Baptist Church of San Francisco, Calif., protesting against the deportation of certain Russian refugees now without any country; to the Committee on Immigration and Naturalization.

10604. Also, petition signed by Thomas F. Melody, Joseph Fagundes, and many others of San Francisco, protesting against the reduction of veterans' benefits and hospitalization; to the Committee on World War Veterans' Legislation.

10605. Also, petition of the City Council of the City of Richmond, Calif., opposing all legislation having for its purpose the abolition of essential care and relief of war veterans; to the Committee on World War Veterans' Legislation.

10606. Also, petition of Mrs. L. H. Thompson and 24 other residents of Alameda County, Calif., urging the passage of

the stop-alien-representation amendment to the United States Constitution; to the Committee on the Judiciary.

10607. Also, petition of the members of the Beulah Rest Home, Oakland, Calif., protesting against the passage of the Black beer bill; to the Committee on Ways and Means.

10608. Also, petition of the Board of Supervisors of Contra Costa County, Calif., opposing all legislation having for its purpose the abolition of essential care and relief of war veterans; to the Committee on World War Veterans' Legislation.

10609. By Mr. CHINDBLOM: Petition of H. J. Hagerty and 50 other citizens of Lake County, Ill., urging the passage the stop-alien-representation amendment to the United States Constitution; to the Committee on the Judiciary.

10610. By Mr. GARBER: Petition of George W. Reust, of Guymon, Okla., urging enactment of legislation to refinance farm-mortgage indebtedness; to the Committee on Banking and Currency.

10611. Also, petition of the National Conference of Organizations Supporting the Eighteenth Amendment, urging support of the prohibition laws and opposition to modification or repeal; to the Committee on the Judiciary.

10612. Also, petition urging support of railroad employees' pension bills, S. 4646 and H. R. 9891; to the Committee on Labor.

10613. By Mr. GIBSON: Petition of Rev. J. S. Garvin and 67 citizens of the town of Ryegate, Vt., urging an arms embargo; to the Committee on Military Affairs.

10614. By Mr. GRANFIELD: Petition of Walter J. La Francis and other citizens of Springfield, Mass., relating to unemployment, mass production, and the revaluation of the gold ounce; to the Committee on Ways and Means.

10615. Also, memorial of the House of Representatives of the General Court of Massachusetts, opposing the proposed closing in whole or in part of the Boston Navy Yard at Charlestown, Mass.; to the Committee on Naval Affairs.

10616. Also, memorial of the City Council of Northampton, Mass., relating to the enactment of House Joint Resolution No. 191 and Senate Joint Resolution No. 105 commemorating the one hundred and fiftieth anniversay of the naturalization as an American citizen in 1783 of Bvt. Brig. Gen. Thaddeus Kosciusko; to the Committee on the Post Offices and Post Roads.

10617. By Mr. HAINES: Letter signed by Alfred H. Billet, general secretary United Wall Paper Crafts of North America, 108 South Richland Avenue, York, Pa., transmitting a proposed amendment to the Constitution of the United States concerning hours of labor, etc.; to the Committee on the Judiciary.

10618. By Mr. HOOPER: Petition of residents of Battle Creek, Mich., protesting against the passage of House bill 13742 or any other measure that would override the eighteenth amendment, but instead employ means to make national prohibition more effective; to the Committee on the Judiciary.

10619. By Mr. KVALE: Petition of 1,231 citizens of Brown County, Minn., including business and professional men, bankers, farmers, and laborers, presented by Oliver C. Amundson, chairman of a volunteer committee, urging enactment of the Frazier bill, or any other measure containing similar features for extension of agricultural credit; to the Committee on Banking and Currency.

10620. Also, petition of Bricklayers, Masons, and Plasterers International Union of America, St. Paul, urging enactment of Senate bill 5125; to the Committee on Banking and Currency.

10621. Also, petition of C. A. Zwiener, department adjutant for the American Legion, Department of Minnesota, protesting against the enactment of the Bratton amendment to Treasury and Post Office bills; to the Committee on Appropriations.

10622. Also, petition of Local No. 14, National Federation of Federal Employees, Fort Snelling, Minn., protesting against the enactment of the Bratton amendment; to the Committee on Appropriations.

10623. Also, petition of P. T. A. of Litchfield, Minn., urging enactment of Senate bill 3770; to the Committee on Interstate and Foreign Commerce.

10624. Also, petition of Federal Employees Union, No. 43, St. Paul, Minn., protesting against enactment of the Bratton amendment; to the Committee on Appropriations.

10625. By Mr. LAMBERTSON: Resolution of the Lawrence Clearing House, Lawrence, Kans., opposing the passage of the Stevenson bill, H. R. 13855; to the Committee on Banking and Currency.

10626. By Mr. LONERGAN: Petition of the Common Council of New Britain, Conn.; to the Committee on the Post Office and Post Roads.

10627. Also, petition of the Common Council of Stamford, Conn., memorializing Congress to issue special postage stamp in honor of Brig. Gen. Thaddeus Kosciusko; to the Committee on the Post Office and Post Roads.

10628. By Mr. MARTIN of Oregon: Resolution of the Colonial Council for St. Thomas and St. John, Virgin Islands of the United States, urging that the municipality be placed under the Navy Department; to the Committee on Naval Affairs.

10629. By Mr. SNELL: Petition by residents of Essex County, relative to the eighteenth amendment and House bill 13742; to the Committee on Ways and Means.

10630. By Mr. SUTPHIN. Petition praying for the enactment of House Joint Resolution 191 and Senate Joint Resolution 105 commemorating the one hundred and fiftieth anniversary of the naturalization as an American citizen and appointment as brevet brigadier general of Thaddeus Kosciusko; to the Committee on the Judiciary.

10631. By Mr. WATSON: Petition with 37 signatures from Bucks County, Pa., urging the elimination of aliens in making future apportionments for congressional districts; to the Committee on the Judiciary.

SENATE

THURSDAY, FEBRUARY 23, 1933

(Legislative day of Tuesday, February 21, 1933)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

Mr. FESS. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Costigan Johnson Ashurst Russell Couzens Schuyler Kean Bailey Bankhead Kendrick Sheppard Shipstead Shortridge Dale Davis King La Follette Barbour Barkley Logan Long McGill Dickinson Smith Bingham Dill Smoot Black Steiwer Stephens Blaine Fletcher McKellar McNary Borah Frazier Swanson George Glass Mos Thomas, Idaho Neely Brookhart Thomas, Okla. Townsend Trammell Tydings Vandenberg Broussard Bulkley Glenn Norbeck Goldsborough Norris Bulow Gore Nye Grammer Hale Oddie Byrnes Capper Patterson Wagner Caraway Harrison Hastings Pittman Walcott Reed Walsh, Mass. Carey Reynolds Clark Hatfield Watson Robinson, Ark. Robinson, Ind. White Copeland Hebert

Mr. SHEPPARD. I desire to announce that the junior Senator from Montana [Mr. Wheeler] and the junior Senator from Texas [Mr. Connally] are detained from the Senate by illness.

I also wish to announce that the senior Senator from Montana [Mr. Walsh] and the junior Senator from Illinois [Mr. Lewis] are necessarily out of the city.

Mr. NORRIS. I wish to announce that my colleague [Mr. Howell] is detained from the Senate by reason of illness.

The VICE PRESIDENT. Eighty-eight Senators have answered to their names. A quorum is present.

THE JOURNAL

Mr. FESS. Mr. President, I ask unanimous consent for the approval of the Journal for the calendar days of Tuesday and Wednesday, February 21 and 22, 1933.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

INDEPENDENT OFFICES APPROPRIATIONS

The Senate resumed the consideration of the bill (H. R. 14458) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1934, and for other purposes, the pending item being the appropriations for the Federal Trade Commission.

"THE SPIDER WEB OF WALL STREET"

[Mr. NORRIS continued and concluded the speech begun by him yesterday, which follows entire:]

Wednesday, February 22, 1933

Mr. NORRIS. Mr. President, every year, I believe, since the creation of the Federal Trade Commission, or at least every year for quite a number of years back, we have had a test in the Senate on the question of making appropriations for the activities of that commission. At the very beginning the establishment of the Federal Trade Commission was fought viciously by the great combinations, corporations, and monopolies of the country. In my judgment, we have never had any commission, committee, or organization of a governmental character that, for the money expended, has done as much good for the people of the United States as has the Federal Trade Commission.

It is true, I believe, that there are men connected with the Federal Trade Commission, one of whom, indeed, is a member of the Federal Trade Commission, who do not have any sympathy with the very objects for which that commission was created. That accounts, perhaps, for the fact that nearly every year the appropriation for that body has been cut down and that as the bill providing for it comes to the Senate the Federal Trade Commission is practically wiped off the map. The Senate has been in the habit of increasing the appropriation and getting something out of its amendment in conference with which that commission has been staggering along.

A few years ago the Senate adopted a resolution imposing upon the Federal Trade Commission a task that was greater than any that had ever been previously placed upon it. I refer to the investigation of the so-called Power Trust. It has been proceeding to perform that task for several years past. I repeat, Mr. President, that I believe no money has ever been appropriated by Congress for which more value has come to the people of the country than that which has been appropriated for the activities of the Federal Trade Commission. The resolution to which I refer placed upon the Federal Trade Commission the burden of making an investigation of the public-utility question. Developments coming from that investigation have shown that perhaps never in the history of the country-indeed, never in the history of civilization-have combinations and corporations been more active in trying to build up a trust, a monopoly, for a particular business than have the power interests of the United States.

The trade organization of the power industry is known as the National Electric Light Association. The commission's investigation showed that the tentacles of this trust had reached out into every community in the United States. Nothing was too small for them to go into or to look after; nothing was too great for them to aspire to control. They looked after the nominations and elections of men who were candidates for President of the United States. They went down the line and were active in the election of members of school boards in some of the small villages and towns of the United States. They had their secret agents scattered all over the United States under various disguises. They had as agents women who addressed meetings of women's clubs; they had their agents entering secret societies. Professors in colleges were employed under the

secret pay of this trust. Newspapers were bought; millions of dollars were invested for that purpose; newspapers were controlled by advertising matter. Churches and pulpits were invaded, and an army of men and women in the secret pay of this great trust were trying to control the sentiment of the people of the United States. They invaded the public schools—secretly always—for the purpose of poisoning the minds of the children in those schools, trying to influence their youthful minds and shape them along lines that would lead them to acquire the viewpoint of the Power Trust.

The investigation of the Federal Trade Commission into the activities of this trust has been underway for two or three years, and the National Electric Light Association has been put in disrepute before honest people everywhere because of the activities in which the investigation showed they had engaged.

Mr. President, recently the National Electric Light Association has dissolved; the members of that old organization have reformed and have created a new organization called the Edison Electric Institute. It has been named after a great man whose name is venerated wherever there is a progressive people anywhere in the world. The members of the new organization are going to take advantage of that name. I have here an Associated Press dispatch sent from Yew York on February 14, which says, in part:

The National Electric Light Association will be formally disbanded to-morrow, just three years short of rounding out a half century of existence.

They had been in existence and doing the kind of business to which I have referred for 47 years before they were discovered. The article goes on to say:

In the later years of its existence the association of "NELA," as it became known in the industry, came under scorching fire from several sources for its propaganda and lobbying activities, and several prominent public-utility executives have expressed the hope that the industry will gain in favor through the demise of "NELA."

Mr. President, if they have really reformed, if the great National Electric Light Association, exposed by the investigation conducted by the Federal Trade Commission have really gotten religion, if they have really been converted, no one will be more delighted than I.

This new organization in its constitution gives its executive committee almost absolute power over the control of its membership. It can call upon any member for any information as to its method of keeping books or any other thing connected with its organization, and the information must be supplied or the member is liable to expulsion. Therefore it becomes important to consider who are the trustees and officers of this great power organization.

At the time of the adoption of its constitution 22 trustees were selected to handle the affairs of the institute, and they proceeded to elect officers. The first peculiar thing we find about it is that the president of the old National Electric Light Association becomes the president of the new christianized association.

The next important thing we notice is that the vice president of the old association that had been caught and its methods of dealing for the last 47 years with the people of the United States had been exposed—the vice president of that old association becomes vice president of the new purified association.

The next thing we notice is that the executive secretary of the old association, who was very active in its management and under whose administration these sins, wrongs, and crimes against humanity and against the people of the country had been exposed, becomes the new executive secretary. The treasurer of the old organization, the man who handled the funds of the old organization, was likewise retained. That organization handled pretty large funds, for, as Senators will remember, one of the things that the investigation by the Federal Trade Commission disclosed was that they set aside \$400,000 just to handle the United States Senate at one session. I think in the depression probably they would not need so much to handle the same number of men, but they thought we were pretty high-

priced fellows, although there were only three things in | which they were interested. First they wanted to defeat the Boulder Dam bill which was then pending; second, they wanted to defeat Muscle Shoals legislation which was then pending; and, third, they wanted to defeat the resolution which provided that they should be investigated. The treasurer of the old organization becomes the treasurer of the purified organization; so that they start out with the same officers: they start out without any change in officers: they are, from top to bottom, just the same as they were under the old organization that had been caught redhanded.

Mr. President, I think it would be interesting if we took up these trustees now. Let us see who they are, and what their connections are, and whether they were connected with any of these organizations that have been investigated and exposed.

Mr. BLACK. Mr. President, will the Senator yield?

Mr. NORRIS. Yes.

Mr. BLACK. Did they change the residence of the association when they changed its name?

Mr. NORRIS. No. Mr. BLACK. It still lives in the same State, the same locality?

Mr. NORRIS. Yes.

Senators will recollect that through interlocking directorships between banks dominated by Morgan and through the control of the Morgan-founded, Morgan-operated United Corporation, this banking house, within the past few years, has come into a position of absolute dominance in the power business. Take its United Corporation: It was founded early in 1929. United Corporation has substantial control of Columbia Gas & Electric Co., a far-flung holding corporation: the Niagara Hudson Power Corporation, which dominates the up-State utility picture in New York; and the Commonwealth & Southern Corporation, another huge power group. I shall have more to say in regard to that in the

I had assistants working on a chart that charted the United Corporation, which I have just mentioned. Some of the statistics and some of the information we were not able to get. I expected to have it, so that I could put it up beside these other charts on the wall and show to the Senate just how this United Corporation, controlled by Morgan in the public-utility field, spreads all over the United States; but we were unable to assemble all the information, and I shall have to wait until some future date for the information that that would convey.

United Corporation also is buying into Electric Bond & Share, which in the past has been headed by Sidney Z. Mitchell, who, with Insull, dominated the old-time National Electric Light Association.

At the present rate of progress, Morgan will soon control the industry. That famous banking house is already well on the road in that direction. The record of the functioning of these various Morgan-controlled corporations in this new Edison Electric Institute will bear watching.

Is it because Morgan wishes to complete the picture of his control of the power industry that his power executives dominate 18 of the 22 trustees of this new organization?

An examination of the connections of the trustees of the Edison Electric Institute and the showing as to the interlocking directorships between bankers and the companies and the interlocking directorates between banking houses which also have interlocking directorates with the companies headed by the trustees of the Edison Electric Institute shows that of the 22 trustees of the new organization, 18 are so closely linked to the Morgan-Carlisle-United Corporation interests that it would be impossible to have the slightest independence of action.

Now let us consider some of these trustees. Who is Mr. Carlisle, for instance?

Carlisle is an upstate New York banker who launched into the power industry several years ago. His greatest rise, however, has been since he, acting for Morgan, moved into control of the upstate Niagara Hudson Power Co. and

the Consolidated Gas Co., which controls the electric and gas picture in the city of New York, and is one of the real powers in the Morgan-owned United Corporation. United Corporation in December, 1931, controlled about 22 per cent of the voting strength of Niagara Hudson. Carlisle and other Morgan operators have enough stock to make this working control absolute.

Mr. Carlisle's investment company, known as F. L. Carlisle & Co., had about a 33 per cent control of the New England Power Association, a public-utility group, when that organization was founded, and when it wrote up its assets by \$17,000,000, according to the records of the Federal Trade Commission's investigation of utilities.

That is found on page 362, volumes 31 and 32. So Mr. Carlisle, one of the trustees of this holy institute, was the head of an institution that the Federal Trade Commission shows put \$17,000,000 of water into the capitalization.

It is interesting to note that since the organization of the Niagara-Hudson Power Co., J. P. Morgan & Co. are always the head of the banking syndicate that handles the public offerings of the securities of the Niagara Power Co.'s subsidiary corporations.

Here are some of the samples:

In 1931 one of the subsidiaries, the Buffalo General Electric Co., floated general and refunding mortgage 41/2 per cent gold bonds due February 1, 1981, to the amount of \$20,000,000. It is interesting to note who handled the bonds. Here are the bankers who did it:

J. P. Morgan & Co.; Bonbright & Co.; First National Bank; National City Co.; Guaranty Co. of New York; Bankers Trust Co. of New York; Chase Securities Corporation; Lee, Higginson & Co.; Bancamerica-Blair Corporation; and Schoellkopf, Hutton & Pomeroy, Buffalo, N. Y.

Note these names. I am going to repeat them a good many times before I get through with these charts that are on the wall. You will become familiar with them. These are the banking institutions that handled the bonds of this Morgan-controlled subsidiary of the new Edison Electric Institute.

In 1932 the Niagara Falls Power Co., another one of the subsidiaries, floated first and consolidated mortgage 5 per cent gold bonds, due in 1959, to the amount of \$2,000,000. Who handled that? J. P. Morgan & Co.; Bonbright & Co.; Schoellkopf, Hutton & Pomeroy.

Then in the same year, 1932, the Utica Gas & Electric Co., another one of the subsidiaries, floated \$2,000,000 in 20-year general mortgage 5 per cent gold bonds. Who handled them? J. P. Morgan & Co.; Bonbright & Co.; Schoellkopf, Hutton & Pomeroy.

So that gives the Senate an idea of Mr. Carlisle's connections. Incidentally, do not forget that we always find him in the Morgan group.

George H. Howard is another trustee of this converted, Christianized Edison Electric Institute. Who is he? Why, he is president of the United Corporation. That, remember, is the corporation I have been talking about. That is the corporation that controls the electric-light companies of the subsidiaries in the public-utility business from New York to San Francisco and from the Canadian line to the Gulf. That is the corporation as to which I wanted to have a chart here, showing how they were connected, but was not able to get it ready.

Mr. Howard has associated with him as directors in various enterprises Harold Stanley, a Morgan partner; Landon K. Thorne, another Morgan associate; George Whitney, a Morgan partner; and Alfred L. Loomis, a codirector in the Morgan-controlled Bankers Trust Co.

Now let us take up Mr. B. C. Cobb, another one of the trustees. He is another of the Morgan triumvirate. He has been chairman of the finance committee of the National Electric Light Association. That is the one they got ashamed of and disbanded, you know. He was the head of the finance committee; so they not only have the same officers but the same fellows are going to run their finances. He is chairman of Commonwealth & Southern, a company that holds a large number of electric-light corporations, in

which the Morgan-owned United Corporation has an important, if not a controlling, interest.

Mr. Cobb was serving on the boards of the companies he operates.

Mr. Thorne, the president of Bonbright Co., a Morgan associate, who, in addition to being a director in Commonwealth & Southern, is also director of Niagara Hudson, Public Service Corporation of New Jersey, the United Gas Improvement Co., Mohawk Hudson Power Co., American Superpower Corporation, the United Utilities, and the Morgan bank, the Bankers Trust Co.

Another associate of Mr. Cobb as a director of the Commonwealth & Southern Corporation is Alfred L. Loomis, who also is a director of United Corporation, Public Service Corporation of New Jersey, American Superpower, United Utilities, and the Bankers Trust Co. Back to Morgan again!

Another associate of Cobb is the far-famed Sidney Z. Mitchell. He is head of the Electric Bond & Share group, in which Morgan, through his United Corporation, seems to be acquiring a substantial interest. Mr. Mitchell's directorships are interlocking with other Morgan-controlled corporations.

Then here is Mr. Frank D. Comerford. He is another one of the trustees. He happens to be president of the New England Power Association. He is a director of International Paper & Power and Edison Electric Illuminating Co., of

Mr. Comerford will be recalled for his testimony before the Federal Trade Commission concerning the practice of "writing up" the value of properties. In the course of his testimony it was brought out that when the New England Power Association was formed and took over the assets of the New England Power Co. it wrote up these assets by more than \$17,000,000. (Federal Trade Commission Reports, vols. 31 and 32, p. 360.) Mr. Comerford claimed that these writeups did not affect the consumer in any way, since they were not used as a basis for rate making. That is always the claim made. Nevertheless, when any public-utility corporation is asking for new rates it always cites its capitalization, and how much it ought to be allowed to make, and that goes into figuring the value of its property, upon which, under the law, the rates must be graded. But lay that question aside. Lay the rate question aside for a moment. Forget it. This man, who is one of the trustees of this new, sanctified organization, claims in his testimony that it did not make any difference how much water they put into the capitalization, because when they figured the rate they figured it on the value of the property. But he said nothing about the poor investor; he said nothing about the poor man or woman putting savings into these corporations made up of water. By the millions they were putting water in, and the Insull fiasco is an illustration of what happened. So, if Senators will forget the man who pays the rate, and think of the men and women who are induced to part with their hard-earned cash to buy the bonds and the shares of these companies which are overinflated and oversupplied with water, they will get another viewpoint of it.

His testimony will be found in the Federal Trade Commission report, volumes 30 and 31, page 362.

Then I come to Alex Dow, another one of these trustees. He is of the Detroit Edison Co., and has associated with him as director of that company Mr. Bulkley, of Spencer Trask & Co., of New York, who is also a director of the North American Co., the Cleveland Electric Illuminating Co., the Milwaukee Electric Railway & Light Co., the Milwaukee Electric Light, Heat & Traction Co., and the Bankers Trust Co., of New York, getting back to Morgan.

He has also associated with him as a director in the Detroit Edison Co. Mr. B. A. Tompkins, vice president of the Bankers Trust Co., a Morgan bank.

Mr. William Chamberlain is another member of the board of trustees. He is president of the United Light & Power Corporation. He is a director of the International Paper Co., which is a subsidiary of the International Paper & Power Co. Mr. Chamberlain is tied in with the following Morgan associates: Mr. George Roberts and Mr. Marshal Field. | trustees. He is also president of the New England Power

Roberts is director of the Niagara-Hudson Power Co., which is controlled by the Morgan-owned United Corporation, and Morgan's chief power dictator, Floyd L. Carlisle. Mr. Field is a director of the Columbia Gas & Electric, owned by Morgan, president of Field, Glore & Co., director of two of the Morgan New York City banks, the Guaranty Trust Co., and the Bank of Manhattan Trust Co.

Mr. REYNOLDS. Mr. President, will the Senator yield? Mr. NORRIS. I yield.

Mr. REYNOLDS. I heard the Senator a moment ago mention the name of Mr. Mitchell.

Mr. NORRIS. Yes.

Mr. REYNOLDS. He is one of the directors of that splendid institute the Senator has described so vividly. I should like to know if he is related to the Mr. Mitchell who is president of the National City Co. I make that inquiry because it is said that he testified before our Committee on Banking and Currency that in one single year that man himself earned in salaries and in bonuses the enormous, immense sum of \$2,200,000, and in the next breath admitted that those innocent people who had trusted themselves to the salesmen for the big companies the Senator has so vividly described lost millions upon millions of dollars.

Mr. NORRIS. I thank the Senator for his interruption. The Mitchell about whom I am speaking is Sidney Z. Mitchell. I can not say whether he is the same man who testified before the Senator's committee or not. There are two Mitchells. I think this was a different Mitchell.

I now come to Mr. Tidd, one of these trustees. He is president of the American Gas & Electric Co. He has associated with him in the American Gas & Electric Co. as a director Mr. Sidney Z. Mitchell, whose connections I have already noted in connection with B. C. Cobb. Also associated with Mr. Tidd as director of the American Gas & Electric Co. is Mr. C. E. Groesbeck, who is also trustee of the institute, president of the Electric Bond & Share, and a director of the Bankers Trust Co., a Morgan-controlled

Mr. John Z. Zimmerman is another trustee. He is president of the United Gas Improvement, of Philadelphia. He has associated with him as director Mr. Harold Stanley, a partner of J. P. Morgan & Co., and already referred to in connection with Messrs. Chamberlain and Carlisle.

Mr. Zimmerman has also associated with him Mr. Edward Hopkinson, who is a director in the Public Service Corporation of New Jersey, also of the United Gas Improvement. He is also a partner in J. P. Morgan & Co., and in Drexel & Co., of Philadelphia.

Associated with him also is Mr. Landon K. Thorne, already referred to in connection with Cobb and Carlisle. He is another director of the United Gas Co.

Then there is Mr. Gossler, another one of these trustees. He is president of the Columbia Gas & Electric Co., and has associated with him as a director in the Columbia Gas & Electric Co. Mr. Harold Stanley, partner in J. P. Morgan.

He has also associated with him Mr. Marshall Field, referred to above in connection with Mr. Chamberlain.

Associated with him also is William C. Potter, who is also a director of the Electric Bond & Share Co., and president, and director of the Guaranty Trust Co.

Associated also with him is Joseph Harriman, president of the Harriman National Bank, of New York City.

Then there is Mr. C. E. Groesbeck, another one of the trustees, who is president of the Electric Bond & Share and is a director of the Bankers Trust Co. and of the Amercian Gas & Electric Co. He has associated with him as directors Mr. Sidney Z. Mitchell; Mr. William C. Potter, president of the American Trust Co.; Mr. L. E. Pierson, chairman of the Irving Trust Co.; Mr. Frederick Strauss, of J. W. Seligman & Co.; Mr. E. G. Merrill, chairman Bank of New York & Trust Co.; and S. S. Colt, president of the Bankers Trust Co.

Another one of these trustees is Mr. Baylies, who is president of the Edison Electric Illuminating Co., of Boston. He has associated with him as director Frank D. Comerford. who is a trustee of the institute. He is another one of the

Association, a subsidiary of the International Paper & Power | Co., of which Mr. Comerford is also a director.

Another one of the trustees is Samuel Ferguson, who is president of the Hartford Electric Light Co., of Hartford, Conn., and who is a director of the New England Power Association.

Then there comes Mr. Harry J. Bauer, president of the board of the Southern California Edison. As far as I know, he is not connected with any Morgan institution.

George B. Cortelyou is president of this great institute. as well as one of the trustees. Senators will remember him, certainly, in connection with the activities of the National Electric Light Association, in trying to control the action of the United States Senate. Senators will remember that this great association employed two ex-Senators to appear before the committee to which had been referred the resolution of investigation. The evidence showed the fees they were paid, and, as far as any evidence I have ever seen is concerned, that was the only service they rendered.

Mr. COSTIGAN. Mr. President—
The PRESIDING OFFICER (Mr. La Follette in the chair). Does the Senator from Nebraska yield to the Senator from Colorado?

Mr. NORRIS. I yield.

Mr. COSTIGAN. Was any accounting ever made of the expenditure of the \$400,000 referred to by the Senator from Nehraska?

Mr. NORRIS. Yes. The Federal Trade Commission, in its investigation, showed just how the money was spent. They itemized it somewhat in their report, and the fees paid to the attorneys were a part of the report. That is all in the record. I think I had it put in the CONGRESSIONAL RECORD at another time, but I do not remember the details of it now.

Mr. Cortelyou is president and also a member of the board of trustees of this Edison Electric Institute. He was also president of the National Electric Light Association, which has just gone out of business, and which was displaced by the Edison Electric Institute.

Associated with Mr. Cortelyou as a director of the Consolidated Gas Co. is Mr. Charles E. Mitchell. I will say to the Senator from North Carolina that I think that is the Mitchell who testified before his committee yesterday. He is associated with Mr. Cortelyou as a director of the Consolidated Gas Co. Mr. Mitchell is chairman and director of the National City Bank of New York, and he is also director of the American Foreign Power Co.

Associated with Mr. Cortelyou also is Mr. George Whitney, one of Mr. Morgan's partners. He has also been referred to in connection with Mr. Howard and with Mr. Cortelyou as a director of the Consolidated Gas Co. of New York.

Mr. Muhlfeld is another one of these trustees. He is a director of Stone & Webster, and has associated with him as a director Mr. Charles A. Stone, who is also a director of the Chase Securities & North American Co.

Senators, particularly from the West, will recognize the firm of Stone & Webster. They go clear to the Pacific coast from the Middle West, and are interested in the generation and distribution of electricity in many places. They operate in Washington; they operate in Los Angeles; they operate up and down the coast and a great distance east of the

Mr. Edwin Gruhl is another trustee. He is president of the North American Co., and associated with him is Mr. Bulkley, noted above in connection with Mr. Dow, and also Mr. Charles A. Stone, chairman of Stone & Webster, who is also director of the Chase Securities Co., and is mentioned above in connection with Mr. George O. Muhlfeld.

Mr. Hockenbeamer is another trustee. He is president of the Pacific Gas & Electric Co., the North American Co., whose chief financial influence is the Morgan-controlled Bankers' Trust Co., and is the most important stockholder in Pacific Gas & Electric Co.

Mr. McCarter is another trustee. He is president of the Public Service Electric & Gas Co., of Newark. Associated with Mr. McCarter as director is Mr. Landon K. Thorne,

noted above, and Mr. Alfred L. Loomis, noted above, and Mr. Hopkinson, also noted in connection with Mr. John E. Zimmerman

Mr. John J. O'Brien is another trustee. He is president of Byllesby & Co., and director of the Pacific Gas & Electric Co.

Mr. H. Hobart Porter is president of the American Waterworks Electric Co.

Mr. Herbert A. Wagner is president of the Consolidated Gas, Electric Light and Power Co., of Baltimore.

Mr. James Simpson is the chairman of the board of the Commonwealth Edison Co.

There is no record that Mr. Porter, Mr. Wagner or Mr. Simpson are in any way controlled by the Morgan-Carlisle-Cobb-Howard group. The same is apparently true of Mr. Harry J. Bauer, chairman of the board of the Southern California Edison Co., another director of the institute.

A careful review of the record will show that all of the

gentlemen, except the four I just mentioned, are tied through interlocking directorships of banks and utility corporations as being associated with and either dominated or partially controlled through association with the new Morgan utility empire. So here we have this new Edison Electric Institute controlled as was the National Electric Light Association in its final year, by this Morgan-Carlisle group. Are they merely pulling the wool over our eyes by their new purification efforts and at the same time getting into a position to still further dominate the industry in which they now have practical working control?

Mr. President, I believe that an examination will show that the old National Electric Light Association still lives in spirit; that these men have had no change of heart. If they had, why have they not individually and personally announced that they were going to quit the holding company business, that they were going to stop the methods by which they control generation and distribution of electricity all over the United States? They themselves claim that they have 87 per cent control of all the electric-light facilities in the United States. I believe it, and I think I shall continue to believe it until we have some concession from these men, some of whom were caught red-handed pouring water into the capitalization, and others of whom were interested in the propaganda spread all over the country to deceive the American people. It is my opinion that the National Electric Light Association have only changed their shirt and the shirt they are putting on now is just as dirty as the one they have taken off.

Mr. LONG. Mr. President-

The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from Louisiana?

Mr. NORRIS. Certainly.

Mr. LONG. I have been out of the Chamber momentarily. What is the change to which the Senator refers?

Mr. NORRIS. The National Electric Light Association has changed to the Edison Electric Institute. They have given a new name to an old institution.

Mr. President, I have referred several times to the Commonwealth & Southern Corporation. Incidentally the Commonwealth & Southern, one of these holding companies, is one of the corporations which the Federal Trade Commission has not yet investigated. We have appropriated money to-day that will enable them to carry their investigation into this group. I want to outline briefly just what the Commonwealth & Southern Corporation is.

The Commonwealth & Southern Corporation is one of the utility combines upon which the Federal Trade Commission has not started work as yet, and most certainly will not before June 30. It is one of the 22 companies listed by the commission for investigation in the next fiscal year and will be investigated at that time, I hope.

Commonwealth & Southern controls, through direct ownership of practically 100 per cent of common stock, the following companies, among others: Alabama Power Co., Tennessee Electric Power Co., Gulf Power Co., Mississippi Power Co., South Carolina Power Co., Georgia Power Co. It controls others similarly in Pennsylvania, Illinois, Indiana, and Ohio.

& Southern control through the Southeastern Power & Light Co., which formerly headed up this group of companies in the Southeast. In May, 1929, Commonwealth & Southern Corporation was formed and acquired more than 90 per cent of the common stock of this Southeastern Power & Light Co. Subsequently, Southeastern Power & Light Co. was merged into Commonwealth & Southern, along with three other holding companies much like Southeastern, but operating in other regions.

Just imagine what that means. If we take the language of the last two or three sentences to which I have given utterance, and analyze it, we will find out how the ordinary person may be deceived, unless he selects an expert to help him, and if he be an expert he will require considerable time to trace out the holdings, the swallowings, the buying out and selling out of these various corporations one to the other, one holding company getting control of another holding company, and so on down the line.

The other three holding companies which I have just mentioned as taken over were the Commonwealth Power Corporation, the Penn-Ohio Edison Co., and the Allied

Power & Light Corporation.

The Commonwealth & Southern system, in the South. serves Pensacola, Fla.; Chattanooga and Nashville, Tenn.; Anniston, Birmingham, Montgomery, Gadsden, and Mobile, Ala.; Charleston and Aiken, S. C.; Atlanta, Augusta, Columbus, Macon, and Rome, Ga.; and Biloxi, Hattiesburg, and Meridian, Miss.

The vast extent of the system in the Middle West, as well as in the South, is tersely expressed in Moody's Manual of Public Utilities for 1932, which says:

The operating companies serve over 2,600 cities, towns, and communities, in a territory having a population estimated to be in excess of 9,000,000, located in 11 industrial and agricultural States—Michigan, Ohio, Indiana, Illinois, Tennessee, Pennsylvania, South Carolina, Georgia, Alabama, Mississippi, and Florida, furnishing electricity to 1,046,971 customers' meters and gas to 218,-002 customers' meters.

The system had consolidated assets at the end of 1931 of \$1,155,760,000. Its consolidated gross earnings in 1931 were \$130,000,000, and in 1932 were \$114,000,000. Its net income, after expenses, taxes, retirement reserve, and fixed charges, but before preferred dividends, was, in 1931, \$22,369,000; and in 1932 was \$13,243,000.

Commonwealth & Southern Corporation had outstanding at the end of 1932, 33,673,328 shares of common stock without par value. As of the end of 1931 there were nearly 160,-000 common-stock holders and about 181,000 stockholders of

All of this information is contained in Moody's Manual and Moody's Cumulative Manual Service.

From Holding Company Control of Licensees of the Federal Power Commission, a report of a survey made under the direction of the Power Commission last year, it is clear that the Commonwealth & Southern Corporation, huge as it is, is only one of the units in the great Morgan power combine that has been put together in the last 10 years. The Power Commission's report shows this, without comment, through the record of stockholdings. According to this report, the Commonwealth & Southern Corporation had outstanding in June, 1931, 34,011,010 shares of common stock, or several hundred thousand more than remained outstanding at the end of 1932. Of the thirty-four million-odd shares outstanding in the middle of 1931, the American Super-Power Corporation held 4,571,663, or 13.4 per cent; United Corporation held 1,798,270, or 5.3 per cent; and United Gas Improvement Co. held 975,446, or 2.9 per cent. The holdings of these three made a total of 7,345,379, or 21.6 per cent.

The foregoing figures are contained in the "holding company control" report on page 8. The United Corporation is the giant investment trust, or investment company, of the Morgan interests in the utility field. The United Gas Improvement Co. has 26.1 per cent of its common stock held by the United Corporation. The American Super Power Corporation is closely related to these others. Moreover,

The southern companies listed came into Commonwealth | besides the 21.6 per cent of Commonwealth & Southern common stock held by American Super Power, United Corporation, and United Gas Improvement, an additional 6 per cent of Commonwealth & Southern common stock is held by the Electric Bond & Share Co. There are also certain stock interrelationships between Electric Bond & Share and the other corporations named.

Since the Power Commission's report was prepared there has been some building up of holdings in Commonwealth & Southern, by the American Super Power Corporation at least. Moody's Manual Service lists the holdings of the American Super Power Corporation in Commonwealth & Southern Corporation, as of December 31, 1932, as 5,000,000 shares of common stock and 2,721,447 option warrants.

[At this point Mr. Norris yielded the floor for the day.]

Thursday, February 23, 1933

Mr. NORRIS. Mr. President, when the Senate took a recess last night I had about reached the point where I was going to give some illustrations of corporate control. The particular subject about which I was talking was the investigation of the Power Trust by the Federal Trade Commission. But every student of the subject will learn before he investigates it very far that it is only one of the incidents of corporate control that needs investigation. The Federal Trade Commission has stated that on its own motion it intended to take up an investigation of corporations generally and their general control of the business of the country.

Mr. BORAH. Mr. President, may I interrupt the Senator? The VICE PRESIDENT. Does the Senator from Nebraska yield to the Senator from Idaho?

Mr. NORRIS. Certainly.

Mr. BORAH. I want to ask the Senator if he has seen a book just published by Upton Sinclair on Wall Street, entitled "Upton Sinclair Presents William Fox "?

Mr. NORRIS. Yes; I have the book.
Mr. BORAH. I think it is one of the most remarkable stories in regard to such matters that I have ever read.

Mr. NORRIS. I have not yet read all of it, but the part which I have read indicates that it is a very remarkable story.

Mr. President, I wish now rather to broaden the scope of my discussion of the question by taking in corporations in general. The control of the public-utilities business, the electric-light business, is important, because it reaches into every home in the land, but it is only one of the illustrations of the control, by combinations of money, of practically all of the business of the Nation.

I desire at this point to give a list of eight leading banks in New York City, as follows:

Bank of America National Association, Bank of Manhattan Trust Co., Bankers' Trust Co., Chase National Bank, Chemical Bank & Trust Co., Guaranty Trust Co., National City Bank Co., New York Trust Co.

Almost any list of the large banks of Wall Street could be taken and the result would be about the same, but I have selected this list, because to take all the banks and gather the facts in regard to them would mean a job that would require months of toil.

The eight banks on the list I have given have 287 directorships in insurance companies; they have 301 directorships in other banks. That shows how they are interlocked with other banks. They have 521 directorships in public-utility companies. That shows how they reach out over the country and handle the public-utility business of the country. These eight banks have 585 directorships in railroad. steamship, and airplane transportation companies. So we can not eliminate or reduce an appropriation for airplanes without treading on the toes of the money power of Wall Street.

Mr. LONG. Mr. President, will the Senator from Nebraska yield to me for just a moment?

The VICE PRESIDENT. Does the Senator from Nebraska yield to the Senator from Louisiana?

Mr. NORRIS. I yield.

Mr. LONG. Their corporate control of the Power Trust does not differ materially from their control of anything else, does it?

Mr. NORRIS. No; it is about the same as in the case of any other corporation.

These eight banks—and they are only a part of the great combination of wealth represented by banks in Wall Street, which are operating through interlocking directorships—have directorships in 846 manufacturing companies. So there are 846 corporations engaged in all lines of manufacturing that these banks, either directly or indirectly, control, because the man who controls or the men who control the money of the country also control the country, as the Senator from Oklahoma [Mr. Thomas] so well said yesterday. Let a combination of men control the finances of the United States, and they control all the activities of all the people of the United States. These 8 banks have 1,201 directorships in other corporations, making a total of 3,741 directorships held by the 8 banks in various corporations.

Now I want to take a little larger list of banks. I am going to include these 8 and add enough more to include 24 banks and trust companies in New York, and, so that any student who may want to examine into the question may have a little more detail, I will give the names of these 24 banks which I use in this illustration. They are the American Exchange Securities Corporation; Anglo-South American Trust Co.; Bancamerica-Blair Corporation; Bank of America, National Association; Bank of Manhattan Trust Co.; Bank for Savings in the City of New York; Bankers' Trust Co.; Bronx County Trust Co.; Brooklyn Trust Co.; Central Hanover Bank & Trust Co.; Chase National Bank; Chemical Bank & Trust Co.; City Bank Farmers' Trust Co.; Corn Exchange Bank & Trust Co.; First National Bank, City of New York; Guaranty Trust Co. of New York; Halsey Stewart & Co.; Irving Trust Co.; Lisman Trust Co.; Manufacturers' Trust Co.; Marine Midland Trust Co.; National City Bank of New York; New York Trust Co.; Title Guaranty & Trust Co.

Mr. President, these banks have 6,250 directorships in various corporations, including other banks.

Let me call attention here to conditions existing right in the shadow of this Capitol. The Chase National Bank, as is known, owns, or at least controls, the gas company which supplies the people of Washington with gas. Between the Chase National Bank and the gas company that operates in the city of Washington there are more than a dozen holding companies. I put the list of those holding companies into the Record in some remarks I made here at the last session of Congress. In addition to those holding companies there are two voting trusts that intervene between the operating company and the corporation in Wall Street that controls it. There is not any reason for this maze of holding companies, Mr. President, except to deceive the people and to make difficult, in fact, to make almost impossible, the proper regulation of public utilities.

I want to show now, Mr. President, how these holdings have been increasing, how rapidly they are going forward, how rapidly the hands of these interlocking corporations are reaching out into all fields of human endeavor and controlling gradually but surely business of a corporate nature of all kinds in the United States. I propose in a very few words to show the increase of the control of the business of the country by a few banks in Wall Street.

In 1899 there were 1,762 directorships in other corporations held by 15 commercial banks of New York City. Perhaps I had better read the names of those banks. They are: Bank of America, National Association; Bank of Manhattan Trust Co.; Bank for Savings in the City of New York; Bankers Trust Co.; Central Hanover Bank & Trust Co.; Chemical Bank & Trust Co.; Chase National Bank; New York City Bank Farmers' Trust Co.; Guaranty Trust Co.; Irving Trust Co.; Manufacturers Trust Co.; Marine Midland Trust Co.; National City Bank; New York Trust Co.; and Title Guaranty & Trust Co.

These 15 corporations in 1899 held 1,762 directorships in other corporations. In 1913, 14 years later, the same group of banks held directorships in 3,426 other corporations. In 1931 the same group of banks held directorships in 5,432 other corporations.

Let me give just a brief statement in regard to the holding of directorships in other corporations by the National City Bank at the present time. The National City Bank has 7 directorships in aviation companies; it has 41 directorships in other banks; it has 104 directorships in miscellaneous corporations; it has 44 directorships in insurance companies; it has 102 directorships in manufacturing companies; it has 29 directorships in transportation companies; and it has 115 directorships in public-utility companies.

Mr. President, I have prepared and placed on the wall here [indicating] a chart in which there is given somewhat of an analysis of the Chase National Bank, using that bank as an illustration, for the same thing would be true of almost any of the large banks I have mentioned. This chart was prepared by Mr. Frey, secretary-treasurer of the metals trades department of the American Federation of Labor. It is made up, to a great extent, from testimony taken before the subcommittee of the Judiciary Committee just a few weeks ago.

The Chase National Bank, of New York City, as shown by the chart, has 82 directors. They are named on the chart. It has in transportation companies 133 directorships; it has 236 directorships in manufacturing corporations. The transportation companies are named on the chart together with the names of the men who sit as directors. The manufacturing companies are also named on the chart, together with the names of the men who sit on the board of directors of the various corporations and who represent the Chase National Bank.

The bank has 59 directorships in other banks, and here [indicating] is the list of the banks, together with the names of the directors of the Chase National Bank who sit on the board of directors of the other banks. So the Chase National Bank is interlocked with 69 other banks.

That bank has 73 directorships in public-utility corporations, and here on the chart [indicating] is a list of the public-utility corporations upon the board of directors of each of which it has one or more directors. They have 82 directorships in insurance companies; and so that the Senate may know that these are not little local insurance companies, I have here on the chart the name of every one of those 82 insurance companies.

The Chase National Bank also has 262 directorships on miscellaneous corporations, some of the most important corporations in the United States, and they are listed on the chart.

Since I can not put the chart in the Record, and since I should like to have in the Record in connection with my remarks a complete list of these various public-utility companies, banks, manufacturing corporations, insurance companies, and miscellaneous corporations, I ask unanimous consent, without reading, to have printed at this point the names of the various corporations to which I have referred and that are already outlined and named on this chart.

The VICE PRESIDENT. Without objection, it is so ordered.

The matter referred to is as follows:

CHASE NATIONAL BANK

One hundred and thirty-three directorships in transportation companies, as follows: Adams Express Co.; Albany & Susquehanna Railroad Co.; American Express Co.; American Express Co. (Inc.); American Ship & Commerce; Aviation Corporation; Bingham & Garfield Railway Co.; Brooklyn & Queens Transit; Canadian Pacific Railway Co.; Canton, Aberdeen & Nashville Railroad; Champlain Transportation Co.; Chateaugay & Lake Placid Railroad Co.; Chicago, Milwaukee & St. Paul Railroad Co.; Chicago, Rock Island & Pacific Railroad Co.; Chicago, St. Louis & New Orleans Railroad Co.; Cincinnati, Indianapolis & Western Railroad Co.; Cleveland, Cincinnati, Chicago, & St. Louis Railway Co.; Colorado & Southern Railway Co.; Cooperstown & Charlotte Valley Railroad Co.; Copper River & Northwestern Railroad Co.; Delaware & Hudson Co.; Delaware & Hudson Railroad Co.; Delaware & Hudson Co.; Delaware & Hudson Railroad Co.; Great Western Railroad Co.; Georgia & Florida Railroad Co.; Great Western Railway Co.; Greenwich & Johnsonville Railway Co.; Hudson & Manhattan Railroad Co.; Illinois Central Railroad Co.; International Mercantile Marine Co.; Kansas City Southern Railway Co.; Kansas, Oklahoma & Gulf Railway; Lake George Steamboat Co.; Lehigh & New England Railroad Co.; Louisiana & Arkansas Railway Co.; Manhattan Rail-

way Co.; Mechanicsville & Fort Edward Railroad Co.; Mexican-American Steamship Co.; Mexican-Central Railway Co.; Mexican Mineral Railway Co.; Mexican Northern Mining & Railway Co.; Michigan Central Railroad Co.; Midland Valley Railroad Co.; Mississippi Valley Railway Co.; Morris & Essex Railroad Co.; Mun-Mississippi Valley Railway Co.; Morris & Essex Railroad Co.; Munson Steamship Line; Napierville Junction Railway Co.; National Railroad Co. of Mexico; National Railways of Mexico; Nevada Northern Railway Co.; New York & Harlem Railroad Co.; New York Central Railroad Co.; New York, Chicago & St. Louis Railroad Co.; New York, New Haven & Hartford Railroad Co.; New York, Ontario & Western Railroad Co.; Norfolk Southern Railroad Co.; North Atlantic Steamship Corporation; North River Railway Co.; Northern Pacific Railway Co.; Norwood & St. Lawrence Railroad Co.; Ontario, Carbondale & Scranton Railway Co.; Oregon Short Line Railroad Co.; Oregon-Washington Railroad & Navigation Co.; Pacific Steamship Co.; Parral & Durango Railroad Co.; Philippine Railway; Port Jervis, Monticello & Summitville Railroad; Potosi & Rio Verde Railway Co.; Quebec, Montreal & Southern Railway Co.; Ray & Gilla Valley Railroad; Rensselaer & Southern Railway Co.; Ray & Gilla Valley Railroad; Rensselaer & Saratoga Railroad Co.; Rio Grande Junction Railroad Co.; Roosevelt Steamship Co.; Rutland & Whitehall Railroad Co.; St. Louis-San Francisco Railway Co.; Schoharie Valley Railway Co.; Seaboard Air Line Railway Co.; Shell Pipe Line Corporation; Societe Seaboard Air Line Railway Co.; Shell Pipe Line Corporation; Societe Financiers de Transports et d'Entreprises Industrielles; South American Railway Co.; Southern Express Co.; Southern Railway Co.; Texas & Pacific Railway Co.; Texas Midland Railroad Co.; Ticonderoga Railroad Co.; Transatiantic Steamship Corporation; Transcontinental Air Transport (Inc.); Troy Union Railroad Co.; Union Pacific Railroad Co.; Wabash Railway Co.; Western Pacific Railroad Co.; West Shore Railroad Co.; Wheeling & Lake Erie Railroad Co.; Wilkes-Barre Connecting Railroad Co.; Cooperstown & Susquehanna Valley Railroad Co.

& Susquehanna Valley Railroad Co.
Two hundred and thirty-six directorships in manufacturing cor-Two hundred and thirty-six directorships in manufacturing corporations, as follows: Agasote Millboard Co.; Allis-Chalmers Manufacturing Co.; Amalgamated Metal Corporation; American Agricultural Chemical Co.; American Brake Shoe & Foundry Co.; American Chicle Co.; American Colortype Co.; American Locomotive Co.; American Metal Co.; American Metal Co. of New Mexico; American Smelting & Refining Co.; American Sugar Refining Co.; American Woolen Co. of Massachusetts; American Writing Paper Co.; Armour & Co.; Art Metal Construction Co.; Atlantic Fruit & Sugar Co.; Maker Castor Cil. Co.; Bethlehem Writing Paper Co.; Armour & Co.; Art Metal Construction Co.; Atlantic Fruit & Sugar Co.; Maker Castor Oil Co.; Bethlehem Steel Corporation; Borden Co.; Borden's Farm Products Co. (Inc.); Braden Copper Co.; Britannia Mining & Smelting Co.; Brooklyn Elevator & Milling Co.; Butte & Superior Mining Co.; California Cyanide Co.; Canadian International Paper Co.; Canadian Westinghouse Co.; Cape Cruz Sugar Co.; Carter White Lead Co.; Champion Paper Co.; Champion Silk Mills; Chateaugay Ore & Iron Co.; Chazy Marble Lime Co. (Inc.); Chicago Pneumatic Tool Co.; Chihuahua Mining Co.; Coca-Cola Co.; Colorado Iron & Fuel Co. Compencial Solvents Corporation: Compencial Solvents Compencial Solven Co.; Chihuahua Mining Co.; Coca-Cola Co.; Colorado Iron & Fuel Co.; Commercial Solvents Corporation; Companio Hispano Americano de Electricidad; Consolidation Coal Co.; Continental Banking Corporation; William Cramp & Sons Ship & Engine Building; Cranston Print Works; Cream of Wheat Corporation; Crosse & Blackwell (Inc.); Cuba Distilling Co.; Cuban Cane Products Co. (Inc.); Cuban Portland Cement Corporation; Curtiss-Wright Corporation; Dardelet Threadlock Corporation; DeHaven Razor Co.; Delaware, Lackawanna & Western Coal Co.; Dominican Molasses Co.; Dunlop Tire & Rubber Co.; E. I. du Pont de Nemours & Co.; Durable Wire Rope Co. of Boston; El Potosi Mining Co.; Endicott-Johnson Corporation; Ethyl Gasoline Corporation; Federal Mining & Smelting Co.; Federated Metals Corporation; Gallup American Coal Co.; General Cable Corporation; General Foods Corporation; General Motors Radio Corporation; Georgian Manganese Co.; General Motors Corporation; General Office Equipment Corporation; General Motors Corporation; General Mining, Smelting Co.; General Motors Corporation; General Office Equipment Corporation; Gould Coupler Co.; Granby Consolidated Mining, Smelting & Power Co.; Granite City Steel Co.; Great Northern Paper Co.; Gulf States Steel Co.; Haenichen Bros. Silk Co.; Harrisville Paper Corporation; Hudson Coal Co.; Inspiration Consolidated Copper Co.; International Cement Corporation; International Nickel Co. (Inc.); International Paper Co.; Johns-Manville Corporation; Kelsey-Hayes Wheel Corporation; Kennecott Copper Corporation; Kildun Mining Corporation; Knickerbocker Cement Co.; B. Kuppenheimer & Co.; Lakeside Ice Co.; Lima Locomotive Works (Inc.): penheimer & Co.; Lakeside Ice Co.; Lima Locomotive Works (Inc.); Locomotive Feed Water Heater Co.; Long Bell Lumber Co.; Macpenneimer & Co.; Lakeside Ice Co.; Lima Locomotive Works (Inc.); Locomotive Feed Water Heater Co.; Long Bell Lumber Co.; Macbeth-Evans Glass Co.; Mack Trucks (Inc.); Matanzas Sugar Co.; Matieson Alkali Works (Inc.); Mesavi Iron Co.; Mexican Lead Co.; Minneapolis-Mobile Power Implements Co.; Monel-Weir (Ltd.); Montreal Locomotive Works (Ltd.); Munsingwear (Inc.); Mutual Chemical Co. of America; Nash Motors Co.; National Bearing Metals Corporation; National Carbide Corporation; National Cash Register Co.; National Enameling & Stamping Co.; National Seal Co. (Inc.); Nevada Consolidated Copper Co.; Newmont Mining Corporation; Northern Coal & Iron Co.; Ontario Refining Co. (Ltd.); Oswego Board Corporation; Oswego Rayon Corporation; Otis Elevator Co.; Pantasote Leather Co.; Patino Mines and Enterprises Consolidates (Inc.); Phillips Petroleum Co.; Pillsbury Flour Mills (Inc.); Pond Creek Pocahontas Co.; Prairie Oil & Gas Co.; Punta Alegre Sugar Co.; R. C. A. Photophone (Inc.); Radio Corporation of America; R. C. A. Radiotron Co. (Inc.); R. C. A. Victor Co. (Inc.); Remington Arms Co. (Inc.); Remington Cash Register Co.; Remington Rand (Inc.); Revere Copper & Brass (Inc.); John A. Roebling's Sons Co. of New York; Rome Iron Mills (Inc.); Roxana Petroleum Corporation; Ruberoid Co. (Inc.), N. J.; St. Regis Paper Co.; Schuylkill Coal & Iron Co.; Scranton & Lehigh Coal Co.;

Seaboard Oil Co. of Delaware; Shanferoke Coal & Supply Corporation; Shell Eastern Petroleum Products; Shell Co. of California; Shell Oil Co.; Shell Petroleum Corporation; Shell Union Oil Corporation; Sinclair Consolidated Oil Corporation; Skenandoa Rayon Corporation; W. & J. Sloane Manufacturing Co.; Alexander Smith Carpet Co.; A. O. Smith Corporation; Socony-Vacuum Corporation; Sombrerete Mining Co.; South Porto Rico Sugar Co.; Southern Mineral Products Corporation; Southern Wheel Co.; Sunstrand Corporation; Superheater Co.; Taggart-Oswego Paper & Bag Co.; Technicolor (Inc.); Toledo Glass Co.; Towene Mines (Inc.); Truax-Traer Coal Co.; Unided Glass Co.; Towene Mines (Inc.); Truax-Traer Coal Co.; Unided States Industrial Alcohol Co.; United States Industrial Chemical Co.; United States Leather Co.; United States Rubber Co.; United States Leather Co.; United States Rubber Co.; United States Zinc Co.; United Zinc Smelting Corporation; Vacuum Oil Co. (Inc.); Vanadium Corporation of America; Virginia-Carolina Chemical Corporation; Ward Baking Corporation; Warner Sugar Corporation; Western Electric Co. (Inc.); Westinghouse Electric & Manufacturing Co.; Wickwire Spencer Steel Co.; Wright Aeronautical Corporation; L. A. Young Spring & Water Corporation. Spring & Water Corporation.

Spring & Water Corporation.

Seventy-three directorships in public utilities, as follows: All American Cables (Inc.); American & Foreign Power Co. (Inc.); American District Telephone Co.; American District Telegraph Co. of New Jersey; American Telephone & Telegraph Co.; Atlas Utilities & Investors Co. (Ltd); Atlas Utilities Corporation; Brooklyn, Manhattan Transit Co.; Carolina Power & Light Co.; Central Hudson Gas & Electric Corporation; Central Mexico Light & Power Co.; Cities Service Power & Light Co.; Columbia Gas & Electric Corporation; Contral Mexico Light & Power Co.; Cities Service Power & Light Co.; Columbia Gas & Electric Corporation; Commercial Cable Co.; Connecticut Electric Service Co.; Eastern Massachusetts Street Railway Co.; Eastern State Power Corporation; Electric Bond & Share Co.; Electric Power & Light Co.; Fulton Light, Heat & Power Co.; General Realty & Utilities Corporation; Guanajuato Power & Electric Co.; Havana Electric Railway Co.; Interborough Rapid Transit Co.; International Ocean Telegraph Co.; International Power Securities Corporation; Lehigh Power Securities Corporation; Lehigh Power Securities Corporation; Mexican Telegraph Co.; Michoacan Power Co.; Nohawk Hudson Power Corporation; Montana Power Co.; National District Telegraph Co.; New poration; Montana Power Co.; National District Telegraph Co.; New Orleans Public Service (Inc.); New York Power & Light Corpora-tion; New York Rapid Transit Co.; Niagara, Hudson Power Corporation; Northern Mexican Power & Development Co. (Ltd.); Postal Telegraph & Cable Corporation; Public Service Corporation Postal Telegraph & Cable Corporation; Public Service Corporation of New Jersey; Second Avenue Railroad Corporation; Standard Gas & Electric Co.; Standard Power & Light Corporation; Twin City Rapid Transit Co.; United Gas Improvement Co.; United States Electric Power Corporation; United Light & Power Co.; Utah Power & Light Co.; Warren County Electric Light, Heat & Power Co.; Western Union Telegraph Co.; Williamsburg Power Plant Corporation Plant Corporation.

Plant Corporation.

Sixty-nine directorships in other banks: Anglo-South American Trust Co.; Bankers Trust Co., Little Rock, Ark.; Bank for Savings in the City of New York; Bowery Savings Bank; Canal Bank & Trust Co., New Orleans; Central Farmers Trust Co., West Palm Beach, Fla.; Central Hanover Bank & Trust Co.; Central Savings Bank in the City of New York; Citizens National Bank & Trust Co., of Englewood, N. J.; Commercial Investment Trust Corporation; Commercial Trust Co. of New Jersey; County Trust Co. of New York; Dunbar National Bank of New York; Equitable Eastern Banking Corporation; Equitable Trust Co. of New York; Farmers Deposit National Bank; First and Second National Bank & Trust Co.; First Mechanics National Bank, Trenton, N. J.; First Seattle Dexter Horton National Bank; First Stanford National Bank & Trust Co.; Goldman Sachs Trading Corporation; Greenwich Trust Trust Co.; Goldman Sachs Trading Corporation; Greenwich Trust Co., Greenwich, Conn.; Harris Trust & Savings Bank; International Acceptance Bank (Inc.); International Bank de Amsterdam; Law-Acceptance Bank (Inc.); International Bank de Amsterdam; Lawyers Mortgage Co.; Lawyers Title & Guaranty Co.; Lawyers Trust
Co.; Lee Higginson Trust Co.; Montclair Trust Co., Montclair,
N. J.; Morristown Trust Co., Morristown, N. J.; Mortgage Bond
Co. of New York; National Shawmut of Boston, Mass.; Northern
New York Trust Co., Watertown, N. Y.; Peoples Trust Co., Malone,
N. Y.; J. Henry Schroeder Banking Corporation; J. Henry Schroeder
Trust Corporation; Seaman's Bank for Savings in the City of New
York; Title Guaranty & Trust Co.; Union Dime Savings Bank;
United States Savings Bank of New York; United States Trust Co.
of New York.

Eighty-two directorships in insurance companies: Agricultural Insurance Co.; American Alliance Insurance Co.; American Constitution Fire Assurance Co.; American Eagle Fire Insurance Co.; American Home Fire Assurance Co.; American National Fire In-American Home Fire Assurance Co.; American National Fire Insurance Co.; American Re-Insurance Co.; American Surety Co. of New York; Associated Reinsurance Co. of New York; Bankers & Shippers Insurance Co.; Church Life Insurance Corporation; Church Properties Fire Insurance Corporation; Continental Insurance Co.; County Fire Insurance Co. of Philadelphia; Detroit Fire & Marine Insurance Co.; Eagle Indemnity Co.; Empire State Insurance Co.; Equitable Life Assurance Society of the United States; Fidelity-Phoenix Fire Insurance Co. of New York; First American Fire Insurance Co.; Great American Insurance Co. States; Fidelity-Phoenix Fire Insurance Co. of New York; First American Fire Insurance Co.; Great American Insurance Co.; Great American Insurance Co.; Great American Indemnity Co.; Home Fire Security Corporation; Massachusetts Fire & Marine Insurance Co.; Mercantile Insurance Co. of America; Merchants Fire Assurance Corporation of New York; Merchants Indemnity Corporation of New York; Metropolitan Life Insurance Co.; Mount Royal Insurance Co. of Montreal; Mutual Life Insurance Co. of New York; National Surety Co.; Newark Fire Insurance Co.; New Jersey Insurance Co.; New York Casualty Co.; Niagara Fire Insurance Co.; North American Reassurance Co.; North British & Mercantile Insurance Co. (Ltd.) of London and Edinburgh; North Carolina Home Insurance Co.; Northwestern Mutual Life Insurance Co.; Pacific Fire Insurance Co.; Penn Mutual Life Insurance Co.; Pennsylvania Co. for Insurance of Lives & Granting Annuities; Pilot Reinsurance Co. of New York; Prudential Insurance Co. of America; Reliance Life Insurance Co.; Rochester American Insurance Co.; Royal Insurance Co.; Royal

Insurance Co.; Rochester American Insurance Co.; Royal Indemnity Co.; Seaboard Fire & Marine Insurance Co.; Standard Fire Insurance Co., Trenton, N. J.; Standard Surety & Casualty Co. of New York; Star Insurance Co. of America; Teachers Insurance & Annuity Association; Union Guarantee & Mortgage Co.; Washington Assurance Corporation of New York.

Two hundred and sixty-two directorships in miscellaneous corporations: Agfa Ansco Corporation; Air Reduction Co. (Inc.); American Arch Co. (Inc.), of New York; American Founders Corporation; American and Continental Corporation; American Enka Corporation; American International Corporation; American Investors (Inc.); American Petroleum Institute; American-Russian Chamber of Commerce; Archer-Daniels-Midland Co.; Astor Safe Deposit Co.; Austin, Nichols & Co. (Inc.); G. M. Basford Co.; Bell Telephone Securities Co.; Bluff Point Land Improvement Co.; Borden Realty Corporation; Boyce Thompson Institute for Plant Research; phone Securities Co.; Bluff Point Land Improvement Co.; Borden Realty Corporation; Boyce Thompson Institute for Plant Research; William Bradley & Son; Brooklyn Eastern District Terminal; Brooklyn Real Estate Exchange (Ltd.); Brooks Bros.; Brunswick Site Co.; Edward G. Budd Manufacturing Co.; Burns Bros.; California Petroleum Corporation; California Petroleum Corporation of Venezuela; Cape Cruz Co. (Inc.); Carib Syndicate (Ltd.); F. L. Carlisle & Co. (Inc.); Central Cunagua, South America; Century Holding Co.; Chamber of Commerce of the State of New York; Chanultered Land Improvement Co.; Chasse-Harris-Forbes Corpotury Holding Co.; Chamber of Commerce of the State of New York; Chapultepec Land Improvement Co.; Chase-Harris-Forbes Corporation; Chase-Harris-Forbes Corporation, Boston, Mass.; Chase Harris Forbes Corporation (Ltd.), London; Chase-Harris-Forbes et Cie, Paris, France; Childs Co.; Chromium Corporation of America; City & Suburban Homes Co.; Cold Run Water Co.; Colon Oil Corporation; Commercial Factors Corporation; Commercial Pacific Child Corporation; Commercial Pacific ca; City & Suburban Homes Co.; Cold Run Water Co.; Colon Oil Corporation; Commercial Factors Corporation; Commercial Pacific Cable Co.; Commonwealth Fund; Commonwealth and Southern Corporation; Company of Master Craftsmen (Inc.); Consolidated Selling Co.; Continental Mortgage Guarantee Co.; Continental Securities Corporation; Copper Exporters (Inc.); Copper Institute; Corn Products Refining Co.; Council on Foreign Relations (Inc.); Cuban Air Products Corporation; Cuban All American Cables (Inc.); Cuyler Realty Co.; Debevoise Co.; Detroit River Tunnel Co.; Discount Corporation of New York; Dongan Hall (Inc.); Dunbar Safe Deposit Co.; Electric Overseas Investment Co.; Elliott-Fisher Co.; Empire Mortgage Co.; Empire Safe Deposit Co.; English Speaking Union; European Mortgage Investment Co.; Far Hills Land Corporation; Fifth Third Union Trust Co.; Finance Co. of Great Britain and America (Ltd.); First National Co., Trenton, N. J.; Fishers Island Corporation; Fish University; Fort William Henry Hotel Co.; Forty-four Wall Street Corporation; Four Seventy Five-Fifth Avenue Corporation; Franklin Railway Supply Co. (Inc.); Andrew Freedman Home; Freeport Texas Co.; Frontier Corporation; Garden City Co.; Henry Gardner & Co. (Ltd.); General American Investors Co.; General American Tank Car Corporation; General Motors Acceptance Corporation; General Motors Holding Corporation; General Motors Export Co.; Gold & Stock Telegraph Co.; B. F. Goodrich Co.; Great A. & P. Tea Co.; Great American Investing Co. (Inc.); Great Northern Iron Ore Properties; Greenwich Title & Trust Co.; M. A. Hanna Co.; Harbor Acres Realty Corporation; W. A. Harriman Securities Corporation; Harris-Forbes & Co. (Ltd.), Montreal Canada; Harvey & Outerbridge (Inc.); Harway Improvement Company; Havana Docks Corporation; Havemeyers & Elder (Inc.); Horticultural Society of New York; Hotel Waldorf-Astoria Corporation; Howe Sound Co.; Hudson River Estates (Inc.); International Agricultural Corporation; International Carriers (Ltd.); International Communications tural Corporation; International Carriers (Ltd.); International Communications Laboratories (Inc.); International Match Corporation; International Motor Co.; International Nickel Co. (Inc.); International Products Corporation; International Securities Corporation of America; Jewel Tea Co. (Inc.); F. B. Keech & Co.; Knickerbocker Forty-second Street Co. (Inc.); S. H. Kress & Co.; Lehigh Coal & Navigation Co.; Libby Owens Securities Corporation; Lincoln Warehouse Corporation; Loew's (Inc.); Mackay Cos.; Magnus Co. (Inc.); Maracaibo Oil Exploration Corporation; C. H. Masiland Sons Co.; Mayflower Associates (Inc.); Melville Bond & Share Corporation; Merchant Sterling Corporation; Metropolitan Opera Co.; Mexican National Construction Co.; Mexican Utilities Co.; Minerals Separation North America Corporation; Morristown Securities Corporation; Mortgage-Bond & Title Corporation; Muskogee Co.; N. & L. Realty Corporation; Nassau Hospital; National Bellas Hess Co. (Inc.); National Broadcasting Co.; National Employment Exchange; National Lead Co.; Newark Factory Sites (Inc.); New York Clearing House Building Co.; New York Sites (Inc.); New York Clearing House Building Co.; New York Mutual Telegraph Co.; New York Produce Exchange Safe Deposit & Storage Co.; New York Stock Exchange; Northern Finance Corporation; Northern New York Development Co.; Northern Securiporation; Northern New York Development Co.; Northern Securities Co.; Oceanic Investing Co.; One East End Avenue Corporation; One Hundred Fifty William Street Corporation; One Liberty Street Realty & Securities Corporation; One Ninety-Five Broadway Corporation; Pacific Coast Co.; Pacific Commercial Co.; Panther Valley Water Co.; Petroleum Corporation of America; Philharmonic-Symphony Society; Porto Rico Mercantile Co.; Postal Telegraph Cable Co.; Power Securities Corporation; Provident Loan Society of New York; Public Utility Holding Corporation of America; Pullman (Inc.); Radio Communication Co. (Inc.); Radio

Keith-Orpheum Corporation; Rail Joint Co.; R. C. A. Communications (Inc.); Royal American Corporation; St. Lawrence Securities Co.; Saratoga Association; Saratoga Association for the Improvement of the Breed of Horses; F. A. O. Schwarz; Sheafer's Creek Water Co.; Shelton Holding Corporation; W. & J. Sloane; Society Realty Co. (Inc.); Solvay American Investment Co.; Sprague Safety Control & Signal Corporation; Springler-van-Beuren Estates (Inc.); Sterling Securities Corporation; Stock Quotation Telegraph Co.; Stone & Webster (Inc.); Texas Co. (Mexico) South America; Texas Co. (Delaware); Texas Co. (Mexico) South America; Texas Corporation; Texas Petroleum Co.; Thompson-Starrett Co. (Inc.); Tide Water Associated Oil Co.; Tobacco Products Corporation; Township Realty Corporation; Trust Co. of Northern Westchester; Union Mortgage Co.; United Chromium (Inc.); United Cigar Stores Co.; United Corporation; United Founders Corporation; United Securities Corporation; United States & Foreign Securities Corporation; United States Guarantee Co.; United States & International Securities Corporation; United States Lines (Inc.); United States Lines (Inc.); United States Lines (Inc.); Westinghouse Electric International Co.; Wood Struthers & Co. Keith-Orpheum Corporation; Rail Joint Co.; R. C. A. Communica-

Mr. THOMAS of Oklahoma. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Nebraska yield to the Senator from Oklahoma?

Mr. NORRIS. I yield.

Mr. THOMAS of Oklahoma. Would it be possible, under the Senate rules or under the rules of the Joint Committee on Printing, to have a cut made of the large chart, so that the cut would take approximately one page of the Con-GRESSIONAL RECORD?

Mr. NORRIS. I think not, Mr. President. I should like to have that done if I could; but, to be fair about it, the rules provide that we can not print an illustration, and I suppose that spider web would constitute an illustration, and it would be a violation of the rules to print it in the

Mr. THOMAS of Oklahoma. Mr. President, will the Senator yield further?

The VICE PRESIDENT. Does the Senator from Nebraska further yield to the Senator from Oklahoma?

Mr. NORRIS. I yield.

Mr. THOMAS of Oklahoma. I have seen charts of various kinds printed in the Congressional Record. I think it takes a special order to have it done.

Mr. NORRIS. It takes a special order to print one of these charts; but I am satisfied that to print that one, much as I should like to have it in the RECORD, would be a violation of the rules; and therefore I do not expect to ask to put it in.

Mr. FESS. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Nebraska yield to the Senator from Ohio?

Mr. NORRIS. I yield.

Mr. FESS. The Senator from Nebraska is correct. If it is a mere chart, it can be easily done under the order of the Joint Committee on Printing; but if it is an illustration, it can not be done.

Mr. NORRIS. Several years ago the Senate permitted an illustration to be put in the RECORD at the request of the then Senator from South Carolina, Mr. Tillman. He put in a picture, an illustration of a cow, a horse, or something of the kind, that he had used on a chart; and the rule was changed then.

The particular chart that the Senator is talking about is an illustration. It has more on it than simply the drawing of lines connecting the various corporations.

Mr. THOMAS of Oklahoma. Mr. President, will the Senator yield further?

Mr. NORRIS. Yes.

Mr. THOMAS of Oklahoma. It would be a very inexpensive and simple matter to have a zinc plate made of that chart. The plate could be made of a proper size to occupy one page of the Congressional Record. The cost would be practically nothing.

That chart contains so much information that anyone can understand it who will take a moment's time to look at it. I very much hope we can arrange to have one page of the RECORD contain a zinc cut showing exactly what is shown on that large chart.

Mr. SMOOT. Mr. President, will the Senator yield?

Mr. NORRIS. I yield. Mr. SMOOT. I desire to say to the Senator that that can not be done without a concurrent resolution of the House and the Senate. I have no objection at all as far as I am concerned.

Mr. NORRIS. Knowing that it would violate the rule to put that illustration in the RECORD, and that we would have to change that rule, I had not intended to ask that it be put in. I do not believe I would be justified in doing it,

much as I should like to have it go in.

Mr. President, I think I was through with this chart when was interrupted. I want to say, before leaving it, that this is only a sample; and this does not tell the whole story. The interlocking directorates go a great deal farther than is shown here. The control by the Chase National Bank of a certain corporation of which it does not have, we will say, a majority of the stock holdings will be made complete by the other interlocking directorates that come from other banks which in turn, through these directorships, are connected with the Chase National Bank.

I have here a chart outlining in a somewhat similar way the interlocking connection, through directorships, of the house of Morgan. J. P. Morgan & Co. have 19 partners. Here are seven banks and trust companies—in reality eight, because there are two in one or two places-known as Morgan banks. They are not the only banks that are controlled, at least partially by the firm of J. P. Morgan & Co., but they are outstanding ones. They consist of the Bank for Savings in New York City; the Bankers' Co. and the Bankers' Trust Co.; the Corn Exchange Bank & Trust Co., of New York; the Fidelity Trust Co., of Philadelphia, Pa.; the Girard Trust Co., of Philadelphia, Pa.; the Guaranty Trust Co., of New York; and the New York Trust Co. These spaces down here, connected with each one of the banks I have mentioned, show the control by these particular subsidiaries of J. P. Morgan & Co. of the interlocking directorships that they have with other and outside corporations not named here.

For instance, the Bank for Savings in the city of New York has 30 directorships in other banks. The same bank has 56 directorships in miscellaneous corporations. It has 48 directorships in insurance companies. It has 18 directorships in manufacturing companies. It has 32 directorships in transportation companies. It has 20 directorships in pub-

lic-utility companies. Let us take another one, the Corn Exchange National Bank & Trust Co., of New York. That is another one of the banks controlled by the House of Morgan. The Corn Exchange Bank has 11 directorships in other banks. It has 41 directorships in miscellaneous corporations. It has 26 directorships in insurance companies. It has 28 directorships in manufacturing companies. It has 6 directorships in transportation companies; and it has 4 directorships in pub-

lic-utility companies.

Here, for instance, is the Guaranty Trust Co., of New York, one of the banks controlled by Morgan. It has 34 directorships in other banks. It has 222 directorships in miscellaneous corporations. It has 39 directorships in insurance companies. It has 92 directorships in manufacturing companies. It has 154 directorships in transportation companies. It has 106 directorships in public-utility companies.

And so on with all the others that I will not stop to read that appear on this chart.

Mr. LOGAN. Mr. President-

The VICE PRESIDENT. Does the Senator from Nebraska yield to the Senator from Kentucky?

Mr. NORRIS. I yield to the Senator.

Mr. LOGAN. I will ask the Senator if the 4-line doggerel that describes old Noah's fleas could not very well be applied to some of these banks?-

> Old Noah's fleas had other fleas Upon their backs to bite 'em, And those small fleas had smaller fleas, And so on ad infinitum.

[Laughter.]

Mr. NORRIS. I am rather inclined to think that that will apply very well not only to this particular illustration but to all the others.

So that taking the total, Mr. President, the house of Morgan directly, through these banks I have named and which the house of Morgan controls, has 219 directorships in other banks; and Morgan has, in the same way, 642 directorships in miscellaneous corporations. The house of Morgan has 215 directorships in insurance companies. It has 425 directorships in manufacturing and mining companies. It has 423 directorships in transportation companies. It has 318 directors in public-utility companies. This makes a total of 2,242 directorships held directly by the Morgan banks in the various kinds of corporations that I have named.

I do not have the names of these various corporations here as I do in the analysis of the Chase National Bank. I do not have that simply because I did not have time to complete this, but if we should take the names of these various corporations and put them on here, we would find that to a very great extent they would correspond with the corporations named on this chart for the Chase National Bank. In other words, these banks, by their interlocking method of directorships, when they combine, can control practically any corporation of any size in the United States. I do not care whether it is a banking institution, whether it is a railroad, whether it is operating flying machines, whether it is engaged in mining, whether it is engaged in any line of manufacturing, that statement holds true as to practically all of them in the United States.

Now, Mr. President, I want to take up this other chart. I have here on this chart what is named "The Spider Web of Wall Street." It has on it the following banks and trust companies, showing connections with other corporations and other banks:

First, J. P. Morgan & Co.; the Guaranty Trust Co.; the Bankers' Trust Co.; the First National Bank; the Central Hanover Bank; the Irving Trust Co.; the National City Bank: the Chase National Bank.

This chart contains the names of 120 corporations of various kinds that are connected with one or more of these banks. It does not tell the whole story by any means, Mr. President. It represents interlocking directorates on July 1, 1932, between 8 leading banking institutions in New York City on the one hand, and 120 major corporations on the

Mr. LOGAN. Mr. President-

The VICE PRESIDENT. Does the Senator from Nebraska yield to the Senator from Kentucky?

Mr. NORRIS. I yield to the Senator.

Mr. LOGAN. Does the Senator mean that these corporations named around the rim are the 120 to which he refers?

Mr. NORRIS. They are the 120. Mr. LOGAN. It seems to me, just from looking at the chart, that there are more than 120 there.

Mr. NORRIS. No; I think the Senator will find, if he will look at them, that there are 120.

Mr. LOGAN. I do not have to count them to find out that there are more than 120 names around that rim.

Mr. NORRIS. I want to say to the Senator from Kentucky, however, and to other Senators, that this list of corporations around here does not come anywhere near naming all of them. This chart, in round numbers, is about 8 feet square. If I had a chart large enough to contain the names of all the corporations that are directly and indirectly controlled through interlocking directorates by these eight banks, and if it were big enough so that you could read it, there is not a wall space in the Senate Chamber that would hold it. Instead of 120 corporations we would have thousands of corporations. You can well see, from even one of the institutions I have given from this chart, that that is so.

So that we have just a miniature picture here. It is 8 feet square; but, as a matter of fact, if all the corporations controlled as these 120 are controlled were put on the map, there is not a magnifying glass in the country that would magnify it sufficiently so that it could be read.

Each line on this map means that the company and the bank or banks connected by the line had at least one director or similar official in common. The chart may look complicated; but it is, in fact, a simplification of the actual state of affairs. No attempt has been made to indicate where there are two or three identical directors between a company and a bank. Only a few of the total number of corporations with which the eight banking institutions symbolized by the legs of the Wall Street spider are interlocked appear in this chart. Five hundred corporations alone are connected with two or more of the eight banks by the same directors. Of this number, approximately 160 have common directors in three or more banks. The web indicates only 120 of the most typical companies. They are found among railroads, public utilities, insurance companies, banks, investment corporations, manufacturing enterprises, chain stores, and so forth.

The main leg of the Wall Street spider is J. P. Morgan & Co. That is a private banking house, a partnership, which does not publish a financial statement of its business. Three of the banks shown on the chart are dependents of J. P. Morgan & Co., the Guaranty Trust Co., the Bankers Trust Co., and the First National Bank. The two largest banks in the United States are close allies of Morgan, the Chase National Bank, and the National City Bank. The Central Hanover Bank & Trust Co. and the Irving Trust Co. are also within the Morgan sphere of influence. All these banking institutions have common directors. Together, they exercise control over one of the most important sections of economic life in the United States to-day.

Mr. President, I ask at this point to have printed the names of these 120 corporations which are shown on the plat here, and which are connected by interlocking directorates with these various banks named.

The VICE PRESIDENT. Is there objection?

There being no objection, the list was ordered to be printed in the RECORD, as follows:

THE SPIDER WEB OF WALL STREET

- Adams Express. 2. Aetna Insurance. 3. Air Reduction. 4. All American Cables. 5. American Can.
- American Locomotive. 7. American Radiator. 8. American Smelting.
- 9. American Sugar Refining. 10. American Surety Co. 11. American Telephone & Tele-
- graph Co.

 12. American Woolen.

 13. American Writing Paper.

 14. Anaconda Copper.

 15. Associated Dry Goods.
- 16. Astor Safe Deposit.17. Atchison, Topeka & Santa Fe.18. Aviation Corporation.
- 19. Atlantic Fruit. 20. Baldwin Locomotive. Baltimore & Ohio. Bank for Savings.
- 23. Bates Valve Bag. Bethlehem Steel. Bonbright & Co. 26
- Borden Co. 27. Bowery Savings. 28. Braden Copper. 29. Bush Terminal.
- 30. Case Threshing. 31. Cerro Copper. 32. Chase Securities.
- 33. Chrysler Corporation. 34. Coca-Cola. 35. Colorado Fuel & Iron.
- Columbia Gas & Electric. 37. Commonwealth & S. 38. Consolidated Gas. 39. Consolidated Coal.
- 40. Continental Baking.
- Corn Exchange.
 Delaware & Hudson.
 Delaware, Lackawanna 43. Delaware, Lack Western Coal.
- 44. Dillon, Read.
- 45. Discount Corporation. 46. Du Pont de Nemours.

- 47. Electric Bond & Share.
- 48. Equitable Life. 49. Erie Railroad.
- 50. Fifth Avenue Coach. 51. First Security. 52. Fox Film.
- General Electric.
 General Motors.
- Goodyear Tire. Great Atlantic & Pacific Tea. 56. Illinois Central.
- 58. Ingersoll-Rand. 59. I. R. T.
- 60. International Agricultural. 61. International Harvester.
 62. International Mercantile.
- 63. International Nickel.
- 64. International Paper.65. International Telephone &
- Telegraph.
 Johns-Manville. Kennecott Copper. 68. Laurens Cotton.
- Loew's. Mellon National Bank.
 Mercantile Insurance.
- 72. Metropolitan Life. 73. Michigan Central. Montana Power.
- Montgomery Ward. Mutual Life. 75. National Aviation. National Biscuit.
- National Broadcasting Co. 80. National Cash Register.
- 81. New York Central.
 82. New York Edison.
 83. New York, New
 Hartford.
- Haven & 84. New York Title. 85. New York Trust.
- Niagara Hudson. 87. Northern Pacific.
- 88. Otis Elevator. 89. Pennsylvania Railroad. 90. Phelps Dodge.
- 91. Postal & Cable. 92. Prudential Insurance.

- 93. Pullman (Inc.). 94. Public Service Corporation of New Jersey.
- Radio Corporation. Radio Keith Orpheum. 96. Remington Arms.
- 98. Remington Rand. 99. St. Regis Paper.
- 100.
- 104. Standard Oil of New York.
- 105. Stone & Webster. 106. Texas Gulf Sulphur.
- Shell Union Oil. Southern Pacific.
 Southern Railway. 103. Standard Brands
- 107. Thompson-Starrett. 108. Tidewater Atlantic Oil. 109. Union Pacific. 110. United Corporation. 111. United States Guarantes.
- United States Leather. 112.
- 113. United States Rubber. United States Steel. 114.
- 115. Utah Copper. 116. Ward Baking. 117. Westinghouse Electric.
- 118. Western Union.
- 119. White Rock 120. Woolworth & Co.

Mr. NORRIS. Mr. President, what does all this show? It demonstrates very clearly, in my judgment, that the control of all the business of the United States is drifting rapidly toward corporations. Especially when we consider the development and the advance that has been made in this control, as shown by me a short time ago; it demonstrates, it seems to me, that all of us soon will be hired men, working for some corporation.

Mr. President, if the Government of the United States today wanted to take over the railroads of this country, it would have to see only one man, just one, J. P. Morgan. That is true of almost any other operation. Morgan and his associates would be able to enter into the deal if they wanted to, and compel a sale if they wanted to. They can control in any of these corporations the lowering or the raising of wages; they can change the conditions of labor; they can raise or lower the price of the output of any of these manufacturing establishments simply because they control the money of the United States.

The railroad officials are only their servants. The presidents and the officers of these various manufacturing corporations are compelled, whether they like it or not, to obey the mandate that comes from Wall Street. Then will somebody have the courage to deny that there is a money

When we look over the public-utility field and see how the house of Morgan is gradually and rapidly getting control, as shown by the figures and the statistics I put into the RECORD, can we reach any other conclusion than that any of these organizations, any of these operating companies, any of these holding companies, will find it impossible to do anything contrary to the wishes of the men who control the money strings in Wall Street? In that case it has almost reached the point now when it is one man, J. P. Morgan.

J. P. Morgan, with the assistance and cooperation of a few of the interlocking corporations which reach all over the United States in their influence, controls every railroad in the United States. They control practically every public utility, they control literally thousands of corporations, they control all of the large insurance companies.

Why do they want to mix in the insurance business? In the real insuring of people they have no interest; they do not care anything about that. They want the money. They want to be the depositories of the large funds, the enormous funds, the millions of dollars which are necessary in the operation of these great insurance companies. It is the money they are after.

Any of these other corporations which want to borrow money can not find a place on earth to get it unless they go to some one of the webs of this giant spider, it may be in San Francisco, it may be in Washington, it may be in Nebraska, it may be in Maine. Wherever it is, these lines connected with the money power of Wall Street are connected with practically every large banking institution, either wholly or partially.

Mr. President, we are gradually reaching a time, if we have not already reached that period, when the business of the country is controlled by men who can be named on the fingers of one hand, because those men control the money of the Nation, and that control is growing at a rapid rate. There is only a comparatively small part of it left for them to get, and when they control the money, they control the banks, they control the manufacturing institutions, they control the aviation companies, they control the insurance companies, they control the publishing companies; and we have had some remarkable instances of the control of the publishing companies presented before a subcommittee of the Committee on the Judiciary.

These corporations forget nothing. We had illustrations given us where a magazine would start out on a particular line, but would find itself called on the carpet by some one from one of these great institutions. They were told what the policy must be. Absolute failure stared them in the face unless they obeyed. Through the control of advertising, which, incidentally, to a great extent, is handled by corporations which this money trust controls, they control the avenues of publicity.

Mr. President, the tramp on the street who munches a crust of bread somebody has given him is very likely eating something which came from a corporation controlled by this great money trust. Bread is manufactured by corporations, and shipped all over the country, and the price is kept up, while the price of wheat goes down. We have to pay practically the same price for a loaf of bread when wheat is 25 cents a bushel in the Western States, as we paid when wheat was \$2.50 a bushel. It is all controlled by corporations. The clothing we wear, the food we eat, the automobiles, in the main, that we use, the gasoline and the oil we buy to operate them, to a great extent are controlled by this financial center represented by this spider.

Mr. President, how long are we to stand for that? How much longer will we stand for it before we realize that we are just hired men of corporations; that we are just slaves; that we have nothing to say about anything that shall be done unless we get the consent of some great big corporation which through its interlocking directorates controls practically every avenue of human activity?

Mr. WALSH of Massachusetts. Mr. President, will the Senator yield?

Mr. NORRIS. I yield.

Mr. WALSH of Massachusetts. I would like to ask the Senator a question. I do not suppose the Senator objects so much to the management of all these varied financial and industrial activities by corporations as to the fact that many of their officials have created corporations whose stock is filled with water, that they have paid their entrenched officials unconscionable salaries, that they have speculated and gambled with the private financial resources they have been intrusted with, and have carried on their functions in disregard of the public interest and without an effort to do justice to their employees or even to their stockholders?

Mr. NORRIS. Of course, Mr. President, a beautiful theory can be woven, and it can be said that if we get a big corporation that covers everything we will be able to reduce the prices of products to the consumers. But human nature is just the same now as it was a hundred years ago. Give to a man the power, especially if he has in his heart the greed that comes with great financial power as a rule, and when he gets the power the consumer will not get any benefit—the man will get it. When the power is all in the hands of one or a few men, the consumer will be bled white. That has been the lesson of history. Evidence taken only yesterday before the Committee on Banking and Currency shows how one of these men I have named here, drawing a salary of \$50,000 a year for operating one of these great banks, received bonuses to the amount, as I remember, of over \$3,000,000 in three years besides his salary. He sold stock at from \$200 to \$500 a share that is now worth less than \$40, sold some of it to the employees of the bank, and they are paying on the instalment plan. I understand it would be possible for them to buy the stock on the market for less than what they still owe on it, but they can not do it because they want their jobs, especially in these times.

Mr. WALSH of Massachusetts. Mr. President, the abuses are more apparent to-day than ever before, and for that very reason, if for no other, I agree with the Senator that some action ought to be taken to prevent the further suffering of the American public caused by the unethical

and selfish manner in which so many of the large corporations have been managed and which has largely contributed to the present economic distress.

Mr. NORRIS. Mr. President, just a day or so ago, before the Committee on Banking and Currency, it was developed that Halsey Stuart & Co., one of the greatest houses of its kind, if not the greatest, in the United States, had hired a professor out of a university to talk over the radio to the people of the United States. I have heard him, and I suppose all Senators have heard him, telling how to invest money. They call him the "Old Counselor." He was a professor from a university. They paid him, I understand, \$50 a week. He did not prepare his addresses; Halsey Stuart prepared them. They got them up for him, and all he did was to read them, and that is one of the ways they operate. That looks a good deal like the methods the public utilities companies have used to control the public during all the years that have passed.

Here were men and women with some money, savings, perhaps the proceeds of a life-insurance policy to a widow from a dead husband, wanting to invest the proceeds, and they were talked to by "Old Counselor," hired by Halsey Stuart & Co., paid by them, talking their words, not his, over the radio, giving this advice. They would naturally suppose he was a professor in a university, an economist, an honest man, and that he was giving his own ideas. When simmered down, the advice was that the securities they were advised to buy were securities which Halsey Stuart & Co. had for sale and which afterwards became practically worthless.

Mr. THOMAS of Oklahoma. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Nebraska yield to the Senator from Oklahoma?

Mr. NORRIS. I yield.

Mr. THOMAS of Oklahoma. On yesterday, in the course of some remarks made by myself, I made the statement that the three larger banks in New York City—the Chase National, the National City, and the Guaranty Trust Co—have combined resources approximating \$5,000,000,000. At the present time, because the dollar is worth 200 cents instead of 100 cents, their resources in buying power and real financial power are \$10,000,000,000. In addition to these are many other banks in New York City. Can the Senator advise the Senate of the total resources of all the banks in New York City?

Mr. NORRIS. No; I can not. I do not have the figures here.

Mr. THOMAS of Oklahoma. The amount would be much larger than for the three banks?

Mr. NORRIS. Oh, yes; much larger.

Mr. THOMAS of Oklahoma. It would approximate many times \$5,000,000,000. The consolidated banks in New York, represented by the spider on the chart on the wall, have perhaps \$20,000,000,000 of resources, which at the present time, on the basis of the present value of the dollar and its buying power, would be, in effect, \$40,000,000,000, and that, exercised through central control, is practically the financial control and power of the United States. Does the Senator agree with that conclusion?

Mr. NORRIS. Yes; I do.

Mr. President, I am reminded by the interruptions of the Senator from Oklahoma [Mr. Thomas] and the Senator from Massachusetts [Mr. Walsh] of one other thing I want to say. I referred to the evidence given by Mr. Stuart, of Halsey Stuart & Co., before the Banking and Currency Committee yesterday and the day before. I referred to the "Old Counselor" giving advice as to how money should be invested. Let me suppose a case. Suppose the Senator from Oklahoma were walking down the streets of Washington and a widow should come along whom he knew had in her pocketbook the proceeds of a life-insurance policy on her dead husband, which she was probably taking to the bank to deposit. Suppose the Senator would knock her down and steal the money from her and undertake to escape. The people roundabout, if they saw what had happened, would

seize the Senator from Oklahoma, and if they did not tear him limb from limb—if the mob did not kill him on the spot—he would be sent to prison when he got into court a short time afterwards.

But what about Halsey Stuart & Co.? This same widow with the \$10,000 that her husband had worked perhaps during almost a lifetime to accumulate in the form of a lifeinsurance policy, hears the "Old Counselor" say in effect. "Why I am a professor in a university. From the bottom of my heart I am trying to give advice to men and women about how to invest their savings. I am the 'Old Counselor.' I advise you to go and buy some stock in Mr. Insull's company. That is the best investment I know." When that is done now by the men who get millions and millions from the poor people of the United States in that manner, in their fictitious securities that they float and sell to innocent and honest people of the country, when they do that kind of thing and take the \$10,000 away from the widow, they are considered financiers. They are not punished like the Senator from Oklahoma would be if he stole it on the street in the case I have just supposed. He did not use any deception. He simply robbed her of the money. But Halsey Stuart & Co. used deception. They hired a decoy. They hired a man who is supposed to be an upright man, a professor in a college. They paid him their money. wrote the articles which he was to read over the radio.

In the outcome they got the money from the widow just the same as the Senator from Oklahoma would have gotten it if he had robbed her on the streets of Washington. But the Senator would go to jail because he would be a criminal. Halsey Stuart & Co. are financiers. They are specialists. The professor is a specialist. He is an economist. They are men of high standing, away up at the top of the ladder, and when we want to find out how we are going to get out of the depression we send for such men and ask their advice about how to get out, when they are the men who put us into the depression. We still believe they know how to redeem us from what looks a good deal like destruction!

SUGGESTIONS ON ECONOMIC CONDITIONS

Mr. LOGAN. Mr. President, I do not desire to discuss the pending amendment or the bill which we are considering, but in view of the informative address which has been delivered by the senior Senator from Nebraska yesterday and to-day and having thought about some matters along the same lines, I want to ask the indulgence of the Senate to offer some suggestions about the new deal which has been talked of considerably during the past few months.

Much has been said of late about the new deal which was promised during the recent presidential campaign. At this session of Congress little that is new has been discussed, and if a new deal if begun now, it appears that the commencement must be made through the use of old and worn-out tools.

A new deal, as I understand it, would mean a better arrangement for capital, labor, and the entrepreneur. The entire earnings of a people, regardless of the enterprise in which they may be engaged, are represented by the earnings of labor, the earnings of capital, and profits.

In considering questions that will bring a new deal to everyone who is interested in the public welfare, it is of the highest importance that the aim of those who propose to usher in the new deal shall be to care for the earnings of capital, the earnings of labor, and to deal with profits. Perhaps it is impossible to devise a workable plan or method unless the information on which it is based is accurate. Society has become so complicated that no man or group of men will possess sufficient wisdom to hastily determine what course may be pursued that will bring about a wise result. I hope that I may be classed among those who believe that through the application of wisdom to problems of government the life and happiness of the Nation may be made secure and that a new arrangement may be ushered in where justice and mercy will flow pleasingly over the land and where happiness will prevail in every walk of life, for, after

all, the main purpose of every government should be to bring happiness to the people.

After giving much thought to matters, and advising with others in whose judgment I have confidence, I have concluded that a few suggestions which occur to me may be worthy of consideration by those upon whom rest the burden of finding a solution for many perplexing problems.

The Senator from Mississippi [Mr. Harrison] introduced a resolution asking that a committee be empowered to make a thorough investigation of present-day conditions, taking into consideration every line of industry whereby the people earn their sustenance. I think that was a wise step and that a careful investigation may result in the development of ideas that will greatly aid in reaching sound conclusions. The suggestions which I may advance, upon more careful study, may prove unsound or impracticable. I can not say that the premises on which my ideas are based are true beyond question and that consequently the ideas must therefore be sound. If I had proven the truth of what I may say by actual test, it may be that I would have discarded the suggestions in their incipiency. Propositions and ideas should not be written into law until there has been a test unless it be imperative that legislatures go into the realms of speculation and experimentation. What I suggest I shall ask to be considered as suggestions only. It is through suggestions and resultant tests of their truth that solidity is

The committee which has been vested with power and authority to assemble facts will come face to face with the business interests of the country, and will find out what may be done, if anything, to remedy present conditions and to insure the people of the Nation against a reoccurrence of a period such as now envelops us. I am not among those who believe that the conditions, now almost intolerable, are temporary or that they will soon pass away. I doubt that they will pass away at all unless wisdom to grapple with them is found in high places. Everyone will readily agree that there should be no recurrence of a similar depression. More than one thing may be needed to prevent it. Because nothing has been done in the past to prevent such economic disasters is no reason why we may assume at this time that nothing can be done. Rather, we should treat it as a reflection on the wisdom of the statesmen in the days that are gone that they did not secure us from the travail of the present time, and we should be certain that we do not leave it to some future generation to lay the odium at our door that another economic disaster shall well-nigh destroy a great Nation.

Commerce is the life of the people of the Nation, as well as the people of the world. The wars that we may have in the future will have as their basis a contest for trade and commerce. A people live, thrive, and find happiness through the instrumentalities of commerce. When commerce ceases, or becomes restricted, desolation must follow. It is important, therefore, that we consider the question of trade and commerce as one of the most important questions with which we have to deal.

Commerce within a State can only be regulated by the laws of the State, but commerce between the States and with foreign countries is subject to regulation by the Congress of the United States.

Since Congress may control foreign and interstate commerce it has vested in it the power to deal with the earnings of capital, the earnings of labor, and the profits. As these make up the sum total of all human endeavor along economic lines, the vast importance of the matter is at once apparent. Efforts have been made in the past, and there are suggestions along the same lines now, that Congress may impose conditions upon the right of individuals or groups to engage in interstate commerce. Under the "general welfare clause" of the Constitution it is often argued that the Congress is vested with power to enact legislation which promotes the general welfare, regardless of other provisions in that instrument. I hardly think that is true, but that Congress may devise a plan which will control and

regulate vast aggregations of wealth used in direct or indirect interstate commerce, seems to me beyond question.

If the Congress may control foreign and interstate commerce to the extent of requiring whoever engages in such commerce to do so under a Federal charter which would leave to the Congress the power to determine what shall be a fair rate on invested capital, and how the surplus, if any, may be disposed of and for what purposes such surplus may be used, then Congress has ample authority to see to it that when the new deal is brought about there shall be no possibility of the gathering of the great wealth of the Nation into great reservoirs where it is impounded and will not flow save at the will of those who control the gates of the reservoir.

This is a good time to initiate a new era. Business is almost without profit-yielding life. The reservoirs of wealth, which have been accumulated through the sapping of the economic vitals of the people as a whole have about dried up. If we are to build for the future we should build on a more substantial foundation. If the foundation is secure we need not fear that the superstructure will collapse except through negligence and carelessness in its erection. An unsubstantial foundation will allow the superstructure to fall when the weight becomes too great. Our foundation has crumbled, and we found when the stress came that it was builded on the shifting sands. Let us clean out the rubbish and dig deep until we find that which is firm, and then we may build again with the assurance that business will rest secure on a basis that may not be shaken by the storm and stress of economic upheavals.

Mr. President, in working out plans for the new deal no one should forget that capital is always entitled to a fair return on the investment if the investment is wise, the management efficient, and the business lawful. Labor, which is of equal importance with capital, is entitled to a fair rate for the labor given to the enterprise, whatever it is. When capital shall have received a fair rate and labor shall have received a fair wage, that which remains over is profit. The Government may take this profit for taxes toward the support of the Government under laws that are within constitutional limitations. If it may take the profits above a fair rate to capital and above a fair rate to labor, then why may it not take the profits, as trustees, for the use of the owners of the capital and for the use of the labor which provided the profit?

If the Government should determine that invested capital was entitled to a rate of 7 per cent, after the payment of a fair wage to labor, and if there were no profits above that, the Government would not impound any surplus for the simple reason that there would be none to impound. If there were returns above the fair wage and a fair return on the investment, and the Government should impound that surplus, it would then become necessary for Congress to prescribe by law the use that should be made of the surplus held by the Government, at least in part, as trustee for both capital and labor. It would also be for the Congress to prescribe, after a full investigation and an ascertainment of facts, what part of the surplus should be allocated to capital, what part to labor and what part the Government should take toward its support.

It may be that the part allocated to labor could be used to provide unemployment insurance. It may be that the part allocated to capital could be used to pay dividends to stockholders in the years when the earnings failed to provide a sum for that purpose. These things would be matters of detail. The foundation of the plan would be that the Congress should prescribe by law that whoever engaged in interstate commerce or in foreign commerce should obtain a charter from the Federal Government with regulatory powers held by the Congress. If the Congress should then prescribe laws regulating the earnings of capital and the earnings of labor, and take over any surplus above that to be held for purposes denominated by the Congress, then we would have discovered a method whereby human greed would be very greatly restricted and equity would flow to the general public.

Everything that is taken from the public above that which will provide a fair rate on the invested capital and a fair wage to labor is taken without authority. The aggregation of great funds has been brought about because those who controlled the capital exacted more from the general public than they were entitled to. Great monopolies have been fostered for the sole purpose of building up an enormous surplus which was under the control of a few private individuals.

Mr. KING. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Kentucky yield to the Senator from Utah?

Mr. LOGAN. I yield.

Mr. KING. I did not hear all the Senator's statement. Is it his view that under the power to regulate commerce the National Government may require persons who may engage in commerce extending beyond the borders of their respective States to take out Federal licenses or charters, and that the Federal Government may determine what shall be the earnings and impound the residue and make disposition of it as it sees fit; or is the Senator contending that under the taxing power of the Federal Government the suggestions which he is now making may be brought about?

Mr. LOGAN. Mr. President, I take neither position, may I say to the Senator. I am making these suggestions with the reservation that what I have said may be unsound, but my idea is that it could be done under the taxing power of the Government; that the Congress, under the taxing power which is vested in it by the Constitution, has absolute control of the purse strings of the people—that is evident—and that these things might be done. I do not say that they could be done; but unless they can be done, it appears to me that there is no way to break the grip of the great aggregations of wealth which have been discussed by the Senator from Nebraska [Mr. Norris] yesterday and to-day.

Mr. KING. Mr. President, if the Senator will pardon a further interruption—

Mr. LOGAN. Certainly.

Mr. KING. I think there is no doubt as to the power of the Federal Government to tax profits, as the power rests in the Government to tax incomes of individuals and to tax excess profits as it did during the war. I was interested, however, in the suggestion, if I understand the Senator, that Congress could take the surplus profits, impound them, and then use them for such purposes as might be called extraconstitutional or extragovernmental. I have no doubt as to its power to impose taxes; if it were considered wise. Congress could obtain all of its revenue from excess profits and from the taxation of corporations; but it seems to me that it might be straining the taxing power, and certainly the interstate-commerce provision of the Constitution, if, under the authority of either or both, the wealth of the country might be taken and devoted to a social program that might probably be brought within the authority of municipalities, counties, or States.

Mr. LONG. Mr. President-

The VICE PRESIDENT. Does the Senator from Kentucky yield to the Senator from Louisiana?

Mr. LOGAN. I yield.

Mr. LONG. I just want to attract the attention of the Senator from Utah to the fact that it might be necessary to couple the taxing power and the interstate-commerce power. I think I am familiar with what the Senator from Kentucky is talking about; I have been reading his plan; and by coupling the taxing power and the interstate-commerce power, under the two, there ought not to be any trouble, and the plan certainly ought to be constitutional.

Mr. LOGAN. Mr. President, it may be that there would be trouble; but some solution must be found, and these suggestions may be worthy of consideration.

If the Constitution was adopted to promote the general welfare, it appears to me that a nation should not be helpless against the spoliation of its people by those who have control of great wealth. Assuredly they are entitled to equal and exact justice, and that means a fair rate on their invested capital. If they receive more than that, which means

that they receive more than is necessary to a return of profit on invested capital and to promote and develop the industry, they have taken from the general public that to which they are not entitled. We have read many times that some particular group had declared a 100 per cent stock dividend or an enormous dividend in money. When such dividends have been declared, it means that the people parted with that which belonged to the individuals of the public, and there was gathered into the coffers of the few money to which they were never entitled. This may seem a strange and new doctrine, but, if it be sound, it should not be discarded because it is new or strange.

It may be said that those who by their skill enable a particular industry to earn large profits are entitled to enormous profits because of the skill and judgment which have been exercised in the management of the business. Those who have managed the business have received compensation for their wisdom in the conduct of the business before there is any consideration of the question of profits.

There has been much said about decentralization of wealth. If the plans which I am trying to suggest had been in effect throughout the years, there never would have been a centralization of wealth, and it follows that there would never have been a necessity for a decentralization.

I am entirely convinced that any nation that allows the powerful to plunder the weak, or the rich to despoil the poor, is not discharging its proper functions as a nation. The rich are entitled to the full protection of the laws and the powerful likewise are entitled to their equal protection, but they are not entitled to more than equal protection before the law. It is a biological truth that in every strata of animal life it is the strong that destroy the weak until the weak have devised some plans to repel the destructive forces exerted by the strong. The rich and the powerful need no protector. They are able to protect themselves. It is the poor and downtrodden and those who have no helper that must be sheltered by the beneficent wings of a great Government.

Mr. LONG. Mr. President-

The VICE PRESIDENT. Does the Senator from Kentucky yield to the Senator from Louisiana?

Mr. LOGAN. I yield.

Mr. LONG. The Senator has stated that the powerful need no help. The fact, however, is that when the wealthy have been turned loose in this country to make a spoliation of the little man, when they have sapped up the life and all the wealth out of the bottom structure and the middle structure, they then began to crystallize and stagnate at the top. The trouble with the wealthy to-day is that they have brought the little man to where he has nothing, and there is no place where he can reap any future profits; and so their own wealth is becoming worth nothing, because gold held as gold is of no value to anyone; it can not be eaten.

Mr. LOGAN. I think that what I have to say will rather prove the tendency indicated by the Senator from Louisiana.

It may be said that this suggestion is socialistic in its nature. Everything that deals with society necessarily is socialistic. I might say at this time, Mr. President, that I imagine I may lay claim to as great conservatism as anyone in the Senate. I am naturally that way, having been born and bred in the South, where we believe in the old conservative ideas. I disclaim any sort of radicalism in making these suggestions, which, it seems to me, if followed might lead to a solution of problems which appear at this time to be without solution.

It may be suggested that the plan proposed puts the Government deeper into private business, but that can hardly be admitted, as there would be no interference with the legitimate functioning of any private business. The plan would destroy all the incentive on the part of those engaged in gainful occupations to take from the public a greater sum than was actually fair for the protection of all. The result would be that business would adjust itself to the new conditions, and the money which has been taken from the public and centralized would be left with the public to be used

in acquiring those things which are needful for the happiness of the human race.

It is profitable to take a survey, brief though it may be, of the changing conditions during the past several hundred years.

With the collapse of the Roman Empire, the church found on its hands a large part of the political power of the western world. Its jurisdiction was both temporal and spiritual. Nearly everyone in the then western world, from the throned monarch to the helpless slave, was under the authority of the church at birth, and continued under its authority until he passed off the stage of action. The entire social scheme, according to the prevailing ideas at that time, was in accord with the will of God, and institutions of every kind rarely thrived without the protection and approval of the church. The church was the government, and it gave protection to its people.

The feudal system, in the early part of the medieval period, presented a political and social system with which we are well acquainted. All society was divided into classes, and each individual was entitled to the rights and privileges of his class. At the head was the king, but he was subject to the authority of the church. The feudal lords and barons were nominally responsible to the king. The stewards, or bailiffs, of these lords and barons came next in order, and in a class below them were the villeins, then the cotters, and lowest of all, the slaves.

The economic unit in the feudal system was the manor, presided over and supervised by the lord of the manor who resided in the manor house. The almost exclusive economic pursuit was agriculture, which was almost self-sufficient. The land belonged to the king, at least theoretically, and the lords were required to render certain services, usually military, to him for the use of the land. They exacted certain support from the villeins, who tilled the soil. The manner of tillage, rotation of crops, and all farming operations were regulated by the lords.

I will not go into this early economic history in detail. I have mentioned it only to indicate that after the Dark Ages and during the feudal period man was regulated by his government in the most minute details of his economic life.

From the final collapse of the Roman Empire to the Tudor dynasty in England the manorial system generally prevailed. The Crusades largely ended the feudal system. The crusading lords, in order to raise money, parted with some of their possessions and established free towns. Knowledge acquired in the Crusades opened up channels of commerce and changed the manners of the people of England, resulting finally in the disintegration of the feudal system.

While agriculture was the first industry of the people after the decline of the feudal system, yet the establishment of towns soon resulted in developing other pursuits. After the feudal system came the town governments. They became important, and generally they were controlled by guilds.

While there were many guilds in England, the two most important ones during the period in which the towns flourished were the Merchants' Guild and the Craft Guild. They regulated the economic life of the towns with as much strictness as the lords had regulated the economic life of the manors.

The Merchants' Guild was of ancient origin. It was made up of traders, those who bought and sold products. The Craft Guild was made up of manufacturers, crude though they may have been. They could produce and also sell, and for that reason they became more important than those who bought and sold. The craft and the craftsman made up the guild. Members consisted of masters, journeymen, and apprentices. The masters were required to observe the guild's rules as to the quality of produce, prices, and conditions of sale. These guilds were not national but municipal associations, and persons from other towns were regarded as foreigners.

There were elaborate regulations to guide the local guild members in the conduct of their trade and to protect the townspeople against dealings regarded as unfair. Fines and | interpretation of the will of God, and there arose a host of penalties were provided for those who violated those regulations with the idea that a man's faith was a personal relationship.

The value of a commodity was not a price made by the buyer and seller, but prices were determined and fixed by official authority. The fair price, or just price, fixed by such authorities resembled what we to-day describe as a cost-of-production price; and while costs were not determined competitively, they were relevant to a determination of a rate which would support the producer in a fashion becoming a member of the class to which he belonged.

Gradually certain forces appeared which led to a disintegration of the guild system. Among these forces were the inclosure of lands in England during the fifteenth and sixteenth centuries for sheep raising, a system which forced large numbers of rural inhabitants into the cities. The guilds became more exclusive in an attempt to keep out a large influx of rural workers, and the rural workers produced goods outside of the cities and marketed them surreptitiously in the cities. This weakened the guilds' monopolies and led the guild workers to emigrate outside of the towns to engage in the illegitimate marketing of goods below the guild prices, and in the sixteenth century Henry the Eighth confiscated all the communal property of the guilds in England used for religious and communal purposes.

Thus we see that during the guild period, as during the feudal manorial period—and the two were contemporaneous in many sections—the business man was closely regulated in his economic activities for the benefit of the producer and the consumer. The breakdown of the feudal and guild systems was accompanied by great political changes. The governments, particularly of England, greatly increased in power with the rise of joint-stock companies trading throughout the then known world, with their increased revenues.

The economic and social regulations, which had been the concern of the barons and towns, were assumed by the national authority, as is demonstrated during the sixteenth century by the regulation of apprenticeships, hours of labor, wages, prices, and provisions for caring for the poor by the English Government. These regulations have been described as mercantilistic, and these in turn led to colonization in an attempt by the western states to find an outlet for their goods so that they might maintain a surplus of precious metals over imports. Colonies were deemed especially necessary as a source of raw material which could not be produced at home and as a market for the finished products which were manufactured at home.

Under the mercantilistic theory the institutions of the state, the interests of the people, the personal interests of the king, and the will of God were all conveniently identified as being one and the same thing. It was the practice to regard the king as the guardian of social interests, and that, through him, industry was regulated, not according to the private desires of the individuals who were seeking to gain from the situation which existed but according to the requirements of the social good. With this growth of nationalism there was the consolidation of the influence of the nobility, the guilds, and the church and state organizations, with the continuation of the emphasis upon group or social interests as interpreted by superior authority. We in America know that it was not always easy for the individual to harmonize his personal interests, as he saw them, with the group interests, as conceived by the ruling authority.

Whether the constituted authority was the medieval church, the lords and barons, the guilds, or the national government, their authoritative regulations held in check the individual aspirations and ambitions of the masses of the people, but trade and commerce had given rise to a wealthy commercial class; and when the state regulations pressed too heavily on them, it was inevitable that some means would be found for challenging the authority of the king. These means were found in the Protestant Reformation, which furnished much philosophy for advancing the merchant-class ideas and interests. While beating down the power of the Catholic Church in England, the King had made the fatal mistake of stepping from royal to a personal

interpretation of the will of God, and there arose a host of religious sects presenting great varieties of interpretations with the idea that a man's faith was a personal relationship between himself and his God. Henceforth, the authority of the state or King could be defended effectively only when reasonable and existing institutions of government could be supported on the ground that they were in harmony with the divine scheme of things. What was the divine scheme became merely a matter of individual viewpoint, as George Washington and his army demonstrated on a hundred battlefields in the American Revolution.

Mercantilism shriveled and collapsed, and the Martin Luther of the new political and social order was Adam Smith with his famous book, An Inquiry Into the Nature and Causes of the Wealth of Nations, published in 1776. His explanation of how industry would operate if freed from mercantilistic regulations and left to the direction of the individuals in the pursuit of their self-interests, the "laissez faire" doctrine that the states should no longer interfere with the affairs of the individual, has provided an important part of the economic theory and practice from that day to this. According to this theory, all questions of hours of labor, wages, prices, provisions, care of the poor, and so forth, should be left to the individuals immediately concerned, for if every individual followed his self-interests he would receive the net worth of his desire, because his selfinterest would not permit him to accept less, and the individual self-interests of others would not permit him to receive more.

Mr. President, I would emphasize that Adam Smith evolved his philosophy during a comparatively simple period of history when a man could acquire the control of the simple manufacturing instruments necessary to carry on industry during the handicraft stage, or could enter any industry which might be dictated by his interests and talents. He might appraise the value of a suit of clothes when he spun, wove, and made the clothes, but an entirely different situation is presented during the machine age when he may have no more to do with making the clothes than cutting a leg for the pants or sewing on a button. Under both the guild and handicraft, or domestic system, there was a substantial unity of interests between all workers, from the master to the apprentice, or between the man who supplied the raw material and the man who fabricated them, but under the factory system there was no such unity of interests. The instruments of production were controlled by the capitalistic owners who rarely, if ever, came into contact with the workers and who were not responsible in any manner for their support during sickness, unemployment, or old age. During the machine age the workers have generally resented the competition of more and more refined machinery. I have neither the time nor the inclination to enter into a discussion of these long struggles between capital and labor during many years of the factory system.

I merely pause here to invite attention to the writers on technocracy who have told us that an entire rayon factory can be made to run with only one man to attend to the electric switches, that newspaper type may be set simultaneously in a dozen or more cities, and that while the efficiency of factories is constantly increasing, the number of needed employees is constantly decreasing. Said an authority in Harper's Magazine for January, 1933, page 135, that:

One of the classic examples of the marvels of technological efficiency is the Smith plant at Milwaukee, which can, with 208 men, turn out 10,000 automobile chassis frames in one day. There are many, many more. The mechanical verifiers, sorting machines, automatic interpreters, and electrical tabulating machines, automatic interpreters, and electrical tabulating machines * * * have almost reduced bookkeeping and accounting to a completely mechanical process. (I might inject here that the Congress of the United States has been a party to this process, for it now has in many of the departments and establishments of the Government these mechanical bookkeeping, sorting, etc., machines.) We have already spoken of the New Jersey rayon factory that will eventually require the services of but a single man. * * The public is already well acquainted with the teletype in the telegraph offices. In much the same way the typesetter sets type automatically and simultaneously in any number of cities when a master keyboard is operated in one central place. * * In a chain system of newspapers, the fate of the linotype operator is plain.

Again there is the photoelectric cell, popularly known as the electric eye, which can decimate the workers' ranks in scores of trades. It can detect the imperfections in cloth, it can sort articles of almost any description. The General Electric is now mar-keting a photoelectric cell which can be used for almost any sort of control purposes. Another application of the cell has just annexed the field of photo-engraving. Three-color plates are produced in half an hour instead of 36. It can operate over a telephone or telegraph wire at any distance.

The mechanical preparation and packing of groceries are well

known. Cigarettes so blithely advertised as untouched by human hands can now be made at the rate of 2,000 or 3,000 per minute per man, where last year only 500 or 600 could be made. Technology has laid hands on the building industry, and factory-fabricated houses to be turned out in sections and put together by a pocket wrench are about to appear on the market, provided the depression doesn't first eliminate the market. Corporations may do their utmost to hold back inventions that threaten their existence, just as razor-blade manufacturers shudder at the thought of a blade, now in existence but never commercially produced, which will last a lifetime and costs 30 cents; but here and there, faster and faster, technology is breaking through the line.

The technological processes are going on all about us. The present depression has hastened the process. In order to dispense with labor, cut costs, increase output, and cheapen the price in a desperate effort to earn enough to keep their business going, industrialists have adopted almost every conceivable mechanical improvement. With the great rapidity with which they can make every article, the fewer men they need to do it, and as a consequence there are fewer purchasers with money to buy the products. Production reached its peak in 1929. Wherever mechanization has taken place, both the man hours and the energy required per unit have decreased. The same writer quoted above, in the same article, makes this further comment:

The flour-milling industry, for example, had 9,500 plants in 1899, which increased to a maximum of 11,700 mills in 1909, only to decline by 1929 to a meager 2,900 mills. The workers declined from 32,000 in 1899 to 26,400 in 1929. But while the number of plants and the number of workers declined, the amount of wheat ground increased from 471,0000 bushels ground in 1899 to 546,000,000 bushels ground in 1929.

The steel industry produced 11,000,000 metric tons in 1900, requiring approximately 600,000,000 man hours. In 1929 the steel industry had a production of 58,000,000 metric tons, requiring only

industry had a production of 53,000,000 metric tons, requiring only 770,000,000 man hours. In 1900 it required 70 man hours per ton, while in 1929 only 13 man hours per ton were necessary.

In 1904 in the automobile industry 1,291 man-hours were required to produce one vehicle. In 1919 the industry manufactured approximately 1,600,000 vehicles, requiring 606,409,000 man-hours, or 313 man-hours per vehicle. In 1929 the industry reached its peak of production; 5,600,000 vehicles were made, requiring 521,-468,000 man-hours, or 92 man-hours per vehicle. In 1929 we produced 4,000,000 more automobiles than in 1919 with 84,000,000 400,000 man-hours, or 92 man-hours per venicie. In 1929 we produced 4,000,000 more automobiles than in 1919, with 84,000,000 fewer man-hours. Automobile manufacture required its greatest number of man-hours in 1919. Its high point of total employment was reached in 1923; both have declined continuously since

But I am concerned with principle and not detail. Every man who has given thought to these problems knows what has taken place in every kind of industry. Increased mechanization has led to increased production with increased unemployment and decreased purchasing power on the part of those who must be depended upon to purchase the products of industry. Now we are confronted with want, misery, and hunger in a land of plenty. Factories are idle because purchasers are without money to buy their products. Farmers find it difficult to pay their taxes and to keep interest payments up on their homes, while their barns are filled with the fruits of the soil. Men and women, all eager to work, fill the streets and highways as they walk about searching for employment. The "laissez faire" system of Adam Smith, applied to the mechanized factory system of today, has broken down, even as the guilds and mercantilistic systems of other years broke down.

There is this difference, however. When the guilds and mercantilistic systems broke down, there were immense quantities of new lands rich in natural resources awaiting the coming of him who should till the soil. The surplus population found homes in these new lands and new opportunities where they could start life again. No homes were opened for those who had lost out in the struggle with the machine, but it was possible to shift from one industry to another. The new lands are now exhausted, and it is growing more and more difficult for other industries to absorb

those thrown out of employment by the mechanization of some industries. A writer in the Political Science Quarterly for December, 1932, said:

In the present industrial and argricultural situation, the effective use of modern machinery and technology is being impeded by the inherited institutional complex of free competition, bank oredits, and fluctuating prices, with the concomitant social distress of unemployment and unnecessary poverty. We are endeavoring by all manner of expedients to avoid some of these difficulties and to remedy some of the defects, but it is evident that the onward march of technology will necessitate large-scale modifications in our institutional arrangements.

The expedients of reconstruction finance corporations, agricultural surplus controls, Federal home-loan banks, and such instrumentalities are but temporary. They are as powerless to stem the tide of the existing economic debacle as were the forces which attempted to restrain the fuedal, guild, or mercantilistic systems. It appears that nothing in the way of forces to combat the present depression has brought satisfactory results. President Hoover appointed a research committee on social trends, and, after three years or more of diligent study of social problems, it reported a few weeks ago that-

There can be no assurance that violent revolution in America can be averted unless there be a more impressive integration of social skills and fusing of social purposes than is revealed by recent trends.

The work of this committee was made possible, as I understand, by a grant of funds by the Rockefeller Foundation. It is my information that the committee was headed by Dr. Wesley C. Mitchell, of Columbia University. I find this statement in the report:

It is improbable that the old order can be brought back or that it would be for the best interest of the younger generation to have it as it was. Under the old order every day we were drifting further into a sordid materialistic condition of affairs in which the spiritual element was wholly lacking. And, after all, the human race can not be said to be making any real progress unless it is along spiritual lines. This crisis gives us an opportunity, of which it is to be hoped we will take advantage. If we wish to continue our capitalistic civilization, we must make it less selfish and broader in its general scope.

A capitalistic civilization is the only kind we understand, and there is no need for us to drift into strange ventures, such as

the Russians are not too successfully trying at present.

And yet, if we do not endeavor to improve conditions, so that in the future the general purpose will be higher than it has been in the past, the danger of a Lenin dictatorship will become more and more imminent.

Colonel House, in his statement that continuation of the present order will drift us into greater and greater danger of a Lenin dictatorship, is at one with the conclusions of President Hoover's Committee on Social Trends, when he

Unless there can be a more impressive integration of skills and fusing of social purposes than is revealed by recent trends, there can be no assurance that these alternatives, with their accompaniments of violent revolution, dark periods of serious repressions of liberties and democratic forms, the proscription and loss of many useful elements in the present productive system, can

No one could accuse Colonel House or President Hoover's Committee on Social Trends as being reds and socialists or with desire to destroy our capitalistic system. They would preserve it by modifying it to meet our present economic conditions. That system, as it now exists, is doomed and will pass as surely as the manorial, guild, and mercantilistic systems of other ages disappeared because they were not adapted to the changing requirements of the economic and social orders. Shall we, who are charged by the people with the responsibility of seeking a way out to preserve our institutions, waste our time and efforts in bootless experiments with expedients until our system topples about our ears and drags us all to destruction? As Colonel House says in his Liberty article:

It is bootless to say that this can not happen. Anything may happen in times like these. The minds of our people are in a ferment, and things which we would have declared impossible a few years ago are in actual process of coming about. One of the causes of unrest is the almost complete lack of confidence in our relitiest and financial landow. It is not unfortunate that political and financial leaders. It is an unfortunate state of affairs, but unhappily it is one that actually exists. And there is reason for it. The theories and predictions that have been made,

and the advice that has been given, seem incredible in the light of subsequent events. In consequence, there are few political and financial anchorage spots left

I charge that the existing economic practices have not only beggared the worker and the farmer with loss of confidence in political and financial leaders who permitted such practices to continue when the reasons for the laissez faire doctrine had long ceased to exist, but I charge that it has beggared capital itself. Let me illustrate by taking another extract from the writer in Harper's Magazine. Says he:

Consider, for example, the Ford Motor Co., which is the sole property of Mr. and Mrs. Ford and their son, Edsel. In 1930 the company had outstanding 172,645 shares of stock owned by these three persons, which yielded a profit of \$257 a share. Allowing for all the spinning wheels, antique furniture, and wayside inns in the world, how much can three persons spend of a single year's profit of over \$44,000,000? Obviously, not very much. The one thing possible is reinvestment, and the only possible place for reinvestment is production. This means that production must pay further interest and dividends. Year after year this reinvestment in stocks and bonds (which are, of course, mere shares in the debt owed by production) has demanded more and more interest on production.

interest on production.

In order to keep up with this mad business production has to In order to keep up with this mad business production has to increase at a compound interest rate in order to pay for the river of money being invested in it. This, of course, is impossible, and the result has been—this is not guesswork, but a statement proven by bleak and cold figures available to anybody—that debt has increased faster than production. The only way to maintain this debt (for neither the bankers nor anyone else expect it to be paid) is with continuously increasing sales of goods, and when debt increases faster than we have made the goods, which is exactly what has happened, we steadily approach a point where the whole concern goes to pieces. To pay our debts we have to borrow on our goods faster than we can make them. And all the while the rate of the debt increase is greater than the population increase so that each year we owe more than we did before, and next year we must owe more than we do to-day. next year we must owe more than we do to-day.

Let me cite another example in support of my point that the existing system is making a beggar out of capital. Stuart Chase, in his book The New Deal, says:

In the United States we have at the present time a shoe facand could hardly wear out 500,000,000 pairs a year. We buy 300,000,000 and could hardly wear out 500,000,000 pairs, yet new shoe factories, in normal times, are constantly being built. Bankers loan money to their promoters. The extension of the shoe business is held to be a cardinal requisite to progress, prosperity, employment. Meanwhile the existing shoe factories stand, on the average, two-thirds empty. The resulting appalling burden of overhead Meanwhile the existing shoe factories stand, on the average, two-thirds empty. The resulting appalling burden of overhead costs forces manufacturer after manufacturer into bankruptcy. And always will. We have the plant but can not make adequate use of it. Jam yesterday, jam to-morrow, but never jam to-day. Men want jobs, people want shoes, but men can not go to work in these all but empty factories. They can build new shoe factories in a boom and walk the streets in a slump. In addition to building the plant itself a favorite practice in recent years has been to devote the surplus to financing spirited selling campaigns and to pyramiding the financial structure through mergers, holding companies, and stock-selling promotions. ing companies, and stock-selling promotions.

· Labor and management, supported by bankers and creditors, supported in turn by savings seeking profitable invest-ment, go on rearing the capital structure to the skies. Look at the towers of Manhattan, look at the new mills of North Carolina, look at the new mechanized cotton farms of Texas. Virtually half of the investments in the United States in recent years is never put to work, while on all of it is snugly laid a blanket of indebtedness carrying a huge volume of fixed charges. The profitable investment demands a profit and rent and interest. But the underlying plant is increasingly incapable of earning a profit because of inadequate utilization.

If this brief and inadequate sketch of the economic systems since the medieval period is insufficient to lead the thinking man and woman to the conclusion that we must, governmentally, discard the remaining vestiges of the laissez-faire doctrine of Adam Smith, and return to a governmentally controlled system similar to that which has existed through most of the period since the Middle Ages, then nothing that I could say would accomplish that end. Unquestionably the economic world is now sick. I believe with Colonel House that we can not return to the old order of things, and I further believe that for the happiness and comfort of our children and our children's children we should not return if we could.

The suggestions I have made seek a middle ground between laissez-faire capitalism on the one hand and communism on the other. They seek to preserve a capitalistic society by limiting the returns which capital may take from | bill on the ground that it is unfair to capital. He would

the enterprise engaged in interstate commerce, and this would force distribution of the balance between the consumer and the worker. Guided by business intelligence, the surplus earnings of industry would have to be distributed to the workers in the form of shorter hours, possibly in higher wages, and to the consumer in lower prices. This would increase employment, with little if any decrease in wages, and would in turn increase the demand for the products of the farm and factory. Capital could not take all the traffic would bear, all the excess earnings, and reinvest them in larger and larger plants, in more and more producers' goods as compared with consumers' goods. Instead of the earnings, in excess of the marginal wage, going to capital to be reinvested in useless plants which are a social and economic loss, for the most part, such earnings in excess of a fair rate of return would go to the worker and to the consumer, who would increase their standards of living, buy better homes, and who would use these excess earnings to much better advantage than the Fords, for instance, who can not possibly use their incomes from capital. To this extent, the plan is not unlike the results obtained by the guilds, except that instead of fixing prices the amount of profit is fixed. Prices are left to be fixed, as they now are, by the cost of production, competition, and demand and supply. Even if the Constitution should be modified to permit it to be done. I do not think that in this complex age a government could successfully fix prices of commodities.

Contributory to this basic idea the plan provides that a certain percentage of the net income of industry engaged in interstate commerce should be set aside and invested in Government securities-National, State, and municipal-to be used as an unemployment fund during periods of business recession. During the prosperous years industry could build up an employment fund to tide it over the lean years, and to this extent the proposal differs from the recapture clause of the interstate commerce act, sustained by the Supreme Court of the United States in two cases, which does not permit the balancing of excess earnings of prosperous years against deficits in lean years, with the result that we have the railroads of the country in a very bad condition, with the Reconstruction Finance Corporation dishing out the public credit to the railroads, including those which have had excess earnings in prosperous years, in an attempt to tide them over the danger of bankruptcy. Such a scheme would eliminate the pressing demand for unemployment insurance, oldage pensions, and the dole.

The limitation of the amount of profit capital could take from interstate industry will tend to eliminate unfair methods of competition for which we are now spending large sums of public money in largely abortive corrective attempts. Wasteful and uneconomic advertising and selling campaigns would be largely eliminated. After I had considered these things there came to my attention an extract from the report of President Hoover's research committee, which expresses my thought on this point in the following words:

We devote far more attention to making money than to spending it, and the buying public is confronted with high-pressure salesmanship, installment-selling propaganda, and other sales tactics adopted by competitors in business to get their share of the consumer's dollar.

The profit motive has led to this turn of affairs. By reducing the profit motive to not exceeding a fixed return, the buying public will not be so largely confronted with so much sales propaganda. At the same time combines will be made possible in the interest of economic production without fear on the part of the consumers that such combinations would result in increased prices due to monopolies. In my judgment, the Granger movement, culminating in the Sherman Act, while necessary at the time to curb ruthless capital protected under the fetish of laissez faire, went too far, to the detriment of both capital and consumers, by preventing combinations necessary for reduction of the cost of production. Under this plan all these questions will be eliminated from our economic life as concerns interstate commerce.

The devotee of laissez faire will doubtless condemn this

prefer, doubtless, that the capitalistic system be wrecked than that we revert to a modified form of controlled capitalism which served mankind for centuries. There is no hope of convincing those who firmly hold such opinions, but I would call attention of the country to the undoubted fact that the Federal Government has, in the past, limited the return to capital by taking, in the form of taxes, all of the income in excess of a certain percentage. Through taxation the Federal Government could doubtless take all profit from industry, whether or not engaged in interstate commerce, but such unreasonably high taxes imposed on capital is no solution to the economic problems confronting us to-day.

Aside from the fact that I am not one of those who believe that the burden of taxation should be borne by the few; such a form of taxation leads to extravagance, favoritism, and waste in governmental expenditures. It also leads to the taking of money from productive enterprises until finally we reach the situation we are in at present, when the Government is the only organization which can command the funds for enterprises, and we have the spectacle of Government credit being loaned, or, in the end, given to private industry. The burdens of government should be borne by all in proportion to their benefits from government, and in all cases the citizen should pay some amount of taxes to help support his government. Moreover, as I have heretofore pointed out, the difference between limiting the returns to capital, by taking all above a certain amount in the form of taxes for nonproductive enterprises, and my plan of forcing the distribution of the excess above a certain amount among the workers and the consumers is as broad as the Atlantic Ocean.

Granted that our economic system is out of joint; that there is the gravest danger both to capital and our Government in the present plan of drift, and that something should be done about it, I realize that my plan will meet with objections from some quarters. The man who points out the dangers and urges that something be done about it has the advantage of the man who offers a specific plan. Yet, as I have said, I offer this plan to the country at this time that it may give it thought, offer both constructive and destructive criticism during the coming months, and when we enter on the next session of Congress I hope that it may be taken up for action.

There is one further thought I wish to mention at this time. Shortening the hours of labor, distribution of a larger share of the earnings of industry to the consumers and workers, and the establishment of unemployment funds can not be accomplished through voluntary action on the part of capital. Mr. Edward A. Filene, the distinguished Boston merchant and philanthropist, writing for the New York Times of January 1, 1933, urged that capital adopt a shorter work day and a shorter work week with no reductions in wages; in other words, that capital voluntarily give the workers a greater share of the net earnings of industry, on the ground that such action on the part of capital would not only cure the existing depression, but would tend to prevent future depressions. He did not mention unemployment insurance or old-age pensions, presumably on the theory that the Government should continue to care for the needy and the aged, with capital bearing only a share instead of all the expense of such care. Said he:

The admitted hitch in this plan lies in its requirement of concerted action. Big business must lead the way if little business is to follow. But there is no reason why big business should not be expected to lead the way. It has become big business by leading the way. We have a right to ask that it be big in some other respects than in its total capitalization, or the total number of acres of space in its combined plants.

Mr. Walter C. Teagle, the able and conscientious president of the Standard Oil Co. of New Jersey, very unselfishly and patriotically has temporarily deserted his business in an attempt to secure the voluntary adoption by industry of the share-the-work movement, a movement designed to secure the voluntary adoption by industry, for the period of the depression, of the shorter work day and the shorter work week. The work of Mr. Teagle has been good, and I, for

one, give him all honor for the results. But we all know that the unemployment situation has grown worse.

As Mr. Filene has well said, "The hitch in this plan is its requirement of concerted action," and, I might add, voluntary action. It can no more succeed without compulsion on the part of the Government than could the regulation of the hours of industry, the rate of wages, and so forth, succeed during the guild and mercantilistic periods without the compulsory action of superior authority. Undoubtedly there are many others in big business who think with Mr. Filene and Mr. Teagle, and their plans would have been adopted long ago but for the force of competition. There must be interposed the strong arm of the law to assist the good industries in bringing about reforms in our present competitive capitalistic structure which they can not accomplish unaided. Their unscrupulous competitors must be compelled to follow a minimum order of things for the good of the social order. I appreciate the fact that the blundering of Government in business in recent years gives no assurance that a Government-controlled economic system will always be enlightened, but I have hopes that under my plan business men will take the same interest in good government as was taken by the guild leaders of another period.

The adoption of a 6-hour day and a 5-day week, without the distribution to the workers and consumers of a greater share of the earnings of industry, will not correct the existing evils, though it is possible that it would greatly mitigate them. But, even if such a shorter workday and work week were desirable, there is, in my opinion, no possibility of its acceptance through voluntary action on the part of industry. Human greed will prevent it. There is likewise, in my judgment, no constitutional power in the Federal Government for a law requiring its adoption. The hours of work are a matter of contract between the employer and the employed, and, under our Constitution, there can be no such interference with the matter of contract. Of course, the Constitution might be amended, after several years, to authorize the adoption of such a law, but I fear that it would then be too late.

This Nation came into being largely because of the necessity to regulate interstate and foreign commerce. Article I, section 8, of the Constitution expressly gave the Congress unlimited power to regulate such commerce, and under that power I propose that the Congress shall deny the right to engage in interstate or foreign commerce to any corporation, individual, or association for profit that is not incorporated under Federal law, and, as an incident of that incorporation, I propose to limit the amount of the net earnings that capital may take from industry and to require that a certain percentage of the net earnings be set aside each year as an unemployment fund. Having regulated industry in these two respects, I believe that capital, or the entrepreneurs in charge of capital operations, may be left free to divide the balance of the earnings between labor and the consumer.

The penalty for failure to observe these requirements would be the forfeiture of the Federal charter and consequent denial of the right to engage, or ship products, in interstate or foreign commerce. The plan does not provide for the establishment of commercial tribunals to enforce these requirements or to determine disputed questions as to cost of reproduction of plant, distribution of earnings, and so forth. I believe that the existing machinery of the law may be sufficient to enforce these requirements on industry where the buccaneers will be watched by competitors, by labor, and by consumers, even as under the guild and mercantilistic systems. If experience should prove that special tribunals are necessary, we can then establish them.

Mr. President, the suggestions which I have made are rather crude I know. I believe the time has come when it is of the utmost importance that we deal sincerely and intelligently with the many grave questions that confront the country on every hand. Business is about destroyed. Industry is prostrated. If we are going to bring business back again, then we ought to start out on a better foundation than that on which we builded before. We ought to plant the recovery and the new business on a solid rock, so that

there may never again occur the same things that we see in the country, which have been continuing for the last few years and which will continue probably for many years to come.

I do not believe we are even approaching or nearly approaching the end of the depression. I do not believe that we need expect that we will find some solution that will bring prosperity to us again within the next six months or the next year or probably in the next few years. We have a long, hard fight before us. If we fight valiantly, using the wisdom that we have, using the experiences of the past, if we go back far enough and make a study of all governmental problems, I have hopes that again we may make America what she has been in the past and what she ought always to be, and that is the greatest nation in the world. But if we hesitate much longer, if we wonder how we are going to find a way out, and stand and wait patiently for some fairy to come to us and whisper that if we will follow a certain road it will lead out of the morass and on to safe ground-I am afraid if we wait for something of that kind that the prophesies which have been made by many wise men that destruction is not far away may be fulfilled.

Mr. President, I do not know whether the suggestions I have made contain any very great merit, but I am hopeful that somebody will bring forward a suggestion that at least will hold out some hope that the people are not going to have to endure much longer a continuance of present conditions. We take too much time with little things. We do not view the entire canvas. We do not survey the entire horizon. We circumscribe our vision. I think that we must give our combined judgment to a consideration of the questions that affect our entire country and the entire world. We can no longer live by ourselves alone, neither in the community, in a State of our Union, or in our Nation itself. must live as a part of this great world that is so closely interwoven that we can not any longer say we will live alone.

LIMITATION OF WORKING HOURS

Mr. BLACK. Mr. President, in line with the very thoughtful and interesting discussion just presented by the Senator from Kentucky [Mr. Logan] I desire to send to the desk and have read a letter from Mr. Joseph Berlinger, of 1333 Broadway, New York, touching to some extent upon the same subject. I ask unanimous consent that it be read.

The PRESIDING OFFICER (Mr. Fess in the chair). Without objection, the clerk will read, as requested.

The legislative clerk read as follows:

NEW YORK, N. Y., February 20, 1933.

Senator BLACK

United States Senate, Washington, D. C.

DEAR SENATOR: Being a strong believer in your proposed bill to prohibit interstate shipments of goods produced by persons employed more than 5 days a week or 6 hours a day, I take the liberty of calling your attention to the condition that exists in the

silk industry.

This industry, in spite of the general depression, has continued to enjoy as great a yardage consumption as in its most prosperous years. The producers, however, who have been running their mills from 54 to 60 hours a week and a great many running their looms on a day and night shift, have created such a condition that in spite of a continuously active demand they are actually forced to sell their production at cost or below cost with the result that 95 per cent of the manufacturers are virtually in hankruptey. in bankruptcy.

Nothing, in my opinion, would bring back confidence and prosperity quicker than your bill to limit working hours. It would put back to work at least 5,000,000 people who are now unemployed. This would enable the producer to sell goods at a profit instead of a loss by eliminating overproduction.

To illustrate how other countries attempt to spread employment.

ment:

On a recent trip to France a friend of mine who is an exporter in Paris (not a producer) was fined 3,000 francs by the govern-ment for having worked two nights merely shipping merchandise. All kinds of remedies have been suggested. These have been fruitless clutchings at a straw. It is my firm belief that nothing

will end this depression or bring back prosperity quicker than the spreading of employment which your bill, by the restriction of working hours, offers. It will give the struggling merchant an opportunity to sell his product at a profit rather than at cost or at a loss.

I am at a loss to understand why there has not been more emphasis given to this movement and sincerely hope your bill will receive the consideration that it so richly merits.

Yours very respectfully,

JOSEPH BERLINGER.

ENROLLED BILL SIGNED

The VICE PRESIDENT announced his signature to the enrolled bill (H. R. 7522) to provide a new Civil Code for the Canal Zone and to repeal the existing Civil Code, which had previously been signed by the Speaker of the House of Representatives.

REPORT OF THE ARCHITECT OF THE CAPITOL (S. DOC. NO. 189)

The VICE PRESIDENT laid before the Senate a letter from the Architect of the Capitol, transmitting the annual report of the operations of his office for the fiscal year ended June 30, 1932, which, with the accompanying report, was referred to the Committee on Public Buildings and Grounds and ordered to be printed.

CROP LOANS TO FARMERS-PUERTO RICO

The VICE PRESIDENT laid before the Senate a telegram from the Speaker of the House of Representatives of Puerto Rico, which was ordered to lie on the table and to be printed in the RECORD, as follows:

SAN JUAN, P. R., February 21, 1933.

Hon. Charles Curtis,

President United States Senate, Washington, D. C.:

The House of Representatives of Puerto Rico requests that you exercise your efficacious influence to have the provisions of S. 5160, providing for crop loans to farmers during the year 1933, made extensive to Puerto Rico, in view of the urgent need thereof felt by the agriculture of the island.

MIGUEL A. GARCIA MENDEZ Speaker House of Representatives of Puerto Rico.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate a joint resolution of the Legislature of the State of Wisconsin, memorializing Congress to change the laws governing officers' retirement pay so that no such pay will be allowed to anyone who receives a salary or other income of \$4,800 or more, and that the money thus saved be used to pay the soldiers' bonus in cash to veterans who are unemployed and in dire need, which was ordered to lie on the table.

(See joint resolution printed in full when presented to-day by Mr. LA FOLLETTE.)

The VICE PRESIDENT also laid before the Senate resolutions adopted by the common councils of the cities of New Britain and Stamford, Conn., the council of the city of Northampton, Mass.; the City Commission of Pontiac. Mich.; and the City Council of Charleston, S. C., favoring the passage of legislation authorizing the Postmaster General to issue a special series of postage stamps of the denomination of 3 cents commemorative of the one hundred and fiftieth anniversary of the naturalization and appointment as brevet brigadier general of the Continental Army of Thaddeus Kosciusko, a hero of the Revolutionary War, on October 13, 1783, which were referred to the Committee on Post Offices and Post Roads.

He also laid before the Senate a letter in the nature of a petition from W. D. Chambers, of Muncie, Ind., praying for an amendment to the Constitution reducing the number of Senators from 96 to 24 and the number of Representatives in Congress to 100, the Senators to be chosen by eight different geographical groups of States of the Union, etc., which was referred to the Committee on the Judiciary.

He also laid before the Senate resolutions adopted by the United Front Anticommissary Plan Conference under the auspices of the Unemployed Councils of the City of Philadelphia, Pa., opposing all proposals to create military forced labor camps for the youth of the Nation, and favoring the establishment of a system of Federal unemployment insurance and the making of appropriations for immediate cash relief for the unemployed without discrimination as to age, sex, or color, which were ordered to lie on the table.

He also laid before the Senate the petition of Hy C. and Adam Schmidt, of Slaughter, and sundry citizens of the State of Louisiana, praying for a continuance of the investigation of the Louisiana senatorial election of 1932 and the necessary allotment of money therefor, by the special committee of the Senate to investigate campaign expenditures of the various presidential, vice presidential, and senatorial

candidates in 1932, which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate.

He also laid before the Senate a telegram from the Women's Independent Voters Club of New Orleans, La., which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate and ordered to be printed in the RECORD, as follows:

NEW ORLEANS, LA., February 21, 1933.

Vice President CHARLES CURTIS, United States Senate, Washington, D. C.:

In order to further unquestionably fair elections in the future in Louisiana and believing that much additional evidence can be procured from all parts of the State the Women's Independent Voters Club of New Orleans urges you to make it possible to continue the investigation of the Overton-Broussard election.

Women's Independent Voters Club.

The VICE PRESIDENT also laid before the Senate 13 telegrams of similar tenor to the above from sundry citizens and organizations in the State of Louisiana, which were referred to the Committee to Audit and Control the Contingent Expenses of the Senate.

He also laid before the Senate letters in the nature of memorials from Louis P. de la Croix, and also Frank H. Perilloux, president the Louisiana Democratic Club of the Eighth Ward, and sundry members of that organization, all of New Orleans, La., remonstrating against a continuance of the investigation of the Louisiana senatorial election of 1932 and the spending of additional money therefor by the special committee of the Senate to investigate campaign expenditures of the various presidential, vice presidential, and senatorial candidates in 1932, which were referred to the Committee to Audit and Control the Contingent Expenses of the Senate.

He also laid before the Senate a telegram from J. E. Ray. of Alexandria, La., which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate and ordered to be printed in the RECORD, as follows:

ALEXANDRIA, LA., February 22, 1923.

Vice President and President of the United States Senate:

As a nonpartisan business man, the first week's investigation in New Orleans confirms my conviction of the honest and legitimate election of Mr. Overton to United States Senate not even claimed by Senator Broussard. Further investigation will entail useless expenditure, will multiply discord and personal feeling, and cause business disturbances in Louisiana that years will not overcome.

J. E. RAY.

The VICE PRESIDENT also laid before the Senate 300 telegrams of similar tenor to the above from sundry citizens and organizations in the State of Louisiana and one citizen in the State of Texas, which were referred to the Committee to Audit and Control the Contingent Expenses of the Senate.

Mr. LA FOLLETTE presented the following joint resolution of the Legislature of the State of Wisconsin, which was ordered to lie on the table:

STATE OF WISCONSIN.

Joint resolution relating to officers' retirement pay allowed by the Federal Government to persons receiving large salaries and to payment of the soldiers' bonus to veterans in need

Whereas under the present Federal laws a great many persons with large salaries are drawing large amounts as officers' ment pay in addition to their salaries; and

Whereas many of ex-service men are in dire need because un-Therefore be it

Resolved by the senate (the assembly concurring), That the Legislature of Wisconsin respectfully memorializes the Congress of the United States to change the laws governing officers' retirement pay so that no such pay will be allowed to anyone who receives a salary or other income of \$4,800 or more, and that the money thus saved be used to pay the soldiers' bonus in cash to veterans who are unemployed and in dire need; be it further

Resolved, That properly attested copies of this resolution be sent to both Houses of the Congress of the United States and to each Wisconsin Member thereof.

THOS. J. O'MALLEY President of the Senate. R. A. COBBAN,
Chief Clerk of the Senate.
C. T. YOUNG,
Speaker of the Assembly.
JOHN J. SLOCUM, Chief Clerk of the Assembly.

Mr. COPELAND presented the memorial of Alma J. Leet. of Hartfield, N. Y., remonstrating against the repeal of the eighteenth amendment of the Constitution, and favoring the maintenance and enforcement of the prohibition laws, which was ordered to lie on the table.

He also presented resolutions adopted by Steve Katouis Branch, International Labor Defence, of New York City, N. Y., opposing all proposals to create military forced labor camps for the youth of the Nation, and favoring the establishment of a system of Federal unemployment insurance and the making of appropriations for immediate cash relief for the unemployed without discrimination as to age, sex, or color, which were ordered to lie on the table.

Mr. WALSH of Massachusetts presented a petition of 230 citizens of Springfield, Mass., praying for the passage of legislation to revaluate the gold ounce and for the elimination of abuses connected with mass production, which was referred to the Committee on Banking and Currency.

He also presented a memorial of sundry citizens of Lowell, Mass., remonstrating against the repeal of the eighteenth amendment to the Constitution or the modification of the Volstead Act, which were ordered to lie on the table.

EMBARGO ON SHIPMENTS OF ARMS AND MUNITIONS OF WAR

Mr. WALSH of Massachusetts. Mr. President, I present and ask leave to have printed in the Congressional Record. and appropriately referred, a letter and resolutions received from the secretary, and so forth, and board of directors of the American Unitarian Association of Boston, indorsing Senate Joint Resolution 229, in re the prohibition of shipments of arms and munitions of war abroad.

There being no objection, the letter and resolutions were ordered to lie on the table and to be printed in the RECORD, as follows:

BOSTON, MASS., February 15, 1933.

Hon. DAVID I. WALSH,

Washington, D. C.
My Dear Senator Walsh: I am writing you because I am much My Dear Senator Walsh: I am writing you because I am much interested in the arms-embargo resolution which was introduced in the Senate by Senator Borah, chairman of the Foreign Affairs Committee, and I understand was passed by the Senate, but on motion of Senator Bingham, of Connecticut, is up for reconsideration. A similar resolution, as you undoubtedly know, House Joint Resolution 580, is before the House at the present time. As a citizen of Massachusetts, may I express to you my personal hope that you will be able to give this matter your careful consideration and that you may see your way clear to give it your hearty support when it comes before the Senate for action? You may be interested to know that at a meeting of the board of directors of the American Unitarian Association held yesterday the inclosed resolution was adopted unanimously. This associa-

the inclosed resolution was adopted unanimously. This assortion is the central body of our denomination in this country. This associa-

Sincerely yours,

Resolved, That the board of directors of the American Unitarian Association hereby records its approval of House Joint Resolution 580, giving the President power to declare an embargo on ship-ments of arms and munitions of war to countries where such shipment "might promote or encourage the use of force in the course of a dispute or a conflict between nations"; be it further

Resolved, That copies of this vote be sent to Chairman Borah, of the Senate Foreign Relations Committee, and Chairman Mc-Reynolds, of the House Foreign Relations Committee, also to President Hoover and Secretary of State Stimson, and that copies of this resolution be given to the press; be it further Resolved, That in case this bill does not come to a vote in the present Congress that the officers of this association be authorized to support simples legislation in constants.

to support similar legislation in ensuing Congresses, and to take such steps as are necessary to see that our attitude is made known to Representatives in such Congresses.

THE BOSTON NAVY YARD

Mr. WALSH of Massachusetts. Mr. President, I present for printing in full in the RECORD, under the rule, and to be appropriately referred, resolutions of the House of Representatives of the General Court of Massachusetts, memorializing Congress in opposition to a proposed closing in whole or in part of the Boston Navy Yard at Charlestown, Mass.

The resolutions were referred to the Committee on Appropriations, and, under the rule, ordered to be printed in the RECORD, as follows:

HOUSE OF REPRESENTATIVES Boston, February 17, 1933.

Resolutions memorializing Congress in opposition to proposed closing in whole or in part of the Boston Navy Yard at Charles-

Whereas the Boston Navy Yard was long since established as one of the ports of our national defense; and
Whereas said navy yard employs upward of 2,000 persons, whose families rely upon the employment in said navy yard; and
Whereas conditions of unemployment are creating extreme hard-

ship and suffering in this Commonwealth; and
Whereas such hardship and suffering would be greatly aggravated in the event of the closing in whole or in part of the said

navy yard; and
Whereas the resultant wholesale discharge of said employee would throw them and their families upon the Government, thus requiring increased welfare appropriations: Therefore be it Resolved, That the House of Representatives of the General Court

of Massachusetts opposes any policies that involve the closing, in whole or in part, of the Boston Navy Yard, and protests against any action by the Secretary of the Navy or the Congress of the United States which will affect as aforesaid the said navy yard; and be it further

Resolved, That copies of these resolutions be forwarded at once by the secretary of the commonwealth to the President of the United States, to the Secretary of the Navy, to the chairman of the House Naval Affairs Committee, and to the Senators and Rep-resentatives in the Congress of the United States from this Commonwealth.

FRANK E. BRIDGMAN, Clerk.

A true copy. Attest:

[SEAL.]

F. W. Cook, Secretary of the Commonwealth.

THE ARMED FORCES OF THE UNITED STATES

Mr. DAVIS. Mr. President, on behalf of my colleague and myself, I ask leave to have inserted in the RECORD and appropriately referred a senate concurrent resolution adopted by the General Assembly of Pennsylvania, memorializing Congress to refrain from enacting legislation which would decrease the strength and effectiveness of the armed forces of the United States.

The concurrent resolution was ordered to lie on the table and to be printed in the RECORD, as follows:

IN THE SENATE OF PENNSYLVANIA,

February 13, 1933. Whereas the present Congress of the United States is considering, under the guise of economy, the radical cutting of appropriations for the support of the Army, Navy, and Marine Corps of the United States, and of the National Guard of the several States;

Whereas the Army is at present pitifully insufficient for the defense of our mainland without regard for our insular possessions; and

Whereas the Navy is far below the standard decided upon as necessary for the safety of the United States and agreed to by the Powers in a far less unsettled time; and

whereas the Marine Corps, although small, has proven for more than a century the most mobile and effective police force in any national or international emergency this Nation has ever had; and Whereas through Federal aid and supervision the National Guard has risen to a point of efficiency heretofore unknown; and Whereas no reasoning person can believe in pacific safety in the face of existing facts. Every peace pact, treaty, or League of Nation action has proven and is at present proving futile and useless to turn any nation from a policy of aggrandizement; and Whereas events within the last 20 years have proven the futility of preserving the neutrality of the United States in the event of a major conflict; and Whereas the existing national and international debts are the result of past unpreparedness, and existing brawl over the col-

result of past unpreparedness, and existing brawl over the col-lection thereof the result of present unpreparedness; and Whereas the voice of the United States in the interests of uni-

versal peace is respected only in proportion to its existing and active power; and

whereas the effects of the present economic chaos on the governments of the world have conclusively proven that only strong, well-sustained governments can survive: Therefore be it

*Resolved** (if the house of representatives concur), That the Senate and House of Representatives of the 1933 session of the General Assembly of the Commonwealth of Pennsylvania hereby memoralizes the present Congress of the United States to refrain from taking any action for the purpose of economy or other purpose that will further decrease the strength and effectiveness of the armed forces of the United States and the several States thereof. thereof.

The foregoing is a true and correct copy of the resolution adopted by the senate February 20, 1933, and concurred in by the house of representatives February 20, 1933.

E. C. SHANNON. President of the Senate of Pennsylvania,
JOHN E. MCKIRDY,
Chief Clerk of the Senate.
E. F. WHITE,

Chief Clerk of the House of Representatives.

REPORTS OF COMMITTEES

Mr. HEBERT, from the Committee on Patents, to which was referred the bill (S. 5075) to provide protection by registration of designs for textiles and other materials, reported it with amendments and submitted a report (No. 1280) thereon

Mr. STEIWER, from the Committee on Indian Affairs, to which was referred the bill (H. R. 6684) to authorize the Secretary of the Interior to modify the terms of existing contracts for the sale of timber on Indian land when it is in the interest of the Indians so to do, reported it with amendments and submitted a report (No. 1281) thereon.

GREAT LAKES-ST. LAWRENCE DEEP WATERWAY

As in executive session,

Mr. BORAH, from the Committee on Foreign Relations, to which was referred a treaty between the United States and the Dominion of Canada for the completion of the Great Lakes-St. Lawrence deep waterway, signed at Washington on July 18, 1932, reported it favorably with a reservation.

The VICE PRESIDENT. The treaty will be placed on the Executive Calendar.

ENROLLED BILLS AND JOINT RESOLUTIONS PRESENTED

Mr. VANDENBERG, from the Committee on Enrolled Bills, reported that on the 22d instant that committee presented to the President of the United States the following enrolled bills and joint resolutions:

S. 4065. An act authorizing the packing of oleomargarine and adulterated butter in tin and other suitable packages;

S. 4589. An act to authorize the Secretary of the Interior to make payment of part of the expenses incurred in securing improvements in drainage project of drainage district No. 1, Richardson County, Nebr., and for other purposes;

S. 4756. An act to authorize the Veterans' Administration or other Federal agencies to turn over to superintendents of the Indian Service amounts due Indians who are under legal disability, or to estates of such deceased Indians;

S. 5339. An act to authorize the Secretary of War to convey certain properties to the county of Arlington, State of Virginia, in order to connect Lee Boulevard with the Arlington Memorial Bridge, and for other purposes;

S. 5370. An act to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Farnam Street, Omaha, Nebr.;

S. 5588. An act authorizing the acceptance of title to sites for public-building projects subject to the reservation of ore and mineral rights;

S. 5659. An act authorizing the State of Georgia to construct, maintain, and operate a toll bridge across the Savannah River at or near Lincolnton, Ga .:

S. J. Res. 237. Joint resolution authorizing the erection in the Department of State Building of a memorial to the American diplomatic and consular officers who while on active duty lost their lives under heroic or tragic circumstances; and

S. J. Res. 243. Joint resolution authorizing the President of the United States to extend a welcome to the Pan American Medical Association which holds its convention in the United States in March, 1933.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. THOMAS of Oklahoma:

A bill (S. 5684) to authorize the Comptroller General to allow claim of district No. 13, Choctaw County, Okla., for payment of tuition for Indian pupils; to the Committee on Indian Affairs.

(Mr. DILL introduced Senate bill 5685, which appears under a separate head.)

By Mr. TOWNSEND:

A bill (S. 5686) to protect depositors in national banks, to regulate the withdrawal of deposits in such banks in certain cases, and for other purposes; to the Committee on Banking and Currency.

CONSOLIDATION OF FARM-LOAN AGENCIES-FARM MORTGAGES

Mr. DILL. I introduce a bill and ask that it may be referred to the Committee on Agriculture and Forestry.

The bill (S. 5685) to provide for the refunding of farm and home mortgages, making loans to farmers, issuance of agricultural bonds, the deposit of Government funds, and for other purposes, was read twice by its title and referred to the Committee on Agriculture and Forestry.

Mr. DILL. Mr. President, I desire to say merely a few words about the bill.

The PRESIDENT pro tempore. The Senator from Washington is recognized for that purpose.

Mr. DILL. Mr. President, in these hard times high interest rate mortgages on farms and homes are the greatest burden and handicap to the recovery of prosperity.

Of course, the first necessity for restoring prosperity is the raising of prices for commodities so the producers will make a profit and be able to buy new goods. But even after that has been brought about it will be impossible for most of the farmers and home owners to free themselves from the debt octopus unless interest rates come down.

For this purpose I have prepared this bill, Senate bill 5685, and had it referred to the Senate Committee on Agriculture.

If Congress will enact this bill into law it will:

First. Bring under one control all of the different farmloan agencies of the Government now operating through several different departments and organizations, and thereby greatly reduce the expenses of these loan operations.

Second. Make possible the exchange of the present highrate interest mortgages and farm-loan bonds for Government-guaranteed bonds and reduce the interest rate on farm mortgages to 3 per cent by refinancing existing mortgages.

Third. Provide abundant funds for loans for livestock and crop production at 3 per cent interest.

Fourth. Enable bona fide home owners to refinance the mortgages on their homes at 3 per cent interest.

Under this plan the Government will simply lend its credit to the farmers and home owners by selling 2 per cent bonds to raise the necessary funds for this purpose. This will lift the burden of expenses for administration from the taxpayers and place it on those who receive the benefits.

The difference in interest of 1 per cent will easily pay all costs of administration. If it is found that this 1 per cent rate brings in more money than is needed for administration Congress can later lower the interest rate to farmers.

Under present conditions, the holders of farm-loan bonds and mortgages will be glad to exchange them for Government-guaranteed bonds at the lower interest rate.

Not only is this legislation highly desirable for the present emergency, but it will establish a sound, permanent policy for credit to farmers and home owners.

It will stabilize the values of real estate and real-estate values are after all the basis of the Nation's credit structure.

METHOD OF CALLING CONVENTIONS IN THE STATES

Mr. KEAN submitted a resolution (S. Res. 368), which was ordered to lie on the table, as follows:

Resolved, That the Attorney General is requested to furnish to the Senate as soon as practicable an opinion with respect to the proper method to be followed in the calling of conventions in the several States for the purpose of ratifying or rejecting the proposed amendment to the Constitution of the United States contained in the joint resolution (S. J. Res. 211), of February 20, 1933, entitled "Joint resolution proposing an amendment to the Constitution of the United States," giving particular consideration to the question as to whether provision should be made for such conventions by enactment of the Congress or by legislative action of the several States.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Chaffee, one of its clerks, announced that the House had agreed to the concurrent resolution (S. Con. Res. 43) correcting an error in the enrollment of the bill (S. 4020) to give the Supreme Court of the United States authority to prescribe rules of practice and procedure with respect to proceedings in criminal cases after verdict.

ENROLLED BILLS AND JOINT RESOLUTIONS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills and joint resolutions, and they were signed by the Vice President:

S. 4020. An act to give the Supreme Court of the United States authority to prescribe rules of practice and procedure with respect to proceedings in criminal cases after verdict;

H. R. 13534. An act authorizing the appropriation of funds for the payment of claims to the Mexican Government under the circumstances hereinafter enumerated;

S. J. Res. 48. Joint resolution to authorize the acceptance on behalf of the United States of the bequest of the late William F. Edgar, of Los Angeles County, State of California, for the benefit of the museum and library connected with the office of the Surgeon General of the United States Army; and

H. J. Res. 561. Joint resolution amending section 2 of the joint resolution entitled "Joint resolution authorizing the President, under certain conditions, to invite the participation of other nations in the Chicago World's Fair, providing for the admission of their exhibits, and for other purposes," approved February 5, 1929, and amending section 7 of the act entitled "An act to protect the copyrights and patents of foreign exhibitors at A Century of Progress (Chicago World's Fair Centennial Celebration), to be held at Chicago, Ill., in 1933," approved July 19, 1932.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the Senate by Mr. Latta, one of his secretaries.

IMPORTATIONS OF CUT FLOWERS

Mr. WAGNER. Mr. President, I ask unanimous consent to offer and have considered immediately a resolution which simply provides for an investigation by the Tariff Commission of the difference in cost of production of a domestic and a foreign commodity.

Mr. KING. What is the commodity?

Mr. WAGNER. Cut flowers.

Mr. KING. I shall not object to the consideration of the resolution, but I shall vote against it, because I think it is wholly unwise at this time, and that an investigation would furnish no basis for any legislative action by Congress.

The PRESIDENT pro tempore. The Senator from New York asks unanimous consent to present a Senate resolution. Is there objection?

Mr. McNARY. Let the clerk report the resolution.

The PRESIDENT pro tempore. The resolution will be reported for the information of the Senate.

The resolution (S. Res. 369) was read, as follows:

Resolved, That the United States Tariff Commission is directed, under the authority conferred by section 336 of the tariff act of 1930, and for the purposes of that section, to investigate the differences in the costs of production of the following domestic articles and of any like or similar foreign articles: Cut flowers, fresh, classified under paragraph 753 of such act.

The PRESIDENT pro tempore. The Senator from New York asks further unanimous consent for the present consideration of the resolution.

Mr. SMOOT. Mr. President, I want to say that quite a number of similar resolutions have been offered, and I expect to hold a meeting of the Committee on Finance in a very few days, when we will decide whether all the resolutions shall be reported or not.

Mr. WAGNER. I am simply asking for an inquiry. I am not asking for any decision on the subject. I hope the Senator from Utah will not object.

Mr. SMOOT. I shall not object.

The PRESIDENT pro tempore. The question is on agreeing to the resolution.

The resolution was agreed to.

PRODUCTION COSTS OF COTTON FISHING NETS AND NETTING

Mr. AUSTIN. Mr. President, I ask for the consideration of Senate Resolution 361, directing the Tariff Commission

to investigate the production costs of cotton fishing nets and cotton fishing netting.

Mr. KING. I shall not object to the consideration of the resolution, but I want to give notice now that when further requests are made for the consideration of such resolutions I shall ask their reference to the Committee on

The PRESIDENT pro tempore. The Chair is informed that this resolution has already been referred to the Committee on Finance, and the first action for the Senator from Vermont will be to move that the Committee on Finance be discharged from the further consideration of the resolu-

Mr. AUSTIN. I make that request.

The PRESIDENT pro tempore. Is there objection? The Chair hears none. The Senator from Vermont asks for the present consideration of the resolution.

The resolution was considered by unanimous consent, and it was agreed to, as follows:

Resolved, That the United States Tariff Commission is hereby authorized and directed to investigate for the purpose of section 336 of the tariff act of 1930 the differences in cost of production between the domestic article or articles and competitive foreign article or articles, and to report at the earliest practical date on the following items:

Cotton fishing nets and cotton fishing netting, classifiable under paragraph 923 of the tariff act of 1930.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Haltigan, one of its clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 2148) for the relief of Clarence R. Killion.

CLARENCE R. KILLION-CONFERENCE REPORT

Mr. REED submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 2148) for the relief of Clarence R. Killion, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its amendment numbered 1. Amendment numbered 2: That the Senate recede from its disagreement to the amendment of the House numbered 2, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by said amendment, insert the following: "back pay, compensation, benefit, or allowance shall be held to have accrued prior to the passage of this act"; and the House agree to the same.

> DAVID REED. DUNCAN U. FLETCHER, Managers on the part of the Senate.

LISTER HILL. NUMA F. MONTET, B. M. CHIPERFIELD, Managers on the part of the House.

Mr. REED. I move the adoption of the conference report. The report was agreed to.

INDEPENDENT OFFICES APPROPRIATIONS

The Senate resumed the consideration of the bill (H. R. 14458) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices for the fiscal year ending June 30, 1934, and for other purposes.

Mr. DICKINSON. Mr. President, is the bill still open for general amendment?

The PRESIDING OFFICER (Mr. Fess in the chair). Without objection, let the Chair state first the clerks will be authorized to make corrections of the totals. The bill is still open for amendment.

Mr. SMOOT. Mr. President, if the Senator from Iowa will permit me before he proceeds, I notice on page 37 the Printing Office has made a mistake in arranging the printed lines. There is apparently a transposition of the lines.

Mr. ROBINSON of Arkansas. The printers have merely transposed the language?

Mr. SMOOT. Yes; in several places.

The PRESIDING OFFICER. The Chair will state that the correction has been made by the clerks at the desk.

Mr. SMOOT. Very well; I merely wished to be sure that the correction is made.

Mr. DICKINSON. Mr. President, I offer the amendment which I send to the desk.

The PRESIDING OFFICER. The amendment will be

The LEGISLATIVE CLERK. On page 28, line 2, "Valuation of property of carriers," strike out the numerals "\$2,313,542" and insert in lieu thereof "\$1,750,000."

The PRESIDING OFFICER. The question is on the amendment of the Senator from Iowa.

Mr. DICKINSON. Mr. President, this relates to the valuation of the property of carriers by the Interstate Commerce Commission. The item has been carried in the bill since 1913. There has been spent on this work about \$50,000,000. in round numbers. I remember in 1923 and 1924 there was a promise that the commission was going to formulate a plan by which to complete the work. I can cite the promises they made in 1928 that they would complete the work in three years. Now they are promising again to complete it in three years. They suggest if given this amount of money this year they will want only \$1,750,000 next year. I think the only way we will get the reduction is to make the reduction now and keep the amount reduced. I hope the Senator from Utah will consent to the amendment.

Mr. SMOOT. Mr. President, if the Senator will yield-

Mr. DICKINSON. Certainly.

Mr. SMOOT. The appropriation referred to by the Senator under the subheading "Valuation of property of carriers" was discussed by the Subcommittee on Appropriations. The commission takes the position that the valuation of the property of the carriers ought to be completed at the very earliest date possible. I know that what the Senator says is true—that it seems almost an interminable proposition. I hope the Senator will not insist on the amendment at this time. I think the provision will virtually take care of the work now with the exception, perhaps, of a very small appropriation next year.

Mr. DICKINSON. If the Senator is relying upon what has been presented to the committee, let me say to him that I have very carefully read the hearings before the House committee. I want to go back to 1926 in the House hearings in a statement by Mr. Lewis:

Mr. Chairman and members of the committee, on December 31, Mr. Chairman and members of the committee, on December 31, 1924, appearing before this committee I laid before you two proposals. Both dealt with the same subject—the completion of the long-drawn-out work of the primary valuation of steam, telegraph, and sleeping-car carriers. This was a so-called 3-year program, which was accepted and on which we are now engaged.

Now we have another 3-year program. I want to say to the Senator from Utah that unless we cut down the amount, we will have another 3-year program next year, and another one the following year, and still another one the year after that.

Mr. SMOOT. Mr. President, I would like to go into it a little more fully. I think I had better accept the amendment and let it go to conference.

Mr. LA FOLLETTE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. Does the Senator from Iowa yield for that purpose?

Mr. DICKINSON. I yield.

The PRESIDING OFFICER. The clerk will call the roll. The legislative clerk called the roll, and the following Senators answered to their names:

Ashurst	Borah	Carey	Dickinson
Austin	Bratton	Clark	Dill
Bailey	Brookhart	Coolidge	Fess
Bankhead	Broussard	Copeland	Fletcher
Barbour	Bulkley	Costigan	Frazier
Barkley	Bulow	Couzens	George
Bingham	Byrnes	Cutting	Glass
Black	Capper	Dale	Glenn
Blaine	Caraway	Davis	Goldsborough

Gore Grammer Logan Pittman Stephens Long McGill Swanson Thomas, Idaho Thomas, Okla. Reed Reynolds Robinson, Ark. Hale Harrison McKellar McNary Metcalf Hastings Robinson, Ind. Townsend Hatfield Trammell Schuvler Tydings Vandenberg Havden Moses Hebert Neely Norbeck Sheppard Shipstead Johnson Wagner Shortridge Smith Norris Nye Oddie Kean Kendrick Walsh, Mass. Watson King La Follette Smoot Steiwer Patterson White

The PRESIDING OFFICER. Eighty-eight Senators having answered to their names, a quorum is present. The question is on the amendment offered by the Senator from Iowa [Mr. Dickinson].

Mr. LA FOLLETTE. Mr. President, the Senate should not pass upon this amendment without realizing just what it involves. I do not know how the Senator from Iowa arrives at the amount which he has determined should be granted to the valuation division of the Interstate Commerce Commission, but obviously it is a very substantial cut which he proposes in the appropriation. It must be remembered, of course, that this item, like all others, has been passed on by the Budget Bureau; it has passed the House of Representatives; it has been before the subcommittee and the full Committee on Appropriations of the Senate; and has been reported at the figure now carried in the bill. The Senator from Iowa now proposes a drastic cut in the appropriation.

I submit, Mr. President, that at a time when the Federal Government, through the Reconstruction Finance Corporation, is loaning hundreds upon hundreds of millions of dollars to railroad corporations for the purpose of sustaining their capital structure during this period of emergency; at a time when we are considering legislation that deals with the subject of bankruptcy and receivership proceedings is not the time to cut the appropriation for the valuation of the railroads, which is the only protection the Government has in the premises so far as the loans which it is making and so far as the receivership proceedings are concerned.

If this matter was to have been taken up seriously, Mr. President, it should have been presented to the committee; hearings should have been held upon it; the Interstate Commerce Commission should have had an opportunity to present the situation which the cut proposed by the Senator from Iowa will produce if the amendment shall become a law.

We had a similar fight over this matter in connection with the last appropriation bill, and, after considering all the aspects of the situation, the Senate reversed the position of the committee and provided a reasonable amount for the continuation of this work.

I know, Mr. President, that it is difficult at this time to secure consideration of this important matter, but it does seem to me that the Senate should not pass upon this amendment without fully realizing the implications of the action that it was about to take. So I hope, Mr. President, the amendment offered by the Senator from Iowa will be rejected.

Mr. KING. Mr. President, will the Senator yield for a question?

The PRESIDING OFFICER. Does the Senator from Wisconsin yield to the Senator from Utah?

Mr. LA FOLLETTE. I yield.

Mr. KING. I am very reluctant to criticize any measure which was sponsored by the distinguished father of the very able Senator from Wisconsin. I looked into this question soon after I came to the Senate. It seems to me, with the changing conditions in the physical aspects of the railroads, that any figures of to-day would be valueless to-morrow or in the near future; and with the wreckage of railroads, the abandonment of many miles, and the great changes which they have undergone, it seems to me that any valuation found 5, 6, 8, 10, or 15 years ago would now be of no value. I wonder—and I ask for information—what advantage there is in finding out the mileage and the trackage of the Union Pacific Railroad, for instance, or the

Oregon Short Line or the Denver & Rio Grande, the latter of which has undergone half a dozen reorganizations since it was valued? What advantage would the figures arrived at some years ago as to trackage and the assets of the organization, many of which have been dissipated or lost in the meantime, now be in determining the basis upon which rates should be fixed or loans should be made by the Government?

Mr. LA FOLLETTE. Mr. President, the work of the valuation division of the Interstate Commerce Commission is particularly important at this time, when, as I have suggested, we are considering the extension of further Government loans to the railroads for which, under the original Reconstruction Finance Corporation act and in accordance with an amendment offered by the Senator from Michigan [Mr. Couzens], the consent or approval of the Interstate Commerce Commission must be secured before such loans may be extended by the Reconstruction Finance Corporation. As the Senator will find if he will refer to the debate upon the independent offices appropriation bill last year, the commission fully sets forth the importance of the continuation of this work in connection with the many aspects of the railroad problem upon which the commission has to pass.

Furthermore, as I suggested, perhaps before the Senator came into the Chamber, we now have as the unfinished business of the Senate a bill providing for a change in our bankruptcy laws and our receivership laws. It is my understanding that an effort will be made on the floor of the Senate to amend that bill so as to provide that the railroads may come under its provisions.

In view of all those circumstances, I submit to the Senator that this emergency is no time to cut off this activity of the Government in gathering information, which is so essential not only in passing upon the important questions which must be determined in the crisis but also in helping us in the future to determine general policies so far as the railroads are concerned.

Mr. ROBINSON of Arkansas. Mr. President, the bill to which the Senator from Wisconsin has referred having relation to the modification of the bankruptcy act, as passed by the House of Representatives, contains a section dealing with the subject of compositions and reorganizations relating to railroads. The Senate committee reported an amendment striking that section out, but whether the Senate rejects or accepts the Senate committee recommendation, it is true that the question of railroad organization will be in conference.

I myself have no hesitancy in saying that I think, if it is possible to do so, the Senate ought to consider very seriously before accepting the committee amendment striking out the provisions in regard to the reorganization of railroads. Those provisions have been pretty carefully considered, particularly by the committee at the other end of the Capitol.

Mr. COUZENS. Mr. President, will the Senator yield?

Mr. ROBINSON of Arkansas. I yield.

Mr. COUZENS. I should like to draw the attention of the Senator to the hearings which were held by the subcommittee of the Banking and Currency Committee with relation to stopping loans to the railroads. The main plea of the Interstate Commerce Commissioners, the railroads and their representatives, was that we should not stop railroad loans until the proposed reorganization plan was adopted by Congress. That shows how urgent the matter is.

Mr. ROBINSON of Arkansas. Yes; I really feel that that, phase of the issue is urgent—almost equally urgent, if not quite equally urgent, with other provisions in the bill that were retained by the committee.

Mr. COUZENS. Mr. President, I should like to add a word to what has already been said.

In my judgment, if the Congress adjourns without passing legislation which permits and sets up a plan for reorganizing the railroads, it will mean millions of losses through the Reconstruction Finance Corporation loans. In other words; there seems to be no sentiment for discontinuing

and more practical manner of reorganizing them.

Mr. ROBINSON of Arkansas. Manifestly, if reorganizations are to occur, an arrangement for them should be made as soon as practicable, because many believe that as to some of the railroads, at least, it is impossible for them to continue operations indefinitely without reorganizations having relation to their present capitalization.

I take it that that is the thought that is in the mind of the Senator from Michigan—that reorganizations as contemplated by the amendment that was stricken out by the Senate committee would be helpful to the reestablishment of some of the railroads, at least, upon a sound and successful

Mr. COUZENS. That, Mr. President, is exactly my view, because what the Government has been doing through the Reconstruction Finance Corporation is to maintain the interest and maturities of bonds coming due, largely to prevent receiverships under the old system and the old plan. It is hoped that by setting up this plan, as proposed in the amendment which was taken out by the Judiciary Committee, the procedure will be simplified and further loans from the Reconstruction Finance Corporation may not be necessary, because it is obvious that if we do not continue loans and if we do not pass this bill many of the railroads would have to go into receivership.

With respect to the amendment proposed by the Senator from Iowa [Mr. Dickinson], I desire to say that if there is either a continuation of loans by the Reconstruction Finance Corporation or the passage of the new bill providing for the reorganization of the railroads every dollar that is in this appropriation will be needed to satisfy the courts and others who participate in the reorganization or to satisfy the Reconstruction Finance Corporation that the settlement is a just and fair one as related to the values of the railroads. So it does not turn on the question raised by the junior Senator from Utah as to old valuations. I concur in what he says about old valuations. What we need now, if we are to do the job properly, is to ascertain what the property is worth to-day; and certainly, to protect the Government, we are justified in spending the money provided in the appropriation.

Mr. KING and Mr. ROBINSON of Arkansas addressed the Chair.

The VICE PRESIDENT. Does the Senator from Michigan yield; and to whom?

Mr. COUZENS. I yield to the Senator from Utah.

Mr. KING. Mr. President, as I understand, information concerning the physical properties of the railroads has been ascertained during the period of nearly 20 years since this law has been upon the statute books, the ascertainment of which has cost the Government more than \$50,000,000, when it was understood at the outset that it would cost only four or five millions.

Mr. COUZENS. I think the Senator has overestimated the amount that has been expended by the Government.

Mr. KING. No; I think it is \$50,000,000.

Mr. COUZENS. By the Government alone? No: I think that is the combined amount that has been expended by the railroads and the Government together.

Mr. DICKINSON. Mr. President, will the Senator yield? Mr. COUZENS. I yield.

Mr. DICKINSON. I have the items here for each year; and the total amount is \$51,022,000, including this year.

Mr. KING. That was my recollection.

Mr. COUZENS. That may be so; but the Senator has not estimated how much that has saved the users of the railroads by protecting them against higher rates.

Mr. DICKINSON. I do not think it has ever saved them a nickel.

Mr. KING. Mr. President, replying to the last suggestion, the rates have been increasing notwithstanding the activities of this organization; but the question I was going to ask the Senator was this:

What superior information would the men in this organization have as to the value of property than the banks, or

loans to the railroads until Congress has set up an efficient | the individuals, or the Senator from Michigan? A thing is worth what it will sell for. We know what the physical assets are. We know that the good will of the railroads is not very much, and perhaps the values which were placed upon the railroads were largely predicated upon the alleged good will. I was wondering what information they could give as to the value of railroads that would induce the Senator, if he were a banker, or if he were a member of the Reconstruction Finance Corporation, to extend credit of five, ten, fifteen, or a hundred million dollars to a group of railroads. He would know, of course, the physical assets, because they are apparent; but as to the market value, I am sure the Senator from Michigan is a far better judge than any of the experts in the Interstate Commerce Commission.

> Mr. COUZENS. In response to the Senator from Utah, I will say that if I were passing upon a loan or a reorganization plan it would be necessary to consider the value of the securities, whether they were first mortgages and a primary lien upon the property, whether they were junior mortgages, or refunding mortgages, or what; and, obviously, it would be necessary to know something about the physical values of the property and the divisions which the several mortgages cover; and it would also be necessary to know the relation of the earnings to the respective divisions of the

> For example, in a long discussion I had this morning with one of the Interstate Commerce Commissioners, it was pointed out that even the railroad securities of to-day, in many cases, are bringing much less than the earnings of the railroads justify. For example, take a railway mortgage that is selling to-day for 12. If we should take the actual earning power of the railroad under to-day's depression we would find that it was earning sufficient to pay a return on that mortgage at 50. I mention that because the mere market value, or what a thing can be sold for to-day, is not necessarily the controlling factor as to the future.

> In that connection I wish to say that before the Finance Committee yesterday, as I think the Senator will remember, we had a considerable discussion as to whether loans to railroads or banks might be justified under to-day's values. It is alleged that these things can not be determined on today's values; and so we have to project ourselves into the future somewhat to determine whether ultimately these values are going to return to some normal point, or to some point along the line where they heretofore were.

> The Government must be protected if any loans are to be made by the Reconstruction Finance Corporation. The Government must be protected if the Interstate Commerce Commission is to authorize reorganizations and the issuance of securities. Certainly the governmental agencies that would authorize the reorganization of a railroad should not certify to the issuance of securities, either primary or junior, without having expert information not only as to the physical value of the property but as to the prospective earnings of the property; and it seems to me shortsighted policy to cut out a million dollars for maintaining that organization for one year.

Mr. DICKINSON obtained the floor.

Mr. FLETCHER. Mr. President— Mr. DICKINSON. Mr. President, I desire to make a short statement with reference to this situation.

I know of no place where we can save half a million dollars, without doing anybody any harm other than this

The strongest argument in favor of this item is the fact that it will require the furloughing of some of the personnel of the Interstate Commerce Commission engaged in this work. I do not like that. So far as the valuations that are necessary for the loans by the Reconstruction Finance Corporation are concerned, I want to make this suggestion:

We have already had valuations of the 1,685 steam railroads that were listed for valuation. Those primary valuations have been completed. Throughout these records for the last 20 years it is shown all the while that after the valuations are once completed they could be kept current

for \$400,000 per year. Now we are told that for the purpose of making loans through the Reconstruction Finance Corporation, or for the purpose of the reorganization of the railroads under the bankruptcy act, we ought to carry this item in practically the full amount for next year.

If the emergency is as great as is suggested here on the floor of the Senate, most of this will have to be done before July 1, and this appropriation bill does not become effective until July 1. They have all of the data up to that date.

Mr. TYDINGS. Mr. President-

The VICE PRESIDENT. Does the Senator from Iowa yield to the Senator from Maryland?

Mr. DICKINSON. Yes; I yield.

Mr. TYDINGS. I do not want to interrupt the Senator, but I should like to have this question answered: I am impressed with what he says. If this thing is of no value, why have it at all? Why not cut it all out or let it all stay?

In other words, if the work is not going to be worth anything, we ought to cut it all out. If it is worth something, we ought to furnish enough money to carry it on.

Mr. DICKINSON. The reply I want to make to the Senator from Maryland is this: The commission say they have made their primary valuation; the rest of it is a completion of records, and so forth. All that is required is about half a million dollars to keep this work current. Instead of cutting down the way they should cut down, and saying, "We only want enough to keep the work current," they want to carry on for another year or two some of the ramifications that they have been in during the past few years.

As a matter of fact, under Order No. 3, the railroads are required to keep records of all changes in physical property and the cost thereof from the date of original valuation and to file summaries thereof.

They report to us-

This is a member of the commission testifying-

They report to us all changes in their properties, and we put people in the field—

Now. listen:

We put people in the field to check those reports.

I suppose if a railroad has a mile of road and it puts in a thousand new ties, it is desired that somebody from this bureau shall go out there and count the new ties. That is not necessary. We have these volutions summarized. We have them in shape, so that all we need to do is to check those reports on improvements and betterments to see whether or not they are in line with the usual and actual costs.

That is all that it is necessary to do. That is all the information that is necessary to make loans through the Reconstruction Finance Corporation. It is all that is necessary for the reorganization of railroads under the bankruptcy act. It is all that is necessary for the Government to have all the information they need with reference to the valuation of the railroads.

Mr. COUZENS. Mr. President, will the Senator yield at that point?

Mr. DICKINSON. I want to go a little further before I yield.

The recent railroad committee—and it was a good committee, and it has made some observations with reference to what should be done so far as the railroads are concerned—made its report only a little while ago. In section 2 I find this:

The policy of trying to appraise railroad properties on some selected basis of valuation and then saying that they are entitled to earn a fair return on this appraisal should be reconsidered. Where competition with trucks and other methods exists it will determine rates. In other cases rates must be regulated; but the basis of cost of operation under efficient management is a better general guide than any attempt to preserve capital structures regardless of economic trends. We see no reason why the ratemaking rule should not say in plain English that railroads are entitled to make a reasonable profit based upon costs of efficient operation, and that they are not entitled to earnings merely to preserve present structures if overcapitalized.

preserve present structures if overcapitalized.

Unless the railroads are permitted reasonable earnings on the cost of efficient operation, there is no alternative to Government

ownership and complete socialization of our railroad system. But that does not mean that railroads, any more than other industries, are entitled to a guaranty of earnings on their investments in property.

Those are the findings of a committee that has been appointed and has been making a special investigation of the whole railroad problem in this country; and yet we are saying that we want to continue the employment of a thousand people down here to check the railroads' inventories, to see whether or not they have put a new tie in where they have said they have or have put on a new iron where they have said they put it on, and keep up this detailed checking. The enforcement of prohibition was never in it with this class of investigation at all. I want to say that for the benefit of the Senator from Maryland [Mr. Tydings].

Mr. President, on top of this, this appropriation is not to become effective until the 1st day of July. If the crisis is such as described by the Senator from Michigan, it will be either on or over by that time.

Mr. COUZENS. Mr. President, will the Senator yield?

Mr. DICKINSON. I yield.

Mr. COUZENS. The Senator has not visualized the situation at all, because it will not be over for two years, let alone by July 1. The reorganization and the setting up of the capital structure of these railroads under the amendment provided will take from a year to two years before it is definitely settled. The Senator has entirely overlooked, in his discussion, the changing commodity prices, and certainly the Senator does not mean that the Interstate Commerce Commission or the Reconstruction Finance Corporation should base loans on the valuation of 1928 and 1929, without regard to what the valuation is as of to-day. There must be somebody with judgment to fix a valuation between the low point of to-day and the high point of 1928 and 1929.

Mr. DICKINSON. We have here \$1,750,000, when they admit that it takes only \$500,000 to keep the valuations up to date. Therefore all they have to do is to revise their figures by percentages, in accordance with the percentage of change, and we will have all the information the Reconstruction Finance Corporation or any reorganization committee would need.

I admit that this provision would reduce the personnel in the Interstate Commerce Commission. I think they can meet that situation by furloughs. Mr. Lewis, in his testimony, said that for 1935 they will reduce their appropriation to \$1,750,000. I am asking them to reduce it in the 1934 appropriation bill. If they can do it in two years, they can do it just twice that fast and do it in one year. There is no reason why Congress should appropriate an extra half a million dollars in order to carry on this work.

Mr. COUZENS. Mr. President, will the Senator yield again?

Mr. DICKINSON. I yield.

Mr. COUZENS. I would much prefer to take the judgment of Commissioner Eastman than even my own judgment, or the judgment of the Senator from Iowa. I have complete confidence in the judgment of Commissioner Eastman, who has devoted more hours and more years unselfishly and earnestly and honestly to the railroad problems than any Member of Congress ever has; and I do not exclude the Senator from Iowa or myself. When he says that, in his judgment, in order to maintain the service needed, this amount is necessary, I am willing to leave it to his judgment.

Mr. FESS. Mr. President, will the Senator from Iowa yield to me?

Mr. DICKINSON. I yield.

Mr. FESS. I was going to ask the Senator, What is the use consuming time in an effort to have Congress reduce these expenses? We have authorized the President, in a certain measure, to make savings, which will go to the extent of eliminating the Interstate Commerce Commission if, in his judgment, that ought to be done. There can not be a reduction of \$500,000 by a vote in Congress. What is the use taking up the time?

Mr. DICKINSON. My thought is this, that when it comes to a consolidation of these departments, the amount of money to be involved in the consolidation is to be a very important factor. We do have the right to limit this money if we will.

Mr. FESS. The Senator knows we are not going to do it on the floor of the Senate.

Mr. DICKINSON. Apparently not. Mr. FESS. Absolutely we are not.

Mr. DICKINSON. We cry "economy," but when we get a chance to vote we all vote the other way. I would like to have a roll call on this amendment. I want to see how many Senators want economy, and how many want to keep on spending the Government's money.

Mr. SMOOT. Mr. President, in the testimony given before the subcommittee of the Committee on Appropriations this statement was made:

Under the Budget estimate for 1934 the commission expects, by the end of that fiscal year to have all valuation data brought down to a currency as of January 1, 1933, and that the amount of annual appropriation for subsequent years for keeping such information current, can be materially scaled down below its present level.

Then the witness gave the details, covering the amount of the appropriation.

Mr. DICKINSON. Mr. President, that is the same type of statement those people have been making from 1921 down to date. When they started in they said they would complete the valuation in five years at a cost not to exceed \$12,000,000. They have been at it 12 years, and the cost has been practically \$50,000,000. They will make the same statement next year if we give them an opportunity.

Mr. SMOOT. We might as well vote upon it.

Mr. LA FOLLETTE. Mr. President, not being informed that this matter was to come up, I have not had an opportunity to obtain any current information, but at the time the item was up last June, when the appropriation bill was under consideration, I received a memorandum transmitted to me by Commissioner Eastman. At that time it was stated that the work of valuation was 80 per cent completed. In view of the statement just referred to by the Senator from Utah, which shows that substantial progress has been made, I wish to refer to the statement which will be found on page 14019 of the Record of last session. It is as follows:

The commission is in a position to produce within 60 days a reliable estimate of the current physical valuation of the railroads, as a whole or for the recognized rate groups. Such data were produced in the recent 15 per cent rate increase case, Exparte No. 103. While the commission can not now do this for each individual railroad, it will soon be able to do so, provided it is permitted to go ahead with its work.

is permitted to go ahead with its work.

Under present conditions and on the basis of present earnings and present market values for their securities, it may be argued that valuation of the physical properties of the railroads has lost all practical importance. But it was only a brief three or four years ago, when market prices for securities and reproduction cost indices were at top levels, that some estimates of aggregate railroad values ran as high as \$40,000,000,000 or even \$50,000,000,000. Based on past experience with prophecies, it is a rash man who can be sure that the situation will not change as radically in the other direction within the next three or four years.

Furthermore, the railroads have until recently been claiming the benefit of valuations based on reproduction costs much higher than original cost, and the tendency of the Supreme Court has

Furthermore, the railroads have until recently been claiming the benefit of valuations based on reproduction costs much higher than original cost, and the tendency of the Supreme Court has been to sustain them in such claims. At the present time reproduction costs are trending rapidly in the other direction. There are many railroads whose reproduction cost is now below original cost, and there soon will be more. Under these conditions the interest of both railroads and public utilities in physical valuation is evaporating. The public is clearly entitled to the services of an organization which can produce on short notice the facts in regard to current reproduction costs and current depreciation, and this is what the bureau of valuation, as at present organized and equipped, can do. It is impossible to say when the need for such information may arise.

It is at least conceivable that if the present economic depression continues, it may be necessary for the Government to take over the rallroads, as it did in the war emergency, for a period of time. If there should be need for such action in any one of a number of possible forms, the existence of a well-equipped bureau of valuation with complete valuation data at its command would be an invaluable protection to the country against possible unwarranted claims. Under such circumstances it would be folly now to disrupt and ruin this organization.

It requires years of time to build up a trained and experienced organization, such as the commission now has in its Bureau of Valuation. It takes only a short time to wreck such an organization, and that is what is now proposed. It is respectfully submitted that not even the present financial emergency is justification for such drastic action.

Mr. President, in addition to the other matters which I mentioned when I spoke a moment ago, concerning the importance of the services rendered by the valuation division, I neglected to recite the responsibilities fixed upon the commission in connection with reorganizations and mergers of railroads. It must pass upon those mergers, under the law, as they are presented, and, without a continuation of valuation work, the commission will be absolutely helpless in meeting the claims of the various railroads which are to be considered in a particular merger. It would be forced to take the value claimed by the individual carrier in such a situation.

If the Congress desires to abandon the valuation of railroads, we should have the matter presented in the form of an amendment to the act, and we should have an opportunity to test it out upon its merits. To propose an amendment as the Senator from Iowa has done, without giving any opportunity for a consideration of all of the facts in the case, seeking to secure a virtual abandonment of valuation by cutting the item in an appropriation bill, is not the proper way to proceed.

My understanding of the situation is this, that if the present item reported by the committee is permitted to stand in the bill, when the next appropriation bill is presented, sufficient progress will have been made in the process of continuing and completing valuation of roads so that it may be entirely possible to make a substantial reduction in the force of the Bureau of Valuation of the Interstate Commerce Commission.

The statement of the Senator from Iowa is not fair, that claims have constantly been made by those responsible for the work of valuation and that no progress has been made. On the contrary, progress has been made, although perhaps not as rapidly as those representing the commission hoped at the time they made their statements. Nevertheless, the fact is that on June 27, 1932, 80 per cent of the valuations were complete. As was said by the Senator from Utah in his statement, the commission is now prepared to estimate that if this appropriation is continued at its present figure, the valuation will be virtually completed in a relatively short time.

I think there is every reason to hope that it will be accomplished, for Mr. Lewis, who has been so long upon the commission, and who has rendered such excellent service, has, I understand, now been made the chief of the valuation division. We will then be in a position where, with a much smaller appropriation, we can provide a force which will be able to furnish, from the data they have then completed, accurate information for any use which the commission may have to make of it.

Mr. DICKINSON. Mr. President, will the Senator yield? Mr. LA FOLLETTE. I yield.

Mr. DICKINSON. The same Mr. Lewis made this statement on February 6, 1926:

This was the so-called 3-year program which was accepted and on which we are now engaged.

He was at that time making exactly the same commitment he has now made, and to which the Senator is referring; and, on top of that, with the theory that the present valuation of railroads is not a proper basis for rate making, it will not be a proper basis for reorganization, it will have but very little value other than to furnish an inventory to show its completeness and as to how the roads could be reorganized, or what the valuation should be in the reorganization. So that most of the argument of the Senator from Wisconsin, it seems to me, is beside the point.

Mr. LA FOLLETTE. Mr. President, I do not agree with the Senator from Iowa. If the railroads are going through receiverships and reorganization, certainly some protection must be afforded the public in the amount of stock which is to be issued by the new corporations. The Senator said the physical valuation will have nothing to do with that. I do not agree with him. Upon what value will we rest the issuance of the securities? Certainly in view of the past history of railroad finance I trust that we are not going to rely upon the judgment of the operators and owners of railroads and permit them to issue such amounts of stock as they deem suitable for their purposes.

Mr. President, if we are going to incorporate a provision in the bankruptcy law, which is the unfinished business, permitting railroads to come in and to have "ofie-day bankruptcy proceedings" and to reorganize, there certainly should be, in view of the long and black history of railroad finance in this country, some agency to protect the public interest. The Senator from Iowa, it seems to me, has not taken into consideration the important part which valuation will of necessity play if the public interest is to be protected. Therefore, I hope that the Senate will vote down the amendment offered by the Senator from Iowa, permit the item to remain at its present figure, and give an opportunity for the completion of this important piece of work which has been undertaken and has been in progress for so many years.

Mr. DICKINSON. Mr. President, I simply want to make the suggestion that the public is interested in the service it receives and the price it pays for it. The Interstate Commerce Commission are authorized to fix rates. Everyone knows now that they are no longer going to be able to permit the usage of a rate or to grant a rate that will pay a profit on the physical valuation, because the railroads can not get the traffic to carry at that price. In other words, the railroads are in competition now. They are no longer masters of the transportation of the country. They have competition in freight, they have competition in passenger traffic. They have competition in the automobile and they have competition in the air. Therefore, there is an entirely different situation.

The public interest is to be protected, yes; but it will be protected in two ways—first, by the competition which the railroads are compelled to face and, second, by the fact that we have the Interstate Commerce Commission that have the right to supervise and fix the rates. But to say that the Interstate Commerce Commission must continue to grant a rate that will pay a certain return on the valuation fixed by this bureau or by any other bureau is entirely in error. We are clear beyond that stage of operations so far as our transportation systems are concerned.

Mr. LA FOLLETTE. Mr. President-

The VICE PRESIDENT. Does the Senator from Iowa yield to the Senator from Wisconsin?

Mr. DICKINSON. I yield.

Mr. LA FOLLETTE. I want to suggest to the Senator from Iowa that the importance of the protection of the public in a reorganization will be very evident to him if he will read over the testimony taken in connection with the receivership of the Milwaukee Railroad. If there ever was an indication of the necessity for having the public interest protected in these reorganizations, that case certainly fully proves it.

Mr. DICKINSON. I am very familiar with the reorganization of the Milwaukee Railroad. Having lived on it most of my life, I know something about the questions involved. But I want to say to the Senator now that if the Milwaukee road is compelled to continue to charge rates and make an effort to pay a reasonable return on its fixed valuation, it is facing receivership in the morrow, and I do not know but what it is still in receivership now as it was for a number of years. Therefore the Milwaukee Railroad has to adjust itself to where it charges for services it renders rather than attempting to charge upon the basis of a return on its valuation.

Mr. FLETCHER. Mr. President-

The VICE PRESIDENT. Does the Senator from Iowa yield to the Senator from Florida?

Mr. DICKINSON. I yield.

Mr. FLETCHER. I would like to ask the Senator a question. As I understand, the Senator did not propose the amendment to the bill as it came over from the House in order that the amendment might be considered by the Committee on Appropriations.

Mr. DICKINSON. I was not on the subcommittee, and I was not present at the meeting of the full committee when the bill was considered and reported out, or I should have presented it then.

Mr. FLETCHER. The amendment was not proposed at all to the committee, and the committee had no chance to consider it?

Mr. DICKINSON. That is true. Let me suggest to the Senator from Florida that this is a time-old discussion. It has been going on since 1913. The commission promised to complete the work in three to five years. In 1922 and in 1923 and again in 1924 they agreed upon a 3-year program. That time has come and gone and they are still asking for practically the same amount of money for which they originally asked. The result is we are simply dragging the thing out. They have now committed themselves to the point where they say that next year they will ask for only \$1,750,000. With the work as nearly completed as it is now, with the work in the condition in which it now is, I am convinced they can close it down and put it in a position to be kept current, and can do it much more quickly than they have suggested, and the only way we can get them to do it is by reduction of the amount appropriated for that purpose.

Mr. FLETCHER. There is a great deal in what the Senator has said. I recall the discussion heretofore and some of the things that have taken place. I am sorry the work has been dragged out as long as it has, but I hesitate on the floor of the Senate to vote for an amendment offered on the floor which no committee has had any opportunity to examine and consider, and no chance has been given to bring the facts down to date. The House investigated very fully and very carefully, and hearings were held there; but the Senate committee have not considered the subject at all. There was no such amendment before them. I hesitate not only in this case but generally to vote for an amendment on the floor which has not been considered by a committee and about which there is a great variety of views. I quite agree with a good deal the Senator has said, but it appears now from those closely related to the subject that there is need for the work to be continued. I am not in the position to say that it should not be continued.

Mr. LA FOLLETTE. Mr. President, I am sure the Senator from Iowa left the impression that these appropriations had not been reduced. I want to refer to the fact that in 1931 the valuation division had \$3,547,313; in 1932 they had \$3,554,368; and in 1933 they had \$2,750,000. So that since 1931 there has been a reduction in the appropriation of nearly \$300,000.

Mr. DICKINSON. In 1915 the appropriation was \$2,330,000; in 1916 it was \$3,000,000; in 1917 it was \$3,500,000; in 1918, \$3,500,000; in 1919, \$3,575,000; in 1920, \$3,000,000; in 1921, \$2,750,000. There is the one place where they promised, "If you will give us more money, we will complete the work." In 1922 the amount was reduced to \$1,750,000. In 1923 they were given \$1,300,000; in 1924, \$1,250,000; in 1925, \$1,065,000; in 1926, \$1,946,000; in 1927, \$287,000 plus an unexpended balance of \$1,715,000; in 1928, \$2,563,000; in 1929, \$2,200,000; in 1930, \$2,539,000.

The \$3,000,000 appropriation to which the Senator from Wisconsin refers was when they again said, "If you will give us a 3-year program, we will complete the work." But they still have to have \$2,313,000 in order to carry on the work.

Mr. FESS obtained the floor.

Mr. BLAINE. Mr. President, will the Senator from Ohio yield that I may ask the Senator from Iowa a question?

The VICE PRESIDENT. Does the Senator from Ohio yield for that purpose?

Mr. FESS. I yield.

Mr. BLAINE. I want to inquire of the Senator from Iowa if he does not appreciate the fact that last year and this

year the valuation that was made by the Interstate Commerce Commission respecting the Grand Central Post Office site in the city of New York saved the Government of the United States \$5,000,000 in that one case alone? There are several scores of those cases where the Postmaster General and the Treasury Department may make a request for the valuation. The valuation relates to property either owned by the railroad companies or property that is valued for the purpose of forming a basis upon which adjoining or adjacent railroad property may be subject to valuation. If the Postmaster General and the Treasury Department will avail themselves of the information gathered by the Valuation Division of the Interstate Commerce Commission, the saving to the Government of the United States will pay the appropriation now proposed for the next 10 or 15 years just on a few of those sites alone.

Mr. DICKINSON. Mr. President-

The VICE PRESIDENT. Does the Senator from Ohio yield to the Senator from Iowa?

Mr. FESS. I yield.

Mr. DICKINSON. I want to suggest that I have no objection to the organization being continued, but I do not think that in order to appraise a post-office site in New York City we need a thousand men on the pay roll, nor 750 men on the pay roll, nor 500 men on the pay roll. I may suggest that the amount which I have proposed, \$1,750,000, will mean about 600 men on the pay roll, and for that reason the work is available to the very type of service suggested by the Senator from Wisconsin.

Mr. FESS. Mr. President, I have served on the Interstate Commerce Committee of the Senate for 10 years. One of the subjects that comes to that committee constantly is the railroad situation with reference to reorganization and the operations of the Interstate Commerce Commission. Perhaps the senior Senator from Utah [Mr. Smoot] can refresh my recollection on the point I am about to mention. As I recall, when this proposal was first offered—and I will ask the Senator from Utah if I am correct—it was stated that it would not take over \$2,000,000 to complete the work of railroad valuation and that it could probably be concluded within three years.

Mr. SMOOT. I will say to the Senator, going back into the history of the item, that up to the appropriation of last year \$44,633,000 had been appropriated.

Mr. FESS. I am aware of that, but what I wanted to ascertain from the Senator was the correctness of my recollection. Were we not led to believe when the original measure was introduced and passed that the work would not take over two years to complete and that it would not cost over \$2,000,000?

Mr. SMOOT. I do not remember the amount which it was estimated the work would cost, but it was a small amount.

Mr. FESS. A very small amount, and the time within which the work would be completed was very limited.

Mr. SMOOT. Yes; the time was limited.

Mr. FESS. I have just been handed the statement that was made before the committee on the occasion when the legislation was before it, and the statement was made that Professor Adams, the statistician, had said that he considered this matter when he was with us a few years ago and his final estimate was, as well as he could judge, that it would probably take \$3,000,000 for the valuation.

That is the impression that I have had from the beginning, that it was understood that the work was going to be very quickly done and that it was not going to cost much. I rose to my feet to ask the Senator from Utah, for I thought he would know, what has taken place to prolong this work for 20 years at this enormous cost, when originally it was thought it would only cost \$3,000,000 and require two years to complete it. What has been added?

Mr. SMOOT. In the first place, I want to say to the Senator that I think if he will go back into the record he will find that a great many of us at the time stated that the work could never be done for the amount of money then estimated. Of course, changes have taken place in the

years that have passed since the first appropriation was made. I suppose a revaluation of many roads in receivership has been required, but, as I have said, I believe that almost everybody who considered the first estimate knew that the work could not be done within that estimate.

Mr. FESS. Is it not true whenever we establish some bureau or office of a temporary character that, unless it is very closely observed by Congress, it comes to be of permanent character? Is that not true?

Mr. SMOOT. The history of our Government bears the Senator's statement out, I think, in every particular.

Mr. FESS. Mr. President, the first suggestion I had that the valuation division was to be a permanent organization was from the letter of Commissioner Eastman. He wants to know why we should wreck it? The organization, he states, could easily be wrecked and he asks why it should not be continued? That is the first statement I have heard that it is to be permanent, and that any effort to discontinue it will be not in unison with the desires of the commission. That is not disclosed here, but that is in conformity with the uniform history of all the departments of the Government. A new bureau or agency, whether it be the Interstate Commerce Commission or the Federal Trade Commission or this independent commission or that dependent commission, is recommended to be created.

Mr. NORRIS and Mr. LA FOLLETTE addressed the Chair. The PRESIDENT pro tempore. Does the Senator from Ohio yield; and if so, to whom?

Mr. FESS. I am not yielding to anyone just now.

When such new agencies are created naturally, they grow by accretion, unless when making the appropriations we are constantly on guard to prevent it. I now yield to the Senator from Nebraska.

Mr. NORRIS. Mr. President, I wanted to make an inquiry. I may repeat something said when I was not in the Chamber, but, as I understand, in order for the railroad valuation work to be beneficial to the country we must make it permanent. In other words, when we get a valuation as of a certain date the valuation the next year may be different, and if the division remains in existence the valuation can easily be continued. Is not that the object of the appropriation?

Mr. FESS. If that is the theory, let us stop the discussion right now. If the valuation division, created 20 years ago, at which time it was expected that the work would be completed in 2 or 3 years, as was stated before the committee—and it was also stated that it would not cost over \$3,000,000—is to be made permanent, then let us make an annual appropriation; and I have not anything more to say. But I am concerned, after the promise made almost every year for the last 20 years, that the work was going to be completed, that it should be proposed to continue it indefinitely.

Mr. NORRIS. It has been practically completed, has it not?

Mr. FESS. Last year 80 per cent of it was completed.

Mr. NORRIS. The Senator-

Mr. FESS. Mr. President, I am not yielding further. I rose simply to make the observation that this discussion has disclosed two things: The first is that a temporary organization, unless we remain constantly on guard, will become a permanent organization. In this case a bureau which was originally intended to be of a temporary nature, lasting for 2 or 3 years, has continued for 20 years; and now the argument is made that it is to be permanent, and there should be no assault upon it. That is the first thing disclosed.

The other is that it is perfect folly for us to talk about reducing any appropriations in this or in the other body.

That can not be done, and that is one reason why I have urged from the beginning that we have got to give authority elsewhere to do the thing that we ought to do but we will not do because of pressure. That is why I urged that such authority to be given President Hoover, and, not having given it to him, that is why I voted during consideration of the bill recently passed by the Senate to give such authority

to President-elect Roosevelt. We are going to give him, if that provision shall finally become a law, as I think it will, sufficient authority, but it may extend even to the total abolition of some of the independent organizations of the Government. I am not free to go to the extent of giving to the President the authority to do what the law would otherwise forbid him to do; that is, I do not want to delegate to the Executive power to make or repeal legislation by his own decree; I think that goes too far; but where there is waste, such as there appears to be in almost all the independent bureaus and establishments, that could be corrected by consolidations, transfers, and so on, I think there is no way for us to bring about any saving along that line except to give the authority to the Executive, and I am perfectly willing to go that far.

I desire merely to add that when a new Government agency is created, though it is stated at the time that it will be but temporary, there will be sufficient interest on the part of those connected with it to cause them to exert influence to continue its activities and add to them until what started in a small way gradually grows until it assumes large proportions, and the cost, which was originally slight, gradually becomes enormous. That is inherent in organization itself. Much of the insistence in this case comes from the Interstate Commerce Commission itself and not from Members of this body, and we listen to their recommendations in spite of the committee raising the question constantly as to whether or not a continuation of the appropriation is wise. We are inclined to give heed to the commission, and when we come to consider economy here their voice and not ours is to be final. I know we are not going to make this reduction-not because we ought not to make it, but simply because we will not make it.

Mr. LA FOLLETTE. Mr. President, will the Senator vield?

The PRESIDENT pro tempore. Does the Senator from Ohio yield to the Senator from Wisconsin?

Mr. FESS. I yield.

Mr. LA FOLLETTE. The Senator in discussing the permanency of the valuation division and the suggestion that the pending proposal would wreck the commission made reference to a memorandum from which I had read.

Mr. FESS. I referred to the letter from Commissioner Eastman.

Mr. LA FOLLETTE. In justice to the commission I simply wanted to point out that the memorandum was submitted at a time when it was proposed that the appropriation to be provided last year should be cut from \$3,554,000 to \$750,000, which would have been a cut of something like 78 or 79 per cent. That led to the statement that such a drastic cut would wreck the commission.

Mr. KING. Mr. President, the Senator from Washington has just attributed to Congress virtues which many persons believe it does not possess, or at least that it is not exhibiting. Certainly there is no evidence that the present Congress is demonstrating a greater desire to reduce expenditures in the Federal Government than the preceding Congresses. With knowledge of a certain deficit for the current year of approximately \$2,000,000,000, and with the certainty of a larger deficit for the next fiscal year, unless drastic cuts are made in Federal expenditures, Congress fails to apply the pruning knife to appropriation bills.

It is not an agreeable task to challenge attention to alleged defects in legislation or unsound or unwise measures which receive the attention of committees and of Congress; but I can not escape the feeling that it is the duty of Senators to oppose measures which they regard as devoid of merit, and appropriation bills which they believe carry improper and extravagant appropriations.

The bill before us carries more than \$1,000,000,000 for the next fiscal year. It furnishes convincing proof that promised reductions in Federal expenses have been forgotten or repudiated; it carries an enormous appropriation for the Veterans' Bureau, notwithstanding the situation calls for reductions in the bureau which deals with veterans' legisMr. President, upon several occasions during this session of Congress I have challenged attention to the failure of Congress, as shown by the bills reported by committees, to live up to platform pledges made by the two great political parties. The appropriation bills which have come to the Senate during this session have carried, in my opinion, hundreds of millions of dollars in excess of what can be justified under the conditions of the Treasury and the economic condition of the country.

It is to be regretted that platform pledges are treated with contumely. The enormous deficit for the last fiscal year, as well as a certainty of a nearly \$2,000,000,000 deficit for this fiscal year, demands of Congress drastic cuts in appropriations for the next fiscal year. Many cities, counties, and States are attempting to balance their budgets and in so doing are cutting expenses, reducing the salaries of employees, and inaugurating economies and reorganizations calculated to aid in meeting present emergencies. In many parts of the country taxpayers are organizing for the purpose of reducing the amount of taxes and are also demanding of those agencies authorized to levy taxes that material reductions be made in the levies for the coming year. Incontrovertible evidence is furnished that millions of people are unable to pay their local taxes, and many are defaulting in meeting their Federal-tax obligations.

The value of many forms of property has been reduced almost to the vanishing point, and persons who a few years ago possessed incomes are now wholly without means of support. Those who own real estate are sufferers from the decline in the value of property, and they are the ones who are experiencing the greatest difficulty in paying the taxes levied upon their property by States and their political subdivisions. The people of the United States, as well as the Federal, State, and municipal Governments, have indulged for a number of years in a wild orgy in expenditures. There can be no justification for expenditures by our Federal and State Governments of approximately fifteen billions of dollars such as has been the case during this and preceding fiscal years.

Notwithstanding the heavy and indeed unjustifiable expenditures by Federal and State Governments, it seems impossible to reduce expenditures or to bring the minds of legislative bodies, State and Federal, to a realization of the unwise, unsound, and dangerous course of continuing appropriations upon the same high plane as that which has existed for a number of years. When bureaus have been created and Federal agencies organized and a large personnel entrenched behind civil-service laws, it is almost impossible to effectuate reforms, or to relieve the people of burdens which this bureaucratic system places upon the backs of the people.

The Democratic Party in its convention last July was pledged to reduce governmental expenditures 25 per cent. The Republican Party also insisted that Federal expenses should be reduced. But platform pledges, Mr. President, seem to be meaningless; they certainly are not being observed by either of the great political parties. In view of these pledges those who believe that they were made in good faith and should be fulfilled, must look with astonishment, if not with indignation, at the failure of both political parties to live up to their pledges. I know it is repetition, and useless repetition, to protest against these appropriation bills that are brought to the floor of the Senate.

I think that a majority of the American people expected relief from these heavy Federal burdens; but when this session of Congress shall have adjourned and the people have had an opportunity to appraise the work of Congress and to learn of the stupendous sums appropriated, there will be a rising tide of criticism leveled at the National Legislature for its defaults. I appreciate, however, that there are many of our citizens who are demanding larger appropriations and who are insisting upon the Federal Government appropriating billions of dollars in excess of the amount needed for legitimate governmental purposes. Within this group are found those who insist that the Government, not-

withstanding the Treasury is empty and deficits are daily increasing, shall issue billions of dollars to meet the mort-gaged indebtedness of the people, to protect bank depositors, to discharge pressing obligations of the railroads, to aid industrial corporations as well as private persons in their business undertakings. Many of the people fail to understand that Governments are maintained only by taxes wrung from the people.

The credit of governments can only be maintained when its finances are adequate to meet its obligations. Of course, a country possessing the resources found in the United States with a reasonably efficient and economical government may enjoy great credit, and can therefore borrow money within reasonable limits to meet emergencies or to meet temporary deficits; but no government, regardless of its wealth and prestige, can indefinitely extend credit and issue bonds to meet expenditures without having its credit impaired and ultimately coming to grief. I have had occasion to say within the past few days that the credit of the National Government must be maintained; that our whole economic, industrial, and political structure rests upon the faith and credit the people have in their Government. In this view there is a solemn obligation resting upon Congress to take no steps to destroy the prestige and the credit of the Government of the United States.

Mr. President, this bill as well as other appropriation bills which we have considered, conclusively demonstrates that this Congress is not sufficiently impressed with the imperative necessity of the strictest economy in government operations. It is apparent that the appropriation bills in the aggregate that will be passed this session of Congress will exceed by approximately \$1,000,000,000 limits which safety and prudence and wisdom demand. I am advised that the Post Office and Treasury appropriation bill, which recently passed the Senate and went to conference, will soon be returned to the Senate with the reductions and economies which the Senate attempted to incorporate into the bill, eliminated by the action of the conferees supported by the House.

I agree with the Senator from Ohio [Mr. Fess] who has just in a very lucid manner referred to the failure of Congress whenever organizations are created for temporary purposes, to abolish them or to reduce expenses.

Mr. President, it seems to me we lack the courage and the wisdom, and apparently the ability, to inaugurate reforms in the administration of the Government. It has been claimed that Congress is controlled by active minorities; by organizations of Federal employees and by factors extraneous to the Government itself. Certain it is that when reforms are suggested and reductions in Federal expenses advocated, there is a powerful mobilization of forces to frustrate such efforts. I should add that aside from these organizations and forces to which I have referred, many of the constituents of Senators and Congressmen lift their voices in protest against movements to effect reforms in the Government service and to reduce expenses of the Government. Unfortunately there is a growing demand for the Government to exercise greater authority; to create additional bureaus and to introduce socialistic or semisocialistic policies into our economic, industrial, and political life. The suggestion has been made during the discussion upon the amendment offered by the Senator from Iowa [Mr. Dickinson] that we may soon be confronted with the governmental ownership of railroads. Undoubtedly there has been for a number of years a movement supported by many in favor of the Government taking over all the railroads of the United States. This movement has been enlarged during the past few years and seeks to have the Government take over all public utili-

Mr. President, it is to be hoped that these movements, socialistic in character, or at least paternalistic and bureaucratic, may not assume larger proportions. Rather it is to be hoped that the owners of the railroads will inaugurate needed reforms, modify their capital structures, and adopt policies that will make the railroads effective instrumentali-

ties for the service of the people and for the benefit and profit of the owners.

Yesterday we listened, and I hope with deep respect and reverence, to the reading by the Senator from Illinois [Mr. GLENN] of Washington's Farewell Address. Annually both Houses of Congress convene for the purpose of drawing strength from that great reservoir of wisdom and knowledge. It has been a source of inspiration to the people of the United States, and succeeding generations will find in it guidance to meet problems that will arise. Washington declared that—

As a very important source of strength and security, cherish public credit.

I pause to remark, Are we observing this wise counsel? Are we cherishing public credit when we fail to observe those principles of thrift and economy so essential in public as in private life? Profligate expenditures, waste, and extravagance in government, indifference to enormous appropriations; all these indicate that we are not observing the requirement that we should "cherish public credit."

I read further from the Farewell Address:

One method of preserving it is to use it as sparingly as possible, avoiding occasions of expense by cultivating peace, but remembering, also, that timely disbursements, to prepare for danger, frequently prevent much greater disbursements to repel it; avoiding likewise the accumulation of debt, not only by shunning occasions of expense, but by vigorous exertions, in time of peace, to discharge the debts which unavoidable wars may have occasioned, not ungenerously throwing upon posterity the burden which we ourselves ought to bear.

Mr. President, it is iteration, indeed reiteration, to challenge attention to our growing deficits and the aggregate deficit for the two preceding fiscal years and the present fiscal year of \$6,000,000,000. Moreover it is apparent that we are lacking in moderation and wisdom, when after we made appropriations for the next fiscal year, there will be added to the \$6,000,000,000 the deficits of two or three billions more. With the fountains of taxation drying up, and with our collections from customs constantly shrinking, it is obvious that the revenues for the next calendar and the next fiscal year will be below the low levels for this fiscal year or the next calendar year, all of which indicate continued deficits, dangerous to the credit of our Government.

Mr. President, the bonded indebtedness of the Government exceeds \$21,000,000,000. The interest charges upon this enormous sum is an important addition to the annual appropriations for the Government. In order that the credit of the Government be preserved, provision must be made for the amortization of these governmental obligations.

Returning to the Farewell Address-

The execution of these maxims belongs to your representatives, but it is necessary that public opinion should cooperate.

Washington understood the importance of public opinion. Public opinion in the end will control, but public opinion is sometimes misdirected. The public may not be advised as to all the facts involved in governmental policies and national concerns. Jefferson believed in the competency of the people to govern themselves, but this belief rested upon the proposition that the public should be informed in regard to their Government and its policies. He insisted upon education, upon the avenues of knowledge being opened to the people. He believed that if they knew the facts their judgment in the end would be a safe guide for the Republic.

Unfortunately the public are not always acquainted with the facts involved in questions and problems, political and economic. Oftentimes clouds darken the skies and the light does not shine upon the pathway of the people. Not infrequently misleading and dangerous propaganda is disseminated, and as a result of misinformation, demands are made inconsistent with sound policies or constitutional provisions. Washington further stated:

To facilitate to them the performance of their duty, it is essential that you should practically bear in mind that toward the payment of debts there must be revenue; that to have revenue there must be taxes; that no taxes can be devised which are not more or less inconvenient and unpleasant; that the intrinsic em-

barrassment inseparable from the selection of the proper object (which is always a choice of difficulties) ought to be a decisive motive for a candid construction of the conduct of the Government in making it, and for a spirit of acquiescence in the measures for obtaining revenue, which the public exigencies may at any time dictate.

Mr. President, recurring to the discussion upon the amendment offered by the Senator from Iowa, my friend from Florida [Mr. Fletcher] a few moments ago stated, in substance, that there had been no hearing upon the proposition to reduce the appropriation carried in the bill for the valuation of the railroads, and he was therefore, while sympathizing with the motion, disposed to not support it. I have examined the hearings before the House and Senate committees, and there is nothing, in my opinion, to justify the large appropriation carried in the bill for the purpose indicated. I do not desire to be critical of committees, particularly committees serving the legislative body at the other end of the Capitol; but I confess that an examination of the hearings upon many of the appropriation bills, or many of the items carried in such bills, fails to supply adequate information to justify the appropriations demanded.

The fact is that representatives of departments, bureaus, and Federal agencies are vitally interested in appropriation bills. It is seldom that any person is heard by committees in opposition to the appropriation bills reported to the House or to the Senate. The witnesses who do appear are interested in securing appropriations; they come usually with prepared statements, ready to support their demands for appropriations; but an examination of many of the hearings reveals that witnesses appearing are subjected to no cross-examination, and their statements are seldom challenged. The representatives of the bureaus and departments usually state that a given sum is required for certain purposes or that various amounts are necessary for the bureau or agency for which they speak. I repeat that many of the hearings fail to justify the appropriations recommended.

Mr. President, it seems to me that full opportunity should be given to the public to oppose these demands, to appear before committees and express their opposition and furnish reasons therefor. Moreover, it would be in the interest of the public and of economy if one or more persons were employed to cross-examine the witnesses who appear before committees in support of the appropriations and compel complete disclosures of all facts pertinent to the matters under consideration. I repeat that too many of the examinations are superficial and the facts adduced are unconvincing.

With respect to the item of \$2,313,542 appropriated for the Interstate Commerce Commission to carry on the valuation of the property of carriers, I respectfully submit there is no evidence in the hearings either of the House or the Senate to justify this appropriation. Substantially the same inadequate and imperfect testimony appears in the hearings as appears in hearings upon former appropriation bills. I think that it is not inaccurate to state that the hearings simply show that the representatives of the Interstate Commerce Commission desire this large sum and in effect say that if it is not obtained, a number of employees in the Interstate Commerce Commission will be furloughed.

For years the Interstate Commerce Commission has been submitting requests for large appropriations for the so-called "valuation of the railroads." In my opinion, this so-called valuation of railroads ought to have been completed years ago; indeed in 1913, as the record shows, when a bill was passed providing for obtaining the valuation of the railroads, the claim was made that the work could be completed in two or three years at a cost to not exceed \$3,000,000. As the Senator from Iowa stated, more than \$51,000,000 have been appropriated, and still millions are requested for the next fiscal year with every assurance that additional millions will be required for subsequent years. The Interstate Commerce Commission, in my opinion, has not been frank with Congress; it has not dealt in a candid way with the work of the Valuations Commission.

I have carefully examined the bill before us. It carries more than \$1,000,000,000, and there is scarcely an item of appropriation in the bill that should not be materially reduced. I shall not vote for the bill in its present form. I believe that it has not been sufficiently considered by the appropriate Senate committees, and that it carries in the aggregate a large sum in excess of what is fair or just. I appreciate that the Senate will act adversely upon any efforts to cut the appropriations in this bill. I am tempted to move before the bill passes that it be recommitted to the Committee on Appropriations with instructions to reduce the aggregate amount of appropriations by at least 10 per cent. I have submitted similar motions with respect to many appropriation bills, but such motions have been rejected by the Senate.

Mr. President, there are many people in the United States who are watching Congress and demanding that the appropriations shall be reduced. Protests are not infrequent; but Congress seems indifferent to the effects of these extravagant, if not profligate, appropriations that are made and to the consequences of these mounting deficits.

It is unfortunate that so little interest is manifested in the Senate when appropriation bills are under consideration. Only a limited number of Senators, except when some hotly contested item is under consideration, are in attendance when appropriation bills carrying hundreds of millions of dollars are before us. It is true that committees are in session and many Senators are compelled to be absent from the Chamber when important bills are before this body because of the demands made upon their time by the numerous committees which are in session during most hours of the day. Nevertheless I can not help but believe that when economies are so imperatively demanded, every item of appropriation should be carefully scrutinized and appropriation bills should be reduced to the lowest possible limits. A balanced Budget will tend to restore confidence. If the people know that Congress is determined to apply business principles in the conduct of governmental affairs, and is determined to cut out unnecessary expenses, abolish many bureaus and agencies and keep expenditures within the revenues of the Government, then a step forward will have been taken towards the summit of confidence and prosperity.

Mr. President, while I have the floor I desire very briefly to call attention to a number of items of appropriation carried in the bill. Many of these items justify the contention which I am making that this bill carries appropriations beyond the needs of the Government and which in this period of depression can not be justified. In my opinion the appropriations for the Board of Mediation and Tax Appeals should be reduced. The appropriation for the former amounts to \$132,483 and the appropriation for the latter aggregates \$545,000. Both of these organizations are necessary, but without impairing their usefulness reductions should be made in the appropriation for each.

On page 9 of the bill is an appropriation amounting to more than \$146,000 for the so-called Bureau of Efficiency. That bureau was organized for the purpose of promoting efficiency in the Government service. It has failed to meet the expectations of its sponsors. A measure was passed a few weeks ago either by the House or the Senate abolishing this bureau.

The provision for its abolition is found in one of the bills now in conference. In view of that fact it seems to me that this item should be stricken from the bill. It seems, Mr. President, that when a bureau or executive agency is created it becomes immortal; it entrenches itself and has sufficient resources and influence to defy all assaults from Congress. Mr. President, bureaus and Federal agencies and instrumentalities stand like the great pyramids; they can not be moved and they look with complacency upon attacks from all sources. The Senator from Ohio a few moments ago, with his experience and wisdom, indicated how futile are the attempts to bring about reforms in the executive departments of the Government.

An appropriation of more than \$1,374,000 is carried in this bill for the Civil Service Commission. Mr. President, this organization has not accomplished the results which its protagonists claimed it would accomplish. Its personnel has been increased and its appropriations have likewise been increased.

Nearly \$800,000 of this sum is to pay the salaries and expenses of the commissioners, and the personnel of the commission who are in the District of Columbia. More than \$400,000 is carried in the bill for the salaries of the field force, and other items are found in the bill, making the aggregate, as I have stated, of more than \$1,374,000. Mr. President, there should be a reduction in this appropriation of at least \$100,000.

Mr. President, there are large appropriations for employees of the Compensation Commission and the Federal Board for Vocational Education and for so-called vocational rehabilitation. I have examined the hearings and in my opinion these appropriations are too large. There should be reasonable reductions in the appropriation for each of these organizations.

The Federal Farm Board is still in existence, and there is an item of \$500,000,000 carried in the bill. If I understand the language of the bill, it is to meet some of its expenses between the 1st of July and the 31st of December of this year. Bills are pending in both branches of Congress for the abolition of this organization. A number of bills before committees restrict its operations and seek to transfer whatever vestiges of the organization remain to the Department of Agriculture. It is quite likely, Mr. President, that within the near future, under the reorganization which will soon be effected in the Government departments, the act creating the Farm Board will be greatly modified if not repealed, and the Agricultural Department will be charged with the responsibility of performing such duties now discharged by the board as Congress may devolve upon it. There is a general feeling that the Farm Board has failed to accomplish that for which it was created. More than \$400,000,000 have been lost in the operations of the board, and what additional losses will be sustained it is difficult to determine. Undoubtedly most of the \$500,000,000 taken from the taxpayers has been lost, and the Treasury of the United States will probably lose a considerable part of whatever assets now remain.

Mr. President, the bill carries a large appropriation, nearly \$800,000 for the Radio Commission. While that organization is important, in my opinion there should be a material reduction in the appropriations provided in this bill for it. The Senate a few moments ago materially increased the appropriations for the Federal Trade Commission. In my opinion I do not think the situation was such as to justify so large an increase.

Mr. President, the bill carries a very large appropriation for the General Accounting Office. This bureau has been of incalculable benefit to the Government. It must be continued, but I believe that the appropriation of nearly \$4,000,000 is not warranted at the present time.

The appropriation carried in the bill for the Interstate Commerce Commission can not be defended. Its expenditures for years have been too great. Mr. President, I have referred to the item of \$2,313,542 providing for the valuation of railroads. In my opinion this amount is entirely too

large.

When I came to the Senate in 1917 I made an investigation of the genesis of the provisions providing for the valuation of railroads. I recall that it was claimed, as has been stated, that the work could be accomplished within two or three years at a cost not exceeding two or three millions of dollars. After making an examination I reached the conclusion that the work which was being performed did not justify expenditures beyond the amount originally asked for, and in 1917 or 1918 I offered a bill repealing the provisions of the law requiring such valuation. Each year since 1913 large appropriations have been demanded and received, until, as the record shows, more than \$50,000,000 have been absorbed in this undertaking, the results of which

are not commensurate with the expenditures. The reports of valuation have no limit of finality, and do not constitute a sufficient basis upon which to rest judgments or findings as to the value of the properties of the railroads of the United States.

I am in accord with the views expressed by the Senator from Iowa. However, Mr. President, I shall insist, when the next appropriation bill comes before the Senate dealing with the Interstate Commerce Commission, that there be important reductions in any appropriation which shall be made in behalf of the valuation section.

Mr. President, I do not approve of the appropriation provided in the bill for the Office of Public Buildings and Public Parks of the National Capital. I protest against the enormous sum carried in the bill amounting to \$2,568,235,000. I also object to the enormous appropriations which have been made for Federal buildings in the District of Columbia. The cost of the Department of Commerce Building can not be justified, nor can appropriations for other Federal buildings be justified at this time.

Mr. President, I believe that the appropriation for the Tariff Commission is excessive. There should be a reduction made. The bill carries a large sum for the United States Shipping Board and the Emergency Fleet Corporation. These organizations have been the recipients of hundreds of millions-indeed billions of dollars. The bill in effect provides for \$50,000,000 to carry out the merchant marine act of 1920 and also carries an item of nearly \$3,000,000 for the salaries of the Fleet Corporation assigned to the Shipping Board. One million dollars is provided to meet the expenses of liquidating some of the ships and property of the corporation and \$10,000,000 is reappropriated to enable the United States Shipping Board Emergency Fleet Corporation to operate ships or lines of ships which have been taken back from purchasers by reason of competition or other methods employed by foreign shipowners or operators. In other words, ships which are sold may be taken back by this corporation and operated at the expense of the taxpayers of the United States

Under the head of Veterans' Administration, the bill carries an appropriation aggregating \$945,988,634. I regret that the committee appointed for the purpose of investigating the entire question involved in appropriations for veterans has not concluded its labors and of course has not submitted its report to Congress.

Mr. President, I can only repeat what I have so imperfectly stated, that this as well as other appropriation bills which have been before the Senate, impose a great burden upon the taxpayers of the United States.

I appreciate that opposition to the bill will be ineffective. I can only protest against its passage in its present form. The PRESIDENT pro tempore. The question is on agree-

ing to the amendment proposed by the Senator from Iowa.

Mr. DICKINSON. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Costigan Ashurst Couzens Bailey Bankhead Dale Davis Barbour Barkley Dickinson Dill Bingham Black Fess Fletcher Blaine Borah Frazier George Bratton Glass Brookhart Glenn Broussard Bulkley Goldsborough Gore Grammer Bulow Byrnes Capper Hale Harrison Caraway Carey Clark Coolidge Hastings Hatfield Hayden

Hebert

Copeland

Kean
Kendrick
King
La Follette
Logan
Long
McKellar
McNary
Moses
Neely
Norbeck
Norris
Nye
Oddie
Patterson
Pittman
Reed
Reynolds
Robinson, Ark.
Robinson, Ind.

Russell

Johnson

Schuyler
Sheppard
Shipstead
Shipstead
Shortridge
Smith
Smoot
Steiwer
Stephens
Swanson
Thomas, Idaho
Thomas, Okla.
Townsend
Trammell
Tydings
Vandenberg
Wagner
Walcott
Walsh, Mass.
Watson
White

The PRESIDENT pro tempore. Eighty-six Senators having answered to their names, a quorum is present. The question is on agreeing to the amendment proposed by the Senator from Iowa [Mr. Dickinson].

On a division, the amendment was rejected.

The PRESIDENT pro tempore. The bill is still open to amendment.

Mr. KING. Mr. President, when an amendment of the importance and merit of the one just rejected fails to command any considerable support it indicates the unwillingness of the Senate to support platform pledges or efforts to

Mr. President, on page 9, I move to strike out lines 7 to 15, inclusive, being the provision for an appropriation of \$143,600 for the Bureau of Efficiency. In connection with the motion I desire to read from a letter addressed by the Comptroller General of the United States, Mr. McCarl, to the Mon. FREDERICK E. STEIWER, chairman of the Committee on Expenditures in the Executive Departments. That committee has under consideration a bill offered by me for the abolition of this bureau. Without reading all of the letter I invite particular attention to the part bearing upon the motion which I have just made:

The act of May 10, 1916, in making an appropriation for the Bureau of Efficiency included to enable it "to investigate duplication of statistical and other work and methods of business in the various branches of the Government service.

That was the purpose of it. It was recognized by Congress that there were duplications and inefficiency in executive departments; and it was thought that if a bureau of efficiency was created and given authority to go into the governmental organizations and weed out the inefficient and incompetent employees, and ascertain where parallel activities might be avoided and economies obtained, there would be great savings to the taxpayers.

This additional purpose was continued in the appropriation acts of March 3, 1917, and July 3, 1918, the appropriation act of March 3, 1917, also including certain other investigations to be reported to Congress at the next regular session. By the act of May 16, 1928, the powers and duties of the Bureau of Efficiency prescribed by law with reference to investigations in the executive departments and independent establishments of the Federal Government were extended to include the municipal Government of the District of Columbia.

That was wholly unnecessary and wholly undesirable from my point of view and from my understanding of the work of the District Committee of the Senate.

Mr. SMOOT. Mr. President-

The PRESIDENT pro tempore. Does the Senator from Utah yield to his colleague?

Mr. KING. I yield.

Mr. SMOOT. I want to call the Senator's attention to the fact that if the economy provision becomes a law, of course, this appropriation will not be effective, but we have to provide in this bill for the Bureau of Efficiency in case the economy provision of the appropriation bill does not become a law. I will say to the Senator that if it does, then, of course, this money will not be expended.

Mr. McKELLAR. Mr. President-

The PRESIDENT pro tempore. Does the Senator from Utah yield to the Senator from Tennessee?

Mr. KING. I yield.

Mr. McKELLAR. Of course the economy provision, abolishing the Bureau of Efficiency, will not become the law. The bill has been in conference for some time and has been reported back to the House, and I believe the House has stricken that provision out. But whether that has been done yet or not is immaterial, because it will be done eventually. That was one of the real economy items in the bill that was adopted. It will be remembered that the House unanimously, as I recall, joined the majority in the Senate to strike out the 5 per cent Bratton amendment, so called, which brought about a saving of about \$150,000,000; and another amendment which brought about another saving of \$19,000,000; and another one which I offered, relating to tax refunds, which probably would have resulted in a saving of not less than \$50,000,000; or a total of more than ciency shall be abolished, and we do not strike it out, we

\$200,000,000. In other words, if I understood the result of the conference report, it is that substantially all of the economies which the Senate committee spent months in bringing about and which the Senate adopted, have been utterly destroyed in conference, and we will have practically no economy.

The Bureau of Efficiency is like a fifth wheel of a wagon. The head of the bureau is a very delightful gentleman by the name of Herbert D. Brown. This bureau is maintained in order to keep him in office. We might as well call things by their right names. It is of no earthly use to this Government. All the service that is rendered is performed in a much better way by the Comptroller General's Office and by the Bureau of the Budget. It is merely a bureau for the benefit of one man; and we have kept it going year by year at a cost of about \$150,000, which means, in the aggregate, in the neighborhood of two and one-half million dollars or three million dollars of expenditures that are fastened on the American people in these hard times. It is a wicked misuse of Government funds.

Mr. NORRIS. Mr. President-

The PRESIDENT pro tempore. The junior Senator from Utah has the floor.

Mr. KING. I will yield to the Senator from Nebraska in a moment.

Mr. McKELLAR. I hope that the amendment of the Senator from Utah striking out this provision will be adopted, as it ought to be adopted, for, as I have said, there is no earthly use of continuing it.

Mr. NORRIS and Mr. SMOOT addressed the Chair.

The PRESIDENT pro tempore. Does the Senator from Utah yield; and if so, to whom?

Mr. KING. I yield first to the Senator from Nebraska.

Mr. NORRIS. I want to ask the Senator from Tennessee a question. As I understand, the Bureau of Efficiency has already been abolished by a bill which has passed the Senate?

Mr. McKELLAR. The Senate struck out the provision for the Bureau of Efficiency, but when the bill went to conference the amendment of the Senate was stricken out.

Mr. NORRIS. I thought the House had agreed to that provision.

Mr. McKELLAR. It was stricken out by a majority of the conferees and then by the House.

Mr. NORRIS. I had a misconception, then. I had an idea that the House had agreed to the amendment; and if that were true, there would be no use of this appropriation.

Mr. McKELLAR. None whatever.

Mr. SMOOT. Under a bill which has previously passed the Senate the Bureau of Efficiency was transferred to the Bureau of the Budget. That was in the economy section of the Treasury and Post Office appropriation bill. Nothing was said as to how many of the employees of the bureau should be transferred to the Budget Bureau, but the work now being performed by the Bureau of Efficiency was to be transferred to the Bureau of the Budget. At the present time it does not look as if we are going to pass that bill at this session of Congress. Therefore the House put in this bill the provision which appears for the Bureau of Efficiency. That is the program exactly as it is.

I will say to the Senate that if the economy bill shall pass, and if the Bureau of Efficiency shall be transferred to the Bureau of the Budget, then, of course, this appropriation will not be used at all.

Mr. NORRIS. Then, the Senator, it seems to me, ought to agree to this amendment. If the Bureau of Efficiency shall be abolished there will be no need for this appropriation and it ought to be stricken out. On the other hand, if the House view prevails, and the Bureau of Efficiency is retained, then the Senate could recede from its amendment. If we leave the provision in this bill it will not be in conference. The only way to get it into conference is to strike it out.

Mr. McKELLAR. Absolutely.

Mr. NORRIS. If, in the meantime, the Bureau of Effi-

will have made an appropriation and there will be no way to rectify the mistake of making an appropriation for a bureau that does not exist.

Mr. SMOOT. The Senator is correct. If the conferees do not act upon this bill before action is taken and an agreement reached on the economy provisions of the bill which has already passed, we would have to hold this bill up until we finally agree upon the other bill.

Mr. NORRIS. It would naturally follow that action on the other bill would take precedence over action on the pending bill, because the other bill has already been in con-

ference for some time.

Mr. SMOOT. We would not succeed in getting all the appropriation bills through if we had to wait upon the conference report on the other bill.

Mr. NORRIS. Have the conferees agreed on that bill? Mr. SMOOT. They have not.
Mr. NORRIS. It seems to me the only safe thing to do is to strike out the provision from this bill.

Mr. McKELLAR. And let it go to conference?

Mr. NORRIS. Yes.

Mr. McKELLAR. Of course, that is the only proper thing to do, in my judgment.

Mr. President, if the Senator from Utah will yield further

Mr. KING. I yield.

Mr. McKELLAR. I will read from section 14 of the economy bill, as follows:

Sec. 14. The Bureau of Efficiency and the office of chief of such bureau are hereby abolished; and the President is authorized to designate another officer to service in place of the Chief of the Bureau of Efficiency on any board, commission, or other agency of which the Chief of the Bureau of Efficiency is now a member.

Under the present law he is a member of a number of boards and commissions. Then the economy bill provides that all records of the Bureau of Efficiency shall be turned over to the Bureau of the Budget, in which so much of the present work of the Bureau of Efficiency is duplicated.

I think the Senator from Utah and the Senator from Nebraska are entirely right, and, under any circumstances, this provision ought to be stricken out of the pending bill and the matter carried to conference.

Mr. SMOOT. Mr. President-

Mr. KING. I yield to my colleague. Mr. SMOOT. The only thing that would happen would be that this bill might be held up for perhaps weeks, although there are some provisions of the bill that ought to become a law. I agree with the Senator from Tennessee that by striking out this provision it will be in conference, but the conferees could not agree upon this bill, as evidently the House could not agree, because they have already taken action regarding the Bureau of Efficiency, until it is finally decided what will become of the economy provisions of the Post Office and Treasury appropriation bill. That is all there is to it. I care not whether we strike this item out or not, other than for the reasons I have mentioned.

Mr. KING. Then, I ask my colleague to accept the amendment and let it go to conference.

Mr. SMOOT. I do not want to deceive my colleague in the matter, I am willing to let it go out, but if there shall be a deadlock on the economy provisions of the Treasury and Post Office bill I do not want to be charged with being disloyal to the Senate if the Senate conferees have to yield on this item.

The VICE PRESIDENT. The Chair feels that he should call attention to the fact that the amendment should include lines 16, 17, and 18, because those two appropriations ought to go together.

Mr. KING. I thank the Chair for the suggestion and I so modify my motion.

Mr. SMOOT. The portion of the bill referred to by the Chair is a part of the provision and should also go out.

Mr. KING. I include in my motion lines 6 to 17, inclusive. The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Utah IMr.

The amendment was agreed to.

Mr. KING. Mr. President, as a part of my remarks, I ask leave to insert in the RECORD a letter from Mr. McCarl bearing upon this subject.

The VICE PRESIDENT. Without objection, it is so ordered. The letter referred to is as follows:

> COMPTROLLER GENERAL OF THE UNITED STATES, March 23, 1932.

Hon. FREDERICK STEIWER

Chairman Committee on Expenditures in the

Executive Departments, United States Senate.

My Dear Mr. Chairman: There has been considered your request for report on S. 2488, pending before your committee, and particularly with reference to any information that this office may furnish as to any saving that might result if such legislation were enacted into law.

The bill provides, in substance, that there shall be abolished the Bureau of Efficiency; that all the records and papers of such bureau shall be transferred to the United States Civil Service Com-

bureau shall be transferred to the United States Civil Service Commission; and that all unexpended appropriations for the use of said Bureau of Efficiency available at the time the act takes effect shall be covered into the Treasury of the United States.

The act of August 23, 1912 (37 Stat. 413), provided, in section 4, that the Civil Service Commission should establish, subject to the approval of the President, a system of efficiency ratings for the classified service in the several executive departments in the District of Columbia based upon records kept in each department and independent establishment with such frequency as to make them. trict of Columbia based upon records kept in each department and independent establishment with such frequency as to make them as nearly as possible records of fact. Apparently there was administratively established in the Civil Service Commission a division of efficiency to establish such ratings (see act March 4, 1915, 38 Stat. 1008), and by the act of February 28, 1916 (39 Stat. 15), this division of the Civil Service Commission was separated from the commission and made an independent establishment to be known as the Bureau of Efficiency. It was made the duty of the Bureau of Efficiency to make the efficiency ratings which had theretofore been imposed on the Civil Service Commission and to investigate the administrative needs of the service relating to personnel in the several executive departments and independent establishments imposed on the Civil Service Commission by the act of March 4, 1913 (37 Stat. 750). 1913 (37 Stat. 750).

The act of May 10, 1916 (39 Stat. 76), in making an appropria-tion for the Bureau of Efficiency included to enable it "to inves-tigate duplication of statistical and other work and methods of tion for the Bureau of Efficiency included to enable it "to investigate duplication of statistical and other work and methods of business in the various branches of the Government service." This additional purpose was continued in the appropriation acts of March 3, 1917 (39 Stat. 1080), and July 3, 1918 (40 Stat. 768), the appropriation act of March 3, 1917, also including certain other investigations to be reported to Congress at the next regular session. By the act of May 16, 1928 (45 Stat. 576), the powers and duties of the Bureau of Efficiency prescribed by law with reference to investigations in the executive departments and independent establishments of the Federal Government were extended to include the municipal government of the District of Columbia, and the act of May 20, 1923 (45 Stat. 886), made a certain sum of the bureau appropriation available "to secure actuarial data in connection with the various retirement plans for teachers in the District of Columbia and for civil-service employees."

The act of February 20, 1929 (45 Stat. 1233), required the chief of the Bureau of Efficiency to certify annually to the Bureau of the Budget, along with his estimates of appropriations for the ensuing year, "a statement of the amount of the savings which he estimates have been effected in the various bureaus and offices of the Government, including the District of Columbia, as a result of the surveys and recommendations made by the Bureau of Efficiency in cooperation with the bureau or office involved during the previous fixed var." and there are possibly other statutes permitting the previous fixed var." and there are possibly other statutes permitting

in cooperation with the bureau or office involved during the pre-vious fiscal year," and there are possibly other statutes permitting employment of the services of the Bureau of Efficiency temporarily otherwise and in connection with similar administrative matters.

The work that apparently caused the creation of the Bureau of Efficiency; that is, efficiency ratings for personnel in the executive branch, having since been acted upon by the Congress and the administration of the classification laws intrusted to the Personnel administration of the classification laws intrusted to the Personnel Classification Board, the bureau seems to have since been functioning largely as an investigating agency, and, of late, principally in making investigations and observations for committees of the Congress. The extent of its work in this connection during recent years has apparently been such as to make the question of a need for its continuance largely one as to the desire of Congress for its services as an independent establishment.

There appears talent in the bureau that could continue to serve the Government well, but to retain the entire organization—and as an independent establishment of the executive branch for investigational work of the character that has recently

branch for investigational work of the character that has recently engaged its attention—might be of doubtful wisdom, inasmuch as established agencies having other duties appear adequately equipped and able to render such service. Of course, to give the

equipped and able to render such service. Of course, to give the bureau other than investigational authority would at once involve duplication of both work and jurisdiction.

There is for pointing out in this connection that the Bureau of Efficiency in its present state is an establishment in the executive branch—not the legislative—and in estimating its future usefulness no doubt the Congress will wish to give consideration to this phase of the matter.

In connection with the proposal to abolish the bureau it is respectfully suggested there be considered the wisdom of trans-

ferring its activities, personnel, etc., to an establishment having investigational duties and force, preferably having relation to the legislative rather than the executive branch, to the end that the incompleted work of the bureau may be finished, the better talent continued in the Government's service, and through the nonfilling of vacancies as they occur, ultimately accomplish substantially the reduction in personnel and the savings contemplated by the pending bill.

A similar report is being sent to the Hon: John J. Cochran, chairman of the Committee on Expenditures in the Executive Departments, House of Representatives, on similar H. R. 8388, rending before his committee.

pending before his committee. Sincerely yours,

J. R. MCCARL Comptroller General of the United States.

Mr. KING. Mr. President, while I have the floor, I should like to make one further observation. May I say to the Senator from Tennessee that if the report is true that the economy provisions of the bill which were adopted by the Senate and which would save the Government between two and three hundred million dollars a year-

Mr. McKELLAR. About \$205,000,000, as I estimate it. Of course we can not be absolutely accurate about it.

Mr. SMOOT. The Senator's figures are about correct.

Mr. McKELLAR. They are substantially correct.

Mr. SMOOT. Yes; they are substantially correct.

Mr. McKELLAR. The saving will amount to about \$205,-000,000.

Mr. KING. If the conferees report back to their respective Houses that the Senate's amendments are to be rejected, in other words, if the House prevails in its position, much as I should dislike to see that appropriation bill or any other pending appropriation bill fail at this session, I think the Senate would be entirely justified in rejecting the conference report, even though it resulted in the failure of the measure to become law. There will soon be a special session, and a bill will then be passed that will materially reduce the amount carried in this bill referred to.

Senators will recall that in the closing hours of the short session in February and March, 1919, opposition was manifested in the Senate to a number of appropriation bills that had passed the House, and Congress adjourned without them being enacted into law. When Congress met in special session in April or May, 1919, as I recall, appropriation bills were promptly passed, carrying reductions of appropriations amounting to over \$800,000,000; that is to say, the aggregate appropriations carried by the bills were approximately \$800,000,000 less than provided in the bills which failed to pass the Senate during the short session.

Mr. SMOOT. Mr. President, I think my colleague is wrong as to the amount of the reduction in the two bills, but there was a saving.

Mr. KING. I am certain that I have not overstated the reductions made. My colleague will recall that there were stupendous sums carried in the bills not passed for the Army and the Navy, and the reductions made in these measures saved hundreds of millions of dollars. I know the able Senator from Idaho [Mr. Borah] with others protested against the enormous appropriations carried in the naval appropriation bill as sent to us from the House, and that bill and the Army appropriation bill, as well as several others, were considered in the special session and speedily passed, with the result that there was a great saving to the taxpayers of the United States. So if we should be compelled to reject the conference report upon the Post Office and Treasury appropriation bill because of the action of conferees, there would be no great loss to the country, because I feel sure that when the Congress convenes in April or May a measure will be enacted that will carry an amount greatly below the total recommended by the conferees.

Mr. BORAH. Mr. President-

The VICE PRESIDENT. Does the Senator from Utah yield to the Senator from Idaho?

Mr. KING. I yield.

Mr. BORAH. Is the Senator speaking of the conference report on the Post Office and Treasury appropriation bill which contains the so-called economy provision?

Mr. KING. Yes.

Mr. BORAH. I certainly agree with the views of the Senator, and I hope that conference report, unless it contains those provisions, will be defeated.

Mr. KING. I shall be very glad to be associated with the able Senator from Idaho in the contest which will follow the report of the conferees if it should be submitted in the form indicated by the Senator from Tennessee.

The VICE PRESIDENT. The bill is before the Senate and open to amendment. If there be no further amendments, the question is, Shall the amendments be ordered to be engrossed and the bill read a third time?

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

MINING CLAIMS IN UNITED STATES AND ALASKA

The VICE PRESIDENT laid before the Senate a communication from the House of Representatives returning to the Senate, in compliance with its request, the joint resolution (H. J. Res. 533) providing for the suspension of annual assessment work on mining claims held by location in the United States and Alaska.

Mr. BORAH. Mr. President, after this measure was passed by the Senate the Senator from South Dakota [Mr. Norbeck] entered a motion to reconsider the vote whereby the joint resolution was ordered to be engrossed for a third reading, read the third time, and passed. I am now authorized by the Senator from South Dakota to withdraw that notice and motion.

The VICE PRESIDENT. Is there objection to the withdrawal of the motion? The Chair hears none, and the motion is withdrawn.

Mr. BORAH. Now I move that the Senate insist upon its amendment and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Vice President appointed Mr. Patterson, Mr. Oddie, and Mr. Hayden conferees on the part of the Senate.

BOOKS FOR THE ADULT BLIND

Mr. SMOOT. Mr. President, there is a bill on the calendar, being House bill 13817, to amend section 1 of the act entitled "An act to provide books for the adult blind," approved March 3, 1931. I ask unanimous consent for the consideration of that bill.

The VICE PRESIDENT. The Senator from Utah asks unanimous consent for the present consideration of the bill. the title of which will be stated.

The LEGISLATIVE CLERK. A bill (H. R. 13817) to amend section 1 of an act entitled "An act to provide books for the adult blind," approved March 3, 1931.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

Mr. BLAINE. Mr. President, I am not entirely familiar with the bill, but I understand that it is a very brief one. I have received communications from some of the institutions for the blind under the jurisdiction of States, and my understanding is that those institutions object to the passage of the bill. I should like to be able to secure those communications and ascertain whether or not that is a fact.

Mr. SMOOT. I assure the Senator that the fact is just the reverse; and if he does not find that to be the case I will ask for a reconsideration of the matter to-morrow. The American Foundation for the Blind (Inc.) writes me the following letter, signed by its president:

The bill (H. R. 13817) has been reported out from Senator METCALF'S Committee on Education and Labor. This is the hator that you were good enough to present, permitting the use of funds appropriated for printing Braille books to be employed for talking books, as well, and phonograph records.

This is a marvelous invention, Mr. President. By means of it there are made available for the blind so-called "talking books" which can be put on a phonograph or a talking machine and reproduced just as plainly as if a person were talking.

Mr. BLAINE. Mr. President, if the Senator will withhold his request until I can send for the communications I have, office immediately. I object for the time being.

The VICE PRESIDENT. The Senator objects for the

LEGISLATIVE APPROPRIATIONS

Mr. HALE. I move that the Senate proceed to the consideration of House bill 14562, being the legislative appropriation bill.

The VICE PRESIDENT. That would necessitate displacing the unfinished business, if the Senator wants to do that. Mr. HALE. What is the unfinished business?

The VICE PRESIDENT. The so-called bankruptcy bill. Mr. HALE. Then, I ask unanimous consent that the unfinished business may be temporarily laid aside and that the Senate proceed to the consideration of the legislative appro-

Mr. KING. Mr. President, I shall feel constrained to object unless the Senator assures us that the proposal meets with the approval of the Senator from Delaware [Mr. HASTINGS 1.

Mr. HALE. I think there is no question about that.

Mr. KING. If he does, he is entitled to the right of way.

Mr. HALE. I think he understands the situation. Mr. KING. I would not want him to be taken advantage of in his absence.

Mr. HALE. I think there is no question of that, Mr. President.

Mr. FESS. The unfinished business could be brought before the Senate at any time.

The VICE PRESIDENT. The Chair understands the Senator from Maine to ask unanimous consent for the consideration of the bill referred to by him.

Mr. HALE. Yes.

The VICE PRESIDENT. Is there objection?

There being no objection, the Senate proceeded to consider the bill (H. R. 14562) making appropriations for the legislative branch of the Government for the fiscal year ending June 30, 1934, and for other purposes, which had been reported from the Committee on Appropriations with amendments.

Mr. HALE. I ask that the formal reading of the bill be dispensed with and that it be read for amendment, the amendments of the committee to be first considered.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

Mr. FESS. Mr. President, some Senators who are not present have suggested to me that they desire to be present when this bill is taken up. Therefore, I suggest the absence

The VICE PRESIDENT. The clerk will call the roll. The legislative clerk called the roll, and the following Senators answered to their names:

Ashurst	Costigan	Johnson	Robinson, Ind.
Austin	Couzens	Kean	Russell
Bailey	Cutting	Kendrick	Schuyler
Bankhead	Dale	King	Sheppard
Barbour	Davis	La Follette	Shipstead
Barkley	Dickinson	Logan	Shortridge
Bingham	Dill	Long	Smith
Black	Fess	McGill	Smoot
Blaine	Fletcher	McKellar	Steiwer
Borah	Frazier	McNary	Stephens
Bratton	George	Metcalf	Swanson
Brookhart	Glass	Moses	Thomas, Idaho
Broussard	Glenn	Neely	Thomas, Okla.
Bulkley	Goldsborough	Norbeck	Townsend
Bulow	Gore	Norris	Trammell
Byrnes	Grammer	Nye	Tydings
Capper	Hale	Oddie	Vandenberg
Caraway	Harrison	Patterson	Wagner
Carey	Hastings	Pittman	Walcott
Clark	Hatfield	Reed	Walsh, Mass.
Coolidge	Hayden	Reynolds	Watson
Copeland	Hebert	Robinson, Ark.	White

The PRESIDING OFFICER (Mr. Couzens in the chair). Eighty-eight Senators having answered to their names, a quorum is present. The clerk will read the bill.

The Chief Clerk proceeded to read the bill.

The first amendment of the Committee on Appropriations was, on page 10, line 19, to change the item for reporting the

it will take only a few minutes. I will send over to my | debates and proceedings of the Senate from \$54.306 to \$55,312.

The amendment was agreed to.

The next amendment was, on page 10, line 26, after the name "Senate," to strike out "\$27,288" and insert \$47,288," so as to read:

For repairs, improvements, equipment, and supplies for Senate For repairs, improvements, equipment, and supplies for Scinate Ritchens and restaurants, Capitol Building and Senate Office Building, including personal and other services, to be expended from the contingent fund of the Senate, under the supervision of the Committee on Rules, United States Senate, \$47,288.

The amendment was agreed to.

The next amendment was, under the heading "Architect of the Capitol, Capitol Buildings and Grounds," on page 26, line 17, after the word "agent," to strike out "\$164,360" and insert "\$200,000," so as to read:

Senate Office Building: For maintenance, miscellaneous items and supplies, including furniture, furnishings, and equipment and for labor and material incident thereto and repairs thereof; and for personal and other services for the care and operation of the Senate Office Building, under the direction and supervision of the Senate Committee on Rules, acting through the Architect of the Capitol, who shall be its executive agent, \$200,000.

The amendment was agreed to.

The next amendment was, under the heading "Government Printing Office," on page 36, line 18, after the word "buildings" and the semicolon, to insert "for construction of a 1-story fireproof extension to the Government Printing Office on lots 813, 814, 828, square 624, District of Columbia, not to exceed \$25,500, to be paid from the working capital fund for the Government Printing Office," so as to read:

read:

To provide the Public Printer with a working capital for the following purposes for the execution of printing, binding, lithographing, mapping, engraving, and other authorized work of the Government Printing Office for the various branches of the Government: For salaries of Public Printer and Deputy Public Printer; for salaries, compensation, or wages of all necessary officers and employees additional to those herein appropriated for, including employees necessary to handle waste paper and condemned material for sale; to enable the Public Printer to comply with the provisions of law granting holidays and half holidays with pay to employees; rents, fuel, gas, heat, electric current, gas and electric fixtures; bicycle, motor-propelled vehicles for the carriage of printing and printing supplies, and the maintenance, repair, and operation of the same, to be used only for official purposes, including operation, repair, and maintenance of motor-propelled passenger-carrying vehicles for official use of the officers of the Government Printing Office when in writing ordered by the Public Printer; freight, expressage, telegraph, and telephone service, furniture, typewriters, and carpets; travelling expenses; stationery, postage, and advertising; directories, technical books, newspapers and magazines, and books of reference (not exceeding \$500); adding and numbering machines, time stamps, and other machinery (not exceeding \$300,000); equipment, and for repairs to machinery, implements, and buildings, and for minor alterations to buildings; for construction of a 1-story fireproof extension to the Government Printing Office on lots 813, 814, 828, square 624, District of Columbia, not to exceed \$25,500, to be paid from the working capital fund for the Government Printing Office.

The amendment was agreed to.

The amendment was agreed to.

The next amendment was, on page 37, line 16, after the name "Government Printing Office," to insert "(except the appropriation herein made for 'Salaries, office of Superintendent of Documents')," so as to read:

Superintendent of Documents')," so as to read:

In all, \$1,750,000, and in addition thereto the sums resulting during the fiscal year 1934 from the application during such fiscal year to the Government Printing Office (except the appropriation herein made for "Salaries, office of Superintendent of Documents") of the provisions of law relating to the legislative furlough, compensation reductions, and reduced differential for night work, to the extent of not to exceed \$1,000,000, shall be credited to the working capital for the fiscal year 1934 and shall be available for such fiscal year for the purposes of this paragraph; to which shall be charged the printing and binding authorized to be done for Congress, the printing and binding for use of the Government Printing Office, and printing and binding (not exceeding \$2,000) for official use of the Architect of the Capitol when authorized by the Secretary of the Senate; in all to an amount not exceeding this sum.

The amendment was agreed to.

The PRESIDING OFFICER. That completes the committee amendments.

Mr. HALE. Mr. President, I offer the amendment which I send to the desk.

The PRESIDING OFFICER. The Senator from Maine offers an amendment, which will be stated.

The CHIEF CLERK. On page 29, after the word "library," in line 4, it is proposed to insert:

Provided, That the quarters, heat, light, fuel, and telephone service heretofore furnished for the director's use in the Botanic Garden shall not be regarded as a part of his salary or compensation, and such allowances may continue to be so furnished without deduction from his salary or compensation, notwithstanding the provisions of section 3 of the act of March 5, 1928 (U. S. C., title 5, sec. 678), or any other law.

Mr. HALE. Mr. President, in the House the provision regarding the deduction of light, heat, and quarters from the salary of the Superintendent of the Botanic Garden was eliminated on a point of order. Unless it goes in this bill those items would have to be deducted from his salary. It is not fair that that should be done. In the past it has not been done.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Maine.

Mr. KING. I will ask the Senator from Arizona his view of the matter.

Mr. HAYDEN. Mr. President, this matter was considered in the committee, and the chairman was authorized to offer the amendment.

Mr. KING. I have no objection. The amendment was agreed to.

Mr. COPELAND. Mr. President, on page 10, line 26, we have just adopted an amendment relating to the Senate kitchens and restaurants. I offer, as a further amendment, to insert the words "\$10,000 of which shall be immediately available."

The PRESIDING OFFICER. Without objection, the vote whereby the committee amendment was agreed to will be reconsidered, and the amendment of the Senator from New York to the amendment will be stated.

The CHIEF CLERK. On page 10, line 26, after "\$47,288," and before the period, it is proposed to insert:

\$10,000 thereof to be immediately available.

Mr. HALE. Mr. President, I hope the amendment of the Senator from New York will be accepted. It is necessary for the prompt execution of the work.

The amendment to the amendment was agreed to.

The amendment, as amended, was agreed to.

Mr. COPELAND. Mr. President, on page 26, line 17, I desire to call the attention of the Senate to a matter and let the Senate do as it pleases regarding it; but it relates to the roof of the Senate Office Building.

The roof of the Senate Office Building is of copper, but it was laid on galvanized-iron ribs. If Senators are interested, and will look at the samples which I present, they will see how the entrance of water and the rusting of the galvanized iron has resulted in the destruction of these ribs. The Architect of the Capitol says that in order to make the building safe the copper will have to be taken off, and a new and better arrangement of ribs arranged for and placed upon the roof.

I am perfectly satisfied for myself to let the matter go if the Senate so decides; but the condition is such that it requires constant expense to keep the roof from leaking, and all the time there is a chance that a wind storm might lift the entire roof off the building. It will cost \$62,000 to repair the roof, and the Senate must decide what it chooses to do regarding the matter.

Mr. HALE. Mr. President, I hope the Senator from New York will not insist upon the amendment. The committee went into this matter very thoroughly. The Architect of the Capitol told us that we could get along with temporary repairs on this roof for a matter of a year.

As far as the danger of the copper roof blowing off and doing damage to some outsider is concerned, I do not think we have to fear that. There is a railing around the outside of the roof, and the architect told me there was no chance that it might blow off into the street.

Mr. COPELAND. Mr. President, I am not going to press the matter, but I think the Senate ought to know exactly what the situation is. Then if we wake up some time and find the roof of the Senate Office Building in the Street, at least I shall have the satisfaction of knowing that the attention of the Senate has been called to the matter.

One other matter, Mr. President.

The PRESIDING OFFICER. Does the Senator offer an amendment on the subject just referred to by him?

Mr. COPELAND. No; I am not going to offer an amendment, unless somebody here has been inspired to want to do the thing which would protect the building. I know that the feeling of the architect is that in all human probability the roof will be there next year and perhaps another year. Nevertheless, it is right to protect him as well as to protect the committee by letting the Senate know the facts.

Mr. President, I am a member of the subcommittee of the Committee on Appropriations, having charge of the legislative bill, but I could not be present when the bill was written up. I was away attending a funeral.

In addition to what I have said I may remark that I have been asked by the leader on this side to serve as a subcommittee having charge of the Senate Office Building, temporarily, at least. The amount which the committee has allowed in line 17, page 26, is not sufficient to operate the old building and the new wing. Last year it cost \$164,360 to operate the old building. We have the new wing, which contains 26 suites of offices and committee rooms. The amount estimated by the Architect of the Capitol and the superintendent of the building for the operation of the new wing is \$35,640, which added to the amount which it cost to operate the old building the past year would absorb every cent of the \$200,000.

Mr. President, it is necessary to do some painting, and to take care of the moving of the effects of the Senators from the old building into the new wing, which will cost money, and some of the awnings are out of repair. More than that, there is but one motor to operate the elevators, there is no reserve motor, and if the present one were burned out, the elevators could not run. Repairs are necessary to the elevators which require some machine-shop equipment, and it has been estimated that an amount of \$15,500 in addition to the \$200,000 will be needed to operate the old building, plus the new wing, and take care of these things of which I have just spoken.

In view of what I have said, I move that the amount stated in the bill, \$200,000, on page 26, line 17, be increased to \$215,500.

Mr. HALE. Mr. President, as I understand it, next year the Senator is to have control, under the Committee on Rules, of the Senate Office Building.

Mr. COPELAND. Temporarily, at least.

Mr. HALE. I have every confidence in the Senator, and I believe that he will administer the building wisely. In view of the fact that we are trying to economize in every way possible, and are hoping the Senator can make some further economy in the operation of the building, can he not get along with the amount we have already provided in the bill?

Mr. COPELAND. I hope I can, but when I talk with the men who have operated the building, and they put before me figures which I have gone over repeatedly, I am forced to believe that the sum fixed is too low. Had I been in the meeting of the subcommittee when the bill was written up I should have made the same effort I am making here. I think the amount recommended is not sufficient.

I pledge to the Senate, as I have to my leader on this side, that, while I have the power to be reposed in me temporarily, I shall do all I can to economize. But it is unwise to ask an impossibility, and I think it is not unreasonable at all to ask that this sum be fixed as I have suggested.

Mr. ROBINSON of Arkansas. Mr. President, I believe the chairman of the committee should accept this amendment and let it go to conference.

Mr. HALE. Mr. President, it is the Senators on the other side of the aisle who will have charge, and if they believe

it is necessary, I will accept the amendment and take it to

The PRESIDING OFFICER. The question is on agreeing to the amendment proposed by the Senator from New York. The amendment was agreed to.

Mr. COPELAND. Mr. President, one more thing. I should like to have added to the amendment which has just been adopted the words "and \$1,000 shall be immediately available."

The purpose in asking for \$1,000 is to enable the superintendent of the building to have the doors cut in the old part of the building, so as to change the suites into 3-room

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. HAYDEN. Mr. President, I ask that my amendment be laid before the Senate.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. The Senator from Arizona [Mr. HAY-DEN] iffers the following amendment:

Page 2, strike out lines 14 to 25, inclusive, and lines 1 to 16,

rage 2, state out the 12 to 25, inclusive, and these 1 to 15, inclusive, page 3, and insert:

"Salaries: Secretary of the Senate, including compensation as disbursing officer of salaries of Senators and of contingent fund of the Senate, \$8,000; chief clerk, who shall perform the duties of reading clerk, \$5,500 and \$1,000 additional so long as the position of the senate includes the position of the senate includes the senat of reading clerk, \$5,000 and \$1,000 and is held by the present incumbent; financial clerk, \$5,000 and \$1,000 additional so long as the position is held by the present incumbent; assistant financial clerk, \$4,200; minute and Journal \$1,000 additional so long as the position is held by the present incumbent; assistant financial clerk, \$4,200; minute and Journal clerk, \$4,500 and \$1,000 additional so long as the position is held by the present incumbent; principal clerk, \$3,600; legislative clerk, enrolling clerk, and printing clerk, at \$3,540 each; chief book-keeper, \$3,600; librarian, \$3,360; executive clerk, and assistant Journal clerk, at \$3,120 each; first assistant librarian, and keeper of stationery, at \$3,120 each; assistant librarian, and assistant keeper of stationery, at \$2,400 each; clerks—1, at \$2,880 and \$300 additional so long as the position is held by the present incumbent, 3 at \$2,880 each, 2 at \$2,640 each, 1 at \$2,400. 4 at \$2,040 each, 2 at \$1,740 each; messenger in library, \$1,380; special officer, \$2,460; assistant in library, \$1,740; laborers—1 at \$1,620, 5 at \$1,380 each, one in secretary's office, at \$1,680; in all, not to exceed \$106,060.

"DOCUMENT ROOM

"Salaries: Superintendent, \$3,960; first assistant, \$3,360; second assistant, \$2,400; four assistants, at \$1,860 each; skilled laborer, \$1,380; in all, not to exceed \$16,995."

Page 4, line 2, strike out "\$2,580" and insert "\$2,880."

Page 4, line 4, strike out "\$1,800" and insert "\$1,500."

Page 7, strike out lines 16 to 25, inclusive, all of page 8, and

Page 4, line 4, strike out "\$1,800" and insert "\$1,500."
Page 7, strike out lines 16 to 25, inclusive, all of page 8, and lines 1 to 4, inclusive, page 9, and insert:

"Salaries: Sergeant at Arms and Doorkeeper, \$8,000; 2 secretaries (1 for the majority and 1 for the minority), at \$5,400 each; 2 assistant secretaries (1 for the majority and 1 for the minority), at \$4,320 each; Deputy Sergeant at Arms and store-keeper, \$4,440; clerks—1, \$2,640, 3 at \$1,800 each; messengers—3 (acting as assistant doorkeepers, including 1 for the minority), at \$2,400 each, 30 (including 2 for minority), at \$1,740 each, 4, at \$1,620 each, 1 at card door, \$2,400, and \$480 additional so long as the position is held by the present incumbent; 2 special messengers, at \$1,800 each; clerk on journal work for Concressional Record, to be selected by the official reporters, \$3,360; upholsterer and locksmith, \$2,400; cabinetmaker, \$2,040; 3 carpenters, at \$2,040 each; janitor, \$2,040; 6 skilled laborers, at \$1,680 each; laborer in charge of private passage, \$1,680; 3 female attendants in charge of ladies' retiring rooms, at \$1,500 each; attendants to women's toilet rooms, Senate Office Building, at \$1,500 each; telephone operators—chief, \$2,460, 11, at \$1,560 each; laborer in charge of Senate toilet rooms in old library space, \$1,200; press gallery—superintendent, \$3,660; assistant superintendent, \$2,520; messengers for service to press correspondents—1, \$1,740, 1, \$1,440; laborers—3, at \$1,320 each; 25, at \$1,260 each; special employees—6, at \$1,000 each; 21 pages for the Senate Chamber, at the rate of \$4 per day each, during the sessions, \$13,937; in all, not to exceed \$216,691.

"Police force for Senate Office Building under the Sergeant at Arms: Special officer, \$1,740; 16 privates, at \$1,620 each; in all, not

"Police force for Senate Office Building under the Sergeant at Arms: Special officer, \$1,740; 16 privates, at \$1,620 each; in all, not

to exceed \$25,355.

" POST OFFICE

"Salaries: Postmaster, \$3,060; assistant postmaster, \$2,880; chief clerk, \$2,460; wagon master, \$2,040; 20 mail carriers, at \$1,620 each; in all, not to exceed \$39,270.

"FOLDING ROOM

"Salaries: Foreman, \$2,460; assistant, \$2,160; clerk, \$1,740; folders—chief, \$2,040, 14 at \$1,440 each; in all, not to exceed

\$26,180.
"The provisions of the legislative pay act of 1929 are hereby amended so as to correspond with the changes made by this act

in the designations and rates of salary of certain positions under the Senate. The March 16, 1933." This paragraph shall be effective from and after

Mr. HAYDEN. Mr. President, I was directed by the minority leader, the senior Senator from Arkansas [Mr. Robinson], to examine into the various positions in the offices of the Secretary of the Senate and of the Sergeant at Arms, to see whether it was possible to bring about some retrenchment in expenditures. I am glad to say that the savings proposed in the amendment I have offered are greater than was expected.

I had pay rolls made up showing not only the positions but where the persons holding the positions actually worked. To illustrate the way in which certain savings will be brought about if the amendment is agreed to, I might begin by pointing out the situation with respect to messengers on the pay roll of the Senate.

Messengers act as doorkeepers. There are nine openings to the Senate gallery. Two messengers are required at each opening, so that the services of 18 men are required. There are 5 openings to the Senate Chamber; there are 2 messengers at each door, which means 10 more. There are messengers stationed at the foot of the two private stairways. That makes a total of 30.

There are 38 messengers on the Senate pay roll. Each of them is now paid a basic salary of \$2,040 a year. Persons on the House pay roll acting as messengers, performing the same identical service as those in the Senate, receive salaries of \$1,740 per annum.

My amendment proposes to do away with 8 messengers' positions and to reduce the salaries of the 30 remaining upon the pay roll so that their salaries will be exactly the same as that received by messengers for the House of Representatives.

In the case of the Senate post office, I found a different situation. Under existing law there are 7 postal employees. called mail carriers. There are actually 21 employees in the post office, and that number is required, because they work four shifts to handle a very large quantity of mail, beginning at 3 o'clock in the morning, through the day, and into the night. I found salaries there varying from \$2,040 to \$1,250. By equalizing the salaries so that there should be equal work for equal pay, and providing for an adequate force in the office, there is still a saving of over

In the case of the Senate document room, it is possible by a rearrangement of salaries to make a saving and to pay the employees at the same rate paid to employees in the document room of the House of Representatives.

Mr. President, these illustrations demonstrate the method which is followed generally in the amendment, with the result that there will be a net saving in the office of the Secretary of the Senate of \$16,080 per annum, and in the office of the Sergeant at Arms of \$17,520 per annum, or a total annual saving of \$33,600, still providing an adequate force of attaches for the Senate.

One provision of the amendment is that these changes in compensation shall take place upon the 15th of March next. By so providing there will be an additional saving of \$9,800 between the 15th of March and the end of the fiscal year on the 30th of June, or a total saving in the next 151/2 months of \$43,400.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Arizona.

The amendment was agreed to.

Mr. NYE. Mr. President, on page 30, line 24, in the paragraph dealing with the legislative reference service, I move to amend by increasing the amount, so as to read "\$68.365."

The PRESIDING OFFICER. The clerk will state the amendment.

The CHIEF CLERK. On page 30, line 24, the Senator from North Dakota proposes to strike out "\$61,875" and to insert in lieu thereof "\$68,365," so as to read:

LEGISLATIVE REFERENCE SERVICE

To enable the Librarian of Congress to employ competent persons to gather, classify, and make available, in translations, in-

dexes, digests, compilations, and bulletins, and otherwise, data for or bearing upon legislation, and to render such data serviceable to Congress and committees and Members thereof, including not to exceed \$5,700 for employees engaged on piecework and work by the day or hour at rates to be fixed by the Librarian, \$68,365.

Mr. NYE. Mr. President, this matter was given some consideration in the committee, yet there was a feeling at the time that the increase was one not being sought by the Librarian, and that no encouragement had been given by the library people themselves looking to such an increase.

Mr. President, when it developed that there was a seeming resignation to the figure which had been written into the bill, I wrote to the Librarian asking him briefly what the effect of this continued cut would be, and won from him, under date of February 16, the following response:

LIERARY OF CONGRESS,

Washington, February 16, 1933.

My Dear Senator Nye: I have your note of this morning asking the effect of the cut of \$6,490 (made for this year, and con-

ing the effect of the cut of \$6,490 (made for this year, and continued in the pending legislative bill) in the appropriation for our legislative reference service.

All of the appropriation is for personnel. The effect, therefore, will be to reduce this during the final quarter of this year and for the year beginning July 1. The impending extra session renders this peculiarly unfortunate; but it is also unfortunate on principle, the staff at its normal being a small one and carefully halanced.

The service is to Congress itself. It is greatly valued by certain committees and by numerous Members—and is actively drawn upon by a majority of the latter in each House. The recent demands made upon it have been overwhelming; for at no time has there been such anxious study of the principles expounded, and the experience recorded, in books.

The service constitutes apparatus—a tool for the use of Congress itself. It is a pity to impair that tool when its efficiency is of such immediate consequence.

Faithfully yours,

HERBERT PUTNAM, Librarian.

Note.—The volume and range of the demands are indicated by the list of recent inquiries of which I inclose a copy. Many of them required elaborate research by people with special training in history, law, economics, and foreign languages, and familiar with our collections and our bibliographic apparatus. Such people, if dropped, can not be summarily replaced.

I can see, as all Members of the Senate see, the need for a reduction in the general expenditures from the high figures to which the appropriations have mounted during the last half dozen years; but I should like to call attention to the fact that in the case of the reference service there has been no such increase during recent years as has been the case with other departments of the Government. In 1925 the Legislative Reference Service was afforded an appropriation of \$56,000, which has increased up to the present time to \$61,875. At one time it was \$67,500.

In view of the splendid service Members of Congress and the committees of Congress are receiving from that service. I hope most earnestly that the chairman of the committee may take the amendment which I have proposed and seek to accomplish that improved service or continued service so much to be desired.

Mr. HALE. Mr. President, did not the Senator, in reading the letter, read some language to the effect that this appropriation was to be used for the coming special session of Congress?

Mr. NYE. Yes.

Mr. HALE. Of course, the appropriation in the bill is for the next fiscal year, beginning July 1.

Mr. NYE. I understand; but the plans for this year have been largely built on the understanding of what they were going to have to get along without in another year, and a six weeks' furlough is in prospect right at the time when the new Congress will be convening in special session, if I may call that to the attention of the Senator.

Mr. HALE. Was there not something said at the hearings before the Appropriations Committee about several employees who would be taken care of by this item who were doing work with another department?

Mr. NYE. Yes, there was a reference to the possible transfer from the index to State legislation service, but I have been studying the Budget figures and have found that the estimates were providing to cover that item a rather limited amount:

Legislative reference: Increase incident to the transfer of certain positions upon the completion of index to Federal statute, \$1,740.

That has not been increased by either House.

Mr. HALE. So far as I am concerned, I have no objection to taking the matter to conference, but I am quite sure the House will not accept it.

Mr. NYE. As long as the chairman has indicated a willingness to take it to conference, I ask unanimous consent to have printed in the RECORD a memorandum which has been prepared covering the entire subject.

The PRESIDING OFFICER. Without objection, it is so ordered.

The memorandum is as follows:

1. The appropriation of \$61,875 for the Legislative Reference Service in the pending legislative appropriation bill presumably represents the same amount as was appropriated for the year ending June 30, 1933 (the present fiscal year), less 8½ per cent deducted from the original amount itself rather than through a subsequent impounding process now in operation under

subsequent impounding process now in operation under the economy program.

2. The appropriation of \$67,500 provided for the present fiscal year is short approximately \$7,500 of the appropriation for the previous fiscal year, although there have been materially increased demands upon the service by Members of the House and Senate and a correspondingly necessary increase in the personnel.

3. The shortage of \$7,500 in the appropriation for the current fiscal year is due to a misapprehension and error arising in the Senate at the time of the passage of the legislative appropriation bill as to the manner of applying the proposed \$½ per cent reduction under the economy program, for, after deducting approximately 12 per cent in the bill as reported from the Senate, the later adoption of the legislative furlough caused an additional curtailment of \$½ per cent, as contemplated under the principles of the economy program.

4. The result of the foregoing legislative activity has been to

4. The result of the foregoing legislative activity has been to reduce the appropriation for the Legislative Reference Service during the current fiscal year by a net sum of approximately \$15,000, or 20 per cent, a part of which, $8\frac{1}{3}$ per cent, is covered by the legislative furlough applying to all departments of the Government, the remainder must be made up by an administrative furlough of six weeks for the entire staff of the service.

5. This administrative furlough of six weeks to be imposed upon the entire personnel of 35 members of the Legislative Reference Service should be contrasted with the fact that although the Legislative Reference Service is a direct service of the Congress, the work of which is exclusively for the benefit of Congress, the library proper, comprising a personnel of approximately 800 members, is operating under an actually increased appropriation during the present fiscal year.

tion during the present fiscal year.

6. So that, while 800 members of the library personnel will not be required to take an administrative furlough, and although many members of the personnel of the library proper were given increased salaries through reallocations, the entire personnel of the Legislative Reference Service—only 35 in all—will be compelled to take an administrative furlough of six weeks. This despite the fact that all are employed in the Library of Congress and directly under the Librarian of Congress. Why should the Legislative Reference Service be singled out for a reduction?

7. Since the legislative reference service functions exclusively for the Members of the Congress, and directly upon the demands

for the Members of the Congress, and directly upon the demands of the Members of Congress, and since these demands have been so numerous and so urgent, it has so far been impracticable to put the administrative furlough into operation. Unless Congress makes immediate provision for the exigency it will be necessary to shut the entire service down temporarily for a period sufficiently long to take care of the administrative furlough.

It is imperative to observe that although the work of the

8. It is imperative to observe that although the work of the legislative reference service is exclusively for the Congress, and although it responds exclusively to the demands of the Congress, the Library of Congress proper has many departments, such as, rare book, aeronautics, fine arts, music, orientalia, Semitic literature, and Smithsonian divisions; a European representative, consultants in church history, Chinese history, culture, paleography, classical literature, Spanish literature, etc. These divisions of the Library proper have so many ramifications that they can not properly be regarded as of particular service to Congress.

9. If the appropriation for the legislative reference service contemplated in the pending bill prevails it will be necessary for the service to impose during the next ensuing year administrative furloughs for as long a period as for the present fiscal year, plus such additional furlough as will become imperative through the resumption by the service of such salaries as are at present being provided for by special appropriations to cover the cost of preparing the index to the Federal statutes for printing. The salaries for the personnel engaged in this duty will thus increase the burden upon the legislative reference service unless outright dismissals are provided for. dismissals are provided for.

10. Thus, the question before Congress is: Does Congress desire to lose the benefit and services rendered by the legislative reference service by the failure to provide the small sum of \$15,000, without which the service must be temporarily suspended? Congress has provided generously for the Library of Congress proper,

although, as indicated, the Library may no longer be regarded |

as exclusively of service to Congress.

11. No other Federal agency is comparable with the legislative reference service. No other Federal agency renders such service, nor is equipped to render such service as is rendered by the legislative reference service. The legislative reference service is a fact-finding research service to the Congress itself. It is exclusively the agency of the Congress.

12. On February 10, of this year, Senator Fess, of Ohio, in addressing the Senate upon the subject of the Library of Congress emphasized the fact that the legislative reference service receives emphasized the fact that the legislative reference service receives only the small sum of \$75,000, yet renders valuable service to the Congress. As Senator Fess manifestly regarded the small sum as hardly adequate to the needs of the service it is manifest that he would be shocked to learn that even the small sum is at present reduced \$15,000, and that no greater sum than \$61,875 is contemplated for the next ensuing fiscal year.

13. If the appropriation for the legislative reference service for

the next ensuing fiscal year be retained at the low sum proposed in the pending bill, one of two alternative courses will become imperative:

(1) An administrative furlough of two months or longer, despite the provision in the present economy act that furloughs shall not be in excess of 60 days, or,

(2) The absolute dismissal of at least five members of a staff

having a total personnel of only 35 in all.

having a total personnel of only 35 in all.

14. The work of the legislative reference service should be carefully distinguished from the work of the Library of Congress proper. The function of the legislative reference service is exclusive service to the Congress based upon the requirements of Congress in connection with every problem. The functions of the Library of Congress, on the contrary, are anything but an exclusive service to the Congress. The Library of Congress has long since assumed the characteristics and functions of a national university; its activities are widely diversified, and its ramifications are extensive. tions are extensive.

15. The legislative reference service should not be lost sight of in the vastly ramified operations, functions, and activities of the in the vastly ramified operations, functions, and activities of the Library of Congress. It is the legislative reference service which informs Congress with respect to problems concerning legislation. The legislative reference service should not be made to suffer a reduction in a small appropriation of only \$61,875, nor a reduction in a small personnel of only 35, when the appropriation for the Library of Congress has been increased in amount and its personnel of 800 will not be compelled to suffer any reduction

except that of the legislative furlough.

Mr. BYRNES. Mr. President, unfortunately we can not hear the discussion between the Senator from North Dakota and the Senator from Maine, who is in charge of the bill. We would like to know to what the amendment refers. If the Senator from Maine is going to accept the amendment I would like to know what it is.

Mr. HALE. We have already had the amendment before us.

Mr. BYRNES. I ask that it may be read again.

The PRESIDING OFFICER. The amendment will be read for the information of the Senate.

The CHIEF CLERK. On page 30, line 24, the Senator from North Dakota proposes to strike out "\$61,875" and insert in lieu thereof "\$68,365."

Mr. NYE. Was the Senator absent from the Chamber when the letter from the librarian was being read?

Mr. BYRNES. I did not hear it read. If it has been read, I certainly did not hear it. Is this the amendment urged in the committee to compensate certain employees who have not been engaged in this work but whom we now propose should be returned to the work?

Mr. NYE. No. As nearly as can be gained from the estimates that were prepared by the Bureau of the Budget. the employees in that service dealing with the indexing of State legislation are not cared for under the amendment.

What is the explanation for the increase Mr. BYRNES. in the amount?

Mr. NYE. To provide for a continuation of the reference library in keeping with the service that we have been receiving from it in times past.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from North Dakota.

The amendment was agreed to.

Mr. REED. Mr. President, on page 33, line 14, I move to strike out "\$30,000" and insert "\$50,000." This is the amount of the Budget estimate for the law library in the Library of Congress. As Senators know, that library is one which we ourselves use, which is used by the Members of the House, and which is used by the Supreme Court as well. The amount ought to be \$75,000, and that has been strenu-

ously urged by the American Bar Association and by other groups of lawyers, the Federal Bar Association, and the American Patent Law Association. Some of the justices of the Supreme Court have urged that we make the amount much higher. The Budget estimate, however, was held down to \$50,000; but for some reason not explained the committee cut it down further \$20,000. That is only about onehalf of what is required to keep up a law library in a firstclass university.

Our law library is notably deficient in many respects. About \$400,000 would be required to purchase books that are obviously needed to round out the library. Of course, in these times we could not dream of asking for an appropriation so large, but it certainly is reasonable to ask the Congress to comply with the Budget estimate, which I find on page 15 of the Budget message of this year, and to give the \$50,000 which is urgently needed.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Pennsylvania.

The amendment was agreed to.

Mr. FESS. Mr. President, I desire to ask the chairman of the committee whether provision for the annex to the Library was discussed in the committee.

Mr. HALE. Mr. President, it was discussed in the committee at length, and, while we thought there was a great deal of merit in it, the general policy was not to go ahead with the building program at the present time. The committee decided we could get along without it at any rate for another year.

Mr. FESS. Mr. President, about five years ago we authorized the purchase of land for what we call the Annex to the Library, and also we authorized an addition to the present building. The authorization had no opposition in the Senate at all. While we authorized appropriations at that time, yet the appropriations have never been made. The authorizations amounted to about \$6.500,000. We authorized, also, the appropriation necessary to buy the land, and that appropriation was made and the land was bought. Three years ago the authorization was made to proceed with the construction of the addition. We are now completing the addition to the present building, and it evidently will be completed in the next year. The appropriation is made in this bill of about \$325,000 to complete the addition.

I think there was a general misunderstanding as to what the addition is to be. It is to have on one floor the bibliographic work, which will be the finest in the world when completed. On another floor is to be exchange work, the mailing, and so on, in which millions of items will be dealt with each year. On one of the floors is the union catalogue. I think the committee did a fine thing in making provision to complete that work.

But I notice the committee have omitted entirely the provision for even the beginning of the construction of the annex. That is a part of the original authorization. had hoped we might have about \$1,675,000 to go on with it. I find that there is so much opposition to it because of the economy program that it was suggested that we might have an appropriation of \$422,000 to begin the construction of it—the excavation, and so on.

Mr. HALE. Mr. President-

The PRESIDING OFFICER. Does the Senator from Ohio yield to the Senator from Maine?

Mr. FESS. I yield.

Mr. HALE. The Senator realizes, of course, that with the appropriation of \$400,000 to \$500,000 at the present time, next year we will be called upon to go ahead and complete the project. It seems to me in these times we ought to do as little as possible of that work.

Mr. FESS. The project is already begun.
Mr. HALE. It is only begun to the extent that we have bought the site. We have not begun the building.

Mr. FESS. We have the addition feature of it in process that will be completed next year.

Mr. HALE. But the annex has not been touched. Mr. FESS. The annex and the addition are one project. We have never separated the two. In the original authorization they were considered as one project. They are to be connected by a tunnel. We are just building one end of it and not the other.

Mr. HALE. But they are not actually in the same building. They may be connected by a tunnel.

Mr. FESS. It is the same building. It is not connected physically above ground.

Mr. HALE. It will do no harm to the addition if the annex is not started this year.

Mr. FESS. Mr. President, I had not expected to have that sort of statement made. Here is the project started. One part of it will be completed next year, and the other part of it is not even allowed to be begun. My concern is to have the authorization go on and at least begin the other end of the project, one end of which will be completed this year. I had hoped that the economy urge would not be sufficient that we would stop the construction of the Library project. We do not stop the construction of the other buildings. We are going on with them and that is proper. I had hoped that this unusual undertaking in connection with the Library would have the same treatment that we have given elsewhere. In order to test the committee I am going to offer an amendment.

On page 28, line 24, after the numerals "\$325,000,000" add these words:

And for the construction of the annex, \$422,000.

That makes the appropriation so we can go on with the work which we authorized three years ago, a part of which is already undertaken and will be completed this year. This is to begin the other end of the project.

Mr. BYRNES. Mr. President, I only desire to say that the committee considered the matter. We have great sympathy with the view expressed by the Senator from Ohio. The committee was of the opinion at this time, when we are pursuing a policy of economy in every other branch of the Government, that when we came to the legislative branch of the Government we should attempt to follow the same policy that we exercised as to the other departments of the Government. The matter was discussed at length and we determined that at this time, no matter how deserving or how desirable the project might be, the question was whether it is absolutely essential that it be done this year. We concluded that under the existing situation it is not an absolutely essential project at this time and could well wait until the next fiscal year. That was the motive actuating the committee in not making the appropriation, and I hope it will prevail here.

The VICE PRESIDENT. The question is on the amendment of the Senator from Ohio.

The amendment was rejected.

The VICE PRESIDENT. The bill is open to further amendment. If there be no further amendments the question is, Shall the amendments be engrossed and the bill be read a third time?

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

AMENDMENT OF BANKRUPTCY ACT

The Senate resumed the consideration of the bill (H. R. 14359) to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, and acts amendatory thereof and supplementary thereto.

Mr. HASTINGS. Mr. President, the bill contains two sections, with the two sections that were stricken out by the committee as the bill came from the House.

Mr. ROBINSON of Arkansas. Mr. President, would the Senator from Delaware like to have a quorum present?

Mr. HASTINGS. I was about to make an inquiry. It has been suggested to me that all of the Senators are very much interested in the bankruptcy bill; that it is quite late in the day, and the chances are that many of the Senators would prefer to finish their mail and do other work in their offices, and that it might be better to wait until to-morrow morning before I undertake to explain the provisions of the bill.

Mr. ROBINSON of Arkansas. Mr. President, I think if the bill goes over until to-morrow we ought to meet not later than 11 o'clock a.m. How does the Senator from Delaware feel about that?

Mr. HASTINGS. That is perfectly satisfactory to me.

Mr. FESS. I suggest to the Senator from Arkansas that he make that motion.

RECESS

Mr. ROBINSON of Arkansas. Very well, Mr. President. I move that the Senate take a recess until 11 o'clock to-morrow morning.

The motion was agreed to; and (at 4 o'clock and 15 minutes p. m.) the Senate took a recess until to-morrow, Friday, February 24, 1933, at 11 o'clock a. m.

NOMINATION

Executive nomination received by the Senate February 23 (legislative day of February 21), 1933

UNITED STATES CIRCUIT JUDGE

Seth W. Richardson, of North Dakota, to be United States circuit judge, eighth circuit, to succeed Arba S. Van Valkenburgh, retired.

HOUSE OF REPRESENTATIVES

THURSDAY, FEBRUARY 23, 1933

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

We approach Thee again, our Father in heaven and our Father on earth. Thy protecting arm has been about us, and we thank Thee. To-day, if trials come, if temptation meets us, let them not stain our souls by gaining mastery over us. Create within us a noble passion to serve Thee and a fine idealism of life. Through the span of this day, that reaches from dawn to dark, may it not be broken by harsh discords. O lead us in that pathway that brings gladness at the first and glory at the last. O God of love and God of mercy, bless abundantly the loves of our hearts and the centers of our homes. In the name of our Savior.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Craven, its principal clerk, announced that the Senate had passed a bill and joint resolution of the following titles, in which the concurrence of the House is requested:

S. 5408. An act relating to the revolving fund established by the joint resolution of December 21, 1928, for the relief of Puerto Rico; and

S. J. Res. 183. Joint resolution to amend a joint resolution entitled "Joint resolution for the relief of Puerto Rico, approved December 21, 1928," as amended by the second deficiency act, fiscal year 1929, approved March 4, 1929.

The message also announced that the Senate had agreed to the amendments of the House to a joint resolution of the Senate of the following title:

S. J. Res. 48. Joint resolution to authorize the acceptance on behalf of the United States of the bequest of the late William F. Edgar, of Los Angeles County, State of California, for the benefit of the museum and library connected with the office of the Surgeon General of the United States Army.

HOUR OF MEETING

Mr. RAINEY. Mr. Speaker, I ask unanimous consent to proceed for one minute.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. RAINEY. Mr. Speaker, I simply want to make the statement to the House that the condition of business is such that it will be necessary for the House to remain in session each day, in all probability, until 6 o'clock in the afternoon

during the remainder of this session. I want to ask the Members to be in their seats so as to prevent quorum calls, but, if necessary, there will be a quorum call whenever the point is made.

It will be necessary for the House to meet at 11 o'clock each morning during the remainder of this session, and I now ask unanimous consent that during the remaining days of this session, unless otherwise ordered, the hour of meeting be 11 o'clock a. m., instead of 12 o'clock noon.

Mr. SNELL. Mr. Speaker, reserving the right to object, I do not want to do anything to interfere with the regular, logical, normal procedure of the House. I know there is a great deal of business that ought to be transacted, but before I agree to this unanimous-consent request I would like to know from the gentleman from Illinois when he intends to take up the rule on the Smith cotton bill.

Mr. RAINEY. I do not know. The gentleman will have to ask somebody else. I do not know when that will come up.

Mr. SNELL. I am very deeply interested in this, because I am very much opposed to the bill.

Mr. RAINEY. I presume it will not be taken up until we get through with the Navy Department bill.

Mr. SNELL. I expect we will finsh the Navy bill to-day or to-morrow, and while eventually, I shall not object to this request, at present, I shall have to object.

Mr. BANKHEAD. Is the gentleman objecting on the theory that he does not understand what might be done with the rule with reference to the so-called cotton bill?

Mr. SNELL. That is one of the reasons.

Mr. BANKHEAD. If the gentleman will pardon me, I think I am in a position to state that there is a possibility that that rule will not be pressed.

Mr. SNELL. If the gentleman will assure me of that, I shall not object at this time.

Mr. BANKHEAD. I do not want to make any hard-and-fast statement to the gentleman, but I want to be entirely candid with the gentleman and the membership of the House. We fully realize there is considerable opposition to the proposition, and there has been a concert of action in this House for a long time between the agricultural forces, the wheat people and the cotton people and the tobacco people and the dairy people, and we are anxious to see if it may be possible to work out a continuation of this concert of action. I think I am justified in saying, after a short conference with the chairman of the Committee on Agriculture, that we would like an opportunity to feel out somewhat the sentiment of the House with reference to the cotton proposition.

Mr. SNEIL. I would like to have that done, because I am very much interested in the status of that piece of legislation, and, as I said before, I do not want to do a single thing to in any way cripple the final passage of all the important measures that should be considered at this session, and with this understanding with the gentleman from Alabama [Mr. Bankhead], I shall not object.

Mr. BLANTON. Mr. Speaker, I reserve the right to object to ask a question. Does the gentleman from Illinois know what the disposition of the other body is with regard to the passing of the supply bills? We are now finishing up the last supply bill here in the House. What is the use of our working day and night if another body is going to kill all these appropriation bills? When the Congress dies all of the unpassed appropriation bills die with it and would have to be reintroduced and reconsidered in the next Congress. I do not see any use of the House working day and night if another body is going to kill all these bills.

Mr. RAINEY. I am not advised as to that, except I think we have the right to assume that the other body will discharge its full legislative duty and will take care of these bills.

Mr. LaGUARDIA. When they start on appropriation bills they go pretty fast over there.

Mr. DYER. Will the gentleman yield?

Mr. RAINEY. Certainly.

Mr. DYER. I would like to ask the gentleman what is going to follow the naval appropriation bill.

Mr. RAINEY. There are some rules, as I understand, and some unanimous-consent requests.

Mr. DYER. I notice in the Record that in the general debate yesterday on the Navy Department appropriation bill there was very little discussion about the bill itself, but a lot of extraneous matter printed in the Record, taking up most of the day.

Mr. RAINEY. I may say there will be a deficiency appropriation bill a little later.

Mr. DYER. I think that without tiring the Members by sitting here so long, we ought at this late hour in the session to eliminate a lot of unnecessary discussion.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

LEASE OF POST-OFFICE GARAGE IN BOSTON, MASS.

Mr. HAINES. Mr. Speaker, I present a conference report on the bill (S. 88) to authorize the Postmaster General to investigate conditions of the lease of the post-office garage in Boston, Mass., and to readjust the terms thereof, for printing under the rules.

BUSY YEARS AHEAD UNDER THE PHILIPPINE INDEPENDENCE ACT

Mr. OSIAS asked and was given permission to revise and extend his remarks in the Record.

Mr. OSIAS. Mr. Speaker, under leave to extend my remarks in the Record, I insert the following address delivered by me at the inaugural program of the Filipino Club of Washington, D. C., on February 5, 1933:

I indulge in no mere formality when I say that I am twice happy to be with you this evening. I am pleased to greet the new officers of the club and to have a part in your inaugural program. It is a duty and a pleasure to be here and witness the presentation of a Filipino flag to Mr. Butler B. Hare, the author of the House bill on Philippine independence which has since become a law. I join the members of the Filipino Club in full measure in paying to a deserving public servant the honor which is his rightful due. I am glad to have been informed that in the near future when Senator Hawes will return from his trip to the Bermudas for a much needed rest, this organization will render homage to Senator Hawes and Senator Cutting, the authors of the Senate bill on independence.

OUR GRATITUDE

It is meet and proper that we should honor Mr. Hare. I feel very much at home to be here with him after the various parliamentary battles we have fought together in Congress. My countrymen may not know that before he accepted the chairmanship of the Committee on Insular Affairs, Mr. Hare made sure that serious effort would be put forth to have a Philippine independence bill pass the committee and the House of Representatives. Largely due to his disinterested labors, early hearings were held on independence before his committee, and action on the bill was expedited. Were he not present in person, I would be more inclined to speak at greater length of him and his eminent services. I shall not embarrass him by doing something which would run counter to his modesty of character.

would run counter to his modesty of character.

I desire, however, to inform my countrymen and our friends here of the sacrifices of Mrs. Hare. It was a great sacrifice on her part to permit Mr. Hare to absent himself from home so that he might pay a visit to our people in the islands; to allow him to come to Washington for conference with the Philippine delegation upon his return to this country only two or three days after reaching his home in South Carolina. Then, too—and I want my people to remember this—during the crucial days when the fate of the bill hung in the balance in the House of Representatives, Mrs. Hare was seriously ill at Saluda, S. C., and yet she consented for her husband to come to Washington to pilot the measure while she was suffering on the bed of pain. These are unrecorded human touches; they are sacrifices without a price.

Let us likewise remember in this hour of triumph Senator Cutting and Mrs. Cutting. And when I say Mrs. Cutting, I mean the Senator's beloved and inspiring mother, for he, so far has seen fit to enjoy what some refer to as "single blessedness." Senator Cutting as a coauthor of the Senate bill and his invaluable help as a member of the Senate Committee on Territories and Insular Affairs, are of peculiar significance. Being a Republican, and Senator Hawes, his coauthor, a Democrat, the Senate bill on independence is a nonpartisan bill. We might say it is a bipartisan or a truly American measure, and it is well that it should be so because the promise of independence to the Philippines is not only a Democratic promise or a Republican promise but an American promise. Our people will never fully know the extent of Senator Cutting's assistance. In order for you to know the type of man he is you should read the veto message of the

President, the letters of four department secretaries, and Senator Cutting's scholarly reply and notable defense of the bill in the Senate on January 16 and 17, 1933. His entire address was most devastating to the formidable opposition. So clear was he in the presentation of facts that, by the very force of his logic, he left little or no doubt in the minds of his colleagues as to the soundness of his position.

Of Senator Hawes it is difficult for me to hold myself in check. I have worked with him at close range. During the last three years he gave of his time, energy, money, and mentality without stint to what he has come to consider as a human cause. It would do many of the Filipino leaders good to do the reading he has done on the question and possess in their own private libraries the references dealing with the Philippines like those which he has gathered. He traveled and then wrote a most illuminating and informative book on Philippine Uncertainty and otherwise prepared himself for the great battle necessary to pilot the bill

prepared himself for the great battle necessary to pilot the bill to a harbor of safety.

He created interest among his associates. He inspired enthusiasm among the members of his secretarial staff. His secretary, Mr. Bon Geaslin, accompanied him to the Philippines, even as Mr. William Bowers went with Mr. Hare to the islands. Mrs. Hawes and her daughters in various ways rendered valuable help. Senator Hawes worked systematically and effectively. No better tribute has been paid any man in Congress than that paid Senator Hawes two days ago for his character and public career. It was an inspiration to be on the floor of the Senate when, on the 3d of February, the Senator resigned to give way to his successor, Senator Bennett Clark. Senator after Senator from both sides of the aisle rose to do him honor. of the aisle rose to do him honor.

I would like you to hear the words of Senator McNary, the acting floor leader of the Republican Party:

"Mr. President, I can not let this occasion pass without expressing my very high regard and sincere affection for Senator Hawes, who has just relinquished his seat in the Senate. I have Hawes, who has just relinquished his seat in the Senate. I have served with him on committees of the Senate and on the floor, and all his public service has been characterized by consideration for his colleagues and studious reflection upon the problems before the country and the Senate. It is with deep regret that I witness his voluntary retirement from the Senate, and when I say that his departure is a loss to this body I am sure that feeling is shared by every Republican Member of the Senate."

Listen to the touching tribute of Senator Copeland, who, more than any other, combated the Hawes-Cutting bill in the Senate:

"I wish to say to the people of the Philippine Islands that regardless of my attitude toward the Philippine bill I want every friend I have in those islands, as well as here, to know that I regard Mr. Hawes as a true friend of the Filipinos, and if I can say a single word to give assurance to those people of the loftiness of his character, I desire to do it."

Senator Bingham, chairman of the Senate Committee on Terri-

Senator Bingham, chairman of the Senate Committee on Terri-

tories and Insular Affairs, made these meaningful remarks:

"When the day comes that the people of the Philippine Islands achieve their fond hope and expectation of independence, it should be recognized by them that to no other person do they owe their independence in greater—or even equal—measure than to Senator Hawes, of Missouri. A gentleman, a scholar, a statesman, a faithful Member of this body, he leaves it with the regret of all his colleagues.

From this morning's editorial of the Washington Post, a paper which has persistently opposed the Philippine independence bill, I quote the following: "Senator Hawes has served with great distinction, and the encomiums of his colleagues have been well

That the Philippine bill was favorably acted upon by the Senate is a tribute to the personality of Senator Hawes. His voluntarily relinquishing his post before the expiration of his term to help his successor and friend is one more evidence of the nobility of

his soul.

while we pay our tribute of gratitude to these authors of the Philippine independence act, let us not forget Speaker Garner, whose daring determination was in a great measure responsible for the successful passage of the act. With him are the members of the House Committee on Insular Affairs and the 306 Representatives who voted for the independence bill on April 4, 1932. They, together with ever so many unknown soldiers, as it were, are all deserving of our undying gratitude.

I would be recreant to my duty if I did not inform my countrymen of their indebtedness to Senator Bingham, chairman of the Senate Committee on Territories and Insular Affairs. I admire him because he was ever frank in his dealings with the official representatives of the Philippines. Throughout our negotiations he was cordial and gentlemanly. Without the aid of Senator Bingham and Republicans like him, and the able assistance of men on the Democratic side like Senators Robinson, Pittman, Tydings, on the Democratic side like Senators Robinson, Pittman, Tydings, and others, it would not have been possible to push through the Philippine independence bill in the face of the formidable opposition of President Hoover and four department secretaries.

To the Seventy-second Congress and its Members, Democrats and

Republicans alike, belongs the distinction of enacting an inde-pendence measure that is unique and unparalleled. The Philip-pine independence act which we now have ought to be a new pact of friendship between the United States and the Philippine Islands.

NO PERSONALITIES-NO LONG-DISTANCE DEBATING

I have been a little saddened by criticisms which of late have become somewhat rampant.

During my entire incumbency as Resident Commissioner I have, During my entire incumbency as Resident Commissioner I have, as a matter of policy and for the sake of unity in our fight for an independence law, maintained silence in the face of criticisms from my countrymen in the United States. I have been attacked, maligned, and traduced. I kept quiet. I bared my breast to every shaft of criticism in the interest of our common objective. I am satisfied that the great cause demanded of us forbearance. It demanded a united front. Now we have an independence law at last. It is desirable that our union be maintained as we undertake the equally expecting task of reconstruction.

last. It is desirable that our union be maintained as we undertake the equally exacting task of reconstruction.

I do not object to criticisms as such. In fact, I welcome them. They are necessary in a democracy. But some of the criticisms are premature and baseless. Others have been exceedingly vitricult, indulging in personalities. Let us fight, if we must, on issues, ideas, and principles.

I was a little sorry to see in the Bulletin of the Filipino Club velled personal criticisms against Mr. Quezon. Let us not forget that he is still the Filipino leader in the constitutional scheme of things. You who are in Washington know of his labors and his patriotic services. He does not need me to defend him. The record of his career is his own defense. He is coming to the United States in the near future and I ask my countrymen and our American friends not to judge him harshly or prematurely.

In the Sunday Star of this morning (February 5, 1933) there is an article devoted to a discussion of the record of the present session of Congress. It comes from the pen of Mr. William Hard,

session of Congress. It comes from the pen of Mr. William Hard, an internationally known political analyst. In that article the following paragraph appears and I desire to read it:

"Its total record of major accomplishment to date is the approximation hill absolute magnetic production."

propriation bill already mentioned and the Philippine independence bill. The latter bill turns out to be highly displeasing to the most powerful politician in the Philippine Islands—Manuel Quezon. Mr. Quezon is jocularly accused of simply wanting complete independence (with all offices manned by 100 per cent Filipinos), plus complete free trade with the United States, plus a

pinos), plus complete free trade with the United States, plus a certain amount of protective hovering about by the United States Navy. In any case, Mr. Quezon is thought here to be strong enough in Manila to render the work of this session of this Congress on the subject of the Philippines futile."

I submit that Mr. Hard does not accurately portray the views of Mr. Quezon. In his well-known report to the Philippine Legislature on his last trip to the United States Mr. Quezon said:

"In conferences with some Senators, among them Senators King and Hawes, some Representatives, and high officials of the administration, I expressed my opinion that the Philippine problem could be solved satisfactorily through any one of these three procedures: procedures

"First. Immediate establishment of an independent government, with free trade between America and the Philippines for a period of 10 years, limiting the amount of sugar entering the United States free of duty to 1,000,000 tons, and of oil to the amount that is exported at present, and restriction of labor immigration into the United States.

migration into the United States.

"Second. Immediate establishment of an autonomous government with all the consequent powers, including that of enacting measures considered necessary to meet the responsibilities of an independent government, when independence is granted with the restrictions necessary to safeguard the rights of sovereignty of the United States in the Philippines. For a period of 10 years the trade relations between the United States and the Philippines and the labor immigration into the United States would be governed as stated in the first plan. At the end of 10 years absolute independence of the Philippines will be granted, or the Filipino people will decide through a plebiscite whether they desire to continue with this kind of government or prefer to have one that is absolutely independent. In the latter event independence shall be granted forthwith.

be granted forthwith.

"Third. If neither of these plans protecting Philippine economic interests shall be acceptable to Congress, I said that the Filipino people would, as a matter of course, accept any law granting independence even under the most burdensome conditions."

In such a report he specifically stated that the plan of immediate independence followed by 10 years of free trade was impossible. These were Mr. Quezon's exact words:

"The first plan found no acceptance in any quarter.

"Even Senator King (the American Senator who has been fighting for Philippine independence with the greatest zeal and disinterestedness) told me that the American people would never consent to the continuance of free trade between America and the Philippines in any form after independence has been granted us. This view is shared by all."

I transmitted Mr. Quezon's views to Senator Hawes opportunely when there was considerable confusion produced by dispatches from the Philippines and my letter was inserted in the Congressional Record for December 16, 1931. Senator Hawes subsequently included the entire report of Mr. Quezon in the Congressional Record for December 22, 1931, as part of his extension of remarks. sion of remarks.

It might be stated in passing that General Aguinaldo advo-

It might be stated in passing that General Aguinaldo advo-cated the scheme which, according to Mr. Quezon, "found no acceptance in any quarter." In a letter to Senator Hawes dated July 25, 1931, General Aguinaldo said: "I am convinced that the contemplated readjustment of free trade relations should come after the concession of independence. Disposed as we are to face the consequences imposed by new obligations that will arise, our country will intensify its ac-tivities in all lines of endeavor with those new obligations in

mind. Necessity is the mother of progress, and on the necessities mind. Necessity is the mother of progress, and on the necessities incident upon an independent government, the Filipino people will construct the edifice of their prosperity and national greatness. On the understanding, therefore, that the adjustment regarding free trade should not precede the concession of independence, notwithstanding opinions to the contrary, I would suggest a period of not more than 10 years within which we hope to be able to adjust the economic difficulties attendant upon separation in a way satisfactory to both peoples. Let independence come at the earliest hour, however, at the latest within the next five years, inasmuch as the continuation of the present guardianship will kill our spirit of initiative as well as the characteristic elements of our nationality." (Hawes, Philippine Uncertainty, pp. 320–321.)

guardianship will kill our spirit of initiative as well as the characteristic elements of our nationality." (Hawes, Philippine Uncertainty, pp. 320-321.)

Senator Pittman, who is going to be even more influential in the next Congress than he is in the present Congress, made very pointed comments on the scheme sponsored by Aguinaldo recently. In his able address in the Senate on January 17, 1933, he said:

"I know that every member of our committee was unselfish. Differing, as they may partially have done, with regard to the time for ultimate independence, they were unselfish in that they were looking after the interests of the Filipino people. But I hear to-day voices, coming almost silently, so low that one may hardly hear them, moving across the Pacific from another little group in the Philippine Islands, a little group of politicians, a little group who do not represent the Filipino people. They are whispering that if this legislation shall not be accepted by the Filipino people, then those who are doing the whispering will be able to obtain far better conditions for the Filipino people; that they will probably be able to obtain what Aguinaldo wanted—that is, almost immediate independence, with free trade for 10 years thereafter. That was his proposition. That, however, would not be considered fair by the people of the United States; it would not be considered fair by me, and I would vote against it." (Congressional Record, January 17, 1933, p. 1922.)

There is bound to be misunderstanding if we engage in what I call long-distance debating. I record.

ever, would not be considered fair by the people of the United States; it would not be considered fair by me, and I would vote against it." (Congressional Record, January 17, 1933, p. 1922.)

There is bound to be misunderstanding if we engage in what I call long-distance debating. I prefer debating at close range. Long-distance debating reminds me of the story I heard when I was a child during the Spanish régime. It is said that considerable trouble was caused the Spanish Government by troublesome pulahaues in the Island of Samar. The fights that occurred from time to time were reported by the Spanish officials in the Philippines to the officials in Madrid. One time the Spanish governor general reported to the government in Spain that the provincial government building in Samar was destroyed by anays. Immediately upon reading the report the Spanish Minister of the Colonies issued the following peremptory order to the Spanish governor general in Manila: "Arrest and punish all the anays." Of course, the moral is obvious to the Filipinos who know what the word means; but for the benefit of our American friends let me say that anays are white ants.

It is difficult to come to an understanding if we engage in long-distance debating. My injunction to Filipinos in the United States is this: Do not attack or condemn too readily. Do not be unduly critical of the Filipino leaders in the islands who may not hold exactly the same views as you do regarding the new act.

be unduly critical of the Filipino leaders in the islands who may not hold exactly the same views as you do regarding the new act. If I were speaking in the Philippines, I would likewise say to our countrymen there: Do not attack or condemn too readily. Do not be unduly critical of the Filipinos in the United States who may not hold exactly the same views as you do regarding the Philippine independence act. I hope that in the future I will have the opportunity to meet our countrymen in the Philippines face to face and counsel calmly with them. But to Filipinos, one and all, wherever they may be, let us never forget that we are one in blood, one in history, and that we have a common country and a common destiny.

Let us deal with one another as befit men of the same aspirations, the same interests, so that it might not be said of us in the future what our immortal Rizal once said: "It is a pity that in our slavery we should have rivalries over leadership." It would be indeed a misfortune—nay, a calamity—if we should play politics at the expense of our national liberty.

RECOMMENDATIONS TO MY COUNTRYMEN

RECOMMENDATIONS TO MY COUNTRYMEN

After making clear my disinclination to long-distance debating,

let me make a few recommendations to my countrymen:

1. Let us investigate the facts and have the same set of facts upon which to base conclusions regarding the Philippine independence act.

 Let us reason together in a fraternal spirit.
 Let us subordinate self and self-interest for the sake of a common good.

4. Let us pull and push together on the things, the important things, upon which we can agree.
5. Let us be grateful to America and merit, by what we do and

say, the faith and friendship of the America neople.

6. Let us not jeopardize the good that we have achieved for something elusive, something attractive, but which we can not get.

7. Let us boost more and knock less. Let us live to build, not

to destroy.

You have heard the wise old saying, "A bird in the hand is

(Shouted some in the audience, "Two in the bush.")
I would say, "Two hundred in the bush."

PHILIPPINE DELEGATION REPRESENTATIVE

As you know, we have had in Washington and we have now a Philippine mission. The members, with the two Resident Com-

missioners, Mr. Guevara and myself, have worked together as your official representatives in the United States. For the time being, and until we disappear from the scene, we are the consti-tutional representatives of our people in Washington in our negotutional representatives of our people in Washington in our negotiations with the Government and people of America. We are in this country at the behest of the Filipino people. We are here charged with the duty to "petition the Government and Congress of the United States for the early granting of the independence of the Philippines." We have worked to the best of our ability. We did our duty. Now, we no longer have to speak only of an independence bill. We have a Philippine independence act. I do not want to enter into a defense of the Philippine mission or the commissioners. I say the act is our best defense.

Your constitutional representatives in the United States deserve the support from Filipinos such as they would give their armies in war. We have been in a war—peaceful war, it is true, but war nevertheless.

in war. We nevertheless

nevertheless.

May I remind you that your Philippine delegation is truly representative? It is representative politically. In its membership the two parties, the majority and the minority, are represented. The concurrent resolution of the legislature provides that the members consist of the presiding officers of both houses of the legislature and the majority and minority floor leaders. They, jointly with the commissioners in Washington, compose the delegation.

The Philippine delegation is representative geographically. The

The Philippine delegation is representative geographically. The north and the south, the different regions of the islands, are repsented. Messrs. Osmeña, Roxas, and Montinola come from the south, or the Visayan region. The others come from the north. Messrs, Tirona and Guevara come from the Tagalo region. Mr. Sabido from the Bicol region, Mr. Aquino and myself from central

and northern Luzon.

The Philippine delegation, furthermore, is representative of our The Philippine delegation, furthermore, is representative of our country, viewed from its major economic interests. While all of us, of course, labored with a view to protecting the best economic interests of our people as a whole, let me say for your information that Messrs Roxas, Montinola, and Osmeña come from the sugar-producing Provinces in the Visayas and Mr. Aquino from the sugar-producing section of Luzon. The hemp section has its representation in Messrs. Sabido and Tirona. The coconut Provinces have their defender in Mr. Guevara, and the rice, corn, and tobacco recious have their representation in Messrs. Osmeña. and tobacco regions have their representation in Messrs. Osmeña, Aquino, and myself.

Aquino, and myself.

Politically, geographically, and economically, the Philippine delegation is truly representative. I can not too strongly emphasize that the major purpose which animated all of us was the independence of the Philippines.

LITERATURE ON THE PHILIPPINE LEGISLATION

My friends, I do not pose before you as one knowing absolutely everything connected with Philippine legislation. The literature on this question that has accumulated in the last few years is almost unbelievable. He would be rash who says he has read all the printed matter—let alone the unpublished material—dealing with Philippine independence these last four years.

Do you realize that this particular piece of legislation in its various drafts and the amendments thereto, if compiled, would comprise over 900 printed pages?

comprise over 900 printed pages?

Take the record of hearings. The three printed volumes of the Senate hearings for 1930, the House hearings for 1932, and the Senate hearings for 1932 contain a total of 1,783 pages. Not one of you who are listening to me has read all of the testimony. I have not only read every page but studied it—as it was my duty

I have not only read every page but studied to do so.

I have a compilation of the speeches and extensions of remarks on the Philippines in the Congressional Record for the Seventy-first and Seventy-second Congresses and they take up four large-

sized volumes.

I shall not enumerate the different articles, leaflets, reports, pamphlets, and books from the pens of various writers on the subject as they are legion. My secretaries have collected and have had bound some of my own writings and speeches on the subject during my incumbency in office with the result (a) that the duplicate copies of typewritten articles and statements total some 1,400 pages; (b) that the bound volumes of typewritten and unpublished speeches contain 1,225 pages; and (c) that the three volumes of speeches contain 1,225 pages; and (c) that the three volumes of speeches reprinted in small type include approximately 800 pages. Some 200,000 copies of these reprints made at personal expense have been distributed up to this good hour from my office. From these you may get an idea of the tremendous amount of literature on the Philippine question these last three or four years. I call such points to your attention to bring home to you the need of studying the facts bearing upon the enactment on independence which, on January 17, last, passed the Congress of the United I shall not enumerate the different articles, leaflets, reports, which, on January 17, last, passed the Congress of the United States in the face of great opposition from various sources, including four executive departments of the United States Government and the White House.

INDEPENDENCE ON A DAY CERTAIN

If you study the new law, there should be no disagreement that If you study the new law, there should be no disagreement that the Philippine independence act grants increased autonomy to the Philippine Islands and that on the 4th day of July immediately following the transition period of 10 years or the life of the Philippine Commonwealth, independence shall be ours. That is my understanding of the following section of the act:

"Sec. 10. On the 4th day of July, immediately following the expiration of a period of 10 years from the date of the inauguration of the new government under the constitution provided for in this act, the President of the United States shall by proclama-

tion withdraw and surrender all right of possession, supervision, jurisdiction, control, or sovereignty then existing and exercised by the United States in and over the Territory and people of the Philippine Islands, including all military and other reservations of the Government of the United States in the Philippines (except such land or property reserved under section 5 as may be redesignated by the President of the United States not later than two years after the date of such proclamation), and, on behalf of the United States, shall recognize the independence of the Philippine Islands as a separate and self-governing nation and acknowledge the authority and control over the same of the government instituted by the people thereof, under the constitution then in force,

My interpretation of the act is that independence comes on a day absolutely certain. That is the interpretation of Mr. Hare, the author of the House bill. That is the interpretation of Senathe author of the House bill. That is the interpretation of Senators Hawes and Cutting, the authors of the Senate bill. That is the interpretation of our friends who supported the measure.

And that is not all. It is the interpretation of the most important opponents of the independence bill. One example will suffice. President Hoover, in his veto message, says:

"Complete independence is automatically established in the eleventh year after the inauguration of the intermediate government."

Please note that the President of this country with all his con-

Please note that the President of this country, with all his constitutional advisers, states that complete independence automatistitutional advisers, states that complete independence automatically comes on a day certain, the date fixed in the law. Admitting all that need be admitted regarding the imperfections of the present act, I say if it did not contain but this single feature, the provision of making the grant of independence definite, specific, on a day certain, the independence act merits acceptance on our

PRECEDENTS OF WHAT WE HAVE ACCEPTED

When the original Philippine organic act was enacted doing away with the military rule in the islands we welcomed it.

When Congress passed a law granting us the Philippine Assembly we were happy. We did not reject it.

Our reformers and patriots in Spain, Rizal, del Pilar, Ponce, Lopez-Jaena, the Luna brothers, and others who labored for Filipino representation in the Spanish Cortes, are justly praised for it. When we were given the right to have Resident Commissioners in the United States the Filipinos took advantage of it.

When we were given the administrative concession of a Filipino

majority in the civil commission we accepted it.

When the Jones law was enacted giving us the Philippine Legislature, with the senate and the house of representatives, we did not reject the law. We accepted it and thanked America for it. We received those who were responsible for its passage when they returned to the Philippines as conquering heroes

And now that we have a Philippine independence act, as the fruition of years of struggle and sacrifice, an act giving us greater concessions than any we have had, an act which, on a day relatively early and positively certain, grants our independence, should there be any doubt as to the right course for us as a people to

In the light of precedents, in the face of the reality of facts, we can not ignore the moral of the old familiar legend: Grab all, lose all!

BE VIGILANT!

All who are familiar with Rizal and his writings remember his characterization of the youth as the splendid hope of the fatherland. I have always associated myself with that thought. To my people, to the Filipino youth, let me directly address a few words of solemn warning:

The rejection of the Philippino independent of the Philippino in the second second

The rejection of the Philippine independence act may lead to indefinite retention. In our acceptance of it, in my judgment, lies our national redemption.

I call upon my people, I call upon the Filipino youth to be alert. Do not permit this law to become the football of local politics. In the crucial and momentous months and years immediately ahead, there should be unity of thought, action, and

No man should arrogate to himself the right to make politics out of the liberty and the independence of our country.

BUSY YEARS AHEAD-NATIONAL PROGRAM

One of the objections raised in certain quarters is that the 10-year period of transition is too long. But the objection voiced in other quarters is exactly the opposite. "The period for such adjustment in this act," President Hoover in his veto message said, "is too short, too violent." There you have two distinct views, and in the enactment of a major piece of legislation there are precessarily divergent views and conflicting ideas. Myriode are, necessarily, divergent views and conflicting ideas. Myriads of interests, elements, and factors have had to be considered in the passage of this act.

On December 22, 1931, I defined the Filipino people's inde-

On December 22, 1931, I defined the Filipino people's independence stand in these terms:

"Mr. Speaker, in two minutes it is clearly impossible adequately to discuss other phases of this all-important problem, independence, but the extension of time enables me to present succinctly our independence stand. In words as plain and in language as clear as I can make it, this is the stand of my people to-day: If given the choice between a continuation of the present form of government on the one hand and immediate, absolute, and complete independence, with all the attendant consequences, on the other, the Filipino people are a unit in favor of immediate, absolute, and complete independence. To make this point more em-

phatic: If the choice is between relative prosperity without free-

phatic: If the choice is between relative prosperity without freedom on the one hand and independence with relative poverty on the other, my people would unhesitatingly choose the latter. Naturally, if they could secure immediate independence with reasonable economic adjustment they would welcome it. But let there be no mistake. The supreme concern of the Filipinos is the early grant of national independence."

Our combined forces have been in this direction. What did we get? We did not get all that we wanted, of course, but the opponents of independence have fared worse. We did get this 10-year period. Having gone through what I did and knowing what I do know, I, without hesitation, urge that we accept this act. When our people will have accepted it, when the Philippine Legislature will have favorably acted upon it, those who have been friendly to us in the United States will be pleased. Then it will not be amiss to resume negotiations for an improvement of American-Filipino relations on the basis of mutual confidence, understanding, and friendship.

American-Filipino relations on the basis of mutual confidence, understanding, and friendship.

With this Philippine independence act now an accomplished fact, let us see what problems are before us before the expiration of the 10-year period of transition.

1. We need to formulate and draft a constitution and submit it for approval by the President of the United States and the Filipino people. That will take from one and one-half to two and one-half years; let us say two years as a compromise.

2. After that, we shall have to hold an election to select new officials in accordance with the constitution. That will take some

officials in accordance with the constitution. That will take some

3. The setting up of the new government of the Philippine Commonwealth will consume some time.

4. The political reorganization and readjustment to be effected will take some time.

5. Then there is the intricate problem of financial adjustment including the restudy of our taxation and currency, the redistribution and the reallocation of funds, and a redefinition of the financial relations among the central, provincial, and municipal governments. That certainly will take some time.

6. There is also the question of economic adjustment and economic appropriate that the extended to the control of the co

nomic preparation that must be attended to. In our domestic life, we need to revitalize agriculture, give new direction to our commercial and industrial development, develop fishing and our fisheries, determine the relation between labor and capital. These and related problems will take time.

7. The problem of conservation of our natural resources takes

time.

8. There is the trade adjustment between the Philippines and

8. There is the trade adjustment between the Philippines and the United States. Section 13 of the act provides:

"Sec. 13. After the Philippine Islands have become a free and independent nation there shall be levied, collected, and paid upon all articles coming into the United States from the Philippine Islands the rates of duty which are required to be levied, collected, and paid upon like articles imported from other foreign countries: Provided, That at least one year prior to the date fixed in this act for the independence of the Philippine Islands, there shall be held a conference of representatives of the Government. shall be held a conference of representatives of the Government of the United States and the government of the Commonwealth of the Philippine Islands, such representatives to be appointed by the President of the United States and the Chief Executive of the Commonwealth of the Philippine Islands, respectively, for the purpose of formulating recommendations as to future trade relations between the Government of the United States and the relations between the Government of the United States and the independent government of the Philippine Islands, the time, place, and manner of holding such conference to be determined by the President of the United States; but nothing in this proviso shall be construed to modify or affect in any way any provision of this act relating to the procedure leading up to Philippine independence or the date upon which the Philippine Islands shall become independent." independent.

We should be getting busy preparing for the trade conference between the representatives of the Government of the United States and the government of the Philippine Commonwealth not long after the latter government is inaugurated.

9. There is the future economic adjustment that must be made in our relations with foreign countries. That surely takes some

little time.

10. The problems of the judiciary and our defense need some

time for study and adjustment.

11. In the matter of legislation we could well afford to devote about two years only to one problem, the elimination of obsolete laws from our statute books. The codification of our laws is a labor of years. Enacting new laws is an annual, not to say a labor of years. Enacting new laws is an annual, not to say a perennial task.

12. Take the question of foreign relations; that needs serious

thinking and careful study. We should be training personnel preparatory to our independent existence. That takes time.

13. The question of a unified control and systematic develop-

ment of transportation and communication surely merits serious

attention and necessitates some time.

14. The problem of hospitals, sanitation, and public welfare will demand some time.

will demand some time.

15. Then there is the great and constructive task of our educational and social reorientation. If you assign me to this work, I could easily draft a program that would take more than 10 years. I may be pardoned for tarrying a while on this phase of our national program because it is my special line. We should be projecting a well-defined program for our cultural, social, and spiritual reawakening for a period of 45 years, that is to say one generative beyond the project of transition. eration beyond the period of transition.

16. Not only these but we have the very important work of preparing for a permanent constitution which will have to be attended to before the 10-year period of transition expires.

If this broad and incomplete national program is not enough and you wish me to project still further into the future, let me say that we shall be confronted with two great problems: (1) The organization of our national life on a peace basis, and (2) the retarries of the relatividual particular descriptions of the properties of the relatividual particular descriptions.

The organization of our national life on a peace basis, and (2) the reshaping of our individual, national, and international life to insure the perpetuity of our independent republic.

We have here a most challenging program and it is by no means complete. It is a program as great if not greater, as complex if not more complex, than was ever faced by any nation on earth. Surely it is one of the greatest responsibilities ever entrusted to the stewardship of any people in the history of the

My compatriots, we have truly busy years ahead of us under the Philippine independence act. They are years of weighty responsibility and wonderful opportunity. We must not dawdle, we must not procrastinate, we must not falter in the face of this imperative and unexampled challenge.

CLARENCE R. KILLION

Mr. HILL of Alabama. Mr. Speaker, by direction of the chairman of the Committee on Military Affairs, I call up the conference report on the bill (S. 2148) for the relief of Clarence R. Killion.

The Clerk read the conference report.

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 2148) for the relief of Clarence R. Killion, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its amendment numbered 1. Amendment numbered 2: That the Senate recede from its disagreement to the amendment of the House numbered 2, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by said amendment insert the following: "back pay, compensation, benefit or allowance shall be held to have accrued prior to the passage of this act"; and the House agree to the same.

> NUMA F. MONTET, B. M. CHIPERFIELD, Managers on the part of the House. DAVID A. REED. DUNCAN U. FLETCHER. Managers on the part of the Senate.

LISTER HILL,

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 2148) for the relief of Clarence R. Killion, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

On No. 1: The House accepts the words "honorably discharged" in lieu of the words "discharged under honorable conditions," because the words "honorably discharged" have a well-defined and accepted meaning and are of common usage, denoting clearly a certain type of discharge, whereas the words "discharged under honorable conditions" are not generally used and have no well-defined

On No. 2: The House accepts the words "back pay, compensation, benefit, or allowance shall be held to have accrued prior to the passage of this act" as fully covering the intent and purpose of the House in its amendment of similar import to the bill, but with less verbiage than embodied in the House amendment.

> LISTER HILL. NUMA F. MONTET. BURNETT M. CHIPERFIELD, Managers on the part of the House.

The conference report was agreed to.

NAVAL APPROPRIATION BILL

Mr. AYRES. Mr. Speaker, I move that the House resolve

of the Union for the further consideration of the bill (H. R. 14724) making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1934, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union, with Mr. Doxey in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Under the agreement made last night, the gentleman from Kansas is recognized for 30 minutes and the gentleman from Idaho for 30 minutes.

Mr. FRENCH. Mr. Chairman, as I understand, last night we read the first item in the bill, with the understanding that a very limited number of Members who have been promised time should have that time to-day. If that is agreeable, I shall be glad to yield to two or three gentlemen this morning, and I think the gentleman from Kansas also wishes to yield to two or three Members.

Mr. AYRES. The gentleman is correct. We made that agreement last evening.

Mr. FRENCH. Mr. Chairman, I yield to the gentleman from Wisconsin [Mr. STAFFORD] 10 minutes.

Mr. STAFFORD. Mr. Chairman, I invite the serious attention of Members of this body who will be in the next Congress to a procedural change in the way of committee legislation. At a recent meeting of the Committee on Military Affairs, as a parting word, I suggested to that committee that the work of that committee could be improved by having a representation on the subcommittee on the War Department appropriation bill during the consideration of that bill in the making.

As some of you know, I have served on many committees during my 20 years of service over a period of 30 years. My first service was on the Post Office and Post Roads Committee, when that committee had the appropriation power. It was my good fortune to serve on the subcommittee that had the preparation of the Post Office appropriation bill during the first four terms that I was in the House.

Later I served on the Interstate and Foreign Commerce Committee, which did not have appropriation powers.

Afterwards I served on the Appropriations Committee, both before and after the appropriating powers were taken away from these legislative committees, and I served on the War Department subcommittee after all the appropriation powers had been merged in the Appropriations Committee.

The merging of all power of appropriation and the deprivation of authority that had formerly been vested in legislative committees-namely, the Military Affairs Committee, that framed the military appropriation bill and the Military Academy bill; the Naval Affairs Committee, in the preparation of the naval appropriation bill; the Agricultural Committee, in the preparation of the agricultural appropriation bill; the Committee on Indian Affairs, in the preparation of the Indian appropriation bill; the Committee on the Post Office and Post Roads, in the preparation of the Post Office appropriation: the Committee on Foreign Affairs. in the preparation of the diplomatic appropriation billwere all taken away in 1921, when Congress passed what is known as the Budget system.

It was then the desire to concentrate all the appropriation bills in one committee, and so the Appropriations Committee was enlarged from 22 to 35. At the time of its enlargement, members from the various legislative committees from which appropriation authority was withdrawn were drafted from those committees to the Committee on Appropriations. For instance, from the Committee on Military Affairs Mr. Dan Anthony, the ranking Republican member, was drafted for service on the Committee on Appropriations to help in the preparation specifically of the War Department appropriation bill. That same rule applied to members of other legislative committees.

I have been a student, naturally, of the budgetary system and its evolvement, and, as many Members know, I have followed the appropriation bills from the beginning of my itself into the Committee of the Whole House on the state | service 30 years ago rather scrutinizingly under the tutelage of that master legislator, James R. Mann, and there was ! no superior legislator, I believe, not only during my service but in the history of the Government, than James R. Mann.

The end of all committee work is the improvement of legislation. These legislative committees, like the Committee on Military Affairs, the Committee on Naval Affairs, and others, have suffered by reason of the appropriating powers having been taken away from them. Officers of the Army, for instance, come before the subcommittee of the Committee on Appropriations having in charge the Army appropriation bill and give testimony over a period of, say, six weeks as to the needs of the military service.

I might digress here to say that I was asked by the chairman of the Committee on Military Affairs, before my term ended, to express these views, as I have expressed them in the committee, and I wish to give the benefit of my views to the Members of Congress who are going to serve here, particularly the Democratic members, who are to have the direction and control of affairs in the next Congress. My one aim is the improvement of legislation, and that is the end of all committee work.

Mr. O'CONNOR. Mr. Chairman, will the gentleman vield?

Mr. STAFFORD. Yes. Mr. O'CONNOR. I believe the gentleman is making a really workable contribution to the conduct of the proceedings of this House, because we had the question before us this morning specifically. I believe the gentleman from Wisconsin is entitled to the attention of every Member

Mr. STAFFORD. I thank the gentleman. I had some hesitancy in taking the floor, because I did not want to be considered presumptuous as a retiring Member, but I felt it my duty to give the Membership of the House the benefit of my study and observation on this important question. When all of these powers were surrendered to the Committee on Appropriations, there was violent opposition upon the part of the members of the legislative committees, such as the Committee on Naval Affairs and others, to surrendering their appropriating powers.

What is my proposal? I would not take away the control of the determination of the Budget from the members of the Committee on Appropriations, but I would by rule authorize the chairmen of these various legislative committees, the Committee on the Post Office and Post Roads, the Committee on Naval Affairs, the Military Affairs Committee, the Agricultural Committee, to delegate the appointment of three or four members of their committee to sit with the subcommittees of the Committee on Appropriations during the preparation of these respective bills, and to partake in the framing of those bills. That would not only be of value to the members of the Committee on Appropriations, but it would also be of great benefit to the work of framing legislation.

For instance, in the consideration of these appropriation bills, from my experience, matters of legislative proposals arise. There is no liaison arrangement between the Committee on Appropriations and the various legislative committees to which I have referred. I have now served for four years, two terms, on the Committee on Military Affairs. Our attention is not called to the suggestions of the War Department which they make from time to time. Only yesterday the Committee on Military Affairs gave its attention for a whole morning to an amendment that has been incorporated in this naval appropriation bill, and if this subcommittee of the Committee on Appropriations in the preparation of the naval appropriation bill had the information we have, they would not, I dare say, and I say it with all respect, have incorporated that amendment in the bill.

I am one of those who believe that on appropriation bills there are times when legislation should be incorporated. In the old days when I was serving on the Committee on the Post Office and Post Roads there were times when our committee would bring in 10 or 20 matters of legislation relating to the department, which were exigent and which should be considered. We would go before the Committee

on Rules, and they would give us a rule making those things in order. Of course, we should not burden appropriation bills with too much legislation.

After much reflection I think no better reform could be established in this House than that which I have suggested. It would give added functioning to the Committee on the Post Office and Post Roads, on Military Affairs, on Naval Affairs, and on agriculture if you would adopt the suggestion of allowing those respective committees to have some representation on these four subcommittees so that they could take from the hearings on these appropriation bills suggestions for legislation to their full committee, and also could sit in in the framing of what is necessary in the appropriation bill.

Mr. TAYLOR of Colorado. Mr. Chairman, will the gentleman yield?

Mr. STAFFORD. Yes.

Mr. TAYLOR of Colorado. Is it not a fact that the Senate does that very thing?

Mr. STAFFORD. Yes. Without wishing to cast any reflection upon that greatest of all committees of this House, the Committee on Ways and Means, when the beer bill was under consideration-and my friend from New York [Mr. O'CONNOR] will confirm me in what I say, because he and I were following closely the beer bill during its consideration-that great committee was at a loss as to the legislative features contained in the bill, because that measure had previously been considered always by the Committee on the Judiciary. They did not know what was the purpose of the declaration that beer containing less than 23/4 per cent of alcoholic content should not be considered intoxicating. They did not have adequate legislative knowledge of the purpose of that declaratory interpretation.

Following the suggestion of the gentleman from Colorado [Mr. TAYLOR] as to the procedure in the Senate, take, for instance, the beer bill. As far as the revenue features were concerned, they were referred to the Committee on Finance to pass on those matters; and as far as the legislative feature was concerned, that was referred to the Committee on the Judiciary, and properly so. Further, in the War Department appropriation bill, the chairman of the Committee on Military Affairs of the Senate is the man who has charge of the appropriation bill in the Committee on Appropriations and through its course in the Senate.

Now, it was at the suggestion of my dearest of all good friends, the gentleman from South Carolina [Mr. McSwain], that I have taken the floor, because the gentleman wished me, before I retired to private life, to call attention to this reform, which I believe will not only be for the improving of the framing of appropriation bills, but more for the improvement and functioning of the legislative committees, that formerly had those powers. It will raise them again to some of their former pristine worth that they were deprived of when the appropriation bills were transferred to the Committee on Appropriations. Those committees are now largely passing on private bills. Let us give them some new life. New life, I believe, can be instilled into them by adopting this suggestion. [Applause.]

The CHAIRMAN. The time of the gentleman from Wisconsin [Mr. STAFFORD] has expired.

Mr. AYRES. Mr. Chairman, I yield three minutes to the gentleman from South Carolina [Mr. McSwain].

Mr. McSWAIN. Mr. Chairman, I merely rise to express my personal regret that the distinguished gentleman from Wisconsin [Mr. STAFFORD], who has had a long and varied experience in business, in practical affairs as well as legislative service, will not be a member of our committee in the next Congress, and that thus I, as chairman of the Committee on Military Affairs, will be deprived of his sustaining support in the conduct of the business of that committee. There is no politics in questions of national defense.

I want to testify to you gentlemen who may have had your clashes with "BILL STAFFORD" on the Consent Calendar, that as far as my observation of him is concerned, close and intimate as member of the same committee for four years, differing acutely as we have at times, and especially with regard to Muscle Shoals, he is a fair man. I do I ber of the legislative committee. I believe they are very large not believe he ever takes a position in opposition based on mere caprice or whim or prejudice.

If his primary impression is unfavorable to the position that you take, if you have got the facts, and if you have got the argument and will lay them before him, he will try them as impartially as a judge on the bench. If you are entitled to favorable judgment, he will usually render it to you and will reverse his primary position of opposition. Therefore, I lend greatest respect to the suggestion he offers here today. It is true that when he mentioned this suggestion in the committee I requested him to bring it to the attention of the House. He could have no selfish motives in the suggestion. I believe he is prompted here, as I believe he is always prompted, by the highest and most unselfish, patriotic considerations; and I am persuaded to believe that if this suggestion will be put into practice, it will lead to the betterment of our legislative service and thereby lead to the strengthening and development of our Federal services, especially with reference to the national defense of our country. [Applause.]

The CHAIRMAN. The time of the gentleman from South Carolina [Mr. McSwain] has expired.

Mr. FRENCH. Mr. Chairman, I yield 15 minutes to the gentleman from New York [Mr. TABER].

Mr. AYRES. Mr. Chairman, I also yield to the gentleman from New York 15 minutes.

The CHAIRMAN. The gentleman from New York [Mr. TABER] is recognized for 30 minutes.

Mr. TABER. Mr. Chairman, I am going, for a moment, to discuss the suggestion of the gentleman from Wisconsin [Mr. STAFFORD], proposed with reference to the legislative committees and the appropriation subcommittees. I am going to discuss it, because I believe that is one of the important matters that may be considered sometime.

In consideration of the Navy bill it requires the undivided attention of those who serve on it in the House for from 6 to 8 weeks. In the consideration of the Army bill it requires the undivided attention of those who serve on that committee from 8 to 10 weeks, and sometimes 11 weeks.

I want to suggest to those who have thought of this suggestion that the hearings in the Senate on such matters consume from 1 to 2 days, and sometimes 3, but 3 days would be the peak. Is it going to be possible for members of the legislative committees to sit as members of the appropriation subcommittees for 6 or 8 or 10 or 11 weeks, and give their undivided attention to those matters, and at the same time properly perform the functions they are supposed to perform on the legislative committees?

Mr. STAFFORD. Will the gentleman yield in that particular?

Mr. TABER. Yes, I yield.

Mr. STAFFORD. I can say without any fear of contradiction that as far as the Committee on Military Affairs is concerned, some of the members of that committee could serve continuously for six or eight weeks, devoting their attention to affairs arising before the War Department Subcommittee on Appropriations.

Mr. TABER. Frankly, I know of certain matters that are brought up in this bill that require a considerable amount of attention, which has not been devoted to them by the Military and Naval Affairs Committees, which perhaps they did not feel should be devoted to them, but which, in my opinion. as a result of the things which have arisen in this bill and in the Army appropriation bill, should be taken up. It is going to be necessary, in the next session of Congress, for the Military Affairs Committee and the Naval Affairs Committee to give very marked consideration to matters which will, if they are properly considered, in my opinion, result in the saving of several million dollars to the Treasury, and I believe those things should be taken up. I hope they will be taken up in the next session. I believe it will be impossible for the ranking members on the legislative committees to give the proper consideration to the appropriation bill and at the same time properly discharge the functions of a mem-

and important duties and that they require that attention.

Mr. McSWAIN. Will the gentleman yield?

Mr. TABER. I yield.

Mr. McSWAIN. Assuming the gentleman is referring to the matter which the distinguished gentleman from New York mentioned a while ago, I want the RECORD to show that the Committee on Military Affairs yesterday unanimously agreed that at the first meeting of the committee in the next session of Congress, whether extra or special, that matter would be begun and have our absolutely impartial and fair consideration.

Let me ask the gentleman one question. The gentleman recognizes, of course, that every Member of Congress has the same responsibility with regard to national defense or agriculture or anything else that a member of the Committee on Appropriations has, no doubt?

Mr. TABER. Oh, absolutely.

Mr. McSWAIN. Now, is it fair to the other Members of Congress who have the same equal responsibility to deprive them even of the hearings that have been taken at public expense, and printed at public expense, until the committee has reported the bill, the day before consideration is to be had upon that bill? Ought not those hearings, as soon as they come off the press, be made available to the Membership of the House generally, even if it be a week or two weeks or thirty days prior to the reporting of the bill itself?

Mr. TABER. I am inclined to believe that the practice of having closed hearings and not making the hearings available until the bill is ready to report has undoubtedly resulted in considerable economy.

Mr. O'CONNOR. Mr. Chairman, will the gentleman vield?

Mr. TABER. I yield.

Mr. O'CONNOR. If the gentleman does not agree as to the practicability of the view expressed by the gentleman from Wisconsin, does not the gentleman believe the view expressed yesterday before the Rules Committee and the protest made that there ought to be some liaison between the Committee on Appropriations and the legislative committees throughout the course of the hearings?

Mr. TABER. I may say to the gentleman that the naval subcommittee of the Committee on Appropriations has for years been accustomed to afford hearings to members of the legislative committee, giving them an opportunity to present their views on any matter they were interested in.

Mr. O'CONNOR. Right there, of course, that does not answer it, because unless they are advised of certain things they will not know they are coming up unless they devote their whole attention to the hearings before the Committee on Appropriations.

Mr. TABER. That, of course, is true.

Mr. MARTIN of Oregon. Mr. Chairman, will the gentleman yield?

Mr. TABER. Yes.

Mr. MARTIN of Oregon. The gentleman is stressing only the economic feature. Does not the gentleman think there is more to these bills than economy?

Mr. TABER. Certainly; there is a lot more to these bills than economy. There is effective national defense and there is ineffective national defense which can come as a result of ill-considered legislation.

Mr. MARTIN of Oregon. Who are the best judges of this efficiency?

Mr. TABER. Those who spent their time on it to the fullest.

Mr. MARTIN of Oregon. Then, those groups are the Committees on Military Affairs and Naval Affairs.

Mr. TABER. I do not know whether the gentleman is correct in saying that they spend any more time on it than the other committee. Frankly, I doubt it. I do not believe that they give near equal consideration to most of these matters.

Mr. HILL of Alabama. Mr. Chairman, will the gentleman vield?

Mr. TABER. Yes.

Mr. HILL of Alabama. Is there not legislation in this ! naval appropriation bill that does not come under the Holman rule?

Mr. TABER. Outside of the matter regarding which the committee applied to the Committee on Rules, I do not think there is a single item, with the exception of certain restrictions on the time clock and that sort of thing at the end of the bill, which is, in my opinion, out of order, and which has been thrown out in the House on points of order many times, but placed back in the bill by the Senate and finally agreed to in conference.

Mr. HILL of Alabama. There is a provision that would permit Admiral Pratt to remain on active duty.

Mr. TABER. That is not legislation. That is a change in our limitation with reference to the number on the retired list who might be permitted to be called to active duty.

Mr. HILL of Alabama. Is that a matter which can be provided for in an appropriation bill, or is not that a matter which is fixed by substantive law?

Mr. TABER. Under substantive law those on the retired list can be assigned to active duty; but, in the past, there have been limitations preventing more than a certain number paid out of the funds appropriated in a bill to be carried on the active list, and this is a change in that limitation, not legislation.

Mr. HILL of Alabama. Of course, the gentleman knows that this, perhaps, would mean the setting of a precedent. I know the Committee on Military Affairs refused to do this very thing for General Pershing who had been Commander in Chief of the American Expeditionary Forces.

Mr. TABER. That is up to the House.

Mr. HILL of Alabama. It is a very far-reaching matter if carried to its ultimate conclusion.

Mr. TABER. Under the law at the time General Pershing retired the War Department should have assigned him to active duty without any specific legislation for that particular purpose as I understand it. Now, I may be wrong, but this is my understanding.

Mr. HILL of Alabama. No; they wanted special provision made in his case.

Mr. TABER. Well, that might be.

Mr. Chairman, I have discussed the committee proposition as long as I intend to. I just wanted to project the thoughts I had on the subject and lay them before the House for its consideration.

I want to say something at this time about the general naval situation. I want to talk for just a moment about the condition of the Navy and express my idea somewhat as to what should be done about it in the years to come.

Mr. Chairman, I believe our battleships are in just as good shape as those of any other nation. I believe our cruisers are in good shape. We have 10 cruisers which were built along about 1922 to 1925 of about 7,200 tons each. We have built 8 of the 10,000-ton 8-inch-gun cruisers, and we have under construction 6, and 3 appropriated for, a total of 9.

We have more cruiser tonnage under construction than any other nation. This shows that we are catching up on the other countries and going along now where we ought to be in that direction. With this bill, if it becomes law, we will have appropriated for everything we are allowed to appropriate for in the line of combatant ships with the exception of six light cruisers that might be appropriated for. No estimates have been submitted and no pleas have been made by the Navy Department for the construction of anything of this kind. Frankly, in my opinion, I believe at least one of them ought to be provided for; and I believe the department should give its attention to providing for one of them just as soon as possible, in order that we may know the type of cruisers we want to build. When we built the 10,000ton 8-inch-gun class, we built too many in a hurry. Now, I think we ought to begin and build one with a flying-on deck, and go ahead from that point and build up this group of cruisers.

With reference to submarines, I think we ought to have

which would permit us to go with the building program within reason.

With reference to destroyers, we have now exhausted the authorization for destroyers with this bill. We need to build more.

Frankly, the fact that we have not had authorization for any more than has been provided for I do not think is a bad idea, because, until now, I do not believe the department has had in its own mind the type of destroyers that it wanted to build. I believe now they have, and we should go ahead with a reasonable authorization for national defense along that line.

I hope when the Naval Affairs Committee brings in a bill it will not bring in too large a bill, but will bring in a bill that will care for building needs for the two years next succeeding. I think that is the way to get at things—to go at them from the point of view of our actual needs, rather than from something we may need four or five years ahead. I think in that way we can have a better-ordered program.

Now, I want to talk to you a little bit about officers' pay. At the present time the minimum pay of an ensign is \$2,000. The maximum pay is \$2,200. The minimum pay of a lieutenant, junior grade, is \$3,358, with allowances; and the maximum pay runs up as high, due to constructive service, as \$4.998.

The normal pay of a lieutenant, senior grade, is \$4,158; while the maximum, under the constructive-service proposition, runs up to \$6,357.

The pay of a lieutenant commander, normal, is \$5,757. while the maximum runs up to \$7,200.

The pay of a commander, normal, is \$6,997, while the maximum runs up to \$7,200.

The pay of a captain is \$7,200, unless he happens to be at sea, and then it is something like \$6,200.

Now, it is perfectly manifest that these maximums are much too large and pay the officers much more than they ought to be paid.

I have here a chart which shows the minimum and the maximum in the grades. I do not know whether you can see it, as it is small; but it shows great big peaks running up here for each rank. It shows that among the lieutenants, junior grade, and among the lieutenants, senior grade, and the lieutenant commanders, there are great big spreads in the amount of pay, ranging from \$2,200 in the lieutenant, junior grade, up as high as \$4,900; in the lieutenant, senior grade, from \$2,500 up to \$6,300 or \$6,400; in the lieutenant commander, from \$2,900 up as high as \$7,200; and in the commander from \$4,600 up to approximately \$7,200.

This same situation exists in the Army, but in perhaps a more pronounced degree. About the only way you can save any money effectively in the Army and the Navy bills is by wiping out this inequality.

You have a situation where officers are not paid according to their rank or according to their responsibilities. On the battleship Maryland, on November 18, 1928, a particular day, a lieutenant commander in the Medical Corps received the most pay of any officer on the ship, \$7,172. A commander, who was the executive officer, received the next highest amount, \$6,997. The captain, who was in command of the ship, was the next, \$6,219. The next was a lieutenant, engineering, matériel officer, who received \$6,207. A lieutenant commander, who was the engineering officer and in charge of all the engineering work on the ship, and who was in charge of the lieutenant last named, received \$5,757, and so on all the way down the line.

Mr. McSWAIN. Will the gentleman yield for a question? Mr. TABER. Yes.

Mr. McSWAIN. Has the gentleman the facts there as to the ages of the lieutenant commander of the Medical Corps and the lieutenant commander who was the executive officer of the ship and the respective length of their services in the Navy?

Mr. TABER. I have not the ages, but I have the years of service. The lieutenant commander in the Medical Corps an authorization bill from the Committee on Naval Affairs | had 27 years of service, part of which was constructive. The commander who was the executive officer had 25 years. The captain who was commanding, and who was the third in point of pay, had 33 years of service, and the engineering matériel officer had 28 years of service, including a considerable item of constructive service.

Mr. McSWAIN. In the service of the captain was the 4-year period of his cadetship at the Naval Academy counted?

Mr. TABER. Yes; and two years more where he served as a midshipman at sea, making six years of constructive service.

Mr. McSWAIN. Perhaps, then, he had not actually had 27 years of commissioned service.

Mr. TABER. The Navy used to have a practice of delaying commissions for two years after graduation from the academy. I do not think the Army had this practice. So, frankly, the two years, in my opinion, ought to be counted toward their commissioned service.

Mr. McSWAIN. But as to the medical officer, the chances are that in addition to his general education he had four years of professional education at his own expense before he was ever commissioned, and therefore the chances are he is several years older than this captain of the Navy or this lieutenant commander of the Navy in the line.

Mr. TABER. I would be rather inclined to doubt his being older than the captain.

Mr. McSWAIN. I am speaking about the lieutenant commander of the Medical Corps.

Mr. TABER. I doubt his being older than the captain, but I would not doubt his being older than the commander.

Under this constructive service proposition, the Navy is paying out approximately \$1,600,000 more than I believe it should. The Army is paying out \$3,500,000 more than I believe it should, and, manifestly, this situation ought to be corrected.

I offered an amendment to the Army bill, which was adopted and which I believe is the best way of correcting this. Frankly, somebody else may have a better way. I think it ought to be corrected and ought to be corrected now, at a time when we need to save money, so that we can go on with the things that we need to do that really mean national defense.

Mr. MARTIN of Oregon. Will the gentleman yield?

Mr. TABER. Yes.

Mr. MARTIN of Oregon. The gentleman realizes that in 1922, when Congress took this question up, it gave it meticulous attention and adopted a system then whereby the pay of officers was primarily dependent on their years of service.

Mr. TABER. It did not base the pay upon service. It based it upon imaginary service. It is not right that the office boy should be paid more than the man who carries the load and the responsibility, and I do not think it is fair to the Government of the United States and I do not think it is fair to the morale of the Army officers who are carrying the load.

Mr. MARTIN of Oregon. You would destroy that morale. Mr. TABER. I would not; I would restore it.

Mr. MARTIN of Oregon. You would absolutely destroy it.
Mr. TABER. The gentleman is mistaken on that subject. I believe it would do more than anything else to put morale into the Army. I do not think you can pay the office boy more than the man who is the boss, carrying the real responsibility, and not have destruction of your morale.

I do not think there is any dispute about this, and I hope the conferees on the Army bill will be able to work out this situation. I hope that the amendment will be adopted and we can save some money that can be used for the necessary things for national defense.

Mr. HOUSTON of Hawaii. Will the gentleman yield?

Mr. TABER. Yes.

Mr. HOUSTON of Hawaii. The only time the amendment known as the Taber amendment received any hearing was in the War Department Appropriations Committee of the Senate, and there the Chief of Staff of the Army said the following:

My immediate purpose is to urge the elimination from the bill of two provisions, the inevitable effects of which will be so detri-

mental to our defense establishment as to overshadow completely the small amount saved.

Mr. TABER. But if the gentleman would realize the true situation, the Chief of Staff presented no reason whatever and no justification for such a proposition as paying more than ought to be paid to these officers. This is where the trouble is. They just say something which they do not seem to understand. I have had hundreds of letters from Army officers supporting my position, and these officers are out in the field doing the work and know the demoralization brought about because of this discrimination in pay. I do not believe the picture has been presented in the right way to the Congress.

Mr. GOSS. Will the gentleman yield?

Mr. TABER. I yield.

Mr. GOSS. Does the gentleman think you could have an equitable pay bill for the Army without first settling the question of promotion?

Mr. TABER. Yes; I do. I think you can stop this proposition of paying a junior officer more than you do a senior officer. That very proposition was taken up by the joint pay committee headed by Senator Reed, of Pennsylvania, consisting of Mr. French, Mr. Barbour, Mr. Crosser, Mr. Cooper of Ohio, and Mr. Oliver, and after extensive study they reported that these inequalities of pay in the ranks which enabled an officer in a lower rank to receive more pay than one in a higher rank, was wrong and that the condition ought to be corrected. Everybody who has studied it thoroughly reports that it ought to be corrected, and I hope that this Congress will correct that situation.

Mr. HOUSTON of Hawaii. Will the gentleman yield?

Mr. TABER. Certainly.

Mr. HOUSTON of Hawaii. The only time when the question was discussed was, as I have stated, and the Chief of Staff made this statement with respect to the 1922 bill.

Admittedly, many cases of individual injustice were occasioned in the equalizing process, and in the main Congress made possible an intricate and involved situation.

Mr. TABER. Those who have studied the bill realize that that is not so. There are many inequalities. I want to cite one, where a major is working under another, a senior in command, and receives \$200 over and above the other, who receives \$1,500 a year less pay. Do you suppose that protects the morale of the Army? It does not, and if we are ever going to stop it, this Congress must stop it.

Mr. GARBER. Will the gentleman yield?

Mr. TABER. Certainly.

Mr. GARBER. Has the correction been embodied in any provision of the pending bill?

Mr. TABER. It has not, it was provided for in an amendment adopted here on the floor to the Army bill.

[Here the gavel fell.]

Mr. AYRES. Mr. Chairman, I yield 10 minutes to the gentleman from Arkansas [Mr. Parks].

Mr. PARKS. Mr. Chairman and gentlemen of the committee, I listened yesterday with a great deal of interest to the remarks made by the distinguished gentleman from Texas [Mr. Blanton] with reference to the criticism of Congress by the newspapers and the magazine writers in the United States.

I do not believe there is a man in this Congress that ever dreamed we would ever come to a time when these vile, insulting statements would be spread throughout the United States by the newspaper reporters who receive the courtesy of this Congress.

I warn you there is only one purpose in it. The day they discovered there had come a change in the minds and hearts of the American people to turn the Government over to the progressive element, there was a beginning made to belittle this great Congress and Government down in the minds of the American people.

And to-day, without any reason for it, Congress is as little respected as any Congress that ever sat. The newspapers are not alone to blame for it. I have served here for 12 years and never have I lifted my voice here or elsewhere in criticism of the Members of this Congress. Without bitter-

ness this morning I rise to call attention to some things that are being said by our own colleagues. The distinguished gentleman from Missouri [Mr. Shannon], honored in his first term by his colleagues here as much as any man who ever sat in Congress, accepted an invitation to make a speech before a joint session of the Legislature of Missouri, an honor that any man ought to appreciate, an honor that ought to bring out of a man the best that is in him. What do you think he said? Listen to this:

Mr. Shannon spoke for more than an hour before a joint session of the house and senate.

He appears to have forgotten Thomas Jefferson, his patron saint.

Here is what he said according to this newspaper, the Kansas City Star, from his home city:

Relating his first experience on his arrival in Washington when the "red caps" at the station avoided him because Congressmen give only 10-cent tips, the Kansas Cityan gave this short description of Congressmen.

Oh, is not that a splendid statement for a statesman to carry back to a joint session of the legislature of his own State? But that is not all. Of course you know that is a fact that ought to be brought to the attention of the American people, that a red cap would not carry a bag if you were a Congressman! I have never had any occasion to have mine carried. I have had little enough in any that I have had so that I could wag it myself. Speaking of Congressmen, he said:

They rank with policemen-

I do not know whether he was trying to compliment a policeman or a Congressman—

They rank with policemen, most of them even below policemen; they put their relatives on the pay roll the first thing and then start running for reelection. They make a 5-minute speech in the House and then send thousands of copies of another speech, thousands of words long, to their constituents at Government expense.

The inference being, of course, that the speeches are printed at Government expense. Of course, we pay for them. Oh, I have not much time to dwell here with him, but listen to this:

Several times Shannon described Members of Congress as "tumblebugs," saying, "They tumble first one way and then another."

Did you ever hear that language used on this floor before? I have looked in the dictionary to see if, perchance, there might be some way by which you could use that term in the presence of decent people, and he was speaking to an audience of high-class people. I challenge anyone to go read the dictionary and see what a "tumblebug" is and put the definition of it in this Record.

Mr. SCHAFER. Mr. Chairman, will the gentleman yield? Mr. PARKS. Yes.

Mr. SCHAFER. Is the gentleman merely quoting from a newspaper account? Does the Democratic subleader [Mr. Shannon] admit that he made that speech?

Mr. PARKS. I did not ask him.

Mr. SCHAFER. I think we ought to find out, and not transgress the rules of the House.

Mr. PARKS. I shall take care of the rules. This is a newspaper from the home city of the gentleman sitting near me. The gentleman does not deny it. I hope he did not make the speech. Now, let me go over to the other side of the House. You talk over there about demagogues. Ah, gentlemen, in the Democratic Party there may be demagogues, but, thank God, we have not had the Ohio gang to disgrace the Democratic Party like it did your party-and you never raised your voice in protest against it-but let me get along. I have been amazed at my distinguished friend from Massachusetts, whom I have known intimately for 12 years [Mr. Underhill]. He came into this House fresh from the people, and the first thing he did was to attack Members of Congress for letting the lights burn in the daytime in their offices when they were not there, and a distinguished colleague, who is not here to-day, and who is not now on this earth, rose and gave him such a trimming that

he did not open his mouth again for six months. But let me go on and see what he said. He had not been here long in his practice of economy until they put him on a special committee to bring about economies; and, lo and behold, instead of discharging these people on patronage that he says do not amount to anything, they come back here and add more on patronage after his committee acted. What did he do? A man named Walter Brown was made the chairman of a committee, and, with the gentleman's support, Mr. Brown drew \$7,500 a year as chairman of a legislative committee when he was not in Congress, in the Harding régime. And it was over the protest of every Democrat on this side of the House, but with the support of the distinguished gentleman from Massachusetts [Mr. Underhill]. And to-day he complains of a few men around here who are on patronage-one elevator boy to a few Members of Congress-and, if you discharged every single man who is here on patronage in the entire city, the money saved would not run the Government for 15 minutes. Let us see what else he did. He complains about Congress and about the

When he came here the Democratic Party turned over to him and his party a Treasury with millions of dollars of surplus, and a land that was flowing with milk and honey. After 12 years under his leadership, we have a \$20,000,000,000 indebtedness and a \$2,000,000,000 deficit, and the whole country is broke.

Mr. SCHAFER. To keep the record straight, in 1919, under the Democratic administration, our national debt reached the staggering sum of over \$29,000,000,000.

Mr. PARKS. No; and I will tell you what the Democratic Party did. We came out of that World War. We conducted it under a Democratic administration with honor to the party and glory to the Nation, and your party appointed twenty-odd snooping committees and you did not find a dollar that we had stolen, and before your party had been in power four years, you had a Cabinet officer that you selected on the road to the penitentiary. Oh, yes; the distinguished gentleman wants to fire an elevator boy to save money, but he voted to spend millions of dollars for the Department of Commerce Building that is unnecessary. He has voted, over my protest, to tear down the Post Office Department Building, squandering thousands and thousands and hundreds of thousands of dollars of the taxpayers' money that he is now crying over. I tell you what you need to do. I will tell you what those other gentlemen ought to do. They should get down on their knees and get into closer communion with Almighty God and a sweeter fellowship with man and stop this everlasting abuse and crying out against Congress, based on nothing. Yes. There was an editorial that half the people of the United States probably read declaring not 40 Congressmen were here when an important measure carrying millions of dollars was being passed. Why do you not tell them the Committee on Appropriations from the 1st day of November up until this time has been laboring and laboring, striving to reduce the indebtedness of this Government and cut appropriations by hundreds of millions of dollars? Yet they are sending throughout this land, with newspaper sanction, to every chamber of commerce urging them to write you to cut down appropriations a billion dollars more. [Applause.]

The CHAIRMAN. The time of the gentleman from Arkansas [Mr. Parks] has expired.

Mr. AYRES. Mr. Chairman, I yield two minutes to the gentleman from Idaho [Mr. French].

Mr. FRENCH. Mr. Chairman, I yield to the gentleman from Illinois [Mr. WILLIAM E. HULL] such time as he desires. Mr. WILLIAM E. HULL. Mr. Chairman, the question of how to bring back prosperity is answered in this way: Lifting agriculture out of the depression is the first move. How can it be done? First, by making a market to sell farm products in America. Second, by producing a market for the sale of automobiles, tractors, and trucks. Third, by bringing about a greater use of gasoline as a motor fuel.

Paul Beshers, a chemist in El Paso, Ill., has conceived a plan of mixing 10 per cent alcohol with gasoline to be used in all motor fuels in the United States, and the alcohol to be distilled from the products of the American farm.

This country uses approximately 17,000,000,000 gallons of fuel oil every year; and by using 10 per cent alcohol in all of the gasoline fuel, which would mean about 1,700,000,000 gallons, or, translated in farm products, would mean 680,000,000 bushels of corn, which is about one-fourth of the corn crop of the United States.

Let me analyze this proposition to the Congress of the United States in this way: Alcohol can be made from the products of the American farm. Most of the industrial alcohol of the Nation is now made from blackstrap molasses. This blackstrap molasses is mostly imported, and therefore should not be allowed to be used in the manufacture of alcohol for fuel purposes unless it would be the blackstrap raised in these United States of America.

It is not at all necessary to make all of the alcohol of corn, or barley malt, which makes the yeast, but these products are the most available, the most easily transformed from grain to alcohol; and if the corn of the country is used in this way, it makes it possible for the other products of the farm to be used in other ways, because it takes corn off the market and leaves the other grains for feeding, food, and export uses.

How could this be brought about? By an agreement of the automobile manufacturers and the oil-producing refineries of the country with the agriculture industry.

The mode of procedure would be to get an agreement first with these three great industries of the country. If an agreement could be made with them and it was brought to the Congress of the United States, my judgment is that the Members of the Congress would agree to pass legislation that would bring about the use of at least 10 per cent of the products of the American farm in the production of 200 per cent alcohol to be mixed on a basis of 10 per cent with the gasoline to make the motor fuel of the country.

Distilleries would have to be built for this purpose. They should be built with a large capacity and in locations where alcohol could be produced at the lowest possible cost. Twenty-five thousand bushel distilleries would operate less expensively than the smaller distilleries. The locations should be where there is cheap fuel and in the heart of the corn-producing area. These distilleries could be located in different strategic points and the places where I believe the alcohol could be made the cheapest would include the following cities: Hammond, Ind.; Terre Haute, Ind.; Cincinnati, Ohio; Sioux City or Davenport, Iowa; Pekin and Peoria, Ill. I am rather bashful about mentioning Peoria because it is my home city, but, on the other hand, it was the location of the large-sized distilleries of this country before prohibition, the reason being that it is located in the central part of the corn country, has 14 railroads running into it, has coal within a proximity of 5 miles, and is now on the great inland waterway system. It has good water for distilling purposes, which is a necessity. It has cheap coal and good shipping facilities for bringing in the grain and taking out the finished product; besides, it is accustomed to this very large business and would in all probability be the leading city in the United States for the manufacture of 200 per cent alcohol to be mixed with the gasoline for motor fuel.

At this juncture I will give you some reasons why agriculture has failed, and if you will follow the trend of my remarks you can easily see the reason of agriculture's overproduction. The overproduction is caused largely by the decrease in the animals of the Nation. This was brought about by the increase in automobiles, trucks, and tractors. There has been a general decrease of animals and also a decrease in the birth rate of the Nation, and I quote as follows:

Comparing 10 years from 1920 to 1930: Decrease in birth rate from 23.7 per cent to 18.9 per cent; the number of horses on the farms decreased from 20,000,000 to 13,000,000; the number of cattle on the farms, not including cows, decreased from 47,000,000 to 35,000,000.

In these 10 years there was an increase of 17,000,000 automobiles and a decrease of 23,000,000 farm animals.

Less than one-fourth of the volume of all farm food products is consumed by people and more than three-fourths by other living things, chief of which are cattle, horses, and pigs. Thus between the years 1920 and 1930 the consumption of farm food products by the population of the United States increased in volume from 106 to 122, while the consumption of farm products by all animals, including mules and cows, but not including sheep, changed from 577 to 490. The total consumption of food products by the population and animals changed from 683 in 1920 to 612 in 1930, a decrease of about 11 per cent. In the same time our exports of crude and manufactured foodstuffs decreased (average 1920, 1921, 1922) from \$1,400,000,000 to \$680,000,000 (average 1928, 1929, 1930), a decrease of about a further 7 per cent of the total production of farm crops.

It would, therefore, seem that in spite of an increase of the population from 106,000,000 in 1920 to 122,000,000 in 1930 the total consumption in the United States and the exports of food products from the United States together declined in volume about 18 per cent in this period. Stated quite clearly, with 26,000,000 automobiles in use, and the consequent loss of farm animals, there is no market, and in the immediate years to come there is not in sight any market, for 18 per cent of all the food crops produced in the United States.

Each automobile, as nearly as can be calculated, means the death of one and one-quarter animals. Each automobile, by destroying the demand for animals which otherwise would have lived, means that $1\frac{1}{2}$ acres of American farm land no longer has a market for its products. Would it not be fair and just that each automobile should remedy the destruction it has caused and be expected to consume its allotted portion of farm products? The most perfect fuel would be 200 proof ethyl alcohol mixed with gasoline.

The United States Navy and the United States Post Office have found that gasoline, when mixed with absolute alcohol, produces a superior airplane fuel. (Quotation from Encyclopædia Britannica under Alcohol.)

If the mixture is an actual advantage as a motor fuel, then a solution of our entire agricultural problem becomes apparent. The simple requirement, that 10 per cent of all gasoline must be a vegetable product, immediately would demand the use of the products of approximately the 30,000,000 acres of farm land for which the market has been destroyed by automobiles. This would furnish a no-knock fuel at an increase in the cost of gasoline of less than 2 cents per gallon, which is about the present cost for similar fuel, and, comparatively speaking, is a small price to pay for rebalancing the chief cause of the present world depression.

In addition to this statement there is a reason why the automobile manufacturer and the gasoline producer should consider this bill, and I quote Sidney A. Swensrud, assistant to the president of the Standard Oil Co. of Ohio:

In reference to 1933 outlook for automobiles in use, effect on gasoline consumption at the end of 1933, it seems probable there will be approximately 4,850,000 cars and trucks less in use, available for gasoline consumption, than at the close of 1930, a decline of approximately 20 per cent.

able for gasoline consumption, than at the close of 1930, a decline of approximately 20 per cent.

Should we produce only the average number that was produced from 1923 through 1930, namely, 3,600,000 a year, presumably we would just keep even with the dismantlements and consequently not increase the total number of cars in use. In that case the oil industry would have to reconcile itself through the next half dozen years to a market that was approximately 20 per cent smaller than it was in 1930.

It is apparent from this statement that the gasoline producers are taking notice of the loss that they are to sustain in the nonproduction of automobiles.

There is no way to increase the production of automobiles in this country except through the improvement of agriculture. If the farmer can sell his grain at a profit so that he will be financially able to purchase automobiles, he will purchase them and then in turn will purchase gasoline.

It is quite evident that this bill, if passed by the Congress of the United States, would be of an equal benefit to the farmer and the automobile manufacturer and to the gasoline producer. These three great agencies can, if they will, combine on legislation of this character and pass it in the Congress of the United States and thus relieve agriculture of its terrible depression.

Congressman Homer Hall, of Illinois, and myself, William E. Hull, of Illinois, introduced two bills very similar. Mr. Hall's bill was H. R. 14626. My bill was H. R. 14627. These two bills were referred to the Ways and Means Committee.

We have consulted each other in the writing of these bills. We have made them different purposely so that the Ways and Means Committee would be able to develop a bill to present to the House that would meet all the requirements. I am positive that if the Members of Congress will give these bills due consideration and adopt legislation to compel the mixing of gasoline and absolute 200 proof alcohol that it will be the means of bringing the farming industry of this Nation out of its terrible indebtedness, because it will use up all the surplus grain in the country and will replace the amount of grain that would have been fed to the people and to the animals of the country and the loss of export grain by having the automobile, the truck, and the tractor use it in the form of fuel.

I present this matter to the House to-day with a suggestion that those who remain in Congress as our successors will give this legislation due consideration and pass it through the Congress of the United States. By doing this you will win a great victory for the farmers of the Nation. [Applause.]

Mr. COLE of Iowa. Will the gentleman yield?

Mr. WILLIAM E. HULL. I yield.

Mr. COLE of Iowa. The alcohol used in gasoline would have to be about 200 proof?

Mr. WILLIAM E. HULL. Two hundred proof.

Mr. COLE of Iowa. How many gallons of alcohol can be made from 1 bushel of corn?

Mr. WILLIAM E. HULL. Five proof gallons.

The CHAIRMAN. The time of the gentleman from Illinois [Mr. William E. Hull] has expired.

Mr. FRENCH. Mr. Chairman, I yield one minute to the gentleman from Tennessee [Mr. LOVETTE].

Mr. LOVETTE. Mr. Chairman, I rise at this time to call attention to a resolution which I am introducing to amend the Constitution of the United States. I will not have time to discuss this resolution, but hope at some later date to have an opportunity to do so. I ask unanimous consent to insert the resolution in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

The resolution referred to is as follows:

Resolved by the Senate and House of Representatives of the United States in Congress assembled (two-thirds of each House concurring therein), That the following article is proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as a part of the Constitution when ratified by the legislatures of three-fourths of the several States.

ARTICLE-

Section 1. The Congress shall have power to regulate the hours of labor in mines, mills, factories, and workshops engaged in the manufacture and production of goods or commodities transported or to be transported in interstate commerce.

SEC. 2. This article shall be inoperative unless it shall have been ratified as an amendment to the Constitution by three-fourths of the legislatures of the several States within seven years from the date of its submission.

Mr. LOVETTE. The Committee on Labor has taken a great deal of proof showing the conditions of unemployment in the country, and in an effort to remedy the same has reported favorably a bill limiting the hours of labor to five days per week and six hours per day in the manufacture of all goods and commodities to be shipped in interstate commerce. I understand also that a similar bill has been favorably reported in the Senate. I am of the opinion that neither of these bills will become a law in this session of Congress. I am also convinced that such legislation would be declared unconstitutional, or at least that there are such grave constitutional questions involved that the chances are largely against its constitutionality. It is urged by some that the general-welfare clause of the Constitution is suffi-

cient to warrant such legislation by Congress. I do not think so. The Supreme Court has held in a number of cases, and particularly in the child-labor case, that such legislation is in violation of the Constitution. I am, therefore, proposing this resolution as an amendment to the Constitution so that there can be no question as to the authority of Congress to enact this legislation, if it should desire to do so. We are in a great crisis; business is paralyzed everywhere; 12,000,000 people are out of employment and conditions are growing worse every day. Something must be done. Something must be done by Congress or something will be done by this vast army of unemployed which is now, in a large part, living on charity. The charity organizations of the country are becoming exhausted. They can no longer meet the demands and certainly the demands of an increasing army of unemployed. If business should be revived and production brought to the normal of ordinary prosperous times, that is, to a state sufficient to supply the normal demands in reasonably prosperous times, there would still be 6,000,000 people out of employment. It, therefore, becomes necessary to limit the hours of employment in order to distribute labor equitably among those who are competent, qualified, and willing to work. The only chance, and the only hope to secure a proper and equitable division of work is by limiting the hours. It can only be done by the Federal Government. To leave it to the States would require uniform State laws on the subject, which is impossible to obtain. The States can not, or will not, pass such laws and make them uniform. It seems that the efficiency of machinery in this machine age has brought disaster to labor. It must be controlled in some way. Even during this depression the experts tell us that the efficiency of machinery has increased 25 per cent and is still increasing. To bring about a proper readjustment of the labor situation and to protect labor against unemployment, legislation by Congress limiting the hours of work is necessary. I hope at some early date to be able to discuss this resolution more fully, and I submit it in the hope that those who are interested in this subject, and particularly the lawyers of the House, give it serious consideration.

Mr. GOSS. Mr. Chairman, I ask unanimous consent to revise and extend my remarks at this place in the Record and to include certain excerpts from the testimony of the Chief of Staff on the War Department appropriation bill.

The CHAIRMAN. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

The matter referred to is as follows:

From the very beginning it has been the unswerving purpose of our Government to maintain the American Army, including the commissioned personnel thereof, as a true product of democracy. Our forefathers fiatly refused to adopt the European practice of reserving military commissions for the sons of the wealthy and aristocratic classes. Instead they determined to fix rates of pay for officers on a basis that would permit any man possessing the necessary ability, character, and inclination to enter the military profession without regard to social or financial standing. In furtherance of this same purpose, appointments to the officer corps have long been made on the basis of competitive examination, a system that is now used by the vast majority of Senators and Representatives in designating candidates for West Point.

The result of these measures is a corps of officers constituting a representative cross section of educated Americans. Each member of that corps undergoes a progressive and thorough military train-

The result of these measures is a corps of officers constituting a representative cross section of educated Americans. Each member of that corps undergoes a progressive and thorough military training. Salutary laws require elimination of the obviously unfit. The further result of all this is that the standards of ability among commissioned personnel have been maintained at levels at least equaling those prevailing in any other of the leading professions. On a comparative basis efficiency has been remarkably high; emoluments have been disproportionately low.

Since 1861 the laws governing Army compensation have been based upon the principle of combining a current salary supporting a reasonable living standard with a retired pay to which the officer becomes entitled, either through years of continuous service or because of disability incident thereto.

There are several compelling reasons for adhering to a system of this general character. One of them is its effect in avaiding

There are several compelling reasons for adhering to a system of this general character. One of them is its effect in avoiding wasteful turnover in commissioned personnel. Without a liberal retirement feature, the officer, always on a meager salary, would be tempted to enter civil life whenever opportunity for immediate betterment presented itself. It is an obvious governmental extravagance to educate for the Army fine young men of upstanding character and good minds and then have them resign because of an utterly hopeless future.

Maximum retired pay is fixed by law at three-fourths of activeduty pay; but the actual ratio is much less than this, since upon retirement certain allowances which accrue to active officers are automatically terminated. The average pay of an officer after retirement is about 55 per cent of that he was receiving just prior

Laws governing active-duty pay have always taken full cognizance of the advantages accorded the officer by reason of his retirement privilege. Consequently pay schedules have habitually been fixed at levels below those for civil positions in which equal ability and efficiency and unimpeachable integrity are required. This differential has often been far too great.

I want to make perfectly clear my conception of the officer's position with respect to the matter of pay.

An efficient army is a priceless possession of a government, while an inefficient army is the greatest extravagance that a government can have. The Army, therefore, requires that its officers be men of the highest type. Such men can not be secured for a wage. They are not hirelings. Theirs is not a job but a career and a life work of devotion to duty.

of devotion to duty.

The officers and soldiers of an army are expected to consecrate themselves to their country, to subordinate their personalities, their rights, their privileges, and their opportunities to the good of the Nation as a whole. In time of peace officers and soldiers are at a material disadvantage. They must give up the opportunities offered them in our country for gain and for prosperity in civil life. They often live in remote places and under trying climatic conditions that affect their health and the health of their families. They sacrifice what is very dear to everyone—community interests and associations. They are often socially isolated, not from choice but because their economic condition prevents them from participating in the normal lives of civilians of the same education, character, and attainments. They bear the expenses of constantly adjusting their family possessions to the requirements of new dwelling places. They must purchase costly uniforms as well as the normal outfittings of civilian clothes. They are at a disadvantage in the education of their children by reason of frequent moves, and are not able in the majority of cases to send their children to private schools.

Every man in this country has a right to aspire to the improvement of his scale of living. It is one of the blessings of our free Government. Every man in this room has aspired to and no doubt has attained a better place in life, and Army officers are like the rest of the people. I believe that all public-spirited Americans expect the Army to be taken care of by the Government in a way that is commensurate with the importance of their mission in this great country. They expect their officers to be given, by the Government, a scale of living that will enable them to have self-respect and to be respected by their associates, and that will give the country and the people a sense of pride in them as their protectors in war and as the men who must prepare this country for war and lead it in battle.

With this backgrou of devotion to duty.

The officers and soldiers of an army are expected to consecrate

With this background of the purposes and general character of traditional pay and retirement policies I take up first for specific comment the restrictions proposed in this bill upon active duty

pay.

The current pay law was enacted in 1922, and more than any previous one is based directly upon the principle of increased pay for increased length of service. Due to the heterogeneous character of the active list at that time, Congress appreciated that a very unequal flow of promotion was to be anticipated, and that large numbers of officers were facing the certainty of many years with little or no advancement in rank. A gradually increasing renumeration was devised as a partial amelioration of the inescapable evils of this situation.

Also because of the nonhomogeneous composition of the list, attempt was made to equalize credit for services of various kinds previously performed, and initial rates of pay were fixed on this basis. This introduced no new principle into our pay system. Cadet service had been authorized as a credit toward longevity for every officer who entered the Military Academy between 1829. Cadet service had been authorized as a credit toward longevity for every officer who entered the Military Academy between 1832 and 1912. Enlisted service has been counted for the same purposes for about a hundred years. In addition, the 1922 law took cognizance of prior service in the National Guard and in the Philippine Scouts. Admittedly many cases of individual injustice were occasioned in this equalizing process, but in the main the Congress made the best of an intricate and involved situation. All officers of the pre-war Army were fully protected in previously accorded rights, while those only recently commissioned thoroughly understood the conditions specified in that legislation. Every officer has naturally believed that if Congress should ever alter the essentials of the policies then laid down or reaffirmed, it would do so only after a full consideration of all pertinent factors and in such manner as would not adversely affect the rights and privileges then proffered him. and privileges then proffered him.

and privileges then proffered him.

There is ample evidence of the meticulous care the Congress has always exercised in this regard. When the practice of counting cadet and midshipman service for longevity purposes was discontinued by law in 1912, there were definitely excluded from the provisions of that act all men then included in our military and naval services. Again, in the general revision of pay laws in 1922 it was specifically provided that no officer should draw less pay under the new act than he was then entitled to under the old.

Leaving for the moment all questions of good faith and justice involved in this proposal, it is pertinent to inquire into the material sacrifices that would be imposed thereby upon the several groups most seriously affected. I have already commented upon

the relatively low levels at which officers have always been remunerated. The general rates of pay in effect just prior to the beginning of the present economic depression were established in 1922. They represented very slight increases over the rates prevailing in 1908. When compared to the enormous salary rises experienced in other professions during the 70-year period following our Civil War, present Army pay is far behind the schedules of 1870. A few random comparisons will clearly establish the very unfavorable position of our officers with respect to the pay situation.

In 1870 a Cabinet officer received \$8,000, a Member of Congress

In 1870 a Cabinet officer received \$8,000, a Member of Congress \$5,000, and a major general \$7,500. By 1925 Cabinet pay had risen to \$15,000, or an 87 per cent increase; congressional pay to \$10,000, or a 100 per cent increase; and the pay of a major general to \$8,438, or a 12½ per cent increase.

In summarized form I present here a group analysis of increases in various governmental services covering the period 1908–1928.

Services	Payrange, 1908	Payrange, 1928	Per cent of in- crease in median of range
Cabinet Assistant Secretaries Congress Judiciary Foreign Service Civil service (clerical) Post-office inspector Civil service (mechanical) Public schools, District of Columbia Army and Navy	7, 500 6, 000-13, 000 1, 000-3, 000 720-3, 000 1, 200-3, 000 601-1, 878	\$15,000 9,000-10,000 10,000-20,000 2,500-9,000 1,260-6,000 2,800-4,500 1,327-5,333 1,400-4,400 1,1719-9,700	25 111 33 57 187 95 78 169 123

1 Maximum permanent salary with all allowances.

In the Army the average increase, counting all grades, has been approximately 11 per cent during the same period.

The teaching profession has long been known as one of the most poorly paid. Disregarding temporary reductions due to the current depression, members of this profession are paid in New York City the following annual salaries:

Superintendent of schools	\$25,000 12,500	
Examiners District superintendents and principals of high schools	11, 000 8, 000–10, 000	
Elementary-school principals	5, 500-7, 500 1, 608-4, 844	

No officer of the Army can hope to attain to the rates of pay indicated for the three highest classes of officials on this list. Only a major general can ever draw the salary of a high-school principal, the fourth classification given above, and only a senior field officer receives the average pay of the elementary-school principal, the fifth classification above. A captain of 15 years' continuous service draws a smaller salary, even when counting all allowances for dependents, than the maximum provided by New York City for a teacher in its schools. A second lieutenant stationed in the field or in a garrison, and without dependents, must serve nine years to reach a pay level of \$2,500 per year.

Comparison with foreign armies reveals an equally unfavorable

Comparison with foreign armies reveals an equally unfavorable situation in the American Military Establishment. The only other country in which standards of living approach those of the United States is Great Britain. Since that country, like ours, also uses the volunteer system in her defense forces, a brief analysis of the military pay schedules prevailing there is pertinent to this discussion cussion.

cussion.

The normal pay of the British chief of staff, at regular rates of exchange, is approximately \$25,000, compared to \$10,419 in our own Army. In the British forces are a number of generals and lieutenant generals who normally draw, when in positions of command, about \$17,500 per year. These grades are unknown in our Army in time of peace, except for the temporary rank given the Chief of Staff. A British major general commanding a division normally receives some 40 per cent more than our officers of equal rank. In lower grades the schedules are more nearly alike. The significance of this comparison lies in the fact that for every kind of position in the industrial and commercial fields American rates of pay are far in excess of the British scales. In some of the trades and professions the ratio is as high as 2 or 3 to 1. This applies also to certain civil positions of government. As an extreme example, the pay of a member of Parliament is one-fifth that of an American Congressman and is about the same as that of a lieutenant in the British Army.

By every standard of comparison it is plain that our officers

By every standard of comparison it is plain that our officers have habitually served at extremely low rates of pay.

The amendment included in the bill as it lies before you would reduce, in varying degree, the pay of those active and retired officers with less than 30 years' commissioned service in the Federal forces who have heretofore been credited by law with service of other kinds. Parenthetically I may remark that no colonel, brigadier general, or major general, or any other active officer commissioned prior to 1904, would have his pay reduced one cent under this amendment.

Senator REED. This would not affect you at all, would it?

General MacArthur. No, sir; in no respect whatsoever, nor any of the senior officers. It hits the juniors.

Two of the groups that would suffer most severely under this proviso are former National Guard officers commissioned in 1920 and others who have some years of enlisted service to their credit. West Point classes from 1904 to 1910, inclusive, would be affected in relatively minor degree, but graduates of that school in the classes of 1911 and 1916 would suffer substantial present and future losses. The West Point class of 1903 entered the service under identical conditions as to kinds of service credited toward longevity as did each succeeding class to include the one graduating in 1916. The 1903 man has drawn longevity pay for 30 years for a kind of service that it is now proposed to eliminate, yet under the terms of this amendment he would suffer not one cent of loss during the coming year, while a 1913 graduate would lose more than \$1,200.

than \$1,200.

The general result of this amendment would be that on the active list the major portion of the sacrifice would be borne by men who were commissioned just before, during, and after the World War. This group constitutes in general what is known as the hump, every member of which had World War service. They face a bleak future now in the matter of promotion, and to add this additional burden seems uselessly unfair and unjust.

Altogether, some 4,000 active officers and about 50 per cent of the retired list would be affected. Among the latter group it is a tragic fact that most of those who would suffer this reduction have been retired for disability in the service of their country. One of these would lose one-third of his present pay. In the vast majority of all cases on both the active and retired lists these reductions would represent real financial hardship.

The effects of this amendment would, of course, extend beyond

tions would represent real financial hardship.

The effects of this amendment would, of course, extend beyond the confines of the Regular Army. Every reserve officer when called to active duty and every National Guard officer serving his annual tour in camp would suffer a direct, and in many cases a very considerable loss in pay. Obviously these citizen soldiers increase in value to the Government through their years of service in their respective components. Yet since this type of service is specifically excluded for longevity purposes, no reserve or National Guard officer could ever have his pay increased except through the

Guard officer could ever have his pay increased except through the exceedingly slow process of promotion.

But beyond the matter of inequitable distribution of this burden among military personnel a further question presents itself. This involves the justice of requiring men in the uniformed services to make greater sacrifices than any other group of public services.

servants.

services to make greater sadrinces than any other group of public servants.

From the officer's meager salary there is taken under the economy act 8½ per cent, a figure which now seems likely to be increased to 10 per cent. His rental allowance has been reduced by 10 per cent, and that for subsistence by approximately 14 per cent. These two reductions we are informed will be increased for the coming year to 20 and 28 per cent, respectively.

Additional pay authorized for many years for mounted officers, for duty as an aide, for particular positions at West Point, and for other special assignments has been eliminated. In addition to the reductions enumerated the Army officer, like all other citizens, is subject to general taxation. He pays Federal income taxes and many types of municipal and State taxes when living in a civil community. The net result of all this is that men in the uniformed services are returning to the Government a far greater proportion of their normal salaries than is generally realized. In every case these contributions are greater than are required for other Federal officials and employees of equivalent authorized income. It is estimated that in the average case these contributions to Government from the Army officer's salary run from 16 to 20 per cent.

contributions to Government from the Army officer's salary run from 16 to 20 per cent.

Our commissioned officers regard all these sacrifices as burdens to be uncomplainingly borne in response to the need of the Government. But in the case of the amendment now before you an entirely different picture is presented. They can not help but feel that discrimination against them has been accentuated, and that this arbitrary action would constitute virtual repudiation by the Government of a long-standing pact entered into with its sworn defenders. This feeling is not confined to those officers directly affected. Rather there is general apprehension that this proviso serves notice of the Government's intention to disregard prior commitments and promises whenever it may become convenient to do so. Should this apprehension change to conviction the effect in the uniformed services would be scarcely less than demoralizing.

demoralizing.

The CHAIRMAN. All time having expired, the Clerk will read.

The Clerk read as follows:

To reimburse the State of California, \$25,000; the State of Massachusetts, \$25,000; the State of New York, \$25,000; and the State of Pennsylvania, \$25,000, for expenses incurred in the maintenance and support of marine schools in such States as provided in the act authorizing the establishment of marine schools, and so forth, approved March 4, 1911 (U. S. C., title 34, sec. 1121), and for the maintenance and repair of the particular vessels loaned by the United States to the said States on the date of the approval of this act for use in connection with such State approval of this act for use in connection with such State marine schools, \$110,400, and no other vessels shall be furnished by or through the Navy Department; in all, \$210,400.

Mr. GOSS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment by Mr. Goss: On page 5, beginning in line 3, after "\$110,400," strike out the remainder of the line and all of lines

Mr. GOSS. Mr. Chairman, if this language remains in the bill, would it become permanent law?

Mr. AYRES. No. It is just confined to this bill.

Mr. GOSS. It is just confined to this year?

Mr. AYRES. It is just confined to this year. That is all.

Mr. GOSS. I have no objection to carrying the language this year, but I would not want that to go in as permanent

Mr. AYRES. It is just for this year. Mr. GOSS. Mr. Chairman, on the statement of the gentleman from Kansas, I ask unanimous consent to withdraw the amendment.

The CHAIRMAN. Is there objection?

There was no objection.

The amendment was withdrawn.

The Clerk read as follows:

For expenses of organizing, administering, and recruiting the Naval Reserve and Naval Militia; pay and allowances of officers and enlisted men of the Naval Reserve when employed on authorized training duty; mileage for officers while traveling under orders to and from training duty; transportation of enlisted men to and from training duty; subsistence and transfers en route, or cash in lieu thereof; subsistence of enlisted men during the actual period of training duty; subsistence of officers and enlisted men of the Fleet Naval Reserve while performing authorized training or other duty without pay; pay, mileage, and allowances of officers of the Naval Reserve, and pay, allowances, and subsistence of enlisted men of the Naval Reserve when ordered to active duty in connection with the instruction, training, and drilling of the Naval Reserve pay of officers and enlisted men of the Fleet Naval Reserve for the performance of not to exceed 48 drills per annum or other equivalent instruction or duty, or appropriate duties, and administrative duties, exclusive, however, of pay, allowances, or other expenses on account of members of any class of the Naval Reserve incident to their being given flight training unless, as a condition precedent, they shall have been found by such agency as the Secretary of the Navy may designate physically and psychologically qualified to serve as pilots of naval aircraft, \$3,346,960, of which amount \$57,000 shall be available immediately; not more than \$150,000 shall be available for employees assigned to Group IV (b) and those performing similar services carried under native and alien schedules in the Schedule of Wages for Civil Employees in the Field Service of the Navy Department; not less than \$53,141 shall be available, in addition to other appropriations, for avaition material, equipment, fuel, and rental of hangars, not more than \$397,-914 shall be available; and addition to other appropriations, for avaition material and the transportation thereof, and for all other expenses in con For expenses of organizing, administering, and recruiting the Naval Reserve and Naval Militia; pay and allowances of officers and enlisted men of the Naval Reserve when employed on author-

Mr. AYRES. Mr. Chairman, I offer a committee amend-

The Clerk read as follows:

Committee amendment offered by Mr. AYRES: Page 13, line 19, strike out "\$1,163,155" and insert in lieu thereof "\$1,134,036."

Mr. AYRES. In adjusting the figures in the paragraph to provide for 48 drills, \$29,119 too much was made available to the aviation branch. The total of the appropriation is not disturbed.

Mr. STAFFORD. Will the gentleman yield?

Mr. AYRES. I yield.

Mr. STAFFORD. This is the item that provides for the pay of the Naval Reserves, I believe?

Mr. AYRES. That is correct.

Mr. STAFFORD. And the committee, as the gentleman stated in his prefatory remarks, followed the Subcommittee on Appropriations for the War Department bill, in departing from the budgetary estimate of 24 drills, and provided for 42 drills?

Mr. AYRES. That is right.

Mr. STAFFORD. And in the War Department appropriation bill, as far as the National Guard was concerned, that increase of drills, I believe, resulted in an aggregate appropriation of \$9,000,000?

Mr. AYRES. Approximately; yes.

Mr. STAFFORD. I thought that was one instance where the Congress, without doing drastic harm to the service of the National Guard, could have curtailed the activity to, say, 36 drills, providing for 3 drills per month rather than 4 drills per month, but it went through this House without any contest at all, surrendering very lightly to the power of the National Guard at home. Now, the committee has followed the policy of the Army Appropriation Subcommittee?

Mr. AYRES. The committee was not disposed to discrim-

inate.

Mr. STAFFORD. How much do these additional drills,

42 instead of 24, entail upon the Treasury?

Mr. AYRES. We have added \$300,000. The department's estimate was \$405,032, but we effected savings totaling \$52,156 and have assumed that the remainder of the difference could be found by the department in administering the appropriation.

Mr. STAFFORD. Last year there was a fight made on the floor of the House, which was defeated by a very nar-

row vote, providing for the Naval Reserves.

The subcommittee followed the recommendation of the Secretary of the Navy. What is the policy of the committee this year toward that activity, particularly on the Great Lakes?

Mr. AYRES. We are providing for a period of training duty of 14 days as was the practice before this fiscal year.

Mr. STAFFORD. Last year the committee followed the recommendation of the Secretary of the Navy to curtail this activity.

Mr. AYRES. We did; that is right.

Mr. STAFFORD. But the committee has departed from that recommendation this year.

Mr. AYRES. The gentleman is correct.

Mr. STAFFORD. Largely on the ground, I presume, of the policy the House established as to the National Guard.

Mr. AYRES. Partly that, and also because the department and the Budget advocate resumption of the training cruises.

Mr. STAFFORD. There is not much disposition, then, to curtail expenditures after the election. It is all right when we go before the electorate for approval to preach economy, but after the election has been held and the issue decided, economy is then thrown to the winds.

Mr. COCHRAN of Missouri. Mr. Chairman, I rise in opposition to the amendment for the purpose of asking a question. I have received a very large number of letters complaining about the reduction of the number of drills.

Mr. AYRES. I may say to the gentleman that under the bill the number of drills will be continued at 48. We have disregarded the Budget proposal.

Mr. COCHRAN of Missouri. They have not been reduced. Mr. AYRES. Not at all.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Kansas.

The amendment was agreed to.

The Clerk read as follows:

NAVAL HOME, PHILADELPHIA, PA.

For pay of employees, \$57,182: Provided, That the sum to be paid out of this appropriation for employees assigned to Group IV (b) and those performing similar services carried under native

and alien schedules in the Schedule of Wages for Civil Employees in the Field Service of the Navy Department shall not exceed \$15,000.

Mr. AYRES. Mr. Chairman, I offer a committee amendment.

The Clerk read as follows:

Committee amendment offered by Mr. AYRES: Page 14, line 18, strike out "\$57,182" and insert in lieu thereof "\$76,806."

Mr. AYRES. Mr. Chairman, I may state that in restoring the several amounts taken off the Navy's estimate by the Budget in anticipation of a 30 per cent wage cut, we failed to put back the \$19,624 taken off this item.

This change does not affect the total of the bill at all because the Naval Home is supported out of the income

from the naval pension fund.

Mr. VINSON of Georgia. It is also necessary, in view of the gentleman's statement, is it not, on page 15, line 16, to increase the appropriation.

Mr. AYRES. I expect to do that by unanimous consent. Mr. GOSS. Mr. Chairman, will the gentleman yield?

Mr. AYRES. I yield.

Mr. GOSS. As I understand from reading page 36 of the report, this item is carried as a total permanent indefinite appropriation. It now comes in here on the annual supply bill. This is not in addition to the permanent appropriation, is it?

Mr. AYRES. No; I may say to the gentleman from Connecticut that it is customary to provide specifically for the Naval Home in the bill itself.

Mr. GOSS. May I ask the gentleman if all the permanent indefinite appropriations as far as the Navy Department is concerned are carried in the annual supply bill?

Mr. AYRES. This is the only one.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Kansas.

The amendment was agreed to.

The Clerk read as follows:

For repairs, preservation, and renewal of machinery, auxiliary machinery, and boilers of naval vessels, yard craft, and ships' boats, distilling and refrigerating apparatus; repairs, preservation, and renewals of electric interior and exterior signal communications and all electrical appliances of whatsoever nature on board naval vessels, except range finders, battle order and range transmitters and indicators, and motors and their controlling apparatus used to operate machinery belonging to other bureaus; searchlights and fire-control equipment for antiaircraft defense at shore stations; maintenance and operation of coast signal service; equipage, supplies, and materials under the cognizance of the bureau required for the maintenance and operation of naval vessels, yard craft, and ships' boats; purchase, installation, repair, and preservation of machinery, tools, and appliances in navy yards and stations, accident prevention, pay of classified field force under the bureau; incidental expenses for naval vessels, navy yards, and stations, inspectors' offices, the engineering experiment station, such as photographing, technical books and periodicals, stationery, and instruments; services, instruments, machines and auxiliaries, apparatus, and supplies, and technical books and periodicals necessary to carry on experimental and research work; maintenance and equipment of buildings and grounds at the engineering experiment station, Annapolis, Md.; payment of part time or intermittent employment in the District of Columbia or elsewhere of such scientists and technicists as may be contracted for by the Secretary of the Navy, in his discretion, at a rate of pay not exceeding \$20 per diem for any person so employee; in all, \$17,945,950, of which \$250,000 shall be available exclusively for the procurement and installation of new tools and machinery for shops under the cognizance of the Bureaus of Engineering and Construction and Repair, and \$540,000 shall be available exclusively to complete the purchase of certain invent

Mr. STAFFORD. Mr. Chairman, I reserve a point of order on the paragraph which I hardly think I shall press, but I wish to get some information concerning this item which authorizes the Navy Department to purchase certain patents relating to radio broadcasting for which \$500,000 is appropriated in this item.

I would like to have as to the reason why the committee is authorizing the department to purchase patent rights relating to radio broadcasting.

Mr. AYRES. The current naval appropriation act continued in effect an additional period of 18 months the license agreement entered into by the Navy Department May 2, 1931, for the use of certain inventions pertaining to radio control, and authorized the Secretary of the Navy to enter into contracts for the purchase of the patents covered by that license agreement subject to appropriations therefor.

Mr. STAFFORD. Mr. Chairman, as I stated, I hardly intended to press the point of order even though it were well taken, but the report does not give the information I desired as to the reason for spending half a million dollars for the purchase of patent rights.

Mr. AYRES. Some time ago, pursuant to law, the Navy Department entered into an agreement with Hammond, the patentee, and others, for the lease of this patent, the amounts paid for the lease to apply upon the purchase

Mr. STAFFORD. As the gentleman is speaking, and on the suggestion of my friend, the gentleman from Connecticut, there is brought to my mind the recollection that the patent rights for which this appropriation is sought is for directing mechanism connected with torpedoes controlled by the invention of John Hays Hammond, jr.

Mr. AYRES. That is right.

Mr. STAFFORD. As I read the report my mind did not advert to that phase of it.

Mr. AYRES. I may say to the gentleman we went into the matter very fully in the hearings last year. The history of the whole affair will be found commencing on pages 484 and 852 of the hearings of last year.

Mr. FRENCH. Will the gentleman yield? Mr. AYRES. Yes.

Mr. FRENCH. I think it should be said that probably the Congress intended that the department would have the authority either to purchase outright or to lease the patents. This act was passed about 10 or 12 years ago, and when certain moneys were appropriated an act was passed covering back into the Treasury certain funds in which were these funds. It was thought by the department that while the act authorizing the purchase was not specifically repealed, and when the money was taken away, possibly it was the intent of Congress to repeal the authorization for purchase as well as withdraw the money.

Mr. AYRES. That is right.

Mr. FRENCH. In order then to revive the thought and to give the department authority we have carried the language as it appears in the bill.

Mr. STAFFORD. Mr. Chairman, will the gentleman yield to permit me to ask a question of the chairman of the subcommittee?

Mr. FRENCH. I yield.

Mr. STAFFORD. How many years of the life of the patent remain?

Mr. AYRES. I do not recall. The life of a patent is

Mr. STAFFORD. But this has been running for several years. We are now about to appropriate \$500,000. How many more years has the patent to run during which the department will have exclusive control of it?

Mr. AYRES. Under the contract which has been entered into under authority carried in the current naval appropriation act, I should say we are obliged to go through with this matter irrespective of when the patent rights expire.

Mr. VINSON of Georgia. Mr. Chairman, will the gentleman yield that I may ask the chairman of the subcommittee a question?

Mr. STAFFORD. I yield for a brief question.

Mr. VINSON of Georgia. Will the chairman of the sub-

I read the report. It did not give as full information as | retention of Admiral Pratt, a matter referred to in the report?

Mr. AYRES. We have not got to that.

Mr. VINSON of Georgia. I know that, but I can not locate in the bill the section to which it relates.

Mr. STAFFORD. Mr. Chairman, I decline to yield further. I yielded thinking that the gentleman had some relevant inquiry.

Mr. AYRES. Let me say to the gentleman from Wisconsin [Mr. STAFFORD] that the Government has had the use of these patents over a number of years.

Mr. STAFFORD. How many more years has the patent to run?

Mr. AYRES. I can not state positively. The time is up, no doubt, as to the earlier ones. These patents were granted at various times since about 1914.

Mr. STAFFORD. Mr. Chairman, I withdraw the reservation of a point of order.

The Clerk read as follows:

BUREAU OF CONSTRUCTION AND REPAIR

For preservation and completion of vessels on the stocks and in ordinary; purchase of materials and stores of all kinds; steam ordinary; purchase of materials and stores of all kinds; steam steerers, steam capstans, steam windlasses, and all other auxiliaries; labor in navy yards and on foreign stations; accident prevention; purchase of machinery and tools for use in shops; carrying on work of experimental model tank and wind tunnel; designing naval vessels; construction and repair of yard craft, lighters, and barges; wear, tear, and repair of vessels afloat; general care and protection of the Navy in the line of construction and repair; incidental expenses for vessels and navy yards, inspectors' offices, such as photographing, books, professional magazines, plans, stationery, and instruments for drafting room, and for pay of classified field force under the bureau; services, instruments and apparatus, supplies, and technical books and periodicals necessary to carry on experimental and research work; for payment of partitime or intermittent employment in the District of Columbia, or to carry on experimental and research work; for payment of part-time or intermittent employment in the District of Columbia, or elsewhere, of such scientists and technicists as may be contracted for by the Secretary of the Navy, in his discretion, at a rate of pay not exceeding \$20 per diem for any person so employed; for the difference between inactive and active duty pay and allowances of members of the Fleet Naval Reserve transferred thereto after 20 years' naval service who may be employed as shipkeepers under the cognizance of the Bureau of Construction and Repair; for hemp, wire iron, and other materials for the manufacture of hemp, wire, iron, and other materials for the manufacture of cordage, anchors, cables, galleys, and chains; specifications for purchase thereof shall be so prepared as shall give fair and free competition; canvas for the manufacture of sails, awnings, hammocks, and other work; interior appliances and tools for manufacture of sails. mocks, and other work; interior appliances and tools for manufacturing purposes in navy yards and naval stations; and for the purchase of all other articles or equipage at home and abroad; and for the payment of labor in equipping vessels therewith and manufacture of such articles in the several navy yards; naval signals and apparatus, other than electric, namely, signals, lights, lanterns, running lights, and lamps and their appendages for general use on board ship for illuminating purposes; and oil and candles used in connection therewith; bunting and other material for making and repairing flags of all kinds; for all permanent galley fittings and equipage; rugs, carpets, curtains, and hangings on board naval vessels, \$15,434,800, of which \$250,000 shall be available exclusively for the procurement and installation of new tools and machinery for shops under the cognizance of the Bureaus of Construction and Repair and Engineering: Provided, That the sum to be paid out of this appropriation for employees assigned to Group IV (b) and those performing similar services carried under native and alien schedules in the Schedules of Wages for Civil Employees in the Field Service of the Navy Department shall not averaged \$2,115,000. Civil Employees in the Field Service of the Navy Department shall not exceed \$2,115,000.

Mr. STAFFORD. Mr. Chairman, I move to strike out the last word.

This should be a pertinent place to make an inquiry as to the wages being paid to our employees in the Naval Establishment.

I note from the report, and I rather approve the position, that the committee has decided not to recommend any cuts in the pay of the men employed in the navy yards and the Naval Establishment, departing thereby from the recommendation of the budgetary officer.

When I read the report in that particular I was wondering whether the committee had adopted the same policy as to the employees in our arsenals under control of the War Department.

Mr. AYRES. That is my understanding. The Budget made no such proposal touching Army employees and the committee indicate what section of the bill relates to the reason given to us for not doing so was because it was felt that there was little, if any, disparity existing between the wages of arsenal employees and comparable employees in outside establishments.

Mr. STAFFORD. The question arose in my mind as to whether there was a harmony of policy so far as the personnel connected with our Naval Establishment is concerned that is comparable to those of the War Department.

Mr. AYRES. All I may say is that we have pursued a harmonious course as to a uniform rate of reduction in consequence of the projected furlough law.

Mr. STAFFORD. So the only reduction in the amount of the pay of the employees of the Naval Establishment has been allowing them a 5-day week.

Mr. AYRES. Commonly called the furlough, amounting to about $8\frac{1}{3}$ per cent.

Mr. STAFFORD. To what extent does this 81/3 per cent reduction apply to the officer personnel or civilian employees of the Naval Establishment?

Mr. AYRES. It is applicable to all receiving a salary at the rate of more than \$1,000 and under \$10,000 per annum.

Mr. STAFFORD. It does not apply to the employees at least. They are excepted. They are not subject to the cut of 81/3 per cent.

Mr. TABER. If the gentleman will yield, I would say that all officers of the Navy are subject to the 8½ per cent cut and all employees are subject to it under the provisions of the economy act.

Mr. AYRES. Those receiving over \$1,000 and less than \$10,000.

Mr. TABER. Of course, if they get \$10,000, there is a larger cut.

Mr. STAFFORD. Otherwise there is a uniform reduction of $8\frac{1}{3}$ per cent?

Mr. TABER. That is the situation.

Mr. STAFFORD. The committee declined to follow a further recommendation of the budgetary officer to have the wages of these men paid comparable to the wages of the employees in civil employment.

Mr. TABER. If the gentleman will yield to me, I will rise to make a statement on that.

Mr. STAFFORD. I will yield so that the gentleman may make a statement.

Mr. TABER. Mr. Chairman, I want to make a statement about this question. I want to say for myself and the gentleman from Alabama [Mr. Oliver] and the gentleman from Idaho [Mr. French], that the Budget submitted an estimate from which \$13,000,000 had been deducted on account of a projected reduction in navy-yard employees by reason of a proposed reconvening of the wage board.

It was stated that the Budget estimated that the wages of employees outside of the yards have gone down this much. We had before us the responsible officers of the Navy Department and representatives of employees. They all stated to us that they did not believe that a definite determination could be made as to how much, if any, reduction there was in the wages of workmen outside the navy yards who were performing comparable functions, without the convening of a wage board.

This wage board has been prohibited from reconvening over the past year by the provisions of the economy act. Over the years beginning with 1929 and ending with 1932, they were prevented from reconvening by an order of the President. The President having submitted a Budget proposing this cut, frankly, my own position was, and is, that the House should permit the wage board to reconvene and should establish what the wage ought to be in accordance with the laws of 1862 providing for the wage board. This position, I am authorized to say, is concurred in by the gentleman from Idaho [Mr. French].

Mr. OLIVER of Alabama. Will the gentleman yield? Mr. TABER. Yes.

Mr. OLIVER of Alabama. I concurred also in that position, but this should be said, that the bill which seeks to

make ineffective the action of the wage board in 1934 has not yet passed.

Mr. TABER. That is true.

Mr. OLIVER of Alabama. And it may be that it will not pass; if so, then the wage board could be reconvened just as it has been convened in prior years, and any action taken by such board would be effective.

Mr. TABER. That is correct, and if it were, and they determined in accordance with the law that the wages outside had dropped, there would be a saving in this bill, because wages could only be paid in accordance with the law.

There was a question as to whether or not the amounts recommended by the Budget should be submitted or an amount carrying a wage on the basis of what it is now should be carried. The full committee decided that the amount should be carried on the basis of what wages are now without the intervention of a wage board, and this is the way the bill was presented to the House.

I wanted to make this statement in order to make my own position clear.

Mr. STAFFORD. Will the gentleman yield?

Mr. TABER. Yes.

Mr. STAFFORD. In the economy provisions of the legislative act of last year a specific item was carried forbidding the operation of the wage board and, as I understand it, this same prohibition is carried again this year in the amendment which we adopted the other day.

Mr. FRENCH. The amendment to the Treasury and Post Office appropriation bill.

Mr. TABER. Yes; that is correct.

Mr. STAFFORD. So the fact is that so far as this body is concerned, we have gone on record as providing for the reestablishment of the wage board.

[Here the gavel fell.]

Mr. STAFFORD. Mr. Chairman, I ask unanimous consent to proceed for three more minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. AYRES. I want to state that there is nothing in the economy-act provision that prohibits the wage board from being convened. There is no reason why it can not be convened in an advisory capacity. The language of the economy act simply provides that wages shall not be disturbed by reason of the action of any wage board; that is, there shall not be any reduction beyond that provided by the furlough arrangement by reason of any recommendation of the wage board, but the board may be convened in an advisory capacity.

Mr. STAFFORD. Even though it can be convened, what would be the purpose of its convening when its vitals and its functions have been eliminated?

Mr. TABER. I will tell the gentleman what would be the purpose of convening the board. It would be to demonstrate to the public just what the situation is and what the Government's real, bona fide obligation, regardless of the situation, is to these men.

Mr. STAFFORD. And what the effect would be in case comparable wages were extended to the employees of the Naval Establishment.

Mr. TABER. Yes; it would give us a picture of just what is the true situation.

Mr. STAFFORD. Who comprise the wage board?

Mr. AYRES. Two officers of the Navy Department and one representative of labor.

The pro forma amendment was withdrawn.

The Clerk read as follows:

BUREAU OF ORDNANCE

ORDNANCE AND ORDNANCE STORES, BUREAU OF ORDNANCE

For procuring, producing, preserving, and handling ordnance material, for the armament of ships; for the purchase and manufacture of torpedoes and appliances; for the purchase and manufacture of smokeless powder; for fuel, material, and labor to be used in the general work under the cognizance of the Bureau of Ordnance; for furniture at naval ammunition depots, torpedo stations, naval ordnance plants, and proving grounds; for technical

books; plant appliances as now defined by the "Navy Classification of Accounts"; for machinery and machine tools; for accident prevention; for experimental work in connection with the development of ordnance material for the Navy; for maintenance of proving grounds, powder factory, torpedo stations, gun factory, ammunition depots, and naval ordnance plants, and for target practice; not to exceed \$15,000 for minor improvements to buildings, grounds, and appurtenances of a character which can be performed by regular station labor; for payment of part time or intermittent employment in the District of Columbia, or elsewhere, of such scientists and technicists as may be contracted for by the Secretary of the Navy in his discretion at a rate of pay not exceeding \$20 per diem for any person so employed; for the maintenance, repair, and operation of horse-drawn and motor-propelled freight and passenger carrying vehicles, to be used only for official purposes at naval ammunition depots, naval proving grounds, naval ordnance plants, and naval torpedo stations; for the pay of chemists, clerical, drafting, inspection, and messenger service in navy yards, naval stations, naval ordnance plants, and naval ammunition depots, and for care and operation of schools at ordnance stations at Indianhead, Md., Dahlgren, Va., and South Charleston, W. Va., \$10,849,750: Provided, That the sum to be paid out of this appropriation for employees assigned to Group IV (b) and those performing similar services carried under native and alien schedules in the Schedule of Wages for Civil Employees in the Field Service of the Navy Department shall not exceed \$1,262,500.

Mr. STAFFORD. Mr. Chairman, I move to strike out the last word. I would like to ask the gentleman as to the status of the armament plant at South Charleston, W. Va.

Mr. AYRES. That is closed down.

Mr. STAFFORD. It has nearly passed out of my mind; but I thought we passed a bill, voted by the Committee on Naval Affairs, disposing of that plant.

Mr. VINSON of Georgia. The gentleman from Wisconsin withdrew his objection to that.

Mr. STAFFORD. I was not the last objector; I did it originally because I thought it was no time to dispose of any Government plant. I believe it had the active opposition of labor. I was looking at it from a business standpoint, on the ground that it would be almost impossible to find a purchaser in these times of depression. If the gentleman from Georgia is a business man, he will agree with me; if he is not a business man, I would like to hear from him.

Mr. VINSON of Georgia. It would have given the Secretary of the Navy the discretion to dispose of it.

Mr. STAFFORD. When that question last came up I was mute as a mouse, and I did not apply the dry torpedo to it under any circumstances.

The pro forma amendment was withdrawn.

The Clerk read as follows:

Pay of naval personnel: For pay and allowances prescribed by law of officers on sea duty and other duty, and officers on waiting orders (not to exceed 908 officers of the Medical Corps, 186 officers of the Dental Corps, 556 officers of the Supply Corps, 83 officers of the Chaplain Corps, 233 officers of the Construction Corps, 109 officers of the Civil Engineer Corps, and 1,461 warrant and commissioned warrant officers: Provided, That if the number of warrant and commissioned warrant officers and officers in any staff corps holding commission on July 1, 1933, is in excess of the number herein stipulated, such excess officers may be retained in the Navy until the number is reduced to the limitations imposed by this act), pay—\$27,786,490, including not to exceed \$1,121,070 (none of which shall be available for increased pay for making aerial flights by nonflying officers or observers except eight officers above the grade of lieutenant commander, to be selected by the Secretary of the Navy) for increased pay for making aerial flights, and under the provisions of section 20 of the act approved June 10, 1922, as amended (U. S. C., title 37, sec. 29), no additional compensation shall be allowable or paid to any person in consequence of such statute at a rate in excess of \$1,420 per annum; rental allowance, \$5,501,197; subsistence allowance, \$3,288,744; in all, \$36,576,431; officers on the retired list, \$5,583,000; for hire of quarters for officers serving with troops where there are no public quarters belonging to the Government, and where there are not sufficient quarters possessed by the United States to accommodate them, and hire of quarters for officers and enlisted men on the retired list, \$5,501,162; interest on deposits by men, \$3,000; pay of petty officer (not to exceed an average of 6,760 chief petty officers, of which number those with a permanent appointment as chief petty officer shall not exceed an average of 5,910), seamen, landsmen, and apprentice seamen, including men in the engineer's force and men d

extra pay for men for diving, and cash prizes (not to exceed \$71,500) for men for excellence in gunnery, target practice, and engineering competitions, \$65,900,806, and, in addition, the Secretary of the Treasury is authorized and directed upon request of the Secretary of the Navy, to make transfers during the fiscal year 1934 from the clothing and small stores fund to this appropriation of sums aggregating not to exceed \$1,750,000; outfits for all enlisted men and apprentice seamen of the Navy on first enlistment, civilian clothing not to exceed \$15 per man to men given discharges for bad conduct or undesirability or inaptitude, reimbursement in kind of clothing to persons in the Navy for losses in cases of marine or aircraft disasters or in the operation of water or air borne craft, and the authorized issue of clothing and equipment to the members of the Nurse Corps, \$678,921; pay of enlisted men undergoing sentence of court-martial, \$128,800, and as many machinists as the President may from time to time deem necessary to appoint; pay and allowances of the Nurse Corps, including assistant superintendents, directors and assistant directors—pay \$581,120, rental allowance \$30,240, subsistence allowance \$16,702; pay retired list \$42,200; in all, \$670,262; rent of quarters for members of the Nurse Corps; pay and allowances of transferred and assigned men of the Fleet Naval Reserve, \$10,871,819; reimbursement for losses of property as provided in the act approved October 6, 1917 (U. S. C., title 34, secs. 981, 982), as amended by the act of March 3, 1927 (U. S. C., Supp. V, title 34, sec. 983), \$5,000; payment of six months' death gratuity, \$150,000; in all \$126,072,201, and no part of such sum shall be available to pay active duty pay and allowances to officers in excess of four on the retired list, except retired officers temporarily ordered to active duty as members of retiring and selection boards, as authorized by law, and except one retired officer of the line of the grade of rear admiral, who may be paid the

Mr. VINSON of Georgia. Mr. Chairman, I make a point of order.

Mr. LaGUARDIA. Mr. Chairman, I make a point of order.

Mr. STAFFORD. Mr. Chairman, I reserve a point of order to the entire paragraph.

Mr. VINSON of Georgia. I desire, Mr. Chairman, to make a point of order to the language on page 22, commencing at line 7 and running down through line 11, including the words "per annum."

Mr. STAFFORD. I wish to make the point of order against the whole paragraph.

Mr. VINSON of Georgia. I make the point of order, Mr. Chairman, on the ground that it is legislation on an appropriation bill.

Mr. AYRES. I concede the point of order made by the gentleman from Georgia.

Mr. GOSS. I have another point of order, Mr. Chairman, on page 24, lines 12 to 25.

Mr. VINSON of Georgia. We can not consider but one point of order at a time. I make the point of order that it is legislation on an appropriation bill.

Mr. AYRES. I am willing to concede the point of order made by the gentleman from Georgia.

Mr. VINSON of Georgia. Mr. Chairman, I have another point of order. On page 24, line 9, after the last figures, which reads as follows:

And no part of such sum shall be available to pay active-duty pay and allowances to officers in excess of four on the retired list, except retired officers temporarily ordered to active duty as members of retiring and selection boards, as authorized by law, and except one retired officer of the line of the grade of rear admiral, who may be paid the full pay and allowances of such grade.

I make the point of order that that is legislation on an appropriation bill. I will reserve it, however, if the chairman of the subcommittee wishes.

Mr. AYRES. May I ask the gentleman from Georgia if he is making the point of order to the entire paragraph or only to the language in lines 14 and 15, beginning with the words "except that the grade of rear admiral," and so forth?

Mr. VINSON of Georgia. That is legislation on an appropriation bill.

Mr. AYRES. Is he making it especially to the language in lines 14 and 15?

Mr. VINSON of Georgia. The point of order is to the whole section, for the time being, but the language I specifically referred to is that beginning with the words in line 14 "except one retired officer of the line of the grade of rear admiral," and so forth. That is legislation on an appropriation bill.

Mr. LaGUARDIA. There is no question about that. The CHAIRMAN. Does the gentleman direct his point of order to that language beginning in line 14?

Mr. VINSON of Georgia. I direct my point of order for the time being to the language from line 9 down to and including the word "grade" in line 16.

Mr. LAGUARDIA. Mr. Chairman, a parliamentary in-

The CHAIRMAN. The gentleman will state it.

Mr. LaGUARDIA. If the point of order raised by the gentleman from Georgia includes language that is not subject to the point of order, would that preclude us from making the point of order to language clearly out of order in line 14? The other is a limitation.

Mr. VINSON of Georgia. If any portion is out of order,

the whole paragraph is out of order.

The CHAIRMAN. The Chair will endeavor to rule on the point of order as outlined by the gentleman from Georgia.

Mr. AYRES. Mr. Chairman, will the gentleman reserve the point of order?

Mr. VINSON of Georgia. Yes; I reserve the point of

Mr. AYRES. I want to explain why this paragraph is here. As to the point of order, I do not care to discuss it. This provision included in line 14 reading "and except one retired officer of the line of the grade of rear admiral" was for the sole purpose of making it possible for the retiring Chief of Naval Operations, Admiral Pratt, to be continued on active duty in an advisory capacity during the fiscal year 1934 in his permanent grade of rear admiral.

Mr. LaGUARDIA. The gentleman realizes that he is attempting to do here what the committee attempted to do for General Pershing, who commanded the United States

Army in the greatest war of history.

Mr. AYRES. No, Mr. Chairman; there is no similarity in the two cases at all, in my judgment.

Mr. LaGUARDIA. Let him retire like every other officer, the same as we retired Dewey and every other officer.

Mr. AYRES. Admiral Pratt, so far as I know, and I think so far as the committee knows-and I say this in justice to him-was not aware of the fact that this action was being taken until after this committee put this provision in the bill.

Mr. LAGUARDIA. I so understand.

Mr. VINSON of Georgia. Mr. Chairman, I entertain for Admiral Pratt the same high esteem that the gentleman has, but I do think that it is a bad precedent at this time, and by making the point of order I do not wish it to be construed as casting any reflection on the distinguished services of Admiral Pratt. I think it will affect the morale of the whole organization adversely if favoritism of this kind is shown.

Mr. GOSS. I call the attention of the gentleman from Georgia [Mr. VINSON] to the words:

And no part of such sum shall be available to pay active duty pay and allowances to officers in excess of four on the retired list.

Contained in lines 9, 10, and 11, on page 24. desirable to keep that much of it, I would say that that is not subject to the point of order, while the rest is.

Mr. VINSON of Georgia. I think the only part that should go out is in line 14.

Mr. GOSS. What about "except retired officers temporarily ordered to active duty "?

Mr. VINSON of Georgia. I am willing to limit my point of order, commencing in line 14, after the word "law" and extending down to line 16, to the proviso.

Mr. AYRES. Mr. Chairman, I concede the point of order.

The CHAIRMAN. The Chair is ready to rule. It is the opinion of the Chair that the point of order is well taken and he sustains the point of order.

Mr. GOSS. Mr. Chairman, I reserve the point of order on lines 12 to 14, page 24, to the word "except" for the purpose of finding out about this exception.

Mr. AYRES. Let me read from the law to the gentleman:

Boards for selection of staff officers for recommendation for advancement to the rank of rear admiral shall be composed of not less than three nor more than nine officers of the rank of admiral or commodore on the active or retired list of the staff corps concerned.

Mr. GOSS. I do not exactly understand what that means. What is the purpose of the exception?

Mr. AYRES. The purpose is to permit of the temporary employment of retired officers on active duty, as authorized by law, over and above the four in the text just preceding the language to which the gentleman addresses his inquiry.

Mr. GOSS. Therefore, no retired officer, if this language were omitted from the bill, could serve on these boards as the law contemplates.

Mr. AYRES. That is correct.

Mr. GOSS. And you are excepting them.

Mr. OLIVER of Alabama. The gentleman has failed to read all of the paragraph and for that reason has drawn an erroneous conclusion. This is intended to carry out the law which authorizes the Secretary of the Navy to select officers, on the active or the retired list, for temporary duty. That provision has been regularly carried for a number of years.

Mr. GOSS. But then you except.

Mr. OLIVER of Alabama. Officers not in excess of four on the retired list.

Mr. GOSS. Now, is that the same as is carried in the Army bill? Do you exempt four in the War Department bill?

Mr. OLIVER of Alabama. I do not understand there is any provision similar to this on the Army appropriation bill.

Mr. GOSS. Why should you make an exception of four officers here?

Mr. OLIVER of Alabama. There is a selection board provided for by law for the selection of naval officers in certain grades. As I understand, there is no board of that kind with reference to Army officers provided for by law.

Mr. MARTIN of Oregon. This is to select high-ranking naval officers. They want to get the most distinguished

admirals in the Navy living.

Mr. OLIVER of Alabama. Yes. This law was passed years ago. There are some who feel it might be helpful if made applicable to the Army.

Mr. HILL of Alabama. In other words, these men who have retired and who no longer have any concern personally with reference to any promotion or place of preferment are better qualified to serve on this board than some officers who are still in the active service?

Mr. OLIVER of Alabama. That is one reason, and another reason was there was an insufficient number of active staff officers in the higher grades for this important detail.

Mr. GOSS. Mr. Chairman, in view of these statements, I will withdraw the reservation of the point of order.

Mr. LAGUARDIA. Further reserving the point of order, do I understand that the so-called Pratt amendment is out? Mr. AYRES. That has been eliminated, I am sorry to

Mr. LAGUARDIA. Is the "dog robber" provision still in the bill—this last proviso?

Mr. AYRES. Which is that?

Mr. LaGUARDIA. The last proviso. We call it "dog robbers" or "strikers" in the Army.

Mr. AYRES. That remains in.

Mr. LaGUARDIA. Now will the gentleman accept an amendment, after the words "enlisted man," to insert "or civil employee," in line 22, so that it will read "allowances or other expenses of any enlisted man or civil employee, performing service in the residence or quarters of an officer," and so forth?

Mr. AYRES. Yes; I am perfectly willing to accept that. Mr. LAGUARDIA. I think that should go in.

Mr. AYRES. I am willing to accept that amendment.
The CHAIRMAN. Does the gentleman from New York withdraw his point of order?

Mr. LaGUARDIA. The point of order is withdrawn, Mr. Chairman.

Mr. STAFFORD. Mr. Chairman, I withdraw my reservation of a point of order to the entire paragraph.

Mr. AYRES. Mr. Chairman, I offer an amendment. The Clerk read as follows:

Committee amendment offered by Mr. Ayres: Page 22, line 2, strike out "\$1,121,070" and insert in lieu thereof "\$1,289,770."

Mr. AYRES. I will state to the committee that that is made necessary on account of the point of order that was made.

The amendment was agreed to.

Mr. AYRES. Mr. Chairman, I ask unanimous consent, in view of what has occurred, that on line 25, page 24, the period be stricken out and a semicolon inserted.

The CHAIRMAN. Without objection, it is so ordered. There was no objection.

Mr. LaGUARDIA. Mr. Chairman, I offer an amendment. The Clerk read as follows:

Amendment offered by Mr. LaGuardia: On page 24, line 22, after the word "man" insert "or civil employee."

Mr. LaGUARDIA. Mr. Chairman, the chairman of the subcommittee having accepted the amendment, I will not take time to discuss it.

Mr. COCHRAN of Missouri. Mr. Chairman, I rise in support of the amendment offered by the gentleman from New York [Mr. LaGuardia].

I have in my pocket an amendment that I had intended to offer, but it would not have been germane to this section, because it would have referred to other appropriation acts. I am going to serve notice that in the next Congress, on every appropriation bill I am going to try to get some kind of proviso that will keep civil-service employees working for the Government from taking outside work when they complete their days work. I understand now when they leave for the day some of them take positions as waiters, stenographers, elevator conductors, and what not. I say that in these times when we can not provide work for 12,000,000 people it is time that everybody should be satisfied with one job. I know of over 125,000 people in St. Louis who would be satisfied with any kind of work. This only applies to enlisted men and civilians working for officers. Until there is employment for all, we should try and keep the Government employees from working for the Government in the day and accepting outside employment at night. Of course, there are only a small percentage who do this, but we should stop it.

Mr. OLIVER of Alabama. Mr. Chairman, I rise in opposition to the amendment. I may say to the gentleman from Missouri that that custom does prevail in the Army, I understand, in reference to the enlisted personnel.

Mr. GOSS. What custom?

Mr. OLIVER of Alabama. The custom of employing enlisted men on free time to perform duties such as we are here prohibiting being performed by either enlisted men or by civilians when sought to be paid out of appropriations.

Mr. JAMES. Mr. Chairman, will the gentleman yield?

Mr. OLIVER of Alabama. I yield.

Mr. JAMES. According to the language carried in the present bill, it would not prevent a naval officer from using a man to fix up his grass. I do not think an enlisted man, even if he is paid \$4 or \$5 a month by an Army officer, should be permitted to do this work.

Mr. OLIVER of Alabama. I have no definite knowledge whether this custom or practice obtains in the Navy but I simply want to call attention to the fact that what the gentleman from Missouri complained of is practiced in the Army, I am informed.

Mr. JAMES. It is not allowed by the language carried here.

Mr. COCHRAN of Missouri. Mr. Chairman, will the gentleman yield?

Mr. OLIVER of Alabama. I yield.

Mr. COCHRAN of Missouri. I do not care about the enlisted men of the Army and Navy. They receive a very small salary. What I am talking about is the civil-service employee here in the District of Columbia and around the country who quits work at half past 4 and starts to run an elevator in some apartment house at 5 o'clock, or take some other kind of work. I know this condition exists, and I do not approve of it. Many Government auditors audit accounts for private firms after their day with the Government ends.

Mr. OLIVER of Alabama. I may say to the gentleman from Missouri that I did not rise to discuss the merits of the proposal. I understood his objection was aimed not only at civilian employees on the civil-service list but also at the enlisted men in the Navy and Army services. I agree with the gentleman that the enlisted man who wants to do a little extra work around an Army post when off duty should probably not be prohibited from doing so if no form of compulsion is exerted.

Mr. JAMES. I do not agree with the gentleman. I think that even if an enlisted man in the Army does make \$5 or \$10 a month doing extra work mowing lawns, and so forth, he should be prohibited from doing it.

Mr. OLIVER of Alabama. As I say, that is now done in the Army.

Mr. JAMES. Under the proposed language it would be allowed in one service and not in the other.

Mr. OLIVER of Alabama. Both services should be treated alike. It is not right to apply restrictions to one service and not to the other. That is why I rose to state that it was being practiced in one service. I understood the gentleman from Missouri to aim his objection at the naval service. So, far as I know, the practice followed in the Army does not now obtain in the Navy.

Mr. JAMES. Both services should be treated alike. For the first time you are prohibiting the buying of dishes for the Navy. We do not furnish any dishes to generals of the Army.

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment of the gentleman from New York.

The amendment was agreed to.

Mr. TABER. Mr. Chairman, I move to strike out the last word. I do this for the purpose of making a state-

During the progress of the general debate I made a statement in reference to the inequalities in naval officers' pay growing out of constructive service and I referred to the amendment which I offered, and which was adopted by the House, on the Army appropriation bill, but which was stricken out in the Senate and is now in conference. I am not going to offer a similar amendment at this time at this place in the bill, because I hope the conferees on the Army bill may be able to work out something that will take care of the situation for all services. If they do not, I may say that I have the assurance of the chairman of the Committee on Naval Affairs and of the chairman of the Committee on Military Affairs that they will go into this situation thoroughly, hold full hearings on it, and try to bring in a bill which will correct the inequalities.

Mr. VINSON of Georgia. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. VINSON of Georgia. I wish to corroborate the statement just made by the gentleman from New York with reference to the attitude of the chairman of the Committee on Naval Affairs and the attitude of the committee itself with reference to the amendment he offered, and which was adopted, on the military bill.

It is the desire of the Committee on Naval Affairs to go into this question very thoroughly at the next session of Congress.

May I also take this opportunity to state that it is also our desire to take up again with the Committee on Military Affairs the matter of flight pay for aviators and also the general question of naval and Army pay. These are matters that should be dealt with; hearings should be held. I know the committee is, indeed, grateful to the gentleman from New York for permitting this matter, in which he is vitally concerned, to take the course he has suggested.

Mr. TABER. Mr. Chairman, I am still in hopes the Army bill conferees will work out a solution of this problem, because I believe there is a decided abuse there. Every committee that has gone into the matter has found this to be the case. I hope we shall be able to correct it and protect the Government.

Mr. VINSON of Georgia. If the gentleman from New York will cooperate with the Committee on Naval Affairs along these lines during the next session, I am satisfied we can make substantial progress.

Mr. HILL of Alabama. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. HILL of Alabama. Of course, if the conferees on the War Department bill should work out some solution such as the gentleman has in mind, the same provision ought to go in the naval bill, of course.

Mr. TABER. It is an item which would have to come back to the House in any event, because of the disagreement of the Senate. I have been in hopes they would work out language that might apply to the whole picture. If they do not, I hope the Committee on Military Affairs and the Committee on Naval Affairs will work it out at the next session after appropriate hearings; but the consideration should not be so protracted as to not be able to get legislative results, because I think it is a growing need.

Mr. HILL of Alabama. I am sure the Committee on Military Affairs will go into the matter and will endeavor to work it out. That committee will welcome all possible help from the gentleman from New York.

The pro forma amendment was withdrawn.

Mr. KVALE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Kvale: Page 22, line 2, after the figures "\$1,121,070," strike out the language included within the parentheses up to and including the word "Navy," in line 6.

Mr. KVALE. Mr. Chairman, I offer this amendment to strike out the matter referred to for the reason that it affects directly the flight surgeons and their pay. An effort was made to persuade the committee that the restriction surrounding flight pay for flight surgeons should be eliminated in this current measure. We were unsuccessful. If this amendment is adopted and this language is stricken out, it will help remedy, to some extent, this situation, and will leave with the Secretary discretionary power.

May I respectfully refer the chairman of the subcommittee to the question he asked Admiral Moffett, as recorded on page 448 of the hearings. Mr. Ayres then said:

What is your view as to the restriction in the current appro priation act that none of the money should be used for increased pay for making aerial flights to nonflying officers or observers except eight officers above the grade of lieutenant commander, to be selected by the Secretary of the Navy?

To which Admiral Moffett replied:

I recommended last year that the proviso be left out. The law permitted 1 per cent of the total commissioned personnel to have flight orders, which allowed the Navy about 92 nonaviator flight orders. I will try to answer your question as directly as I can, but perhaps I had better give you a little background.

At the end of which he said:

I think the law as it stood was not being abused, and I think it was being used with discretion. I am in favor of some flight surgeons; I think they add to the safety of flying, and I think the aeriologists add to the safety and efficiency of flying; but we have managed this last year without aeriologists and flight surgeons and some specialists getting flight pay. They fly to some extent, and are still doing it. But I think, on the whole, that the restriction limits the Secretary to such an extent that it does interfere with efficiency.

In view of that, Mr. Chairman, can not the committee be persuaded to accept this amendment and strike this item out, and also in view of the fact that this entire question is going to be given a further overhauling in the next Congress?

Mr. AYRES. I can not agree to that, I will say to the gentleman from Minnesota [Mr. Kyale]. The committee's position with respect to this matter is indicated on pages 11 and 12 of the report.

Mr. KVALE. I have read it, but I can not subscribe to it. Mr. AYRES. The committee would not be in favor of acceding to the suggestion of the gentleman from Minnesota. The report says:

The committee has continued the restriction in the current appropriation act upon nonflying officers or observers that might be given flying orders. This has operated to remove from flying pay status some 26 medical officers. There are three medical officers in the service at the present time who are qualified aviators and the restriction does not run against them, and they may be given flight orders at the discretion of the department; in or had flight orders on the 1st instant.

The committee is not in sympathy with giving flight orders to medical officers who are not qualified aviators. They should be so qualified, in the judgment of the committee, properly to study the effect of flying upon the human system. As a general proposition there should be no need for medical officers to have flight orders except for such study. An occasional flight on a medical errand would not justify continuous flight orders.

These views, the hearings will disclose, accord with the views of Admiral Moffett, chief of the Bureau of Aeronautics, and Captain Dennis, who appeared on behalf of the Medical Corps, that the only proper way to provide medical officers properly qualified to perform the service that the gentleman has in mind is to make aviators out of themtrain them as pilots.

Mr. KVALE. I got quite the other impression—that they did not believe a flyer could be a doctor any more than a

doctor should be a flyer.

Mr. AYRES. That is not the impression I got. Personally, I feel very strongly that a few of them should be qualified as pilots. Those who are not, as a general proposition, I should say, should not have flight orders.

Mr. KVALE. The testimony that appears on page 701 and subsequent pages does not, to my mind, bear out the gentleman's statement; and even though it did not persuade the committee, I still feel that is very persuasive testimony.

Mr. TABER. Will the gentleman yield?

Mr. AYRES. Yes. Mr. TABER. It appears also in the hearings that there were at least three medical officers who were qualified aviators, and to whom this restriction does not apply; and while in the bill last year those who did not fly were limited to eight, only seven were being employed, and the department felt that if they needed medical officers they could have put in one more medical officer.

Mr. KVALE. Mr. Chairman, I still respectfully insist on my amendment, and I hope it may be supported. I hope this language can be stricken from the bill, and I refer again to the statement of Admiral Moffet that he tried to have that language stricken out last year. He sees no reason for it, and he thinks it handicaps the efficiency of the Navy.

Mr. OLIVER of Alabama. Mr. Chairman, I ask unanimous consent to proceed for one minute.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. OLIVER of Alabama. It is impossible to read merely parts of the hearings and understand what the full information before the committee on the subject in question was.

Admiral Moffett expressly stated, on page 451 of the hearings, that he did not require more than 12; and then, again, this question was asked by me of Captain Dennis when he was before the committee, "My attention has been called to the fact that Admiral Moffett in his statement felt there should be only 14, 6 of whom would be flight surgeons."

The committee gave what they felt was a very liberal allowance.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota [Mr. KVALE].

The question was taken; and on a division (demanded by Mr. KVALE) there were—ayes 10, nays 23.

So the amendment was rejected.

Mr. BRIGGS. Mr. Chairman, I move to strike out the last three words.

I would like to ask the chairman of the subcommittee how it happens that in the Navy, the Chief of the Bureau of Navigation seems to control the Bureau of Aeronautics. As I read the hearings it appears that, apparently, there is not any independence in this bureau at all. It is a separate bureau, but it has to go to the Bureau of Navigation; and, as I understand it, there is no requirement that the Chief of the Bureau of Navigation should be a flier, and there is no such independence in the air service of the Navy, apparently, as there is in the Army; is this correct?

Mr. AYRES. No; I will say to the gentleman the Bureau of Navigation is simply a personnel bureau and does not have charge except as to matters of personnel and assignment

Mr. BRIGGS. As I understood the hearings, the Chief of the Bureau of Aeronautics, Admiral Moffett, testified that whatever they want they have to present through the Chief of the Bureau of Navigation, and if he does not choose to carry forward the recommendations, the only recourse they have is the Secretary of the Navy.

Mr. AYRES. That is only with respect to personnel matters, I will again say to the gentleman.

Mr. BRIGGS. Does it have to do at all with pay and allowances and things of that kind?

Mr. AYRES. Not at all.

Mr. HOUSTON of Hawaii. Mr. Chairman, I rise in opposition to the pro forma amendment.

I rise merely for the purpose of saying that I am sure the services will appreciate the action taken by the gentleman from New York in not pressing for his particular amendment at this time.

I do want to say to the House that when the gentleman first proposed the amendment to the War Department appropriation bill he referred to a "racket" and, to-day, he refers to a matter of "abuse." I know that there has been no racket and that there is no abuse by the services.

When Congress passed the pay bill in 1922, unfortunately, it had to bring about an adjustment of the pay schedule of the various services. There were five services for which this so-called omnibus pay bill was provided, and they had to adjust and veer and haul; and this was a compromise, undoubtedly, when it was passed, and I am sure that when a hearing is held upon this matter the question can be adjusted to everyone's satisfaction. The last joint committee of Congress on this question said in 1931:

Piecemeal legislation and divided jurisdiction are largely responsible for many of the situations * * needing adjustment.

They also said:

The problem of distribution in grade and promotion is basic to any satisfactory pay scheme.

The pro forma amendment was withdrawn.

Mr. MARTIN of Oregon. Mr. Chairman, I ask unanimous consent to address the committee for five minutes out of order.

The CHAIRMAN. Is there objection to the request of the gentleman from Oregon?

There was no objection.

Mr. MARTIN of Oregon. Mr. Chairman, I was very much delighted just now to see that our distinguished friend from New York had dropped his child out of the Army appropriation bill.

This leads me to speak about another amendment in that bill that is more outrageous than this child that the gentleman has abandoned to-day. I refer to an amendment as to which I can not conceive the temper of the House in passing such a measure, limiting the pay of all retired officers to \$3,000 a year.

I can speak disinterestedly on this subject because you, in your wisdom, had the honor of taking all my retired pay away from me a year ago.

This latter amendment was a direct slap at four of the most distinguished officers we have, and I have asked for this time to speak for one of these officers, the distinguished gentleman, than whom I do not think there is a more typical American in our country, Gen. James G. Harbord. This great soldier's career is one that should be held up for emulation to every young man in this country. Instead of this, time after time on this floor, although he has no connection with this House, his name has been brought forward here in criticism and contempt.

Let us analyze some of the charges that are made against General Harbord. I had the honor of serving in the War Department when he was Chief of Staff and was serving there when he retired from the Army. He did not want to retire, but the Radio Corporation wanted to get a man to assemble the radio patents, and Mr. Young, a distinguished Democrat, went to Mr. Baker and asked him what he thought about Harbord. He said, "Harbord is just the man you want," and so Young engaged Baker, ex-Secretary of War and the ex-chief of Harbord, to go to him in his office by appointment and plead with him to accept this appointment on the ground that in the assembling of these radio patents giving us control of radio he was performing a greater service for the country than he could possibly render as Chief of Staff in times of peace.

The whole career of Harbord is one of distinguished public service.

A poor boy, the son of a small contractor, he had to work his way through college. He enlisted in the Regular Army, worked his way up to a commission, and from the start his services were always in demand.

He was in the Philippines 12 years, chief of staff of the constabulary, and when the Great War came on his standing was such that of all the officers in the Army General Pershing turned to him to make him Chief of Staff of the American Expeditionary Forces. He had a remarkable career in France as Chief of Staff, as commander of the Marine Division, as Chief of the Service of Supply.

Now, to belittle and demean the standing of such a great man on this floor, I think, is the very worst thing we can do.

Members come in here and get him connected up with the Morgans, and say that he is appointed at a salary of seventy-five thousand or a hundred thousand dollars a year.

As a matter of fact, the Morgans had nothing whatever to do with his appointment. The Radio Corporation position was taken at the solicitation of Mr. Young, at the instigation of ex-Secretary of War Baker.

Mr. SCHAFER. Will the gentleman yield?

Mr. MARTIN of Oregon. I yield.

Mr. SCHAFER. Is this Democrat, Mr. Young, whom the gentleman so eloquently referred to, the same Democrat Young who testified as an expert witness in defense of the loan to the Dawes bank by the Reconstruction Finance Corporation?

Mr. MARTIN of Oregon. Mr. Young is Owen D. Young; but if the gentleman expects me to blackmail any of these outstanding men, whether Democrats or Republicans, he is sadly mistaken. [Applause.]

[Here the gavel fell.]

The Clerk read as follows:

MAINTENANCE, BUREAU OF SUPPLIES AND ACCOUNTS

For equipage, supplies, and services under the cognizance of the Bureau of Supplies and Accounts, including stationery for commanding, executive, communication, and navigating officers of ships, boards and courts on ships, and chaplains; commissions, interest, and exchange; ferriage and bridge tolls, including street-car fares; rent of buildings and offices not in navy yards except for use of naval attachés and recruiting officer; accident prevention; services of civilian employees under the cognizance of the Bureau of Supplies and Accounts; freight, express, and parcel-post charges, including transportation of funds and cost of insurance on shipments of money when necessary, and ice for cooling drinking water on shore (except at naval hospitals and shops at industrial navy yards), pertaining to the Navy Department and Naval Establishment, \$8,982,683: Provided, That no part of this or

any other appropriation contained in this act shall be available for or on account of the supply or replacement of table linen, dishes, glassware, silverware, and/or kitchen utensils for use in the residences or quarters of officers on shore: Provided further, That no appropriation contained in this act shall be available for any expense for or incident to the transportation of privately owned automobiles except on account of the return to the United States of such privately owned automobiles as may have been transported to points outside of the continental limits of the United States at public expense prior to July 1, 1932: Provided further, That the sum to be paid out of this appropriation for employees assigned to Group IV (b) and those performing similar services carried under native and alien schedules in the Schedule of Wages for Civil Employees in the Field Service of the Navy Department shall not exceed \$4,925,000: Provided further, That, without deposit to the credit of the Treasurer of the United States and withdrawal on money requisitions, receipts of public moneys from sales or other sources by officers of the Navy and Marine Corps on disbursing duty and charged in their official accounts may be used by them as required for current expenditures, and accounts to be made in the settlement of their disbursing accounts.

Mr. AYRES. Mr. Chairman, I ask unanimous consent that the Clerk may be permitted to correct the spelling of the word "privately" in line 20, page 29.

There was no objection.

Mr. STAFFORD. Mr. Chairman, I move to strike out the last word. I would like to ask the gentleman from Kansas what character of services are involved in the proviso at the top of page 30?

Mr. AYRES. Those are employees in the supply and accounting departments at navy yards, naval stations, and

supply depots.

Mr. STAFFORD. And it costs \$5,000,000 for services of that limited department and its activities. While I am on my feet, I note in reading the report that the committee has withdrawn large sums of money from various sources. To what extent has the committee resorted to surplus supplies in order to tide over the emergency this year?

Mr. AYRES. We have not done anything in that respect. Mr. STAFFORD. The gentleman's committee did not follow the policy of the War Department subcommittee in drawing on the reserve stocks to be made available for present use.

Mr. AYRES. There are certain stores that they are free to use—stores of many kinds that are carried in what is

termed "appropriation purchases account."

Mr. STAFFORD. The war appropriation subcommittee

Mr. STAFFORD. The war appropriation subcommittee made a draft on stores that the War Department had set aside for equipment of two armies. The naval subcommittee made no provision for that character of withdrawal and did not invade the stores for reserves?

Mr. AYRES. The War Department subcommittee, I am informed, did shape the War Department appropriation bill, as to articles of the uniform, upon the idea that there might be a greater utilization of stocks on hand; but the Navy does not have large stores of clothing as they have in the Army.

Mr. STAFFORD. Then the gentleman states that the committee has not adopted the policy of invading necessary supplies, as an emergency measure, so as to make a showing of reduction in the appropriations.

Mr. AYRES. We have not.

Mr. VINSON of Georgia. Mr. Chairman, I move to strike out the last word. I call the attention of the gentleman to the last proviso, on page 28, and ask the gentleman whether he does not think that requiring service aboard a vessel in full commission for nine months might not work an injustice It might happen that some of these enlisted men who desire to go to the Naval Academy by standing a competitive examination have not had the opportunity of serving nine months on a ship in full commission. It occurs to me that the provision ought to be simply serving nine months aboard a ship.

Mr. AYRES. The department has made no objection to that provision, and it seems to be working all right.

Mr. VINSON of Georgia. That may be true, but would it not be a hardship on some one who desires to take advantage of the law and stand a competitive examination, to require him to serve nine months on a vessel in full com-

mission? The point is that there are a great many ships that are not in full commission, and a boy may serve on a ship not in full commission and therefore he could not go to the academy.

Mr. AYRES. I assume it is working satisfactorily. We

have had no complaint.

Mr. STAFFORD. Was not the purpose of that provision to do away with the malpractice of the Navy Department in appointing persons to the Naval Academy who had not seen any real service in the Navy, in order to give the man who had seen service an opportunity to enter the Naval Academy?

Mr. AYRES. Yes.

Mr. VINSON of Georgia. But the gentleman loses sight of the fact that under this provision he has to serve on a ship that has been in full commission for nine months, and if it has not been in full commission for nine months he could not go to the academy.

Mr. STAFFORD. Oh, he should be compelled to serve on a ship so that he would know something about a ship before he endeavors to train himself for sea service.

The Clerk read as follows:

PUBLIC WORKS, BUREAU OF YARDS AND DOCKS

To enable the Secretary of the Navy to complete or continue the construction, by contract or otherwise, of the public works and public-utilities projects for which appropriations were made in the naval appropriation acts for the fiscal years 1932 and 1933 and within the limits of cost applicable to such projects, \$1,946,950, of which not to exceed \$85,000 shall be available for the employment of classified personal services in the Bureau of Yards and Docks and in the field service to be engaged upon such work and to be in addition to employees otherwise provided for.

Mr. GOSS. Mr. Chairman, I move to strike out the last word. What is the purpose of these public-utility projects? Is the Government going into the power business? I refer to the words in line 10, page 36.

Mr. AYRES. They are telephone lines, steam and power

lines, and things of that kind in navy yards.

Mr. MARTIN of Oregon. They have all those things in the navy yard. They have their central heating plant and their electric light plant and all the utilities of a city.

Mr. GOSS. It could not possibly be construed to permit of going ahead with the operation of Muscle Shoals, could it?

Mr. AYRES. Hardly.

Mr. HILL of Alabama. The gentleman from Connecticut is on the Committee on Military Affairs. It is the same proposition that we carry for our Army posts.

Mr. GOSS. There are no such things in the Army ap-

propriation bill.

Mr. HILL of Alabama. Oh, yes; we provide transmission lines and that sort of thing on these new posts, and you have to maintain them in the old posts.

Mr. GOSS. That comes under the engineers.

Mr. HILL of Alabama. Yes. All of the Army posts have their own utilities.

Mr. GOSS. This is under the title "Public Works, Bureau of Yards and Docks."

Mr. MARTIN of Oregon. That is the same thing as the Engineer Corps of the Army.

Mr. GOSS. Can the gentleman tell us what some of that construction is that is going on at the present time?

Mr. AYRES. If the gentleman will turn to page 612 of the hearings he will find a complete enumeration of work under way and projects.

Mr. STAFFORD. Of course I am quite certain that the War Department appropriation bill does not contain any item whatsoever designated as public-utility projects.

Mr. GOSS. I never saw any such item.

Mr. AYRES. They may use different terminology. We have provided for such projects at Army posts.

The Clerk read as follows:

BUREAU OF AERONAUTICS

AVIATION, NAVY

For aviation, as follows: For navigational, photographic, aerological, radio, and miscellaneous equipment, including repairs thereto, for use with aircraft built or building on June 30, 1933, \$971,000; for maintenance, repair, and operation of aircraft factory, air stations, fleet air bases, fleet and all other aviation activities,

accident prevention, testing laboratories, for overhauling of planes, and for the purchase for aviation purposes only of special clothing, wearing apparel, and special equipment, \$12,682,659, including \$138,500 for the equipment of vessels with catapults and including not to exceed \$100,000 for the procurement of helium, and such sum shall be transferred to and made available to the Bureau of Mines on July 1, 1933, and the bureau may lease, after competition, surplus metal cylinders acquired for use as helium containess; for continuing experiments and development weeks. containers; for continuing experiments and development work on all types of aircraft, including the payment of part-time or in-termittent employment in the District of Columbia or elsewhere of such scientists and technicists as may be contracted for by the Secretary of the Navy, in his discretion, at a rate of pay not exceeding \$20 per diem for any person so employed, \$2,188,800; for new construction and procurement of aircraft and equipment, spare parts and accessories, \$6,115,000, of which amount not to spare parts and accessories, \$6,115,000, of which amount not to exceed \$5,715,000 shall be available for the payment of obligations incurred under the contract authorization carried in the Navy appropriation act for the fiscal year 1933; in all, \$21,957,459; and the money herein specifically appropriated for "Aviation" shall be disbursed and accounted for in accordance with existing law and shall constitute one fund: Provided, That the sum to be paid out of this appropriation for employees assigned to Group IV (b) and those performing similar services carried under native and alien schedules in the Schedule of Wages for Civil Employees in the Field Service of the Navy Department shall not exceed \$1,221,575: Provided further, That in addition to the amount herein appropriated, the Secretary of the Navy may, prior to July 1, 1935, enter into contracts for the production and purchase of new airplanes and their equipment, spare parts, and prior to July 1, 1935, enter into contracts for the production and purchase of new airplanes and their equipment, spare parts, and accessories, to an amount not in excess of \$8,100,000: Provided further. That the Secretary of the Treasury is authorized and directed, upon the request of the Secretary of the Navy, to transfer not to exceed \$24,000 from this appropriation to the appropriation "Pay, subsistence, and transportation, Navy" to cover authorized traveling expenses of officers and enlisted men in connection with flying new airplanes from contractor's works to authorized traveling expenses of officers and enlisted men in connection with flying new airplanes from contractor's works to assigned station or ship, including travel to contractor's works and return of personnel to station of duty, and the amount so transferred shall be in addition to any limitations contained in the appropriation "Pay, subsistence, and transportation, Navy": Provided further, That no part of this appropriation shall be expended for maintenance of more than six heavier-than-air stations on the coast of the continental United States: Provided further, That no part of this appropriation shall be used for the construction of a factory for the manufacture of airplanes. construction of a factory for the manufacture of airplanes: Provided further, That the Secretary of the Navy is hereby authorized to consider, ascertain, adjust, determine, and pay out of this appropriation the amounts due on claims for damages which have occurred or may occur to private property growing out of the operations of naval aircraft, where such claim does not exceed the sum of \$500.

Mr. JONES. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. JONES: Page 37, line 8, after the figures "1933," insert "In addition to which sum the Bureau of Mines may use for helium-plant operation in the fiscal year 1934 the unexpended balance of funds transferred to it for such operation in the fiscal year 1933" ation in the fiscal year 1933.

Mr. GOSS. On that I reserve the point of order.

Mr. JONES. Mr. Chairman, I hope the committee will give serious consideration to agreeing to this amendment, as I believe the facts will disclose that it will be better and more economical for the Government if it is agreed to. There are certain necessary costs in the production of helium. The Budget estimated \$185,000. The committee has cut that to \$100,000. After they produce a certain amount of helium, then the net return from the sale of gas, after the helium is extracted, more than pays the additional cost of the helium. This net sum is practically all returned to the Treasury of the United States. After these fixed costs which must be paid in any event, the additional helium that this amount would allow would cost only about \$1.50 per thousand additional, while the return from the additional gas that is used in that helium production would be \$2.70. So that there would be a net income to the Government on the helium that would be made above a definite amount.

Then there is this further difficulty in this unusual reduction. The Government has contracts for the sale of the gas for commercial use after the helium is extracted. It will be necessary, with the amount of appropriation made here, to run just part time. That makes it difficult to maintain the sale of these gases. They must be continuous in their operation to be able to sell them. The officials of the Bureau of Mines inform me it would be less cost to the

Government to have this small increase for operative ex-

Mr. GOSS. Will the gentleman yield?

Mr. JONES. Yes. I yield.

Mr. GOSS. Do we operate a helium plant now?

Mr. JONES. We operate a helium plant now.

Mr. GOSS. What does it mean then "not to exceed \$100,000 for the procurement of helium "?

Mr. JONES. The plant is operated by the Bureau of Mines, and the helium is then sold to the Navy and the There is very little used by the Army.

Mr. GOSS. I know it is mostly all used by the Navy

Mr. JONES. This is simply to make this available so that the plant may have continuous operation, as nearly as possible. Even so, it will be \$42,000 below the Budget recommendation, and will necessitate making certain furloughs. However, they can then operate, in a way, and . maintain their contracts for the disposal of the residue gas. The net return from this extra amount will more than cover the amount that is expended, and will thus be an economy. I hope the committee will see fit to accept the amendment.

Mr. COYLE. Will the gentleman yield?

Mr. JONES. I yield. Mr. COYLE. With reference to that operation, if they are forced to discontinue the helium extraction, it is necessary to let the gas containing the helium still go into commercial use?

Mr. JONES. If they maintain these contracts; yes. In fact, it is necessary with part of them, for the maintenance of the lease contracts. Otherwise their lease contracts on several thousand acres might be forfeited. They would have to let the gas go on and the helium would be wasted through the burning of the gas.

Mr. COYLE. The helium can be conserved for the future, after it has once been extracted and stored?

Mr. JONES. Oh, yes. It can be conserved indefinitely.

Mr. COYLE. In view of the scarcity of the helium and the fact that we can never reclaim it after it has gone away from the plant in the gas, it would be exceedingly advisable to work the full output of that operation for the extraction of the helium.

Mr. JONES. I think that is correct. The Government has a large investment in this plant and in land and leases. It is the largest reserve supply of helium known in the world. We have in these reserves values beyond measure, and a monopoly on an element that other nations would give much

The plant is extracting helium at the lowest cost in history. It has a fine working force that is loyal to the Government and tremendously interested in the further perfecting of the processes. It seems unthinkable to jeopardize the operations and handicap the efficiency of a plant that has such a fine record of service. I hope the amendment will be agreed to.

Mr. GOSS. Mr. Chairman, I have not yet been convinced that I should not make the point of order. Therefore I make the point of order on the ground that it is not germane to the bill and that it is legislation on an appropriation bill.

Mr. LANHAM. Will the gentleman reserve the point of order until I can make a short statement?

Mr. GOSS. Yes. Certainly.

Mr. LANHAM. Mr. Chairman, this is a most important amendment, and I trust the members of the committee will give very serious consideration to it. Those who have served for some time in this body are aware of the fact that I have been interested in the helium project and have kept pace with its progress from its very inception. No helium is now produced in the district I represent, and certainly no selfish motive can be ascribed to me in favoring this amendment.

Our country is providentially favored in the possession of helium. Other nations have expended great sums of money in searching for it throughout their domains, and they have searched in vain, except for very small quantities which have been commercially and practically unprofitable. This appropriation bill provides \$100,000 for the operation of the helium plant. The Army appropriation bill provides \$17,000, making a total of \$117,000. The very least sum for which that plant can be operated without very serious injury to this entire project is \$142,000. The appropriation for this purpose last year was \$184,000. It is estimated that of that amount, by reason of the sale of residue gas at the plant, perhaps \$25,000 will remain unexpended. The purpose of this amendment is simply to add that \$25,000 which was saved last year to the \$117,000 provided in these two bills in order to make the minimum amount upon which this plant can properly operate.

Mr. STAFFORD. Will the gentleman yield in that

particular?

Mr. LANHAM. Yes.

Mr. STAFFORD. The difficulty I have is one of relevancy. The War Department appropriation bill carries a provision for the maintenance and operation of the plant. This bill makes no provision for the operation of the plant, but it only makes provision for the purchase of helium.

Mr. LANHAM. No. The procurement of helium. Pro-

curement is production of helium.

Mr. STAFFORD. You are seeking to change an item in the War Department appropriation bill, which you claim

is inadequate for the purpose needed.

Mr. LANHAM. No, no. We are not. Of course, the Navy is the principal user of helium gas, because these lighter-than-air dirigibles are more effective as Navy instruments than they are for military forces.

All we are seeking to do here is to let the unexpended balance of last year's appropriation be added to the amount now available in order that we may have the minimum amount upon which this plant may operate.

Mr. VINSON of Georgia. How much is that?

Mr. LANHAM. One hundred and forty-two thousand dollars; \$25,000 comes over from last year.

Mr. GOSS. Does the gentleman know how much of this gas is needed?

Mr. LANHAM. I can not tell exactly except that the Bureau of Mines says it is very much needed.

Mr. AYRES. Mr. Chairman, will the gentleman yield?

Mr. LANHAM. I yield.

Mr. AYRES. The Bureau of Mines never appeared before our committee and said it was very much needed, nor did the Navy representatives bring us any such message. As a matter of fact, I may say to the gentleman from Texas, it is not needed, and I shall be very glad to give him the figures.

Mr. GOSS. What are the figures?

Mr. LANHAM. On inquiry of the Bureau of Mines, I was advised, and advised very definitely and in detail, that \$142,000 a year is the least upon which they can operate. Now, they have some leased fields. They must operate these leases, and they can not do it unless their plant is in operation. In addition to that, if you do not provide for full-year operation of this plant, they will be unable to distribute the surplus gas. After the helium is extracted from the gas, the gas is commercially more profitable than it was before. Having no use for the gas from which the helium has been extracted, the Government places it at the disposal of commercial industry in that section and sells it. After you get beyond this point of \$142,000, the minimum amount required for the operation of the plant, the sale of that residue gas brings in more than it costs to produce the helium.

So, certainly, our country having taken the lead, our country having been providentially favored, other nations having looked in vain and having spent large sums in an effort to get this most valuable asset, surely we are not going to be penny wise and pound foolish by crippling this project to which we may point with pride and which is a wonderful agency for our national security, both in time of peace and in time of war.

Mr. AYRES. I may say to the gentleman from Texas that at the time of the hearings there were 12,000,000 cubic feet of helium in storage. In the Akron we have 6,500,000 cubic feet. That makes a total of 18,500,000 cubic feet. We are buying helium at the rate of 1,400,000 cubic feet per month. For the four months ending next June 30, we will have pur-

chased 5,600,000 cubic feet, making a total of 24,100,000 cubic feet. Out of this total there will be needed for the *Macon*, 6,500,000 cubic feet, leaving 17,600,000 cubic feet; and wastage is estimated at 12,000,000 cubic feet, leaving a balance, or rather an amount in storage, of 5,600,000 cubic feet at the end of the next fiscal year, exclusive of any that may be purchased during such fiscal year. It would seem obvious, therefore, that the appropriation we are proposing is more than sufficient to supply next year's helium requirements. At no time was any member of the Bureau of Mines before our committee.

Mr. LANHAM. I presume the Bureau of Mines supposed the amount recommended by the Budget would be granted, because they operated on that last year.

Let me call the gentleman's attention to the fact that the 16,000,000 cubic feet which he anticipates will be produced can not be produced unless the plant can be kept in operation; and it is for this reason we are favoring this amendment.

Mr. AYRES. The appropriation we are proposing is adequate, in my judgment.

Mr. LANHAM. I may say to the gentleman from Kansas that a reserve of 5,000,000 cubic feet is not very much. Besides, the surplus helium is not lost. It is highly important that the plant be maintained, because if it is not maintained our whole project stops. We are giving what is relatively a pittance in the way of appropriations, when we give them the \$142,000 actually needed to keep the plant in operation.

Let me remind the gentleman that when the United States started out on this project it cost \$1,500 a cubic foot to extract helium, but now we extract it for about a cent and a half a cubic foot. It is peculiarly an American accomplishment. We seem to have been providentially blessed with this resource for our protection in time of war and for commercial pursuits in time of peace. It seems to me we would indeed be penurious did we fail to provide the small amount of funds needed.

Mr. LaGUARDIA. Mr. Chairman, will the gentleman

Mr. LANHAM. I yield.

Mr. LaGUARDIA. Does the gentleman contend that if the amendment is not adopted it would retard or hamper the current production of helium gas?

Mr. LANHAM. Oh, I certainly do. I think there is absolutely no doubt of it.

Mr. LaGUARDIA. It becomes very important if that be so. I do not know.

Mr. LANHAM. In my judgment, there is no doubt about it. We have got to operate these leased fields. If we do not get sufficient funds, then in order to operate the plant we have got to sell some of this gas containing helium without taking the helium from it, and the very purpose of the whole project is not only to supply current demands but to have a reserve for time of emergency.

Mr. LaGUARDIA. Is there any loss of the gas when held in storage? The gentleman says we have a reserve. Is there constant leakage from the reserve?

Mr. LANHAM. There is not; no.

Mr. GOSS. Oh, no.

Mr. LANHAM. The leakage of the gas, of course, is only in the operation of the ships, and this leakage has been reduced very considerably through the progress they have made in the fabrics, but any additional amount that we may have on hand, we may still use. It is not lost, and the operation of this plant must be carried on or this most important industry to this country is imperiled. And think, gentlemen, what a small sum we are appropriating, even by giving this \$25,000 that is left over from last year, in proportion to the large sums that nations abroad have spent in a vain effort to duplicate our fortunate situation.

[Here the gavel fell.]

The CHAIRMAN. Does the gentleman from Connecticut [Mr. Goss] insist on his point of order?

Mr. GOSS. Yes; that it is not germane. The bill provides "\$100,000 for the procurement of helium, and such

Bureau of Mines on July 1, 1933."

Surely, this ought to have been brought up in connection with the War Department or the Bureau of Mines when that service was before the committee.

Mr. LANHAM. Will the gentleman yield?

Mr. GOSS. Yes.

Mr. LANHAM. I may say that I suppose the Bureau of Mines, naturally, anticipated that their appropriation would not be cut. If they had been notified of the fact that the \$185,000 for which they asked would not be granted, they would certainly have been present and even by passing this amendment, we are still leaving them more than \$40,000 short of what was recommended by the Budget.

Mr. JONES. Mr. Chairman, I do not see any reason in the world why this amendment is not in order. The helium act of 1927 authorized the establishment and maintenance not only of a helium plant and the operation of the plant, but authorized plants, if necessary. Also under the economy act, as I understand, there is further provision for transfers. The amendment simply makes available what has already been appropriated heretofore for the carrying out of a project which is authorized under existing law. I do not have the act before me, but that is as clear as can be, because the main item itself could not be here except for such a provision.

The CHAIRMAN (Mr. Doxey). The Chair is ready to

In the opinion of the Chair, the act of March 3, 1927, authorizes the appropriation. The amendment offered to this particular portion of the bill simply recommends a reappropriation of money and therefore in the opinion of the Chair the amendment is germane and is in order.

The Chair overrules the point of order.

The question is on the amendment of the gentleman from Texas [Mr. Jones].

The question was taken; and on a division (demanded by Mr. Ayres) there were—ayes 25, noes 23.

So the amendment was agreed to.

Mr. HILL of Alabama. Mr. Chairman, I move to strike out the last word.

I would like to have the attention of the chairman of the committee, the gentleman from Kansas. On page 39, line 1, we find a proviso, and I take it the chairman of the committee will concede that this is legislation on this bill.

Mr. AYRES. Certainly.

Mr. HILL of Alabama. Has it been carried in prior appropriation bills?

Mr. AYRES. It has been carried for several years.

Mr. HILL of Alabama. Can the gentleman tell us how much was paid out under a similar provision in last year's appropriation bill?

Mr. AYRES. No; I will say to the gentleman that I can not, but my understanding is that the amounts annually spent are very insignificant.

Mr. HILL of Alabama. Let me say to the gentleman that I can see very good reason for this provision being in the bill. However, I think a bill embodying the purposes of the provision ought to be introduced and acted on by the legislative committee, of which the gentleman from Georgia [Mr. Vinson] is chairman, and that bill passed and enacted into substantive law.

Mr. AYRES. May I interrupt the gentleman?

Mr. HILL of Alabama. Yes.

Mr. AYRES. Suppose we let it stay in this bill now and

Mr. HILL of Alabama. I have not made any motion to strike it out. I could have made a point of order on the

Mr. AYRES. I appreciate that fact.

Mr. HILL of Alabama. Realizing there is good reason for the provision I did not make a point of order against it. However, let me suggest to the gentleman that several years ago there were a number of provisions such as this carried in the War Department appropriation bill, all of them being

sum shall be transferred to and made available to the | legislation on an appropriation bill and all of them being subject to a point of order. The War Department went through the War Department appropriation bill, put these different provisions into bills, had these bills sent up here, and they were introduced, sent to the Committee on Military Affairs, and enacted into law, removing any possibility of any such provision in an appropriation bill being stricken out on a point of order. This is really the orderly way, the way prescribed by the rules of the House, and the way it ought to be done.

Mr. AYRES. We are perfectly willing to have that done, although I may say to the gentleman that a similar provision is carried in the War Department appropriation bill with a \$250 limitation.

Mr. STAFFORD. Mr. Chairman, I ask recognition in opposition to the pro forma amendment.

If my good friend from Alabama had followed the Private Calendar one-hundredth as closely as I have in my 20 years of service, he would not in anywise criticize the policy of delegating to the department the determination of the amount of damages that should be paid arising out of injury to land and the like by reason of aircraft mishaps.

I am not only in favor of delegating to the departments the authority to settle claims up to the amount of \$500; I am in favor of going to \$3,000, and I predicate this statement on the legislative policy adopted with respect to claims for damages arising in the District of Columbia, where we have authorized the District Commissioners to settle claims arising out of tort actions to the extent of \$5,000, and this authority has not been abused.

Mr. HILL of Alabama. Will the gentleman yield?

Mr. STAFFORD. I yield.

Mr. HILL of Alabama. I want to say that I agree thoroughly with what the gentleman says, but my complaint is not so much against the granting of authority to the Secretary of the Navy as in carrying the provision in an appropriation bill instead of having it come from the regular legislative committee.

Mr. STAFFORD. If the legislative committee has been laggard in its duty, it is not a proper criticism to lodge against the Appropriations Committee. I claim that the legislative committee has been laggard in its work, because there should be some general legislation authorizing the department to settle claims that accrue from time to time by reason of airplanes alighting on the land, causing more or less damage to property.

Why should Congress be concerned with these little petty claims? Look at the Private Calendar. I was going over some 25 bills to-day, and there are claims amounting to \$25, many less than a hundred dollars. Why should we be concerned with these measly little claims when they should be settled by the department? We want to be relieved of this distasteful and most disagreeable work. [Applause.]

Mr. COYLE. Will the gentleman yield?

Mr. STAFFORD. Yes.

Mr. COYLE. Does the gentleman feel that the legislative Naval Committee has been particularly derelict in this

Mr. STAFFORD. All of the committees, the Committee on Expenditures in the Department, especially, because it is under their jurisdiction, and they come here and report little measly claims instead of bringing in an omnibus legislative bill that would relieve Congress of their consideration.

I have made many suggestions for remedial relief. I remember the late James R. Mann, that great parliamentary leader, to whom I referred this morning, saying to me once in private conversation that he was sometime going to rewrite the rules of the House of Representatives-that perhaps he was the only one that could rewrite them.

I regret his untimely passing, as he knew more parliamentary procedure than any that I have known. He knew the philosophy of the rules. I, together with every other friend, was sorry that he stayed in this climate against the advice of his physician, and was stricken down because he remained at his public post rather than go to a climate where the climate was more equable and would not be so

hard on his system. He stayed here until he died of pleuro-

Now, I will come back to the real question.

Mr. McCORMACK. The gentleman alluded to the delegating of power to the post office. I want to say that they delegated authority to settle claims there up to \$500.

Mr. STAFFORD. The gentleman is correct as far as the Post Office Department is concerned. We should be relieved of this drudgery, because you will find that when a man has a demand of a thousand or two thousand dollars, if the department had the authority they could settle, but when he comes to Congress he comes in and demands \$5,000, and these easy-worked committees report the bill giving him \$5,000.

Now. I want to get back to the consideration of the question before the House; that is, the amount of money that we are voting for aircraft. For a long time I have been of the opinion that if there is one activity of the War and Navy Departments that could be merged, this activity relating to aircraft is that one. We have duplicating services, one in the Navy, one in the Army, another in the Marine Corps, and still others in other agencies. I read the report on this bill and learned the Navy Department is spending more than a million dollars for experimental purposes along the line of advance in aircraft. Am I correct?

Mr. AYRES. Yes.

Mr. STAFFORD. We are spending a large sum of money at McCook Field in Dayton, Ohio, for similar activity. That is duplication. We are voting to the Smithsonian Institution for similar work, \$800,000, last year \$1,000,000. I tried to cut it down last year, but was met with no support upon the part of the committee. Why? Because the chairman of the committee having the bill in charge said, "Stand back of the committee"; and the House, under the bellwether leadership of the chairmen of the subcommittees. stand back of the committee no matter what the merits of the proposal may be. I ask the gentleman from Kansas whether in his opinion, after his study of this subject, there could not be a real saving by merging these activities under one head, particularly the experimental part?

Mr. AYRES. I rather think there could be.

Mr. STAFFORD. About 15 years ago I had the privilege of serving on the War Department Appropriations Committee. On my return here four years ago the triumvirate leaders who were controlling the Republican organization of this House, threw me into the discard on the important legislative committee known as the Committee on Military Affairs.

I have enjoyed my service upon that committee, particularly the fellowship which has been of rare order. At that time I was of opinion, from my close study of war activities, that if there was one scientific activity that could be merged it was that of aircraft. Why should the Navy have its large force in south Philadelphia and the Army have its force at McCook Field, and the Smithsonian over here, and the Marine Corps down at Quantico, all pursuing similar investigational work? If there is any activity that I expect my good friend and former House leader, Mr. Swagar Sherley, former chairman of the Committee on Appropriations, who has been delegated by the President elect to determine the policy of merging, it is right here in this aircraft matter.

Mr. FITZPATRICK. Mr. Chairman, will the gentleman yield?

Mr. STAFFORD. Yes. Mr. FITZPATRICK. Under the amendment to the Treasury-Post Office appropriation bill the other day, giving the President certain powers, can he not do that?

Mr. STAFFORD. I just referred to the fact that the President elect has selected Mr. Sherley, former chairman of the Committee on Appropriations from January 1, 1918, when the gentleman's distinguished predecessor Mr. Fitzgerald retired, until the close of the Wilson administration, to look into that very matter. Mr. Sherley has been deputed for the service I refer to.

(Mr. Stafford's time at this point having expired, he was granted two minutes more by unanimous consent.)

Mr. STAFFORD. I have another inquiry. What is the purpose of limiting the appropriation for the maintenance of six heavier-than-air stations on the coast of Continental United States? Where are they located? I suppose they are now in existence.

Mr. AYRES. They are in existence at this time, 1 at Boston, 1 at New York, 1 at Norfolk, 1 at Pensacola, 1 at Washington.

Mr. STAFFORD. Again we have an instance cited where there could be a saving, because the Army is maintaining airports at virtually these same places, and here again we have duplication, duplication, duplication, between these two services. Because I knew there was duplication is the justification for my vote in the last Congress in support of the proposal of the chairman of the Committee on Appropriations for the merger of these two departments. I knew it would result in a saving of millions and millions of dollars to the taxpayers.

Mr. HOWARD. Mr. Chairman, I rise to a point of order. In the interest of harmony I make the point of order against the entire paragraph.

Mr. STAFFORD. Mr. Chairman, I can not yield for that purpose. There is no merit in the point of order at all.

The CHAIRMAN. The point of order comes too late. The time of the gentleman from Wisconsin has expired.

Mr. HOWARD. Do I understand, Mr. Chairman, that it is out of order to make a point of order immediately after the gentleman from Wisconsin has spoken?

The CHAIRMAN. There has been debate on the paragraph and the point of order comes too late.

Mr. McCORMACK. Mr. Chairman, I move to strike out the last two words, and ask the attention of my friend from Wisconsin [Mr. STAFFORD], because I am very much interested in what he has had to say. I think he might be interested in some information that I have in my possession which relates to the subject of overlapping and duplicating activities. I voted against the merger of the Army and the Navy Departments last year because I felt that it might be dangerous to national defense to create one department, upon the theory that if the head of the merged departments should happen to be a Navy man, naturally he would be influenced by his training and background, and it might have some adverse effect on our Army policy.

Likewise, if a man was an Army man, with an Army training and Army background, he would be more or less the product of his environment and influenced thereby, the same as we all are. However, I felt the committee was entirely warranted in trying to prevent overlapping and duplications. After the action of last year I followed that question very closely. I took it up with the departments to see whether or not within the departments they could do something to try to eliminate overlapping and duplications.

I have received information quite recently that the Army and Navy and Marine Corps are engaged in a study of overlapping and duplicating activities in all matters not affecting the fighting efficiency of the service, with the idea of discovering any additional economies which can be effected through further cooperation and coordination. It is expected that material savings to the Government will result from these investigations, made voluntarily by the three services, without interfering in any way with the individual combat missions of the services concerned. I also understand that subcommittees of the House Committee on Naval Affairs and the House Committee on Military Affairs have been appointed to consider this same question, in cooperation with committees formed in the three services we are discussing. I also understand that there have been 27 subcommittees of the three services, the Army, the Navy, and the Marine Corps, appointed to study this question and to see wherein the three departments can bring about the elimination of overlapping and duplicating activities. I feel that such information will interest the gentleman from Wisconsin [Mr. Stafford] the same as it interested me.

Mr. STAFFORD. Will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. STAFFORD. What are the results of their investiga-tions and studies? After the war we had in use by the Army a large proving ground that was established during the war, down at Aberdeen, 30 miles of shore front, established at an expense of millions and millions of dollars. The Navy, in order to vie with the Army, established another large proving ground on the Potomac, spending millions of dollars without any regard to the taxpayers of the

Mr. McCORMACK. I fully agree with the gentleman with reference to eliminating overlapping or unnecessary activities. In view of what the gentleman so well said, I wanted to incorporate in the RECORD the fact that there is an intensive study going on by the three departments, in conjunction with House committees. I see the chairman of the legislative Committee on Naval Affairs present, and I ask him whether my information is correct?

Mr. VINSON of Georgia. The gentleman is correct. We are making an investigation with subcommittees from both the Naval and Military Affairs Committees to see if we can prevent overlapping and duplication of service.

Mr. McCORMACK. Which will mean the saving of a

substantial amount of money.

Mr. VINSON of Georgia. I can not say about that until

the committees have reported.

Mr. MARTIN of Oregon. I think if the gentleman will leave out the word "substantial," he will probably be correct in his statement. The savings is simply going to be chicken feed, because the naval aviator has a different training from the Army aviator. Each service is distinct and separate. There is an auxiliary force for each service, and they can not be combined.

Mr. McCORMACK. The information I have received is that they are determined to make a real investigation for the Army, Navy, and Marine Corps, and if they do, they can make real savings. I am a big-navy and a big-army man, but there is no necessity of duplication and overlapping. I do not stand for that and neither should anyone else. They can save a substantial sum of money without impairing the efficiency of the service, if they wanted to. [Applause.]

[Here the gavel fell.]

Mr. AYRES. Mr. Chairman, I ask unanimous consent that all debate on this paragraph and all amendments thereto close in 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Kansas?

Mr. SCHAFER. Mr. Chairman, I object.

Mr. AYRES. Mr. Chairman, I move that all debate on this paragraph and all amendments thereto close in 10

The motion was agreed to.

Mr. LaGUARDIA. Mr. Chairman, I ask for recognition. I want to say, Mr. Chairman, now that the subject has come up, I fear the gentleman from Massachusetts [Mr. McCormack] places too much faith and confidence in any study of coordination which might be undertaken by either the naval or military authorities. It just will not be done that way. It will not be done as long as the matter is left in their hands. The only way we can bring about elimination of duplication and overlapping and waste in expenditures in the military and naval forces is for the Congress to establish a department of national defense combining all water and land forces. Unless Congress does act, Congress will be waiting for the next 40 or 50 years for reports from committees of the Army and the Navy. I do not mean committees of the House. I mean military and naval committees. It simply will not be done.

Now, we started on a united Air Service immediately after the World War. All we ever got out of it was the courtmartial of a gallant officer of the United States Army. That is all we got out of it. The Navy was not fair about it, and the Army was not fair. The Congress never got all of the facts. All we got out of it was the 5-year building program costing millions of dollars; we never did get our money's

worth. I do not care what anybody says, there is no reason why we can not have a united Air Service, thereby increasing the efficiency in the Air Service by about 50 per cent and decreased appropriations of at least 20 per cent.

The gentleman from Connecticut says, "Who will be the commander?" I do not care whether he is an admiral or a general in the Army, as long as he knows how to fly and is a real commander. The preliminary training is exactly alike. The Navy has amphibian planes; the Army has amphibian planes. The Army has seaplanes and the Navy has landplanes. The motors are exactly alike. Construction is alike. The art of flying is exactly the same. It makes no difference whether one flies over land or over water, whether one lands on a field or on the deck of a carrier.

Mr. HORR. Will the gentleman yield?

Mr. LAGUARDIA. I yield.

Mr. HORR. May I inquire, just as a matter of information, is the training of the Army and the Navy aviator similar?

Mr. LaGUARDIA. The preliminary training is similar. Mr. HORR. But is all of the training similar?

Mr. LaGUARDIA. The preliminary training is exactly alike. It can not be different. Of course, tactical training is different, but what difference does that make?

Mr. SCHAFER. Will the gentleman yield?

Mr. LAGUARDIA. I yield.

Mr. SCHAFER. If the gentleman will study the voluminous hearings of the Committee on Expenditures as to the proposed consolidation of the Army and the Navy, he will change his views with reference to the aviation service of the Army and the Navy's being the same.

Mr. LAGUARDIA. The gentleman can not find an honestto-goodness, bona fide, sincere aviator who is competent, whether he be in the Army or the Navy, who will not confidentially state that it would be to the best interests of the country to unite the two services. But they dare not officially say so. I know. I have lived with these boys. I know them. I know every one of the pioneers in aviation, from Foulois down and from Moffatt down, are for a united Air Service.

Mr. MARTIN of Oregon. Mr. Chairman, will the gentleman yield?

Mr. LAGUARDIA. I yield.

Mr. MARTIN of Oregon. I agree with the gentleman's statement absolutely; but the reason they want a unified Air Service is because they think the next war will be fought with airplanes.

Mr. LaGUARDIA. I do, too. Does not the gentleman from Oregon believe that?

Mr. MARTIN of Oregon. So far as learning the rudiments of flying is concerned, it is the same in both services; but the uses to which the two services put airplanes are entirely different.

Mr. LaGUARDIA. Does not the gentleman from Oregon believe that the most effective combat arm in the next war will be the air forces?

Mr. MARTIN of Oregon. There is no question but what it will be a most important auxiliary arm, but I object to the statement that it will determine the issue of a war. Such a statement is ridiculous. It will not.

Mr. LaGUARDIA. Well, that is a detail. The gentleman will admit, of course, that the art of warfare has entirely changed in the last 25 years by reason of the development

Mr. MARTIN of Oregon. Yes; but the principles of warfare never change. The various arms change in relative importance.

Mr. LaGUARDIA. Does not the gentleman believe that the efficiency of the air forces would be increased by a combination of the two services?

Mr. MARTIN of Oregon. Absolutely.

[Here the gavel fell.]

Mr. CONNERY. Mr. Chairman, I agree with the distinguished gentleman from New York that a unified air service would be to the best interest of the country. I am one of those who voted to combine the Army and the Navy

when the question came up here a year ago. I remember that at that time some Member of Congress said that during the World War Germany was the only country which had a united army and navy, and she lost the war. Another gentleman—I think the gentleman from New York—remarked: "Yes, and it took the whole world to lick her." I think that is the story.

We have at other times heard what the distinguished gentleman from Oregon says, that the Army and Navy did not want the air forces consolidated. Of course they do not. The generals and the fliers of the Army are afraid of their promotions or they are afraid of their pay; and the same thing applies to the aviators of the Navy; they are afraid some admiral will lose his promotion.

The question of national defense rises above all these things and in its consideration these matters should be brushed aside.

· I believe there should be in the Cabinet a secretary of the air forces, a man who would be able to sit down with the Secretary of the Navy and the Secretary of War and discuss strategy and discuss what they are going to do about war, so we will not have this pulling here and hauling there.

We all heard the story as to the famous races that were held between the Army and the Navy. It was brought out on the floor of the House that during those races one year the Army would agree that the Navy would win and the next year the Navy would agree that the Army would win, so you would not know which had the fastest planes. Is that national defense? Is that trying to build up the air forces? No; that is just "You pat my back and I'll pat your back." We do not want that in national defense. We want the best air force in the world.

Mr. HORR. Mr. Chairman, will the gentleman yield?

Mr. CONNERY. I yield.

Mr. HORR. I can not understand why, if the gentleman believes in a consolidation of the Army and the Navy, he also believes in the creation of another instrumentality, a department of aviation.

Mr. CONNERY. If they will consolidate the Army and the Navy, then let them consolidate all three branches of defense and put them under the control of one department.

Mr. HORR. If the Army and the Navy were to be consolidated, the thing to do would be to include the air service and put them all under one department.

Mr. CONNERY. That is what I would like to see done. I would like to see Congress put them all under one head. But if we can not get through Congress the proposition of consolidating the Army and the Navy, then I say the thing to do is to create a department of air forces with a secretary at its head in the Cabinet.

Mr. LaGUARDIA. Mr. Chairman, will the gentleman yield?

Mr. CONNERY. I yield.

Mr. LaGUARDIA. I call the gentleman's attention to the fact that an Englishman down at Daytona yesterday attained a greater speed with an automobile by 50 per cent, I will say 60 per cent, than the Navy planes attain.

Mr. CONNERY. I agree with the statement of the gen-

Mr. GOSS. I can not but wonder, in view of the service of the gentleman from Massachusetts in the Army, how he would feel if an admiral were chosen to be the head of such a consolidated department.

Mr. CONNERY. I will serve under any admiral in the world if he knows what he is talking about, and there is not the situation where they say: "You do this and I'll do that." The gentleman is aware of the controversies that take place between generals; and he knows where the doughboy fitted into the picture.

Mr. MARTIN of Oregon. Mr. Chairman, will the gentleman yield?

Mr. CONNERY. I yield.

Mr. MARTIN of Oregon. Different functions are performed by the two air forces.

Mr. CONNERY. They could be performed much more effectively by being consolidated into one department. With

these fires smoldering over there in the Far East we have got to have the best air service in the world. That is what I want.

Mr. SCHAFER. Will the gentleman yield?

Mr. MARTIN of Oregon. With this great air force that the gentleman is talking about, why did they not clean up Shanghai?

Mr. SCHAFER. Why does not the gentleman convert his pacifist chairman of the subcommittee on appropriations for the Army?

Mr. LaGUARDIA. He is not a pacifist.

Mr. SCHAFER. How are you going to have the kind of air service that the gentleman wants?

Mr. CONNERY. The chairman of the subcommittee on War Department appropriations is not a pacifist.

I am for real national defense and for a real air force for the United States.

[Here the gavel fell.]

The Clerk read as follows:

NAVAL ACADEMY

Pay, Naval Academy: Pay for professors and others, Naval Academy: Pay of professors and instructors, including one professor as librarian, \$253,192: Provided, That not more than \$33,300 shall be paid for masters and instructors in swordsmanship and physical training: Provided further, That the number of civilian and officer instructors at the Naval Academy shall not be increased during the fiscal year 1934, and any vacancy occurring in the number of civilian instructors in other than swordsmanship and physical training shall not be filled until the number of such instructors shall have been reduced below 49: Provided further, That no officer shall be detailed as an instructor of midshipmen without the approval of the academic board.

Mr. VINSON of Georgia. Mr. Chairman, I make a point of order on the last proviso on page 39, beginning in line 19, as legislation on an appropriation bill.

Mr. AYRES. Mr. Chairman, we concede the point of

The CHAIRMAN. The point of order is sustained.

Mr. GOSS. Mr. Chairman, I make a point of order on the proviso on page 39, lines 13 to 19, inclusive, that it is legislation on an appropriation bill.

Mr. AYRES. I may say to the gentleman that this is only a limitation.

Mr. GOSS. It does not show any saving, on the face of the language of the bill, under the Holman rule.

Mr. BANKHEAD. A limitation, I will say to the gentleman, does not necessarily have to show a saving.

Mr. GOSS. No; but we have limitations in the guise of legislation, I will say to my friend from Alabama; and I think this is legislation in the guise of a limitation.

The CHAIRMAN. Can the gentleman from Kansas inform the Chair whether or not there will be any saving under this proviso?

Mr. AYRES. I can not point out any definite saving, Mr. Chairman, but the provision will prevent expansion of the present instruction force. It is a limitation, without which there could be expansion, although I am frank to say I am sure no expansion would occur.

Mr. McCORMACK. Will the gentleman yield?

Mr. AYRES. Certainly.

Mr. McCORMACK. Has the gentleman any information as to how many of those that this paragraph affects are performing service at the Naval Academy now? Are there more than 49?

Mr. AYRES. There are 62, excluding physical instructors. Mr. McCORMACK. It is provided in line 19 that they must be reduced below 49. Does this mean there are over 49 there now?

Mr. AYRES. There are 62 at the Naval Academy at this time.

Mr. McCORMACK. And it is the intention to reduce the number to 49, gradually?

Mr. AYRES. Eventually to 49.

Mr. McCORMACK. Then this would indicate that there is going to be a reduction?

Mr. AYRES. Yes.

Mr. STAFFORD. Mr. Chairman, on the point of order, if the Chair will indulge me-

The CHAIRMAN. The Chair will hear the gentleman from Wisconsin on the point of order.

Mr. STAFFORD. I respectfully submit that the first part of the proviso, "that the number of civilian and officer instructors at the Naval Academy shall not be increased during the fiscal year 1934," is a proper limitation under the Holman rule. This provides, on its face, that the number shall not be increased. The very purpose of the language is to limit the amount of the appropriations based on the number of instructors that may be employed.

The CHAIRMAN. How can the gentleman point out that there is a definite showing of a decrease?

Mr. STAFFORD. The very language is that the number shall not be increased. What more definite language can be used than the language which says "shall not be increased"? This language is predicated upon the idea there is a certain number now employed and the language says that the number shall not be increased. The very purpose of the language is to make it so there will not be any further employment of more instructors which would be an expense on the Government, so far as that is concerned.

The CHAIRMAN. Does this language, in the opinion of the gentleman from Wisconsin, eliminate anything or does it save any money?

Mr. STAFFORD. Yes. I direct the attention of the Chair to the rule—of which the Chair, of course, is cognizant—

Nor shall any provision in any such bill or amendment thereto changing existing law be in order, except such as, being germane to the subject matter of the bill, shall retrench expenditures by the reduction of the number and salary of the officers of the United States, by the reduction of the compensation of any person paid out of the Treasury of the United States, or by the reduction of amounts of money covered by the bill.

This is provided for by not allowing an increase of the number, and the very opposite of an increase is that there will be a reduction when a vacancy occurs. The Chair must take into consideration that vacancies do occur by reason of death or resignation, as the hearings and the report show; therefore there will be no increase in the number.

The CHAIRMAN. Does not the rule say that the expenses shall be retrenched?

Mr. STAFFORD. No; shall retrench expenditures by reduction of the number. If the language of the bill provided for an increase, of course, there would not be any retrenchment; but where the language provides specifically there shall not be any more added, this must result necessarily, from the language itself, in a retrenchment of expenditures, because the Chair must take judicial cognizance of the fact that vacancies occur for one reason or another; and when such vacancies occur they shall not be filled or the number increased.

The CHAIRMAN. Is it not entirely speculative as to whether or not there will be a retrenchment or a reduction or any vacancies?

Mr. STAFFORD. No; it is not speculative. I can not consider it speculative or conjectural in placing a limitation on a bill that forbids an increase in the instructional force of the Academy. There is retrenchment when you place a limitation that the number shall not be increased in that it prevents an increase.

Mr. BANKHEAD. Mr. Chairman, I can not agree with the gentleman from Wisconsin, although I usually do on matters of parliamentary construction. It does not affirmatively appear that there is any retrenchment in this provision. The question seems to be whether or not, aside from the question of reduction of expenses, this language would be authorized by existing law. If this is legislation, I think the position of the gentleman from Connecticut is correct. I am not familiar with the substantive law on the question, but if the limitation is not authorized under existing law, then the proposition is subject to a point of order.

The CHAIRMAN. The Chair is ready to rule. In the opinion of the Chair, it must show that the language comes

within the rule, and that there is a definite retrenchment. The Chair thinks that the language does not so show, and therefore the point of order is sustained.

Mr. AYRES. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Page 39, line 13, after the word "training," insert "Provided further, That no part of this appropriation shall be available for the paying of civilian instructors at the Naval Academy who were not so employed on June 30, 1933."

Mr. GOSS. Mr. Chairman, to that I reserve a point of order.

Mr. VINSON of Georgia. Does that provide for the same restriction as the language that was stricken out?

Mr. AYRES. Yes.

The CHAIRMAN. Does the gentleman from Connecticut wish to press his point of order?

Mr. GOSS. I do not.

The amendment was agreed to.

The Clerk read as follows:

PAY, MARINE CORPS

Pay of officers, active list: For pay and allowances prescribed by law for all officers on the active list—pay and allowances, \$3,443,-816, including not to exceed \$128,067 for increased pay for making aerial flights; subsistence allowance, \$447,168; rental allowance, \$619,254; in all, \$4,510,238; and no part of such sum shall be available to pay active-duty pay and allowances to officers on the retired list.

Mr. AYRES. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Page 42, line 5, strike out the figures "\$128,067" and insert "\$141,306."

Mr. AYRES. Mr. Chairman, that simply puts back the flying pay of the Marine Corps.

The amendment was agreed to.

The Clerk read as follows:

ALTERATIONS TO NAVAL VESSELS

Toward the alterations and repairs required for the purpose of modernizing the U. S. S. New Mexico, Mississippi, and Idaho, authorized by the act entitled "An act to authorize alterations and repairs to certain naval vessels," approved February 28, 1931, \$5,500,000, to remain available until expended: Provided, That the sum to be paid out of the amount available for expenditure under this head for the fiscal year 1934 for employees in the field service assigned to Group 4 (b) and those performing similar services carried under native and alien schedules in the schedule of wages for civil employees in the field service of the Navy Department shall not exceed \$30,000.

Mr. STAFFORD. Mr. Chairman, I move to strike out the last word. From my reading of the hearings, I recall the authorization made some years back providing for the rehabilitation of three battleships. Only on two of those has the work been under construction, as I understand it. Am I correct in my recollection?

Mr. AYRES. There are three undergoing modernization now.

Mr. STAFFORD. I understood there was one at Norfolk and one at the Philadelphia Navy Yard.

Mr. AYRES. Two at Norfolk.

Mr. STAFFORD. Whereas no work has been begun so far as the third battleship is concerned?

Mr. AYRES. Oh, yes. That is progressing a little more slowly than the others, but all three are under modernization

Mr. STAFFORD. Do the hearings disclose the views of the Navy Department on whether the expenditure of \$10,000,000 on each of these outclassed and outworn battleships is a justifiable expenditure?

Mr. AYRES. We did not go into that question extensively this year. In the hearings on the appropriation bill for the current year we discussed this matter quite fully and as a result tried to reduce the authorized cost from \$30,000,000 to \$27,000,000. The bill that we reported reduced the limit of cost, but in the end became law with the original authorization unchanged.

Mr. STAFFORD. The original estimate was predicated on existing costs at the time, and at that time costs had not been reduced. Are they going ahead with a more extravagant modernization than was originally intended?

Mr. AYRES. The basis for the committee's action last year was the reduction in matériel costs. We took that action despite the fact that we were told there had been an increase in cost owing to moneys not having been provided as rapidly or as fully as needed, which resulted in an increase of overhead costs that would more than absorb savings accruing from lower commodity costs.

Mr. STAFFORD. Will the gentleman inform the House when these two that have been getting along pretty well will be in commission, and when the last one, upon which they have been going along in a fractional sort of undertaking, will be in commission?

Mr. AYRES. Two in the latter part of this calendar year, and the third one shortly after the beginning of the next fiscal year.

Mr. STAFFORD. Is it intended on the part of the Navy to have this modernization apply to the other battleships that are just about going out of commission?

Mr. AYRES. Nothing of that kind has been authorized. The gentleman probably intends to address his inquiry to the gentleman from Georgia [Mr. VINSON], the chairman of the Naval Affairs Committee.

Mr. STAFFORD. I hope that under the leadership of the advanced gentleman from Georgia he will not bring into the House any bill providing for an expenditure of \$30,000,-000 on old, discarded battleships, but will bring in a measure for modern vessels, to meet the demands of the times.

Mr. VINSON of Georgia. I am in accord with the gentleman from Wisconsin.

Mr. STAFFORD. The gentleman again qualifies as a progressive naval expert.

Mr. FRENCH. Mr. Chairman, I rise to oppose the pro forma amendment. The gentleman from Wisconsin [Mr. STAFFORD] asked whether or not the \$30,000,000 modernization program should have been undertaken and this large amount appropriated for the modernization of the three battleships. Personally, I was one of the Members of Congress who did not think the appropriation was justified. I opposed it at the time, and a year ago in the committee believed that the reductions that had occurred in cost of materials and labor were such that we ought not to carry the entire amount authorized originally into the appropriation bill. The gentleman has indicated the correct course when he said we ought not to have spent the \$30,000,000 upon those battleships, but that we ought to have saved that money and have applied it at some future time on a modern Navy program.

Mr. STAFFORD. Mr. Chairman, will the gentleman vield?

Mr. FRENCH. Yes.

Mr. STAFFORD. At the time when the Senate bill was under consideration authorizing the expenditure of \$30,-000,000 for these old discarded battleships, that had been in commission for about 20 years, ready to be scrapped or for the second line of defense, there was introduced in the House a bill providing \$76,000,000 for new construction. I believe I am not violating any secret when I say that the reason why the Naval Affairs Committee pressed the \$30,-000,000 proposal was because they did not think that they could get the \$76,000,000 bill through the Senate, and they took the other up in order to give employment in the navy

Mr. FRENCH. In my judgment the gentleman's understanding is correct. That was my understanding at the time. I was opposed to the program, and I believe the gentleman has stated the facts.

The Clerk read as follows:

INCREASE OF THE NAVY

Construction and machinery: On account of hulls and outfits of vessels and machinery of vessels heretofore authorized, \$25,047,785, and, in addition, (1) the Secretary of the Treasury is authorized and directed, upon the request of the Secretary of the Navy, to make transfers during the fiscal year 1934 from the naval supply account fund to this appropriation of sums aggregating not to exceed \$5,000,000, and (2) \$2,498,000, which is hereby reappropri-

ated for the objects embraced by this paragraph of the appropriation "Public works, Navy, emergency construction, act July 21, 1932," contained in the act entitled "An act to relieve destitution, to broaden the lending powers of the Reconstruction Finance Corporation, and to create employment by providing for and ex-Corporation, and to create employment by providing for and expediting a public works program," approved July 31, 1932, and the total sums hereby made available shall remain available until expended: Provided, That the sum to be paid out of the amount available for expenditure under the head of "Construction and machinery" for the fiscal year 1934 for employees in the field service assigned to Group IV (b) and those performing similar services carried under native and alien schedules in the Schedule Wages for Civil Service Employees in the Field Service of the Navy Department shall not exceed \$800,000: Provided, That of the appropriations contained in this act under the head of "Increase of the Navy," there shall be available such sums as the Secretary of the Navy may from time to time determine to be necessary for the engagement of technical services, including the purchase of plans, and the employment of personnel in the Navy Department and in the field, in addition to those otherwise provided for, owing to the construction of vessels heretofore authorized and herein or heretofore appropriated for in part.

Mr. VINSON of Georgia. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment by Mr. Vinson of Georgia: Page 49, line 14, before the period, insert a colon and "Provided further, That the appro-priation limitation on expenditures including armor and armament for the aircraft carrier No. 4 is hereby fixed at \$21,000,000."

Mr. VINSON of Georgia. Mr. Chairman, I call the attention of the House to the effect of this amendment. A few years ago Congress authorized the construction of what is known as the Ranger, an experimental type of aircraft carrier. The contract was let and was awarded to the Newport News Shipbuilding Co. It now is progressing very rapidly in the stages of completion. The Navy Department is desirous of making certain changes with reference to the type and character of that ship.

Extended hearings were held and testimony was heard by the committee from the Secretary of the Navy, the Chief of Bureau of Construction and Repair, Chief of Bureau of Engineering, Chief of Bureau of Aeronautics, and the Assistant Chief of Bureau of Aeronautics. The department also presented models of the U.S.S. Ranger, which made it easier to visualize the proposed changes which will make her a far more efficient unit of the United States Fleet. The witnesses were unanimous in stating that the proposed changes are essential, not only to obtain increased military effectiveness but also for the protection of life and material. Also, they can be accomplished, if authorized now, more cheaply and satisfactorily than at any later time.

The U.S. S. Ranger was designed during the years 1927-1929 and a contract for her construction was entered into with the Newport News Shipbuilding & Dry Dock Co. under date of November 1, 1930. The contract price for the hull and machinery of this vessel is \$15,775,000, including changes authorized to date. Armor, armament, and ammunition costing \$2,716,000, which are furnished by the Government, are included in the limit of cost but are not part of the contract price. The total of \$18,491,000 leaves only \$509,000 to cover Government-furnished equipage, trial items, past trial items, and essential military changes yet to be authorized. The contract date of completion is May 1, 1934.

The U.S.S. Ranger is the first aircraft carrier, designed as such from the beginning, to be constructed for the United States Navy, and is, therefore, to a very great extent an experimental ship. Her design was based largely on the limited experience gained with the Langley. Although the Saratoga and Lexington were commissioned on November 16, 1927, and December 14, 1927, respectively, it was not until the year 1929 that they took an active part in the fleet

A large number of important developments in naval aviation have resulted from the fleet maneuvers of 1929, 1930, 1931, and 1932. Most of these developments have been incorporated in the Lexington and Saratoga but very few of them have been incorporated thus far in the Ranger, due to the limited funds available. In addition, experience not only in the United States Navy but also in foreign navies has indicated conclusively within the past two years the necessity for having elevated locations for controlling the movements of the vessel, the fire of the antiaircraft guns, and the operation of the ship's airplanes. The committee thus finds that, whereas it will be possible to complete the Ranger as originally designed, within the present limit of cost of \$19,000,000, if this be done the ship when turned over to the Navy, will be some three or four years behind the Lexington and Saratoga as an aircraft carrier and will be seriously handicapped with regard to communications, equipment, and the operation of her planes and guns. Accordingly it is strongly recommended that the proposed increase of the limit of cost from \$19,000,000 to \$21,000,000 be authorized.

I am advised there is no objection on the part of the members of the subcommittee. They made an investigation and they are all in accord that this amendment should be agreed to.

Mr. STAFFORD. Will the gentleman yield?

Mr. VINSON of Georgia. I yield.

Mr. STAFFORD. On the Consent Calendar on the last call there was a bill reported from the committee of which the gentleman has the honor to be the chairman providing for an increase of appropriation for this carrier of \$2,000,000.

Mr. VINSON of Georgia. That is correct.

Mr. STAFFORD. As I understand, it is the purpose of the gentleman's amendment to carry that legislation into effect?

Mr. VINSON of Georgia. That is correct.

Mr. STAFFORD. With those proposed modifications, when will the Ranger be ready for commission?

Mr. VINSON of Georgia. The Ranger will be launched on the 25th. Mrs. Hoover will christen it. It will be about a year before the Ranger can go into commission if this legislation passes. This is an experimental type of aircraft carrier. It is the first one the Government has ever built. The Saratoga, the Lexington, and the Langley are converted ships

The distinguished gentleman from Idaho [Mr. French], as well as the distinguished gentleman from New York [Mr. Taber] and other members of the Committee on Appropriations, so I am advised, are thoroughly in accord with increasing the authorized cost of constructing this ship. It may not cost \$21,000,000. The Bureau of Construction and Repair at the next Congress will come before the Congress and lay out a program as to what the cost will be. They are so close to-day within the total amount of the appropriation that it is necessary there be leeway given them.

Mr. TABER. Will the gentleman yield? Mr. VINSON of Georgia. With pleasure.

Mr. TABER. I think that this aircraft carrier ought to be built in the best possible way, and as it is an experimental type of ship, something that we can follow with our permanent construction, we ought to go ahead with it just as fast as we can, and I think the amendment offered by the gentleman from Georgia should be adopted.

Mr. FRENCH. Mr. Chairman, I move to strike out the last word.

I think that in the interest of economy in the construction of this particular craft, it would be desirable that the amendment be adopted. I am afraid greater expenses will result unless we so act.

I wish, now, to refer to a general statement that was made by the distinguished chairman of the Naval Committee [Mr. Vinson], a few weeks ago, that was given a great deal of currency in the press of the country, in which he seemed to take the administration severely to task because a more intensive naval-construction program has not been carried forward during the last several years.

I have the highest respect for my colleague [Mr. VINSON] and for the valuable services he is rendering as a Member of Congress, and it may be that he did not intend his criticism as a reflection upon the administration but as an expression of regret that a more extensive building program had not been followed. This really must be the case, for the gentleman is chairman of the Naval Affairs Committee

and the Democratic Party has been in control of the House for nearly two years and no authorization building program has passed this House during all that time.

Personally, I am in heartiest sympathy with the policy that the administration has followed in advising a moderate program in construction work. The very amendment that the gentleman proposes suggests to the Members of the House that if we are to have regard for economies we must not rush forward with untried building projects. Under the London treaty we may equip 25 per cent of our cruiser tonnage with flight decks. Here again is a departure in our construction program, and it should be entered upon with care.

As I said yesterday, I am in accord with a conservative program because of the effect that it will have upon the limitation conference that will convene in 1935. I hope that when two years shall have passed and that conference shall have assembled all nations will not find themselves built up to tonnage limits. Should nations be built to the limit of tonnage, we shall find that one of the greatest arguments that will be brought to bear against reduction of tonnage and those of officers and personnel and costs and all the other naval burdens will be because the nations will not want to destroy new craft. That was the argument at the Washington conference. It was the argument at the London conference. It will be the argument in any conference that may be held in the future.

Again, I have approved of the policy of moderation in naval building programs because I have hoped that through moderation the United States could be most helpful in bringing practical results out of the conference that has been in progress in Geneva looking to reduction of all military and naval burdens.

In my judgment, we have followed the right course in being moderate in naval construction, a course initiated by the President and concurred in by the Congress.

The CHAIRMAN. The time of the gentleman from Idaho has expired.

Mr. AYRES. Mr. Chairman, I ask unanimous consent that all debate on this paragraph and all amendments thereto close in five minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. COYLE. Mr. Chairman, it has been my privilege to serve six years in this Congress on the Committee on Naval Affairs of the House. During four years of that time the gentleman from Georgia [Mr. Vinson] was the ranking minority member. For the last two years he has been the chairman of the committee.

In the six years during which I, a Republican, have served alongside of him there has never been a time in his actions on that committee, or in the transactions of that committee, when partisan politics in any sense has been allowed to interfere with his idea of the national defense. Whether he led the minority, or whether he presided over the entire committee as its chairman, the gentleman from Georgia has been first, last, and all the time a patriot in every approach to the question of national defense. [Applause.]

In this last Congress, close to his own heart was a building program that, in many ways, many of us would have liked to have seen reported to the Congress, a program on which we would like to have seen the country embark. From my own knowledge I know the gentleman from Georgia sunk his own personal desires for the time being in the interest of what he believed, and what I believed, to be the national good and the international comity.

The possibility of making any great advance in this Congress, had that bill been reported, would not have been at all considerable. In my own judgment, the gentleman from Georgia has refrained from reporting that bill and persuaded the members of the committee to think with him practically without dissent, he believing that it were better to hold it back because of a desire on his part not to put the national defense in any degree in conflict with the President of the United States as the Commander in Chief

of the armed forces of his country; and I feel exceedingly sorry to hear from my own party this afternoon an attack in some measure on his motives, on his responsibility, for not reporting that program.

Mr. FRENCH. Mr. Chairman, if the gentleman had heard what I said, he would recognize that what I said was not in criticism of his course in the Congress, but approval. The gentleman to whom I referred seemed to criticize in his interviews the present administration for not carrying through a larger building program, whereas the Congress must share the program with the administration. For my part, I believe it is the course we should have followed.

Mr. COYLE. Mr. Chairman, if in any way I have wronged or misquoted the gentleman from Idaho, it was not my intention so to do

I did feel that the question of partisan politics had been pinned on the chairman of our committee; and in this moment I desired to speak what was close to my own heart and what I know to be a fact, that in that committee under his leadership partisan politics has never been considered in relation to the national defense. [Applause.]

Mr. FRENCH. On the contrary, my remarks are prompted by the same thought, that in the interviews the gentleman has given out he has seemed to desire to criticize the present administration, when his committee and this Congress must share the responsibility.

The CHAIRMAN. The question is on the amendment of the gentleman from Georgia.

The amendment was agreed to.

The Clerk read as follows:

The appropriations made in this act for the purchase or manufacture of equipment or material or of a particular class of equipment or material shall be available for the purchase of letters patent, applications for letters patent, licenses under letters patent, and applications for letters patent that pertain to such equipment or material for which the appropriations are made.

Mr. STAFFORD. Mr. Chairman, I reserve a point of order. I have not had time to ascertain whether this language has been carried in prior appropriation bills. It grants rather omnibus authority to the department to use any amount of appropriations for the purchase of letters patent or applications for patents.

Mr. AYRES. I may state to the gentleman from Wisconsin that this provision, in exactly the same language, has been carried in naval appropriation acts for many years.

Mr. STAFFORD. To what extent has the department availed itself of this omnibus authority for the purchase of patents?

Mr. AYRES. I do not know. Frankly, I can not answer the gentleman's question.

Mr. STAFFORD. There is no limit whatever on the amount of money they can expend in this way.

Mr. AYRES. The gentleman is correct; but I can assure him there has been no abuse.

Mr. STAFFORD. Does not the gentleman think it would be prudent to place some limitation upon the amount of the appropriation that could be expended for the purpose?

Mr. AYRES. I am inclined to agree with the gentleman.
Mr. STAFFORD. I wish the gentleman would keep this
thought in mind in the consideration of the bill next year,
because I think it is questionable practice to authorize a
department to expend an unlimited amount for the purchase
of patents.

Mr. AYRES. I assure the gentleman I shall be very glad to bear in mind his suggestion.

Mr. STAFFORD. I realize the Government is undertaking the building of a number of ships and there may be occasion for authority to purchase patent rights, but we do not extend this authority to the War Department. The language carried in this bill gives unlimited blanket authority. Millions could be used, and the Government would be helpless.

Mr. AYRES. I should not go that far, because the amounts that we appropriate are very definitely allocated.

Mr. STAFFORD. Mr. Chairman, I withdraw the reservation of the point of order.

The Clerk concluded the reading of the bill.

Mr. AYRES. Mr. Chairman, I move that the committee do now rise and report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

The motion was agreed to.

Accordingly the committee rose and the Speaker having resumed the chair, Mr. Doxey, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee, having had under consideration the bill (H. R. 14724) making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1934, and for other purposes, had directed him to report the same back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

Mr. AYRES. Mr. Speaker, I move the previous question on the bill and all amendments thereto to final passage.

The previous question was ordered.

The SPEAKER. Is a separate vote demanded on any amendment? If not, the Chair will put them in gross.

The amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

On motion of Mr. Ayres, a motion to reconsider the vote by which the bill was passed was laid on the table.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. Craven, its principal clerk, announced that the Senate insists upon its amendments to the joint resolution (H. J. Res. 533) entitled "Joint resolution providing for the suspension of annual assessment work on mining claims held by location in the United States and Alaska," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. Patterson, Mr. Oddie, and Mr. Hayden to be the conferees on the part of the Senate.

The message also announced that the Senate had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 2148) entitled "An act for the relief of Clarence R. Killion."

EXTENSION OF REMARKS—NAVAL APPROPRIATION BILL

Mr. AYRES. Mr. Speaker, I ask unanimous consent that all Members may have five legislative days within which to extend their own remarks on this bill (H. R. 14724).

The SPEAKER. Is there objection?

There was no objection.

Mr. DREWRY. Mr. Speaker, under leave to extend my remarks in the Record, I wish to address myself briefly to the information concerning the Marine Corps recently brought out in hearings before a subcommittee of the Committee on Naval Affairs and a subcommittee of the Appropriations Committee of the House.

It is becoming more and more evident that it is almost impossible for the House, with the multiplicity of matters before it for consideration, to consider thoroughly legislation that requires detailed study. Necessarily, therefore, reliance must be placed in the committees that hold extended hearings on such subjects. I have been very much impressed, in my service in the Congress, with the carefulness, earnestness, and study given by faithful and hardworking committees to the subjects that are referred to them.

In particular do I wish to pay my humble tribute to the Subcommittee on Appropriations which submitted through its chairman, Mr. Ayres, the bill making appropriations for the Navy Department and the Naval Service for the fiscal year ending June 30, 1934. As a member of the Committee on Naval Affairs, I have been particularly interested in its work. It is a pleasure to be able to praise the faithful and conscientious members of this committee for the efficient

work that they did. The House evidently thought as I did, for little fault was found with its recommendations. This committee had a very delicate job to perform. On the one hand was the properly insistent demand for economy in Government expenditures, and on the other hand, was the imperative necessity for providing for an adequate national defense. This committee met the issue squarely and announced (p. 8 of the report):

We can ill afford, in the judgment of the committee, to accede to proposals advanced as measures of economy that would lessen the present degree of our military preparedness.

This view was responsible for the refusal of the committee to accept the Budget recommendations with reference to the Marine Corps—the Budget proposal being to reduce the corps' enlisted strength to 13,600.

In 1931 the appropriated enlisted strength was 18,000; in 1932, 17,500; in 1933, 15,343; and for the fiscal year 1934, as said above, the suggestion was to make the number 13,600. If such a reduction were to be made, in my opinion, and in the opinion of others far better qualified to judge than I am, its service would have been reduced below its minimum of effectiveness. Economy at the expense of effectiveness is not real economy.

The Navy, as a part of its policy, is expected to maintain a Marine Corps of such strength that it will be able adequately to furnish detachments to vessels of the fleet in full commission, to supply guards for shore stations, and garrisons for outlying positions, and to maintain them in readiness as expeditionary forces. The Marine Corps, therefore, is a highly specialized force trained for certain purposes. In war time its function is to provide an expeditionary force to assist the fleet in the capture and defense of naval bases. In peace, this expeditionary force is used to provide landing forces for the protection of American interests in regions where unsettled conditions make such interference necessary. It follows that its training and experience thus makes the personnel of this corps ready for service on land and sea. There is no other part of our Military Establishment that has this precise duty, and no other organization under naval command can fulfill the requirements. In undertaking overseas operations there must be an advanced base force that can seize and defend the fleet bases. Acting as it does with the fleet proper coordination requires that it be developed, trained, and maintained by the Navy. As the duties of such expeditionary forces are unique and require special training, the mobility of the fleet would be seriously affected without the proper force to do the work. A reduc-tion of the force below the number required by the fleet would seriously cripple the successful activities of the fleet itself. This has been recognized by our naval experts and the number required for the peace-time enlisted strength of the Marine Corps has been fixed at approximately onefifth of the actual enlisted strength of the Navy. Long experience has evolved this approximated strength.

I know that recently statements to the effect that naval men exaggerate the necessity of certain requirements for an adequate national defense have met with applause from those pacifistically inclined. As a matter of common sense, I believe our naval experts, trained for the purpose of protecting our country and its commerce, are the best sources of information of our needs for national security. I have never seen any lack of patriotism on their part nor any intention to aggrandize themselves at the expense of their country. If their judgment is unsound, where would we go to receive the proper determination of the force necessary to be employed in our Military Establishment for the protection of the country? Is it sound sense to follow the opinions of those who have never had any training or experience in naval activities?

The Commandant of the Marine Corps, in his annual report to the Secretary of the Navy dated September 8, 1932, says:

The reduction of the enlisted strength of the Marine Corps from 18,000 to 15,343 has made it impossible for the corps to carry out its primary mission of supporting the United States Fleet by maintaining a force in readiness to operate with the fleet. On

the present strength only weakly skeletonized organizations of such arms that are essential to a modern military force can be maintained.

With the present enlisted strength the Marine Corps is not prepared to perform its allotted task in the event of a national emergency.

And before the subcommittee adds:

The further reduction to 13,600 will greatly intensify the situation and impair the national defense.

Such a statement by a conscientious officer must demand our consideration.

It is not necessary to quote the further testimony of our naval experts, for it is set out in the hearings before the Subcommittee on Appropriations and the Subcommittee on Naval Affairs. The testimony of every witness, including the Secretary of the Navy, the Chief of Naval Operations, the president of the General Board of the Navy, the Chief of the Bureau of Navigation, and the Chief Coordinator of the Government was to the effect that the United States has no other force that could be used as the Marine Corps is used, that there should be some such force specially trained for the duties required of the Marine Corps, that the present strength of the corps does not enable it to fully perform all the functions for which it is needed, and that a further reduction would be disadvantageous to the corps, seriously impairing its efficiency and thereby destroying its best service to the country and impairing the national defense.

Every Member of Congress realizes the necessity for economy at this time, and Congress has evidenced this by a very reasonable reduction in governmental expenditures, but by reason of the unsettled conditions which now exist throughout the world, the weakening of our Navy at this time would be most unwise. Unfortunately for the United States, there is only one fortified base outside the continental limits where the ships of the fleet could rendezvous for repair, fuel, food, ammunition, and rest, and from whence they could operate at will without being concerned with the defense of the base itself. It is, therefore, necessary that the fleet should be prepared to establish and hold bases in the event of any trouble.

Troops must accompany the fleet for shore operations for this purpose and for other essential shore operations in connection with fleet activities. These troops must be specially trained and always ready for emergency landing in disturbed areas, for it trouble should arise it would arise suddenly. The fleet, the first line of defense, must be ready to move, and the Marine Corps, in order to fulfill its primary mission, must also be ready. Such a trained force can not be hurriedly improvised, and it must be composed of men and officers who, after years of service with the Navy, have acquired the sea habit and are a part of the Navy. No other troops could operate with the Navy with equal economy and efficiency as the Marine Corps with its high morale and specialized training for this particular service.

This country has never fought a war of aggression, nor has it fought for the purpose of territorial acquisition. This has been our declaration to the world, but we must be prepared to defend our rights and the rights of our citizens and to maintain their liberty and freedom from oppression throughout the world. In order to do this the Navy must be maintained upon a standard that will give the country adequate security, and the first element in this maintenance is the proper care of the Marine Corps.

I am glad to have had the opportunity to congratulate the hard working and conscientious Committee on Appropriations, which realized the necessity of keeping the Marine Corps up to its proper standard.

TAXICAB RATES

Mr. BOYLAN. Mr. Speaker, I ask unanimous consent to extend my remarks in the Record by printing a table that I have compiled, showing the rate of taxicab fares in other cities similar in population to Washington.

The SPEAKER. Is there objection?

There was no objection.

The table is as follows:

Proposed and existing taxicab regulations, as of February 1, 1933

City	Population	Certificate of convenience or necessity required	Insurance	Rates regulated	Taxi- meters required
Akron, Ohio	240, 000	Yes, \$100	Yes	Yes	Yes.
Albany, N. Y. Atlanta, Ga. Baltimore, Md. Birmingham, Ala.	120, 400	37	Yes	Yes	No.
Atlanta, Ga	255, 100	Yes	Y 08	Yes	Yes.
Baitimore, Md	830, 400 224, 000	Yes	No.	Ves	Yes. Yes. Yes.
Boston, Mass	779, 620	License	Yes	Yes	Yes.
Bridgeport, Conn	779, 620 160, 000	Yes	Yes	Yes	Yes.
Bridgeport, ConnBuffalo, N. YButte, Mont.	555, 800	Yes	Yes	Yes	Yes.
Butte, Mont	43, 600	Yes	Yes	Yes	20 = =
Cambridge, MassCamben, N. JCanton, Ohio	125, 800				
Camden, N. J.	135, 400	License	Yes		Yes.
Chattanage Tann	116,800	License	Voc	Yes	No. No.
Chattanooga, Tenn Chicago, Ill	73, 500 3, 157, 400 413, 700	Yes	Bond	Yes Yes Yes Yes Yes	Yes.
Cincinnati, Ohio	413, 700	Yes	Yes	Yes	(1).
Cincinnati, Ohio	1, 010, 300		Yes	Yes	(1). Yes.
Columbus, Ohio	299,000		Yes	Yes	No.
Covington, Ky	59,000	Yes	Yes		
Hallac Tar	217 800		No.	Vac	Von
Dayton, Ohio Denver, Colo Des Moines, Iowa	184, 500 294, 200	Bond	Vos	Yes Yes Yes	Yes. No.
Des Moines Iowa	151 900	Dond	No	Yes	Yes.
Detroit, Mich	151, 900 1, 378, 900	Yes	Yes	Yes	Yes.
Dillitth, Minn	116,800		Yes		No.
Elizabeth, N. J.	128, 000	License	Yes	Yes	Zone.
El Paso, TexEvansville, Ind	117,600		No		No.
Evansville, Ind	98, 100	Yes	Yes		
Fall River, Mass	142,000		Yes	Yes	
Fort Dodge, Iowa	105 200	Yes	Vor	160	No.
Fort Wayne, Ind	105, 390 170, 600	100	Ves	Yes	Voc
Gary, Ind	89, 100	Yes	Yes	200	200
	164 900	License	Bond	Yes Yes Yes	(2).
Glendale, Calli Great Falls, Mont Hammond, Ind Hartford, Conn Houston, Tex Indianapolis, Ind Jackson, Mich Lackson, Mich		Yes	Yes	Yes	Yes.
Great Falls, Mont	40, 000	Yes	Yes	Yes	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1
Hammond, Ind	56,000	Yes	17	17	(a)
Hartiord, Conn	172, 300 275, 000	Yes	Yes	Yes Yes	(²). No.
Indiananolis Ind	382 000	Yes	Ves	Yes Yes	Yes.
Jackson, Mich	382,000 63,700 140,700	Yes	100	Yes	Yes. Yes.
Jacksonville, Fla	140, 700				No.
Jersey City, N. J.	324, 700	No	Yes	Yes	(3).
Kansas City, Mo	391,000	No	Yes	Yes	I es.
Knoxville, Tenn	105, 400		Yes	×7	No.
Lincoln, Nebr	71, 100	Yes	-	Yes	Yes.
Louisville Kv	1, 500, 000	YesYes	Yes	Yes	Yes. Yes.
Lynn Mass	329, 400 105, 500	165	Yes		1 00.
Jackson, Mich Jackson, Mich Jackson, Mich Jersey City, N. J Kansas City, Mo Knoxville, Tenn Lincoln, Nebr Los Angeles, Calif Louisville, Ky Lynn, Mass Memphis, Tenn Miami, Flan	190, 200		Yes	Yes	Yes.
Miami, Fla. Milwaukee, Wis.	156, 700		Yes	Yes	
Milwaukee, Wis	544, 200	Yes	Yes	Yes	Yes.
	455, 900	Yes	Yes	Yes	Yes.
Nashville, Tenn Newark, N. J New Bedford, Mass Newburgh, N. Y	139, 600	37	Yes	Yes Yes Yes Yes Yes Yes	No.
Newark, N. J	473, 600	Yes	Yes	Yes	(2).
Newhurgh N V	119, 040 30, 400	Yes	Vos	Yes	(3).
New Haven, Conn	187, 900	Yes	Yes	Yes	Yes.
New Orleans, La	429, 400	Yes	No		No.
New York, N. Y	6, 017, 000	License	Yes	Yes	Yes.
Norfolk, Va Oakland, Calif	184, 200	Yes License Yes License Yes	Yes	Yes	Yes.
Oakland, Calif	274, 100 160, 000	License	Yes	Yes Yes	Yes.
Oklahoma, City, Okla Patterson, N. J	160,000	Yes	Yes	Yes	Yes.
Philadelphia Pa	144, 900	License	X 00	A CO	Yes.
Philadelphia, Pa Pittsburgh, Pa	2, 064, 200 673, 800	Yes	Yes	Yes	Yes. No.
Portland, Oreg	354, 608	100	Bond	Yes	No.
Providence, R. L.	286, 300		Yes	Yes	No.
Reading, Pa	115, 400	Yes		Yes	Yes.
Reno, Nev		Yes	Bond		
Richmond, Va	194, 400	Yes	Yes	Yes	Yes.
Roshostor N. V	64, 600	Yes	Yes	Yes	No.
Rochester, N. Y St. Louis, Mo	328, 200 848, 000	Ven	Yes	Van	Yes.
St. Paul, Minn	358, 162	Yes	Yes	Yes	No.
Salt Lake City, Utah	138, 000		No	Yes	No.
Salt Lake City, Utah San Antonio, Tex San Diego, Calif San Francisco, Calif	213 100		Yes	Yes	Yes.
San Diego, Calif	119, 700 585, 300 144, 700	Yes	Yes	Yes	Yes.
San Francisco, Calif	585, 300		Yes	Yes	Yes.
Scranton, Pa	144, 700	Yes	***************************************		110
Seattle, Wash	000, 200	License \$20_	Yes	Yes	(1).
Scranton, Pa Seattle, Wash Springfield, Mass Takoma, Wash Tampa, Fla	149, 800	Yes License	Yes	Yes	Yes.
Tampa, Fla	113, 400	231001130	No	Yes	Yes
Terre Haute, Ind	73, 500	Yes	Yes		1
Toledo, Ohio	313, 200	Yes	Yes	Yes	Yes.
Trenton, N. J	139,000	License	Yes	Yes	Yes.
Washington, D. C Waterbury, Conn West Palm Beach, Fla	552, 000 107, 000	Yes 4	Yes 5	Yes 5	Yes.6
Wast Polm Pont	107,000	Yes	Yes		
west Paim Beach, Fla	*********	Yes	Yes	Var	m
Wantington, Del.	128, 500 197, 600	Yes	Yes	Yes	Yes.
	101,000	Yes	Yes	Yes	1 00.
Yonkers, N. Y	121 300	CONTRACTOR HOUSE AND ADDRESS.			
Wilmington, Del	121, 300		Yes		
Yonkers, N. Y Youngstown, OhioZanesville, Ohio	121, 300 174, 200 30, 450	Yes	Yes		Yes.

Zones being eliminated. Meter or flat.

Meter or zone.
 To the extent of filing reports and other requirements prior to approval of licenses

and tags.

Order No. 823 declared invalid by courts.
Enforcement suspended.

DEPARTMENTS OF STATE AND JUSTICE, THE JUDICIARY, DEPART-MENTS OF COMMERCE AND LABOR APPROPRIATION BILL-FISCAL YEAR 1934

Mr. OLIVER of Alabama. Mr. Speaker, I present a conference report on the bill (H. R. 14363) making appropriations for the Departments of State and Justice, and for the Judiciary, and for the Departments of Commerce and Labor for the fiscal year ending June 30, 1934, and for other purposes, for printing under the rule.

FEDERAL LAND BANK

Mr. BANKHEAD, from the Committee on Rules, submitted the following privileged report, which was referred to House Calendar and ordered printed:

House Resolution 392

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of H. R. 14689, a bill to provide for the postponement of the payment of installments due on loans made by the Federal land banks, and for other purposes. That after general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking and Currency, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment the committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and the amendments thereto to final passage without intervening motion except one motion to recommit.

PURCHASE AND SALE OF COTTON

Mr. BANKHEAD, from the Committee on Rules, submitted the following privileged report, which was referred to the House Calendar and ordered printed:

House Resolution 397

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of S. 5122, "A bill to provide for the purchase and sale of cotton under the supervision of the Secretary of Agriculture."

That after general debate, which shall be confined to the bill

and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Agriculture, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment, the committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and the amendments thereto to final passage without intervening motion except one motion to recommit.

AMENDMENT OF RADIO ACT OF 1927

Mr. DAVIS of Tennessee. Mr. Speaker, I present a conference report for printing under the rule on the bill (H. R. 7716) to amend the radio act of 1927, approved February 23, 1927, as amended, and for other purposes.

EXPORTATION OF ARMS OR MUNITIONS

Mr. MAAS. Mr. Speaker, I ask unanimous consent that I may have until midnight to-night to file a minority report on the joint resolution (H. J. Res. 580) to prohibit the exportation of arms and munitions of war from the United States under certain conditions, from the Committee on Foreign Affairs.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

SPEAKER PRO TEMPORE FOR EVENING SESSION

The SPEAKER. The Chair designates the gentleman from Illinois [Mr. RAINEY] to preside as Speaker pro tempore for the evening session.

ORDER OF BUSINESS

Mr. SNELL. Mr. Speaker, can the Speaker inform us what the program will be for to-morrow and Saturday?

The SPEAKER. It is the purpose of the Chair to-morrow to recognize the gentleman from Texas or some one on the report concerning the impeachment of a judge in California. It involves a constitutional question, and a number have asked for time.

After that is concluded, the Chair intends to recognize the gentleman from North Carolina concerning the Samoan bill.

Mr. SNELL. Will that take all day?

The SPEAKER. The Chair does not know, but after that we will have to have a conference.

Mr. SNELL. Unless that is going to take a full day, it does not seem necessary to come in at 11 o'clock.

The SPEAKER. The Chair thinks that we will have enough to do to-morrow.

ENROLLED JOINT RESOLUTION REFERRED

A joint resolution of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. J. Res. 256. Joint resolution authorizing the Comptroller of the Currency to exercise, with respect to national banking associations, powers which State officials may have with respect to State banks, savings banks, and/or trust companies under State laws; to the Committee on Banking and Currency.

ENROLLED BILLS SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled bills and a joint resolution of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 7521. An act to provide a new Code of Civil Procedure for the Canal Zone and to repeal the existing Code of Civil Procedure:

H. R. 13534. An act authorizing the appropriation of funds for the payment of claims to the Mexican Government under the circumstances hereinafter enumerated; and

H. J. Res. 561. Joint resolution amending section 2 of the joint resolution entitled "Joint resolution authorizing the President, under certain conditions, to invite the participation of other nations in the Chicago World's Fair, providing for the admission of their exhibits, and for other purposes," approved February 5, 1929, and amending section 7 of the act entitled "An act to protect the copyrights and patents of foreign exhibitors at A Century of Progress (Chicago World's Fair Centennial Celebration), to be held at Chicago, Ill., in 1933," approved July 19, 1932.

The SPEAKER announced his signature to an enrolled bill and joint resolution of the Senate of the following titles:

S. 4020. An act to give the Supreme Court of the United States authority to prescribe rules of practice and procedure with respect to proceedings in criminal cases after verdict: and

S. J. Res. 48. Joint resolution to authorize the acceptance on behalf of the United States of the bequest of the late William F. Edgar, of Los Angeles County, State of California, for the benefit of the museum and library connected with the office of the Surgeon General of the United States Army.

BILLS PRESENTED TO THE PRESIDENT

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, bills and a joint resolution of the House of the following titles:

H. R. 7522. An act to provide a new Civil Code for the Canal Zone and to repeal the existing Civil Code;

H.R. 13534. An act authorizing the appropriation of funds for the payment of claims to the Mexican Government under the circumstances hereinafter enumerated; and

H. J. Res. 561. Joint resolution amending section 2 of the joint resolution entitled "Joint resolution authorizing the President, under certain conditions, to invite the participation of other nations in the Chicago World's Fair, providing for the admission of their exhibits, and for other purposes," approved February 5, 1929, and amending section 7 of the act entitled "An act to protect the copyrights and patents of foreign exhibitors at A Century of Progress (Chicago World's Fair Centennial Celebration), to be held at Chicago, Ill., in 1933," approved July 19, 1932.

RECESS

Mr. AYRES. Mr. Speaker, I move that the House stand in recess until 8 o'clock p. m.

The motion was agreed to; accordingly (at 5 o'clock and 2 minutes p. m.) the House stood in recess until 8 o'clock p. m.

EVENING SESSION

The recess having expired, the House was called to order by the Speaker pro tempore, Mr. RAINEY.

THE PRIVATE CALENDAR

The SPEAKER pro tempore. The House is in session this evening until 10.30 o'clock for the consideration of the Private Calendar. The Clerk will call the first bill.

B. J. SAMPLE

The first business on the Private Calendar was the bill (S. 2991) for the relief of B. J. Sample.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. EATON of Colorado. Mr. Speaker, I object to the consideration of this bill.

Mr. HARE. Mr. Speaker, will the gentleman reserve his objection?

Mr. EATON of Colorado. Yes.

Mr. HARE. Will the gentleman state his objection to the bill?

Mr. EATON of Colorado. Mr. Speaker, the claimant here obtained a contract from the Government for hauling the mail over a star route, under a competitive bid with others, over a route where there had been some complaint about the distance between the termini of the route. He accepted the contract, and now he comes in afterwards and seeks to have the Government pay him some money based on an admitted difference in mileage.

I do not know how it is in the gentleman's part of the country, but I venture to say that this claimant knew the distance of that route, just exactly the same as every other man who bid, and as did the previous holder of the contract. He must have known what the distance was. Under the circumstances it seems to me to be an unconscionable claim, and should not be entertained by the Post Office Department, and it is not approved by it. It is disapproved by that department.

Mr. HARE. Mr. Speaker, the advertisement for carrying the mail on this route—

Mr. BLANTON. Mr. Speaker, will the gentleman yield? Mr. HARE. I am going to make this statement or there will not be any bills passed to-night.

Mr. BLANTON. And I want to ask the gentleman a question or there will not be any bills passed to-night. Are we trying this particular claim, or are we trying the gentleman from Colorado [Mr. Eaton]? Does the gentleman from Colorado have to get up here and show all of his reasons for objecting to a bill before we can proceed? If he has, how many bills will we reach to-night?

Mr. HARE. I shall make this explanation or we will not reach any more.

Mr. BLANTON. Mr. Speaker, the gentleman ought not to make that statement. We have about 25 Members only present on the floor here to-night to consider a long calendar. The gentleman from Colorado is one of the men who has worked on this calendar, and I doubt if there are more than three or four others who have done that work. The rest of the men here to-night are Members who have private bills to pass. If the gentleman takes that attitude I doubt whether he will pass his own bill. The gentleman is usually in such a good humor that I think now he ought not to make that kind of a threat, because it will not get him anywhere.

Mr. HARE. It is not a threat, but I must insist on having time to present the facts to the House for the reason that I am familiar with the facts. This is not my bill. It is a Senate bill, but the claimant resides in my district. Here is an advertisement by the Post Office Department to

carry the mail from Augusta, Ga., to Allendale, S. C. The Post Office Department says the distance is 104 miles. A dozen or more men submit bids. One man submits a bid of approximately \$1,750. That is in June, 1927. He is advised shortly afterwards that his bid is accepted, but before actually going to work on July 1, 1927, he learns that the distance is 130 miles. He calls it to the attention of the Post Office Department, and then it developed that the Post Office Department had trouble in connection with the bid on this same star route four years before when the department advertised it was 104 miles. After the carrier began to carry the mail on that route he discovered that it was 1301/2 miles. He brought it to the attention of the Post Office Department and tried for four years to get them to correct the compensation for the mileage, but the Post Office Department refused to do so. The point I make is this:

When the Post Office Department in 1927 advertised this route, it knew that the mileage was 130.6 miles. It had this information in its files, according to the letter here addressed to the Hon. James F. Byrnes, a Senator from my State. The department admits that his statement of facts is correct. If the gentleman from Colorado [Mr. Eaton] will notice the second paragraph, it will be seen that the department did know that the mileage was 130 miles. Yet it advertised 104 miles. This man, who had no way of measuring it, accepted it as true, and then discovered that the route was 25 miles longer than he anticipated.

Mr. EATON of Colorado. Did not this man drive by automobile?

Mr. HARE. Yes.

Mr. EATON of Colorado. Would the gentleman have us believe that he did not have a speedometer and did not know what the distance was?

Mr. HARE. He had no reason to measure it before that. Mr. EATON of Colorado. Does the gentleman deny the fact that there was a statement in the bid instructions, that the bidders and the sureties " are urged to familiarize themselves with the service to be performed before assuming any liability as bidders or sureties"?

Mr. HARE. That is true.

Mr. EATON of Colorado. Does the gentleman not know that this claimant here was a resident of the vicinity and lived there for a long time?

Mr. HARE. I do not, because it is contrary to the fact. This man lived in my town, a distance of 40 or 50 miles

Mr. EATON of Colorado. Forty miles is no distance with an automobile.

Mr. HARE. I know that, but he had a right to rely upon the representation made by the department. Now, if the Department had not had trouble before, and if it did not have in its records this same complaint, and if it did not know that this was 130 miles, I think the gentleman's position would be correct. But when the department knew from its records that it was 130 miles, because of the previous complaint referred to, and after the claimant had said to them, "I will relinquish my contract, because it is 130 miles," and they said, "Yes; we know it is 130 miles, but we can not release you and you will have to forfeit your bond if you do not perform your contract." He then proceeded to perform his contract. The department says the facts as stated by the Senator are correct, and I think the gentleman should allow this bill to pass. The department says that they had in their own files information that it was 130 miles, and that the advertisements on the part of the Post Office Department was a mistake or an error on its part and not on the part of the claimant.

Mr. EATON of Colorado. Mr. Speaker, if there were any equities on behalf of this claimant I would be glad to withdraw the reservation of objection, but there are no equities to this claim, and I therefore object.

JOHN J. FOLEY

The Clerk called the next bill, H. R. 2088, for the relief of John J. Foley.

Mr. EATON of Colorado. Mr. Speaker, I object to the present consideration of this bill.

Mr. COYLE. Will the gentleman reserve his objection? Mr. EATON of Colorado. I will reserve the objection.

Mr. COYLE. I would like to make an explanation of the equities of this case. John J. Foley had been for some time asking me to introduce a bill, and it looked so bad on the face of it that I refrained from doing it until one day I went to the department and read the record of the courtmartial proceedings and made up my mind that John J. Foley had gotten a really raw deal. He appeared before the committee and convinced the committee of his own honesty. After having read the record there was not a statement which he made before that committee which was not in large measure substantiated by the testimony before that court-martial. This man had distinguished military service. He was wounded and sent to military police duty. While on military police duty a man was killed in a brawl in the evening, while he was on official duty, and there being new troops in the area, and he being a part of another detachment, he was tried by court-martial for murder. He was convicted of carelessness in the discharge of his firearms. He should have been promoted and restored to duty. Instead of that, he was given two years in prison and a dishonorable discharge. There are more equities in this case than any similar case that I have ever looked over.

Mr. MAY. Will the gentleman yield for a question?

Mr. EATON of Colorado. I yield.

Mr. MAY. I would like to ask the gentleman from Pennsylvania if it is not a fact that the record testimony in the court-martial proceedings, in addition to the testimony of the soldier himself, corroborates his statement as to how it happened?

Mr. COYLE. It does entirely corroborate it, and the department itself at the time recommended that this man's dishonorable discharge be set aside, and the recommendation miscarried between the office of the Secretary of War and the prison where he was confined.

Mr. EATON of Colorado. Mr. Speaker, my objection to this bill was based upon the fact that the interesting story which we have just heard recounted by the distinguished gentleman from the Committee on Military Affairs did not appear in the record. There is no report from the War Department. There is no report of the court-martial proceeding or any other facts from the War Department upon which a consideration of the report of the committee might be tested. The gentleman states he made the investigation himself; and on account of the distinguished war record of this claimant I will withdraw my reservation of objection.

Mr. BLANTON. Will the gentleman yield?

Mr. EATON of Colorado. I yield.

Mr. BLANTON. At the time this claimant was before the gentleman's Subcommittee on Military Affairs, or whatever committee it was, testifying, was a War Department representative there to hear him?

Mr. MAY. Yes; they were.

Mr. BLANTON. Who was the representative of the War Department there?

Mr. MAY. There was a counsellor there. I do not remember who he was.

Mr. BLANTON. Was there any officer designated by the War Department there to hear his testimony and answer it? Mr. MAY. There was an attorney there.

Mr. BLANTON. I am talking about officers, officials in the

Mr. COCHRAN of Missouri. That is only practiced in the Committee on Naval Affairs; not in the Military Affairs Committee.

Mr. BLANTON. I am talking about proper practice that should prevail in the Military Affairs Committee when they let private claimants testify there. Any claimant on earth can come before a committee and exercise his personality before the committee and make a favorable impression and unless the department is there represented, in order to answer his testimony, probably the impression that he makes personally on the committee will carry the day for him. It is just like having a witness in court presenting one side of a case and not having the other side there to present its testimony.

Mr. MAY. Will the gentleman suffer an explanation from a member of the committee who heard the testimony and who was present and made the report on the bill?

Mr. BLANTON. Certainly.

Mr. MAY. I may say to my friend that there was a lawyer there representing the War Department.

Mr. BLANTON. Can the gentleman tell me who he was?
Mr. MAY. I do not remember his name, but he was a
major and he cross-examined the witnesses.

Mr. BLANTON. Was he from the Judge Advocate General's office?

Mr. MAY. I believe he was.

Mr. BLANTON. Does the gentleman know?

Mr. MAY. I do not know his name.

Mr. BLANTON. If the gentleman has such an indefinite recollection about the gentleman who represented the War Department, he was not representing the War Department properly at the time or he would have made some impression on the gentleman.

Mr. MAY. He was an attorney.

Mr. BLANTON. The War Department has turned this case down several times.

Mr. COYLE. No; not under my guidance.

Mr. BLANTON. At first this case did not make a favorable impression on my friend, and there was such a time when he refused to introduce the bill because he was not impressed by it. Is not that so?

Mr. COYLE. As I then saw the case it was that of a man dishonorably discharged after a charge of murder.

Mr. BLANTON. But the gentleman was not impressed with it.

Mr. COYLE. Would the gentleman from Texas be impressed with a record of that kind?

Mr. BLANTON. No.

Mr. COYLE. But if the gentleman from Texas had done as I have done he would be convinced, as I am, and would be standing in my shoes here to defend this young man. He certainly got a raw deal. He was not properly defended at the court-martial.

Mr. BLANTON. Mr. Speaker, I agree with the gentleman from Colorado. Neither he nor I have any personal interest in this case at all. Our only interest is to see that the War Department is protected, that the men who enlist in the Army and who perform their duty and are not courtmartialed are given a square deal and have better rights than a man who violates the law and is court-martialed. We must protect the Government.

I agree with the gentleman from Colorado [Mr. Eaton] that there ought to be a report here from the War Department explaining this case; and it ought to be set forth in this committee report. We ought not to take up a case and pass it through the House without such a report.

Mr. COCHRAN of Missouri. Mr. Speaker, we have spent 20 minutes on this calendar so far and have considered but two bills. At this rate we will only consider 20 bills this evening. I wish gentlemen having bills would get through with them more quickly.

Mr. BLANTON. The gentleman knows how to make them do something. He could demand the regular order. That closes debate.

Mr. COCHRAN of Missouri. Let us get through. Mr. Speaker, I demand the regular order.

The SPEAKER pro tempore. The regular order is, Is there objection to the present consideration of the bill?

Mr. BLANTON. Mr. Speaker, I object.

ARTHUR I. NEVILLE

The Clerk called the next bill, H. R. 2157, for the relief of Arthur I. Neville.

There being no objection, the Clerk read the bill, as fol-

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers Arthur I. Neville, who was a member of Battery B, Three hundred and twenty-fourth Regiment, and Battery A,

Three hundred and twenty-third Regiment, United States Field Artillery, shall hereafter be held and considered to have been honorably discharged from the military service of the United States as a member of that organization on the 9th day of September, 1919: Provided, That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act.

With the following committee amendment:

In line 11, page 1, and lines 1 and 2, page 2, strike out the words "pension or allowance shall be held to have accrued prior to the passage of this act" and insert in lieu thereof the following:

"Pension, allowance, or any payment provided under the World War veterans' act, 1924, as amended, the World War adjusted compensation act, 1924, as amended, or other benefit whatsoever to which said person may be or become entitled by law, shall be held to have accrued prior to the passage of this act."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

JOHN T. LYNCH, DECEASED

The Clerk called the next bill, H. R. 5140, for the relief of the estate of John T. Lynch, deceased.

Mr. HOPE. Mr. Speaker, I object.

Mr. BARTON. Mr. Speaker, will the gentleman withhold his objection?

Mr. HOPE. I shall be pleased to.

Mr. BARTON. This claim was allowed by the Court of Claims and has been recommended by the committee. I can see no reason for the objection. If the gentleman from Kansas will explain the grounds of his objection, perhaps I can help him to understand it.

Mr. HOPE. This bill is drawn, apparently, on the theory that the Court of Claims has made a favorable finding, but on looking at the findings of fact made by the Court of Claims it appears that they did not make any favorable finding. They did make some findings of fact, but they made no findings that would justify a claim of this kind against the Government of the United States.

The findings of the Court of Claims were that this horse was stolen, apparently, by a soldier who was in the United States military service during the Civil War; then it was found in his possession. It was claimed by the claimant in this case, and the Army officials to whom the complaint was made returned the horse to the claimant.

Later another hearing was held and the horse was returned to the man in whose possession it was found. Now, there is nothing in the findings of the Court of Claims that disclosed on what ground the horse was returned. Later, after the discharge of the party in whose possession the horse was found, the claimant in this case brought a suit in replevin, which action was later dismissed by lack of prosecution by the plaintiff.

Now, if the claimant in this case had any claim, it was not against the United States Government, it was against the party in whose possession the horse was found and who took the horse home with him after the war. The fact he filed that suit indicated that he thought the claim was against the party in whose possession the horse was found; and the fact that he did not prosecute the claim was, of course, laches on his own part if it was a good claim. Under this situation I must object.

Mr. BARTON. Let me explain. In the first place—

Mr. STAFFORD. I hope the gentleman will not take much time. Here we are considering an old Civil War claim with only \$150 involved.

Mr. BARTON. The Court of Claims did not render any judgment against the United States. It could not do that by virtue of its jurisdiction. The United States got the horse. That is the finding of the Court of Claims. The United States having got the horse the claimant could not recover on the replevin after the war was over.

This man is short a horse and the Court of Claims certified the amount was justly due and the committee has recommended it. The War Department does not object to it; in fact, the department says, in substance, that it is all right to pay the claim if it has not been paid. The Comp-

have to say about it. I really think it is just.

Mr. BLANTON. During the Civil War there was a lot of cotton confiscated and used by the Government which has never yet paid any of the owners anything for it.

Mr. MILLER. Mr. Speaker, I demand the regular order.

Mr. BLANTON. If the gentleman is going to demand the regular order, I am going to object. We are not going to pass any bill 68 years old, Mr. Speaker, without discuss-

Mr. MILLER. I do not want to pass it, but I want to make this statement: I am advised that to-night will be the only Private Calendar night, and I am going to demand the regular order to dispatch as many bills as possible.

Mr. BLANTON. I want to ask the gentleman this question: Is the claimant who lost that horse still alive?

Mr. BARTON. He is not. I knew him well.

Mr. BLANTON. You say he is not alive? Mr. BARTON. He is not alive.

Mr. BLANTON. Well, we are not going to pass any 68year-old Civil War claims here to-night for dead people. There are too many with just claims still alive.

Mr. Speaker, I object.

FRED G. CLARK CO.

The Clerk called the next bill, H. R. 5361, for the relief of the Fred G. Clark Co.

Mr. STAFFORD. Mr. Speaker, I object.

LIZZIE PITTMAN

The Clerk called the next bill, H. R. 11194, for the relief of Lizzie Pittman.

Mr. HOLLISTER. Mr. Speaker, reserving the right to object, I would like to ask the sponsor of this bill if he would be willing to have an amendment inserted "in full settlement of all claims against the Government "?

Mr. HILL of Alabama. That would be perfectly satisfactory.

Mr. Speaker, I ask unanimous consent to substitute a similar Senate bill (S. 4327).

There being no objection, the Clerk read the Senate bill, as follows:

S. 4327

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby authorized to pay to Lizzie Pittman, out of any money in the Treasury not otherwise appropriated, the sum of \$250 for damages to her person by an airplane belonging to the Government.

Mr. HILL of Alabama. Mr. Speaker, I offer an amendment striking out "\$250" and inserting "\$350," which is the same amount as that carried in the committee amendment to the House bill.

The Clerk read as follows:

Amendment by Mr. Hnl of Alabama: In line 5, strike out "\$250" and insert in lieu thereof "\$350."

The amendment was agreed to.

Mr. HOLLISTER. Mr. Speaker, I offer an amendment. The Clerk read as follows:

Amendment by Mr. HOLLISTER: In line 5, after "\$350," insert "in full settlement of all claims against the Government."

The amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

A similar House bill (H. R. 11194) was laid on the table.

FRANCES O. SPERRY

The Clerk called the next bill, H. R. 2045, for the relief of Frances O. Sperry.

Mr. HOLLISTER. Mr. Speaker, I object.

Mr. CELLER. Mr. Speaker, will the gentleman withhold his objection a moment?

Mr. HOLLISTER. I will be pleased to reserve the objection to hear what the gentleman has to say.

Mr. CELLER. I realize there has been an unfavorable report by the bureau in question here, the Bureau of Mines, but I hope the gentleman will not be solely guided by the

troller General says it has not been paid. That is all I report of the department. There are a number of eyewit-have to say about it. I really think it is just.

It would appear that the woman was in a taxicab going north on Thirteenth Street at the intersection of Florida Avenue, and a Bureau of Mines coal truck was going in a directly opposite direction, both the truck and the car reached the intersection at about the same time and the truck took a left turn to go into Florida Avenue, endeavoring to cross in front of the taxicab, the taxicab desiring to proceed directly on its way. There is an ordinance, and there was an ordinance at that time, operative to the effect that automobiles at any intersection when making right or lefthand turns must stop and give right of way to through

The disinterested eyewitness to this accident testified that the truck of the Bureau of Mines failed to abide by this ordinance, gave no signal whatever, and in addition, made a sharp left turn, endeavoring to cut off the taxi without warning; and furthermore in disregard of a stop signal which was also on the corner of Florida Avenue and Thirteenth Street. In addition, the taxi was about to make a hill, there being a very steep incline at this point and the taxi driver naturally had to do everything possible to go up this hill. The truck was coming down the hill so that common caution or common prudence would have dictated to the driver of the truck that he should be extra vigilant of the rights of others at this particular crossing.

Mr. HOLLISTER. I do not want to interrupt the gentleman, but he has only stated what is in the report.

Mr. BLANTON. Will the gentleman yield for a suggestion?

Mr. HOLLISTER. Certainly.

Mr. BLANTON. The gentleman from New York is a distinguished lawyer and knows that the woman riding in this Diamond taxicab has a primary cause of action against the taxicab company, because the taxicab company is responsible to the woman for safe transportation.

Mr. BACHMANN. In addition to that, they carry proper insurance to protect the people riding in their cabs.

Mr. BLANTON. Yes; this company carries large insurance for the protection of its passengers and this woman ought to go into court and sue the company and get her

Mr. CELLER. If the gentleman will wait just a moment and listen to reason instead of that which is furthest from

Mr. HOLLISTER. I do not want to interrupt the gentleman, but he has not yet said anything that is not in the

Mr. EATON of Colorado. Mr. Speaker, I ask for the regular order.

Mr. BLANTON. Is the gentleman going to object?

Mr. HOLLISTER. I shall object if the regular order is demanded. I will be glad to listen to the gentleman if the regular order is not demanded, because I have not yet heard anything that clears this up.

Mr. EATON of Colorado. Mr. Speaker, I demand the regular order.

Mr. HOLLISTER. Then I object.

Mr. CELLER. I make the point of no quorum.

Mr. COCHRAN of Missouri. The gentleman ought not to do that. He has been explaining his bill for five minutes.

Mr. CELLER. Will the gentleman allow me to explain

Mr. EATON of Colorado. I will reserve calling for the regular order for two minutes, to allow the gentleman to explain.

Mr. CELLER. If the gentleman will look at the record he will find that the Bureau of Mines truck was followed by a machine whose occupant testified before the corporation counsel to the effect that the truck made a sharp turn without warning, and he made a remark to the man sitting on the seat with him that he was surprised that there would be no accident if this man continued on the way as fast as

Mr. HOLLISTER. Did the truck run into the cab or the cab into the truck?

Mr. CELLER. The Bureau of Mines truck ran into the taxicab. The left front wheel of the Bureau of Mines truck struck the left wheel of the taxicab.

Now, in answer to the gentleman from Texas, who is a good lawyer, he knows that if a person should bring suit against the taxicab company it can be defeated by proving that someone else was to blame for the accident. In a suit brought against the taxicab company, in light of the testimony, it would be useless, because of the negligence of the Bureau of Mines truck.

Mr. BLANTON. The Government was not responsible at all.

Mr. STAFFORD. Mr. Speaker, I demand the regular order.

Mr. HOLLISTER. I object.

RUBY F. VOILES

The Clerk read the next bill on the Private Calendar, H. R. 4154, for the relief of Ruby F. Voiles.

The SPEAKER pro tempore. Is there objection? Mr. HANCOCK of New York. I object.

MRS. J. A. JOULLIAN

The Clerk read the next bill on the Private Calendar, H. R. 4854, for the relief of Mrs. J. A. Joullian.

The SPEAKER pro tempore. Is there objection?

Mr. HANCOCK of New York. Reserving the right to object, there ought to be some explanation of this bill. If the author is not present, I object.

WITHYCOMBE POST, NO. 11, AMERICAN LEGION, CORVALLIS, OREG.

The Clerk read the next bill on the Private Calendar. H. R. 5214, for the relief of Withycombe Post, No. 11, American Legion, Corvallis, Oreg.

There being no objection, the Clerk read the bill, as

Be it enacted, etc., That the Secretary of the Treasury is hereby authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of \$957.78 to the Withycombe Post, No. 11, American Legion, of Corvallis, Oreg.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JACOB DURRENBERGER

The next business on the Private Calendar was the bill (H. R. 6759) for the relief of Jacob Durrenberger.

The SPEAKER pro tempore. Is there objection? Mr. HOLLISTER. I object.

RELIEF OF JERSEY CITY, ETC.

The next business on the Private Calendar was the bill (H. R. 7324) for the relief of the mayor and aldermen of Jersey City, Hudson County, N. J., a municipal corporation. The SPEAKER pro tempore. Is there objection to the

present consideration of the bill?

Mr. BLANTON. Mr. Speaker, I reserve the right to object. If the gentlewoman from New Jersey [Mrs. Norton] desires to make some remarks in respect to the bill, I shall reserve the objection for five minutes. Of course, we can not let this bill pass. It seeks to appropriate the huge sum of \$62,340.65, but I think that the gentlewoman from New Jersey should be permitted to make an explanation of the bill; but when she has done that I shall object, for this \$62,340.65 should not be taken out of the Treasury, as I am convinced that the claim is not just.

Mrs. NORTON. Mr. Speaker, I am very sorry to hear the gentleman say that the bill can not pass, because it is a very just claim and should have been settled many years ago. Under date of February 20, 1908, the Erie Railroad Co. entered into an agreement with Jersey City for a water supply for a period of 25 years. The rate to be charged by the city and paid by the Erie Railroad Co. under said agreement was 60 cents per 1,000 cubic feet. Embodied

There was also a bystander on the corner who testified to in said agreement, and made part thereof, was the following article:

> If at any time during the term of this agreement the city shall furnish water to any person or corporation for use in the city of Jersey City on more favorable terms or at a lower rate than herein provided, the Erie Co. shall have the benefit of such terms or rate, provided that this clause shall not apply to rates on water furnished for city or county purposes or to charitable corporations.

> Under date of November 10, 1909, the Delaware, Lackawanna & Western Railroad Co. entered into an agreement for a water supply for a period of 25 years. The water furnished under this agreement was to be delivered to the railroad company pipe lines at Secaucus, N. J., and such water was to be used only by the railroad company at its Secaucus terminal in Secaucus, N. J., and its terminal in the city of Hoboken, N. J. The rate to be charged and paid by the railroad company was 45 cents per 1,000 cubic feet. And this claim is based upon the difference between 45 cents and 60 cents per 1,000 cubic feet.

> I think I may say that the committee unanimously agreed that the claim is a proper one. The only question that seemed to arise in the mind of anybody was why we did not press this claim sooner.

> Mr. BACHMANN. Mr. Speaker, will the gentlewoman vield?

Mrs. NORTON. Yes.

Mr. BACHMANN. It seems that the claim was never presented under the act passed permitting those claims to be presented within a certain definite period under legislation already enacted. Why did not the city of Jersey City present its claim before it was barred by the act that was

Mrs. NORTON. I am glad the gentleman asked that question. It was impossible for the city to submit a bill for a sum certain on account of water supplied to the Erie Railroad Co. during the period of Federal control. Obviously the amount was not liquidated until the settlement between the city and the railroad company, which was made in the year 1928, six years after the time set for the presentation of all claims against the Railroad Administration. If the Erie Railroad Co. was right in the litigation that was started between itself and the city and had only to pay the 45-cent rate, then the United States of America would owe the city nothing for water furnished to the railroad company during the period of Federal control. On the other hand, if the city was right, and the higher rate prevailed, as indeed it did and should have prevailed, then the United States Government would owe the city and does owe the city the amount of money set forth, representing the difference between the 45-cent rate paid and the 60-cent rate as set out in the original contract, which should have been paid.

Mr. BLANTON. Why is it that in the contract which Jersey City entered into with the Erie Railroad it did not mention this claim. It mentions no claim whatever against the United States. Here is the complete contract in the report dated June 30, 1928. It provides for water rates but in no way mentions any claim against the Government.

Mrs. NORTON. The reason for that is that the claim had not been settled. It was a matter that was in litigation at the time.

Mr. BLANTON. Certainly in a contract with each other on that date, June 30, 1928, if there had been any claim against the Government based on transactions in 1917 and 1918, it would have been mentioned in that contract.

Mrs. NORTON. In view of the pending litigation and until such litigation had been concluded, whether or not a claim against the United States of America or the railroad company actually existed, we could not possibly have put in a claim because of the pending litigation and until such litigation had been concluded, whether or not a claim against the United States or the Railroad Administration actually existed.

Mr. BLANTON. I think it ought to have been mentioned in this long contract that provided for all other matters, of date as late as June 30, 1928. I am compelled to object, as this bill would take the huge sum of \$62,340.65 out of the Treasury.

Mr. BACHMANN. Does not the gentleman think that if there is any merit in this claim at all it ought to first go to the Comptroller General of the United States, to find out what is involved in it?

Mr. BLANTON. It was introduced at first for \$96,629.45. It has been reduced to \$62,340.65. In no report from any Government department is there any evidence of probative force and effect to establish this as a just claim against the Government.

Mr. BACHMANN. You can not tell from looking at this what is involved in the claim.

Mr. BLANTON. No. And I must object, Mr. Speaker. This bill must not be passed.

K. S. SZYMANSKI

The Clerk called the next bill, H. R. 8189, for the relief of K. S. Szymanski.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. HOLLISTER. Mr. Speaker, I object.

NATIONAL BANK OF COMMERCE, EL DORADO, ARK.

The Clerk called the next bill, H. R. 8215, for the relief of the National Bank of Commerce, El Dorado, Ark.

Mr. STAFFORD. Reserving the right to object, if I had known that this postmaster was such a wholesale crook and that he had been perpetrating this practice on so many banks in the neighborhood where he had his post office, I would have objected to the first bill under consideration. Will the gentleman who is the author of the bill advise whether the two bills previously passed have been recommended by the Senate committee?

Mr. PARKS. I have just been told that the Senate committee had recommended both of them for passage. The very fact that he had done a wholesale business and the Government permitted it to go on for months and months, is the reason I thought the claim should be paid.

Mr. STAFFORD. The argument that the gentleman advanced did not appeal to me, for this reason: From my personal experience with the operation of the Government in the inspection of these offices, it is usually a year sometimes before they are examined. I feel almost constrained to object, Mr. Speaker.

Mr. PARKS. I hope the gentleman will not object. Permit me to say this to the gentleman, that I know he would not do anybody an injustice willfully. These bills I went into very carefully for a long time. It is the only private bill I have ever offered.

Mr. STAFFORD. Oh, that does not affect me at all.

Mr. PARKS. Oh, yes; I think it will.

Mr. STAFFORD. Not at all.

Mr. PARKS. I really believe the gentleman will agree that the equities are with these people, and they ought not be denied this relief.

Mr. STAFFORD. I only withdrew the objection on the statement of the gentleman from West Virginia [Mr. Bachmann].

Mr. BACHMANN. Will the gentleman discuss it on the merits first? The objection of the gentleman from Wisconsin [Mr. Stafford] is on the merits.

Mr. STAFFORD. My fundamental objection is that the bank was put on notice that the issuance of these money orders was out, of course. They were drawn on a bank. That was not in the regular order of business. The bank might have known that they were not in regular course.

Mr. BACHMANN. You can not take a money order and tell on its face whether it has been regularly issued or not.

Mr. STAFFORD. Oh, yes. When a postmaster draws a money order on a bank, as these were drawn, it was a patent fraud. The reason I withdrew my objection in the other case was that the amount was small and the gentleman stated there were other money orders that were deposited payable to patrons in general, but when these amounts run into thousands of dollars, the bank must have known.

Mr. BACHMANN. Do not people all over the United States recognize a money order as being negotiable, and that the United States Government stands back of it?

Mr. STAFFORD. Not when the money order is drawn on the bank itself. The bank should have known that the money order was for the purpose of deposit.

Mr. KVALE. Most people do not think of that.

Mr. STAFFORD. Oh, most people do not think of that, but banks should.

Mr. PARKS. There were millions and millions of dollars being handled at that time, because it was one of the greatest oil fields that had come in in the United States. These banks were handling millions of dollars, and they were undertaking to protect themselves against bad checks. This man was a little merchant who lived 20 miles from there and he issued these money orders to various people who were neighbors there. They thought that was a means of protecting themselves. There was not anything on earth irregular about it. This was not simply a neighborhood transaction.

Mr. STAFFORD. I withdrew the objection before. I will enter a provisional objection now for the benefit of those who succeed me, that if these bills pass the Senate and are vetoed by the President, there will be someone here next Congress, I hope, to object to them.

I withdraw my reservation of objection, Mr. Speaker. The SPEAKER pro tempore. Is there objection? There was no objection.

The Clerk read as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of \$3,904.16 to the National Bank of Commerce, El Dorado, Ark., in full settlement against the Government, for money that was paid to Joe F. Tullis, who was postmaster at Upland, Union County, Ark., on post-office money orders deposited in said National Bank of Commerce at different times and for different amounts, aggregating \$3,904.16, which money orders were cashed by said bank, and which had been fraudulently issued by the postmaster without the knowledge of said bank that they were fraudulent. All of said money orders were paid by the Government and the money was subsequently refunded by said bank.

With the following committee amendment:

At the end of the bill insert the following: "Provided, That no part of the amount appropriated in this act in excess of 10 per cent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 per cent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000."

The amendment was agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

FIRST NATIONAL BANK, EL DORADO, ARK.

The Clerk called the next bill, H. R. 8217, for the relief of the First National Bank, El Dorado, Ark.

Mr. BLANTON. Reserving the right to object, I want to ask the gentleman from Arkansas [Mr. Parks] a question. This is the second bill we have had here to-night for the Government to make good forged money orders.

Mr. PARKS. Oh, no; not forged.

Mr. BLANTON. Well, fraudulent. Practically the same

Mr. PARKS. No. There is quite a difference.

Mr. BLANTON. Well, when a postmaster issues a money order without authority of law it is, in effect, a forgery on the Government.

Mr. PARKS. No; the gentleman is wrong on that. I looked into the legal status of that very carefully.

Mr. BLANTON. What I want to know is what has been done with this postmaster who has been stealing from the Government?

Mr. PARKS. There was only one, and they sent him to the penitentiary for a year. He only had a \$1,000 bond, and they collected it.

Mr. BLANTON. The Government collected \$1,000 in this

Mr. PARKS. The Government collected \$1,000 on his bond for the whole thing. I do not know on which particular case it was. Both these cases grow out of the derelictions of the same postmaster.

Mr. BLANTON. The same thing.

Mr. PARKS. And he went to the penitentiary for a year.

Mr. BLANTON. Was he pardoned out?

Mr. PARKS. No; he served his time. This was a Federal offense which they do not pardon like they do State offenses.

Mr. BLANTON. The next one should be sentenced to 10 years.

Mr. PARKS. That is what should have been done with this one.

There being no objection, the Clerk read the bill, as fol-

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of \$720.13, to the First National Bank, El Dorado, Ark., in full settlement against the Government for money that was paid to Joe F. Tullis, who was postmaster at Upland, Union County, Ark., on postoffice money orders deposited in said First National Bank, El Dorado, Ark., at different times and for different amounts, aggregating \$720.13, which money orders were cashed by said bank, and which had been fraudulently issued by the postmaster without the knowledge of said bank that they were fraudulent. All of said money orders were paid by the Government and the money was subsequently refunded by said bank. Re it enacted, etc., That the Secretary of the Treasury be, and

With the following committee amendment:

At the end of the bill insert the following: "Provided, That no part of the amount appropriated in this act in excess of 10 per cent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 per cent thereof on account of services rendered in connections. tion with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000."

Mr. PATTERSON. Mr. Speaker, I move to strike out the last word. Is this the last bill growing out of this matter?

Mr. PARKS. It is the last bill; and I think it is the last private bill I will ever introduce.

Mr. PATTERSON. It is the last of these postmasters' bills?

Mr. PARKS. Yes.

Mr. BLANTON. The gentleman is not going out, is he?

Mr. PARKS. I do not know; I can not tell.

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider laid on the table.

INGENIO PORVENIR C. POR A.

The Clerk called the next bill, H. R. 9339, authorizing the Court of Claims to hear and determine the claim of Ingenio Porvenir C. por A., and to render judgment for just compensation.

Mr. GRISWOLD. Mr. Speaker, I object.

OSCAR F. LACKEY

The Clerk called the next bill, H. R. 9862, for the relief of the estate of Oscar F. Lackey.

Mr. BLANTON. Mr. Speaker, reserving the right to object, there ought to be a supplemental report in this case. Mr. MILLER. Here is the supplementary report.

Mr. BLANTON. Mr. Speaker, I withdraw my objection. There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Mary Lackey Combs, of Riderwood, Md., as executrix of the estate of Oscar F. Lackey, deceased, the

sum of \$1,500, representing the amount appropriated for said Oscar F. Lackey as compensation by the act approved February 18, 1913 (37 Stat. 1372), for injuries received by him on November 11, 1905, while employed as assistant engineer in construction 21, 1905, while employed as assistant engineer in construction of the Panama Canal, which amount was not claimed by or paid to him during his lifetime. Such payment to said Mary Lackey Combs, as executrix, shall be in full satisfaction of all claims against the United States of the estate of said Oscar F. Lackey for such injuries received by him.

With the following committee amendment:

With the following committee amendment:

Strike out all after the enacting clause, page 1, line 3, down to and including line 6, on page 2, and insert the following:

"That the Comptroller General of the United States be, and is hereby, authorized to adjust and settle the claim of Mary Lackey Combs, of Riderwood, Md., as executrix of the estate of Oscar F. Lackey, deceased, for \$1,500 and to allow said claim under the appropriation made by the act of February 18, 1913 (37 Stat. 1372), for payment to the deceased for injuries received on November 21, 1905, while in the employ of the Isthmian Canal Commission as assistant engineer in the construction of the Panama Canal, he having died without receiving said amount: Provided, That no part of the amount appropriated in this act in excess of 10 per cent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact. collect. withhold, or receive any sum of the amount appropriated in this act in excess of 10 per cent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000." not exceeding \$1,000."

Mr. BACHMANN. Mr. Speaker, I move to strike out the last word. I want to call the attention of the Members of the House to this claim. It is of many years' standing, in fact, dating back to 1905. The Government is not protected against interest on this old claim for that length of time. I would like to ask the gentleman from Texas if he knows whether or not interest could be collected if there is no further provision put in this bill preventing it.

Mr. BLANTON. There ought to be a provision stating that this amount is in full settlement of all claims against the Government of the United States. That would cut off everything.

Mr. BACHMANN. As I read the bill it is not in full settlement of all claims against the Government of the United States. Some of these days some one will introduce another bill to collect interest, we having recognized the claim.

Mr. BLANTON. I suggest the gentleman offer that amendment.

Mr. BACHMANN. I think it ought to be made in full settlement of all claims against the Government of the United States.

Mr. COCHRAN of Missouri. That is in there on page 2.

Mr. BACHMANN. I must confess I do not see it in the

Mr. MILLER. It is in the committee amendment.

Mr. BACHMANN. The committee amendment does not cure the bill.

Mr. PATTERSON. The words "in full settlement of all claims against the Government of the United States" are not in there. I suggest that the gentleman offer that amendment.

Mr. BACHMANN. Mr. Speaker, I offer the following amendment to the committee amendment.

The Clerk read as follows:

Amendment offered by Mr. Bachmann to the committee amendment: Page 2, line 10, after "\$1,500," insert the following: "Provided, That such payment to said Mary Lackey Combs, as executrix, shall be in full satisfaction of all claims against the United States of the estate of said Oscar F. Lackey, for such injury received by him," and after the word "Provided," in line 16, insert the word "further."

The amendment to the committee amendment was agreed to.

The committee amendment, as amended, was agreed to. The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

Mr. BRUMM. Mr. Speaker, my attention was called to another bill when Calendar No. 778, which I reported upon,

was called, and I did not hear it. I ask unanimous consent to return to it.

Mr. BLANTON. Mr. Speaker, reserving the right to object, I want to call the gentleman's attention to the fact that the Government report in that case was that the driver of the truck was not in fault in any way.

Mr. BRUMM. I admit that.

Mr. BLANTON. He was not driving the truck over 15 miles an hour. A woman with little children started across the street, and he swung out to keep from hitting them. This man stepped off the sidewalk, made several false starts, and finally got struck and his leg was injured. This bill seeks to pay him \$5,000, which is the full amount we pay for death claims.

Mr. BRUMM. I am not talking about the amount. The gentleman has made a complete case which would stand in any court in Christendom.

Mr. BLANTON. I doubt it.

Mr. BRUMM. I do not agree with the gentleman. It is an old, well-established principle of the common law that where two parties are negligent and a third party is injured, the one who commits the tort is, constructively, negligent. This man should recover in any court in the world.

Mr. BLANTON. In the case of the Texas & Pacific Railway Co. against Harris, which went to the Supreme Court of Texas, and lots of decisions from other States, they held that where a man deliberately walked into danger and got struck, the corporation is not responsible.

Mr. BRUMM. But that is not this case. I think it clearly

just the opposite.

Mr. BLANTON. The man stepped off the sidewalk when this truck was turning to the right of this woman and child to avoid killing them.

Mr. BRUMM. Will the gentleman let me state the facts? Mr. BLANTON. I am stating the Government facts to the gentleman. The department says that the Government was in no way to blame.

Mr. BRUMM. I am giving the gentleman the facts as I have learned them.

Mr. BLANTON. I object to going back, Mr. Speaker. If my friend wants to make a statement, that is perfectly all right, but I am going to object.

Mr. BRUMM. I want to get the statement on the record. Here was a mail truck driving down the street, in the middle of the street, and a man was about to leave the curb. He was in perfect safety if the truck had continued on its course, but at that minute a woman with a baby appeared in the middle of the street in front of the truck and to save the life of the baby and the woman he turned deliberately into the course of this man who was in his proper place at a crossing. This is constructive negligence and there can be recovery, I maintain, in any court in Christendom, if such facts are made out.

Mr. BLANTON. Here is what the department says:

A clerk, W. C. Miller, of Carson Station, had been sent with the truck and was riding on the seat with Subcarrier Wolfe, and he witnessed the entire occurrence. He stated that the driver made every effort to avoid striking either the woman and child or the man.

Mr. BRUMM. He jammed on the brakes.

Mr. BLANTON. He did everything he could to avoid an accident.

Mr. BRUMM. Sure; but that is constructive negligence and the innocent party was hurt.

Mr. BLANTON. The man hurt had made three false starts, and it was his own indecision and bad judgment that caused him to be hurt.

Mr. BRUMM. The gentleman would have made two or three or a dozen if he thought a truck was going to run over him. What-has that to do with the proposition?

Mr. BLANTON. Mr. Speaker, I object.

ADELPHIA BANK & TRUST CO. OF PHILADELPHIA

The Clerk called the next bill, H. R. 10169, authorizing adjustment of the claim of the Adelphia Bank & Trust Co. of Philadelphia.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Comptroller General of the United States be, and he is hereby, authorized and directed to settle and adjust the claim of the Adelphia Bank & Trust Co. of Philadelphia for refund of a fee of 1 per cent collected by the clerk of the United States District Court for the Eastern District of Pennsylvania on \$85,000, the face value of securities temporarily deposited by said company with the clerk pending the filing of an increased surety bond required by the court from the bank as depository of funds in bankruptcy estates, said fee having been covered into the general fund, Treasury of the United States, as a miscellaneous receipt, and to allow said claim in an amount not to exceed \$850. There is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of \$850, or so much thereof as may be necessary, for the payment of this claim.

With the following committee amendment:

At the end of line 9, on page 2, insert the following: "such sum to be in full settlement of all claims against the Government of the United States: Provided, That no part of the amount appropriated in this act in excess of 10 per cent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 per cent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

ALLEGHENY FORGING CO.

The Clerk called the next bill, H. R. 10406, for the relief of the Allegheny Forging Co.

Mr. EATON of Colorado and Mr. KELLY of Pennsylvania

Mr. EATON of Colorado. Mr. Speaker, reserving the right to object, how much time does the gentleman from Pennsylvania want?

Mr. KELLY of Pennsylvania. I would like to have about two minutes, Mr. Speaker. This bill was introduced by my colleague, the gentleman from Pennsylvania, Mr. Sullivan, who is unable to be here.

I have given the claims some attention, and I believe this bill and the two following are bills that are just claims. The Allegheny Forging Co., a reputable industrial enterprise, had the right to expect that the War Department would deal with it on an ethical and proper basis. I do not believe this was done.

Mr. BLANTON. Why did not my friend furnish a report from the War Department?

Mr. KELLY of Pennsylvania. I am sorry, but I did not have anything to do with a report from the War Department.

Mr. BLANTON. It ought to be understood that before private bills are passed here on this floor under unanimous consent there must be a report from the department, either allowing it or turning it down.

Mr. KELLY of Pennsylvania. The gentleman from Pennsylvania, Mr. Brumm, I believe, made the report, and I am sure went into this claim very carefully.

Mr. BLANTON. I notice several reports here made by our friend the gentleman from Pennsylvania [Mr. Brumm] that do not contain reports from the department. We can pass on these matters much better if we have reports from the department involved.

Mr. BRUMM. In these cases, from the very nature of things, they can not be reported on by the department without acknowledging their own error.

Mr. BLANTON. But we want a report from the department, and as long as I am a Member of Congress these bills are not going to pass unless there is such a report.

Mr. PITTENGER. Will the gentleman yield?

Mr. BLANTON. Is the gentleman in favor of having a report from the department in these cases?

Mr. PITTENGER. I think my colleague is correct, and that there ought to be such a report.

Mr. BLANTON. Certainly.

Mr. PITTENGER. I want to call the gentleman's attention to this case. The gentleman told me he would not be here to-night.

Mr. BLANTON. Oh, I did not; and the gentleman knows I did not. I told the gentleman I was going to be here. The gentleman said he hoped I would not be here, but I told him he had another hope coming to him and that I would be here. I am always here every time we have a call of the Private Calendar, and all other calendars.

Mr. PITTENGER. The gentleman is quite correct. The gentleman from Arkansas [Mr. MILLER], a member of the committee, has a copy of the report that my colleague would like to know about.

Mr. BLANTON. And it turns the claim down, does it not? Does the report turn the claim down or approve it?

Mr. MILLER. If the gentleman will yield to me, I will tell him.

Mr. BLANTON. Does it turn it down?

Mr. MILLER. I have just got it.

Mr. BLANTON. The gentleman does not know anything more about it, then, than I do?

Mr. MILLER. If the gentleman will yield, I think I can explain it.

Mr. EATON of Colorado. Mr. Speaker, I yielded for the gentleman from Pennsylvania to make a statement. If the gentleman is not going to be permitted to make a statement, I am going to object.

Mr. KELLY of Pennsylvania. I want to make one statement only. I believe this committee ought to recognize the fact that the War Department and other departments of the Government should be compelled to follow the business practices that are followed by reputable business enterprises in the United States. They sent out an offer to the Allegheny Forging Co. to sell certain steel, and the Allegheny Forging Co. accepted the offer and sent a 10 per cent check.

It specified gross tons and the check was sent in on that basis. Then the department insisted that net tons were meant.

Mr. BLANTON. Will the gentleman yield?

Mr. KELLY of Pennsylvania. Yes.

Mr. BLANTON. If the departments of the Government were to approve all of the private bills introduced in Congress, you could not collect enough money in taxes from the people to pay them all.

Mr. KELLY of Pennsylvania. That is not the question here. What I have said applies to the two following bills.

Mr. EATON of Colorado. There is no report here from the department as to what the facts are.

Mr. MILLER. Will the gentleman yield?

Mr. KELLY of Pennsylvania. Yes.

Mr. MILLER. The clerk of the committee advises me that he has just received these reports from the War Department. The War Department does not recommend the passage of the bill. The War Department says that the steel was delivered at the stipulated price, and the War Department is not aware of any change that was made, and the department decides that the claim is not a valid one.

Mr. KELLY of Pennsylvania. There are two references in the record where gross tons were specified.

Mr. BLANTON. I object.

THE ALLEGHENY FORGING CO.

The Clerk read the next bill on the Private Calendar, H. R. 10407, for the relief of the Allegheny Forging Co.

The SPEAKER pro tempore. Is there objection?

Mr. BLANTON. I object.

Mr. EATON of Colorado. And I object also for the same reason that I gave in the former bill.

The Clerk read the next bill on the Private Calendar, H. R. 10408, for the relief of the Allegheny Forging Co.

The SPEAKER pro tempore. Is there objection?

Mr. EATON of Colorado. I object.

AUGUSTA BURKETT

The Clerk read the next bill on the Private Calendar, H. R. 10621, for the relief of Augusta Burkett.

The SPEAKER pro tempore. Is there objection?

Mr. HOPE. Reserving the right to object-

Mr. KLEBERG. I want to say that this does not cost the Government any money, it simply waives the limitation of the workmen's compensation act. All this poor woman had was her husband, and she was deprived of this good man by an accident while in the performance of his duty.

The fact is that, in the limited time which occurred between the accident and the passage of the compensation act on September 29, 1916, and the accident occurred September 7, 1915, a few days over a year from the passage of the act, she had no information concerning it. All in the world this bill asks is to permit a waiver of the limitation.

Mr. KLEBERG. I hope this will be the exception.

Mr. COCHRAN of Missouri. Mr. Speaker, will the gentleman yield?

Mr. KLEBERG. Yes.

Mr. COCHRAN of Missouri. The gentleman can talk all night if he wants to, but there are men here who have not let a bill of this kind pass in this Congress. They have objected to two similar bills of mine, and they will not let a bill pass where an accident occurred prior to the date of the passage of the employees' compensation act. It is useless to try to make them do it.

Mr. KLEBERG. I hope this will be the exception.

Mr. BACHMANN. Mr. Speaker, I demand the regular order.

The SPEAKER pro tempore. Is there objection? Mr. HOPE. I object.

AUGUSTUS THOMPSON

The next business on the Private Calendar was the bill (H. R. 10973) for the relief of Augustus Thompson.

The SPEAKER pro tempore. Is there objection?

Mr. BACHMANN. Mr. Speaker, I object.

Mr. BLACK. Mr. Speaker, will the gentleman withhold his objection?

Mr. BACHMANN. Yes.

Mr. BLACK. This is the case of a former member of the Capitol police. He fell on the steps over here and was severely injured. There is medical testimony as to the extent of the injury and there is a report of the Capitol police as to the occurrence.

Mr. BACHMANN. In going over this bill I saw that he was a member of the police force, and I wanted to be sure whether there was any moral obligation on the part of the Government to pay this claimant \$5,000.

Mr. BLANTON. Oh, this is not a death claim. It ought to be cut down very materially, at least to \$1,000.

Mr. BACHMANN. I had that in mind, I will say to the gentleman from Texas, and there is another thing connected with the claim. You can go all through this report, and you can not find any eyewitness to this accident. You can not find anybody who investigated it. There is nothing but the statement of the officer himself that he fell on the steps.

Mr. BLANTON. And one doctor happened to see him on one day when he went to the hospital.

Mr. BLACK. I think in view of the lack of overwhelming evidence in favor of this man the claim should be cut down. I am willing to cut the claim down.

Mr. BLANTON. Is the gentleman willing to agree to cut it down to \$1,000?

Mr. BACHMANN. I still think that is too much without further evidence.

Mr. BLANTON. Of course if the man was hurt under the circumstances that he details, the Government ought to pay him about \$1,000. If he was not hurt in that way, the Government does not owe him one cent.

Mr. BLACK. Here is the report from the Capitol police:

United States Capitol Police, Washington, D. C., April 14, 1932.

Hon. Loring Black, Jr.,
House of Representatives, Washington, D. C.

DEAR SIR: In line with your request of this date, we are pleased to advise that the daily report sheet for the Capitol police department (House Office Building) for Thursday, February 27, 1930, carries the following statement:

"A. Thompson fell down steps leading from second floor to first

Injured leg."

floor. Injured leg."
We trust the above information from the records will meet with We trust the analysis your approval.

Very respectfully yours,

P. H. Crook, Lieutenant in Charge.

Mr. BACHMANN. There it is, just an injured leg. It does not say that the leg was broken. It does not say what was wrong with the steps. Thousands of people go down those steps in the course of a year.

Mr. BLACK. The medical testimony schedules all of the

injuries.

Mr. BACHMANN. The man had a hernia. That was not caused by his fall on those steps, at least there is nothing in the report to show that it was. He had nephritis, and that surely was not caused by the fall on the steps.

Mr. BLACK. The gentleman can probably rightfully question items 2 and 3, but there is a fracture caused by a

fall in the Capitol Building on February 27, 1930.

Mr. BLANTON. This man claims that he was taken to police headquarters. Surely he ought to produce some proof from some policeman about the transaction.

Mr. BACHMANN. There is no evidence here of anyone who picked him up, no evidence that a policeman was there. And you can not tell from this claim whether there was or not. You can not tell whether or not the Government has any responsibility or not. It may be that the Government is responsible. If it is, and somebody can prove that responsibility, I am willing to let the claim go through.

Mr. BLACK. I know how the gentleman feels about these things. One gentleman the other night said something about the fact that we did not have a cross-examination of a witness. We can not have a trial. We do the best that we can. For that reason I am willing to cut down this

Mr. BLANTON. There ought to be a cross-examination. Mr. BACHMANN. If the hospital report would show that he was confined in the hospital for seven months on account of a broken leg, I might take a different view of the case; but this man has other disabilities, permanent disabilities. How can we tell? Unless there is an agreement for an amendment reducing this to \$1,500 I would be compelled to object.

Mr. BLACK. I will agree to the \$1,500.

There being no objection, the Clerk read as follows:

Be it enacted, etc., That there shall be paid out of the contingent funds of the House to Augustus Thompson, a former member of the House Office Building police force, the sum of \$5,000 in full payment on account of personal injuries sustained by said Augustus Thompson in the House Office Building on February 27, 1930, while in the discharge of duty.

With the following committee amendments:

In line 6 on page 1, strike out the word "payment" and insert in lieu thereof "settlement of all claims against the Government of the United States": in line 9, after the word "duty," insert a colon and the following: "Provided, That no part of the amount appropriated in this act in excess of 10 per cent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 per cent thereof on account of services rendered in connection per cent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000."

The committee amendments were agreed to.

Mr. BACHMANN. Mr. Speaker, I offer an amendment.

Mr. BLANTON. Before the gentleman offers the amendment, I have just received a report that this man served for 30 years on the metropolitan police force, and he was retired on account of disability, and retired pay of one-half his

salary is now being paid. That report has just been sent

Mr. BACHMANN. That is prior to this trouble?

Mr. BLANTON. Yes; he was retired for disability before the accident.

Mr. STAFFORD. Then if he is retired he is receiving a pension to-day.

Mr. BLANTON. So that amendment should be not over \$1,000 at most.

Mr. BACHMANN. Mr. Speaker, I offer the following amendment: On line 5, after the word "of," strike out "\$5,000" and insert in lieu thereof "\$1,000."

Amendment by Mr. Bachmann: On page 1, line 5, strike out "\$5,000" and insert in lieu thereof "\$1,000."

Mr. BLACK. Mr. Speaker, I rise in opposition to the amendment. Heretofore when agreements like this have been made they have generally been kept. It may be that between the time of the agreement and the action on the bill additional information may come to either side. Heretofore I have kept all agreements as far as the committee was concerned. I am rather hoping the gentleman from West Virginia will see fit to keep the arrangement that was

Mr. BACHMANN. Let us be fair as to what happened. I had intended to offer an amendment reducing the amount to \$1,500, but when the gentleman from Texas [Mr. Blanton] called attention to the fact that this man is now receiving pay as a retired member of the Washington police force, and with no substantial evidence here, if I had not entered into the agreement, I would have objected to the passage of

Mr. BLANTON. This man served 30 years on the Metropolitan police force and was retired on half pay on account of disability before the accident.

Mr. BACHMANN. I am willing to offer an amendment making it \$1,000. If the gentleman does not want that, let us let the House vote on it.

Mr. BLACK. Oh, I make no point of it.

Mr. BACHMANN. I do not want to have it said that I am not keeping any agreements here. The gentleman from Texas produced additional evidence which, if I had had it before, I would not have permitted the bill to pass at all.

Mr. BLACK. I am not charging that, but I do hope that hereafter we will not produce additional evidence on either

The SPEAKER pro tempore. The question is on the amendment offered by the gentleman from West Virginia [Mr. BACHMANN.]

The amendment was agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FRANKLIN SURETY CO.

The Clerk called the next bill, H. R. 11095, for the relief of the Franklin Surety Co.

Mr. BACHMANN. Mr. Speaker, reserving the right to object, I have considerable doubt about this bill. I do not think this bill ought to pass unless some Member can make some explanation of it. The amount of this claim is \$11,725, and it is too large to pass here on the Private Calendar, without more evidence than is contained in this committee report.

Mr. BLANTON. I think the gentleman ought to object

Mr. KVALE. Will the gentleman reserve his objection?

Mr. BACHMANN. I will be glad to reserve the objection. Mr. KVALE. Mr. Speaker, I know nothing more about this matter than is included in the report offered by the gentleman from Indiana, who is not present this evening, but it seems to me when a report is submitted to Congress by the Comptroller General of the United States, as complete in its nature as this report is, with the information it contains, it is very persuasive, and I do not see what additional facts are to be offered aside from what he states

regarding the additional work that was done by this contractor who steps in after defalcation. In the fourth paragraph of the original report it is stated:

Of the net amount of \$20,861.23 thus claimed by the Franklin Surety Co. there was allowed by settlement of this office, dated February 12, 1931, the sum of \$675.45 as the net value of items involving changes in the specifications and extra work duly ordered by the contracting officer.

Then he states in next to the last paragraph:

The amounts claimed for the other items and approved by the Secretary of the Treasury do not appear to be in excess of the reasonable value to the Government of the extra work involved, and, accordingly, it is recommended that an appropriation be made for payment of the claim for \$20,861.23 as reduced by the amount of the two items mentioned, aggregating \$8,460.07, and by the amount of \$675.45 allowed by settlement of February 12, 1931, or in the net amount of \$11,725.71.

Mr. BACHMANN. Will the gentleman tell the House how much of the liquidated damages this company owed the Government, amounting to \$24,600, they paid to the Government of the United States?

Mr. KVALE. I know nothing, except I understand the insurance company has already taken a rap for \$50,000.

Mr. BACHMANN. If they have taken a rap for \$100,000, they collected a premium from these people when they went security for them. They owe the Government \$24,600 in liquidated damages. There is no place in this report showing that they paid that amount of money, if they owed \$24,600, and now they come in and ask the Government to pay \$11,600 more. That is \$35,000 they are taking away from the Government of the United States.

Mr. KVALE. I do not question his sincerity, but it seems to me in view of the statements made in the report of the Comptroller General, which is complete—the gentleman will admit that.

Mr. BACHMANN. So far as the extras are concerned, yes; but I am talking about the justice of this claim. The gentleman must consider that the insurance company or the bonding company collects a premium when they go security for these contractors, and there is an amount of \$24,600 called liquidated damages. If we are going to relieve the bonding company from paying \$24,600, surely I am not going to vote to pay them \$11,000 more.

Mr. KVALE. I yield to the gentleman who introduced the bill. I see he is on the floor. Perhaps he can satisfy the gentleman.

Mr. BLACK. This bill came from the Speaker's office to myself as chairman of the committee. The bill was drawn by the Comptroller General; and as is the case with bills coming to the chairman of the committee through the Speaker, we generally accept it the way the department offers it. The Comptroller General has not disposed of that \$24,000.

Mr. BACHMANN. I think it ought to be in the report.

Mr. BLACK. I agree with the gentleman we ought to get a further report on it.

Mr. BACHMANN. Mr. Speaker, I object.

ROBERT D. BALDWIN

The Clerk called the next bill, H. R. 11902, for the relief of Robert D. Baldwin.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Comptroller General of the United States be, and he is hereby, authorized and directed to allow credit in the accounts of Robert D. Baldwin, superintendent and special disbursing agent of the Haskell Institute, at Lawrence, Kans., for an expenditure of \$1,359.26 made in October, 1931, and paid from the appropriation for Indian boarding schools, fiscal year 1932.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

HARRIET C. HOLADAY

The Clerk called the next bill, S. 287, to compensate Harriet C. Holaday.

Mr. STAFFORD. Mr. Speaker, I object.

ALICE M. A. DAMM

The Clerk call the next bill, S. 631, for the relief of Alice M. A. Damm.

Mr. STAFFORD. Mr. Speaker, I object.

NICK WAGNER

The Clerk called the next bill, S. 3440, for the relief of Nick Wagner.

Mr. HANCOCK of New York. Mr. Speaker, I object.

Mr. LEAVITT. Mr. Speaker, will the gentleman withhold his objection?

Mr. HANCOCK of New York. I withhold it.

Mr. LEAVITT. Will the gentleman state the ground of his objections? I think I may be able to answer them.

Mr. HANCOCK of New York. This was the case of a man who claims injury from tripping over a mat on the front steps of a post office. There are no eyewitnesses. For a long time there was no statement to the postmaster in connection with the accident. It was two weeks or more after the accident occurred before it was brought to anyone's attention. I fail to see where there is a shadow of a claim against the Government in this case.

Mr. LEAVITT. The situation is that the mat, of course, is always on the top step. In some way it had been pushed out over the edge and this man, who was in Miles City, is a citizen of a smaller town further east in the State, was in Miles City for treatment of a goiter. Going up the step he mistook the edge of the mat which had been kicked out from the top of the step and it gave way, with the result that he fell and struck his shoulder, resulting in the complete loss of the use of his arm.

The facts, I think, are very definitely established in the evidence. I notice in the report that was made by the Senate committee, affidavits from people with whom I am well acquainted as to these facts, and I think there is no doubt but what that was the situation. This man testifies that he is completely disabled so far as his arm is concerned.

Mr. HOLLISTER. There are two things I would like the gentleman to answer. In the first place, I realize the gentleman probably knows the individuals who made these affidavits, but there is no evidence of any eyewitness of the accident whatsoever, and the affidavits are with respect to what the party injured told the various affiants after the accident had occurred to him.

Mr. LEAVITT. They go to the injury; and the evidence, of course, is of those who saw him immediately after the accident. I do not know that anybody saw him fall.

Mr. HOLLISTER. Is there any evidence as to how long this mat had remained in this dangerous condition?

Mr. LEAVITT. No; of course not. It was in that position when he stepped on it. That is what the evidence shows.

Mr. HOLLISTER. The mat was misplaced at the time he was injured, and must have been. If this were the case of a private corporation or individual, would there be liability on the private individual unless the dangerous condition had existed long enough to put them on notice or to give constructive notice of the dangerous condition?

Mr. LEAVITT. In this case the responsibility is upon the Government to have it safe at all times, this being a public place. I realize, of course, there is nobody personally responsible in the Government for not having it pushed back into place.

Mr. HOLLISTER. If it were against a private individual, do you think this evidence would be sufficient to hold him liable?

Mr. LEAVITT. I think so.

Mr. HOLLISTER. In the absence of any evidence as to how long this dangerous situation had existed?

Mr. LEAVITT. Of course, I can not tell anything about that at all, except we do know that it was in this dangerous condition long enough to injure this man permanently.

Mr. HOLLISTER. In view of the matters set forth in the report and under the circumstances of the case, I am very much afraid I shall have to object.

Mr. LEAVITT. I am very sorry. I think this is a meri-

Mr. HANCOCK of New York. Mr. Speaker, I object.

OMNIBUS PENSION BILL

The Clerk called the next bill. H. R. 12124, granting pensions and increase of pensions to certain soldiers and sailors of the Regular Army and Navy, etc., and certain soldiers and sailors of wars other than the Civil War, and to widows of such soldiers and sailors.

Mr. STAFFORD. Mr. Speaker, I object.

Mr. GASQUE. Will the gentleman withhold his objection?

Mr. STAFFORD. Yes. Mr. GASQUE. I want to say to the gentleman that this is the omnibus pension bill that was vetoed by the President of the United States last year on account of objection to certain items in the bill. I took this matter up with the President himself and he suggested that he would like to have the Administrator of Veterans' Affairs pass on these bills. I then took the matter up with the Administrator of Veterans' Affairs and had him send the Director of Pensions, Mr. Morgan, down to my office to go over each of these items separately with a subcommittee of the Committee on Pensions, and every item in the bill now has been agreed to by the Administrator of Veterans' Affairs.

I want to say also that I have a letter from him to this effect, after asking him for his opinion on the bill, which I would like to read, as it is very short:

My Dear Mr. Gasque: This will supplement my letter of October 31, 1932, in reply to your letter of October 17, 1932, requesting a report on omnibus bill (H. R. 12124), which bill is now on the House Calendar, showing the items contained therein which has met with the approval of the Administrator of Veterans' Affairs. As you know, a representative of the Veterans' Administration appeared before the Committee on Pensions to go over the items in H. R. 12124, and he has informed me that the objectionable items of the bill were eliminated; therefore no objection will he in H. R. 12124, and he has informed me that the objectionable items of the bill were eliminated; therefore, no objection will be interposed by the Veterans' Administration to favorable action on this proposed legislation. You are advised that I have received a letter from the Director of the Bureau of the Budget, dated December 5, 1932, in which he states that in so far as the financial program of the President is concerned, there is no objection to my submitting a favorable report upon the bill, H. R. 12124.

A copy of this letter is enclosed for your use.

Very truly yours,

FRANK T. HINES, Administrator.

Mr. STAFFORD. Mr. Speaker, we have a number of bills under consideration and I just pick out at random one of the private bills as incorporated in this omnibus bill, and what are the facts:

H. R. 590. Zenobia Blanche Sniffen * * *. The widow is 64 years of age and was married to the general on June 26, 1909. She owns property valued at approximately \$25,000 and has an income of \$1,200 per year and a pension of \$30

It is proposed to increase her pension to \$50 a month. I could go through this bill and cite other instances in this way, and yet the gentleman is asking me in these times, when we are trying to keep down expenses, to grant to these persons the bounty of the Government when they already have ample funds.

I object.

Mr. GASQUE. If the gentleman will yield, will the gentleman let me finish putting this letter in the RECORD? The gentleman has not stated all the facts in this case. While she owns property valued at \$25,000, this property is obligated for a debt of that amount or more.

Mr. STAFFORD. The gentleman can put the letter in

Mr. GASQUE. And I would be glad to explain that particular bill to the gentleman if I had the opportunity.

Mr. STAFFORD. There are a number of others of the same kind

Mr. BACHMANN. How much is involved in this bill?

Mr. GASQUE. Sixty-five thousand dollars.

Mr. PATTERSON. And it is the usual omnibus pension bill that is passed year after year.

Mr. GASQUE. The bill carries \$65,000, and takes care of 380 items which represent bills introduced by 197 Members of Congress.

Mr. BACHMANN. How does the bill get on the Private Calendar?

Mr. GASQUE. That is the only calendar that it can be placed on. There is not a bill here that the Administrator of Veterans' Affairs has not approved and which we believe the President is not in favor of.

Mr. COCHRAN of Missouri. Will the gentleman yield?

Mr. GASQUE. Yes.

Mr. COCHRAN of Missouri. I have bills in this omnibus pension bill.

Mr. PATTERSON. I have, too. Mr. COCHRAN of Missouri. Mr. Speaker, there is no chance for this bill to become a law. I have two or more bills in this omnibus bill. I have no objection to the committee reporting meritorious bills granting a small pension where due to some slight technicality the bureau could not recognize the claimant. However, I have concluded that we should no longer follow the policy of increasing pensions by special act as we have in the past. To give relief to a few who happen to learn that an appeal to a Congressman might secure an increase is not fair to the others. I hope that in the next Congress we will prohibit increases being granted by special act.

I know how careful my good friend from South Carolina [Mr. Gasque] has been with this work, and he has only followed an established policy of many years' standing. It is a bad policy, however, to grant increases by special act, and I hope it will be discontinued.

Mr. GASQUE. If that is the opinion of the gentleman of Missouri, he should not have introduced that kind of

There are very few increases of pensions. Most of the bills are original pensions, and they are all bills that have been approved by the Veterans' Administration.

Mr. STAFFORD. The Veterans' Administration has approved a number of claims, and the Military Affairs Committee has called them to account for approving claims paying out the money of the Government in unjustifiable instances.

I object, Mr. Speaker.

Mr. GASQUE. The President himself has said that this is the course that should be followed, and I will let the gentleman take the responsibility and let the responsibility rest on his shoulders.

Mr. STAFFORD. I will take the full responsibility.

I object, Mr. Speaker.

Mr. GASQUE. Then let the gentleman from Wisconsin take the responsibility of withholding benefits from these widows and orphans and veterans, the benefits which have been given to other widows, orphans, and soldiers for the past hundred or more years.

FRANK J. BOUDINGT

The Clerk read the next bill on the Private Calendar, H. R. 6393, for the relief of Frank J. Boudinot.

The SPEAKER pro tempore. Is there objection?

Mr. EATON of Colorado. I reserve the right to object. Mr. HASTINGS. Mr. Speaker, I think I should say, in view of the favorable report of the committee, that this claimant is a member of the Cherokee Tribe of Indians, born and reared in the Indian Territory among the Cherokees.

He has devoted his entire life to the services of the Cherokee Indians. Now, he has been here practically all of his life and is perhaps 65 years of age or more, and the gentleman from Colorado will remember that for years they had no Representatives in Congress.

It was a part of the Indian Territory. This man F. J. Boudinot represents the Cherokee Tribe and has kept alive for years and pressed these claims against the Government.

In 1924 a jurisdictional bill was passed allowing suit to be brought in the Court of Claims, and the Cherokees would be permitted to pay attorneys from that time on for their services.

I will say that from my own personal knowledge this man for 20 years or more prior to that time has been attending Congress in an effort to get some proper jurisdictional bill passed so that these claims of the Cherokee Tribe might be presented.

The Indians themselves whom he represents have met and passed resolutions and forwarded these resolutions to me urging this additional compensation, and based on that and with that authority and at their request I introduced this bill.

They have some claims pending, but how much they will recover or what, if any, judgment they will get, I do not know. But they feel, in justice to F. J. Boudinot, who has spent his entire life keeping these claims alive and in an effort to get a jurisdictional act passed to refer them to the Court of Claims, that he ought to receive some compensation for his services in this representation.

Mr. EATON of Colorado. How much does the gentleman

say is involved here?

Mr. HASTINGS. I do not know how much is involved; they have claims in the Court of Claims, and it is problematical as to the amount they may recover; but inasmuch as this man has given 30 or 40 years of his life and finally succeeded in getting a jurisdictional bill enacted, they think that he ought to have some additional compensation.

Mr. EATON of Colorado. How much money is involved? Mr. HASTINGS. I do not know how much. These claims involve an accounting with the Government.

Mr. LEAVITT. If the gentleman will yield, this case was before the Committee on Indian Affairs, and I recall it well, for it has been before us some time. It was considered by the committee to be one of the most just cases of the kind ever brought before us.

Mr. EATON of Colorado. I will say to the gentleman that if he will read these books that I have here, the United States Reports, and if he will look at the litigation where they claim \$700,000, provided for in the last five lines, he would not vote for this bill. If gentlemen will go into the Court of Claims and go over the files of the department, they would not vote for this claim.

Mr. LEAVITT. I do not need to speak in defense of the gentleman from Oklahoma [Mr. Hastings].

Mr. HASTINGS. Mr. Speaker, the gentleman from Colorado is mistaken.

Mr. EATON of Colorado. I am not mistaken. I examined the files myself. Nobody in connection with the Indian Affairs Committee or at any other place would tell me how much was involved; and when I found out that the amount provided for is 5 per cent of over \$4,000,000, then I began to look about some.

Mr. HASTINGS. Oh, that claim was the eastern Cherokee claim that was adjudicated in 1905. This claim for services has nothing whatever to do with it. This bill has nothing whatever to do with any of the suits referred to in those books before the gentleman. I am thoroughly familiar with all of the suits the gentleman has before him, but let me say to him that this bill would not give Boudinot a single penny because of any of those old judgments.

The Cherokees have filed under the jurisdictional act of March 19, 1924, which Boudinot, by his efforts in going back and forth for 10 or 15 years, finally succeeded in getting passed by Congress, when they had no Member of Congress to represent them, when they had no Senator, when they were political orphans, when they were a tribe which was a part of the Indian Territory. This man has kept these claims alive, and he has come backward and forward to Washington for a lifetime. Now he is around 65 years of age, and these Indians whom he serves have passed resolutions asking that he be given this additional compensation.

Mr. EATON of Colorado. These reports show how he has tried to collect these funds from the Indians and has been denied, how he has tried to collect them from the United States, and has been denied. Away back in 1910—

Mr. HASTINGS. Oh, if the gentleman is going to make that sort of argument, well and good. This bill is to give him compensation since then and before March 19, 1924. I am a member of that tribe myself, I have lived among them always, I am one of the beneficiaries, I know more about the affairs of the Cherokee Tribe certainly than does the gentleman from Colorado. If the gentleman wants to object, let him do so on his own responsibility, but I repeat that he is mistaken about it. Not a dollar would be charged to the Treasury but would be deducted from any judgment that may be rendered the Indians who ask for this legislation.

Mr. EATON of Colorado. On my own responsibility and by the facts set out in the United States Supreme Court reports, I object.

ROBERT WHITLEY MILLER

The next business on the Private Calendar was the bill (H. R. 3801) for the relief of Robert Whitley Miller.

The SPEAKER pro tempore. Is there objection?

Mr. GRISWOLD. Mr. Speaker, I object.

Mr. KVALE. Mr. Speaker, will the gentleman reserve his objection?

Mr. GRISWOLD. Certainly.

Mr. KVALE. While the author of the bill is not present, and while the gracious lady who made the report is not present, yet I was a member of the subcommittee of the Committee on Military Affairs which heard this testimony. The committee conducted a rather complete hearing. I can subscribe to every recommendation that the report contains. I feel very keenly that here is a fine young man who has been penalized by circumstances over which he had no control. The report sets forth the information completely.

Mr. GRISWOLD. The report shows that he was retired.

Mr. KVALE. Right.

Mr. GRISWOLD. That thereafter a special act of Congress was passed, and that he was brought before a retiring board and again retired.

Mr. KVALE. Oh, the gentleman himself is a veteran; he has had dealings with veterans; he has conducted affairs of veterans before governmental departments; and he knows that in conditions of this kind, in physical and mental complications of this sort, these conditions do not arise for years, and it is not possible to correctly diagnose them for long periods of time.

The subsequent events clearly show that this man in 1925, at the time he originally separated himself from the service, if he had had full control of himself mentally, would have protected his own rights, and he would have been in a position to secure medical treatment and to have continued in the service and take his place again on the active rolls as others have done.

Mr. GRISWOLD. But the gentleman does not take into consideration the fact that after being retired a special act was passed that brought him before a retiring board again, and he was again retired. Now he comes to Congress a second time to have Congress do the same thing over. It is an everlasting proposition of coming before the Congress with a bill to take him before a retiring board to have him retired.

Mr. KVALE. The second retirement examination shows a discrepancy, and it is on the basis of the injustice shown by those two conflicting reports that we ask now that justice be done this man. He has already been penalized. If this bill passes, justice will not be done him.

Mr. GRISWOLD. If the statement of Mr. Carter in the record—the only statement I see—be true in regard to the man's condition, then he should not be retired at all. He should be restored to active duty.

Mr KVALE. He is not yet in full possession of his health. He needs a long period of treatment yet.

Mr. GRISWOLD. All of those facts were before the second retirement board.

Mr. KVALE. I feel this bill has merit. The lady who wrote this report has set it forth in clear language, and the Committee on Military Affairs feels that this officer should not have been subject to the chain of circumstances

which conspired to penalize him for a condition over which | he had no control and to penalize him further for the act of separating himself from the service at a time when he did not know exactly what was involved. I hope the gentleman can withdraw his objection to this bill and permit it to be written into law.

Mr. GRISWOLD. I regret as much as the gentleman does the unfortunate affliction of this man, but he has had ample opportunity, and it is just a continuation of passing bills on his behalf, and I must object.

CARL L. BERNAU

The Clerk called the next bill, H. R. 4045, for the relief of Carl L. Bernau.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. HOPE and Mr. BLANTON objected.

Mr. KVALE. Will the gentlemen withhold their objec-

Mr. BLANTON. I will reserve my objection, but first I want to put something of the Government's side in this RECORD. Mr. Dwight F. Davis, the Secretary of War, says in this report:

The War Department is consistently opposed to the enactment of special legislation of a preferred nature for the benefit of individuals. Accordingly, I recommend that this bill be not favorably considered by your committee and be not enacted into law.

And he gives his adverse reasons in the report. I am following the Secretary of War in these matters.

Mr. KVALE. But, Mr. Speaker, the Military Affairs Committee had before it the report of the Secretary of War. They also conducted hearings upon this measure. They went into the facts rather thoroughly, and they decided upon the basis of the facts not to follow the Secretary of War.

Mr. HOPE. Will the gentleman yield?

Mr. BLANTON. I yield.

Mr. HOPE. I notice in the letter of the Secretary of War he states if it was desired, a representative of the Judge Advocate General's Department would appear before the committee. I should like to ask the gentleman if such official appeared, representing the War Department, when this claim was under consideration.

Mr. KVALE. I can not trust my memory sufficiently to answer the gentleman, because these hearings were held about a year ago, but the hearings were before my subcommittee, as in the case of the last measure. I know something about the facts involved in this matter.

Mr. HILL of Alabama. Will the gentleman yield?

Mr. KVALE. I yield.

Mr. HILL of Alabama. I was not present at the last hearing before the gentleman's subcommittee, but I was a member of a subcommittee of the Committee on Military Affairs at the previous hearing at the previous Congress, at which time a representative from the War Department did appear, and he was thoroughly quizzed by the members of the committee, and in turn he quizzed this Captain Bernau for whose relief this bill is before us.

Mr. BLANTON. Will the gentleman yield?

Mr. KVALE. I yield.

Mr. BLANTON. Here is what the War Department says:

It appears from the records that former Captain Bernau was found guilty by general court-martial and sentenced to dismissal from the service for making a false statement to Capt. John C. Hutcheson, Quartermaster Corps, as to the amount of Government beef for which he, Bernau, was responsible, and for proposing to the said Captain Hutcheson to make up a shortage in subsistence stores for which he (Bernau) was responsible, by the unauthorized and unlawful sale of exceptional articles at more than the invoice price to the Government, the surplus funds therefrom to be diverted to cover the shortage in subsistence stores herein referred to.

That involves moral turpitude.

Mr. KVALE. Will the gentleman allow me to answer that?

Mr. BLANTON. I say that involves moral turpitude.

Mr. KVALE. The gentleman has inserted certain material in the RECORD. Let me answer it by reading another section of the report. I will read from page 2 of the report, from a statement by Mrs. KAHN, who submitted the report:

Almost simultaneously with the taking of this inventory, Capt. John C. Hutcheson arrived at Fort Mills to relieve Bernau, who had been ordered back to the States. Being apprised of the discrepancy in the beef account, Captain Hutcheson refused to receipt for the beef until he had taken his own inventory. Using ceipt for the beef until he had taken his own inventory. Osing the itemized sheets of the inventory already taken, he made his own extensions, and, by reason of erroneous calculations, determined that the shortage was 55,000 pounds instead of 78,000 pounds. He thereupon receipted for the beef upon the basis of a 55,000-pound shortage. A third inventory taken shortly thereafter determined the correct paper shortage to be 78,000 pounds, and Captain Hutcheson thus became responsible for a shortage of 23,000 pounds.

Then there was a conference and the evidence was incorrect, and it did not agree, and upon that basis a courtmartial, to which the gentleman refers, was held. It was simply a routine affair, later corrected.

Mr. BLANTON. For being short 78,000 pounds of beef he was dismissed from the service.

Mr. KVALE. Oh, it was a paper shortage.

Mr. BLANTON. Whereas some boys who steal a turkey gobbler go to the penitentiary.

Mr. KVALE. But the point I want to make is-Regular order was demanded.

The SPEAKER pro tempore. Is there objection?

Mr. BLANTON. Mr. Speaker, this bill can not pass. I object.

CASSIE E. HOWARD

The Clerk called the next bill, S. 1044.

There being no objection, the Clerk read the bill, as fol-

Be it enacted, etc., That the Secretary of the Interior is authorized and directed to issue to Cassie E. Howard, as transferee of Frank Bastlen, patent for the lands covered by homestead entry numbered Great Falls 054646, upon payment by such Cassie E. Howard, within sixty days from the date of the approval of this act, of the balance due upon such lands.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

MARGARET M'CREANOR

The Clerk called the next bill, S. 1040, authorizing the issuance to Margaret McCreanor of a patent for certain lands.

Mr. HOPE. Mr. Speaker, I object.

EARL V. LARKIN

The Clerk called the next bill, H. R. 785, to reimburse Earl V. Larkin for injuries sustained by the accidental discharge of a pistol in the hands of a soldier in the United States Army.

Mr. HANCOCK of New York. Mr. Speaker, reserving the right to object, I would like to ask the gentleman a few questions about this bill, or perhaps he wishes to make a statement.

Mr. PITTENGER. I simply want to say that the committee went into the facts carefully and we have a copy of the report of the department here. The facts are that a boy 16 years of age went down to a tunnel where United States soldiers were. He went there with the intention of enlisting. While he was down there with these soldiers one of them discharged a revolver.

Mr. HANCOCK of New York. What was he doing there? Was he doing anything to the tunnel?

Mr. PITTENGER. He says in his letter to the Congressman that he had gone into the tunnel with these soldiers during the nighttime to look for somebody, report having come from men on the train that some strange character was in there.

Mr. HANCOCK of New York. Was he helping the soldiers?

Mr. PITTENGER. Yes.

Mr. HANCOCK of New York. He was not trespassing?

Mr. PITTENGER. He was not a trespasser.

Mr. HANCOCK of New York. The soldiers were not trying to put him out?

Mr. PITTENGER. Not at all.

Mr. HANCOCK of New York. He was not interfering with them in any way?

Mr. PITTENGER. He was not. And I may say to my colleague, I think this bill is very reasonable. He submitted an itemized statement. He is only claiming reimbursement of hospital bills and doctors' bills. He is not asking anything for the injury. The itemized bill was submitted to the committee. I did not include it in the report.

Mr. HANCOCK of New York. Will the gentleman consent to an amendment providing that this is in full settlement of all claims against the Government of the United States?

Mr. PITTENGER. I have no objection to such an amendment.

Mr. STAFFORD. Mr. Speaker, reserving the right to object, I have an amendment to offer which does not detract from the merits of the bill.

Mr. PITTENGER. I have no objection to it.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to Earl V. Larkin the sum of \$1,213.25, out of any money in the Treasury not otherwise appropriated, being for hospital care and medical services rendered Earl V. Larkin, a civilian, who was injured by the accidental discharge of a gun in the hands of a private in the United States Army.

With the following committee amendment:

At the end of the bill add the following: "Provided, That no part of the amount appropriated in this act in excess of 10 per cent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 per cent thereof on account of services rendered in or receive connection with said claim, any contract to the contrary not-withstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000."

The committee amendment was agreed to.

Mr. STAFFORD. Mr. Chairman, I offer an amendment. The Clerk read as follows:

Amendment offered by Mr. Stafford: Page 1, line 6, after the word "appropriated," insert the words "in full compensation for all expenses attendant on and for an injury suffered by him arising from."

And then after the word "Army" insert the words "on or about June 12, 1917, at Pittsburgh, Pa."

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time and passed; and a motion to reconsider laid on the table.

CHARLES EDWARD BAILEY

The Clerk called the next bill, H. R. 4328, for the relief of Charles Edward Bailey.

Mr. HOPE. Mr. Speaker, I object.

MARTIN-WALSH (INC.)

The Clerk called the next bill, H. R. 5774, for the relief of Martin-Walsh (Inc.).

Mr. EATON of Colorado. Mr. Speaker, I object.

Mr. BLACK. Mr. Speaker, will the gentleman withhold his objection for a moment?

Mr. EATON of Colorado. I withhold the objection.

Mr. BLACK. The committee gave a great deal of attention to this bill. Mr. Walsh, one of the members of this former firm appeared before the committee. Martin-Walsh (Inc.), paid a duty they should not have paid on an importation of paper. It seems there was a general mistake as to the duties payable on this line of paper. Other firms also paid excess duty, but they were properly advised by their customers' brokers and got a refund.

This is the only firm that did not get a refund. This is the only case of its kind. No other cases will arise.

I know the situation of Walsh. I have gone into this thing very carefully myself. He has been to see me time and time again. He is a very excellent citizen. He was in the Army and he can not understand why he has been done what he considers an inequity.

The committee heard this man. We seldom do that. He

appeared before us and made a very satisfactory explanation of the entire situation, so satisfactory was it that the committee unanimously reported the bill.

Mr. STAFFORD. Will the gentleman yield?

Mr. BLACK. Yes.

Mr. STAFFORD. The Secretary of the Treasury called attention to the fact that if we pass this bill it will be the basis of many similar bills against the Government.

Mr. BLACK. Not of this kind.

Mr. STAFFORD. If there is a refund of duties in this case, it will be extending to the importer a special privilege not enjoyed by all. Therefore he is constrained to report against the passage of the bill.

Mr. BLACK. The committee's idea of the facts is different from that report, because we understand that this is the only possible case that could arise under those particular duties as to those goods.

Mr. STAFFORD. As to these special goods?

Mr. BLACK. That is right.

Mr. STAFFORD. But there are many instances where the broker fails to perform his duty, as in this case, to protect the interests of his client. He fails to make his claim in time, as the broker did in this case; and if we are going to open up the doors to every case where a broker has been negligent, there will be thousands upon thousands of such Cases.

Mr. BLACK. Of course, the gentleman understands this trouble occurred through the original mistake on the part of the Government.

Mr. STAFFORD. On the part of the brokers.

Mr. BLACK. No; on the part of the Government.

Mr. PITTENGER. Will the gentleman yield?
Mr. STAFFORD. Yes.
Mr. PITTENGER. The facts are, and, mark you, the members of the committee went into this carefully and personally, the Government appraiser suggested and insisted on this higher valuation.

Mr. EATON of Colorado. The gentleman does not know enough about the importing business to insist on that point. Mr. BLACK. That point was decided by the court.

Mr. EATON of Colorado. The importer has the right to determine whether he is going to take his imports upon a certain appraisement and the customs broker or the importer can make his protest at the time, and if he does not do it he is in exactly the same position as this man now finds himself, who very naïvely says, and this is the claimant's own statement, "When these entries in question were made, there was an atmosphere of confusion and uncertainty as to the proper basis of valuation."

This is no fault of the Government, this is no fault of the appraiser, this is no fault of the customs broker. Then he says, "The decisions of the Customs Court of October 24, 1924, in supporting the importers, confirms that impression. And that subsequent to the rendering of this decision every other importer of similar merchandise in the port of New York received refunds because their interests had been properly protected by their brokers."

Mr. BLACK. Let me say to the gentleman that there is an indication that this excessive duty was put on not because of any confusion, but because of the urgings of competitors who were domestic producers. There is every indication of that in this evidence.

Mr. PITTENGER. If my colleague will yield further, there is evidence here that domestic producers in some way wanted to complicate matters. The facts are that these particular brokers were inexperienced. They followed the suggestions of the appraisers with respect to this higher valuation, although they originally wanted the lower valuation, which was the correct one. There was a mistake in not following the legal technicalities. The committee did not feel that American citizens should be prejudiced in this way, by reason of an error into which the brokers were led following the appraisers who represented the Government and whose duty it was to advise these people and to help them protect their interests in the matter.

Mr. EATON of Colorado. The gentleman from Minnesota and the gentleman from New York almost persuade me that these people have a cause of action against their broker. I therefore object, Mr. Speaker.

H. D. HENION, ET AL.

The Clerk called the next bill, H. R. 7205, for the relief of H. D. Henion, Harry Wolfe, and R. W. McSorley.

Mr. HOPE. Mr. Speaker, I object.

Mr. PITTENGER. Will the gentleman withhold his objection?

Mr. HOPE. I withhold it.

Mr. PITTENGER. It is certainly the dark of the moon to-night. Look at the facts in this case.

Mr. HOPE. Let me ask the gentleman this question: Were these men who were injured employees of the United States Government?

Mr. PITTENGER. I do not believe they were.

Mr. HOPE. There is nothing in the report to show that they were?

Mr. PITTENGER. I do not recall.

Mr. HOPE. Then why extend to them the benefits of the United States employees' compensation act?

Mr. PITTENGER. Has the gentleman read the report of the Department of Agriculture?

Mr. HOPE. Yes; but there is nothing in that report to indicate these men were Government employees.

Mr. GRISWOLD. The report of the department shows that one of them certainly was not in the employ of the Government.

Mr. HOPE. Does it show positively that any of them were?

Mr. STAFFORD. And the report of the forest supervisor would indicate that we should be careful that they do not fall into the hands of the ambulance chasers who would seek to get control of their claims.

Mr. PITTENGER. We do not handle any claims of ambulance chasers.

Mr. STAFFORD. But you provide benefits that go to ambulance chasers.

Mr. PITTENGER. No; we do not. Mr. HOPE. Mr. Speaker, I object.

HAROLD W. MERRIN

The Clerk called the next bill, H. R. 11459, for the relief of Harold W. Merrin.

The SPEAKER pro tempore. Without objection, the Clerk will report the Senate bill (S. 4287).

There being no objection, the Clerk read the Senate bill (S. 4287), as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Harold W. Merrin the sum of \$124.35 as reimbursement for amounts disallowed and charged to him in connection with travel expenses to and from Alaska under official orders and reimbursed by him to the United States.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

A similar House bill (H. R. 11459) was laid on the table.

DONNA M. DAVIS

The Clerk read the next bill on the Private Calendar, H. R. 11460, to authorize credit in the disbursing account of Donna M. Davis.

The SPEAKER pro tempore. Is there objection? There was no objection.

Mr. PITTENGER asked that the bill S. 4286 be substituted. There being no objection, the Clerk read the Senate bill, as follows:

S. 4286

An act to authorize credit in the disbursing account of Donna M. Davis

Be it enacted, etc., That the Comptroller General of the United States be, and he is hereby, authorized and directed to allow credit in the account of Donna M. Davis, special disbursing agent, field service, General Land Office, Anchorage, Alaska, for payment of \$35.90 made to Harold W. Merrin as reimbursement for travel expense, which amount now stands as a disallowance on the books of the General Accounting Office.

The bill was ordered to be read a third time, was read the third time, and passed.

The House bill was laid on the table.

A motion to reconsider was laid on the table.

ISSUANCE OF PATENTS UPON CERTAIN CONDITIONS TO LAND AND ACCRETIONS WITHIN THE STATE OF NEW MEXICO

The Clerk read the next bill on the Private Calendar, S. 1624, providing for the issuance of patents upon certain conditions to lands and accretions thereto determined to be within the State of New Mexico in accordance with the decree of the Supreme Court of the United States entered April 9, 1928.

The SPEAKER pro tempore. Is there objection?

Mr. EATON of Colorado. Reserving the right to object—

Mr. THOMASON. Mr. Speaker, the situation is this, that there was litigation pending between Texas and New Mexico relative to the boundary line between those States on account of the change of the Rio Grande. The line was not what it had been. So a survey was ordered, and by a decision of the Supreme Court of the United States the line was established. But that line left land which formerly belonged to Texas in New Mexico and land which formerly belonged to New Mexico in Texas.

Mr. BLANTON. The land commissioner says:

Until a report under the resolution of Congress has been submitted, or until the public surveys have been closed upon the boundary line and the pending application disposed of or the present occupants of the land afforded an opportunity to put their claims of record under existing public land laws, further legislation by Congress at this time is not thought to be necessary.

Mr. THOMASON. That is not quite correct. You may search the records in the office, and if you expect to find an adverse report you are mistaken. I do not know how many things have been done, but no sales have been made. This bill has passed the Senate unanimously and passed the Public Lands Committee unanimously.

Mr. EATON of Colorado. The gentleman is mistaken about that. It has not passed the Public Lands Committee unanimously, for I am a member of that committee.

Mr. THOMASON. Well, anyway, there is not a citizen of that valley on either side of the water who owns land there that his land is not under a cloud of title. He can not borrow even from the Federal land bank.

Mr. EATON of Colorado. Why not wait until a decision of the Land Office is obtained. If you have a letter in your pocket showing that the land is clear I will withdraw the objection.

Mr. CHAVEZ. I will say this, every man in Texas who had a patent goes under the assumption that it was not a public-land State.

Mr. EATON of Colorado. I am not going to take the time to state the difficulties in these claims of New Mexico and Texas.

Mr. THOMASON. There is no protest from the Commissioner of the Land Office.

Mr. EATON of Colorado. I can not read the report in any other way except that the commissioner does not approve. The gentleman from Texas [Mr. Blanton] has read the final report in the memorandum of the Commissioner of the General Land Office.

It does not show any detriment to the right of any person, but it shows that some of the details in getting these land titles clear listed for the people as well as for the department have not been accomplished.

Mr. THOMASON. In New Mexico they derive their titles from the United States Government. So far as Texas is

concerned, I am not sure that the act has passed the legislature, but I am sure it will pass an enabling act down there that will clear up the situation. The Senators and the Representatives from both States, as well as the landowners in the entire valley, are in absolute accord.

Mr. EATON of Colorado. I regret very much as a member of this committee to say that people from both of these States have sent people to me that I know, and they have laid some of the facts before me. I say to the gentleman that what they ought to do, and I have said it to them, is to continue laying the facts before the Commissioner of the Land Office, and not to Congress, until they get the situation straightened out. No one wants to interfere with their getting their land titles cleared.

Mr. THOMASON. Has the gentleman had a report from the people along that line recently?

Mr. EATON of Colorado. Not within six months.

Mr. THOMASON. May I say as one of the attorneys involved in that case, that I am familiar with the matter and I do say that now those people have settled all of their differences, and I say on my own responsibility, and the gentleman from New Mexico [Mr. Chavez] I am sure will say the same, but there is not a single objection to this.

Mr. EATON of Colorado. If the gentleman will get such a statement from the Commissioner of the Land Office, I shall do everything I can in the next few days to see this legislation passed.

Mr. THOMASON. They can not borrow any money, they can not get good title to their lands, they can not trade or sell as long as this cloud is on the title.

Mr. CHAVEZ. Not only that, but these very people who are involved are the ones who are asking us to push this legislation. There is no disagreement at all. The bill was originally introduced in the Senate.

Mr. BACHMANN. Mr. Speaker, I demand the regular

The SPEAKER pro tempore. Is there objection?

Mr. EATON of Colorado. Mr. Speaker, much as I repret to do so, I object.

ALLEGHENY FORGING CO.

The next business on the Private Calendar was the bill (S. 466) for the relief of the Allegheny Forging Co.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. BRUMM. Mr. Speaker, I offer a committee amendment to strike out the figures in line 9, "\$914.55," and insert "\$2,689.97."

The Speaker pro tempore. The Clerk will report the bill.

Mr. STAFFORD. Oh, Mr. Speaker, I reserve the right to object. If the bill passes, it must be as it is now and not in any larger amount.

Mr. BRUMM. Why?

Mr. STAFFORD. Because the report shows that they are entitled to \$914.55.

Mr. BLANTON. And only that, the Comptroller General says.

Mr. HANCOCK of New York. Mr. Speaker, the bill has not yet been reported.

The SPEAKER pro tempore. Is there objection?

Mr. STAFFORD. Mr. Speaker, I object unless the bill passes in the form it is now with this stated amount.

Mr. BRUMM. The bill has passed the Senate and was reported to the committee, and we are now offering an amendment to the bill.

The SPEAKER pro tempore. Is there objection?

Mr. BLANTON. Objection to what?

The SPEAKER pro tempore. To the consideration of the bill.

Mr. BLANTON. Mr. Speaker, if the bill is kept in the sum of \$914.55, the amount the Comptroller General recognizes, I shall not object; otherwise I shall.

Mr. BRUMM. Just a moment. The reason is that we followed the advice the gentleman suggested. We got a report from the Comptroller General; and the evidence, by

the correspondence that I had and read every word of, absolutely was ignored by the Comptroller General in his report, which showed a new contract accepting a certain amount of steel ingots, which was entirely ignored by and apparently unknown to the Senate.

Mr. RAMSPECK. Mr. Speaker, let us have the regular order.

The SPEAKER pro tempore. The regular order is demanded.

Mr. BLANTON. If there is an understanding that the bill is not going to be passed for more than \$914.55 we will let it go, and it is to be in full settlement.

Mr. BACHMANN. If it is in full settlement of all claims against the Government of the United States.

Mr. STAFFORD. With that understanding I have no objection.

The SPEAKER pro tempore. The Clerk will report the bill.

The Clerk read the bill as follows:

Be it enacted, etc., That the Comptroller General of the United States be, and he is hereby, authorized and directed to adjust and settle the claim of the Allegheny Forging Co. for steel ingots and steel billets shipped to Balboa, Canal Zone, under Panama Canal contract entered into in October, 1919, and to allow in full and final settlement thereof the sum of not to exceed \$914.55. There is appropriated, out of any money in the Treasury not otherwise appropriated, the sum of \$914.55, or so much thereof as may be necessary, for the payment of said claim.

Mr. BLANTON. Mr. Speaker, I offer to amend on page 2, in line 2, after the word "claim," by striking out the period, inserting a colon and the following proviso:

Provided, That the above shall be in full settlement of all claims against the Government of the United States.

Mr. HANCOCK of New York. In line 8, on page 1, it says "in full and final settlement thereof."

Mr. BLANTON. But it does not say against the Government.

The Clerk read as follows:

Amendment by Mr. Blanton: On page 2, after line 2, insert a colon and the following proviso: "In full settlement of all claims against the Government of the United States, based on the above transaction."

The amendment was agreed to.

Mr. HANCOCK of New York. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment by Mr. Hancock of New York: At the end of the amendment just adopted, insert the following: "Provided, That no part of the amount appropriated in this act in excess of 10 per cent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 per cent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000."

The amendment was agreed to.

The bill, as amended, was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JENNIE BRUCE GALLAHAN

The Clerk called the next bill, H. R. 8119, for the relief of Jennie Bruce Gallahan.

Mr. GRISWOLD. Mr. Speaker, I object.

Mr. BLANTON. Mr. Speaker, this being a matter that would set a new precedent, I intend to object. This is a deceased fireman in the District of Columbia. His widow is entitled to benefits under the firemen's retirement act. She is now drawing a pension of \$70 per month. No such claim as this ought ever be passed by the Congress, giving her an additional \$5,000.

Mr. BACHMANN. The wife is getting \$70 a month out of the firemen's fund of the District.

Mr. BLANTON. Yes; and we should watch for such bills as this and stop them.

Mr. GAMBRILL. Will the gentleman withhold his objection for a moment?

Mr. BACHMANN. I will reserve it. Mr. GAMBRILL. This bill has twice passed the Senate, once in the Seventy-first Congress and again in the Seventysecond Congress. It has been favorably reported several times, and for that reason I thought the bill was a very meritorious one.

Mr. BACHMANN. As far as the facts are concerned, there should be some compensation coming to this widow, but she is getting \$70 a month now. Now the gentleman's bill asks for \$5,000 in addition.

Mr. GAMBRILL. That is true. Mr. BACHMANN. It is a precedent that you are establishing, where one department or bureau of the Government is compensating a claimant who is coming in now seeking double compensation, growing out of the same death.

Mr. GAMBRILL. The gentleman will bear in mind that no part of the compensation she is receiving comes from the Federal Government. It is paid by the firemen themselves. Mr. BACHMANN. That is just the point. The Federal

Government is not the guardian angel to pay everybody who loses his life or suffers injury. The fact of the matter is this claimant should have sued the owner of the Cadillac car. He was directly responsible for the fireman's death. The Government of the United States is not responsible for everybody who is injured.

Mr. BLANTON. Oh, the Government is the "big daddy" for every person wanting to take money out of the Treasury.

Mr. RAMSPECK. Mr. Speaker, the regular order. The SPEAKER pro tempore. Is there objection?

Mr. BACHMANN. I object.

HARRY GORDON

The Clerk called the next bill, H. R. 1041, for the relief of Harry Gordon.

Mr. EATON of Colorado. Mr. Speaker, I object to the passage of this bill.

Mr. COCHRAN of Missouri. Mr. Speaker, this is another case of where a man repeatedly violated the regulations of the War Department during the period of the war, and some other boy had to take his place in the line, and he should not receive an honorable discharge, and therefore I object.

MATHIE BELSVIG

The Clerk called the next bill, S. 2259, for the relief of Mathie Belsvig.

There being no objection, the Clerk read as follows:

Be it enacted, etc., That the Secretary of the Interior is authorized and directed to issue to Mathie Belsvig, of Ossette, Mont., a patent to 80 acres of land upon which said Mathie Belsvig made homestead entry in 1917, and submitted final proof in 1921 (homestead entry No. Great Falls 054858, containing 319²⁰/100 acres): Provided, That within 60 days from approval of that act said Mathie Belsvig shall specify the 80 acres in the entry for which patent is desired and shall make complete payment for the balance due thereon.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

YAKUTAT & SOUTHERN RAILWAY

The Clerk called the next bill, H. R. 6484, to grant lands in Alaska to the Yakutat & Southern Railway, a Washington corporation, authorized to carry on its business in the Territory of Alaska.

Mr. STAFFORD. Reserving the right to object, I assume the Delegate from Alaska will not have any objection to reserving all mineral and oil deposits?

Mr. WICKERSHAM. No. There is no object to that at all. I want to offer a short amendment at the proper time.

Mr. STAFFORD. I think it is owing to the membership to have the gentleman acquaint the House with the amendment before the bill passes the objection state.

Mr. WICKERSHAM. After the word "of," in line 5 on page 1, insert the words "a portion of," and then strike out

the word "sixty," in line 6 on page 1 and insert in lieu thereof "thirty-six and sixteen one-hundredths."

Mr. STAFFORD. There will be no objection to that.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There was no objection.

The Clerk read as follows:

Be it enacted, etc., That the Secretary of the Interior is authorized upon the relinquishment by the Yakutat & Southern Railway, a Washington corporation, of its grant for terminal grounds on Monti Bay, Alaska, containing approximately 60 acres, to issue a patent in fee to the Yakutat & Southern Railway for that certain tract of land containing approximately 69.02 acres, particularly described as follows: Beginning at true point for corner No. 1, near the east shore of Monti Bay, an arm of Yakutat Bay, from which U. S. L. M. No. 179 bears north 57° 39' east 4.04 chains distant. Witness corner to corner No. 1 bears east 2.36 chains distant, from which witness corner U. S. L. M. No. 179 bears north tant, from which witness corner U. S. L. M. No. 179 bears north 25° 55′ east 2.40 chains distant; thence from true point for corner No. 1 south, 5.19 chains to corner No. 2; thence east 16.11 chains to corner No. 3; thence north 5.19 chains to corner No. 4; thence east 12.15 chains to corner No. 5; thence north 1° 24′ west 19.98 chains to corner No. 6; thence north 89° 46′ west 34.48 chains to corner No. 7; thence south 2.84 chains to witness corner to corner No. 8 M. C., 3.95 chains to true point for corner No. 8 M. C. at line of mean high tide on north shore of Monti Bay; thence from true point for corner No. 8 M. C. southeasterly along the meander line of mean high tide on the north and east shores of Monti Bay to true point for corner No. 9 M. C. at line of mean high tide on east shore of Monti Bay; from which witness corner to corner No. 9 M. C. bears east 4.03 chains distant; thence from true point for corner No. 9 M. C. east 1.67 chains to true point for corner No. 9 M. C. east 1.67 chains to true point for corner No. 1, the place of beginning, containing 69.02 acres, situate on Monti Bay in the Territory of Alaska; upon the payment therefor at the rate of \$2.50 per acre: Provided, That such patent shall be issued describing the lands in terms of a United States survey.

With the following committee amendments:

With the following committee amendments:

On page 1, in line 8, strike out "sixty-nine and two one-hundredths" and insert in lieu thereof "forty-five and twenty-one one-hundredths," and in line 1, on page 2, after the word "acres," insert "subject to existing valid claims."

Mr. STAFFORD. Mr. Speaker, I offer an amendment to the committee amendment.

The Clerk read as follows:

Amendment offered by Mr. Stafford to the committee amendment: Page 2, in line 1, after the word "claims," insert "and also reserving all mineral and oil rights to the Government."

The amendment to the committee amendment was agreed to.

The committee amendment, as amended, was agreed to. With the further committee amendment:

Page 2, line 14, after the figure "3," strike out down to and Page 2, line 14, after the figure "3," strike out down to and including line 9, on page 3, and the words "and two one-hundredths acres" on page 3, and insert in lieu thereof the following: "thence north 25.22 chains to corner No. 4; thence north 89° 46' west 22.82 chains to corner No. 5; thence south 2.84 chains to witness corner to corner No. 6 M. C., 3.95 chains to true point for corner No. 6 M. C. at line of mean high tide on north shore of Monti Bay; thence from true point for corner No. 6 M. C. southeasterly along the meander line of mean high tide on the north and east shores of Monti Bay to true point for corner No. 7 M. C. at line of mean high tide on east shores corner to corner No. 7 M. C. bears east 4.03 chains distant; thence from true point for corner No. 7 M. C. east 1.67 chains to true point for corner No. 1, to place of beginning, containing 45.21 true point for corner No. 1, to place of beginning, containing 45.21

The committee amendment was agreed to.

Mr. WICKERSHAM. Mr. Speaker, I offer an amendment. The Clerk read as follows:

Amendment offered by Mr. Wickersham: Page 1, line 5, after the word "of" insert the words "a portion of," and in line 6, after the word "approximately" insert "36.16."

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed; and a motion to reconsider laid on the table.

LETTIE LEVERETT

The Clerk called the next bill, H. R. 6449, for the relief of Lettie Leverett.

Mr. BACHMANN. Mr. Speaker, I object. Mr. JOHNSON of Oklahoma. Will the gentleman withhold his objection?

Mr. BACHMANN. Gladly.

Mr. JOHNSON of Oklahoma. I may say to the gentleman this is a bill for the relief of a widow and three minor children because of the death of a civilian who was ordered to fight a fire by Army officers.

Mr. BACHMANN. The gentleman does not mean there are three minor children. As I understand, one child is 20, one is 19, and the other is 15. The gentleman does not consider them minor children, does he?

Mr. JOHNSON of Oklahoma. The report says minor children.

Mr. BACHMANN. One is 20, one is 19, and the third is 15. Mr. JOHNSON of Oklahoma. The child 15 years old is certainly a minor child.

Mr. BACHMANN. But I would not consider the others as

Mr. JOHNSON of Oklahoma. As I started to say, the bill is for the relief of a widow because of the death of a civilian caused absolutely by the negligence of the officers. He was cutting hay on a military reservation. He was ordered to fight a fire, and he did fight the fire. He was not killed while fighting the fire. He was ordered onto a truck driven by a soldier. He got on that truck and through no fault of his own he was killed. It seems to me the Government is responsible.

Mr. BACHMANN. As I understand the facts from the report, this man agreed when he went onto this reservation that he would not hold the Government responsible.

Mr. JOHNSON of Oklahoma. Oh, I do not think so.

Mr. BACHMANN. I call the gentleman's attention to what the report states:

Mr. McCormack testified at the hearings of the board investigating the death of Mr. Leverett that when he hired Mr. Leverett he showed him the permit; that he, Mr. Leverett, understood that he was going on the reservation at his own risk from fire, shooting, etc., and was expected to aid in fire protection, if necessary.

I will call the gentleman's attention to one further statement from the report. I am sympathetic. I am sorry the man lost his life, but let me read this statement from page 3 of the report:

Under the circumstances as disclosed by the evidence of record the War Department is of the opinion that the occurrence of this accident, regrettable though it is, casts no legal or moral respon-sibility therefor on the Government for the reason that Mr. Leverett was not employed by the Army; that he was advised that in coming on the reservation as an invitee for his own benefit, or that of his employer, he did so at his own risk; that his death was a result of an unavoidable accident to which no agency, or instrumentality of the Government contributed. which no agent,

How is there any moral obligation on the Government or any equitable reason why the Government should pay this woman any money?

Mr. JOHNSON of Oklahoma. This man was ordered on this truck. He did not lose his life while fighting a fire. When he fought the fire he had done what he had agreed to do, and he never agreed to get on a Government truck driven by a soldier, and through no fault of his own he was killed.

Mr. BACHMANN. The Army officer called on him to assist in fighting the fire, and he got on the truck. He did not stay on the truck with the rest of them, and he got lost and was killed.

I am compelled to object, Mr. Speaker.

CHAMBLISS L. TIDWELL

The Clerk called the next bill, H. R. 7409, for the relief of Chambliss L. Tidwell.

Mr. EATON of Colorado. Reserving the right to object, if the author of the bill will accept the form that is used for claims against the Employees' Compensation Committee, I shall not object.

Mr. KLEBERG. Certainly.

Mr. EATON of Colorado. Can the gentleman tell me the date of the injury referred to?

Mr. STAFFORD. The report shows the accident occurred after the compensation act was passed.

Mr. KLEBERG. No; there was a development of tuber-

Mr. STAFFORD. It developed after the compensation act was passed.

Mr. KLEBERG. Yes.

Mr. EATON of Colorado. I am taking the date shown here when he had pleurisy, which is August 15, 1925.

There being no objection, the Clerk read the bill, as

Be it enacted, etc., That sections 15, 17, 18, and 20 of the act entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes," approved September 7, 1916, as amended, are hereby waived in favor of Chambliss L. Tidwell, a civilian employee of the Mississippi River Commission, who contracted pulmonary tuberculosis in such service, and his case is hereby authorized to be considered and acted upon under the remaining provisions of such act.

Mr. EATON of Colorado. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Eaton of Colorado: Strike out all after the enacting clause and insert: "That the United States Employees' Compensation Commission is hereby authorized to consider and determine in the same manner and to the same extent as if application for the benefits of the employees' compensation act had been made within the 1-year period required by sections 17 and 20 thereof, the claim of Chambliss L. Tidwell, of Memphis, Tenn., on account of injuries alleged to have been received on or about August 15, 1925, while employed in the service of the United States as civilian employee of the Mississippi River Commission: Provided, That no benefit shall accrue prior to the enactment of this act." the enactment of this act."

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

WILLIAM H. CHAMBLISS

The Clerk called the next bill, H. R. 8210, for the relief of William H. Chambliss.

Mr. HOLLISTER. Mr. Speaker, I object.

JOE SETTON

The Clerk called the next bill, H. R. 10800, for the relief of Joe Setton.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Joe Setton, of New York City, the sum of \$500. Such sum represents the amount of a bond forfeited to the United States by the said Joe Setton, such bond being conditioned upon the voluntary departure of his mother, Sabout Setton, from the United States at the expiration of one year after her admission to the United States as the expiration of one year after her admission to the United States as a non-immigrant alien. Due to illness, she was unable to depart, but the said Joe Setton made no application within the prescribed period for an extension of time of her temporary visit, having no knowledge that such extension was necessary.

With the following committee amendment:

With the following committee amendment:

Page 1, line 6, after "\$500," insert "in full settlement of all claims against the Government of the United States"; page 2, line 6, insert the following: "Provided, That no part of the amount appropriated in this act in excess of 10 per cent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 per cent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

ADJOURNMENT

Mr. BLACK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 10 o'clock and 30 minutes p. m.) the House adjourned until to-morrow, Friday, February 24, 1933, at 11 o'clock a. m.

EXECUTIVE COMMUNICATIONS, ETC.

947. Under clause 2 of Rule XXIV, a letter from the Architect of the Capitol, transmitting the annual report of the Architect of the Capitol for the fiscal year ended June 30, 1932, was taken from the Speaker's table, referred to the Committee on Public Buildings and Grounds, and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. SIROVICH: Committee on Civil Service. H. R. 14410. A bill to amend section 3 of the act of May 28, 1928, relating to salary rates of certain civil-service positions; without amendment (Rept. No. 2096). Referred to the Committee of the Whole House on the state of the Union.

Mr. CHAVEZ: Committee on the Public Lands. S. 2654. An act to allow credit in connection with homestead entries to widows of persons who served in certain Indian wars; without amendment (Rept. No. 2097). Referred to the Committee of the Whole House on the state of the Union.

Mr. JEFFERS: Committee on the Civil Service. H. R. 14429. A bill to amend the act of May 29, 1930, for the retirement of employees in the classified civil service; without amendment (Rept. No. 2102). Referred to the Committee of the Whole House on the state of the Union.

Mr. BANKHEAD: Committee on Rules. H. Res. 392. A resolution for the consideration of H. R. 14689, a bill to provide for the postponement of the payment of installments due on loans made by the Federal land banks, and for other purposes; without amendment (Rept. No. 2104). Referred to the House Calendar.

Mr. BANKHEAD: Committee on Rules. H. Res. 397. A resolution providing for the consideration of S. 5122, "An act to provide for the purchase and sale of cotton under the supervision of the Secretary of Agriculture"; without amendment (Rept. No. 2105). Referred to the House Calendar.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. CHAVEZ: Committee on the Public Lands. S. 5325. An act for the relief of Sadie L. Kirby; without amendment (Rept. No. 2098). Referred to the Committee of the Whole House.

Mr. PETTENGILL: Committee on Military Affairs. H. R. 2049. A bill for the relief of James E. Westcott; without amendment (Rept. No. 2099). Referred to the Committee of the Whole House.

Mr. PETTENGILL: Committee on Military Affairs. H. R. 11532. A bill for the relief of William M. Sherman; without amendment (Rept. No. 2100). Referred to the Committee of the Whole House.

Mr. PETTENGILL: Committee on Military Affairs. H. R. 14346. A bill for the relief of Frank Kroegel, alias Francis Kroegel; without amendment (Rept. No. 2101). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of Rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BRAND of Ohio: A bill (H. R. 14761) to authorize the Secretary of Agriculture to purchase 40,000,000 acres of cultivated agricultural lands for the purpose of reducing production of cotton, wheat, corn, and other products of the soil; to the Committee on Agriculture.

By Mr. CONNERY: A bill (H. R. 14762) to remove the tax exemption on certain bonds issued by the United States; to the Committee on Ways and Means.

By Mr. CELLER: A bill (H. R. 14763) authorizing conventions in the States for consideration of a proposed amendment to the Constitution of the United States repealing the eighteenth amendment in the event that any of the respective States fail to provide for such conventions; to the Committee on the Judiciary.

By Mr. LONERGAN: A bill (H. R. 14764) to reduce the rate of certain interest payable to the United States to the rate of 4 per cent per annum; to the Committee on Ways and Means.

By Mr. JOHNSON of Missouri: A bill (H. R. 14765) to prohibit interference with or coercion of employees in their voting at elections by corporations and individuals; to the Committee on the Judiciary.

By Mr. REED of New York: Resolution (H. Res. 395) authorizing the Federal Trade Commission to investigate practice of the American Tobacco Co., the P. Lorillard Co., the R. J. Reynolds Tobacco Co., the Liggett & Myers Tobacco Co., and the Atlantic & Pacific Tea Co.; to the Committee on Interstate and Foreign Commerce.

By Mr. BANKHEAD: Resolution (H. Res. 397) providing for the consideration of S. 5122, "An act to provide for the purchase and sale of cotton under the supervision of the Secretary of Agriculture"; to the Committee on Rules.

By Mr. McKEOWN: Joint resolution (H. J. Res. 609) to make loans to foreign credit exchanges or insurance companies engaged in insuring accounts of American exporters; to the Committee on Banking and Currency.

By Mr. LOVETTE: Joint resolution (H. J. Res. 610) to amend the Constitution of the United States; to the Committee on the Judiciary.

MEMORIALS

Under clause 3 of Rule XXII, memorials were presented and referred as follows:

Memorial of the Council of Northampton, Mass., memorializing Congress to enact House Joint Resolution 191; to the Committee on the Post Office and Post Roads.

Memorial of the Council of Stamford, Conn., memorializing Congress to enact House Joint Resolution 191; to the Committee on the Post Office and Post Roads.

Memorial of the Legislature of the State of Wisconsin, memorializing Congress relative to officers' retirement pay allowed by the Federal Government to persons receiving large salaries and to payment of the soldiers' bonus to veterans in need; to the Committee on Military Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ANDRESEN: A bill (H. R. 14766) for the relief of Rogowski Bros.; to the Committee on Claims.

By Mr. PERKINS: A bill (H. R. 14767) granting an increase of pension to Mary E. Stagg; to the Committee on Invalid Pensions.

By Mr. SNELL: A bill (H. R. 14768) granting a pension to Clementine N. Riderick; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

10632. By Mr. BIDDLE: Resolution of the General Assembly of Pennsylvania, memorializing the present Congress of the United States to refrain from taking any action, under the guise of economy, to radically cut appropriations for the support of the Army, Navy, and Marine Corps of the United States and of the National Guard of the several States; to the Committee on Appropriations.

10633. By Mr. BOLAND: Memorial of the Legislature of the State of Pennsylvania, requesting the Congress of the United States to refrain from taking any action for the purpose of economy or other purposes that will further decrease the strength and effectiveness of the armed forces of the United States and the several States thereof; to the Committee on Ways and Means.

10634. By Mr. BOYLAN: Resolution adopted by the Bronxville chapter of the Westchester County Realty Board, providing for loans to States and municipalities and to provide for a guaranty of mortgages on homes and other real estate at the present value of such mortgages, etc.; to the Committee on Banking and Currency.

10635. By Mr. CLARKE of New York: Petition of Ziba L. Tuttle and 17 residents of Smyrna, N. Y., urging passage of the stop-alien representation amendment to the United States Constitution; to the Committee on the Judiciary.

10636. By Mr. COLTON: Petition of the public-school children of the State of Utah and teachers, urging the creation of a memorial in the West to the memory of George Washington, the Father of our Country; to the Committee on Memorials.

10637. Also, memorial of the State of Utah, memorializing the Congress of the United States to reject the Bratton amendment to the Treasury and Post Office bill eliminating the Salt Lake Veterans' Hospital and regional offices at Salt Lake City; to the Committee on Appropriations.

10638. By Mr. CONDON: Petition of Agnes V. Hopkins, Clemence E. Martineau, Harriet E. Brukhardt, Charles M. Sullivan, and 270 other citizens of Rhode Island, protesting against any reduction or repeal of existing legislation beneficial to Spanish War veterans, their widows, or dependents; to the Committee on World War Veterans' Legislation.

10639. By Mr. DELANEY: Petition of the National Council of Jewish Women, protesting against the appropriation of \$20,000,000 passed by the Senate for the maintenance of unemployed youth in military camps; to the Committee on Military Affairs.

10640. By Mr. FINLEY: Petition of citizens of Wayne County, Ky., protesting against repeal of the eighteenth amendment; to the Committee on the Judiciary.

10641. By Mr. GARBER: Petition of D. P. Trent, of Stillwater, Okla., urging support to reinstatement of Austin amendment to Treasury and Post Office bill; to the Committee on Appropriations.

10642. Also, petition of the Carlisle Study Club, Tonkawa, Okla., urging enactment of law to establish a Federal motion-picture commission; to declare the motion-picture industry a public utility; to regulate the trade practices of the industry used in the distribution of pictures; supervise the selection and treatment of subject material during the processes of production; provide that all pictures entering interstate and foreign commerce be produced and distributed under Government supervision and regulation; and urging support of Senate bill 1079 and Senate Resolution 170; to the Committee on Interstate and Foreign Commerce.

10643. By Mr. HANCOCK of New York: Petition of Rev. G. W. Taft and other residents of Onondaga County, favoring the stop-alien amendment to the Constitution; to the Committee on the Judiciary.

10644. Also, petition of Isabella Carver and other residents of Skaneateles, N. Y., favoring the stop-alien amendment to the Constitution; to the Committee on the Judiciary.

10645. By Mr. KELLY of Pennsylvania: Petition of Robert J. Lean Post, No. 600, American Legion, indorsing military construction plan for ending the present economic depression; to the Committee on Military Affairs.

10646. Also, petition of the Liberty Independent Republican Club, of Wilkinsburg, Pa., praying for immediate relief for suffering Americans; to the Committee on the Judiciary.

10647. By Mr. LINDSAY: Petition of John Dwight Sullivan, chairman aviation committee of the American Legion, State of New York, New York City, opposing provision of Navy appropriation bill limiting or striking out flying pay for Army and Navy officers as destructive of morale and incentive; to the Committee on Appropriations.

10648. By Mr. McFADDEN: Memorial of the Senate and House of Representatives of the State of Pennsylvania, by resolution adopted by the general assembly on February 20, 1933, that the present Congress of the United States refrain from taking any action that will decrease the strength and effectiveness of the armed forces of the United States and the several States thereof; to the Committee on Military Affairs.

10649. By Mr. PARKER of Georgia: Resolution of the General Assembly of the State of Georgia, indorsing the Smith cotton bill, introduced by Senator E. D. Smith, of South Carolina, and passed by the Senate on Saturday, February 18, 1933, and urging the House of Representatives

to pass the bill as passed by the Senate; to the Committee on Agriculture.

10650. By Mr. PERKINS: Petition of 19 residents of Sparta, Sussex County, N. J., favoring the stop-alien representation amendment to the United States Constitution; to the Committee on the Judiciary.

10651. By Mr. RUDD: Petition of John Dwight Sullivan, chairman aviation committee, the American Legion, State of New York, opposing the limiting or striking out flying pay for Army and Navy officers; to the Committee on Appropriations.

10652. By Mr. WELCH: Petition of California State Legislature, Assembly Joint Resolution No. 3, relating to memorializing Congress to adopt legislation permitting the manufacture and sale of light wines; to the Committee on Ways and Means.

10653. Also, petition of California State Legislature, Assembly Joint Resolution No. 2, adopted in assembly January 12, 1933, relative to memorializing Congress to propose an amendment to the Constitution of the United States repealing the eighteenth amendment and to provide for conventions in the several States to accomplish this purpose; to the Committee on the Judiciary.

10654. By Mr. YATES: Petition of Ethel Odelberg, 208 Fifth Avenue; Grace Ziegler, 1848½ Twenty-third Avenue; Hazel Eckstrom, 1833 Ninth Street; and other citizens of Moline, Ill., urging support of the stop-alien representation amendment; to the Committee on the Judiciary.

SENATE

FRIDAY, FEBRUARY 24, 1933

(Legislative day of Tuesday, February 21, 1933)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

Mr. FESS. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Ashurst	Couzens	Keyes	Schuyler
Austin	Dale	King	Sheppard
Bailey	Davis	La Follette	Shipstead
Bankhead	Dickinson	Lewis	Shortridge
Barbour	Dill	Logan	Smith
Barkley	Fess	Long	Smoot
Bingham	Fletcher	McGill	Steiwer
Black	Frazier	McKellar	Stephens
Blaine	George	McNary	Swanson
Borah	Glass	Metcalf	Thomas, Idaho
Bratton	Glenn	Moses	Thomas, Okla.
Brookhart	Goldsborough	Neely	Townsend
Bulkley	Gore	Norbeck	Trammell
Bulow	Grammer	Norris	Tydings
Byrnes	Hale	Nye	Vandenberg
Capper	Harrison	Oddie	Wagner
Caraway	Hastings	Patterson	Waicott
Carey	Hatfield	Pittman	Walsh, Mass.
Clark	Hayden	Reed	Watson
Connally	Hebert	Reynolds	Wheeler
Coolidge	Johnson	Robinson, Ark.	White
Copeland	Kean	Robinson, Ind.	
Costigan	Kendrick	Russell	

Mr. SHEPPARD. I desire to announce that the senior Senator from Montana [Mr. Walsh] and the junior Senator from Tennessee [Mr. Hull] are necessarily out of the city.

Mr. NORRIS. I wish to announce that my colleague [Mr. Howell] is detained from the Senate by reason of illness. The VICE PRESIDENT. Ninety Senators have answered

to their names. A quorum is present.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Haltigan, one of its clerks, announced that the House had passed without amendment bills of the Senate of the following titles:

S. 1044. An act authorizing the issuance to Cassie E. Howard of a patent for certain lands;

S. 2259. An act for the relief of Mathie Belsvig;

S. 4286. An act to authorize credit in the disbursing account of Donna M. Davis; and

S. 4287. An act for the relief of Harold W. Merrin.

the following bills of the Senate, each with an amendment, in which it requested the concurrence of the Senate:

S. 466. An act for the relief of the Allegheny Forging Co.;

and

S. 4327. An act for the relief of Lizzie Pittman.

The message further announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 785. An act to reimburse Earl V. Larkin for injuries sustained by the accidental discharge of a pistol in the hands of a soldier in the United States Army;

H. R. 2157. An act for the relief of Arthur I. Neville;

H. R. 5214. An act for the relief of Withycombe Post, No. 11, American Legion, Corvallis, Oreg.;

H. R. 6484. An act to grant lands in Alaska to the Yakutat & Southern Railway, a Washington corporation authorized to carry on its business in the Territory of Alaska;

H. R. 7409. An act for the relief of Chambliss L. Tidwell; H. R. 8215. An act for the relief of the National Bank of Commerce, El Dorado, Ark.;

H. R. 8217. An act for the relief of the First National Bank of El Dorado, Ark.;

H. R. 9862. An act for the relief of the estate of Oscar F. Lackev:

H.R. 10169. An act authorizing adjustment of the claim of the Adelphia Bank & Trust Co. of Philadelphia;

H. R. 10800. An act for the relief of Joe Setton;

H. R. 10973. An act for the relief of Augustus Thompson; H. R. 11902. An act for the relief of Robert D. Baldwin;

H. R. 14724. An act making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1934, and for other purposes.

ENROLLED BILL SIGNED

The message also announced that the Speaker had affixed his signature to the enrolled bill (H. R. 7521) to provide a new Code of Civil Procedure for the Canal Zone and to repeal the existing Code of Civil Procedure, and it was signed by the Vice President.

LEASE OF POST-OFFICE GARAGE, BOSTON, MASS.

Mr. MOSES submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 88) to authorize the Postmaster General to investigate the conditions of the lease of the post-office garage in Boston, Mass., and to readjust the terms thereof, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its amendment numbered 1. That the Senate recede from its disagreement to the amendments of the House numbered 2 and 4, and agree to

Amendment numbered 3: That the Senate recede from its disagreement to the amendment of the House numbered 3, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by said amendment insert the following: "under the lease from March 23, 1931, but not in excess of "; and the House agree to the same.

GEO. H. MOSES. TASKER L. ODDIE, KENNETH MCKELLAR, Managers on the part of the Senate. HARRY T. HAINES, LA FAYETTE L. PATTERSON, FRANK H. FOSS, Managers on the part of the House.

Mr. MOSES. I move the adoption of the report. The motion was agreed to.

The message also announced that the House had passed | Senate regarding an amendment made by the House to the joint resolution (S. J. Res. 223) establishing the United States Georgia Bicentennial Commission, and for other

> The VICE PRESIDENT. Without objection, the notice will be entered.

> Mr. GEORGE. I now move that the House be requested to return the joint resolution and accompanying papers to the Senate.

The motion was agreed to.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate a concurrent resolution adopted by the General Assembly of Pennsylvania, memorializing Congress to refrain from enacting legislation which would decrease the strength and effectiveness of the armed forces of the United States, which was ordered to lie on the table.

(See resolution printed in full when presented by Mr. Davis on the 23d instant, p. 4789, Congressional Record.)

The VICE PRESIDENT also laid before the Senate the following joint memorial of the Legislature of the State of Washington, which was ordered to lie on the table:

United States of America, State of Washington, DEPARTMENT OF STATE.

To all to whom these presents shall come:

I, Ernest N. Hutchinson, secretary of state of the State of Washington and custodian of the seal of said State, do hereby certify that the annexed is a true and correct copy of House Joint Memorial No. 11 as received and filed in this office on the 20th day of February, 1933.

In testimony whereof I have hereunto set my hand and affixed hereto the seal of the State of Washington. Done at the capitol at Olympia, this 20th day of February, A. D. 1933.

[SEAL.] ERNEST N. HUTCHINSON,

Secretary of State.

By A. M. KITTS,
Assistant Secretary of State.

House Joint Memorial 11

To the honorable the Senate of the United States:

Your memorialists, the Senate and House of Representatives of the State of Washington, in legislative session assembled, most respectfully represent and petition your honorable body as follows:

Whereas George Charles Walther, a citizen of Portland, Oreg, was accidentally shot by a Federal prohibition enforcement officer in 1923 and received injuries which have made him a cripple for

Whereas the said George Charles Walther was a law-abiding citizen, who had no part in the criminal activities which resulted in the raid, but was merely an innocent bystander; and

Whereas a bill has been introduced in the United States Congress, and has passed the House of Representatives, to provide the said George Charles Walther with a pension of \$100 per month for life, and the said bill is now before the Senate of the United States of America: Now therefore

Your memorialists petition and memorialize the Senate of the United States of America, now in session in Washington, D. C., to take immediate action to approve the measure which will grant a pension of \$100 per month for life to the said George Charles Walther, and thereby provide him with the means of livelihood of which he was deprived by the action of a Government agent.

Passed the house February 17, 1933.

GEO. F. YANTIS, Speaker of the House.

Passed the senate February 18, 1933.

VICTOR A. MEYERS, President of the Senate.

The VICE PRESIDENT also laid before the Senate the petition of Ole R. Olson and sundry citizens of Washburn, Wis., praying for the appointment of R. A. Hering as postmaster at Washburn, Wis., which was referred to the Committee on Post Offices and Post Roads.

Mr. KING presented the following joint memorial of the Legislature of the State of Utah, which was ordered to lie

OFFICE OF SECRETARY OF STATE

STATE OF UTAH.

I. M. H. Welling, secretary of state of the State of Utah, do hereby certify that the following is a full, true, and correct copy of Senate Concurrent Memorial No. 7, a memorial to the Congress UNITED STATES GEORGIA BICENTENNIAL COMMISSION

Mr. GEORGE. Mr. President, I ask unanimous consent to enter notice of a motion to reconsider the action of the United States protesting against the Bratton amendment to the Treasury and Post Office bill eliminating the Salt Lake Veterans' Hospital and regional offices at Salt Lake City, as appears on file in my office.

In witness whereof I have hereunto set my hand and affixed the great seal of the State of Utah at Salt Lake City this 21st day of February, 1933.

[SEAL.]

M. H. WELLING Secretary of State.

A memorial to the Congress of the United States protesting against the Bratton amendment to the Treasury and Post Office bill eliminating the Salt Lake Veterans' Hospital and regional offices at Salt Lake City

Be it resolved by the Legislature of the State of Utah (the governor concurring therein)-

Whereas there is an urgent need for retention of the veterans' hospital and regional offices at Salt Lake City maintained to serve a large section of the intermountain region not otherwise served: and

Whereas it is proposed by an amendment to the Treasury and Post Office bill, in conference between the Houses of Congress of the United States, such amendment being known as the Bratton to abolish such regional offices and to close such

amendment to abolish such regional offices and to close such hospitals: Now, therefore, be it

*Resolved by the Legislature of the State of Utah in regular session assembled, That the Congress of the United States be urgently requested to refrain from any act closing such regional offices and veterans' hospital at Salt Lake City; be it further Resolved, That the secretary of state forward copies of this memorial to Utah's delegation in Congress.

The foregoing Senate Concurrent Memorial No. 7 was publicly read by title and immediately thereafter signed by the president of the senate, in the presence of the house over which he presides, and the fact of such signing duly entered upon the journal this 18th day of February, 1933.

J. Francis Fowles, President of the Senate.

Attest:

LYMAN S. RICHARDS. Secretary of the Senate.

The foregoing Senate Concurrent Memorial No. 7 was publicly read by title and immediately thereafter signed by the speaker of the house, in the presence of the house over which he presides, and the fact of such signing duly entered upon the journal this 20th day of February, 1933.

I. A. SMOOT, Speaker of the House

Attest:

ERNEST R. MCKAY. Chief Clerk of House.

Received from the senate this 20th day of February, 1933. Approved February 20, 1933.

HENRY H. BLOOD, Governor.

Received from the governor, and filed in the office of the secretary of state this 21st day of February, 1933.

M. H. WELLING Secretary of State.

Mr. REED presented a resolution adopted by council of the city of Beaver Falls, Pa., favoring the passage of legislation to authorize the Postmaster General to issue a special series of postage stamps of the denomination of 3 cents commemorative of the one hundred and fiftieth anniversary of the naturalization as an American citizen and appointment as brevet brigadier general of the Continental Army on October 13, 1783, of Thaddeus Kosciusko, which was referred to the Committee on Post Offices and Post Roads.

Mr. COPELAND presented resolutions adopted by local chapters of the Woman's Christian Temperance Union, of Clinton and Lockport, N. Y., remonstrating against the repeal of the eighteenth amendment to the Constitution or the modification of the Volstead Act, which were ordered to lie on the table.

He also presented a resolution adopted by Aerie No. 941, Fraternal Order of Eagles, of Elmira, N. Y., favoring the passage of legislation relative to foreclosures on real estate and deficiency judgments, etc., which was referred to the Committee on Banking and Currency.

He also presented a resolution adopted by the Bronxville Chapter of the Westchester County Realty Board, Bronxville. N. Y., relative to an inclosed plan to reduce mortgage interest, to spread two-thirds of one year's State and local taxes over 10 years, and to extend for a definite period the due date of all mortgages, which, with the accompanying papers, was referred to the Committee on Banking and Currency.

He also presented a resolution adopted by the New York State Horticultural Society at Rochester, N. Y., favoring representation of the apple and pear industries at the National Economic Conference to be held in 1933, which was referred to the Committee on Agriculture and Forestry.

He also presented a resolution adopted by the New York State Horticultural Society at Rochester, N. Y., favoring a cessation of the present economic war, a settlement of the foreign-debt question, the stabilization of exchange, and reciprocal trade agreements in order to restore international trade, together with a copy of an address made by R. G. Phillips, secretary, before that association on the apple export situation, which, with the accompanying papers, was referred to the Committee on Finance.

He also presented a resolution adopted by the executive committee of the Brig. Gen. Thaddeus Kosciusko Saratoga Battle Field Memorial Committee, Schenectady, N. Y., favoring the passage of legislation to commemorate the one hundred and fiftieth anniversary of the naturalization as an American citizen in 1783 of Brig. Gen. Thaddeus Kosciusko by the issuance of a special series of postage stamps in his honor, which was referred to the Committee on Post Offices and Post Roads.

PROHIBITION ENFORCEMENT

Mr. SHEPPARD presented a memorial of 317 citizens of Decatur, Tex., remonstrating against the passage of legislation to legalize the manufacture and sale of beer, which was ordered to lie on the table.

Mr. SHEPPARD also presented a memorial of 375 citizens of Lamesa and Dawson County, Tex., remonstrating against the passage of any measure looking toward the modification or repeal of the eighteenth amendment of the Constitution, which was ordered to lie on the table and to be printed in the RECORD, as follows:

Dawson County Organization, United Forces For Prohibition, Lamesa, Tex., February 1, 1933.

Hon. Morris Sheppard, United States Senator, Washington, D. C.

HONORABLE Size: We, the undersigned voters and citizens of Lamesa and Dawson County, wish to congratulate you on the great fight you are making for the cause of prohibition, and respectfully petition you to vote against any measure looking toward the modification or repeal of the eighteenth amendment.

H. Adkins, star route 2, Lamesa, Tex.; Mrs. J. H. Adkins, Lamesa, Tex.; Vida Adkins, Lamesa, Tex.; Vida Adkins, Lamesa, Tex.; John Allen, Lamesa, Tex.; J. A. Alsobrook, Lamesa, Tex.; Mrs. A. S. Alsobrook, Lamesa, Tex.; Earl W. Alsobrook, Lamesa, Tex.; J. Q. Anderson, J. H. Alsobrook, Lamesa, Tex.; Mrs. A. S. Alsobrook, Lamesa, Tex.; Earl W. Alsobrook, Lamesa, Tex.; J. Q. Anderson, route D. Lamesa, Tex.; Rena Belle Anderson, Lamesa, Tex.; Mrs. J. Q. Anderson, route D. Lamesa, Tex.; S. D. Austin, Lamesa, Tex.; Mrs. S. D. Austin, Lamesa, Tex.; W. P. Avriett, Lamesa, Tex.; Mrs. W. P. Avriett, Lamesa, Tex.; W. P. Avriett, Lamesa, Tex.; Garl Aycock, Lamesa, Tex.; Ervin T. Bailey, Lamesa, Tex.; Garl Aycock, Lamesa, Tex.; Ervin T. Bailey, Lamesa, Tex.; Mrs. Ervin T. Bailey, Lamesa, Tex.; J. B. Baker, Lamesa, Tex.; Mrs. J. B. Baker, Lamesa, Tex.; Mrs. J. B. Baker, Lamesa, Tex.; Billie J. Baker, Lamesa, Tex.; Frances Baker, Lamesa, Tex.; Roma Baker, Lamesa, Tex.; Willard Baker, Lamesa, Tex.; Mrs. Ballew, Pride, Tex.; C. A. Barron, Lamesa, Tex.; Mrs. C. A. Barron, Lamesa, Tex.; Mrs. E. E. Ballew, Pride, Tex.; C. J. Barron, Lamesa, Tex.; Mrs. H. F. Barron, Lamesa, Tex.; J. E. Barron, Lamesa, Tex.; J. M. Barrett, Lamesa, Tex.; Ernest Barrett, Lamesa, Tex.; Mike Barrett, Lamesa, Tex.; Ernest Barrett, Lamesa, Tex.; Mike Barrett, Lamesa, Tex.; Mrs. I. E. Bartlett, Lamesa, Tex.; W. W. Batie, Lamesa, Tex.; W. J. Beckham, Lamesa, Tex.; W. W. Batie, Lamesa, Tex.; W. J. Beckham, Lamesa, Tex.; Mrs. W. J. Beckham, Lamesa, Tex.; Mrs. C. Brannon, Lamesa, Tex.; Mrs. C. Brannon, Lamesa, Tex.; J. J. Brooks, Pride, Tex.; Mrs. May Brooks, Pride, Tex.; Edith Brookfield, Freona, Tex.; Mrs. R. G. Broughton, Pride, Tex.; Cecil O. Bryant, Lamesa, Tex.; Mrs. C. B. Bucklew, Lamesa, Tex.; Cylde Bucklew, Lamesa, Tex.; Loyd Bucklew, Lamesa, Tex.; Cylde Bucklew, Lamesa, Tex.; Loyd Bucklew, Lamesa, Tex.; Lamesa, Tex.; Henry Byrd, Lamesa, Tex.; Sam Callaway, motor route B, Lalew, Lamesa, Tex.; Palmage Brymer, Lamesa, Tex.; Henry lew, Lamesa, Tex.; Palmage Brymer, Lamesa, Tex.; Henry Byrd, Lamesa, Tex.; Sam Callaway, motor route B, Lamesa, Tex.; B. J. Camp, Lamesa, Tex.; J. C. Camp, Lamesa, Tex.; D. M. Campbell, Lamesa, Tex.; G. C. Canon, Lamesa, Tex.; E. F. Carmichael, star route 2, Lamesa, Tex.; Mrs. E. F. Carmichael, Lamesa, Tex.; Mrs. J. H. Carmichael, Lamesa, Tex.; Loree Carmichael, Lamesa, Tex.; Miss Bobbie Carmichael, Lamesa, Tex.; J. L. Carroll, Lamesa, Tex.; Mrs. J. L. Carroll, Lamesa, Tex.; Jesse Carroll, Lamesa, Tex.; L. H. Carlton, star route 4, Lamesa, Tex.; Mrs. L. H. Carlton, Lamesa, Tex.; Arthur Carlton, Lamesa, Tex.; George Carlton, Lamesa, Tex.; Jewell Carlton, Lamesa, Tex.; R. O. Carr, Lamesa, Tex.; O. S. Cates,

star route 2, Lamesa, Tex.; Sam Cates, route 2, Aringer, Tex.; Walter Chambers; Mrs. J. J. Childers, star route 2, Lamesa, Tex.; R. W. Christopher, Lamesa, Tex.; E. R. Clark, route A, Lamesa, Tex.; Mrs. E. R. Clark, Lamesa, Tex.; Lee Clark, Lamesa, Tex.; Mrs. Glark, Lamesa, Tex.; Mrs. Russell Clark, Lamesa, Tex.; Mrs. Russell Clark, Lamesa, Tex.; Mrs. Russell Clark, Lamesa, Tex.; While Belle Cleveland, Lamesa, Tex.; While Cooley, Lamesa, Tex.; Calvin Cooley, Lamesa, Tex.; C. L. Cooley, Lamesa, Tex.; Calvin Cooley, Lamesa, Tex.; E. L. Cooley, Lamesa, Tex.; Calvin Cooley, Lamesa, Tex.; E. L. Cooley, Lamesa, Tex.; R. H. Cooley, Lamesa, Tex.; W. E. Cooley, Lamesa, Tex.; Mrs. R. H. Cooley, Lamesa, Tex.; W. E. Cooley, Lamesa, Tex.; Mary Cooper, Lamesa, Tex.; Mrs. Coox, Lamesa, Tex.; Mrs. Lamesa, Tex.; Mrs. J. W. Cundleff, Lamesa, Tex.; Mrs. Coox, Mrs. Co

L. T. Middleton, Lamesa, Tex.; Rev. R. L. Miers, Lamesa, Tex.; Ruth. E. Miers, Lamesa, Tex.; Rav. R. Miers, Lamesa, Tex.; Mrs. A. J. Mitchell, Lamesa, Tex.; Mrs. A. J. Mitchell, Lamesa, Tex.; Mrs. A. J. Mitchell, Lamesa, Tex.; Mutchell, Lamesa, Tex.; Aubry Moore, Lamesa, Tex.; E. L. Moore, Lamesa, Tex.; Mrs. E. L. Moore, Lamesa, Tex.; Mrs. E. L. Moore, Lamesa, Tex.; Mrs. E. E. Moore, Lamesa, Tex.; Mrs. T. B. Moore, Lamesa, Tex.; Mrs. T. B. Moore, Lamesa, Tex.; Mrs. W. S. Moore, Lamesa, Tex.; Mrs. T. B. Moore, Lamesa, Tex.; Mrs. W. S. Moore, Lamesa, Tex.; Mrs. T. B. Moore, Lamesa, Tex.; Mrs. T. B. Moore, Lamesa, Tex.; Mrs. J. L. Morris, Lamesa, Tex.; Mrs. J. A. McMahan, Lamesa, Tex.; Mrs. J. A. McMahan, Lamesa, Tex.; Mrs. McKorley, Lamesa, Tex.; Mrs. J. A. McMahan, Lamesa, Tex.; Mrs. McKorley, Lamesa, Tex.; Mrs. J. A. McMahan, Lamesa, Tex.; Mrs. McMahan, Lamesa, Tex.; Mrs. McKorley, Lamesa, Tex.; Mrs. W. H. McMahan, Lamesa, Tex.; J. T. Oates, Lamesa, Tex.; Grevier, Ins. Mae Padon, mall route B. Lamesa, Tex.; Grevier, Ins. Mae Padon, mall route B. Lamesa, Tex.; Grevier, Mrs. W. L. Payne, Lamesa, Tex.; Mrs. W. L. Payne, Lamesa, Tex.; J. Mrs. W. L. Payne, Lamesa, Tex.; Mrs. W. P. Pratt, Lamesa, Tex.; Olen Peterson, Lamesa, Tex.; Mrs. W. P. Pratt, Lamesa, Tex.; Olen Peterson, Lamesa, Tex.; Mrs. W. P. Pratt, Lamesa, Tex.; Olen Peterson, Lamesa, Tex.; Mrs. W. P. C. Solbinson, Lamesa, Tex.; Mrs. L. C. Salser, Lamesa, Tex.; Mrs. L. C. Salser, L

W. T. Webb, Lamesa, Tex.; D. G. Wells, Lamesa, Tex.; Mrs. M. E. Wells, Lamesa, Tex.; Mrs. L. W. West, Lamesa, Tex.; Mrs. H. G. Westbrook, Lamesa, Tex.; Gus White, Lamesa, Tex.; Ralph White, Lamesa, Tex.; Mrs. Vaughn White, Lamesa, Tex.; Werna White, Lamesa, Tex.; Mraita Whitehead, Lamesa, Tex.; Verna White, Lamesa, Tex.; Mraita Whitehead, Lamesa, Tex.; W. G. Whitehead, star route 2, Lamesa, Tex.; Harold Williams, Lamesa, Tex.; Mrs. Ray Williams, Lamesa, Tex.; E. V. Wilkes, Lamesa, Tex.; William A. Wilson, Lamesa, Tex.; Blaine Wiggins, Lamesa, Tex.; Mrs. Floyd Woods, Lamesa, Tex.; Mrs. Woods, Lamesa, Tex.; W. M. Yates, Lamesa, Tex.; Mrs. W. H. Wallace, Jr., County Chairman, United Forces for Prohibition.

THE STATE OF TEXAS,

County of Dawson:

Before me the undersigned authority on this day personally appeared William H. Wallace, jr., who after being by me duly sworn states that he has in his possession the original signatures subscribed to the foregoing petition.

WM. H. WALLACE, Jr., County Chairman, United Forces for Prohibition. Subscribed and sworn to before me this the 4th day of February,

A. D. 1933. [SEAL.]

VIOLA THRUSTON, Notary Public, Dawson County, Tex.

STABILIZATION OF COMMODITY PRICES

Mr. FRAZIER. Mr. President, I ask unanimous consent to have printed in the RECORD a letter received from the secretary of state of North Dakota, together with a senate resolution passed by the legislature of that State in the nature of a petition to Congress, and that the matter be appropriately referred.

The letter and resolution were referred to the Committee on Banking and Currency and ordered to be printed in the

RECORD, as follows:

DEPARTMENT OF STATE, Bismarck, N. Dak., February 21, 1933.

Hon. LYNN J. FRAZIER

Hon. Lynn J. Frazier,

Senate Office Building, Washington, D. C.

Dear Sir: By direction of the senate, Twenty-third Legislative
Assembly, State of North Dakota, now in session, we transmit
senate resolution No. A 7, with a request that it be brought to
the attention of the President and Vice President of the United
States, and that it be given publicity by publication in the Con-GRESSIONAL RECORD.

Very respectfully yours,

ROBERT BYRNE, Secretary of State. By Charles Liessman, Deputy.

Senate resolution A 7 (introduced by Senator Bonzer), memorializing the Congress of the United States in the interest of a speedy return of the commodity price level to the stage at which the bulk of existing debts were incurred, and its permanent stabilization at that stage, which object, in our judgment, can best be attained by prompt passage of legislation embodying the Tinnes plan to stabilize the buying power of money as set forth in the Burtness bills, H. R. 20 and H. R. 21

Be it resolved by the Senate of the State of North Dakota, That Be it resolved by the Senate of the State of North Dakota, That—Whereas since the beginning of the present depression in July, 1929, the average of commodity prices, as shown by Government price statistics, has fallen more than 38 per cent, causing an increase of 58 per cent in the average buying power of money and a corresponding increase in the already unbearable burden of debts which, in justice, ought to be paid in dollars of the same buying power as the dollars borrowed; and

Whereas the instability of the buying power of our virtually unstandardized dollar wrongs, in turn, every class of our citizens in various ways, among which are the following:

It causes maladjustment of individual commodity prices, thereby throwing supply and demand out of balance; it causes business uncertainty which imperils enterprise; it distorts all credit and

It causes maiadjustment of individual commodity prices, thereby throwing supply and demand out of balance; it causes business uncertainty which imperils enterprise; it distorts all credit and industrial contracts and renders unreliable all official and unofficial statistics written in terms of money. Debtors, employees, merchants, and producers are wronged by every decline of the commodity price level; and creditors, wage earners, people on fixed incomes, and consumers, as such, by every price level decline. Every depression greatly injures not only all producers of raw materials, dealers in merchandise, and owners of real estate but directly and indirectly all classes of our population. Bloating of the dollar's buying power by price-level depression causes a more general business disturbance and greater economic distress than does the lessening of its buying power by a general price advance. Though both are evils, inflation of the dollar is a greater evil than is a corresponding inflation of prices. If proof of this were needed, it could readily be found in the appalling number of bank, business, and farm failures since 1920, as compared with the few that occured during the price inflation 1915 to 1920. If proof of the equally serious, though less obvious, effects of a more prolonged and general price slump were needed, it could readily be found in

the economic and political history of the two decades prior to 1897 as compared with the two decades following. Our vast war debt and a large part of the existing State, municipal, and private debts were incurred on a price level far higher than the present. The burden of those debts, therefore, was increased by the price slump of 1921 and further increased by the present depression which started to July 1939, and

which started in July 1929; and

Whereas eminent students of the financial and economic situation now fear a great prolongation of the present depression:

Therefore be it

Therefore be it Resolved by the Senate of the State of North Dakota, That our Senators and Representatives in Congress be and are hereby petitioned and urged to use their best efforts to promote the prompt passage by Congress of legislation embodying the Tinnes plan to raise and stabilize the commodity price level as set forth in the Burtness bills, H. R. 20 and 21 of the present Congress; be it further

Resolved, That the Secretary of State be and is hereby directed to mail one or more copies of this resolution to each of the North Dakota Senators and Representatives in Congress with the request that it be brought to the attention of the President and Vice President of the United States and of the Speaker of the House of Representatives of the United States and given publicity by publication in the CONGRESSIONAL PROCESS. cation in the Congressional Record.

REPORTS ON DEPARTMENTAL FUNCTIONS-FORMS

Mr. WHEELER. Mr. President, in order that there may be uniformity in the reports required to be submitted by the heads of the various departments and establishments pursuant to Senate Resolution 351 and that the desired information may be reported in the detail believed to be necessary, I ask unanimous consent to have printed in the RECORD, so that they may be available to all to whom the resolution applies, three pro forma statements which have been designed to compile the information requested, in brief and understandable style. Before sending the statements to you, Mr. President, I should like, for the information of the Senate, to describe briefly their text and purpose.

In the first statement provision is made for a report on the cost of general departmental supervision analyzed into five major classifications or more if the reporting agency so desires. Following the report on general supervision, space is provided for reporting in total on the bureaus or other major classifications. As to each of the classifications reported. columns have been provided to show the number of employees, the annual expenditures, and the statutory authority. Subcolumns are provided under annual expenditures to show the amount spent for salaries and wages, other expenses, the amount spent from appropriated funds and from other funds such as trust funds, cooperative funds, socalled quasi public funds, and/or private funds.

In the second statement space is provided, first, for a general classification of expenses for the bureau or major division. The second part of this statement provides for a report on all functions, projects, activities, or any specialized line of work. This section constitutes an important feature of the whole report; and in order that it may be clearly understood that what is desired is a complete list of all lines of work conducted, I have deemed it worth while to include in the section an illustration.

The third statement calls merely for a complete list of all employees receiving \$5,000 or more per annum.

I believe that a response to Senate Resolution 351 in the form of these statements will provide the Senate and the President with the kind of information that is absolutely essential to and indispensable for an intelligent consideration of the problems of reorganization and economy in the business of the Government. An analysis of the statements for the several departments and establishments will afford a cross-sectional view of activities through which overlapping, duplication, and misplaced or unrelated functioning will be brought to light so that they can be dealt with intelligently. A comparison of cost for similar operations will afford the basis for fixing standards of economy and efficiency.

The nature of the data called for is such as should be of inestimable value not only to the Senate and the President in this hour of need for a searching and intelligent analysis of the purposes for which our Government is spending more than \$3,000,000,000 annually but also to the administrative heads of all departments and establishments, as it will afford to such officials the basis for a close scrutiny of the activities | as I have said, be available to all to whom Senate Resoluunder their respective jurisdictions.

With these brief remarks, I now send the statements to you, Mr. President, reiterating my request for unanimous consent to have them printed in the RECORD that they may, the RECORD, as follows:

tion 351 applies.

There being no objection, the matter was referred to the Committee on Appropriations and ordered to be printed in

The PRESIDENT, United States Senate, Washington, D. C.

United States Senate, Washington, D. C.

Sir: The following report is submitted in accordance with Senate Resolution No. 351 to show all of the functions and/or activities conducted under the jurisdiction of this (department/establishment/corporation/agency), the statutory authority therefor, and the total annual expenditures thereon for the latest complete fiscal year wherever practicable or part thereof as indicated. There is also attached a list of employees receiving compensation at the rate of \$5,000 or more per annum.

							(Title)
			ATEMENT 1 ral supervision				
	000000						
	Number of employees	Salaries,	041	From appropriated funds	From other funds		Statutory authority
		wages	Other		Amount	Source	
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(**************************************							
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Disbursing and collecting							
	The second second second	The same of the sa					
Total general supervision							
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Designation of bureau, etc.:				F/180=0.2			

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STATEMENT 3

List of officers and employees receiving compensation at the rate of \$5,000 or more per annum

Name	Designation		Annual compens		
	Designation	Base pay	Allowances	Total	Brief description of duties
Vinished Nazional Alexandria				100000	

HOOVER DAM CONDITIONS DEMAND INVESTIGATION

Mr. ODDIE. Mr. President, the day following my presentation of the Boulder Canyon project and Hoover Dam problems on the floor of the Senate on February 15, 1933. I received the welcome news that the Federal district court in and for the State of Nevada denied the injunctions and dismissed the complaints in the pending tax suits brought by the Six Companies (Inc.) and the Secretary of the Interior against the State of Nevada and Clark County. The Federal court has upheld the position I have taken from the start in

Following my presentation in the Senate on February 15, 1933, of the serious conditions prevailing at Hoover Dam which demand investigation, I received a letter from Attorney General Mitchell dated February 16, to which I replied on February 20. I now submit these letters for insertion in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

FEBRUARY 16, 1933.

Hon. Tasker L. Oddie,

United States Senate, Washington, D. C.

My Dear Senator: Noticing your comments in the Congressional Record of February 15 as to my action in authorizing the United States attorney in Nevada to file a brief as amicus curiæ in the case pending in the State of Nevada brought by Six Companies (Inc.), against A. J. Stinson, of Nevada, State mine inspector, I call your attention to the provisions of section 309, title 5, United States Code (R. S. sec. 359), which provides:

"The Attorney General may, whenever he deems it for the interest of the United States either in person conduct and argue any case in any court of the United States in which the United States is interested, or may direct the Solicitor General or any officer of the Department of Justice to do so."

And to the provisions of section 316, title 5, United States Code (R. S. sec. 367), which is as follows:

"The Solicitor General or any officer of the Department of Justice may be sent by the Attorney General to any State or district

tice may be sent by the Attorney General to any State or district in the United States to attend to the interests of the United States in any suit pending in any of the courts of the United States, or in the courts of any State, or to attend to any other interest of the United States."

while the suit brought by the Six Companies is a private suit, it involves a question as to the operation of the laws of the State of Nevada within the Hoover Dam reservation and involves directly the question as to the extent of Federal jurisdiction over that area and the extent to which the State laws may operate within that area upon contractors performing work for the Federal Government. This is certainly a question which the United States has a direct interest in, and it is clearly the duty of the Attorney General to see to it that, through a brief as amicus curize or otherwise, every legitimate argument supporting the jurisdiction of the United States be presented to the court in order that the court may overlook nothing and have before it all information necessary to a just and sound conclusion. Have you any doubt that it is the duty of the Attorney General to take such action in such a case? action in such a case?

Your statement that Federal counsel has been provided at the expense of the American taxpayer and without cost to the conexpense of the American taxpayer and without cost to the contractor to sustain the efforts of a private corporation to undermine and destroy the sovereignty of the State of Nevada was hardly a fair statement of the situation. We have no interest in the contractor's affairs except in so far as they affect the interests of the Federal Government. But obviously any burdens cast by a State law upon contractors engaged in this governmental work may have a tendency to increase the cost of the work to the Federal Government or interfere with its operations. If the courts hold that the United States has exclusive sovereignty over this area, it will free the operations of the Federal Government from burdens of any State laws and place the Congress of the United States in a position to enact such regulations for this area as it sees fit.

William D. Mitchell,

WILLIAM D. MITCHELL, Attorney General.

Hon. WILLIAM D. MITCHELL,

Attorney General, Washington, D. C.

My Dear Mr. Attorney General: This will acknowledge the receipt of your letter of February 16 with reference to the remarks made by me in the Senate on February 15, in which I questioned the action of the Attorney General in filing an amicus curiæ brief to support the Six Companies (Inc.), a private contractor, in suits in equity instituted by it with the object of evading the mine safety and tax laws of the State of Nevada.

One of the principal premises cited and relied upon by the plaintiff, the Six Companies (Inc.), the contractor, in these suits is the action of the Secretary of the Interior in attempting without adequate constitutional and statutory authority to create the so-called Boulder Canyon project Federal reservation of exclusive Federal jurisdiction. In my statements on the floor of the Senate on February 15, 1933, pages 4223 to 4235 of the Congressional Record, ample evidence was presented to confirm the inadequacy of constitutional and statutory authority upon which the Secretary of the Interior based his action in this matter.

Further to substantiate the soundness of my charges that the Secretary of the Interior and the Six Companies (Inc.) were proceeding without precedent and without adequate constitutional and statutory authority, the Federal district court in and for the State of Nevada did on February 15, 1933, deny the injunctions and dismiss the complaints in these pending tax suits so that the contractor, the Six Companies (Inc.) is liable for the payment of taxes to the county of Clark and the State of Nevada.

From your letter to me of February 16, 1933, I quote the last sentence, as follows:

From your letter to me of February 16, 1933, I quote the last

sentence, as follows:

"If the courts hold that the United States has exclusive sovereignty over this area, it will free the operations of the Federal Government from burdens of any State laws and place the Congress of the United States in a position to enact such regulations for this area as it sees fit."

Since you have anticipated so strongly that the courts would decide that the Secretary of the Interior had adequate constitutional and statutory authority to create a reservation of exclusive Federal jurisdiction whereby the Six Companies (Inc.) could evade the tax and other laws of the State of Nevada, it must come as a severe shock to you that the Federal district court has handed down decisions denying these tax injunctions and dismissing the complaints.

complaints.

In my statement on the floor of the Senate on February 15, 1933, I did not question your legal authority to file an amicus curiæ brief in support of the private contractor, the Six Companies (Inc.). However, I did very seriously question your discretion and wisdom in filing such a brief without apparently having examined the constitutional and legal premises upon which the Secretary of the Interior was acting when he attempted to create the so-called Boulder Canyon project Federal reservation of exclusive Federal jurisdiction. As the properly constituted and authorized legal spokesman of the United States Government, it would seem to me that the paramount duty and responsibility of the Attorney General would have necessitated an examination of the constitutional and statutory premises upon which the Secretary of the Interior was acting in this matter. Have you any doubt that it is the duty of the Attorney General to make such an examination of the premises in cases where he is requested to render legal assistance to a private company? render legal assistance to a private company?

With the ascertainment that the premises upon which the Secretary of the Interior was acting in this case were constitutionally and statutorily superficial, would it not then have been your paramount duty to have so advised the Secretary of the Interior and to have notified him that you could not assist the private contractor in this case. tractor in this case? Have you any doubt that it would be the duty of the Attorney General so to act?

It should be emphasized that the Six Companies (Inc.) accepted

this work for the Government at a definite figure and that any savings through relief from the payment of taxes or from using cheap but extraordinarily hazardous methods of construction would have benefited the company alone. None of these reducwould have benefited the company alone. None of these reductions of cost would have benefited the Government. You cite as a reason for your participation in these cases that you were acting to prevent increased costs to the Government. On this basis, therefore, you were not justified in your support of the private contractor, the Six Companies (Inc.), as the Government could not benefit by your action.

In the light of these facts and the action of the Federal district court in dismissing the complaints, I find that the criticisms I made on the floor of the Senate on February 15 of the action of

the Attorney General were not only not unfair but on the contrary too mild,

From the study which I have made of the matter since receiving From the study which I have made of the matter since receiving your letter I feel justified in saying that the Attorney General not only should not have aided the private company, the Six Companies (Inc.), in its attempt to evade the mine safety and tax laws of the State of Nevada but the Attorney General should have advised the Secretary of the Interior of the inadequacy of the constitutional and statutory premises upon which he was acting and to have declined to file an amicus curiæ brief.

Very sincerely yours,

Takker I. Onne.

TASKER L. ODDIE.

PLAN FOR THE CALLING OF CONVENTIONS IN THE STATES

Mr. WALSH of Massachusetts. Mr. President, I request that a letter from the Liberal Civic League of Boston, containing a memorandum suggesting a plan for calling the conventions in the several States under authority of congressional action to act upon the question of ratifying the proposed twenty-first amendment to the Constitution, be printed in the RECORD, treated as a petition, and referred to the Committee on the Judiciary.

There being no objection, the letter and memorandum were referred to the Committee on the Judiciary and ordered to be printed in the RECORD, as follows:

Liberal Civic League (Inc.), Boston, Mass., February 21, 1933.

Hon. David I. Walsh,

The Carlton Hotel, Washington, D. C.

My Dear Senator: In view of the highly conflicting opinion expressed by eminent constitutional authority as to the manner in which the procedure for the holding of conventions in the several States, to deal with the proposed twenty-first amendment of the Faderal Constitution, should be set up, whether ment of the Federal Constitution, should be set up, whether under the guidance of congressional action or upon initiative of the several States. I believe it to be of the utmost importance to our cause and to the welfare of the Nation that Congress should suggest an outline of procedure for the guidance of the several

If this is not done endless confusion and very much in the way of dilatory litigation will undoubtedly result, which might very seriously effect the ultimate success of ratification in the necessary 36 States.

Further, at this juncture when there is such a universal demand for economy in government, is it not highly essential that in dealing with the action of the States on the proposed twenty-first

amendment, that any and all expense, other than what may be absolutely necessary to the occasion, should be eliminated.

The nature and form of the proposed amendment have been fixed by the Congress and can not be altered or amended by any State convention.

Consequently, the deliberative element is very greatly minimized. There can be no occasion for extended debate, nor is there any excuse for the assembling in any State of large and unwieldy convention bodies.

unwieldy convention bodies.

The suggestion already made in many States that these State conventions should be patterned in the matter of size upon existing legislative bodies, points to a possible aggregate expense of many hundreds of thousands of dollars if actually followed out in the setting up of these State conventions.

To meet the practical exigency of this situation I am sending you inclosed a skeleton draft of a plan that might be proposed by the Congress in the interests of legal clarity and basic economy. You will note that this outline takes for its guide the machinery of the Electoral College, than which there is no better precedent.

of the Electoral College, than which there is no better precedent in the premises.

in the premises.

If such a plan can be forthwith launched in and by the Congress, there is no good reason why effective representative conventions may not be held within the next six months in every State in the Union, at a minimum of expense and with a maximum degree of efficiency.

I shall appreciate knowing what your reaction is to this proposal at your earliest convenience and hope that I may have some word from you prior to the hearing here next Friday morning before the Committee on Constitutional Law.

ing before the Committee on Constitutional Law.

Sincerely yours,

C. W. CROOKER.

[Memorandum]

A SUGGESTED PLAN FOR THE CALLING OF CONVENTIONS IN THE SEVERAL STATES UNDER AUTHORITY OF CONGRESSIONAL ACTION, TO ACT UPON THE QUESTION OF RATIFYING THE PROPOSED TWENTY-FIRST AMEND-MENT OF THE FEDERAL CONSTITUTION

In the interest of economy, uniformity, and expedition, and, in the event that the amendment shall prevail, the forwarding of the day when the Government and the people shall again receive the benefit of the vast revenue concerned and so greatly

needed to relieve taxation, the Congress outline the following plan for the holding of conventions in the several States.

The Congress herewith transmits the contemplated twenty-first amendment to conventions of the people of the several States, to be called and determined not later than November 4, 1933, and the result reported to Congress not later than December 1, 1933.

The Congress determines that uniform rule for these conventions shall be as follows:

The governor of each State shall forthwith nominate delegates equal to the number of that State's representation in the Electoral College, who are in favor of the adoption of the amendment

toral College, who are in favor of the adoption of the amendment and a like number of delegates who are opposed to its adoption. These delegates shall agree to serve without pay and without expenses and shall further agree to meet at the statehouse on a date to be set by the governor within 15 days after the voting for delegates shall have occurred, for the purpose of forwarding the Congress the result of the convention.

the Congress the result of the convention.

After the required number of delegates have agreed to run under the designations requested, their names shall be entered in their separate groups and clearly designated as for or against the twenty-first amendment, in the same manner as the names and designations of electoral delegates are placed upon the ballot. The voters, on or before November 4, at a general or special election to be called by the governor, shall place a cross against the group of delegates whose designation meets with their approval and the votes of the majority group shall be considered the decision of the convention of the people of that State within the meaning of the Constitution.

EXCLUSION OF TEMPORARY EMPLOYEES FROM ECONOMY ACT

Mr. WALSH of Massachusetts. Mr. President, I have a communication from a Member of the House of Representatives with reference to House Joint Resolution 547, which I should like to have printed in the RECORD and referred to the Committee on Appropriations, before which the resolution referred to is pending. The joint resolution merely provides that the so-called economy provisions of the legislative appropriation act for the fiscal year 1933 shall not apply to the additional employees employed in removing snow in the District of Columbia and to additional employees in the Post Office Department who were engaged in the handling of Christmas mail. I hope the committee will take prompt and favorable action.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

Congress of the United States, House of Representatives, Washington, D. C., February 20, 1933.

Washington, D. C., February 20, 1933.

Hon. David I. Walsh,

Senate Office Building, Washington, D. C.

Dear Senator: I am inclosing copy of my bill, House Joint
Resolution 547, with Report No. 1989, which was passed unanimously by the House to-day, February 20. Last Christmas, when
thousands of men were employed for 2, 3, or 4 days—or longer—taking care of the extra volume of mail in the Post Office Department, 8½ per cent of their wages was deducted. This was due to
the ruling of the Comptroller General on the theory that if they
had worked for the entire year on the same basis of pay they would
have received in wages in excess of \$1,000.

Of course, Congress never intended that any reduction should

Of course, Congress never intended that any reduction should apply to these men when the economy bill was passed in the last session. The same thing applies to the several hundred men who were employed in the District of Columbia in removing snow from the streets here a few months ago.

The inclosed bill is for the purpose of reimbursing these people for the money taken from their wages.

I will appreciate it if you will look into the matter and try to have action taken by the Senate on this meritorious bill before adjournment.

With kindest personal regards, I am, sincerely yours, J. W. McCormack.

REPORTS OF COMMITTEES

Mr. FRAZIER, from the Committee on Indian Affairs, to which was referred the bill (S. 5626) to amend the act of June 23, 1926, reserving Rice Lake and contiguous lands for the Chippewa Indians of Minnesota, reported it without amendment and submitted a report (No. 1282) thereon.

Mr. WHEELER, from the Committee on Indian Affairs, to which was referred the bill (S. 4960) to reduce the area of the Fort Peck irrigation project in the State of Montana, reported it with an amendment and submitted a report (No.

He also, from the same committee, to which was referred the bill (S. 5485) establishing a State game refuge on islands in the Egg Lakes in the White Earth Indian Reservation in the State of Minnesota, reported it with amendments and submitted a report (No. 1284) thereon.

Mr. KEYES, from the Committee on Public Buildings and Grounds, to which were referred the following bills and joint resolution, reported them severally without amendment and submitted reports thereon:

S. 5362. An act authorizing the Secretary of the Treasury to pay certain subcontractors for material and labor furnished in the construction of the post office at Las Vegas, Nev. (Rept. No. 1285);

S. 5660. An act authorizing the Secretary of the Treasury to sell certain Government property in St. Louis, Mo. (Rept. No. 1997):

H. R. 10749. An act to authorize acceptance of proposed donation of property in Maxwell, Nebr., for Federal-building purposes (Rept. No. 1286);

H.R. 13521. An act to transfer control of building No. 2 on the customhouse reservation at Nome, Alaska, to the Secretary of the Interior (Rept. No. 1287);

H.R. 14321. An act to authorize the Secretary of the Treasury, in his discretion, to acquire a new site in Huntsville, Ala., and to construct a building thereon for the accommodation of the courts, post office, and other Government offices (Rept. No. 1288);

H. R. 14489. An act relating to the construction of a Federal building at Mangum, Okla. (Rept. No. 1289); and

H. J. Res. 583. Joint resolution to provide for a change of site of the Federal building to be constructed at Binghamton, N. Y. (Rept. No. 1290).

Mr. COUZENS, from the Committee on Interstate Commerce, to which was referred the bill (H. R. 7432) to authorize the Interstate Commerce Commission to delegate certain of its powers, reported it without amendment and submitted a report (No. 1291) thereon.

Mr. TOWNSEND, from the Committee to Audit and Control the Contingent Expenses of the Senate, to which was referred the resolution (S. Res. 346) to pay certain expenses incurred in connection with the so-called Pritchard-Bailey contested-election case from North Carolina, reported it with amendments.

He also, from the same committee, to which was referred the resolution (S. Res. 349) creating a special committee of the Senate to investigate air mail and ocean mail contracts, reported it with an additional amendment.

He also, from the same committee, to which was referred the resolution (S. Res. 366) to pay to Matilda A. Barkley a sum equal to six months' compensation of the late Joshua W. Barkley, reported it without amendment.

Mr. SHORTRIDGE, from the Committee on Naval Affairs, to which was referred the bill (S. 5675) to effect needed changes in the Navy ration, reported it without amendment and submitted a report (No. 1292) thereon.

Mr. GOLDSBOROUGH, from the Committee on Naval Affairs, to which was referred the bill (H. R. 13026) to amend chapter 231 of the act of May 22, 1896 (29 Stat. 133, sec. 546, title 34, U. S. C.), reported it without amendment and submitted a report (No. 1293) thereon.

Mr. PATTERSON, from the Committee on Military Affairs, to which was referred the bill (H. R. 11035) for the relief of Price Huff, reported it with an amendment and submitted a report (No. 1294) thereon.

Mr. SCHUYLER, from the Committee on Military Affairs, to which was referred the bill (H. R. 2601) for the relief of William Mathew Squires, reported it without amendment and submitted a report (No. 1295) thereon.

He also, from the same committee, to which was referred the bill (H. R. 10070) for the relief of Beryl M. McHam, reported it with amendment and submitted a report (No. 1296) thereon.

Mr. REED, from the Committee on Military Affairs, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

S. 1001. An act to authorize the Chief of Engineers of the Army to enter into agreements with local governments adjacent to the District of Columbia for the use of water for purposes of fire fighting only (Rept. No. 1298);

H. R. 6270. An act for the relief of Alexander F. Sawhill (Rept. No. 1300); and

H.R. 12769. An act to provide an additional authorization for the acquisition of land in the vicinity of Camp Bullis, Tex. (Rept. No. 1299).

RELOCATION OF STATUES IN THE CAPITOL

Mr. FESS, from the Committee on the Library, to which was referred House Concurrent Resolution 47, reported it without amendment, and it was considered by unanimous consent and agreed to, as follows:

Resolved by the House of Representatives (the Senate concurring), That the Architect of the Capitol, upon the approval of the Joint Committee on the Library, with the advice of the Commission of Fine Arts, is hereby authorized and directed to relocate within the Capitol any of the statues already received and placed in Statuary Hall, and to provide for the reception and location of the statues received hereafter from the States.

PAYMENTS OF TUITION FOR INDIAN PUPILS IN OKLAHOMA

Mr. THOMAS of Oklahoma. Mr. President, from the Committee on Indian Affairs, I report back favorably without amendment the bill (S. 5684) to authorize the Comptroller General to allow claim of district No. 13, Choctaw County, Okla., for payment of tuition for Indian pupils.

The bill provides an authorization for the Comptroller General to approve a contract for the payment of the tuition of a hundred or more orphan Indian children who are now taken care of in a little orphans' home in Oklahoma. The money has already been appropriated and this is simply a sort of authorization. I ask unanimous consent for the present consideration of the bill.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

There being no objection, the bill was read, considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Comptroller General is hereby authorized and directed to allow payment of claims of the public school district No. 13, Choctaw County, Okla., for tuition of Indian pupils during the fiscal year 1931, in the sum not to exceed \$3,435.61 from the appropriation entitled "Indian Schools, Five Civilized Tribes, Oklahoma, 1931."

ENROLLED BILL AND JOINT RESOLUTION PRESENTED

Mr. VANDENBERG, from the Committee on Enrolled Bills, reported that on the 23d instant that committee presented to the President of the United States the following bill and joint resolution:

S. 4020. An act to give the Supreme Court of the United States authority to prescribe rules of practice and procedure with respect to proceedings in criminal cases after verdict; and

S. J. Res. 48. Joint resolution to authorize the acceptance on behalf of the United States of the bequest of the late William F. Edgar, of Los Angeles County, State of California, for the benefit of the museum and library connected with the office of the Surgeon General of the United States Army.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. CAPPER:

A bill (S. 5687) granting the consent of Congress to agreements or compacts between the States of Kansas and Missouri for the acquisition and maintenance and operation of a toll bridge over the Missouri River at or near Kansas City, Kans., and for other purposes; to the Committee on Commerce.

By Mr. BORAH:

A bill (S. 5688) for the relief of Ernest W. Jermark; to the Committee on Claims.

By Mr. NEELY:

A bill (S. 5689) for the relief of Herbert L. Fisher; to the Committee on Military Affairs.

By Mr. THOMAS of Oklahoma:

A bill (S. 5690) to provide for a further extension of the time for the payment of certain income-tax deficiencies; to the Committee on Finance.

HOUSE BILLS REFERRED

The following bills were severally read twice by their titles and referred as indicated below:

H. R. 785. An act to reimburse Earl V. Larkin for injuries sustained by the accidental discharge of a pistol in the hands of a soldier in the United States Army;

H.R. 5214. An act for the relief of Withycombe Post, No. 11, American Legion, Corvallis, Oreg.;

H. R. 7409. An act for the relief of Chambliss L. Tidwell; H. R. 8215. An act for the relief of the National Bank of Commerce. El Dorado, Ark.:

H. R. 8217. An act for the relief of the First National Bank of El Dorado, Ark.;

H. R. 9862. An act for the relief of the estate of Oscar F.

H.R. 10169. An act authorizing adjustment of the claim of the Adelphia Bank & Trust Co. of Philadelphia;

H. R. 10800. An act for the relief of Joe Setton;

H.R. 10973. An act for the relief of Augustus Thompson; and

H. R. 11902. An act for the relief of Robert D. Baldwin; to the Committee on Claims,

H. R. 2157. An act for the relief of Arthur I. Neville; to the Committee on Military Affairs.

H. R. 6484. An act to grant lands in Alaska to the Yakutat & Southern Railway, a Washington corporation authorized to carry on its business in the Territory of Alaska; to the Committee on Public Lands and Surveys.

H. R. 14724. An act making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1934, and for other purposes; to the Committee on Appropriations.

AMENDMENT OF THE BANKRUPTCY ACT

Mr. HASTINGS submitted amendments intended to be proposed by him to the bill (H. R. 14359) to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, and acts amendatory thereof and supplementary thereto, which were ordered to lie on the table and to be printed.

Mr. BLAINE submitted an amendment intended to be proposed by him to House bill 14359, the bankruptcy bill, which was ordered to lie on the table and to be printed.

PRODUCTION COSTS OF GOAT, KID, AND CABRETTA LEATHERS

Mr. REED submitted the following resolution (S. Res. 370), which was ordered to lie on the table:

Resolved, That the United States Tariff Commission is hereby directed to investigate, for the purpose of section 336 of the tariff act of 1930, the differences in the cost of production between the domestic article and the foreign article, and to report at the earliest date practicable upon goat, kid, and cabretta leathers.

INVESTIGATION OF SHORT SELLING ON STOCK EXCHANGES

Mr. COSTIGAN. Mr. President, I request leave to submit a resolution designed to continue the stock-market investigation by the Committee on Banking and Currency and ask that it lie over under the rule.

In connection with the resolution, I request that there be printed in the Record, to accompany the resolution, an editorial from to-day's New York Times, entitled "Back to Conservative Banking."

The resolution (S. Res. 371) was read and ordered to lie over under the rule, as follows:

Resolved, That Senate Resolution No. 84, Seventy-second Congress, agreed to March 4, 1932, and continued in force by Senate Resolution No. 239, Seventy-second Congress, agreed to June 21, 1932, is hereby further continued in full force and effect until the expiration of the first session of the Seventy-third Congress.

The editorial was ordered to be printed in the RECORD, as follows:

[From the New York Times of Friday, February 24, 1933]
BACK TO CONSERVATIVE BANKING

In the course of his testimony before the Senate Finance Committee, Mr. Aldrich, of the Chase Bank, touched upon the place and functions of the banks in helping the country out of the depression. They are to provide and safeguard credit. They are to do all within their power to maintain the standard of value and the soundness of the currency. In a word, they are to be the necessary and useful means of financing industry and commerce as revival comes. It is unnecessary to say that no banking authority would advocate a return to such activities of the banks as became too common in the flush years before the great crash

of 1929. The sensational disclosures at Washington, not yet complete, show what happens when vast banking resources are made available for excesses of speculation. Through their subordinate companies, the so-called "affiliates," too many banks were infected by the mania of the time and became more like agencies for the flotation of securities than organizations for the regular supply of loans and discounts in ordinary business. But there is now reason to believe that the lesson of that folly has been learned and that at least for a long time to come the principles of conservative banking will be recognized and lived up to. The abuses of recent years, some of which the Glass banking bill would remove or correct, will certainly have fewer defenders after the wholesome publicity which has now set them in so vivid and startling a light.

SITE OF FEDERAL BUILDING IN BINGHAMTON, N. Y.

Mr. WAGNER. Mr. President, there was reported to-day from the Committee on Public Buildings and Grounds a joint resolution identical with a measure which I introduced in the Senate. The House joint resolution was unanimously reported by the committee in the House, unanimously passed by the House of Representatives, and also unanimously reported by the committee of the Senate. It simply proposes to change the location of a post-office site in the city of Binghamton, N. Y. Everybody there is in favor of it, including the chamber of commerce and all others interested. I know of no opposition at all to the measure, and I ask unanimous consent that it may now be considered and passed.

Mr. KING rose.

Mr. WAGNER. I might say, to allay the apprehension possibly of the Senator from Utah [Mr. King] that it provides for no additional appropriation; in fact, there is a restriction that no more money shall be used than has already been appropriated. That is expressly provided in the joint resolution.

The VICE PRESIDENT. Is there objection to the present consideration of the joint resolution?

Mr. KING. I want to ask just one question. It has been brought to my attention that a number of Senators—and the Senator from Massachusetts will corroborate what I am about to state—are protesting against the lavish expenditure by the Federal Government for post offices even in this period of depression. I was wondering if, in view of the extravagance which has characterized the Treasury Department during the past few years, it is building in Binghamton a structure which the people do not want or one which is greatly in excess of what is needed?

Mr. WAGNER. On the contrary, this appropriation was made some years ago, and it does not involve any of the questions in which the Senator from Utah and myself are very much interested.

Mr. VANDENBERG. Mr. President, will the Senator from New York yield to me?

The VICE PRESIDENT. Does the Senator from New York yield to the Senator from Michigan?

Mr. WAGNER. Yes.

Mr. VANDENBERG. May I say that I am thoroughly familiar with the entire situation, because a Detroit contractor was involved at one point, and everything the Senator from New York has stated respecting the equities is true, and in simple justice the joint resolution should be passed immediately.

Mr. WAGNER. I thank the Senator from Michigan.

Mr. COPELAND. Mr. President, I may say that, as my colleague has stated, this measure does not involve a new appropriation or any additional appropriation. I took pains to submit the matter to the Senator from Wisconsin [Mr. Blaine], who is quite an authority on this subject, and I am sure there can be no objection to the passage of the joint resolution.

Mr. BLAINE. Mr. President, I have looked over the joint resolution and the report, and it is a little more involved than what has been stated by Senators. Perhaps it is not very material, but I think the joint resolution clearly expresses criticism of the lack of good judgment or of stupidity on the part of the Treasury Department or the department that has the power to select sites. There is that feature in reference to the measure.

Mr. WAGNER. As to the original location, I think that | session it appeared to be of the greatest importance to have is true.

The VICE PRESIDENT. Is there objection to the present consideration of the joint resolution?

There being no objection, the Senate proceeded to consider the joint resolution (H. J. Res. 583) to provide for a change of site of the Federal building to be constructed at Binghamton, N. Y., which was ordered to a third reading, read the third time, and passed, as follows:

Resolved, etc., That the Secretary of the Treasury is authorized Resolved, etc., That the Secretary of the Treasury is authorized and directed to cause the new Federal building at Binghamton, N. Y. (authorized by the second deficiency act, fiscal year 1931, approved March 4, 1931 (46 Stat. 1587)), to be erected on the Government-owned site located on the north side of Henry Street and extending northwardly between Washington and State Streets, in lieu of on the site of the present post-office building. For such purpose the Secretary is authorized and directed to (a) cancel the existing contract or contracts for the erection of such new building and make a settlement with the contractor for damages susing and make a settlement with the contractor for damages sustained by him as the result of such cancellation, or (b) effect a modification of such contract or contracts to provide for construction of the new building on the Henry Street site, and allow rea-

tion of the new building on the Henry Street site, and allow reasonable additional compensation for any damages or increased costs occasioned the contractor by the change to such new site.

SEC. 2. The Secretary of the Treasury is further authorized and directed to purchase additional land necessary to permit the construction of such new building on the Henry Street site.

SEC. 3. All obligations incurred and/or expenditures made in carrying out the provisions of this joint resolution shall be limited to the amount made available and fixed by existing law for the demolition of the old building and construction of such new building, and shall not be in excess of such amount.

SEC. 4. After occupancy of the new building constructed pursuant to this joint resolution, no rented postal station shall be maintained within 2,000 feet of such building.

SEC. 5. The act entitled "An act to authorize the sale of the Government property acquired for a post-office site in Binghamton, N. Y.," approved May 13, 1930 (46 Stat. 273), is amended to read as follows:

"That the Secretary of the Treasury is authorized and directed

"That the Secretary of the Treasury is authorized and directed to transfer by the usual quitclaim deed to the city of Binghamton, N. Y., the southerly triangular portion (measuring approximately 59.84 feet on Washington Street and 159.75 feet on Henry Street), or such portion thereof as the Secretary may deem practicable, for the purpose of straightening out said Henry Street, of the Government property acquired for a post-office site in such city, fronting on the north side of Henry Street and extending northwardly between Washington and State Streets.'

AMENDMENT TO BANKRUPTCY ACT

The Senate proceeded to consider the bill (H. R. 14359) to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, and acts amendatory thereof and supplementary thereto, which had been reported from the Committee on the Judiciary with an amendment in the form of

Mr. HASTINGS. Mr. President, on February 29, 1932, the President transmitted to the Congress a message recommending the strengthening of the procedure in the judiciary system, together with a report of the Attorney General on bankruptcy law and practices. On the same day I introduced a bill, prepared by the Department of Justice, which bill was a general revision of the bankruptcy act of July 1, 1898, and the various amendments thereto.

On March 1, 1932, an identical bill was introduced in the House. Subcommittees were promptly appointed by the Judiciary Committees of the respective Houses of Congress and held joint hearings during the months of April and May.

In that bill there was a new chapter to the bankruptcy act, known as Chapter VIII, entitled "Provisions for the Relief of Debtor." It contained four sections: Section 73, entitled "Compositions and extensions"; section 74, entitled "Assignments for the benefit of creditors"; section 75, entitled "Amortization of debts"; and section 76, "Corporate reorganizations."

The bill introduced in February, amending the bankruptcy law, involving many questions of policy, became very controversial, and the subcommittees have up to the present time made no reports to their full committees.

During the month of June there was introduced in the Senate a new bill covering section 76, Corporate reorganizations, and the new section thus written included railroads of all kinds. The bankruptcy act, it will be remembered,

the committee and the Congress pass upon two sections under this Chapter VIII. One, the compositions and extensions applying to individuals, and the other, corporate reorganizations, which, as I have stated, included railroads.

The House on January 30 passed H. R. 14359, including these two sections, but in preparing the bill had separated railroads engaged in interstate commerce from the corporate reorganization section and thus appeared three sections-one referring to the individual debtors, one to corporate reorganization, and the other to railroads engaged in interstate commerce.

The subcommittee of the Senate Judiciary Committee, taking this bill as a basis, made such changes in these sections as it deemed necessary. In the meantime, however, the Senator from Arkansas [Mr. Robinson] had given notice that he proposed to offer an additional section which should apply only to the farmer, and at his request the subcommittee considered this proposed amendment and incorporated it in its recommendations, thus making four sections under this new Chapter VIII.

On February 13, without having had as much opportunity to study the subject as was desirable, but remembering the importance of the legislation, the subcommittee laid the whole matter before the Judiciary Committee. That committee, realizing the impossibility of giving it full consideration in time to be considered by the present Congress, concluded to eliminate what were believed to be the most controversial sections, to wit, the corporate reorganization section and the sections dealing with railroads engaged in interstate commerce, and directed that a report be made to the Senate striking out the sections passed by the House and substituting in lieu thereof the sections relating to the individual debtor and the farmer. It is in that form that the bill comes before the Senate.

It must not be understood that the Judiciary Committee took any adverse action with respect to the corporation and railroad sections. It is important also to understand that the failure to act upon those two sections by the Judiciary Committee is no indication that the committee, or any member of it, fails to appreciate the importance of immediate legislation upon the two subjects covered by those sections. The committee faced, or at least believed that it faced, a situation which made it impossible for any legislation to be had upon this subject at the present session unless a portion of the bill was eliminated. There may have been differences of opinion among the members of the committee as to the relative importance of that which the committee passed upon and that which it failed to pass upon, but it was believed, at least, that that which was left out was the most controversial and therefore, from a practical point of view, was the most essential to eliminate.

I desire, in the first place, to take this opportunity to explain in some detail the purposes of the two sections that are left in the bill.

If it be true, as the committee has supposed, that these two sections are the least controversial of the four sections heretofore mentioned, and if it be true, as many of us believe, that it is important that the corporate and railroad sections be adopted. I express the hope that when we have finished with the two sections recommended by the committee the Senate will give consideration to amendments that may be offered touching the other two subjects in the order of their importance, and my own judgment is that the railroad section is the more important of the two.

Mr. President, I may say in this connection that I have prepared this morning and have sent to the desk, with the request that they be printed, two separate amendments which I propose later to offer to the bill as presented to the Senate by the committee, one referring to the railroads and the other referring to corporations.

I consulted some of the older Members of the Senate as to whether it was desirable, in view of the fact that I had made this report, that I myself should offer as amendments these two sections, and I was assured that it was perfectly does not include railroads. At the beginning of the present proper for me to do so. Accordingly, at the appropriate time I shall present them to the Senate. Having that in mind and with the hope that I may save time, I expect to discuss those two sections in some detail before I conclude this morning.

I desire to express the hope that the Senate will refuse to consider amendments affecting the old bankruptcy law which are not related to these two new sections. I make that suggestion for the reason that there are literally hundreds of proposals to amend the existing bankruptcy act; and, if the Senate should undertake to adopt the many proposals that have been suggested to the committee and to individual Senators, it would take many more days than is left in this Congress to consider them even casually. It would be very much like a proposal to change the tariff law upon one item. That subject, as we all know, when it is opened up means a general revision of the tariff act. The same thing would be true here with respect to the bankruptcy act; and, in view of the fact that that whole subject is now before the committee, it would seem to me unwise to adopt any rule of action other than that which I have suggested.

I desire to call attention to the fact that Chapter VIII is entitled "Provisions for the Relief of Debtors." My correspondence shows that this title has misled many people into believing that this proposed bankruptcy act was intended to do some miraculous thing for the people of the country.

At the invitation of the Washington Star I had the opportunity to make an address upon this subject, in which I endeavored to explain as best I could to the public just what was the object of this bill. I did not go into its details, but I hoped to explain it to the laymen and to the people generally over the country who were interested in bankruptcy legislation, because, on the one hand, they hope that it may bring them some relief, and, on the other hand, it has brought to them the fear that the bankruptcy law might destroy the security of the creditors of the country.

It may be wise—and I shall later consider whether it is—to reprint that speech in the Record. I do not want to repeat it; I think it is not necessary to do so for the benefit of the Senate for it would not be particularly helpful to the Senate, but I may conclude finally to ask the Senate to consent that the speech which I delivered over the radio may be printed in the Record at the conclusion of my remarks.

As I said in the radio address to which I have referred. the creditor has no anxiety in these days to possess the physical property of the debtor. In many instances he is willing to give him additional time in which to pay. In many instances he knows that his debtor will not be able to pay, certainly not at the present time, and, unless some relief is granted to the debtor, he will not be able to pay at any time in the future. It is no benefit to the creditor, whether that creditor be an individual or a financial institution, to carry on his or its books obligations which the creditor knows can not be paid. On the other hand, the ambition, the energy, and the hope of many debtors have been ofttimes destroyed by a realization of the impossibility of meeting the obligations which they have made. The constant pressure which greets them every day for payment adds to their misery. It is no advantage to the creditor of such a debtor arbitrarily to refuse to cancel or reduce the obligation, depending upon the condition of the debtor. If. however, the creditor agrees to make such adjustments with his debtor as will inspire the debtor to new energy and new life, he has not only done a magnanimous thing for the debtor, but from a purely selfish point of view, he has increased the value of his own claim. I might illustrate the point I am endeavoring to make by a dozen examples that immediately come to my mind. But it seems to me that what I have said is a thing so well known that it must be admitted by thoughtful people everywhere.

One of the first lessons which the youth learns in the average American home of which we so proudly boast is that

in order to be successful in life he must adopt one cardinal principle, and that is to pay his just debts. The average American who has had the advantages of such training as this looks with horror upon having to resort to the bankruptcy laws for relief. I have personally known of men who seriously considered ending their very existence rather than to be ever afterwards referred to as a person who escaped paying his debts by voluntary bankruptcy. I think this dread of adopting any such avenue of escape should be encouraged and the payment of debts associated always with honor and good conduct. I think also we should avoid as far as may be the use of the present economic conditions as a sufficient excuse. This principle must not, however, be carried so far as to sap the energy, ambition, and hope which has heretofore been the foundation of America's greatness.

Mr. President, in all the sections under this chapter it is contemplated that those seeking the relief shall never bear the stigma of "bankrupt," and in order to avoid it we have provided that they shall be referred to as "debtors." Indeed, these sections undertake to furnish relief for those who are not bankrupt, as that term has been defined under the old act. In all of these sections the person filing the application must allege one of two things, namely, that he is insolvent, which is the term used in the old law, but here is added another very important provision, "or unable to meet his debts as they mature." There are, therefore, two provisions. Insolvency means that he has not sufficient assets to pay his debts, while the other provision makes no such admission, but alleges that his financial condition is such that he can not meet his debts as they mature.

In the two sections referring to the individual and the farmer provision is made for the filing of a petition setting forth one or the other of these two financial conditions, and in the individual debtor section the court is immediately put in possession of the debtor's property through the appointment of a custodian or receiver, if that be found necessary, and immediately all proceedings against such debtor are stayed. Provision is made for the serving of notices upon his creditors, the filing of schedules, the examination of the debtor, the appointment of a trustee by the creditors, and so forth.

May I say at this point that the bill also provides—and all of these sections provide—that if there be an involuntary petition in bankruptcy filed by the creditors of any debtor, that debtor may, in his answer, seek this relief by setting up the claim that he can, if given proper time and under certain circumstances, rehabilitate himself under this section. If he sets that up when an involuntary petition has been filed against him, it is the duty of the court to examine it and find out whether or not he has brought himself within this section. If he has, then he is not declared a bankrupt but he proceeds as a debtor, and gets whatever relief this section of the bill can give him.

If the debtor's proposal be a composition, namely, a compromise with his creditors by which he is to pay in cash a sum less than the face value of their claims, or if his proposal be an extension of time for the payment of his debts, it becomes necessary for him to get a majority in number of all of his creditors, which number must also represent a majority in amount of all of his debts, to consent in writing to his proposal.

This is presented to the court; and then the bill provides that—

The court shall confirm the proposal if satisfied that (1) it includes an equitable and feasible method of liquidation for secured creditors whose claims are affected and of financial rehabilitation for the debtor; (2) it is for the best interests of all creditors; (3) that the debtor has not been guilty of any of the acts, or failed to perform any of the duties, which would be a ground for denying his discharge; and (4) the offer and its acceptance are in good faith, and have not been made or procured except as herein provided, or by any means, promises, or acts herein forbidden.

This section distinctly provides also that the terms of an extension proposal may extend the time of payment of either or both unsecured debts as well as secured debts, provided the security is in the actual or constructive possession of the

debtor or of the custodian or the receiver. It can well be understood that the provision affecting secured creditors did not find its way into either the House bill or the Senate bill without a very serious discussion and the most careful consideration. I did not suppose, at the beginning of such discussion, that I could be persuaded to agree to write into any bankruptcy bill anything which would in any way affect a secured creditor; but I came to the conclusion that in these days of uncertainty and distress, with threats of physical violence to those in authority and with the duty resting upon them to uphold the law, it was wise to do something that would prevent an arbitrary and unreasonable secured creditor from foreclosing his lien and thus in many instances destroying the debtor as well as all of the claims of the unsecured creditor.

The committee had in mind in this connection the operation of the present law, which, under the decisions of the courts, gives to the bankruptcy court the authority to stay all proceedings against the debtor from the time he is adjudged a bankrupt until the estate has been administered. Using this as a basis and as a justification for dealing with the secured creditor, we have deliberately and purposely written into this bill the right of the court to extend the time for the payment of a secured debt as well as that of an unsecured debt. We think we have sufficiently safeguarded the position of the secured creditor in paragraph (i), page 45, by the language I am about to read.

I might say at this point that I have had many letters complaining about that section; and many lawyers and other persons interested and heads of large financial institutions have called upon me, complaining about that particular section. In most instances I have been able to satisfy the person who was there interested and disturbed, because he was representing some creditor, that this suggestion of extending the right of a creditor to compel the payment of his debt was not a very dangerous provision when all things were considered.

I have, however, reached the conclusion that the language as it appears in the bill might be improved somewhat, because it has been argued to me that this provision might also apply to the composition, and that if a majority in both number and amount of the creditors who were unsecured insisted upon settling their debts at so much on the dollar, they could thereby, notwithstanding this provision, compel the secured creditor to take less than the face value of his claim.

So, after conferring with the Solicitor General—with whom I have conferred upon all the provisions of this bill, and who has given to me a help which has made it possible for me to do the work that I have done with respect to it—we have said, if that be contended by anybody, that it is easily enough cured by writing into the bill some such language as this:

Provided, however, That such extension or composition shall not impair the lien or the amount due any secured creditor, but shall affect only the time and method of its liquidation.

I think I have some language that is a little better than that.

In the same connection, representatives of large corporations have come to me and asked what position the corporation was in which had made it a part of its business to guarantee the payment of mortgages that exist in the country—and there are millions and millions in number, and I suppose probably billions in amount, of that kind of mortgage.

There was submitted to me, just a few days ago, language which I think perhaps is as good as can be found to express what seems to be desirable in this connection, but which is not now in the bill. It has been suggested that at the end, or somewhere in this bill in this connection, we write in some such language as this:

Extensions or compositions made pursuant to the foregoing provisions of this act, and each and all of the terms of such extensions or compositions, shall inure to the benefit of mortgage companies and persons, firms, and corporations who, prior to the date of such extension or composition, shall hold or have guaranteed

or insured the payment of such debt or debts, or any part thereof; and a copy of the order confirming such extension or composition, certified as required by the provisions of law with reference to judgments and proceedings in courts of the United States, shall be sufficient evidence that such extension or composition has been confirmed in any suit or proceeding brought against such mortgage companies, persons, firms, or corporations who shall hold or have guaranteed or insured the payment of such debts, or any part of them, whether secured on real estate or otherwise.

In other words, if some insurance company or some bonding company has guaranteed the payment of a \$5,000 mortgage and the mortgagor takes advantage of this section of the bankruptcy act and succeeds in convincing the court that he is in financial difficulty and without relief the mortgage will be foreclosed, and the court finds that is equitable and not going to interfere with the payment of his debt ultimately, but is going to be merely a postponement of that debt-and I assume the court, in doing it, will not postpone it for a very long time, for fear that if they do postpone it for a very long time they may possibly prevent the mortgagee from collecting the whole of his debt-if the court takes that action, if the Congress adopts this provision which we have recommended, and writes it into this law, in an instance like that it would be manifestly unfair to permit that mortgagee to be able to go to the company that had guaranteed his mortgage and compel that company to pay perhaps the full face value of the mortgage as well as the interest, when in the meantime the court has stepped in and said to the mortgagee, "You can not collect your debt."

So, at the proper time, I shall offer that as an amendment. I think that helps the situation very much and relieves the anxiety of a great many of the concerns that are holding these mortgages.

In order for such secured creditor to be so affected it becomes necessary for the debtor to take into consideration the amount of such secured debt when he undertakes to get a majority in number and a majority in amount to consent to his proposal. That fact alone perhaps takes away from this bill a great benefit which a great many people believed was in it; and I think it is important that nobody should be deceived with respect to the effect of it.

What I have in mind in the language that I have used I will undertake to illustrate.

If there be a person who owes a \$3,000 mortgage and \$4,000 of unsecured debts, and that \$4,000 is distributed among four people, as an illustration, the whole amount being \$7,000, it would be necessary for him to get a majority in number and amount—namely, more than \$3,500—before he could in any way affect this secured creditor. If he can get a majority in number and amount, and can convince the court that his proposal is not an inequitable thing for the mortgagee, under this bill the mortgagee may be compelled to withhold his foreclosure proceeding until the end of the time the court has specified.

On the other hand, suppose it be a debtor that has a \$3,000 mortgage and \$2,000 of unsecured debts. Then, before he can take advantage of this provision of this section in a way that will affect the secured creditor, he must get the secured creditor to agree, because, the secured creditor having three-fifths of the whole indebtedness, he can not under this act do anything without getting his consent.

So to that extent I take it that a lot of people who hope to get relief under this bill, if they have in mind holding back the foreclosure of the mortgage, will be greatly disappointed; but it seems to me we have gone just as far to relieve the debtor as it is possible to go without destroying the creditor.

In these days there is much talk and much effort being made to secure moratoriums on mortgages. The bill presented here makes no pretense of doing any such thing, and in that respect it may be disappointing to many persons. It is not expected that this bill will work any wonders. The chances are all of its provisions will not be applicable to more than a small percentage of the distressed debtors, but it is believed that it reaches a sufficient number to warrant the Senate giving immediate and careful consideration to it.

In this connection I desire to point out that in the House bill there was a provision for the extension of time of the payment of debts, both secured and unsecured, without the consent of any of the creditors of the debtor. It would be necessary, however, as stated in that measure, before the court could confirm any such proposal, that it should be made to appear that the debtor's plan was a feasible method of financial rehabilitation and that it was to the best interest of all of the creditors. It seemed to the committee that it ought to be as easy to convince a majority in number and amount of the creditors that the plan suggested by the debtor was for the best interest of all of the creditors and thus get their written consent as it would be to convince the court. But there are additional reasons for not approving any such plan. It would be unfair to impose any such responsibility upon referees or Federal judges, or any other human being, for that matter. Federal judges, as a rule, might, if they had time to investigate and thoroughly consider the matter, be relied upon to do justice between a debtor and his creditor, but in these distressing times, with debtors striving to hold on to their property until conditions improve, the job of deciding whether there was merit in the debtor's application would be too great for human endurance. The result would be utter confusion. The Federal courts would be flooded with applications and the bitter feeling of disappointed and incensed debtors greatly increased.

Paragraph (o) of the House bill sets up a new schedule of fees. It provides that the clerk shall receive \$2, and if the total assets of the estate amount to no more than \$10,000, the referee shall receive \$10, and the filing fee in each case shall be \$5, making a total fee of \$17 in the case of a debtor having \$10,000 of assets.

Bearing in mind such an estate might have several hearings and numerous creditors and thus involve a great amount of work, it is believed that to so limit the amount charged would greatly handicap the administration of this section. In the amendment proposed by the committee this section has been stricken from the House bill.

Somewhere, I think in paragraph (m) of that section, there is a provision written into the bill which would enable the court to fix the fees not exceeding those fixed by the old bankruptcy act, and we have reached the conclusion that with that proviso, which I had overlooked at the time I prepared these remarks, the bill will properly take care of the expenses, and that these amounts written in by the House are probably not sufficient to enable the act properly to be administered.

Mr. President, I think I have covered that particular section, and I want to take up the next section recommended by the committee-that is, section 75, which relates to agricultural composition and extension.

SECTION 75. AGRICULTURAL COMPOSITIONS AND EXTENSIONS

This section in many respects follows section 74 relative to individual debtors. There are some very important differences, however, to which I desire to call attention.

As section 74 was originally drawn it included the farmer and gave him all of the advantages that were given to the individual debtor. The section now presented to the Senate provides that upon the application of 15 farmers in any one county, the district court having jurisdiction of that territory shall appoint a referee, who shall be known as a conciliation commissioner. The act provides that he shall be familiar with agricultural conditions but shall not be engaged in the farm-mortgage business, the business of financing farmers, or transactions in agricultural commodities, or the business of marketing or dealing in agricultural commodities, or the furnishing of agricultural supplies.

It also provides that the district court may, if it be found necessary or desirable, appoint a suitable person as a supervising conciliation commissioner.

I may say that, having drawn this section which pertained to the farmer alone, we struck out of the section relating to the individual the word "farmer," leaving this as the only section that would give the farmer relief. But upon further consideration, although no change has yet been made in the bill, I am satisfied that we should not leave it in that condition, because there may be, and I think and hope there are, many farmers in this country who would not be able to it. I have no doubt but that the section can be improved

avail themselves of this section, because it provides, in the first place, that there shall be 15 in number in a single county before the judge is authorized to appoint such conciliation commissioner. But that is a matter of detail, which can be taken care of at any time.

Paragraph (q) provides that the conciliation commissioner shall upon request assist the farmer in preparing and filing his petition, and in all matters subsequent thereto arising under this section, and that the farmer shall not be required to be represented by an attorney in any proceedings under the section.

It has been alleged in the criticism of this plan that the selection of a conciliation commissioner who, for the purpose of this section, is a referee in bankruptcy, is the selection of a judge who is bound, under the circumstances, to have more sympathy for the debtor than he has for the creditor. The advice of the conciliation commissioner is sought by the farmer in the first instance; he is directed under the measure to prepare the necessary petitions of the farmer, and the farmer is not required to be represented by an attorney in any proceedings under this section.

It is contended that in a contest between a person who claims to be a creditor and the farmer, the conciliation commissioner acting as a judge will, because of his previous conferences with the farmer, be in a disagreeable position.

Another objection to this plan is that before a farmer can get any relief under either of these sections, it will be necessary for him to get 14 other farmers, living in his county, to join him in making his original application for the appointment of a conciliation commissioner. This objection can be remedied by so modifying the section relative to the individual debtor as to permit the farmer to make application under its provisions, if he so desires. I referred to that just a moment ago.

The object of the appointment of a conciliation commissioner is to make it less difficult for the farmer to obtain relief under this bill. There is another important reason also. This bill provides that the conciliation commissioner shall receive for his services the total sum of \$10, paid out of the Treasury of the United States. At the time of the filing of the petition the farmer must deposit \$10 toward the payment of all other expenses in connection with his application. In view of the fact that the costs of the referee are taken care of by the Federal Government, and that no provision is made for the appointment of a trustee, the only other actual expenses would be the cost of subpænaing and paying witnesses in case of a contest of some kind. It is believed by the committee that the \$10 paid by the farmer will pay all of these expenses. The cost to the Federal Government, therefore, would be \$10 in each case, plus the expenses of a supervising conciliation commissioner if any such were appointed, who under the act is to be paid not more than \$5 per day, plus his actual expenses; this to be paid out of the Federal Treasury also.

It will be observed that this schedule of fees is probably considerably less than the fees recommended by the committee in the section referring to individual debtors.

There is another difference in the operation of these two sections. It is not contemplated that any trustee shall be appointed for the farmer and, therefore, the physical possession of his property will be left with him. We have provided that the court shall exercise such control over the property as the court finds necessary, thus the technical legal title to the farmer's property may be temporarily taken from him.

That, of course, is quite necessary and quite important, because if we take the technical title away from him, then he is in the position of acting as his own trustee; and if he takes things and does anything with them without the consent of the court, he would become criminally liable.

Some very definite objections to this whole section were raised in the Judiciary Committee, and I am hoping that it will be adequately debated and carefully considered, as I am sure it will be, before any definite action is taken upon

upon, and I shall gladly cooperate in any effort in this | bers of the Senate may have different views upon this subdirection.

Mr. President, I thought it would save time for me to prepare, in part, at least, what I desired to say with respect to this bill. I covered the two sections which were before the Senate. But I think it desirable that I should at the same time explain the importance of these other two sections.

I think the adoption of the section pertaining to the railroads is the more important of the two, and for two reasons.

As I have stated, I think the adoption of the section pertaining to the railroads is the more important of the two, and for two reasons. First, the railroads are a public necessity; and secondly, they are not so readily adaptable to equity receiverships as are ordinary corporations. 'An equity receivership, as everyone knows, requires an ancillary receiver in every jurisdiction where the railroad corporation has property. In addition to that, the railroad must continue to be operated, and the operation under such a complicated scheme is frightfully expensive and necessarily less efficient.

The section proposed gives to the Federal court in the jurisdiction where the railroad has its principal offices, or where it has its domicile, control over the entire property of the railroad, regardless of where it may be located. This means that one receiver or one trustee is all it is necessary to appoint in order to control the whole operation of that particular road.

The section, as prepared by this committee, is, we believe, amply safeguarded. We have not overlooked the fact that the Interstate Commerce Commission is intended to have a great control over the railroads of the Nation. We have therefore provided that every debtor railroad desiring relief under this section shall, after filing its petition with the court, submit such plan of reorganization to the Interstate Commerce Commission. Full powers are given that commission to hear the railroad representatives and its creditors upon any plan proposed. The commission may approve the plan proposed, change it, if it finds it desirable, or it may adopt a plan proposed by the creditors. Special direction is given to the commission to approve no plan unless it is equitable and in the interest of the public. If the plan approved by the commission shall be accepted by two-thirds of any class of debtors, it shall immediately be binding upon that whole class. Ample provision is made for the class of creditors who do not accept the plan, whereby an appraisal of the value of their claims may be had, and thereupon they shall be paid in cash or securities that are equal to cash.

I think, as now drawn, we have stricken out the provision referring to securities which are equal to cash.

It has been pointed out that, under the present conditions, it is not possible for a railroad corporation to make any adjustment with any class of security holders because of its inability to get all of them to agree to the plan. It is well known that there are always some creditors who refuse to join in corporate reorganization, hoping and believing that they can thereby secure for themselves a greater amount for their holdings than is being given the group that is willing to make such readjustments.

There are some details in the bill which it might be necessary to discuss. I shall for the moment touch upon only two or three of the most controversial ones.

In the bill as it passed the House it is provided that the judge can not appoint a trustee under this section unless such trustee has been recommended by the Interstate Commerce Commission. Our committee changed that and provided that the commission should select a panel of trustees, from which the judge might select one or more. It also provided that the judge might select one not mentioned in the panel, provided such selection was approved by the commission. The question has been raised as to whether it would be possible for the commission to select a panel beforehand from which a desirable trustee could be selected under the terms of the bill. A temporary trustee is to be appointed as soon as the bill is filed in the court. This becomes necessary in order to preserve the property and prevent equity suits being brought by the creditors. Mem-

ject, but, in my judgment, it is not important enough to justify delay in passing the bill. Finally, we have stricken it all out and left a provision which I have prepared, and left it entirely to the court in the selection of the trustee.

Mr. BLAINE. Mr. President, will the Senator yield? The PRESIDING OFFICER (Mr. FRAZIER in the chair). Does the Senator from Delaware yield to the Senator from

Mr. HASTINGS. I yield.

Mr. BLAINE. The Senator's suggestion implies that the Judiciary Committee had done something respecting the railroad provision and the corporation provision. I do not believe the Senator intends to imply that the Judiciary

Committee took any action upon those provisions.

Mr. HASTINGS. The Senator evidently did not hear the beginning of my address in which I explained clearly that the Judiciary Committee had not done any of these things and had not given them consideration. The only thing I said with respect to the Judiciary Committee was that it could not be said—and could not be inferred from the action of the Judiciary Committee—that that committee was opposed to either of the sections or does not fully realize the importance of their adoption.

Mr. BLAINE. But the Senator does not imply that the Judiciary Committee considered those two sections in any respect in reporting out the bill?

Mr. HASTINGS. I have with the greatest care tried to make it clear that the Judiciary Committee is not responsible in any sense for the two sections.

Mr. BLAINE. What the Senator is now reporting are his own views and not the views of the Judiciary Committee?

Mr. HASTINGS. That is correct. Mr. BRATTON. Mr. President—

The PRESIDING OFFICER. Does the Senator from Delaware yield to the Senator from New Mexico?

Mr. HASTINGS. I yield. Mr. BRATTON. The Senator pointed out the differences between the House bill and the bill prepared by the Senator with respect to the appointment of trustees. I understood him to say that now he has stricken out everything and left the appointment of the trustee entirely to the judgment of the court.

Mr. HASTINGS. That is correct.

Mr. BRATTON. When and where was that done?

Mr. HASTINGS. May I say to the Senator in reply that I am now talking about an amendment which I myself am introducing and for which I am wholly responsible. I did not intend to imply that any other member of the committee was responsible for it in any way. If I gave any such impression it was not intentional. The amendment which I expect to offer to the bill with respect to the railroads has not had the approval of even the subcommittee of the Judiciary Committee. The full committee having instructed me to report to the Senate the two sections, and there being such pressure on me by Members of the Senate and others to see whether it is possible to have adopted the railroad section in particular and the corporate reorganization section if possible, I have given considerable time in trying to perfect that amendment to meet the various views of many persons, hoping that by meeting those views it would be possible for me to get them through the Senate.

Mr. WAGNER. Mr. President-

The PRESIDING OFFICER. Does the Senator from Delaware yield to the Senator from New York?

Mr. HASTINGS. I yield.

Mr. WAGNER. Has the full committee considered the railroad reorganization section at all?

Mr. HASTINGS. It has not. In presenting the matter to the Senate the Senate does not have the advantage of the matured consideration of the Judiciary Committee upon this subject.

Mr. WAGNER. May I ask the Senator another question? Mr. HASTINGS. Certainly.

Mr. WAGNER. I know the Senator has given a great deal of time, study, and thought to the subject. I would like to of that particular provision? I am asking only for the purpose of emphasizing that I think it will be difficult for the Senate in the closing days of the session to pass upon so complex a proposition.

Mr. HASTINGS. I can not give the Senator accurate information, but I can say that there are not enough days left in this Congress for the Senate to give as much time to it as I have given.

Mr. LA FOLLETTE. Mr. President-

The PRESIDING OFFICER. Does the Senator from Delaware yield to the Senator from Wisconsin?

Mr. HASTINGS. I yield.

Mr. LA FOLLETTE. May I ask the Senator from Delaware whether he thinks such an important piece of legislation as the two sections he is now discussing, and which he has offered as an amendment to the bill, should be disposed of in the closing hours of the Congress without their first having been considered by a committee?

Mr. HASTINGS. I think the Senate may very well doubt that. If I may be permitted, I should like to proceed and explain the sections, a thing I did not originally intend to do, but I think I can do it in a little while. If I might be permitted to explain the two sections that I expect to propose as an amendment to the bill, I shall then suggest to the Senate that we dispose of the two sections which were submitted by the committee to the Senate, and then, and not until then. I will undertake to take much of the time of the Senate on the other two proposals. That is the way I would like to see it work out, but I would like to invite attention to my proposed sections while I am on the subject and would like to explain them. I want to comment also upon the importance of having some legislation at this session upon the subject matters covered by them.

Let me say to the Senator from New York [Mr. WAGNER] and to other Senators that the railroad section, as I expect to present it to the Senate, is not of my own creation, certainly not solely my own creation. The Solicitor General has given much time to it and has assisted me in talking to lawyers all over the country who found objections to it. He has taken it up with the representative of the railroad executives and with the Interstate Commerce Commission, and it has been changed from time to time to meet the objections and suggestions that have been made by the various groups. In that group was also a representative of the New York group which has been studying the railroad situ-

As I believe I said, the amendment which I shall propose strikes out the selection of any panel of trustees and deprives the Interstate Commerce Commission of having anything to do with it, because, after a good many conferences in regard to it, it was believed that it would be easier to select a person for a particular railroad job than it would be to undertake to select a panel and take the chance of that panel including the man who was particularly qualified for it.

In that connection let me invite the attention of the Senate to the fact that the moment the bill is filed, without knowing whether it is possible to get the necessary votes of the creditors to put any plan through, but the moment it is filed by the corporation, a trustee is appointed for the purpose of preserving the property.

In that same connection I might point out that it is not left alone to the railroad to present the bill to the court declaring itself insolvent or unable to meet its debts and that it is desirable to have reorganization, but 5 per cent of the indebtedness of the railroad as shown by its last report may take such action-not, however, until the matter has been heard by the Interstate Commerce Commission. That is, a minority group can not go and make difficulties for the railroad without first having submitted their objections and their ideas to the Interstate Commerce Commission. The Interstate Commerce Commission undoubtedly knows more about the condition of all the railroads than any other one agency in the Government, or outside of the Government for that matter. So there are two ways in which the matter

ask the Senator how long he has taken in his preparation | may be brought to the court. But, whenever it is brought, there must instantly be appointed, at least temporarily, a trustee. I do not know whether it is advisable to have the Interstate Commerce Commission submit a panel of trustees or not. That is certainly not important enough to defeat the measure.

Another change made in the House bill referred to "special masters." The House provided that six special masters should be appointed by the President and confirmed by the Senate, and from such a panel so selected the judge should pick a special master if it became necessary to appoint anyone to aid him. The report on the House bill by the Judiciary Committee indicates that the purpose of this plan was to build up a group of specialists upon this subject who would be more efficient than persons who might be selected by the district court.

The House provided that such special masters shall not receive salaries, but shall be allowed fees for their services. Bearing in mind that such special masters in order to be helpful to the court ought to be outstanding lawyers, and realizing that outstanding lawyers would not give up their practice and sit around and wait to be selected from such a panel it was believed that the worthy object which the House had in mind could not be thus realized. In order, however, to avoid the possibility of a district judge selecting some person that he desired to favor instead of the person who could best do the work, the alternative suggestion has been written into the Senate section, providing for the selection by the circuit court in each of the 10 circuits of a panel of three, from which the district judge might make his selection. This plan has the additional advantage of having a person selected in the circuit where the litigation is pending. It was believed that it would be less expensive to take a person from the circuit where his work would be close to his own office than it would be to perhaps drag him across the continent in order to perform the same service.

Just here it might be well to state that the general impression that receivers, trustees, and special masters are treated too liberally by the district courts has been considered and in order that the Federal judges may be relieved of some such responsibility, provision is made that these fees shall be reviewed by the Interstate Commerce Commission and the maximum amount fixed by it. This certainly ought to be a sufficient safeguard.

The bill, with respect to the corporate reorganization, is somewhat along the same lines except, of course, the Interstate Commerce Commission is not mentioned in connection with it. Under the corporate reorganization section there are two ways in which the matter can be gotten into court. The debtor corporation may make the application stating that it is insolvent or unable to meet its obligations as they mature, and that it desires to present a plan to its creditors for reorganization. The other way is if there be creditors of the corporation who file an involuntary petition of bankruptcy against that corporation alleging that it is bankrupt and so on; then in such instances the debtor may, in its answer, set up the same things which it could set up if it were filing a petition in the first instance. Those are the two ways in which the debtor gets into the court under this

Then, adequate provision is made for the appointment of a trustee if it be found necessary and for notices to be sent to creditors, and so on.

There is one paragraph in that section about which some complaint has been made, a complaint which I think is not well founded when read in connection with the whole bill. There is a provision for the submission of the plan to the creditors of the corporation at any meeting called for that purpose. That plan may be submitted by the debtor; it may be submitted by the creditor; it may be submitted by a stockholder; but, in order to present any plan at all, there must be obtained the consent of 10 per cent of the creditors of the corporation. The purpose of writing that provision in the bill was to save time and prevent a multitude of plans being suggested without having very much back of them.

Just as is done in the railroad section, in this section it ! is made necessary for the debtor to secure two-thirds in number of any class of creditors. Having gotten two-thirds of such number that class is bound. In the railroad section I did not mention, I think that two-thirds of any class bind the whole class and compel them to accept even though they be secured creditors. There has been much controversy with respect to that provision, though not so much in the case of the railroad section as in the case of the corporate section. To most of us it seems desirable that the twothirds shall be compelled to bind the one-third; but, bearing in mind always that the minority must be protected, in the corporate reorganization section we have provided for an appraisal of that one-third value which is left out and the payment of that one-third in cash, putting such creditors in the same class in which are put the class of creditors where the consent of two-thirds is not obtained. I am not sure that I have made myself clear with respect to that, and I will repeat a portion of it.

If there are three classes of creditors in a railroad corporation—I am taking a railroad in this instance—and two-thirds of the number in the first class agree to the plan and two-thirds in the second class agree to the plan but only 50 per cent of the third class agree to it, the first class and the second class are bound, but no one in the third class is bound. Then, under the proposed act, the court undertakes to appraise that property, as it appraises property under the old bankruptcy act, and pays to those in the third class in cash.

When we come to the corporate reorganization section we have not written such provision in it, because we were afraid to do so, believing that there would be serious objection to it; and I myself do not know whether I am for it or against it. In the case of the corporate reorganization section this arrangement is provided: There are the same three classes. If two-thirds of the first class agree and two-thirds of the second class agree, the other one-third in both of those classes are put in the same position as those in the third class where a two-thirds majority is not obtained, and under those circumstances an effort is made to appraise the value of the holdings of those minority groups and to pay them in cash. This applies, however, to secured creditors only.

It has been argued by lawyers who are engaged in reorganizing corporations that unless we make it possible for the creditors voting two-thirds to bind the one-third, then the bill will not amount to anything. I disagree with that view; I do not believe it is correct at all; but, with these two thoughts passing through my mind, I undertook to find some sort of a compromise between the two. So I have written into one of the bills a provision to the effect that instead of being compelled to pay cash to the one-third of the creditors, in either instance, or the whole class that objects in another instance, instead of being compelled to go out in the market and raise the cash I have provided that if the judge should find it desirable he might compel them to take marketable securities which were equivalent to cash.

I have been convinced, after much criticism of that provision, that it probably did not amount to very much and that we are back to where we were, either to the point of permitting two-thirds to control the whole class or to let the one-third have an opportunity to have the property appraised and get their money in cash.

Mr. President, there is one other provision in this bill that is very controversial. The House wrote into the bill a provision to the effect that none but natural persons should be appointed receivers or trustees under this bill, except that for certain reasons appearing wise to the court, he might appoint a corporation, but that should not be done in a multiplicity of cases. That provision was written in the bill for one specific purpose. That purpose was to prevent the judges in the southern district of New York, there being eight of those judges, from appointing a certain trust company as permanent receiver in all bankruptcy cases.

It is stated that that practice has been going on now for some years, that there are as many as 5,000 such cases, and

that the courts referred to have a standing rule appointing one particular trust company receiver in bankruptcy cases. As we hear about that, and if we do not happen to know anything about it, it strikes us as more or less of a shocking thing for a court to do, and in the city of New York there is a very great feeling with respect to it among the judges and among the members of the bar, the judges, on the one hand, with many members of the bar agreeing with them, and a great many members of the bar disagreeing with them. The courts call attention to the fact that some two or three years ago there was a scandal in New York City with respect to bankruptcy cases, and the court was compelled to adopt some such drastic rule as this in order amply to protect the creditors of bankrupts' assets. The lawyers, on the other hand, say in reply that those irregularities grew out of the delinquencies of one Federal judge, who subsequently resigned; that the bar associations of New York City have spent \$75,000 of their own money cleaning up that particular mess; and that, having been as patriotic as that, having taken that much pride in their own profession, it is cruel and wrong for the courts now to take away from them that which under normal conditions would be a part of their

There is much to be said, and much has been said, about that contention. Every day and several times a day I have been importuned with respect to it. There are Members of Congress who are insisting upon one thing and the Federal judges and a number of very excellent lawyers in New York who are insisting upon another. My own judgment is that under the present plan the creditors receive a greater sum out of the bankruptcy proceedings than they otherwise would, but I hesitate to put myself in a position of supporting what appears on its face to be a monopoly; and so I am in great distress with respect to it.

I have undertaken to reach some compromise with respect to that provision, and I have written into the amendment which I propose to offer a provision which I think may be reasonably satisfactory. That provision prohibits the court from adopting any such rule and leaves the individual judge to follow the practice, if he may think it is wise, or to follow some other practice if he thinks it unwise. That is my recommendation with respect to this subject. It is the only way of which I know to get out of it.

Mr. President, I may say in conclusion-

Mr. GEORGE. Mr. President-

The PRESIDING OFFICER. Does the Senator from Delaware yield to the Senator from Georgia?

Mr. HASTINGS. I yield.

Mr. GEORGE. The Senator has pointed out some of the serious objections that have been raised to the corporate and railway provisions of the amendment which he proposes to offer. I should like to ask the Senator if the Judiciary Committee has given any close study to the general question of public policy involved in permitting a railway corporation or any other corporate entity to become a voluntary bankrupt?

Mr. HASTINGS. I do not know how many members of the committee have done so, but the committee, as a whole, has not. The committee, as a whole, has not considered either the railroad section or the corporate reorganization section.

Mr. GEORGE. Wholly aside from all the objections about which the Senator is talking, does he not think that the Judiciary Committee ought to give very careful consideration to the broad question of policy involved in permitting in a respite law voluntary bankruptcy on the part of a corporation—any sort of a corporation, but particularly a corporation such as a public carrier? There is a moral restraint, however the law may be framed, against the individual going into bankruptcy or taking shelter under a debtor's respite law of any character, but there is not any moral restraint at all operating on the conscience of a corporation when it is offered shelter under such a device—if I may refer to it as a device—as these two sections, just from a hurried reading of them, impress me as being.

I am not a member of the Judiciary Committee, and I should like to know if the committee has passed upon this broad and, as I think, all-controlling question of public policy. The Senator, I understand, says the committee has

Now I want to ask the Senator with reference to the individual provisions; that is, the sections that permit the individual or the farmer to come in. I did not have the opportunity of hearing all that the Senator said, and I do not find anything in the report on this particular question.

The individual debtor, or, let us say, farmer, may avail himself of the protection afforded by this part of the bill, and he may stay all proceedings by secured creditors. As I understand, of course the lien of the secured creditor is in no wise affected, but the manner and method and time of procedure on the part of the creditor are under the control of the court. I believe that is correct.

Take the ordinary case of the secured creditor who holds a lien against the property of the individual, but who also has the guaranty of a guaranty company for the payment of interest or discharge of the lien. Is there any provision in the bill which would protect that guarantor, or would he simply be left out in the cold while his debtor went in under the stay law and had the protection of the court?

Mr. HASTINGS. Some time earlier in my remarks I called attention to and read what I later proposed that

would take care of that guarantor.

Mr. GEORGE. I did not hear the Senator. I was wondering about that, because frequently the guarantor would be called upon to make payment of maturing interest, but, of course, his hands would be stayed. He could not call on the debtor, because the debtor would have the protection of the court.

Mr. HASTINGS. I think it would be admitted that that ought to be done.

Mr. ROBINSON of Arkansas. Mr. President, will the Senator yield?

Mr. HASTINGS. I yield to the Senator from Arkansas. Mr. ROBINSON of Arkansas. The Senator stated earlier in his remarks, when the Senator from Georgia was absent. that it was his intention to offer certain language which he read to the Senate, covering the point which the Senator has raised.

Mr. GEORGE. I did not hear that. I was anxious about it.

Mr. HASTINGS. Now, may I say in reply to the Senator's suggestion that, of course, I think it is unfortunate that the Senate does not have before it, when it comes to consider a bill of this importance, the benefit of the most careful study by the whole Judiciary Committee. I for one should have hesitated about trying to get a report from the committee to the Senate without that careful study except for the fact that since it was known that I was chairman of the subcommittee considering this matter it has been urged upon me so often and so vigorously by all classes of people, and I have been so impressed with the statements that the chances were that it would go a long way toward helping us out of our present condition, that I have been willing at least to give whatever time I could give to it, and to bring it to the Senate and discuss it as frankly as I could with the Senate, in the hope that with a frank discussion of the measure and a study by the Senators who would interest themselves in it, as most of them undoubtedly will, for a period of three or four days, it would be possible for us at this session of the Congress to pass a bill that would be perfectly safe and would, after all, be well considered, although it did not have the advantage of the study of the Judiciary Committee.

Mr. GEORGE. I am sure that I appreciate the attitude of the Senator; and I appreciate his desire to open up any defensible avenue of escape for the railway companies, or other corporations for that matter, in this great emergency. I must remind the Senator, however, that those of us who are not members of the Judiciary Committee probably have followed our usual custom, especially under the pressure of this hard session, and have shunted aside everything that | Chair.

came to our desks about this important suggestion, in reliance upon the advice of the full committee finally upon all of the questions.

I find myself in that position; and I wanted to know if the committee had given consideration to what seems to me to be the first, primary consideration with reference to these particular provisions. I am not suggesting, however, that the Senator is not prepared to give us the same information that the full committee would, and I am sure I can say to the Senator that I know that his desire is to present to the Senate a measure that may be of real help to the industry and commerce of the country at this time.

Mr. HASTINGS. I might say, in further reply to the Senator, that it was suggested to me yesterday that it was perfectly possible to have this bill rushed through the Senate. It was believed that the Senate was in a frame of mind to legislate, and this was a good opportunity to get this bill through.

It may be, and I think it usually is, in the Senate, that we depend upon our committees. I know it is with respect to my own attitude. I depend largely upon the committees, and I follow the recommendations of the committee unless I have heard the debate and have made up my mind that the committee was wrong with respect to the matter under consideration.

Mr. ROBINSON of Arkansas. Mr. President, will the Senator vield?

Mr. HASTINGS. I yield.

Mr. ROBINSON of Arkansas. I should like to make a suggestion which I believe may meet the approval of the Senator from Delaware and which I am certain will be gratifying to a number of Senators, including some who are members of the Judiciary Committee.

The Senator has said that it is his purpose to proceed with the two sections that have been reported by the committee, and with that policy I am in hearty accord.

May I suggest to the Senator that it be at least tentatively understood that when those two sections have been disposed of and agreed upon, if an agreement is reached, it may then be practicable to lay aside temporarily the bill and take up some other matter, so as to afford an opportunity for a further study of the two sections that were eliminated by the action of the Judiciary Committee.

I am convinced, if I may make that statement now, that it is very desirable and essential that some provision be incorporated with respect to railroad reorganizations. It is not my intention to go into a discussion of that subject at this time, but I think the Senate will desire an opportunity to pass upon it.

If we can dispose of these two sections to-day and then take up some other matter, laying aside the bill temporarily, and let the remaining two sections go over so as to afford that opportunity for study which I think we all admit is necessary, I believe it will tend to strengthen the bill, particularly in relationship to the two sections referred to.

I think I ought to add this:

I am among those who have been pressing for action on this bill, particularly as it relates to the farmer. As stated by the Senator from Delaware, I offered the amendment that was incorporated with certain changes as section 75 of the pending bill; and the Senator from Delaware worked day and night in his effort to get action and to bring the subject matter before the Senate. He is to be highly commended for the diligence he has shown. At the same time, other members of the committee and Members of the Senate have not had opportunity to make a study, particularly of the corporate-reorganization and railroad-reorganization sections; and it seems to me that in the interest of effective action it might be well to dispose of the two sections first referred to by the Senator, the one relating to individual and the other to farmer compositions, and postpone until to-morrow consideration of the other sections.

How does that appeal to the Senator?

Mr. BRATTON and Mr. LA FOLLETTE addressed the

The PRESIDENT pro tempore. To whom does the Senator from Delaware yield?

Mr. HASTINGS. I yield to the Senator from New Mexico.
Mr. BRATTON. Mr. President, I appreciate the indulgence of the Senator from Delaware in order that I may make a brief statement with respect to my attitude touching these two sections—the one relating to corporate reorganization and the other relating to railroad reorganization.

Permit me to say in a preliminary way that I commend the Senator from Delaware, the chairman of the subcommittee, for the extraordinary diligence with which he has handled the measure. The bill was referred to a subcommittee of three members, the Senator from Delaware being chairman, the Senator from Rhode Island [Mr. Hebert] and I being the other two members.

The Senator from Delaware has devoted himself industriously and energetically to the bill; but I have given it very little consideration, and I think the same is true of the Senator from Rhode Island. In fact, the chairman of the committee prepared and gave to the Senator from Rhode Island and to me each a copy of a tentative report of his consideration of the measure, such report reaching us only two or three days before the bill was reported to the full committee.

So, Mr. President, in the final analysis of the situation, only one member of the Judiciary Committee has given prolonged consideration to this important measure. As a member of the subcommittee and as a member of the full Committee on the Judiciary, I do not think we would be justified in passing during the closing days of this session a measure so far-reaching in its effects as the section touching railroad reorganization.

Entertaining that belief, I made a motion in the full committee that those two sections be dropped from the measure—that is to say, the one touching corporate reorganizations, the other touching railroad reorganizations—and that the remaining two sections, dealing with individual debtors and farmers, be reported to the Senate.

We are in the closing days of a strenuous session of Congress, one which has exacted heavy duties of every Member of this body. This measure is far-reaching in its possibilities. It is my judgment that action on the corporate-reorganization section and on the railroad-reorganization section should be deferred.

Mr. ROBINSON of Arkansas. Mr. President, will the Senator from Delaware give me leave to make a statement for the benefit of the Senator from New Mexico?

Mr. HASTINGS. I yield.

Mr. ROBINSON of Arkansas. The provisions that have been stricken out by the action of the Judiciary Committee having relation to corporate reorganizations and railroad reorganizations are in the House bill.

Mr. HASTINGS. That is correct.

Mr. ROBINSON of Arkansas. And, of course, they will be in conference, no matter what may be the policy of the Senate in striking them out.

It was my thought that perhaps, if the Senate should avail itself of the suggestion which I made a few moments ago, greater freedom of action could be assured the conferees if the Senate were afforded the opportunity to pass on the amendments which the Senator from Delaware has worked out, and which he has stated it is his purpose to offer on the floor, in order that the Senate might have the opportunity of determining that question and the further question as to the relative merits of the House provision—which, as I have stated, will be in conference anyway—and the amendments which the Senator from Delaware expects to propose. I think it would be sound policy, if we can do so, to consider those amendments so as to liberalize the powers of the conferees.

Mr. BRATTON. Mr. President, will the Senator indulge me for just a moment? Then I shall not trespass further on his time.

Mr. HASTINGS. I yield.

Mr. BRATTON. Of course, whatever action the Senate takes should be taken with all of the deliberation available to us in the closing days of the session. I freely concede

that, and while legislation on this subject may be both important and necessary, I still doubt whether the Senate has available to it now sufficient time to enable it to give to this legislation the consideration it deserves and demands.

I hope very much, therefore, that we may defer action on these two sections until the Senate may have available to it enough time so that at least several members may devote themselves to it with interest and devotion comparable to the industry with which the Senator from Delaware has applied himself to the bill.

Mr. LA FOLLETTE. Mr. President, will the Senator from Delaware yield to me?

Mr. HASTINGS. I yield.

Mr. LA FOLLETTE. May I make a suggestion for the consideration of Senators who are interested in this measure? I agree with everything that has been said by the Senators who have spoken concerning the importance of the legislation under consideration. My understanding is, however, that the Committee on the Judiciary reported the pending amendment with the understanding that it was not possible, in the time remaining, to pass upon the section dealing with corporations and the section dealing with railroads.

If it is desired—and if the Senate feels that it is necessary—that these two important sections of the bill should be acted upon at this session, may I suggest the advisability of recommitting the bill to the Committee on the Judiciary without further debate, permitting that committee to take up and consider the two amendments which the Senator from Delaware has offered, thus affording some agency to act for the Senate which will be enabled to draw into the discussion and into the work of perfecting those amendments persons outside of the Senate who have given a great deal of study to these two sections of the bill, and whose advice in the matter, I think, will be very helpful to the Senate.

The only objection I see to the suggestion offered by the Senator from Arkansas is that if we lay this matter aside there will be no group of Senators upon whom will be fixed the direct responsibility of attempting to pass upon these two important sections of the bill. In the meantime the Senate will be working upon other matters of importance, and when we come to resume the consideration of the bill we will find ourselves in just the same situation in which we are at the present time.

Mr. WATSON. Mr. President, will the Senator yield to

Mr. HASTINGS. I yield to the Senator from Indiana.

Mr. WATSON. I would like to ask the Senator whether or not the provisions of the bill, aside from the two under consideration, are of sufficient importance to justify the Senate's acting upon them and passing them without immediate consideration of the two which are now being discussed?

Mr. HASTINGS. My own judgment is that there are Members in the House and Members in the Senate some of whom believe that the first section is the most important section in the bill. There are others who believe that the section relating to the farmer is the most important section in the bill. There are others who believe that the corporate reorganization section is the most important, and many believe that the railroad section is the most important of them all.

As I have stated, the Committee on the Judiciary did not undertake to state which was the more important and which was the less important, but, following the suggestion of the Senator from New Mexico, the Committee on the Judiciary directed that those be presented to the Senate which seemed to be less controversial than any others, and which could be explained very much more easily and could be understood by the Senate very much more easily than the other two sections.

I have gotten myself into this great difficulty here with respect to the two sections by undertaking to go through with an explanation of the whole bill in the first instance. What I intended to do was not exactly what the Senator

from Arkansas suggested, but I did not intend that the Senate should get into any controversy or argument with respect to the corporate and railroad sections, until we had passed upon that which had been recommended by the committee.

Having gotten that much done, I, of course, am not in a position to insist, and will not for a moment insist, that the Senate act upon these two sections which the Committee on the Judiciary did not have an opportunity to pass upon, unless the Senate agrees with me that these things are of such paramount importance that the Senate ought to be willing and ought to endeavor, sitting as a committee of the whole, if you please, to understand these two sections, and to see to it that, if it is possible to do so, the country get whatever advantage is possible from such

Mr. WATSON. Mr. President, will the Senator yield further?

Mr. HASTINGS. I yield to the Senator.

Mr. WATSON. I would like to ask the Senator whether or not he wants the bill passed with the two sections out?

Mr. HASTINGS. The question is not what I want done; it is what the committee recommended. I am here representing the committee, and will not knowingly do that which the committee does not want me to do in connection with

Mr. WATSON. From the discussion here of this phase of the subject, I have been led to understand that the committee had made no recommendation.

Mr. HASTINGS. They have made recommendations on two sections, on the two sections which are believed to be least controversial, although one member of the committee is very much opposed to the farm section.

Mr. WATSON. What were the two sections?

Mr. HASTINGS. The individual-debtor section and that which pertains to the farmer alone.

Mr. WATSON. They are of sufficient importance to be passed, are they not, without regard to the others?

Mr. HASTINGS. I have no doubt but that they are sufficiently important.

Mr. DILL. Mr. President, will the Senator yield to me?

Mr. HASTINGS. I yield.

Mr. DILL. I want to say just a word in response to the suggestion of the Senator from Wisconsin about referring the bill back to the Committee on the Judiciary. If that is done, there will be no chance of the bill's being considered any further at this session.

Mr. HASTINGS. That is correct.

Mr. DILL. Let me call attention to my reason for saying that. The corporate section and the railroad section involve the possibility of reorganizing the capital structure of literally billions of dollars of property of corporations in this country, and it seems to me that the only hope of getting any legislation of this kind is to pass the pending bill, and let the Committee on the Judiciary in the special session which will follow this take up these other matters, because, as one member of the Committee on the Judiciary, I am unprepared to discuss intelligently this subject. I do not know what it involves. I should like to have hearings, and I think other members of the committee would like to have hearings, on these sections, because they are so vast in their ramifications and effects.

Mr. LA FOLLETTE. Mr. President, will the Senator from Delaware yield to me?

Mr. HASTINGS. I yield.

Mr. LA FOLLETTE. I merely wish to say, in response to the statement made by the Senator from Washington, that I have no desire to prevent action on this subject at this session. What I had in mind was that if the Senate is determined to pass on it, it would be better for the Committee on the Judiciary to take the bill over the week-end, and endeavor to work out something which it could sponsor and recommend, than it would be for us to proceed here on the floor of the Senate to try to write as important a piece of legislation as this. Senators will recall that in connection from the point of view of technical draftsmanship they should bring a blush of shame to the face of every Senator who has anything to do with them.

Mr. ROBINSON of Arkansas. Mr. President, will the Senator yield to me?

Mr. HASTINGS. I yield.

Mr. ROBINSON of Arkansas. Does not the Senator from Wisconsin realize, as stated by the Senator from Washington, that to recommit the bill means no bill for this sessionmeans its defeat, unalterably and definitely?

Mr. LA FOLLETTE. Mr. President, if the Senator from Delaware will permit, I do not believe that is true. I believe that if the bill were sent back to the Committee on the Judiciary to-day and they were given an opportunity to study the amendments offered by the Senator from Delaware to-morrow and over the week-end, on Monday the committee could report back its recommendations in the premises.

Mr. ROBINSON of Arkansas. I will rest the matter on the statements made to me by members of the Committee on the Judiciary, that if the bill be recommitted there can be no action on it during this session. I know that the Senator from Wisconsin has no motive to defer or prevent action. Nevertheless the inevitable effect of his suggestion for a recommittal would be to prevent legislation.

Mr. LA FOLLETTE. If that be true, Mr. President-with the indulgence further of the Senator from Delaware—may I say that if it is impossible for the 15 members of the Committee on the Judiciary, devoting undivided attention to this matter for two or three days, to work out any solution of it, how much more preposterous it is to suppose that 96 Senators here on the floor of the Senate can write legislation properly drawn to treat with the two important sections the Senator from Delaware has offered?

Mr. FESS. Mr. President-

The PRESIDENT pro tempore. Does the Senator from Delaware yield to the Senator from Ohio?

Mr. HASTINGS. I yield.

Mr. FESS. I was impressed with the suggestion of the Senator from Arkansas the moment he made it. My correspondence indicates that there is very wide interest in this subject. That section which refers to the farmer is claiming an enormous amount of attention in my section of the country, and I think it is universally conceded that the two sections which are submitted should be passed, if we do not get anything more.

I do think, also, that the two amendments which the Senator from Delaware is proposing are important enough to have a little consideration given to them. We possibly would get farther if we proceeded on the suggestion of the Senator from Arkansas to lay the bill aside for a time, after which we could take up the measure and have a discussion of these two items. If we recommit the bill, Senators understand what procedure would be necessary to get it back on the floor, while if it is laid aside, I could call it up at any minute, or any other Member of the Senate, by calling for the regular order, could bring the bill before us immediately.

It seems to me it is worth while, in view of the fact that we want these two sections if we do not get anything more, to give time to consider the other two, but let us not send it back where it could not be gotten before us again and we could not call it up. I am very much impressed with the suggestion of the Senator from Arkansas.

Mr. BRATTON. Mr. President, will the Senator from Delaware yield?

Mr. HASTINGS. I yield.

Mr. BRATTON. I agree with the Senator from Arkansas that if the bill is referred back to the Committee of the Judiciary the result will be no legislation at this session. I agree likewise with the Senator from Washington, that we do not have sufficient time to give thorough consideration to the section relating to railroad reorganization, because it is complicated and involves the capital structure of railroad companies. That was the very reason that moved me to offer the suggestion in the Committee on the Judiciary with important bills where we have attempted to do that, that the two sections, one relating to individual debtors and

the other to farmers, be reported to the Senate, and the other two highly complicated sections be dropped until a subsequent time when we would have an opportunity to study them carefully. It seems to me that if we should proceed to consider the two sections now before the Senate and pass the bill in that form, the body at the other end of the Capitol would readily concede that this body had not had adequate time to study the other two sections, and that they would be willing to recede on those two sections, thus allowing those two phases of the legislation to go until the extra session of the Congress. I hope very much that course may be followed.

Mr. BYRNES. Mr. President-

The PRESIDENT pro tempore. Does the Senator from Delaware yield to the Senator from South Carolina?

Mr. HASTINGS. Certainly.

Mr. BYRNES. I would like to ask the Senator from New Mexico if the bill was temporarily laid aside, as suggested by the Senator from Arkansas [Mr. Robinson], whether it would be feasible for the Judiciary Committee then to proceed to the consideration of the amendment which will be offered by the Senator from Delaware? Every member of the Senate concedes the importance of legislation on the subject, and because of the emergency and of the necessity for the legislation and for its consideration, I wonder if the Judiciary Committee could not proceed to consider that question? They have at hand the hearings held in the House and the discussions there. My opinion is that very careful consideration was given to the matter at the other end of the Capitol and that we have the basis of the measure now in the bill as it came from the House. I ask the Senator whether he thinks it possible for the committee to work it out upon that basis?

Mr. BRATTON. As one member of the committee I do not believe so. The Senator knows the many mistakes that have been made in passing legislation during the closing days of a hard-pressed Congress. We have not dealt with a subject during recent times more comprehensive, more complicated, and more far-reaching in its possibilities than the section relating to railroad reorganization. We could make some tremendous mistakes of serious consequence through hasty action. It seems to me that it is advisable to wait until we have the time to give that particular section the calm, deliberate, cautious study that the public interest requires; at least that is my view.

Mr. HASTINGS. Mr. President, may we proceed to the consideration of the two sections and then, when those two sections are offered in the form of an amendment, the Senate can reach an agreement as to what it desires to do with them, whether it wants further to consider them or to follow the suggestion of the Senator from Arkansas and lay aside the bill. If the Senate wants to do that I shall not object.

Mr. NORRIS. Mr. President, I desire to make a statement in reference to the situation. I have not been able to take the floor previously because the Senator from Delaware [Mr. HASTINGS] has occupied it.

In my judgment we are confronted with a very serious proposition for legislation and I want to give the Senate a picture of what happened in the Judiciary Committee and the viewpoint of that committee that moved them to take the action they did take.

In the first place, everybody concedes the importance of the legislation. I know of no Senator who does not believe we ought to legislate on the subject and on all the subjects included in the bill. It is not because any member of the committee or any other Member of the Senate wanted to avoid that kind of legislation that the Judiciary Committee took the action it did.

I realize, too, that it is not only important but that it is extremely urgent. It is an emergency, perhaps, with which we are confronted. If we look at it in a fair, logical way, we must reach the conclusion, I believe, that we are confronted with an impossibility. Either we must delay the consideration of the legislation or we must act blindly and take the bull by the horns and pass something without knowing what it is. It may be, considering the terrible condition with which

the country is confronted, that the latter course would be justified; but if that course is to be taken, then, on behalf of myself as chairman of the Judiciary Committee and on behalf of the committee itself, I want the Senate to act in the light and with the knowledge of what the Judiciary Committee did, or rather failed to do.

So far as I am personally concerned—and this may not apply to other members of the committee—it presents a very embarrassing situation. Perhaps what I am about to say is of itself a criticism of the Judiciary Committee, or more particularly of its chairman. Perhaps it is a justifiable criticism. I do not want to be relieved from any responsibility in that respect. I know that so far as I am concerned, for the last six or seven years I have realized there existed what seemed to me to be an important step in legislation that Congress ought to take, and that was to revise the bankruptcy act. I have in a quite general way given a good deal of consideration to it in times that are past, without ever once attempting to frame a bill that would meet the difficulties of the situation.

It became very urgent in the last session of Congress, because other persons took it up. Recommendations were made that we pass some law upon the subject. I had accumulated some information on the subject. I have never utilized it because it was a physical impossibility for me to give the attention to this important question that it deserves. With my limited ability I was unable to reach a conclusion myself without thorough study, and I have never had time to make such a thorough study as the question requires. Neither have the Judiciary Committee ever had that time.

If we are going to legislate properly on the subject, in my judgment there are quite a number of experts in different parts of the country who ought to be called before the committee in order to give us the benefit of their judgment. There are men in different parts of the United States who have made a study of the question, some of them from a very practical standpoint. I am thinking now of Judge Clark, of New Jersey, Federal district judge, who has given a great deal of attention to it and has practiced in his own court what he thinks ought to be done. Some of the very interesting things he has done ought to be considered by the committee that is framing a law on the subject. The committee ought to have his advice and the benefit of his experience gained from dealing with this question in the eastern part of the United States where so many bankruptcies have occurred and where some of the abuses under the present law came to his notice and under his consideration.

Professor Frankfurter has given a great deal of study to the question. He has written several very illuminating articles and has supplied some Members of the Senate, including myself, with some illuminating discussions of the various phases of the question.

But, Mr. President, the Judiciary Committee have had before them proposed legislation on various subjects that have taken all of their time. In all the time I have been a member of that committee I have never known a session of Congress where there was so much and such varied legislation coming before that committee as has been before it during the last session and the present session. This question is one, but it was never taken up for consideration. It was never reached by the committee. Perhaps we were at fault in not considering it. It may be that somebody else in charge of the committee would have handled it more successfully, and those questions would have been taken up and others which we considered would have been thrown

The general bill on bankruptcy was referred to the Judiciary Committee during the last session of Congress. It was referred to a subcommittee. The Senator from Delaware [Mr. Hastings], who has just addressed the Senate, was chairman of that subcommittee. The Senator from Rhode Island [Mr. HEBERT] and the Senator from New Mexico [Mr. Bratton] were other members of the subcommittee. The subcommittee gave a great deal of consideration to the subject. They held very extended hearings and called a great many witnesses before them.

In the meantime the question became more acute. In the meantime at this session of Congress some other particular questions, like the railroad situation and some legislation that it was thought might through bankruptcy proceedings help the farmers of the country, were brought up. They were comparatively new subjects and were referred to the subcommittee. They were considered by the subcommittee.

When the subcommittee reported to the full committee not many days ago, the committee in the best of faith and without ever once trying to indicate or intimate that the subjects proposed for legislation were unimportant or that they were not extremely important or that they ought not to be legislated on, realized that the 4th of March is only a few days away. They believed, and I do not believe anyone can contradict it successfully, that to give attention to these subjects as they ought to be considered would make it a physical impossibility for us to report the bill and expect it to be passed and put on the statute books before the 4th of March.

We were confronted with the fact that on the 4th of March we have to adjourn. There is no escape from it. There is no way we can avoid it. Here came this proposed legislation which was referred to the committee. Realizing that the controversial questions involved in the railroad portion of the bill and in the general corporations portion of the bill were so great that there would be a great deal of the debate both in the Senate and in the House, realizing that only a few days remain of this session and that we have appropriation bills and other legislation that have to be enacted before the 4th of March, the committee decided the way we did, much to our regret, because we felt that we were forced into it. We thought there was no escape from it. We did not want to present to the Senate, and as chairman of the Judiciary Committee I personally did not want to present to the Senate anything on an important subject like this that would come from the committee without the committee having carefully and fully considered it. We did not have the time to consider it and give full and due and proper thought to the varied subjects involved. We knew there would be considerable disagreement among members of the committee as to what ought to be contained in the legislation as it related to railroads and general corporations.

In the meantime we knew, and had known for several years, of the abuses that have been going on, particularly in some of the Federal courts in the East, coming from receiverships. For instance, in one of the courts in New York understand a general order was made appointing the Irving Trust Co. receiver in all cases. When a receivership case came before the court and a receiver was appointed, it automatically meant the Irving Trust Co. The Irving Trust Co. was made the receiver. I understand right now on the dockets of the courts of the city of New York there are cases-and there have been a good many such cases, I am told by members of the bar: I have no personal knowledge of them-where the Irving Trust Co. is both plaintiff and defendant in the same suit. They have to sue themselves and they have to defend when they are sued by themselves. So we may have the Irving Trust Co. as receiver for corporation A, plaintiff, and the Irving Trust Co. as receiver for corporation B, defendant, and so on, something in the manner of the interlocking directors of corporations. These receiverships take on such a form that it only requires a glance to see that there is something wrong with the system.

Mr. CLARK. Mr. President, let me inquire if the Irving Trust Co. is one of the companies which were listed on the chart which the Senator referred to yesterday?

Mr. NORRIS. It was.

Mr. LONG. Mr. President-

The VICE PRESIDENT. Does the Senator from Nebraska yield to the Senator from Louisiana?

Mr. NORRIS. Yes.

Mr. LONG. Do I understand the Irving Trust Co. is both plaintiff and defendant on the docket of litigated cases?

Mr. NORRIS. Yes.

Mr. LONG. I wonder how many such instances as that there may be?

Mr. NORRIS. I do not know how many there may be, but I have been told by members of the bar of New York City that there are a good many.

Mr. LONG. I am wondering how much we are going to lose and what difference it makes what we do lose?

Mr. NORRIS. I do not know. I mention that to show the necessity for some legislation.

Mr. President, I agree with every word that is said by Senators when they point to the importance of this bill and the necessity for some legislation of this character, but if anyone will try to go into the bankruptcy statutes and the railroad statutes applying to receiverships he will find that he has on his hands a task of great difficulty which it will be almost impossible to perform to his own satisfaction in one day or one week; it is a mammoth proposition.

So we are going to legislate on the question, probably, and if we shall legislate we are going to have to take a jump in the dark, so far as the Senate is concerned. We may come out all right, but I want to call the attention of the Senate to the position taken by the Judiciary Committee. The members of that committee realized the situation; they saw no escape from ill-considered legislation, with the possibility of jokers. We were dealing with legislation affecting some of the biggest corporations in existence, and many of us felt that we ought to deal with this subject with some care; that we ought to make the necessary investigations before we deal with it. On the other hand, comes the claim-and it is a well-founded claim and I do not dispute it—that the railroads particularly are in a terrible condition; that some legislation in regard to receivership ought to be enacted, and that some legislation in regard to corporate reorganization ought to be enacted.

In the case of railroad receiverships I have known, and I think every Senator has known for years, that very great abuses have grown up in many of the Federal courts. Not only in the case of railroads but in the case of other corporations judges have appointed some favored person as receiver and some other favored person as attorney for this corporation and that corporation and the next corporation, and later allowed them large fees. I have only to call the attention of the Senate to the receivership case of the Chicago, Milwaukee & St. Paul Railroad several years ago, a matter which has been referred to many times on the floor of the Senate. In that instance receivers were appointed and attorneys were appointed and enormous fees were allowed to receivers and enormous fees were allowed to the attorneys, and also bonuses were given at the end, often \$50,000, \$60,000, or \$75,000, all paid out of the bankrupt's property. Rather sometimes it is a system of confiscation, under which the small creditor gets nothing, and the big corporation which starts the receivership proceeding expects to freeze out a whole lot of the little fellows. That is an important matter to consider. No man can deny that a condition of that kind ought to be rectified, and ought to be rectified by legislation, although by proper practice the judges of the Federal courts, if they in real good faith exercised their judgment under the law as it stands now, could put an end to 95 per cent of these abuses.

It often happens that a railroad or other corporation is thrown into the hands of a receiver intentionally by some of the alleged stockholders or bondholders, with the idea of freezing out the smaller holders of bonds and of stocks. They get the advice of the ablest lawyers in the world to bring about a condition under which they will be enabled to ask and obtain the appointment of a receiver. Then when the receiver is appointed, the judge has very often appointed as receivers the very men who wrecked the institution, and, in addition to that, has appointed as attorneys for the receivers the men who gave the proper advice so that the corporation could be wrecked, and such receivers and attorneys have been allowed fees that were bigger than they used to get while they were engaged in the wrecking business. These abuses in our judicial procedure stand out like sores on the body politic.

I can see that such conditions ought to be remedied, but we are confronted now with a proposition to remedy them in two or three days; that is what we are up against. We ! can not do it. Much as I should like to do it, it is an impossibility. So we have the choice. I am not advising the Senate which course it should follow. Perhaps we ought to enact this legislation without consideration, on the theory that it may be that we can not make it any worse; but if I could have my way about it, and we had to vote without more consideration, I should like to take the House bill and add to it the amendment applying to the farmers which the Judiciary Committee suggested, let it go at that, and take a chance on it. I want the Senate to know, if there are evils or jokers that afterwards are shown up in this proposed law, if it shall be passed, that at least the Senate had the truth told them through the Judiciary Committee so that the responsibility for anything wrong can not be shouldered upon that committee.

I am not even saying, Senators, that the right way is to pass this legislation and make this jump in the dark, although perhaps that is the best thing to do: but we are confronted with the fact that on the 4th of March all pending bills and proposed legislation of all kinds unacted upon will be dead and we will have to commence over again. So the Judiciary Committee thought they would take the suggested remedy that will help the farmers of the country, although there is some dispute about it; and the benefit which may be derived from it, I think, is vastly overestimated by those who are behind it. I do not look for very great assistance to the farmers even if that provision shall be included in the bill, but I may be wrong. I am willing to take it. We did take it in the Judiciary Committee, and we thought, since it is impossible, for the lack of time alone, to consider the other controversial question, we would legislate on this question and put that through at this session, and at the special session commence on the other work.

Mr. WAGNER. Mr. President

The VICE PRESIDENT. Does the Senator from Nebraska yield to the Senator from New York?

Mr. NORRIS. I yield.

Mr. WAGNER. I should like to ask the Senator from Nebraska, the chairman of the Committee on the Judiciary, whether or not the full committee considered all the criticisms and suggested changes-a memorandum of which I hold in my hand, comprising quite a lengthy documentmade by the Interstate Commerce Commission to the proposed legislation in reference to the railroads?

Mr. NORRIS. No; the committee did not do so. The Senator has asked a very proper question, and I should like to say to him that the Judiciary Committee had this measure up only at one session. They gave no consideration to any of the items in the bill except the one of which I have spoken. After debating it among themselves for some time, they reached the conclusion which I have tried to make plain to the Senate, that it was a physical impossibility to get this bill through if it was given proper consideration at this session. We are not to blame for the fact that we are proceeding in a short session of Congress. We realize that one man, if the discussion goes along a few days more, can prevent the passage of any legislation if he wants to take advantage of parliamentary procedure and engage in a filibuster, and a few men can defeat any bill now on the calendar before the 4th of March if they want to do it. Realizing that these matters contained bitterly controverted propositions, we decided not to take them up at all, because we believed it would be futile to try to do it. And now, Mr. President, it seems to me that the wise thing to do, if we are going to decide to pass this legislation, would be to pass the House bill with the one amendment to which I have referred. and let it go at that.

Mr. President, I now want to call the attention of the Senate to a sample of what we may expect. I hold in my hand a letter signed by Representative Celler, of New York. It is directed and was sent to the Senator from Montana [Mr. Walsh], but, because of the absence of that Senator, the matter has been referred to me. I only read this letter in order to show what we may expect in the way of controversy. There can be no question about it being

honest controversy, and the bill will be full of such controversy.

Mr. LEWIS. Mr. President-

The VICE PRESIDENT. Does the Senator from Nebraska yield to the Senator from Illinois?

Mr. NORRIS. I yield.

Mr. LEWIS. As the able chairman of the Judiciary Committee is about to descant upon some of the possible inconsistencies or annoying features of the bankruptcy bill, may I take the liberty to inform him that just now telegrams are coming from my State, Illinois, asking me if this proposed bankruptcy legislation will continue to embrace trust companies and railroads. May I ask the able chairman if he can inform me if the bill is so framed at this time?

Mr. NORRIS. The House bill contains provisions of that kind. They are in the bill as it passed the House.

Mr. President, this letter reads:

I invite your attention to the provision of S. 5551, committee print No. 2 (bankruptcy bill), of February 10, 1933, subdivision (0), page 25, which is as follows:

"(0) No court shall by rule require the appointment in any proceeding under the provisions of section 74 or section 75 of this act of any corporate trustee in all or any class of cases which may be brought: Provided, however, That the judge approving the petition or answer in any such proceeding shall not by this provision be restricted in his appointment of any qualified trustee, whether be restricted in his appointment of any qualified trustee, whether corporate or individual."

The companion provision, which I had inserted in the House bankruptcy bill, is as follows:

"(m) Whenever in this act the words 'receiver' or 'trustee' are used, same shall mean a natural person, except, however, upon good cause affirmatively shown by any interested party or parties that it is for the best interests of the debtor or the plan generally, the court may appoint a corporation, but such corporation shall not be appointed in a multiplicity of cases."

Any Senator can see that that controversy between those provisions—the one in the House and the one in the Senateis subject to a great deal of debate. What does "multi-plicity of cases" mean? The evil that they are striking at is the same in both cases. The language to accomplish it is very different. It is doubtful in my mind whether either provision reaches the difficulty. The proviso in one case permits the thing to be done that it makes illegal in the first part of the paragraph; and the other provision makes legal the very thing that is denounced in the first part of the sentence, in my judgment.

Mr. HASTINGS. Mr. President, will the Senator yield? Mr. NORRIS. Let me finish this. The Congressman goes

Both these provisions are aimed principally at the monopoly now enjoyed by the Irving Trust Co., of New York, in all receivership cases. The New York State Bar Association, the New York County Lawyers' Association, the Brooklyn Bar, the Federal Bar, and all county bar associations in the metropolitan area have gone on record as being opposed to this gigantic monopoly.

The Irving Trust Co. is receiver in over 5,000 ca

Where is the Senator who asked me how many cases there were? He seems to have disappeared, whoever he was.

The Senate provision aforesaid provides that there shall be no standing receiver, but limits that prohibition to sections 74 and 75 of the bill-

Now, notice:

These are new portions of the bill—and limit the prohibition further only in the case of the appointment of trustees. These limitations render the Senate provision useless. The prohibition should apply to all provisions of the Bankruptcy Act, old as well as new. The prohibition should also apply against the appointment of a standing receiver as well as a standing trustee.

I think the argument made by Congressman Celler in this letter is perfectly logical; and yet it is an illustration showing how easy it will be, in a complicated thing like a bankruptcy act, to let jokers of this kind creep in.

Mr. HASTINGS. Mr. President-

The VICE PRESIDENT. Does the Senator from Nebraska yield to the Senator from Delaware?

Mr. NORRIS. Let me finish the letter, and then I will yield. I will yield now, however. I will not read the balance of the letter.

Mr. HASTINGS. I think the Senator will be interested to know that the first provision he finds in the Senate bill relative to the rules was prepared by myself in an effort to compromise between these conflicting views, and the writing in of the word "trustee" was done by mistake. I intended to correct that here by writing in "receiver and trustee"; but, after long conversations with many people, this was as close as I could come to making any suggestion that came anywhere near getting them together upon this controversial matter.

Mr. NORRIS. I thank the Senator for his interruption; but it only illustrates what is bound to be in this legislation. I warn the Senate that there probably will be hundreds of such things in this very lengthy and complicated piece of legislation.

Mr. President, I intended to read a communication from Judge Clark, a very illuminating memorandum of considerable length, and also one from Mr. Frankfurter, but I do not want to take up the time. I realize that if a Senator talks more than 10 minutes now he probably will be charged, and perhaps justly, with filibustering, because the 4th of March is right here in sight. I only want to repeat, in closing, what I have tried to say before, that the Judiciary Committee have not undertaken to shirk any responsibility. They were acting in the best of faith. They believed that they were confronted with an impossible condition. They knew that if they reported a complicated piece of legislation here, it would be easy to kill it. If they gave it the proper consideration in the committee, it would take several days. Without any question, it would take at least that long. There ought to be a week's consideration by any committee that handles it, without anything else to intervene or to interfere with it; and that, we know, is an impossibility just before the 4th of March.

Senators and Representatives have on their hands a multitude of things that they can not throw overboard and cast aside, and devote all their time to one thing, and when they realize that even if they did they would be unable to do a good job they hesitate to go into it, because they feel, and I think rightly, that they are only going up against a tree anyway in the end; that if they do try to bring in the right kind of legislation that is of a controversial nature in a short session this near the end of it, it is going to be an impossibility to enact it into law unless we surrender everything to everybody who makes any demand.

The statement of the Senator from Delaware that the language that he drew here, which he now sees has omitted a very important thing in that it does not apply to receivers, but only to trustees, and that he made a mistake in doing so, is an illustration that these honest mistakes will creep in when we are dealing with legislation of this importance, and the most technical legislation that I have had anything to do with, unless it be the legislation that we passed at the last session of the Congress in regard to labor and capital and the limiting of injunctions in labor disputes.

So, Mr. President, the committee thought that the only logical course it could adopt, unless we let something go through without consideration, was to take the action it did, and report back in favor of passing the particular provision in regard to farmers. I have not any doubt but that the House gave good consideration to this bill, and I would rather take the House bill than to take a bill that came even from the Judiciary Committee where they were unable to give it consideration. I think it would be a serious mistake.

EXPENSES, SPECIAL COMMITTEE ON CONSERVATION OF WILD-LIFE RESOURCES

Mr. TOWNSEND. From the Committee to Audit and Control the Contingent Expenses of the Senate, I report back favorably, with amendments, Senate Resolution 340, increasing the limit of expenditures by the special committee investigating the conservation of wild-animal life; and I ask unanimous consent for its immediate consideration.

The VICE PRESIDENT. Is there objection to the immediate consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

The amendments were, in line 5, after the word "pur- lieu of the sum proses," to strike out "\$10,000" and insert "\$7,500," and in agree to the same.

line 6, after the word "authorize" and before the period, to insert a comma and the following: "and said resolution No. 246 hereby is continued in full force and effect until final report of its activities with recommendations is made by said committee to the Senate," so as to make the resolution read:

Resolved, That the special committee authorized and directed by Senate Resolution No. 246 on April 17, 1930, to investigate the conservation of wild-animal life hereby is authorized to expend in furtherance of such purposes \$7,500 in addition to the amounts heretofore authorized, and said resolution No. 246 hereby is continued in full force and effect until final report of its activities with recommendations is made by said committee to the Senate.

The amendments were agreed to. The resolution, as amended, was agreed to.

LIZZIE PITTMAN

Mr. BLACK. I ask the Chair to lay before the Senate the action of the House of Representatives on Senate bill 4327.

The VICE PRESIDENT laid before the Senate the amendment of the House of Representatives to the bill (S. 4327) for the relief of Lizzie Pittman, which was, on page 1, line 5, to strike out "\$250" and insert "\$350 in full settlement of all claims against the Government."

Mr. BLACK. I move that the Senate concur in the amendment of the House.

The VICE PRESIDENT. The question is on the motion of the Senator from Alabama.

The motion was agreed to.

AGRICULTURAL DEPARTMENT APPROPRIATIONS—CONFERENCE REPORT

Mr. McNARY submitted the following report, which was read:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 13872) making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1934, and for other purposes, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 7, 8, 12, 13, and 20.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 6, 9, 10, 11, 18, and 19, and agree to the same.

Amendment numbered 2: That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$85,000"; and the Senate agree to the same.

Amendment numbered 3: That the House recede from its disagreement to the amendment of the Senate numbered 3, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$1,583,822"; and the Senate agree to the same.

Amendment numbered 4: That the House recede from its disagreement to the amendment of the Senate numbered 4, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$5,655,822"; and the Senate agree to the same.

Amendment numbered 5: That the House recede from its disagreement to the amendment of the Senate numbered 5, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$12,754,854"; and the Senate agree to the same.

Amendment numbered 16: That the House recede from its disagreement to the amendment of the Senate numbered 16, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$375,000"; and the Senate agree to the same.

Amendment numbered 17: That the House recede from its disagreement to the amendment of the Senate numbered 17, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$411,810"; and the Senate agree to the same.

Amendment numbered 21: That the House recede from its disagreement to the amendment of the Senate numbered 21, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$100,209,091"; and the Senate agree to the same.

The committee of conference have not agreed on amend-

ments numbered 14 and 15.

CHAS. L. MCNARY, HENRY W. KEYES, ARTHUR CAPPER, JOHN B. KENDRICK, E. D. SMITH,

Managers on the part of the Senate.

J. P. BUCHANAN, JOHN N. SANDLIN, M. J. HART, ROBT. G. SIMMONS, JOHN W. SUMMERS,

Managers on the part of the House.

Mr. McNARY. I ask unanimous consent for the immediate consideration of the report. I shall withdraw it if it leads to any debate.

Mr. KING. Mr. President, I have no objection to the immediate consideration of the report. I ask the Senator if the Democratic Members of the conferees agreed to the

Mr. McNARY. Oh, yes. All agreed; and I may say that in the case of the only three items that are of any interest, involving increases by the Senate, we receded on all save one, where we took a smaller amount.

Mr. KING. So that the Senate conferees did get something out of the conference?

Mr. McNARY. Very little, however.

Mr. KING. I wish I could say the same thing for other Senate conferees.

The VICE PRESIDENT. The question is on agreeing to the conference report.

The report was agreed to.

TREASURY AND POST OFFICE APPROPRIATIONS

Mr. ODDIE submitted the following report, which was

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 13520) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1934, and for other purposes, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 3, 4, and 12.

That the House recede from its disagreement to the amendments of the Senate numbered 2, 5, 6, 10, 11, and 13, and agree to the same.

The committee of conference report a disagreement on amendments numbered 1, 7, 8, 9, 14, 15, 16, 17, and 18. TASKER L. ODDIE,

REED SMOOT, HIRAM BINGHAM. L. J. DICKINSON. HENRY W. KEYES, GEO. H. MOSES, CARTER GLASS. KENNETH MCKELLAR (Except amendment No. 12). SAM G. BRATTON, JAMES F. BYRNES, ELMER THOMAS, Managers on the part of the Senate.

JOSEPH W. BYRNS, WILLIAM W. ARNOLD, Louis Ludlow, WILL R. WOOD. M. H. THATCHER, Managers on the part of the House.

The VICE PRESIDENT. The question is on agreeing to the conference report.

Mr. KING. Mr. President, does the Senator ask for the consideration of the report at this time?

Mr. ODDIE. Yes.

Mr. KING. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Ashurst	Couzens	Keyes	Schuyler
Austin	Dale	King	Sheppard
Bailey	Davis	La Follette	Shipstead
Bankhead	Dickinson	Lewis	Shortridge
Barbour	Dill	Logan	Smith
Barkley	Fess	Long	Smoot
Bingham	Fletcher	McGill	Steiwer
Black	Frazier	McKellar	Stephens
Blaine	George	McNary	Swanson
Borah	Glass	Metcalf	Thomas, Idaho
Bratton	Glenn	Moses	Thomas, Okla.
Brookhart	Goldsborough	Neely	Townsend
Bulkley	Gore	Norbeck	Trammell
Bulow	Grammer	Norris	Tydings
Byrnes	Hale	Nye	Vandenberg
Capper	Harrison	Oddle	Wagner
Caraway	Hastings	Patterson	Walcott
Carey	Hatfield	Pittman	Walsh Mass.
Clark	Hayden	Reed	Watson
Connally	Hebert	Reynolds	Wheeler
Coolidge	Johnson	Robinson, Ark.	White
Copeland	Kean	Robinson, Ind.	
Costigan	Kendrick	Russell	

The VICE PRESIDENT. Ninety Senators have answered to their names. There is a quorum present.

Mr. ODDIE. Mr. President, I move that the conference report be agreed to.

Mr. McKELLAR. Mr. President, I think I ought to have a word or two to say about this report before a vote is taken.

The Senate will recall that last summer a resolution was adopted continuing the Economy Committee, and that committee has been serving ever since.

My recollection is that the bill carried provisions which it was estimated would result in economies, under the Budget estimates sent in by the President, of about \$225,-000,000 or \$230,000,000. According to estimates I have made-I will not say according to estimates by others-the conferees struck about \$205,000,000 out of the economy bill.

They struck out the Bratton amendment, which would have required a saving of 5 per cent, and that, I estimate, would have amounted to around \$150,000,000. They struck out the Robinson amendment as to aircraft, which amendment eliminated a provision under which pure subsidies were being paid to aircraft companies in the amount of They struck out the amendment as to tax refunds, which in my judgment would have saved at least \$50,000,000 more. Tax refunds have been costing us something like \$100,000,000 for the last several years, and that sum is a very modest sum in comparison with what they cost us before. They ran up to as high as \$300,000,000 in one year, and when we remember that the individual income taxes now produce about \$132,000,000, if I recall the figure correctly, it is easily seen that we are paying back in refunds very nearly as much as we are collecting from the taxpayers.

Mr. BINGHAM. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield. Mr. BINGHAM. The Senator has not been quite correct in his statement as to what the conferees agreed upon. The conferees have come to no agreement whatsoever with regard to the Bratton amendment. That is still in disagreement.

Mr. McKELLAR. Mr. President, technically that may be true, but it is not so actually, for the reason that the House conferees took back the Bratton amendment with a recommendation that it should be disagreed to, and the House has disagreed to it, as I understand it.

Mr. BINGHAM. If the Senator will pardon me, all that is now before us are certain items, including the air mail item, in which the Senator is particularly interested, from which the Senate conferees have receded, and one or two items from which the House conferees have receded. The entire economy part of the bill is still in disagreement, and

on it there has been no vote at all, and I hope it will be sent | back to conference for further conference. That contains the Bratton amendment.

Mr. McKELLAR. Mr. President, that is technically true, but I want to say that the 3 Democratic conferees from the House and the 2 Republican conferees from the House, constituting a unanimous vote of that body in conference, and the 6 Republican members constituting the Senate conferees, joined together to cut out all these economies. They were opposed to all of these economies. They were opposed to the Bratton amendment.

Mr. BINGHAM. Mr. President, there was no vote in conference whatever on the Bratton amendment. The Senate conferees did not recede at all.

Mr. McKELLAR. I did not say there was a vote. I said they were unanimously opposed to the Bratton amendment, and the Senator knows that is a correct statement. They were all oppposed, unanimously opposed, to striking out the aircraft subsidy. They were all opposed to the tax-refund amendment. They were all opposed to striking out the Bureau of Efficiency provision. In other words, they virtually absolutely destroyed all semblance of economy that was proposed in the bill.

The Economy Committee worked for nearly three months to bring about these economies. In my judgment it did a most excellent work. Yet, when we got into conference, the 3 Democratic Members of the House and the 2 Republican Members of the House, and the 6 Republican Members of the Senate, joined together and they virtually took out all of the economies from the bill.

That is what it means; that is what it does. It should not have been done. I do not approve it. With that statement I leave it to the Senate.

Mr. BINGHAM. Mr. President, I want to make a very brief statement. The statement made by the Senator from Tennessee is entirely misleading. It is true in so far as the votes cast on the floor for certain items in which the Senate is interested are concerned. It is true, on my own behalf, that I voted against the Bratton amendment. It is not true that in committee I opposed it, nor did the other Republican members of the conference oppose it. I think the Senator from Iowa [Mr. Dickinson], who is sitting in the Chamber, a member of the conference, will agree with me that the Republican members of the conference made no effort whatsoever to withdraw from the proposal with regard to the Bureau of Efficiency provision, with regard to the Bratton amendment, or with regard to the other matters the Senator has mentioned. We did find that the House was adamant in regard to the air mail contract item, and that is the only matter of importance mentioned by the Senator which the conferees, by the vote, indicated they withdrew from.

Mr. McKELLAR. Mr. President-

The PRESIDING OFFICER (Mr. LA FOLLETTE in the chair). Does the Senator from Connecticut yield to the Senator from Tennessee?

Mr. BINGHAM. I yield.

Mr. McKELLAR. I merely want to recall the Senator's attention to what happened about the air subsidy amendment. The Senate conferees, I think by a majority of one. voted to sustain that amendment, or not to put it in disagreement. I left the meeting of the conferees last Saturday morning assuming that that vote was final. I never dreamed of its being anything else. I had to be here on the floor of the Senate in connection with the cotton bill; and while I was here, although I sent a request down to the committee not to vote on that amendment further while I was absent, to let it go over until I could come back, a short time afterwards I was informed that the committee had voted again and had voted it out.

Mr. ODDIE. Mr. President, will the Senator from Connecticut yield to me?

Mr. BINGHAM. I yield.

Mr. ODDIE. In regard to what the Senator from Tennessee has just said, I wish to state that the conferees sent up to the floor of the Senate a request to the Senator from Tennessee that he be present in order that the conferees could finally determine their action on this air mail amendment.

Mr. McKELLAR. Mr. President, I did not get that re-

Mr. ODDIE. Word came down that Senator McKellar could not come at that time. It was necessary for us to conclude the meeting, and we took a final vote on the amendment, and the result is known.

In regard to the economy provisions, I am going to ask that the Senate insist on its amendments, and that this matter be sent back to a new conference.

The PRESIDING OFFICER. If the Chair may be permitted to interpose a suggestion, the economy provisions are not involved in the conference report.

Mr. BINGHAM. I thank the Chair. That is a matter which I have been endeavoring to explain to several who are not quite clear as to what is before us. The matters which are before us are certain amendments in the Treasury-Post Office part of the bill from which the House conferees have receded, also certain matters from which the Senate conferees have receded. A number of matters are still in disagreement, a few of them of minor importance, in the Treasury-Post Office part of the bill, and some of very great importance in the rest of the bill, known as the economy provision. There is no agreement on the part of the conferees in regard to those matters.

It is true the House has discussed them. Members of the conference on the part of the House have gone back for information and instruction as to how they are to procee!. But I understand from the chairman of the committee in charge of the bill, the Senator from Nevada [Mr. ODDIE], that he does not propose at all to withdraw from the Senate's action in regard to the economy provision of the bill. Therefore the statements made by the Senator from Tennessee are entirely misleading in regard to the action of the Senate conferees on that part of the bill.

Mr. McKELLAR. Mr. President— Mr. BINGHAM. There has been no action taken by the Senate conferees, except to maintain-

Mr. McKELLAR. Mr. President-

The PRESIDING OFFICER. Does the Senator from Connecticut yield to the Senator from Tennessee?

Mr. BINGHAM. Just as soon as I finish the sentence I will vield.

Mr. McKELLAR. I do not like the word the Senator uses when he says my remarks are "misleading." What does the Senator mean by that?

Mr. BINGHAM. The Senator means this: That when the Senator from Tennessee says that the Senate conferees vielded on all the economy features he coupled together with the air mail provision, in which he is interested, the Bratton amendment.

Mr. McKELLAR. Mr. President, I explained exactly about the Bratton amendment, and the Senator knows I did, if he heard me. The Senator is undertaking to mislead the Senate as to what was done. The Senator knows that at least these three major items of economy, namely, the Bratton amendment, the air-subsidy amendment, and the taxrefund amendment, which constitute over \$200,000,000 of economies, are as dead as Hector by reason of the action of the conferees. There is nothing misleading about that, and the Senator knows it.

Mr. BINGHAM. Again I say, Mr. President, that no action which the conferees have taken has any reference whatsoever to the Bratton amendment, or the so-called savings from refunds, in which the Senator from Tennessee is interested. No action has been taken by the conferees on those matters. Those matters are still in disagreement. It is the intention of the chairman of the committee in charge of the bill to ask that they still be in disagreement and go back to conference.

The Senate conferees are in no way responsible for the action the House may have taken in regard to those matters,

and therefore, with all due respect to my friend from Tennessee, I merely wanted to state that there are certain Senators who do not understand the present situation with regard to the conference report. His opening remark plunged them into further misunderstanding of the situation, because he combined in the same paragraph matters which have been decided by the conference and which are now in the report with matters which are still in disagreement.

Mr. KING. Mr. President, will the Senator suffer an interruption?

The PRESIDING OFFICER. Does the Senator from Connecticut yield to the Senator from Utah?

Mr. BINGHAM. I yield.

Mr. KING. If I understand the able Senator from Connecticut, there are some items upon which an agreement has been reached between the two Houses, but the important ones, as I understand his position, although I do not quite agree with him, are still in dispute. Why bring the report to the floor of the Senate until the conferees have fully agreed or found it impossible to agree? Why take it up piecemeal and deal with what the Senator seems to regard as less important? Why not bring the matter all here at the same time?

Mr. BINGHAM. There are two reasons for it. In the first place, it has been done frequently and is a custom of long standing, especially when there is what is called new legislation in the bill, for the conferees to report agreement in regard to certain matters and disagreement in other matters and have the bill sent back to conference. The Senator well knows that has been done time and again.

In the second place, it was done at the specific request of the House conferees and in order to oblige the situation as they saw it, and for no other reason.

Mr. FESS. Mr. President-

The PRESIDING OFFICER. Does the Senator from Connecticut yield to the Senator from Ohio?

Mr. BINGHAM. I yield.

Mr. FESS. Under the rules of the House the conferees could not act without first going back to the House for instructions.

Mr. BINGHAM. That is correct.

Mr. FESS. We do not have such a rule here, but they have it there, and that answers the question of the Senator from Utah.

Mr. BINGHAM. That is true.

Mr. BORAH. Mr. President, may I ask the Senator from Connecticut a question?

The PRESIDING OFFICER. Does the Senator from Connecticut yield to the Senator from Idaho?

Mr. BINGHAM. I yield.

Mr. BORAH. I am still somewhat in doubt as to what the situation would be in case we adopt the motion of the Senator from Nevada [Mr. Oddie], who is in charge of the conference report. Just what will we have passed upon and taken out of conference if and when we shall adopt his motion?

Mr. BINGHAM. We will have passed upon a few of the amendments in the Treasury and Post Office Department appropriation bill itself, apart from the economy provision. In other words, we will have passed on about 10 or 12 amendments which are in that part of the bill dealing with the Treasury and Post Office Departments and will not have passed on any amendment in the economy part of the bill or those sections added subsequent thereto.

Mr. BORAH. Will we pass upon that portion of the bill which has reference to reorganization?

Mr. BINGHAM. No. That is in disagreement and we will ask that that be sent back to conference.

Mr. BORAH. Then, as I understand it, the economy part of the bill and the provisions with reference to granting powers for reorganization will be sent back to conference?

Mr. BINGHAM. Those are in disagreement and it is our wish that they be sent back to conference.

Mr. KING. Mr. President-

The PRESIDING OFFICER. Does the Senator from Connecticut yield to the Senator from Utah?

Mr. BINGHAM. I yield.

Mr. KING. Unfortunately I was called from the Chamber and did not hear the statement made by the Senator from Tennessee [Mr. McKellar] or the opening observations submitted by the Senator from Connecticut. My understanding, however, is at variance with the statement just submitted by the Senator from Connecticut. I have understood that the House conferees have affirmatively acted upon the so-called Bratton amendment and economy provisions, and it is a mere matter of form to present the conference report or the partial conference report here at this time and appoint conferees and again send the matter back to conference; that the House has already acted on the matter, or the House conferees have done so at least, and that there is no particular expectation of securing any different results from those which have thus far been achieved. If I am in error I shall be glad to be corrected.

Mr. BINGHAM. The Senator is in error in this regard. There has been no agreement in the conference with regard to those portions of the bill known as the economy provisions and the reorganization provisions to which the Senator from Idaho [Mr. Borahl] just referred, and the sections following them. Those are still in disagreement. There are one or two minor matters in disagreement in that part of the bill dealing with the Treasury Department. My recollection is that the matter regarding the price of paper per pound is still in disagreement, though the Senator from Tennessee [Mr. McKellar] will correct me if I am in error about that. There has been no agreement reached in regard to these matters.

It is true the House conferees went back to the House for instructions with regard to the matters of new legislation. They have received those instructions, but in order that we may work out, in a full and free conference with the House, the matters concerned in section 14, the economy provision, and Titles III and IV, it is necessary to send the matter back to conference and get the best agreement we can with the House.

Mr. BORAH. Mr. President, I want to ask another question of the able Senator from Connecticut [Mr. Bingham]. If we adopt the motion of the Senator from Nevada, does it place the Senate at any disadvantage whatever either in conference or here with reference to considering the matters to which we have not agreed?

Mr. BINGHAM. None whatever. They are still in conference. Of course, the House conferees have found out how far the House is willing to go in certain matters. They come back to conference with certain instructions from the House. If the Senate conferees are unwilling to agree to those instructions, then the matter must go back for further instruction. But we are under no disadvantage whatever in regard to the matters which have not been agreed to by the Senate conferees and the House conferees.

Mr. BYRNES. Mr. President, is it not a fact that the situation is brought about by reason of the House rules, under which the chairman of the House conferees, when the bill was returned to the House, offered one amendment to the bill, which amendment contained the so-called economy provision, and now when it comes to the Senate we are taking the whole amendment referring to the economy provision back to conference to be agreed upon by the conferees, if it be possible?

Mr. BINGHAM. Yes; including the Senator's provision regarding reorganization. The whole matter is in disagreement and will go back to conference.

Mr. McKellar. Mr. President, I would like to have the attention of the Senator from Idaho [Mr. Borahl] just a moment. While technically these matters will be in disagreement, yet when the conferees meet here is what will take place: The House members will say, "We have had a vote in the House on the Bratton 5 per cent amendment and we are precluded from doing anything about it. It is a matter of necessity for us to do nothing about it. It is absolutely necessary, if we are going to have an agreement, for us not to accede to it." They have already voted on it in the House, we will be told.

So with the tax-refund matter and the Bureau of Efficiency matter, and so with everything except the provision which gives the President the right to consolidate commissions, bureaus, and other agencies of the Government. That is the only matter that is really actually in conference between the two Houses. As to the others, we will be precluded by a vote which the House has already had.

Mr. BORAH. We can ourselves reject the report when

it comes back?

Mr. McKELLAR. Oh, yes. The Senate will have the right to do that. Of course in the situation as it is now, we are obliged to go back to conference in order to

straighten out the Senate.

Mr. ROBINSON of Arkansas. Mr. President, as a matter of fact the conference report, to which it is moved we shall agree, accomplishes very little. It does not affect what appear to me to be the vital issues in conference. It does not involve the subject matter of real dispute. For instance, the conference report is "that the House recede from its disagreement to the amendments of the Senate numbered 2, 5, 6, 10, 11, and 13, and agree to the same."

Amendment No. 2 relates to the appropriation for the Customs Service, and the agreement increases the appropriation as provided by the Senate amendment by about

\$2,400,000.

Amendment No. 5 is a mere technical correction in the text of the appropriation relating to the Bureau of Printing and Engraving.

Amendment No. 6 is another technical correction relating to the Public Health Service.

Amendment No. 10 has relation to the acquisition of sites or of additional land in connection with the appropriation for public-building construction.

Amendment No. 11 provides, as proposed by the Senate, that the American Red Cross Building may be served with heat from the Government central heating plant.

Amendment No. 13 exempts, as proposed by the Senate, the use of automobiles by the President from the general restriction of use of Government automobiles.

The further agreement is as to amendments numbered 3, 4, and 12, that the Senate recede from those amendments, so that what is actually involved in this conference report is of relatively little importance.

Mr. BORAH. Mr. President, may I ask the Senator a question?

The PRESIDING OFFICER. Does the Senator from Arkansas yield to the Senator from Idaho?

Mr. ROBINSON of Arkansas. Certainly.

Mr. BORAH. Really, then, very little is settled by the adoption of the report?

Mr. ROBINSON of Arkansas. Absolutely.

Let me say further, Mr. President, that in all probability the Senator from Tennessee [Mr. McKellar] has correctly appraised the true situation as to what will be the final result of the conference. I do not concede that it is involved in the present motion, but all the circumstances indicate that he has anticipated what will probably result. The present motion is merely clearing the way for a future motion which will eliminate the result of the work of many months on the part of the economy committee, but, as stated by the Senator from Idaho, we will have an opportunity to pass on that question when the conference report comes back again. But let Senators remember and see if the Senator from Tennessee [Mr. McKellar] for once in his life has not proven himself entitled to the title of "prophet."

Mr. ASHURST. Mr. President, I should like to ask the Senator from Connecticut [Mr. Bingham] respecting the matter beginning on page 75, known as section 11. It will be remembered that the Senate inserted a provision to the effect that certain employees in hospitals, where they worked overtime, should be entitled to an equal shortening of workdays thereafter. I am advised that the conferees have inserted the word "not" directly to change the meaning of the amendment.

Mr. BINGHAM. Mr. President, may I say to the Senator that the matter in which he is interested is still in disagree-

ment. The Senator from Nevada [Mr. Oddie], in reporting the conference, is dealing with matters which concern wholly the Treasury Department and the Post Office Department. I rose to explain that the matters mentioned by the Senator from Tennessee [Mr. McKellar] and others and that part of the bill with which I have had particular connection as chairman of the Economy Committee, are not now before us at all, but those matters are still in disagreement.

May I say to the Senator from Arizona that when the conferees met, the first thing the House conferees said to us was that a very large part, more than nine-tenths, of the matters in disagreement between the two Houses were such that they would be unable to reach any conclusion about them because they regarded them as new legislation which must be taken back to the House. There was no attempt on the part of the Senate conferees to dodge the issue. We took up that in regard to which they were willing to come to a decision. That as to which they were unable to come to any decision we had of necessity to let go back for further conference.

In further answer to what the Senator from Arizona said, that in which he is interested is in that part of the bill which is not now before us and is still in disagreement. I understand the object of the Senator from Nevada [Mr. Oddie] is to move that the Senate further insist upon its amendments and that the matter be sent back to further conference.

Mr. ASHURST. I thank the Senator from Connecticut.

Mr. ROBINSON of Arkansas. I think we might agree to the motion that is pending. I do not see that very much is to be accomplished by agreeing to it or by disagreeing to it. Later there will inevitably arise a contest here that will be of importance and that will determine the other issues involved in this proposed legislation. When those issues are brought in, we shall probably meet them as best we can.

Mr. KING. Mr. President, I am glad when I find myself in agreement with my leader. I am now, however, not in agreement with him. I do not accept the view presented by him and others that the matters under consideration are relatively unimportant. Items increasing the expenses of the Government ought not to be considered unimportant at this time.

Mr. McKELLAR. Mr. President-

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Tennessee?

Mr. KING. I yield.

Mr. McKellar. I desire to make this statement to the Senator and to the Senate. I think the Senator from Arkansas is entirely right in saying that the pending motion is not relatively important, because the matter has to take that course in order to reach a final conclusion; but my purpose in making a statement about it at this time was to let the Senate know that the conferees have already virtually, in substance and in fact, done away with nine-tenths of the economies that the Economy Committee of the Senate had brought about, and I thought it was a good time to let the Senate know just what had occurred and not wait until the final conference report came in to apprise the Senate of that fact.

Mr. KING. Mr. President, I understand that frequently, as suggested by the Senator from Connecticut [Mr. Bing-ham], a partial agreement upon the part of conferees is reported back to the respective Houses, and after action, affirmative or negative, the matters in dispute go back to conference; but I submit that there is no rule, certainly in this body, and I am not advised that there is one existing in the other legislative body, that requires conferees to return to their respective Houses with partial reports. Most conference reports show an agreement with respect to all matters in controversy.

Now, we are called upon to approve the action of the conferees in eliminating an important amendment adopted by the Senate, which struck out a subsidy of \$19,000,000 for air mail contracts. After earnest and lengthy discussion over several hours, the Senate voted to strike out the entire item. We are informed what fate awaited the action of the Senate. The conferees restored the item of \$19,-

000,000, thus nullifying the action of the Senate. They also ignored the action of the Senate in several other matters, two of which I shall refer to in a moment, thus adding \$3,000,000 to the tax burdens of the people.

Mr. President, I do not agree with the position taken by the Senator from Connecticut that approval of this partial report will not affect the ultimate determination of items of dispute when the appropriation bill is again considered by the conference committee. There is such a thing—and it is not unparliamentary to comment upon it—as mutual concessions by conferees; I shall not use what might be denominated an improper word by saying "trading," but it is known that concessions are made, and mutual concessions oftentimes result in a compromise agreement, under which there is unison of action upon the part of the conferees.

Now, if we approve the action of the conferees in restoring the subsidy of \$19,000,000, which was the subject of controversy, and in restoring the other items to which I shall refer in a moment, and the bill goes back to conference, obviously the Senate conferees are partially disarmed; they do not have before them these items which they may employ in securing or urging reasonable concessions with respect to other items which may be in disagreement between the two bodies.

Mr. President, I do not agree with the statement made that this item of \$19,000,000 is not a question of importance. After, as I said a moment ago, prolonged discussion and considerable controversy, the Senate took affirmative action. It was brought to the attention of the Senate during the consideration of that item that the Postmaster General had made contracts which many considered as improvident, and that he intended to enter into other contracts and to make extensions, notwithstanding there were pending a resolution and another measure in this body and, as I am advised, a resolution in the other legislative body which forbade further contracts being let under existing law. But, notwithstanding these pending measures, and notwithstanding the discussion which took place in the Senate, as I am advised, the Postmaster General immediately let other contracts and extensions, paying no attention whatever to the action of the Senate or to the manifest desire on the part of Members of the Senate that there should be a halt in the letting of contracts until an investigation of the entire question of air mail subsidies was conducted.

I do not know why the conferees receded from the Senate amendment striking out the \$19,000,000 appropriation. Why not disagree to this partial report and let the matter go back to conference, so that those items which we are asked now to accept may still be in conference and our conferees may obtain the benefit of using them in the final adjustment of all controversial items that may be brought to the attention of the conference committee? I appeal to the Senate to reject the conference report.

Mr. ROBINSON of Arkansas. Mr. President, will the Senator yield?

Mr. KING. I yield to my friend from Arkansas.

Mr. ROBINSON of Arkansas. The Senator from Utah is entirely correct. One of the amendments from which, it is observed, the Senate recedes is the appropriation of \$19,000,000 for air mail subsidies which was stricken out on my motion for the purpose of forcing an investigation of the manner under which existing contracts have been let and for the best means of reducing expenditures in that behalf.

Mr. MOSES. Mr. President, if the Senator from Utah will permit, may I ask if the Senator from Arkansas is reading from the statement of the managers on the part of the House?

Mr. ROBINSON of Arkansas. Oh no, I am making a statement in my own behalf and I am making the statement in my own language. Why does the Senator ask me that question?

Mr. MOSES. I have not seen the printed statement submitted by the managers on the part of the House, and I wondered if that is the document the Senator holds in his hand?

Mr. ROBINSON of Arkansas. Yes; that is the document I hold in my hand, if that is material, and I can give further information as to the manner in which I am holding it, if the Senator desires.

Mr. MOSES. No; I am not asking for any further explanation on the part of the Senator.

Mr. ROBINSON of Arkansas. Mr. President, I have not observed that the air mail amendment was one of the amendments from which the Senate conferees receded. It appears that this appropriation is for the execution of contracts which have heretofore been made. I shall insist upon the passage of the resolution of the Senator from Alabama or some similar resolution opening up the proceedings under which these contracts were entered into. I do not wish to be placed in the attitude of repudiating contracts that are in force, but I do think that, under the existing law, if the committee had taken the time and trouble, it could have reduced this appropriation by several million dollars and not worked any serious detriment to the air mail service.

I do not believe, from the limited study I have been able to make, that any more improvident action has been taken in connection with the business of the Government than that taken in relation to these air mail contracts. I expect if the subject is opened up and the facts are brought out that they will reveal partiality, unnecessary expenditures, and many proceedings that are justly to be censured and criticized.

Mr. MOSES. Mr. President-

Mr. ROBINSON of Arkansas. I yield to the Senator from New Hampshire if I have the right to do so.

The PRESIDING OFFICER. The Senator from Utah has the floor.

Mr. KING. I yield to the Senator from New Hampshire, not for gymnastics, but for a question.

Mr. MOSES. I want to make a statement as one of the conferees.

Mr. KING. If I do not lose my right to the floor, I am glad to yield to my friend.

Mr. MOSES. Of course, I can have no quarrel with the beliefs expressed by the Senator from Arkansas. There are many beliefs held by many people with which I am not in full agreement. That does not constitute a source of controversy between them and me.

Mr. ROBINSON of Arkansas. Mr. President, will the Senator yield?

Mr. MOSES. I have not the floor.

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Arkansas?

Mr. KING. Mr. President, a parliamentary inquiry: May I yield the floor and not lose my right to the floor?

Mr. ROBINSON of Arkansas. I will not interrupt the Senator.

Mr. MOSES. What I wanted to say was this-

The PRESIDING OFFICER. The Senator from New Hampshire is recognized.

Mr. MOSES. As a conferee on the part of the Senate on many appropriation bills, I have never gone into the conference room except in the belief that regardless of my personal opinion of the action taken by the Senate there was but one course open to me as a conferee on the part of the Senate, and that was to maintain the position taken by the Senate.

With reference to this particular item, while it is not the practice to reveal in detail what takes place in conference, I think the Senate ought to know that the Senate conferees were resolute in standing by the amendment which the Senate had made with reference to the air mail. The House conferees were adamant in the position which they took; and an unprecedented course was pursued in connection with this item, in that the conferees gave a hearing to two Members of the House, the chairman of the House Committee on the Post Office and Post Roads and the most active member of that committee, the Representative from Pennsylvania.

Those two Representatives consumed the better part of a forenoon session of the conferees in setting up the fact that the Post Office Committee in the House was now engaged in formulating a bill to deal with the whole subject of air mail contracts as they exist and of air mail contracts as they may be let in the future.

Following that presentation of the conferees, the Senate members of the conference discovered that the resistance which they had encountered on the part of the conferees on the other side of the table had been very much fortified; and, Mr. President, as reluctantly as I submitted in another conference yesterday with reference to the amendments which the Senate had adopted in connection with the Children's Bureau, I had to succumb to the force majeure which did not permit the conference to move unless we had surrendered.

Mr. ROBINSON of Arkansas. Mr. President, will the Senator vield?

The PRESIDING OFFICER. Does the Senator from New Hampshire yield to the Senator from Arkansas?

Mr. MOSES. Yes; I yield.

Mr. ROBINSON of Arkansas. What is the advantage of agreeing to this conference report?

Mr. President, I said a few moments ago, in answer to a question of the Senator from Idaho, that I did not see any great advantage to be gained by refusing to agree to the motion that is pending, because it relates for the most part to relatively unimportant matters; but in view of the fact that the real controversies in the bill are not resolved by this agreement, and that the Senate conferees have conceded at least one important amendment—the air mail subsidy amendment, for which they stood with such unfaltering loyalty and courage while the opposition was assaulting them with all the force and organization that have been described by the Senator from New Hampshire-what is the advantage in agreeing to this conference report, which, with the exception of the air mail amendment, deals only with relatively unimportant matters, unless it is to clear the way for a recession on the part of the Senate conferees respecting the all-important issues involved in this bill?

Mr. MOSES. Mr. President, the Senator from Arkansas and I, in our conversations and in our exchanges on the floor, are accustomed to deal one with the other in absolute frankness. I will say now in absolute frankness to the Senator from Arkansas that I can not see any very great advantage to be gained, except that, having gone so far in agreement, the House having agreed so far with what the conferees have done, the conference will be diminished in its scope and in its time.

Mr. ROBINSON of Arkansas. Will the Senator yield further?

Mr. MOSES. Yes, indeed.

Mr. ROBINSON of Arkansas. It appears, then, that what will actually happen will be that the conferees on the part of the House get what they desire if we agree to this motion, and they will have the long chance of getting everything they desire after we have done that. I think we might just as well take the whole thing back to conference.

That is all I have to say about it.

Mr. MOSES. I am not sure that the application of the doctrine of chances-

Mr. ROBINSON of Arkansas. May I say to the Senator that I have been called from the Chamber temporarily on a very urgent mission.

Mr. MOSES. I will say to the Senator from Arkansas that I shall hold no Parthian arrows on his departure.

I must say, however, that this conference, prolonged as it was, covering almost an entire week, dealt with every subject in controversy in a spirit of complete, accurate examination of the problems presented; and any Senator here who has served upon conference committees, especially conference committees dealing with appropriation bills, can well understand what I mean when I say that the Senate conferees found themselves in a situation where nothing in connection with the bill could move unless we disposed of this item, and we had to dispose of it in the manner which we employed, otherwise there would have been no bill at all.

If this report, as now presented, is not agreed to in the manner proposed by the motion of the Senator from Ne-

vada, I think that we gravely endanger the entire bill in the lifetime of this Congress. If that is what the majority of the Senate desires. I am in no position to make great resistance; but since we have violated no precedent, since this partial report is no novelty in the Senate, since the motion of the Senator from Nevada is entirely proper, since its adoption, as I view the situation, will expedite the consideration and the enactment of the entire measure, I hope that the Senate may agree to the motion proposed by the Senator from Nevada.

Mr. REED. Mr. President, will the Senator yield for a question?

Mr. MOSES. Yes, indeed.

Mr. REED. Will it in any way improve the chances of the House being able to impose its will upon us on the economy section of the bill if we now approve this partial report?

Mr. MOSES. I can not see that, Mr. President.

Mr. REED. If the Senator will yield to me, I can not see it either; but I can see this-

Mr. MOSES. The Senator from Arkansas intimated that that would be the case, but I could not see it. I do not see it now.

Mr. REED. The Senator from New Hampshire answered the Senator from Arkansas that he saw no real importance in acting on this partial report now. It seems to me there is a very great importance in it.

Mr. MOSES. No; I said "except"—— Mr. REED. I hope the exception will include this thought:

There may be a minority of the Senate that would want to vote against this partial report because of the rejection of the airplane item. There may be another minority of the Senate that would want to vote against the solution of the economy-section difficulty. Those two minorities, added together, may make a majority that would defeat the bill.

Mr. MOSES. That is entirely possible.
Mr. REED. We avoid that by acting on the bill piece-

Mr. AUSTIN. Mr. President, a parliamentary inquiry. The PRESIDING OFFICER. The Senator will state it.

Mr. AUSTIN. Would a motion to instruct the managers on the part of the Senate be in order if the pending motion should be agreed to?

The PRESIDING OFFICER. The present occupant of the chair does not think so.

Mr. AUSTIN. Mr. President, I desire to call attention to a peculiar situation here.

The PRESIDING OFFICER. The Senator from New Hampshire has the floor.

Mr. MOSES. I should like to comment upon the suggestion made by the Senator from Vermont, and then I will yield the floor to him. It is not possible to recommit a bill to conferees with instructions. That may not be done.

I now yield the floor.

Mr. AUSTIN. Mr. President— Mr. BLACK. Mr. President, will the Senator from New Hampshire yield?

Mr. MOSES. I have yielded the floor to the Senator from Vermont, but if the Senator from Alabama wishes to ask me a question, I will retain it for that purpose.

Mr. BLACK. I have here a report, and I desire to be sure as to whether or not it is correct as to what the conference has agreed on.

Mr. MOSES. Is it the document which the Senator from Arkansas held in his right hand?

Mr. BLACK. No; I have not the one which the Senator from Arkansas had. This is the one I have in my left hand.

I find that, according to the report, the House has receded on three or four amendments.

Amendments Nos. 2 and 3, the report says, make a technical correction.

No. 4 appropriates \$30,800,000, as proposed by the House, instead of \$29,800,000, as proposed by the Senate.

No. 5 makes a technical correction in the text of the appropriation for the Bureau of Engraving and Printing.

No. 6 makes a technical correction in the text of the appropriation for freight, and so forth, under the Public Health Service.

As to amendment No. 10, the House seems to have yielded on this point, besides the technical matters: The action of the conferees strikes out, as proposed by the Senate, the authority in the House bill for "acquisition of sites or of additional land." The House gained that point.

Mr. DICKINSON. No; the Senate gained that point. Mr. BLACK. What is that, may I ask the Senator?

Mr. MOSES. Inasmuch as I am continuing to hold the floor, the Senator from Iowa [Mr. Dickinson] can answer that question much better than I, because that action was taken by the Senate upon an amendment offered from the floor by the Senator from Iowa.

Mr. BLACK. And that has been stricken out?

Mr. DICKINSON. It has been agreed to.

Mr. MOSES. It has been agreed to on the part of the House; and while it does not change the sum of money involved in any of the public-buildings construction—there already being \$80,000,000, as I recall, remaining in the fund for the acquisition of sites under the authorizations already made—it brings to a temporary halt the extension of public-building construction throughout the country. If I have compacted it too much in my statement, the Senator from Iowa, who is the author of the amendment, may have the floor in my time to answer.

Mr. BLACK. The two amendments on which, as I find from this report, the House yielded to the Senate, are No. 11 and No. 13. No. 11 provides that the American Red Cross Building may be served with heat from the Government central heating plant; and No. 13 exempts, as proposed by the Senate, the use of automobiles by the President from the general restriction on use of Government automobiles.

Mr. MOSES. The Senator must not forget No. 10, which we have just discussed, and on which the Senate won a signal victory.

Mr. BLACK. How much is involved in that victory?

Mr. MOSES. Not a nickel, Mr. President. That is to say, it makes no change in the sum of money appropriated, but it does make a very complete change in the method in which the fund is to be administered.

Mr. BLACK. As I understand it—and I want to be sure—I find that amendment No. 2 makes a technical correction.

No. 3 makes a technical correction.

No. 4 makes a \$1,000 correction.

No. 5 makes a technical correction.

No. 6 makes a technical correction.

No. 10 changes no appropriation of any kind.

On No. 11 the House yields to the Senate on supplying heat to the American Red Cross.

On No. 13 the House yields to the Senate with reference to the use of automobiles.

In return for that the Senate yields on the \$19,000,000 subsidy for air mail. [Laughter.]

Mr. MOSES. Mr. President, I must protest that the Senator from Alabama is not entitled to infringe upon the privilege of Yankee trading, especially when he is talking with me. If he wishes to summarize this conference report in a mathematical sense by setting up that the Senate yielded on amendments numbered 1, 2, 3, and 4, and the House yielded on amendments numbered 5, 6, 7, and 8, that, of course, is demonstrable with a piece of chalk and a blackboard

That, however, is not the manner in which conferences perform their functions. That is not the manner in which appropriation bills are formulated. That is not the manner in which the Government is carried on.

Mr. BLACK. I agree to that.

Mr. MOSES. We did not act in that manner in the conference. We were confronted, as Grover Cleveland said, not with a theory but with a condition. Some time the Senator himself will be wrestling in conference on an appropriation bill, and he will discover that those things which

we are now exposing to the Senate as having taken place in the conference room over this measure are the things which constantly take place.

It is a matter of adjustment; it is a matter of retreat where retreat is strategic; and on this particular item of \$19,000,000, which seems to be the immediate crux of the controversy here in the Senate in connection with this report, the Senate conferees were moved to their action especially by reason of the unexampled manner in which the House presented its view; that is, the House conferees being reinforced by the chairman of the House Committee on Post Offices and Post Roads, and by the most active member of that committee, who came to us and, as I have already said, consumed a whole forenoon session in explaining what the House intended to do.

Mr. BLACK. Mr. President, if the Senator will yield, I simply wanted to get down to the issue as I see it. If I am incorrect, I want to understand it.

The chief thing at issue here is the \$19,000,000 appropriation. Of course, no one would attach any importance in a conference to the heat that is supplied to the Red Cross.

Mr. MOSES. Mr. President, if the Senator wishes to discuss that item, I will say to him that, so far as I was concerned as a Member of the Senate, when the amendment was offered here, and as a conferee on the part of the Senate, I did not believe in the amendment in the form in which the Senate adopted it. I felt that while it was very desirable that the buildings of the Red Cross should be heated from the central heating plant, I felt constantly that it would be necessary to enlarge the central heating plant in order to take care of them, and there was no appropriation made in the bill to take care of that. It is true that the Red Cross would pay for the piping which connected it with the steam mains, and would pay for the steam they used, but in the event that the central heating plant had to be enlarged, as I firmly believe must be the case, there was no appropriation made for that extra expense on the part of the Government.

The Senator may read the numbers in the document he holds in his hand from 1 to 18, and he will find many of them which, in their essence, seem to be simple. He may find some of them which may seem to deal with subjects with which the Congress of the United States should have no business. But he can not find an item there in the 18 amendments as to which there was not a division of opinion on both sides of the table; that is to say, between the Senate conferees and the House conferees; nor can he find a single item wherein the conferees on the part of the Senate did not go, as they regarded it, the limit in supporting the views of the Senate.

Mr. BLACK. Mr. President, may I ask the Senator one other question?

Mr. MOSES. Certainly.

Mr. BLACK. If the Senate accepts this partial report, and it goes back to conference, as I see it, there are no more technical corrections our conferees would have an opportunity to trade on, are there?

Mr. MOSES. I am not sure, because I have not studied the bill from a grammatical point of view, but in view of the suggestion made by the Senator from Alabama, I may find some further make-weights.

Mr. BLACK. I think the Senator can. I think he did well in his efforts.

Mr. KING. Mr. President, I am glad to be associated with my leader, the Senator from Arkansas, in opposition to the motion of the Senator from Nevada to approve the partial report submitted by him. The Senator from Arkansas, after learning the issues involved in the matter before us, takes the position that the conference report should be rejected. I feel sure that a majority of the Senate, after knowing what the question before the Senate is, will join those who are opposing the motion to adopt the conference report.

I am curious to know why the Senator from New Hampshire, in view of his statements that two Representatives not members of the conference committee appeared before the committee and gave information bearing upon the \$19,000,000 air mail subsidy, did not afford opportunity to Senators or others who opposed the subsidy to appear before the conferees and submit information relative to the question involved.

Mr. DICKINSON. Mr. President, will the Senator yield? Mr. KING. I yield.

Mr. DICKINSON. I think it is only fair to suggest that the two Members from the House, Representative Mead and Representative Kelly, were invited there at the suggestion of the House conferees to outline their plan as to how to

approach this mail matter.

Mr. BINGHAM. Mr. President, will the Senator yield?

Mr. KING. I yield.

Mr. BINGHAM. May I say to the Senator that they did not come before the conferees to argue one way or the other in regard to the appropriation, or the amendment striking it out. They came to explain to us, at the request of the House conferees, what the plan of Mr. Kelly, the original author of the air mail bill, and the chairman of the committee, was in regard to future air mail contracts. They outlined to us the bill which they had in course of preparation, and, which since then, if I am correctly informed, has been reported out of committee, and is now being considered by the House. They offered it, not exactly in the nature of a compromise, but in the nature of a cure for some of the matters which had been brought up on the floor and referred to as being undesirable in the past. It was largely because of the very excellent statement they made with regard to the proposed changes in legislation that the Senate conferees felt that they were justified in withdrawing from the Senate amendment.

Mr. KING. Mr. President, the statement just made by the Senator corroborates the views expressed by the Senator from New Hampshire and justifies the conclusion that the conferees did not regard the views of the Representatives as irrelevant to the matter under consideration. It matters not the purpose for which the two persons referred to appeared before the conference committee, or who invited them to appear. It is unimportant as to whether they voluntarily appeared or did so at the instance of some committee of the House. The fact is they did go and I think the statements of the Senators from New Hampshire and Connecticut warrant the inference that the statements made by the Representatives had some influence upon the committee. I make no criticism whatsoever because of the appearance of any person before conference committees. Indeed, there are many occasions when the conferees are justified in seeking information with respect to items in bills which they are considering. If conferees need additional information concerning controversial matters, I see no reason why they may not, with propriety, obtain data to aid them in reaching just and fair conclusions. I am only suggesting that where persons appear before conference committees to explain controversial items, it would seem proper to permit persons who entertain different views concerning the issues involved to meet the committee and present their side of the question.

I should have been glad to have had the Senator from Alabama, who is familiar with this matter, afforded an opportunity to appear and explain the proposed bill which the Senator says has been introduced in the House, and show its futility and also its irrelevancy to the question involved in the air mail subsidy which the Senate eliminated from the bill, but which the conferees have restored.

Mr. BINGHAM. Mr. President, will the Senator yield to me?

Mr. KING. I yield.

Mr. BINGHAM. May I remind the Senator that the most ardent advocate of the proposed striking out of the air mail appropriation was a conferee, was there during the discussion, and that he made no move whatsoever to invite the Senator from Alabama or anybody else to aid him in cross-examining the House witnesses or to suggest that any other witnesses be called.

Mr. KING. I do not want to say that there was any dereliction upon his part, but it does seem to me that where witnesses are permitted to appear before conferees in advo-

cacy or in explanation of controversial items, where it is known that there are other persons opposed to those items, particularly Members of the Senate or of the House, equal opportunity should be given them to present relevant facts and express their views in opposition to the views tendered by the voluntary witnesses or the invited witnesses who appear before the committee.

Mr. ODDIE. Mr. President, will the Senator yield to me? Mr. KING. I yield.

Mr. ODDIE. No request was made at all before the conferees that any witnesses from the Senate be present. The Senate had already heard a vast amount of testimony on this air mail question.

Mr. KING. But the Senator, knowing the attitude of the Senate, was receiving statements from persons who volunteered to appear or who were requested to appear to present views bearing upon the \$19,000,000 appropriation.

Mr. ODDIE. Mr. President, I can not agree with the Senator in that statement at all. The suggestion was made by some one that these Members of the House could give some testimony to the conferees which would be valuable to them in regard to future air mail legislation that the House was working on.

In that connection, Mr. President, I want to say that a few days ago the Senator from Alabama requested of me that the Committee on Post Offices and Post Roads of the Senate act on his resolution providing for a complete and thorough investigation of the air mail operations and contracts. I called the committee together as quickly as I could, and within a day the committee met, heard the Senator from Alabama, adopted an amendment offered by the Senator from North Dakota [Mr. Nye] to Senator Black's resolution, which was agreed to by the Senator from Alabama. The committee acted favorably on this resolution and the favorable report of the committee was presented to the Senate, and I believe is on the calendar now.

Mr. BLACK. Mr. President, will the Senator from Utah vield to me?

Mr. KING. I yield.

Mr. BLACK. It is not on the calendar; it went to the Committee to Audit and Control the Contingent Expenses of the Senate, but I hope it will be on the calendar to-day. I do not know whether the Committee to Audit and Control has acted upon it or not. If it does not, I may state that I expect to move to discharge the committee as soon as possible.

Mr. FESS. Mr. President, will the Senator from Utah yield to me?

Mr. KING. I yield.

Mr. FESS. I did not understand the inquiry of the Senator from Alabama. Did he refer to the resolution he introduced?

Mr. BLACK. Yes.

Mr. FESS. It was acted upon to-day.

Mr. BLACK. It has been acted upon?

Mr. FESS. Yes.

Mr. BLACK. Has the report been made?

Mr. FESS. I think not. It is in the hands of the chairman of the committee, but the report will be made to-day.

Mr. ODDIE. Mr. President, will the Senator from Utah yield to me just a moment?

Mr. KING. I yield.

Mr. ODDIE. I wanted to state to the Senator that the Committee on Post Offices and Post Roads, of which I am chairman, acted expeditiously in this matter, and did everything it could to get the resolution of the Senator from Alabama acted on promptly and favorably.

Mr. KING. Mr. President, I think the statements which have been made thus far justify the position which I have taken and the position just taken by the Senator from Arkansas [Mr. Robinson]—that this partial report should be rejected and that the matter should be sent back to conference.

The Senator from Alabama has just shown incontrovertibly that the Senate conferees yielded upon substantially all matters in disagreement between the conferees of the

House and the Senate and covered by this report before us. True there are a number of items on which, it is stated. the House receded, but they were technical matters, nothing substantive, nothing important. The \$19,000,000 item, which was important, received the coup de grâce at the hands of the committee.

I stated a moment ago, and I beg pardon for repetition, that it is important when conferees of the two Houses meet to adjust matters of disagreement growing out of amendments offered by the House or the Senate, or both, they should approach their task with the understanding that the rights of each House should be respected and that by discussion and conciliation the differences might and should be ironed out. If we accept a partial report, which is neither conciliation nor concession upon the part of the House, it is obvious that when the bill goes back to conference the Senate conferees will be at a disadvantage; they will have no ground for legitimate bargaining, no opportunity to obtain concessions or compensation for surrenders made.

I submit, Mr. President, that the Senate, in view of the importance of this item and in view of the position which the Senate took when it struck out the air mail subsidy, the report should be rejected and the matter be sent back to conference.

Mr. President, I call attention to two others upon which the Senate acted when the bill was before this body. It was brought to the attention of the Senate that the appropriations for the expenses of the Bureau of Customs and the Internal Revenue Bureau were entirely disproportionate to their activities and achievements; that the costs of collecting revenue were too great, and the appropriations evidence a disregard of economy, and a concession to extravagance and inefficiency. It was shown that a number of years ago, when the revenues collected by these two bureaus were very much greater than recent and present collections, and the costs of collection were but a small percentage of the costs now incurred in collecting customs and internal revenue, amendments which I offered were, after discussion, adopted. One of the amendments reduced by \$1,000,000 the amount for the collection of customs and \$2,000,000 for the cost of collecting internal revenue. Figures presented showed that in 1912, when the customs collected amounted to more than \$300,000,000, the appropriation for their collection was only \$10,000,000. In 1914 the collections were nearly \$300,000,000 and the costs of collection were \$9,000,-000. In 1915 the collections were \$209,000,000 and the appropriation for the purpose of collecting the same were \$9,000,000.

In 1932, when the customs collected were \$331,000,000, the sum of \$22,000,000 was appropriated to pay the employees and the other costs of collection, or \$6.87 for every \$100 collected, as against 65 cents per \$100 in earlier days. In other words, in 1932 it cost \$6.87 to collect each \$100. For 1933 the customs receipts were considerably less and the appropriation for the year was \$22,000,000, or approximately \$7 for every \$100 collected. The appropriation bill for the next fiscal year carried, as I recall, \$22,000,000, though it is certain the customs dues will be less than for this fiscal year. This means that approximately \$8 was carried in the bill to meet the costs of collecting \$100.

There can be no justification for this enormous increase in the costs of this bureau, but the bill came to the Senate burdened with bureaucratic demands. I insisted that the appropriation be reduced several million dollars, but was opposed by some members of the committee, as well as a number of other Senators. After discussion I succeeded in reducing the amount \$1,000,000. I thought that Senators on the other side of the aisle, knowing that a new administration is coming in, and that there would be some Democrats in the bureau, would have joined with Democrats in voting for a larger reduction in this item. But after a hard flight only \$1,000,000 were saved. But the conferees have repudiated the Senate's action on this item and restored the House provision.

But having secured only a small reduction of \$1,000,000, which still allows \$7 to \$8 to collect each \$100, as against

50 to 75 cents per hundred dollars a number of years ago, our efforts for economy are frustrated by the conference.

I now refer to the Internal Revenue Bureau. When the Senate was considering the item to meet its costs for the next fiscal year I showed that the annual costs for a number of years, going back to 1912, was materially less than for the past five or six years. My recollection is that it cost nearly five times as much to collect \$100 last year and the year preceding as it did in the years 1912, 1913, and 1914. As the years went by the costs increased, notwithstanding the diminution in receipts from taxes and from the collections made by this bureau.

In 1913 the appropriation for the entire bureau was only \$5,000,000; in 1914 it was only five million and odd dollars. In 1915 it was \$6,000,000, and in 1917 it was \$7,000,000. In 1918, when the total taxes collected were more than \$4,000,000,000 as against less than \$500,000,000 or \$600,000,000 collected by this bureau in 1913 and 1914, the appropriation for the bureau was more than \$27,000,000. The cost was only \$5,000,000 a few years before, with the amount of revenue collected not very much larger.

In 1921, \$33,000,000 was appropriated for the bureau, and the collections were \$4,595,000,000, but the cost of collection was only 72 cents per \$100 collected. In 1922 there was another \$1,000,000 added to the appropriation, making a total of \$34,000,000, with diminishing receipts totaling \$3,197,000,000, but it cost \$1.07 to collect each \$100.

In 1923 \$36,000,000 were given to the bureau for the collection of \$2,621,000,000, or \$1.39 per hundred dollars collected. But the machinery in the bureau kept increasing, the personnel was enlarged, the number of agencies and subagencies multiplied, and the costs increased so that last year it cost more than \$2.50 to collect each \$100, although the total amount collected was very much less than in preceding years to which I have called attention.

For the present fiscal year the cost will be more than \$3 for each \$100 collected, as against 33 cents, 53 cents, 50 cents, and 72 cents for each \$100 collected during the years 1913, 1914, 1915, and 1916. In other words, as the revenue has decreased the expense per \$100 collected has increased to more than \$3 at the present time. Notwithstanding this showing the Senate refused to make reasonable reductions, but finally consented to reduce the appropriation \$2,000,000. With this concession the bill carried a huge sum, enough to pay more than \$3 for each \$100 collected for the next fiscal year. But the conferees were unwilling to accept this small reduction, and restored the House provision.

Mr. President, I have taken the time of the Senate to challenge attention to the action of the conferees with respect to three items. In my opinion we should reject the conference report and insist that the Senate's action, so manifestly just, be approved.

Mr. AUSTIN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it. Mr. AUSTIN. The economy part of the bill is said not to be before the Senate at the present time. That provision was originally numbered 19. Afterwards it was numbered 16, and at the present time it is numbered 14.

As that original section of the bill called the economy provision was before the Senate, it contained a clause relating to permanent annual appropriation laws, so that thereafter the appropriations must be made annually by the Congress. Among those were the Morrill Act creating colleges for agricultural experimentation and industrial education, agricultural extension service, and vocational education, the latter two known as the Smith-Lever Act and the Smith-Hughes Act. Those two provided for cooperation between the Federal Government and the several States, and that cooperation extended into the States and even included industrial organizations.

The next parliamentary step in connection with it was an amendment adopted by the Senate after debate, in the course of which debate those who had charge of the economy provision of the measure accepted the amendment, and the Senate understood—at least this much of the Senate

understood and a large part of the United States understood—that the conferees on the part of the Senate would at least advocate the sustaining of that amendment.

I do not undertake to be censorious or to say what the details of the transaction were, but such handling of the matter occurred in conference as that a report was made and appears here, which reads in part as follows:

As to this amendment-

Meaning the whole economy amendment-

the managers on the part of the House expect to offer a motion to recede and concur with an amendment, striking out all of the matter proposed to be inserted by the Senate amendment and inserting in lieu thereof other matter.

That the House did. Now, we find that we are confronted, as we consider the question whether we are to adopt or reject the pending motion, with a proposed bill differing entirely from the Senate measure containing section 14, which reads as follows:

Sec. 14. All laws providing for specific annual appropriations are hereby modified so that after June 30, 1934, in lieu of appropriations made therein, the sums available for the purposes of such laws shall be such sums, not exceeding the amounts now provided in such laws, as may hereafter be provided therefor from time to time by Congress.

In other words, the House has passed upon the matter. The House has adopted a section relating to the subject matter which is wholly and entirely different from that which the Senate adopted as an original provision relating to permanent annual appropriations. Here we are asked to adopt a fraction of the business that was transacted by the conference. What is the effect of doing that? What goes back to conference? Does the conference consider again that which it has already passed upon in respect of these permanent annual appropriations, or is the debate closed? However, we in the Senate are in a position where we can not save ourselves in this matter.

Mr. President, to address a parliamentary inquiry in a few words to the Chair, I ask: Will section 14 of the House amendment to Senate amendment No. 14—the economy provision—which was formerly section 16, when it was acted upon by the Senate, be considered any further in conference or is the matter closed?

The VICE PRESIDENT. The conference report pending before the Senate at this time covers only those amendments of the Senate on which the conferees have agreed, and does not include the matter referred to by the Senator from Vermont. If the conference report shall be agreed to on the propositions submitted, then action may be had by the Senate upon the amendments which have not been agreed to by the other House; and the Senate may disagree to the House amendment to the Senate amendment and send it back to conference or consider it on the floor of the Senate, and amend the amendment to the Senate amendment adopted by the other House.

Mr. AUSTIN. A parliamentary inquiry, Mr. President. The VICE PRESIDENT. The Senator will state it.

Mr. AUSTIN. Will the amendment which was agreed to by the other House on February 21, 1933, as a substitute for the economy provisions of the appropriation bill for the Treasury and Post Office Departments follow immediately the vote which is about to be taken; that is, will it be pending following the adoption or rejection of the report that is now before the Senate?

The VICE PRESIDENT. The logical order, after agreeing or disagreeing to the conference report, would be to pass upon the separate amendments of the House to the Senate amendments still in disagreement as they are presented to the Senate, or if they are presented en bloc, they may be divided and a separate vote may be had upon each one or upon any one of the number, or they all may be sent to a further conference.

Mr. BORAH. Mr. President, as I understand, what is known as the Austin amendment is not affected by any action which we may take upon the pending conference report?

The VICE PRESIDENT. The amendment referred to by the Senator will not be affected by whatever action may be taken on the pending motion.

Mr. BORAH. Mr. President, I do not desire to discuss the conference report, but I sincerely hope that it may be disagreed to. There are a number of items in the bill which are of very great importance, and it seems to me that we can better deal with it as a whole than by piecemeal. So I wish to express my hope that the entire bill will go back to conference.

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from Nevada that the conference report be agreed to.

Mr. NEELY. Mr. President, a parliamentary inquiry. The VICE PRESIDENT. The Senator will state it.

Mr. NEELY. If the conference report shall be adopted, will not the Austin amendment thereby in its purposes be entirely defeated?

The VICE PRESIDENT. No; it has nothing to do with the conference report. It will have to be presented to the Senate after the conference report shall have been acted upon, if it is agreed to; and if the conference report is rejected, of course, the whole matter goes back to conference. If the conference report shall be agreed to, however, House amendments to the so-called Austin amendment and the other Senate amendments will be submitted to the Senate for such action as the Senate may desire to take.

Mr. NEELY. Mr. President, I ask unanimous consent to have noted in the Record 48 telegrams which I have received in the last few hours from West Virginians in behalf of the retention of the Austin amendment.

The VICE PRESIDENT. Without objection, it is so ordered.

There being no objection, the telegrams in the nature of petitions, praying for the retention of the so-called Austin amendment in the Post Office Department appropriation bill pertaining to the agricultural extension service item, were ordered to be noted in the RECORD and to lie on the table, as follows:

From E. B. Ruppenthal, president, Morgan Fruit Growers (Inc.), of Berkeley Springs; George W. Myers, jr.; W. T. McDonald; J. W. Lynch, member, Jefferson County executive committee; J. H. Abbot, assessor of Kanawha County; Charles C. Lewis, first president Kana Cooperative Farm Bureau 1914, and J. M. Slack, county clerk of Kanawha County, all of Charleston; the Marion County Farm Bureau, by A. L. Thomas, secretary, and Mrs. J. E. Watson, of Fairmont; J. M. Downs, of Farmington; J. Alfred Taylor; G. A. Stickler, president Fayette County Farm Bureau, of Fayetteville; R. F. Hatton president Ritchie County Farm Bureau of Harrisville; Wade H. Gwinn, of Hinton; W. H. Crowder, H. H. Cox, M. M. Tyree, Blanche C. Meadows, Farm Bureau, all of Huntington; Mineral County Farm Bureau, by D. A. Arnold, president, and J. W. Carskadon, of Keyser; G. C. Board, of Marlinton; Carroll R. Miller, secretary, West Virginia Horticultural Society, of Martinsburg; F. C. Welton; Herman Slons; Roy Slons; H. C. Welton; Albert Leatherman and C. U. Fout, all of Moorefield; Carlton Harris, secretary Marshall County Farm Bureau, of Moundsville; John H. Mayhew, president Hancock County Farm Bureau, of New Cumberland; Beatrice Yeater, of New Martinsville; C. E. Phillips, president Wood County Farm Bureau; Mrs. Minnie Prince, president Cedar Grove Farm Women's Club of Wood County; Mrs. W. N. Kellar, president Sand Hill Women's Club; Mrs. O. W. Barnett, president Mineral Wells Farm Bureau; Mrs. O. W. Barnett, president Mineral Wells Farm Bureau; Mrs. O. W. Barnett, president Farm Women's Club of Wood County; Mrs. O. W. Barnett, president Farm Women's Club of Wood County, and E. F. Schneider, vice president Wood County Farm Bureau, all of Parkersburg; Dayton R. Stemple, president Barbour County Wood Growers' Association, and A. L. Proudfoot, president Farm Bureau of Barbour County, of Philippi; Jackson County Farm Bureau, by G. H. Castrup, secretary, of Ripley; D. D. Cunningham, of Rivesville; Henry W. Campbell, secretary, Hampshire County Farm Bure

Mr. ODDIE. Mr. President, I hope this conference report will be agreed to as it is presented. I will say to the Senator from West Virginia [Mr. Neely] that I am personally very much in favor of the Austin amendment, and I

hope that will be disposed of as the Senate disposed of it | previously by adopting it as offered by the Senator from Vermont [Mr. Austin].

The VICE PRESIDENT. The question is on agreeing to the conference report.

Mr. TYDINGS. I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll. The Chief Clerk called the roll, and the following Senators answered to their names:

Coolidge Hebert Ashurst Pittman Copeland Dale Johnson Reed Reynolds Bailey Bankhead Kean Davis Dickinson Kendrick Robinson, Ark. Robinson, Ind. Keyes Barbour Barkley King La Follette Dill Russell Schuyler Bingham Sheppard Shortridge Smith Fletcher Black Lewis Frazier George Blaine Logan Long McGill Borah Bratton Glass Steiwer Glenn McKellar Stephens Brookhart McNary Metcalf Bulkley Goldsborough Trammell Tydings Vandenberg Bulow Gore Grammer Byrnes Moses Neely Norris Hale Harrison Wagner Walsh, Mass. Capper Caraway Carey Hastings Hatfield Nye Oddie Watson Wheeler Clark Connally Hayden Patterson White

The VICE PRESIDENT. Eighty Senators have answered to their names. A quorum is present. The question is on the motion of the Senator from Nevada [Mr. ODDIE].

Mr. BINGHAM. Mr. President, I hope the Senate will not throw into the discard all the conferees did as the result of meeting every day and almost all day for nearly a week. The Senate conferees worked as hard as they could with the conferees on the part of the House to assure an agreement. We have agreed on certain amendments, and the House has accepted the conference report. The most important part of the bill is still in disagreement. That will have to go back to conference. If the Senate shall not accept this conference report and shall send it back to conference, then we will have to begin de novo, with the House conferees annoyed by our action and unable to understand why the Senate went back on its conferees on the matters on which they finally succeeded in agreeing. I hope that this little conference report, which does not represent a very large part of the bill, but does represent a lot of work, will be agreed to.

The VICE PRESIDENT. The question is on agreeing to the conference report.

Mr. ODDIE. I ask for the yeas and nays.

The yeas and nays were ordered, and the Chief Clerk proceeded to call the roll.

Mr. GLENN (when his name was called). I have a general pair with the senior Senator from Virginia [Mr. Swanson]. In his absence, I withhold my vote.

Mr. SHORTRIDGE (when his name was called). I have a general pair with the senior Senator from Montana [Mr. Walsh], and withhold my vote.

The roll call was concluded.

Mr. MOSES. I have a general pair with the senior Senator from Louisiana [Mr. Broussard]. He being absent, I withhold my vote. If at liberty to vote, I should vote

Mr. FRAZIER. I wish to announce that the senior Senator from Minnesota [Mr. Shipstead] is detained from the Chamber on account of illness. If present, he would vote nav.

Mr. McKELLAR (after having voted in the negative). Has the junior Senator from Delaware [Mr. Townsend] voted?

The VICE PRESIDENT. That Senator has not voted.

Mr. McKELLAR. I have a general pair with that Senator, which I transfer to the senior Senator from Florida [Mr. FLETCHER], and will let my vote stand.

Mr. WHEELER (after having voted in the negative). transfer my pair with the Senator from Idaho [Mr. Thomas] to the Senator from Oklahoma [Mr. Thomas], and will let my vote stand.

Mr. SHEPPARD. I desire to announce the absence on official business of the Senator from Virginia [Mr. Swanson], the Senator from Florida [Mr. Fletcher], the Senator from Illinois [Mr. Lewis], the Senator from Colorado [Mr. Costigan], the Senator from Tennessee [Mr. Hull], and the Senator from Oklahoma [Mr. Thomas].

Mr. FESS. I desire to announce the following general pairs:

The Senator from Connecticut [Mr. WALCOTT] with the Senator from Tennessee [Mr. HULL];

The Senator from Nebraska [Mr. Howell] with the Senator from Illinois [Mr. Lewis]; and

The Senator from Minnesota [Mr. Schall] with the Senator from Colorado [Mr. Costigan].

The result was announced—yeas 36, nays 38, as follows:

YEAS-36 Davis Dickinson Hebert Austin Barbour Kean Reynolds Robinson, Ind. Bingham Kendrick Bratton Keyes Schuvler Brookhart Long McNary Goldsborough Smith Grammer Hale Steiwer Carey Metcalf Vandenberg Copeland Dale Hastings Oddie Watson Hatfield Patterson White NAYS-38 Ashurst Caraway King La Follette Russell Bailey Bankhead Clark Connally Sheppard Logan McGill McKellar Stephens Barkley Coolidge Dill Trammell Tydings Wagner Walsh, Mass. Frazier George Neely Norris Blaine Borah Bulkley Gore Harrison Nye Pittman Wheeler Bulow Capper Robinson, Ark. Hayden NOT VOTING-22 Howell Hull Schall Broussard Thomas, Okla. Costigan Shipstead Townsend Couzens Walcott Walsh, Mont. Johnson Shortridge Cutting Lewis Moses Smoot Fletcher Swanson

So the conference report was rejected.

Mr. GLASS. Mr. President, I desire to say for the RECORD, for any interpretation that anybody may want to give it, that I voted one way and prayed the other way. [Laughter.]

Thomas, Idaho

Mr. WHEELER obtained the floor.

Mr. LONG. Mr. President, will the Senator from Montana yield to me?

I yield. Mr. WHEELER.

Mr. LONG. Is that the usual course of the Senator from Virginia?

Mr. GLASS. The Senator from Louisiana would not understand anything that I might say about prayers. [Laughter.]

REMONETIZATION OF SILVER

Mr. WHEELER. Mr. President, I am doubtful whether anybody would understand what anybody said about prayers.

I send to the desk a concurrent resolution adopted by the General Assembly of the State of Indiana, which I ask to have read and referred to the Committee on Finance.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the resolution will be read.

The resolution was read and referred to the Committee on Finance, as follows:

A concurrent resolution indorsing the passage of Senate bill 2487. introduced in the Senate of the Congress of the United States by Burron K. Wheeler, relative to the coinage of silver

Whereas there is pending in the Senate of the Congress of the United States a measure, known as Senate bill 2487, introduced by Burton K. Wheeler, the United States Senator from Montana, providing for the free and unlimited coinage of silver on the basis of 16 ounces of silver to 1 ounce of gold; and
Whereas we believe and maintain that international bimetallism

should be promptly accomplished, if possible; but if not, then the United States, as a creditor nation of the world, should, with the United States, as a creditor nation of the world, should, with the aid of as many nations as possible, or, if necessary, alone, in the common cause of humanity and for their economic betterment, proceed to adopt and establish bimetallism on the ratio of 16 ounces of silver to 1 ounce of gold: Therefore be it

Resolved by the House of Representatives of the General Assembly of the State of Indiana (the Senate concurring), That the

General Assembly of the State of Indiana indorse and urge the passage of Senate bill 2487, introduced by Burton K. Wheeler, providing for the free and unlimited coinage of silver at the ratio

of 16 ounces of silver to 1 ounce of gold.

Sec. 2. The clerk of the house of representatives is hereby instructed to send a copy of this resolution to the President elect of the United States and to the President of the Senate and the Speaker of the House of Representatives of the Congress of the United States and to each United States Senator and Member of the Congress from Indiana.

NOMINATIONS IN THE ARMY

Mr. ROBINSON of Arkansas. Mr. President, as in executive session, on behalf of the Senator from Pennsylvania [Mr. REED], I ask unanimous consent for the present consideration of sundry routine military nominations.

The VICE PRESIDENT. Is there objection?

Mr. WATSON. Mr. President, I understand the Senator to say that he is acting on behalf of the Senator from Pennsylvania [Mr. REED]?

Mr. ROBINSON of Arkansas. Yes, sir.

The VICE PRESIDENT. The nominations will be read. The Chief Clerk proceeded to read the nominations.

Mr. REED. Mr. President, these are all routine nominations of the grade of colonel and below. I ask that the reading may be dispensed with.

The VICE PRESIDENT. Without objection, that order will be made; and, without objection, the nominees will be

Mr. ROBINSON of Arkansas. I ask that the President may be notified.

The VICE PRESIDENT. Without objection, the President will be notified.

(The nominations this day confirmed appear at the end of to-day's proceedings.)

GASOLINE TAX

Mr. ODDIE. Mr. President, I desire to give notice that upon the completion of the bankruptcy legislation now before the Senate I shall ask that the gasoline tax bill, with my amendment providing for Federal-aid road appropriations, be made the order of business.

ALLEGHENY FORGING CO.

The VICE PRESIDENT laid before the Senate the amendment of the House of Representatives to the bill (S. 466) for the relief of the Allegheny Forging Co., which was, on page 1, line 12, after the word "claim," to insert "and in full settlement of all claims against the Government of the United States, based on the above transaction: Provided, That no part of the amount appropriated in this act in excess of 10 per cent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 per cent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000."

Mr. REED. I move that the Senate concur in the amendment of the House

The VICE PRESIDENT. The question is on the motion of the Senator from Pennsylvania.

The motion was agreed to.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Chaffee, one of its clerks, announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 14458) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1934, and for other purposes, asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. WOODRUM, Mr. BOYLAN, and Mr. SUMMERS of Washington were appointed managers on the part of the House at the conference.

INDEPENDENT OFFICES APPROPRIATIONS

The PRESIDING OFFICER (Mr. CLARK in the chair) laid before the Senate the action of the House of Representatives disagreeing to the amendments of the Senate to the bill (H. R. 14458) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1934, and for other purposes, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. HALE. I move that the Senate insist on its amendments, agree to the conference asked by the House, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. Smoot, Mr. Keyes, Mr. Hale, Mr. Glass, and Mr. COPELAND conferees on the part of the Senate.

AMENBMENT OF BANKRUPTCY ACT

The Senate resumed the consideration of the bill (H. R. 14359) to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, and acts amendatory thereof and supplementary thereto.

Mr. HASTINGS. Mr. President, I desire to offer an amendment to the pending bill, on page 40, lines 23 and 24, to strike out the words "and excepting a farmer as herein-

after defined."

As I explained this morning, in view of the fact that under the following section it becomes necessary for 15 farmers to join in a petition to the judge of the district court before conciliation commissioners can be appointed, this becomes necessary in instances where there might not be found that number in any one county.

Mr. ROBINSON of Arkansas. Mr. President, the effect of the amendment would be to give a farmer the option of proceeding under either provision. Is not that true?

Mr. HASTINGS. That is correct.

Mr. ROBINSON of Arkansas. I have no objection.

Mr. BLAINE. Mr. President, on account of the disorder in the Chamber, I was unable to hear what the amendment was, and in what place in the bill it is proposed to be

Mr. HASTINGS. On page 40, lines 23 and 24, I propose to strike out the words beginning in line 23, "and excepting a farmer as hereinafter defined." The importance of it is that under section 75 it might be difficult in some instances for a farmer to take advantage of this section at all, because the section provides that 15 farmers must cooperate and state to the district judge that they desire to take advantage of this act.

Mr. BLAINE. As I read the language now on page 40, line 23—"Any person excepting a corporation and excepting a farmer as hereinafter defined may file a petition."

Mr. HASTINGS. That is correct, and I want to strike out the words "and excepting a farmer as hereinafter defined," so that a farmer may take advantage of that section in cases where he can not or does not desire to take advantage of section 75.

Mr. BLAINE. I have no objection.

The VICE PRESIDENT. The amendment will be stated. The CHIEF CLERK. On page 40, line 23, the Senator from Delaware proposes to strike out of the committee amend-ment the words "and excepting a farmer as hereinafter defined," so as to read:

Sec. 74. Compositions and extensions: (a) Any person excepting a corporation may file a petition, or, in an involuntary proceeding before adjudication, an answer within the time limited by section 18(b) of this act, accompanied in either case, unless further time is granted, by his schedules, stating that he is insolvent or unable to meet his debts as they mature, and that he desires to effect a composition or an extension of time to pay

The amendment to the amendment was agreed to.

Mr. HASTINGS. Mr. President, on page 45, line 13, after the word "lien," I want to add the words "or the amount thereof," making the proviso read:

Provided, however, That such extension or composition shall not impair the lien or the amount thereof.

Mr. ROBINSON of Arkansas. Mr. President, what would ! be the meaning of the language "impair the lien"? Does the Senator mean "reduce the amount"? I was just wondering whether the words "reduce the amount thereof" or "diminish the amount thereof" would not be appropriate.

Mr. HASTINGS, I think the suggestion is a good one, and I change the amendment to read "impair the lien or reduce the amount thereof."

Mr. BLAINE. I have no objection to that, but I do not see any necessity for it.

Mr. HASTINGS. I agree with the Senator that the original language covers the object sought, but there have been a great many people who are disturbed about it and who have wondered whether, under that language, it would be possible to reduce the amount; and in order to make it certain, I have suggested this amendment.

Mr. BLAINE. May I suggest that if there are a great many people disturbed over that matter, I can very readily conceive how a great many more will be disturbed over a great many matters in this section.

Mr. HASTINGS. That is undoubtedly true.
Mr. TRAMMELL. Mr. President, I desire to oppose the amendment. This provision in regard to the creating of the privilege or the right of extension to farmers for adjusting obligations and indebtedness upon their farms contemplates that they will be able to make some mutual adjustment with their creditors, or, at least, with a majority of their creditors. Yet, under the original provisions of the bill, the only latitude authorized under the terms of the extension is that of an extension of time for the payment of an indebtedness. That is the only latitude authorized and granted to a farmer, under this provision of the bill, in the matter of making an adjustment in the nature of an extension, while under the other provision of the bill, which is applicable to debtors generally speaking, a person would have the privilege of a composition settlement upon such terms as he might arrange.

The terms specified may affect the question not only of adjustment as to terms of payment or time of payment, but they are authorized to effectuate new terms and new conditions as to the amount that shall be paid. That, of course, is embraced within the idea of a composition settlement.

When we come to the special remedy which this bill proposes to set up for the farmer and for his accommodation, we restrict his privilege, and the beneficent features of the measure in his behalf, to allowing him to get some extension of terms only, regardless of the fact that on account of his disastrous and paralyzed condition financially he is not able to pay in full his indebtedness, that it would be to the creditors' advantage to make a reduction of the indebtedness and make an adjustment, that it would be impossible for him to carry on according to the original amount, and that it would be even of advantage to the creditors to make a reduction, the law as here proposed would not authorize it, and now the Senator from Delaware, to make it doubly sure that it would not be permitted, proposes to put in a provision which would make it even plainer that it would not be permitted.

Mr. ROBINSON of Arkansas. Mr. President— The PRESIDING OFFICER (Mr. Fess in the chair). Does the Senator from Florida yield to the Senator from Arkansas?

Mr. TRAMMELL. I yield.

Mr. ROBINSON of Arkansas. If I understood the statement of the Senator from Florida, it was to the effect that under the terms of the bill as reported by the committee there might be no composition respecting the indebtedness of a farmer. Is that correct?

Mr. TRAMMELL. As originally reported; but the Senator from Delaware has offered an amendment, which, of course, would strike out that feature which previously would have prevailed against the farmer, and the amendment proposed by the Senator from Delaware would grant the farmer the privilege of a composition settlement.

Mr. ROBINSON of Arkansas. What I was about to say was that the Senator from Florida is entirely wrong in his | not be any misunderstanding about it.

statement. The amendment offered by me, and incorporated in the bill entitled "Agricultural compositions and extensions," beginning on page 48 and extending down to the end of the bill, expressly provides for compositions and extensions on behalf of the farmer, and is substantially similar to the arrangement carried in the previous sections relating to individual debtors generally. In proof of the correctness of my statement, I refer the Senator to page 50, paragraph (c) of the pending bill, which reads:

(c) At any time within five years after this section takes effect a petition may be filed by any farmer or by any creditor of such farmer, stating that the farmer is insolvent or unable to meet his debts as they mature, and that it is desirable to effect a composi-tion or an extension of time to pay his debts.

Then follows language which implements the principle of the provision which I have just read. There is just as much arrangement in the bill for compositions in behalf of farmers as in behalf of debtors generally, and there is no basis for the assertion or the conclusion that the relief relating to farmers is limited to mere extensions, as the Senator will readily see by referring to the language commencing on page 48 and extending down to the end of page 57.

I thank the Senator for yielding to me. It may be that

the Senator has the wrong copy of the bill.

Mr. TRAMMELL. Mr. President, I have the bill that was placed on my desk. I do not think I made myself quite plain to the Senator. The position I am taking is that. under the provision for an extension settlement, the restrictions as to what may be contained in connection with an extension settlement, as found on page 44, line 22, read as follows, and this is setting forth the restriction of the terms of an extension agreement:

The terms of an extension proposal may extend to the time of payment of either or both unsecured debts and secured debts, the security for which is in the actual or constructive possession of the debtor or of the custodian or the receiver.

As I understand it—and I have not found any other privilege given to an extension settlement except that—that is the condition upon which an extension agreement may be made, to wit, an extension agreement is authorized to be made only upon the question of the time of payment, not upon the question of a reduction of indebtedness or rearrangement.

I want to get information, and if either the Senator from Delaware or the Senator from Arkansas can point out to me in the bill a provision where, under an extension agreement, there is any other latitude than in connection with the time of payment, of course I will be glad to have the information.

I am differentiating. There are two processes. There is one of composition settlement, which applies to people generally other than corporations, and in which there is an attempt, in the original amendment, until the Senator from Delaware recently amended it, to include the farmer, because the attempt was to set up a special remedy for the farmer until 10 minutes ago, when the Senator submitted his amendment. That, of course, should bring farmers within the composition provided, which I think is very proper. But if the extension provision is to be utilized. why should it not authorize a farmer who uses it to arrange also for a reduction of his indebtedness, and not merely take care of the question of whether or not the time should be extended 6, 12, or 18 months?

Mr. HASTINGS. Mr. President, will the Senator yield? The PRESIDING OFFICER. Does the Senator from Florida yield to the Senator from Delaware?

Mr. TRAMMELL. I yield. Mr. HASTINGS. May I make certain that the Senator understands that the purpose of the bill was not to compel the secured creditor to reduce the amount of his debt. The differences between the Senator's suggestion and that which we had in mind in the proposal are fundamental. I want to make it clear that it was not the purpose of those writing the bill that a secured creditor should be compelled to reduce the amount of his claim by a single dollar. That is the reason why I suggested the amendment so there could Mr. TRAMMELL. I realize that is the policy of those who wrote the bill and those who are reporting the bill. I think under existing circumstances it would be the part of wisdom to bring in the question of reduction of secured indebtedness. The security within itself would not be of sufficient value to absorb the assets. A person who is a secured creditor has a mortgage of \$15,000 upon a farm. The farm is worth only \$5,000. With him holding that kind of a club over the situation, how can the debtor effectuate any compromise or how can we effectuate any compromise to help the farmer arrange an equitable settlement?

Mr. ROBINSON of Arkansas. Mr. President-

The PRESIDING OFFICER. Does the Senator from Florida yield to the Senator from Arkansas?

Mr. TRAMMELL. I yield.

Mr. ROBINSON of Arkansas. Let me call the attention of the Senator to the language on page 53 of the bill. The language is:

The terms of a composition or extension proposal may extend the time of payment of either secured or unsecured debts, or both, and may provide for priority of payments to be made during the period of extension as between secured and unsecured creditors. It may also include specific undertakings by the farmer during the period of the extension, including provisions for payments on account, and may provide for supervisory or other control by the conciliation commissioner over the farmer's affairs during such period, and for the termination of such period of supervision or control under conditions as specified.

Plainly under that language there may be a composition of secured or unsecured debts, and there may be an extension of secured or unsecured debts.

Mr. TRAMMELL. The other language in the bill plainly says there shall not be any impairment. It plainly says so, while this language is general. Therefore when the court comes to construe it he will hold as courts always do. When there is a specific provision upon a specific matter the court will hold that the specific provision shall prevail over the general language.

Mr. ROBINSON of Arkansas. "Impairment of lien" has relation to an entirely different subject than the question of composition. "Impairment of a lien" means the lessening of its effectiveness as a lien, but there is nothing to prevent a composition of secured or unsecured indebtedness.

Mr. TRAMMELL. The section which was just read by the Senator from Arkansas, on page 53, doubly emphasizes my criticism of the provisions of the terms that may be written into an extension. The Senator read this language on page 53:

The terms of the composition or extension proposal may extend the time of payment of either secured or unsecured debts, or both, or may provide for priority of payments to be made during the period of extension as between secured and unsecured creditors.

The language does not say one word about or give any authority to the court to consider an extension agreement wherein there is a reduction of the indebtedness.

Now let us go to page 44 and find out what can be provided under an extension agreement. Of course, that is restricted to what the law authorizes. Here are the terms that may be written into an extension agreement:

The terms of an extension proposal may extend the time of payment of either or both unsecured debts and secured debts the security for which is in the actual or constructive possession of the debtor or of the custodian or receiver.

What can we put in the extension agreement under this bill? It can only be a question of the extension of the time of payment. The paragraph to which the Senator from Arkansas called attention does not go any farther than that language. It rather emphasizes that language.

Mr. ROBINSON of Arkansas. I do not know that I can make any clearer the statement I made a moment ago, but I will read the language, leaving out the alternative:

The terms of a composition may extend the time of payment of either secure or unsecure debts.

Mr. TRAMMELL. I am not talking about the terms of a composition. I have never said anything about the terms of a composition being restricted. If the official reporter will read my remarks, it will be seen that I have been talk-

ing about the terms of an extension agreement, which was the plan set up to help the farmer.

Mr. ROBINSON of Arkansas. If a debtor wishes to proceed for a composition, he may have an extension, provided it is approved in the proceedings contemplated by the bill, either as to a secured or an unsecured debt. In view of that fact, I do not think the suggestion of the Senator is sustained.

Mr. TRAMMELL. The provision of a privilege for the farmer has been very much broadened since the Senator from Delaware [Mr. Hastings] struck out that provision which precluded him from the right of a composition settlement. The bill as it was reported here until 15 minutes ago precluded the farmer from a composition.

Mr. ROBINSON of Arkansas. That is where the Senator from Florida is in error. The bill expressly provides for composition on behalf of the farmer. I read part of the language a while ago. I am utterly unable to understand why the Senator from Florida repeats that statement. While section 75 has exclusive relationship to agricultural compositions and extensions, there is the language that I read a while ago expressly providing for composition for the benefit of the farmers either on their own initiative or on the initiative of their creditors. Then there are provisions for the action of conciliation commissioners in working out the composition. All through section 75 runs the subject of composition of farmers' indebtedness.

Mr. BRATTON. Mr. President, will the Senator yield?
The PRESIDING OFFICER. Does the Senator from

Florida yield to the Senator from New Mexico?

Mr. TRAMMELL. I wish first to reply to the Senator from Arkansas. If what the Senator from Arkansas has said is correct, then I do not understand why there was written into the bill, on page 40, section 74, treating of compositions and extensions, this language—

any person excepting a corporation and excepting a farmer.

Mr. ROBINSON of Arkansas. If the Senator will let me, I can explain that exception. The reason for excepting the farmer, as explained by the Senator from Delaware, is that farmers' compositions were provided for in the language I have already described in section 75. Originally it was not intended, and it was not intended when the bill was reported, that the provisions in section 74 should relate to compositions by farmers, because that subject is covered fully in section 75, and by the language in that section which I have read.

The reason why the Senator from Delaware proposed to strike out the exception as to farmers in section 74, which deals with compositions for debtors generally, was that in the farmers' composition section is a provision requiring that 15 farmers in the county shall petition for the appointment of a conciliation commissioner. The Senator from Delaware fears there would be some counties in which there would not be 15 farmers who would join in such a petition, and 14 farmers who might be found would be denied the opportunity to have compositions made in their behalf. That is all the significance of that language. The provisions in the farmers' composition section are just as clear, just as forceful, and quite as liberal as they are in the section relating to compositions for debtors generally. There is not a distinction in the world.

Mr. TRAMMELL. That is my desire, and I am sure the Senator from Arkansas has the same desire I have in regard to this matter. After reading the bill I felt it was my duty to point out that the extension settlements did not have, within the authority granted, any provision to rearrange terms. Suppose a farmer owes \$10,000 and wants an extension agreement. He has no cash. He is not able to effect, strictly speaking, a composition agreement, because as a rule when we undertake to effect a composition agreement the creditors want the money. The provisions of the bill show all the way through that it is contemplated that money shall be paid when effecting a composition settlement with creditors. During the better and earlier days I never knew of a composition settlement being made except where all cash was paid.

Mr. HASTINGS. Mr. President-

The PRESIDING OFFICER. Does the Senator from Florida yield to the Senator from Delaware?

Mr. TRAMMELL. I yield. Mr. HASTINGS. I do not know that I heard all of the Senator's argument in connection with the matter, but I may state to him that I once considered whether after the word "creditor" in line 14, page 45, it was worth while writing in the words "without such creditor's consent." I wonder if that would aid the Senator?

Mr. TRAMMELL. Here is an amendment which I had prepared prior to the controversy which has been raging for the last few moments and which I was going to suggest when we reached that point. On page 45, line 1, after the word "receiver," I had thought of suggesting the words "and may provide for a reduction in the amount of either or both secured or unsecured debts." That merely provides a latitude under the extension provision.

Mr. ROBINSON of Arkansas. What is that but a composition?

Mr. TRAMMELL. It might be a composition, but at the same time we would have the privilege under this provision which provides especially for an extension for farmers, where it is proposed to set up a board of conciliation and have commissioners and try to provide some machinery. The purpose is to provide some machinery for the farmers to get an adjustment of their debts. But when it comes to the question of adjustment under that particular provision, the machinery which it is proposed to set up would restrict him only to the matter of getting the time for payment of his indebtedness extended. That is all the bill would permit him to do.

Mr. HASTINGS. Mr. President, will the Senator yield? The PRESIDING OFFICER. Does the Senator from Florida yield to the Senator from Delaware?

Mr. TRAMMELL. I yield.

Mr. HASTINGS. In order that I may understand his objection to this measure, may I inquire whether the Senator is in favor of permitting a majority in number of unsecured creditors and a majority in amount of unsecured claims to compel the secured creditors to take the same kind of a settlement that they themselves are willing to take?

Mr. TRAMMELL. I am not in favor of a plan whereby the security of a person holding a secured debt, the security being equal to the indebtedness, is impaired; but there are more people in the country to-day, especially among the farmers, whose security is not equal to the amount of their indebtedness than there are those otherwise situated; and if we do not allow them to negotiate and let some one pass upon the question of whether or not the entire indebtedness may be reduced, then, of course, they are precluded from that privilege, and the only thing that a farmer can do is to get a little extension of the time of payment.

Mr. HASTINGS. May I say to the Senator that there is certainly nothing in this bill anywhere that prevents a secured creditor from voluntarily agreeing to reduce his claim on account of debts due him?

Mr. TRAMMELL. That is a thing which the bill proposes to provide; but under the terms of an extension or settlement are expressly provided and undoubtedly are restricted by the provision on page 44, according to my recollection. This is what the bill provides; and, of course, I think all Senators realized the restriction when they wrote it in the

The terms of an extension proposal may extend the time of payment of either or both unsecured debts.

That is the only thing that can be gone into in such a settlement or extension. Under that paragraph and under that set-up of machinery that is the only question that can be considered. Can we apply any general relief without specifically providing the different things which may be done when we are proposing to change the bankruptcy laws and

Mr. HASTINGS. May I point out to the Senator that

A man may very well and in some instances, as it seems to me, will contend that if he be given time by a composition he can pay twice as much as he will be able to pay now. He therefore offers 30 cents to-day, payable in cash, and 60 cents on each dollar payable if they will give him a year, and 90 cents if they will give him two years. So there is a combination of the two, a composition between the creditor and the debtor and an extension at the same time. The only point is that the secured creditor is not compelled to reduce the amount of his debt at all, but, of course, he may voluntarily do it, and he may be compelled to wait for the collection of his debt if in equity the judge believes that if he gives an opportunity to the debtor he may rehabilitate himself financially.

Mr. TRAMMELL. Mr. President, we are all aiming at the same end in this matter. The Senator states that the creditor may voluntarily do what is suggested. If he is proceeding under the special remedy for composition and the law providing for the special remedy specifically says that it shall not be done, has the court the authority then to reduce his indebtedness? If the proceeding be under the general bankruptcy law, under the composition settlement, why, of course, it is discretionary with the creditors as to what they may do; but when the proceeding is under a new provision, an emergency provision, is not the court restricted in passing upon a proposal in a case of that kind to the provisions under which the parties are operating?

I have known of bankruptcy cases—I happen to have been engaged as attorney in some cases-where some of the creditors were so determined to get their whole "pound of flesh" that other creditors had to raise a part of the money in order to get an adjustment with them for the purpose of effecting the composition settlement. I should dislike to have a relief measure, intended for people under the pitiable conditions that exist in this country, to take such a position that a few creditors calling themselves "secured creditors" could throw a monkey wrench into the machinery and prevent an equitable and just settlement. I should very much dislike to see a condition of that kind.

I think the Senator from Delaware is right in that there should be provision for a composition settlement and for an extension settlement, and that the two may be combined. The question in my mind is when the court comes to consider the matter whether he is going to construe the bill to mean that there was any intention on the part of Congress that the two should be combined. I have never sat on the bench; but I think that when the two remedies are set out specifically and separately and distinctly, the court is not going to construe that those two methods of relief shall be combined in one action but will hold that the parties will have to come through either one door or the other; that they will have to come through the composition door or they will have to come through the door providing for an extension. If they operate under the extension provision they will have to operate under the extension machinery providing for reconciliation commissioners and inspectors and so forth, but if it be a composition, then there will be employed the machinery for such composition.

Mr. HEBERT. Mr. President-

The PRESIDING OFFICER. Does the Senator from Florida yield to the Senator from Rhode Island?

Mr. TRAMMELL. I yield.

Mr. HEBERT. I call the Senator's attention to the provision of paragraph (f) on page 44 which provides for the confirmation of compositions or extensions. The word used in the bill is "proposals"-

Application for the confirmation of the composition or extension proposal.

If the Senator will follow along to the next paragraph, paragraph (g), he will see that it is there made obligatory upon the court to confirm such proposals. In other words, if the proposal has in it a provision for an extension as well as for a composition the court shall confirm it if satisfied that it is "equitable and feasible," and so on. Clearly the purpose of that language is to provide for the consideration there may be a composition and an extension combined? of both a composition and an extension in the same proposal.

Mr. TRAMMELL. Of course we just have a little difference as a matter of legal construction. That provision deals, I understand, specifically with compositions. Following along at a later time, and in a different paragraph, there is a provision which deals with extension settlements. I know we all aim to do the best we can for the poor unfortunate people in this country, whether they are farmers or otherwise.

This amendment has already been pretty thoroughly discussed, and I am going to propose an amendment, and we will have a vote on it.

The PRESIDING OFFICER. The question first comes on the amendment offered by the Senator from Delaware, after which the amendment offered by the Senator from Florida will be in order. The question is on the amendment offered by the Senator from Delaware.

Mr. TRAMMELL. Mr. President, I think it advisable to have the amendment read; it has not as yet been read.

Mr. HASTINGS. Mr. President, during this discussion I have concluded to change the amendment a little; and I desire to withdraw my pending amendment and offer one on page 45, line 13, after the word "not" to make it read in this way:

That such extension or composition shall not reduce the amount of or impair the lien of any secured creditor.

I think that follows out the suggestion made by the Senator from Arkansas and reads a little better.

The PRESIDING OFFICER. The question is on the amendment now presented by the Senator from Delaware to the amendment reported by the committee.

Mr. HEBERT. Mr. President, what amendment are we considering? Is it the amendment of the Senator from Florida or the amendment of the Senator from Delaware?

The PRESIDING OFFICER. The amendment of the Senator from Florida is not now in order. The amendment of the Senator from Delaware to the amendment reported by the committee is before the Senate. The question is on that

The amendment to the amendment was agreed to.

The PRESIDING OFFICER. The Senator from Florida [Mr. Trammell] has offered an amendment which the clerk

The LEGISLATIVE CLERK. On page 45, in line 1, after the word "receiver," it is proposed to add the following: "and may provide for a reduction in the amount of either or both secured or unsecured debts."

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Florida to the amendment reported by the committee.

Mr. BLAINE. Mr. President, I wanted to interrupt the Senator from Florida while he was on the floor some time ago. As I understand, his amendment would justify the tribunal, without the consent of the secured creditor, to reduce the amount of his claim? Is that correct?

Mr. TRAMMELL. It does not provide for a reduction of the value of the security, but it does provide that there may be a reduction in amount. The Senator from Delaware has just had an amendment adopted which provides that the amount of the security shall not be impaired or lessened. My amendment refers to a reduction in the

Mr. BLAINE. Does the Senator contend that Congress has the power to authorize some tribunal to reduce the amount of any contract, whether it is a secured or an unsecured claim?

Mr. TRAMMELL. The same criticism may be made as to other provisions and the general purposes of this bill. In the general provisions of the bill we are attempting to say that those disconnected with the matter, who are not in anywise in the transaction, may force a reduction of the debt regardless of the kind it is. Of course, it applies to unsecured debts, but they might be contractual debts, debts entered into by solemn contract, and we permit a certain number of creditors to come in and say that such debts shall be reduced. So I think the same criticism might be launched against even that provision of the bill.

Mr. BLAINE. Mr. President, I was just curious to ascertain whether or not the Senator intended to confer upon any tribunal, under any procedure, the right to reduce the amount of any contract claimed without the consent of the creditor?

Mr. TRAMMELL. This whole bill provides that a majority of creditors in amount could do that under the composition settlement and under the other provisions of the bill.

Mr. BLAINE. Does the Senator believe that the Congress has such power?

Mr. TRAMMELL. I am going to support the bill because of the emergency.

Mr. BLAINE. I am asking the Senator the frank question, Does he believe that the Congress has such power?

Mr. TRAMMELL. I have not studied that feature sufficiently well to commit myself on that legal point. I am going to waive the doubt in favor of the people of the country who need this relief. That is about the only answer that I can give.

Mr. BLAINE. The Senator is contending that Congress has that power?

Mr. TRAMMELL. I left it to the committee to investigate that question.

Mr. BLAINE. Let me put this question: Is it not rather unfair toward the farmer to let him believe that something is going to be done for him when we know that it can not be done under the Constitution?

Mr. TRAMMELL. I think the Senator is right about that.

Mr. BLAINE. Certainly.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Florida to the amendment reported by the committee.

The amendment was rejected.

Mr. BRATTON. Mr. President, may I have the attention of the Senator from Delaware? I desire to offer two amendments that relate to the same subject matter. I believe the Senator from Delaware will accept them.

On page 41, line 8, after the word "property," insert "including a claim for future rent."

Mr. HASTINGS. I certainly thought I had that in the section. I may say to the Senator that a great many applications have been made to me with respect to that, and I saw no objection to putting it in; but it may be that I did not get it in this particular section.

Mr. BRATTON. I think it is not.

On the next page I desire to offer another amendment which relates to the same matter. I think both of them will be acceptable.

Mr. HASTINGS. May I inquire just where the Senator proposes to put that, please?

Mr. BRATTON. On page 41, line 8, after the word "prop-'insert "including a claim for future rent."

Mr. HASTINGS. I have no objection to that amendment. The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from New Mexico to the amendment of the committee.

The amendment to the amendment was agreed to.

Mr. BRATTON. Then, Mr. President, on the next page, page 42, line 6, after the period, I move to insert: "A claim for future rent shall constitute a provable debt, and shall be liquidated under section 63 (b) of this act."

Mr. HASTINGS. Mr. President, will the Senator yield?

Mr. BRATTON. I yield. Mr. HASTINGS. Referring to the language just written into line 8, page 41, which I said I thought was in this section, I ask the Senator whether he has considered, on page 42, the language beginning in line 1?-

The term "creditor" shall include for the purpose of an extension proposal under this section all holders of claims of whatever character against the debtor or his property, including a claim

Mr. BRATTON. Yes; I had considered that, but that describes the holder of the claim.

Mr. HASTINGS. I have no objection to the other amend-

Mr. BRATTON. I thought the definition of "debt" should include an express provision respecting future rent.

Mr. HASTINGS. Now, may we have the second amendment stated?

The PRESIDING OFFICER. Will the Senator send up his amendment?

Mr. BRATTON. I send up the amendment, to be inserted on page 42, line 6, following the period.

The PRESIDING OFFICER. The amendment to the amendment will be stated.

The LEGISLATIVE CLERK. On page 42, line 6, following the period, it is proposed to insert a new sentence, reading as follows:

A claim for future rent shall constitute a provable debt, and shall be liquidated under section 63 (b) of this act.

Mr. HASTINGS. I inquire of the Senator from New Mexico whether that is not an amendment affecting the rents under the old law. As I stated this morning, there are so many things that various people want corrected in the old statute that I was very much afraid to get into it for fear we would get into a great deal of trouble in connection with it; and I have sought in this bill in the other sections to prevent any controversy arising under the old act. Therefore I intended that those words should apply to these particular sections.

Mr. BRATTON. Mr. President, I concur with the Senator that we should free ourselves of any contact with the old act; and I think I shall withdraw the amendment. I do not care to go into the old act. I think we should not do so.

Mr. HASTINGS. I thank the Senator. Mr. BRATTON. Let me ask the Senator from Delaware whether he thinks that with the amendment already adopted on page 41, line 6, a claim for future rent could be established and receive the same consideration and the same disposition under this measure that any other claim or any other debt would receive?

Mr. HASTINGS. Does the Senator mean without its being written in there?

Mr. BRATTON. No; with the amendment already adopted.

Mr. HASTINGS. I have not any doubt of it, with the amendment already adopted; and my own notion about it was that it would be true without having it written in there at all, because we have undertaken in these sections to include all the claims that could be had against a debtor, so that when he got relief he might know that he had relief from every kind of a claim that might be had against him.

Mr. BRATTON. Mr. President, temporarily I shall withdraw the amendment offered at page 42, line 6.

Mr. BLAINE. Mr. President-

Mr. HASTINGS. Will the Senator from Wisconsin yield to me for another moment? I have amendments that I desire to offer at three other places in the bill.

Mr. BLAINE. I am not going to speak. I was going to offer some amendments. I should prefer that the Senator offer his amendments, and then I should like to offer some.

Mr. HASTINGS. Very well.

On page 51, line 9, the section reads at this time:

After the filing of such petition or answers by the farmer, the farmer shall, within such time and in such form as the conciliation commissioner shall determine, file an inventory of his estate.

When I first considered this amendment I had thought that was a dangerous thing to write in there, because we would have one conciliation commissioner adopting one form and one time in which returns should be made, and some other conciliation commissioner adopting another time; so we have provided in another place that the Supreme Court is authorized to make such general orders as it may find necessary. My attention was called to the fact that that probably was not necessary to be written into the bill, but so far as I can see it does no particular harm.

I desire on line 9, page 51, to strike out the words "conciliation commissioner shall determine" and write in the words "rules provide," so that it will read:

The farmer shall, within such time and in such form as the rules provide, file an inventory of his estate.

I offer that as an amendment.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Delaware to the amendment of the committee.

The amendment to the amendment was agreed to.

Mr. HASTINGS. Now, on page 54 I want to make the same correction in the farmer section as was made in the individual section referring to the extension of secured debt. In order to do it, it will be necessary to write in after the word "not" on line 4, page 54, the words "reduce the amount of nor."

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Delaware to the amendment of the committee.

The amendment to the amendment was agreed to.

Mr. HASTINGS. On page 55, line 15, beginning with line 15, the section reads:

Except upon petition made to and granted by a court of bank-ruptcy after hearing and report by the conciliation commissioner, the following proceedings shall not be instituted:

That is a very drastic provision preventing executions and what not from being carried out against a debtor. My attention has been called to the fact that "a court of bankruptcy" frequently means a referee, and it is believed that that sort of an important thing ought to be heard by the judge. I desire, therefore, to propose an amendment on page 55, beginning on line 15, to strike out the letter "a." and on line 16 to strike the words "court of bankruptcy" and insert in lieu thereof "the judge."

I propose that as an amendment.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Delaware to the amendment of the committee.

The amendment to the amendment was agreed to.

Mr. HASTINGS. Mr. President, this morning I referred to the importance of protecting the corporations or individuals that may have guaranteed the principal and interest of a mortgage. I read a proposed amendment which I have somewhat modified; and I propose this now as a new section and ask that it be read.

The PRESIDING OFFICER. The amendment offered by the Senator from Delaware to the amendment of the committee will be stated.

The LEGISLATIVE CLERK. On page 57, at the end of line 10, it is proposed to strike out the quotation marks and insert the following new section:

SEC. 76. Extensions or compositions, made pursuant to the foregoing provisions of this chapter, shall extend the obligation of any person who is secondarily liable to any person for the prompt payment of such debt or debts, or any part thereof, and a copy of the order confirming such extension or composition, certified as required by the provisions of law with reference to Judgments and proceedings in courts of the United States, shall be sufficient evidence that such extension or composition has been confirmed in any suit or proceeding brought against any been confirmed in such person so liable.

Mr. BRATTON. Mr. President, will the Senator yield?

Mr. HASTINGS. I yield. Mr. BRATTON. It is the purpose of this amendment to give to one bound secondarily the same benefits accruing to the one bound primarily?

Mr. HASTINGS. That is right.

Mr. BRATTON. And in case of a composition with a reduction of the amount due, the indorser or other person secondarily liable would have the benefit of that?

Mr. HASTINGS. That is correct.

Mr. BRATTON. If it is merely an extension of the time of payment without any reduction of amount, the one secondarily liable gets the benefit of that?

Mr. HASTINGS. That is true; and, there being no authority for any court to reduce the amount without his consent, of course he is amply protected.

amendment offered by the Senator from Delaware to the amendment of the committee.

The amendment to the amendment was agreed to.

Mr. HASTINGS. Mr. President, there is one other amendment that has been submitted to me by the Senator from Iowa [Mr. Brookhart] to which I desire to give a little further consideration.

I now desire to offer, but do not ask for its consideration at the present time, a section relating to the reorganization of railroads engaged in interstate commerce.

The PRESIDING OFFICER. Does the Senator want it read?

Mr. HASTINGS. I do not want it read. I just want to have it offered. I am not asking that it be considered at

Mr. BLAINE. Will the Senator withhold that until I can offer some amendments?

The PRESIDING OFFICER. The amendment is not pending. The Senator is not offering it to be considered now.

Mr. HASTINGS. Not for the present.

Mr. WALSH of Massachusetts. Will the Senator have the

amendment printed in the RECORD?

Mr. HASTINGS. In accordance with the suggestion of the Senator from Massachusetts I ask that the amendment be printed in the RECORD.

The PRESIDING OFFICER. The amendment will be printed in the RECORD and lie on the table and be printed. The amendment is as follows:

Amendment intended to be proposed by Mr. Hastings to the bill (H. R. 14859) to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, and acts amendatory thereof and supplementary thereto, viz: On page 57, after line 10, insert the following:

mentary thereto, viz: On page 57, after line 10, insert the following:

"SEC. — Reorganization of railroads engaged in interstate commerce: (a) Any railroad corporation may file a petition stating that the railroad corporation is insolvent or unable to meet its debts as they mature and that it desires to effect a plan of reorganization. The petition shall be filed with the court in whose territorial jurisdiction the railroad corporation, during the preceding six months or the greater portion thereof, has had its principal executive or operating office or with the court in whose jurisdiction the corporation has its domicile, and a copy of the petition shall at the same time be filed with the Interstate Commerce Commission hereinafter called the commission. The petition shall be accompanied by payment to the clerk of a filing fee of \$100, which shall be in addition to the fees required to be collected by the clerk under other sections of this act. Upon the filing of such a petition, the judge shall enter an order either approving it as properly filed under this section, if satisfied that such petition complies with this section and has been filed in good faith, or dismissing it. If the petition is entered shall, during the pendency of the proceedings under this section, have exclusive jurisdiction of the debtor and its property wherever located. The railroad corporation shall be referred to in the poceedings as a 'debtor.' Any corporation, the majority of the capital stock of which having power to vote for the election of directors is owned, either directly or indirectly through an intervening medium, by any railroad corporation filing a petition as a debtor under this section, or substantially all of whose properties are operated by such a debtor under lease or operating agreement may file, with the court in which such other debtor had filed such a petition, and in the proceeding upon such petition under this section, a petition stating that it is insolvent or unable to meet its debts as they mature and that it mature and that it desires to effect a plan of reorganization in connection with, or as a part of, the plan of reorganization of such other debtor; and thereupon such court shall have the same jurisother debtor; and thereupon such court shall have the same jurisdiction with respect to it, its property and its creditors and stockholders as the court has with respect to such other debtor. Creditors of any railroad corporation having claims or interests aggregating not less than 5 per cent of all the indebtedness of such railroad corporation as shown in the latest annual report which it has filed with the commission at the time when the petition is filed, may, if the railroad corporation has not filed a petition under this section, but subject to first having obtained the approval of the Interstate Commerce Commission, after hearing, upon notice to such railroad corporation, file with the court in which such railroad corporation might file a petition under the provisions of this section, a petition stating that such railroad corporation is insolvent or unable to meet its debts as they mature and that such creditors propose that it shall effect a reorganization; upon such filing of such a petition copies thereof shall be

Mr. BRATTON. In neither event is his liability changed? If led with the commission and served by the petitioning creditors forthwith upon the railroad corporation; the railroad corporation; the railroad corporation; the railroad corporation; the PRESIDING OFFICER. The question is on the forthwith upon the railroad corporation; the railroad corporation shall, within 10 days after such service, answer such petition; if such answer shall admit the jurisdiction of the court, that the claims of the petitioning creditors constitute the amounts necessary to entitle them to file such petition under this section, and that the railroad corporation is either insolvent or unable to meet its debts as they mature, the court shall, upon the filing of the recommendations of the commission in writing, enter an order approving the petition as properly filed under this section if satisfied that it complies with this section and has been filed in good faith, or disapprove it if not so satisfied; and if so approved the proceedings thereon shall continue with like effect as if the railroad corporation had itself filed a petition under this section; if such answer shall deny either the jurisdiction of the court or that the claims of the petitioning creditors constitute such necessary amounts or that the railroad corporation is insolvent or unable to meet its debts as they mature, the court shall summarily try the issues, and if after the filing of the recommendations of the commission in writing it shall find that the petition complies with this section, and has been filed in good faith, the court shall enter an order approving the petition as properly filed under this section, and the proceedings thereon shall continue with like effect as if the railroad corporation had itself filed a petition under this section; otherwise the court shall dismiss the petition.

"(b) A plan of reorganization within the meaning of this section (1) shall include a proposal to modify or alter the rights of creditors generally, or of any class of them, secured or unsecured, either through the issuance of new securities of any character or otherwise; (2) may include, in addition, provisions modifying or alterthrough the issuance of securities of the property of the debtor with those of another railroad corporation and the issuance of sec

certificates of beneficial interest in property. The term 'stock-holders' shall include the holders of voting trust certificates. The

certificates of beneficial interest in property. The term 'stockholders' shall include the holders of voting trust certificates. The term 'creditors' shall, except as otherwise specifically provided in this section, include, for all purposes of this section and of the reorganization plan, its acceptance and confirmation, all holders of claims, interests, or securities of whatever character against the debtor or its property, including claim for future rent, whether or not such claims, interests, or securities would otherwise constitute provable claims under this act.

"(c) Upon approving the petition as properly filed the judge (1) may temporarily appoint a trustee or trustees of the debtor's estate, who shall have all the title and, subject to the control of the judge and consistently with the provisions of this section, shall exercise all the powers of a trustee appointed pursuant to section 44 or any other section of this act, and, subject to the judge's control, shall have the power to operate the business of the railroad corporation; (2) shall fix the amount of the bond of such trustee or trustees and require the debtor, the trustee, or trustees to give such notice as the order may direct to creditors and stockholders and to cause publication thereof to be made at least once a week for two successive weeks of a hearing to be held within 30 days after such appointment, at which hearing or any adjournment thereof the judge may make permanent such appointment, or may terminate it and may, in the manner herein provided for the appointment of trustees, appoint a substitute trustee or substitute trustees, and in the same manner may appoint an additional trustee or additional trustee or trustees; the trustee or trustees and their counsel shall receive such compensation as the judge may allow within a maximum approved by the commission; (3) may for cause shown, and with the approval of the comthe judge may allow within a maximum approved by the commission; (3) may for cause shown, and with the approval of the commission, in accordance with section 20 (a) of the interstate commission, in accordance with section 20 (a) of the interstate commerce act, as amended, authorize the trustee or trustees to issue certificates for cash, property, or other consideration approved by the judge, for such lawful purposes and upon such terms and conditions and with such security and such priority in payments over existing obligations, secured or unsecured, as might in an equity receivership be lawful; (4) shall require the debtor, at such time or times as the judge may direct and in lieu of the schedules required by section 7 of this act, to file such schedules and submit such other information as may be necessary to disclose the conduct of the debtor's affairs and the fairness of any proposed plan; (5) shall determine a reasonable time within which the claims and interests of creditors and stockholders may be filed or evidenced and after which no such claim or interest may participate in any and after which no such claim or interest may participate in any plan except on order for cause shown; the manner in which such claims and interests may be filed or evidenced and allowed, and, for the purposes of the plan and its acceptance, the division of creditors and stockholders into classes according to the nature of their respective claims and interests; (6) shall cause reasonable notice of such determination, or of the dismissal of the proceedings, or the allowance of fees or expenses, to be given creditors

and stockholders by publication or otherwise; (7) if a plan of reorganization is not proposed or accepted, or, if proposed and accepted, is not confirmed, within such reasonable time as the judge may, upon cause shown and after considering any recommendation which has been filed by the commission, allow, may mendation which has been filed by the commission, allow, may dismiss the proceeding; (8) may, within such maximum limits as are fixed by the commission, as elsewhere provided in subdivision (g) of this section, allow a reasonable compensation for the services rendered and reimbursement for the actual and necessary expenses incurred in connection with the proceeding and plan by officers, parties in interest, reorganization managers, and committees or other representatives of creditors or stockholders, and by their attorneys or agents, and by such assistants as the commission with the approval of the judge may specially employ; and (9) may on his own motion or at the request of the commission refer any matters for consideration and report, either generally or refer any matters for consideration and report, either generally or upon specified issues, to one of several special masters who shall have been previously designated to act as special masters in any proceedings under this section by order of any circuit court of appeals and may allow such master a reasonable compensation for proceedings under this section by order of any circuit court of appeals and may allow such master a reasonable compensation for his services. The circuit court of appeals of each circuit shall designate three or more members of the bar as such special masters whom they deem qualified for such services, and shall from time to time revise such designations by changing the persons designated or reducing or adding to their number, as the public interest may require: Provided, however, That there shall always be three of such special masters qualified for appointment in each circuit who shall in their respective circuits hear any matter referred to them under this section by a judge of any district court. For all purposes of this section claims against a railroad corporation which would have been entitled to priority over existing mortgages if a receiver in equity of the property of the debtor had been appointed by a Federal court at the date of the filing of the petition hereunder shall be entitled to such priority, and holders of such claims shall be treated as a separate class of creditors. If in any case in which the issues have not already been tried under the provisions of subdivision (a) of this section any of the debtor's creditors shall, prior to the hearing provided for in subdivision (c), clause (2), of this section, appear and controvert the facts alleged in the petition, the judge shall determine, as soon as may be, the issues presented by the pleadings, without the intervention of a jury, and unless the material allegations of the petition are sustained by the proofs shall dismiss the petition. Any creditor or stockholder shall be heard on the question of the appointment of any trustee or trustees, the proposed approval of any reorganization plan, and upon filing a petition for leave to intervene on such other questions arising in the proceeding as the judge shall determine. The debtor, or the trustees if appointed, shall within 15 days or, upon cause shown, such other time as may be directed by the ju by the debtor or the trustees in a proceeding under this section or otherwise. Such lists shall be open to the inspection of any creditor or stockholder of, or claimant against, the debtor, during reasonable business hours, upon application to the debtor or trustees, as the case may be.

"(d) Before creditors and stockholders of the debtor are asked finally to accept any plan of reorganization, the Interstate Com-merce Commission shall after due notice hold a public hearing at which the debtor shall present its plan of reorganization and at which, also, such a plan may be presented by the trustee or trustees, or by or on behalf of creditors of the debtor, being not trustees, or by or on behalf of creditors of the debtor, being not less than 10 per cent in amount of any class of creditors. Following such hearing, the commission shall render a report in which it shall recommend a plan of reorganization (which may be different from any which has been proposed) that will, in its opinion be equitable, will not discriminate unfairly in favor of any class of creditors or stockholders, will be financially advisable, will meet with the requirements of subdivision (g) of this section, and will be compatible with the public interest. In such report the commission shall state fully the reasons for its conclusions, and upon further hearing if the commission shall deem necessary, modify any of its recommendations and conclusions in a supplemental report stating the reasons for such modification. There modify any of its recommendations and conclusions in a supplemental report stating the reasons for such modification. Thereafter the plan of reorganization recommended by the commission shall be submitted in such manner as the commission may direct to the creditors and stockholders of the debtor for acceptance or rejection, together with the report or reports of the commission thereon; and the commission shall at the same time afford an expection, the accept or reject any other plan of reorganization.

thereon; and the commission shall at the same time afford an opportunity to accept or reject any other plan of reorganization filed as in this subdivision (d) provided.

"(e) A plan of reorganization shall not be recommended by the commission until it has been accepted in writing and such acceptance has been filed in the proceeding by or on behalf of creditors holding two-thirds in amount of the claims of each class whose claims or interests would be affected by the plan, and by or on behalf of stockholders of the debtor holding two-thirds of the stock of each class: Provided, however, That if adequate provision is made in the plan for the protection of the interests, claims, and liens of any class of creditors or stockholders in the manner provided in clauses (5) and (6) of subdivision (g), of

this section, then the acceptance of the plan by such class of creditor or stockholders shall not be requisite to the approval of the plan: And provided further, That the acceptance of stockholders shall not be requisite to the confirmation of the plan if (1) the judge shall have determined (a) that the corporation is insolvent, or (b) that the interests of stockholders will not be adversely affected by the plan, or (c) that the debtor has pursuant to authorized corporate action accepted the plan, and its stockholders are bound by such acceptance. For the purposes of this section acceptance by a creditor or stockholder shall include acceptance in writing executed by him; or acceptance by his duly authorized attorney or committee acting under authority executed by him subsequent to the recommendation of

poses of this section acceptance by a creditor or stockholder shall include acceptance in writing executed by him; or acceptance by his duly authorized attorney or committee acting under authority executed by him subsequent to the recommendation of the plan by the commission. Upon acceptance of the plan in accordance with the provisions of this subdivision (e) the commission may, without further proceedings, grant authority for the issue of any securities, assumption of obligations, transfer of any property, or consolidation or merger of properties, to the extent contemplated by the plan consistent with the purposes of the interestate commerce act as amended. If the United States of America is directly a creditor or stockholder, the Secretary of the Treasury is hereby authorized to accept or reject a plan in respect of the interests or claims of the United States.

"(f) If the plan recommended by the commission is accepted as provided in subdivision (e), the commission shall thereupon certify the plan to the court together with its approval thereof and that the same has been so accepted, together with a report of the proceedings before it and its conclusions thereon. If the plan accepted as provided in subdivision (e) differs from the plan recommended by the commission, it shall, upon acceptance, be submitted to the commission, which shall hear all interested parties upon such notice and subject to such rules and regulations as it shall prescribe. If after such hearing the commission determines that the accepted plan in its opinion is equitable and will not discriminate unfairly in favor of any class of creditors or stockholders; will be financially advisable; will meet the requirements of subdivision (g) of this section; and will be compatible with the public interest; the commission shall thereupon certify the plan to the court, together with its approval thereof and that the same has been duly accepted, and together with a report of the proceedings before it and its findings and conclusions thereon. The comm shall decline to issue such a certificate, it shall file in the proceedings its decision, specifying the particular grounds upon which it bases its disapproval of the plan.

ceedings its decision, specifying the particular grounds upon which it bases its disapproval of the plan.

"(g) Upon such approval by the commission, and after hearing such objections as may be made to the approved plan, the judge shall confirm the plan if satisfied that (1) the approved plan complies with the provisions of subdivision (b) of this section, is equitable and does not discriminate unfairly in favor of any class of creditors or stockholders; (2) all amounts to be paid by the debtor or by any corporation or corporations acquiring the debtor's assets, for services or expenses incident to the reorganization and cost of financing, have been fully disclosed and are reasonable, or are to be subject to the approval of the judge; (3) the offer of the plan and its acceptance are in good faith and have not been made or procured by any means or promises forbidden by this act; (4) the approved plan provides for the payment of all costs of administration and other allowances made by the court, except that compensation provided for in subdivision (c), clause (8) of this section may be paid in securities provided for in the plan if those entitled thereto will accept such payment and the court finds such compensation reasonable; (5) the approved plan provides, with respect to stockholders of any class the acceptance of which is requisite to the confirmation of the plan, and who would not become bound by the plan under the provision of subdivision (h) of this section, and of which more than one-third have not accepted the plan, adequate protection for the realization by them of the value of their equity, if any, in the property at not less than a fair upset price, or by appraisal and payment in cash either of the value of their stock or, at the objecting stockholder's election, of the value of the securities, if any, alloted to such stock under the plan; (6) the plan provides with respect to any class of creditors the acceptance of which is requisite to the confirmation of the plan, and who would not become bound b realization by them of the value of their securities, liens, and claims, either (a) by the sale of such property subject to their liens, if any, or (b) by the sale free of such liens at not less than a fair upset price, and the transfer of such liens to the proceeds of such sale, or (c) by appraisal and payment in cash of either the value of such liens and claims or, at the objecting creditors' election, the value of the securities allotted to such liens and claims under the plan. Section 57, clause (h), of this act shall be applicable to the appraisal of securities under this section, and the value of the unpaid balance shall be appraised as an unsecured claim; and (7) the debtor, and every other corporation issuing securities or acquiring property under the plan, is authorized by its charter or by applicable State or Federal laws, upon confirmation of the plan, to carry out the plan. In the case

of a sale or appraisal under clause (5) or (6) of this subdivision (g) the court shall refer to the commission for its consideration and recommendation the amount to be fixed as the upset price and the appraisal of any securities.

and the appraisal of any securities.

"(g) Upon such confirmation the provisions or plan shall be binding upon (1) the corporation, (2) all stockholders if the judge shall have determined (a) that the corporation is insolvent, or (b) that the interests of stockholders will not be adversely affected by the plan, or (c) that the debtor has pursuant to authorized corporate action accepted the plan and its stockholders are bound by such acceptance, (3) all stockholders of each class of which two-thirds in amount shall have accepted the plan, (4) all creditors whose claims are payable in cash in full under the plan, (5) all creditors entitled to priority under subdivision (c) of this section, whose claims are not payable in cash in full under the plan, provided two-thirds in amount of such creditors shall have accepted the plan in writing filed in the proceeding, (6) all other unsecured creditors, provided two-thirds in amount of such creditors shall have accepted the plan in writing filed in the proceeding, and (7) all secured creditors of each class of which two-thirds in amount shall have accepted the plan. The confirmation of the plan shall discharge the debtor from its debts except as provided in the plan. Upon confirmation of the plan by the judge, the debtor and other corporations affected by the plan, or organized or to be organized for the purpose of carrying out the plan, shall have full power and authority to put into effect and carry out the plan and the orders of the judge relative thereto, the laws of any State or the decision or order of any State authority to the contrary notwithstanding; and they shall be, and they are hereby, relieved from the operation of the antitrust laws, as designated in section 1 of the act entitled 'An act to supplement existing laws against unlawful restraints and monopolies, and for other purposes,' approved October 15, 1914, and of all other restraints, prohibitions, or requirements by law, State or Federal, in so far as may be necessary to enable them to do anything auth (g) Upon such confirmation the provisions or plan shall be

"(i) The provisions of sections 721, 722, 723, 724, and 725 of the revenue act of 1932 shall not apply to the issuance, transfers, or exchange of securities or filing of conveyances to make effective any plan of reorganization confirmed under the provisions of this section.

of exchange of securities or himly of conveyances to make energy tive any plan of reorganization confirmed under the provisions of this section.

"(1) Upon the confirmation of the plan the property dealt with by the plan, when transferred and conveyed to the debtor or other corporation or corporations provided for by the plan, or if no trustee or trustees have been appointed when held by the debtor pursuant to the plan, shall, as the court may direct, be free and clear of all claims of the debtor, its stockholders and creditors, except such as may consistently with the provisions of the plan be reserved in the order confirming the plan or directing such transfer and conveyance, and the court may direct the trustee or trustees, or if there be no trustee or trustees the debtor, to make any such transfer and conveyance, and may direct the debtor to join in any such transfer or conveyance made by the trustee or trustees. Upon the termination of the proceeding a final decree shall be entered discharging the trustee or trustees, if any, making such provisions as may be equitable, and closing the case.

"(k) If a receiver of all or any part of the property of a corporation has been appointed by a Federal or State court, whether before or after this amendatory act takes effect, the railroad corporation may nevertheless file a petition or answer under this section at any time thereafter, but if it does so and the petition is approved the trustee or trustees appointed under the provisions of this section shall be entitled forthwith to possession of such property, and the judge shall make such orders as he may deem equitable for the protection of obligations incurred by the receiver and for the payment of such reasonable administrative expenses and allowances in the prior proceeding under this section, the judge may include in the order of dismissal appropriate provisions directing the trustee to transfer possession of the debtor's property within the territorial jurisdiction of such court to the receiver so appointed, up and for the payment of administrative expenses and allowances in the proceeding hereunder. For the purposes of this section the words 'Federal court' shall include the district courts of the United States and of the Territories and possessions to which this act is or may hereafter be applicable, the Supreme Court of the District of Columbia, and the United States Court of Alaska.

"(1) In addition to the provisions of section 11 of this act for the staying of pending suits against the debtor, such suits shall be further stayed until after final decree the judge may, upon notice and for cause shown, enjoin or stay the commencement or continuance of any judicial proceeding to enforce any lien upon the estate until after final decree.

"(m) A certified copy of an order confirming a plan of reorganization shall be evidence of the jurisdiction of the court, the regu-

zation shall be evidence of the jurisdiction of the court, the regularity of the proceedings, and the fact that the order was made. A certified copy of an order directing the transfer and conveyance

of the property dealt with by the plan as provided in subdivision (j) of this section shall be evidence of the transfer and conveyance of title accordingly, and if recorded shall impart the same notice that a deed if recorded would impart.

"(n) In proceedings under this section 76 and consistent with the provisions thereof, the jurisdiction and powers of the court, the duties of the debtor and the rights and liabilities of creditors, and of all persons with respect to the debtor and his property, shall be the same as if a voluntary petition for adjudication had been filed and a decree of adjudication had been entered on the day when the debtor's petition was filed.

"(o) The term 'railroad corporation' as used in section 76 of this act means any common carrier by railroad engaged in the transportation of persons or property in interstate commerce except a street, suburban, or interurban electric railway which is not operated as a part of a general railroad system of transportation."

Mr. BLAINE. Mr. President, I have four amendments to offer. They relate to substantially the same subject-two of them to each one of the sections; that is the section respecting individual debtors, and the section respecting farm debtors.

I now send to the desk the proposed amendments, and invite the attention of the Senator from Delaware to them.

The PRESIDING OFFICER. The first amendment offered by the Senator from Wisconsin to the amendment of the committee will be stated.

The LEGISLATIVE CLERK. The Senator from Wisconsin proposes the following amendment to the amendment of the committee: On page 53, line 25, after the word "specified," strike out the period and insert a colon and the following:

Provided, That the provisions of this section shall not affect the allowances and exemptions to debtors as are provided for bank-rupts under Title II, chapter 3, section 24, of the United States Code, and such allowances and exemptions shall be set aside for the use of the debtor in the manner provided for bankrupts.

Mr. BLAINE. Mr. President, there is nothing technical about this amendment. It provides for the preservation of the debtor's right to exemptions and allowances. I assume there is no opposition to it.

Mr. HASTINGS. Mr. President, of course the bill now before the Senate is not, strictly speaking, a bankruptcy bill. It is wholly a matter of agreement between a majority in number and amount of the creditors and the debtor himself. I have not given careful consideration to it, but it occurs to me that all of this being matter of agreement, when it comes to a question of extension, or comes to a question of composition, they will either take this into consideration or not, just as the agreement may be had between them. I do not believe it helps the debtor any as it would in the involuntary bankruptcy proceeding. I do not know that it does any particular harm.

Mr. BLAINE. Mr. President, let me call attention to the very simple provision in the bill that if the petition is filed, either voluntarily or involuntarily, then the farmer and his entire property and affairs immediately are subjected to the exclusive jurisdiction of the tribunal, and that includes his exempt property, of course. In drafting the bankruptcy act it was then regarded as absolutely essential to insert a protective provision for exemptions and allowances. I think that is very essential in connection with this bill.

Mr. HASTINGS. Mr. President, in view of the deliberate judgment of the Senator from Wisconsin upon it, I will consent to the amendment being agreed to.

The PRESIDING OFFICER. The question is on agreeing to the amendment to the amendment.

The amendment to the amendment was agreed to.

Mr. BLAINE. Mr. President, I propose another amend-

The PRESIDING OFFICER. The amendment will be

The LEGISLATIVE CLERK. On page 45, line 9, after the word "conditions," strike out the period and insert a colon and the following:

Provided, That the provisions of this section shall not affect the allowances and exemptions to debtors as are provided for bankrupts under Title II, chapter 3, section 24, of the United States Code, and such allowances and exemptions shall be set aside for the use of the debtor in the manner provided for bankrupts.

Mr. BLAINE. Mr. President, that is applying the same amendment to section 73.

Mr. HASTINGS. I am willing to accept that.

The PRESIDING OFFICER. The question is on agreeing to the amendment to the amendment.

The amendment to the amendment was agreed to.

Mr. BLAINE. Mr. President, I have two other amendments, and let me say that I have drafted them for each separate section. I will offer one for section 73.

The PRESIDING OFFICER. The clerk will report the

The CHIEF CLERK. On page 45, line 18, to strike out the period after the word "dismissed" and insert a colon and the following:

Provided, That the debts having priority of payment under Title II, chapter 7, section 104, of the United States Code, for bankrupt estates, shall have priority of payment in the same order as set forth in said section 104 under the provisions of this section in any distribution, assignment, composition, or settlement herein provided for.

Mr. WALSH of Massachusetts. Mr. President, may I ask the Senator what are those debts?

Mr. BLAINE. Mr. President, those debts are all preferred claims, and they are as follows: Taxes. The actual, necessary costs of preserving the estate. The filing fees paid by the creditor. This is in involuntary cases, but refers to the same character of claims and may not apply under this bill. The costs of administration, and there should be very little in the way of costs. Wages due to workmen, clerks, servants, and so forth. Debts owing to any person who, by the laws of the States or the United States, is entitled to priority. Those are the claims which have priority in bank-runtey.

Mr. HEBERT. Mr. President, will the Senator yield? Mr. BLAINE. I yield.

Mr. HEBERT. Is it the purpose of this amendment to exclude from agreements for compositions and extensions those debts which have priority under the bankruptcy statute, even though the parties want to have them included?

Mr. BLAINE. Oh, no. The parties would have a perfect right to go in and consent to the inclusion. But if there is any judicial determination for distribution, assignment, or approval of a composition or settlement which provides otherwise, and without the consent of the parties, priority should prevail as now provided by the bankruptcy law, which includes taxes first, then the costs of administration, then wages of servants and employees, and then the debts having priority under the laws of the State or of the United States.

Mr. HEBERT. Mr. President, it is my understanding that this provision in the bill affecting these debtors could not be availed of except by agreement, and that being so, the agreement would include the provisions as to whether or not those exemptions were to come in as a part of the agreement.

Mr. BLAINE. Yes; but the bill contemplates more than just an agreement. There may be an adjudication under the bill, there may be a transformation of the proceeding into a bankruptcy proceeding before they get through.

Mr. HEBERT. In that case, of course, the exemptions must of necessity be taken into account.

Mr. BLAINE. Perhaps; I am not so certain about it.

Mr. HEBERT. Would not the debtor revert to the provisions of the bankruptcy law if he were adjudicated a bankrupt?

Mr. BLAINE. If it were transformed into a bankruptcy proceeding that would be true, but the language of the bill is so broad, some of it so uncertain, that I think if the validity of the act is to be preserved in any degree, these prior claims must be preserved.

The PRESIDING OFFICER. The question is on agreeing to the amendment to the amendment.

The amendment to the amendment was agreed to.

Mr. BLAINE. Mr. President, I offer another amendment to the next section, the farm section, of identically the same character.

The PRESIDING OFFICER. The clerk will report the amendment.

The CHIEF CLERK. On page 54, line 10, to strike out the period after the word "dismissed" and insert a colon and the following:

Provided, That the debts having priority of payment under Title II, chapter 7, section 104, of the United States Code, for bankrupt estates, shall have priority of payment in the same order as set forth in said section 104 under the provisions of this section in any distribution, assignment, composition, or settlement herein provided for.

The PRESIDING OFFICER. The question is on agreeing to the amendment to the amendment.

The amendment to the amendment was agreed to.

Mr. BLAINE. Mr. President, I have one other amendment. I have not written it out, but it is very simple. It is on page 40, section 74, at the beginning of the sentence on line 23, to insert the following words: "At any time within five years after this section takes effect," and continue, "any person excepting a corporation," and so forth.

The purpose of the amendment is to bring the section into harmony with identically the same provision on page 50 as it refers to the farmer, that is, not to extend the time within which this act may apply beyond five years.

Mr. HASTINGS. Mr. President, I hope the Senator will not insist upon that amendment. After very careful study by the Department of Justice it was believed that this section for the relief of individual debtors ought to be a permanent thing. The only reason why the section relative to the farmers was limited to five years was that we had undertaken to do something a little different and something that would give them a greater relief than they could get under section 74. Under normal conditions it would not be necessary to have these conciliation commissioners, and so on. After a period of five years it was at least hoped that they would not be necessary, and then they would have the advantage under section 74. It was believed by those who have given great study to this subject that it was a good thing always to have a provision in the bankruptcy law for a distressed debtor who might get some relief by agreeing with his creditors without bearing forever afterwards the stigma of bankruptcy. I hope the Senator will not insist on his amendment.

Mr. BLAINE. Mr. President, I will address myself to that proposition very briefly. No more stigma will apply to the individual debtor in being called a bankrupt than will be applied to the individual farmer being called a bankrupt. There is no difference at all. Why apply the stigma to a farmer and save him only five years from that stigma, but save the other debtor, who is a trader, a business man, a manufacturer, a lawyer, a banker, a candlestick maker, from the stigma perpetually?

Mr. HASTINGS. Mr. President, will the Senator yield? Mr. BLAINE. I yield.

Mr. HASTINGS. I think the Senator did not understand my statement with respect to this. I certainly did not intend to put any more of a stigma upon the farmer than upon the rest.

Mr. BLAINE. I know the Senator did not.

Mr. HASTINGS. Here is what happens: After five years the farmer comes back into the class with other people who become debtors instead of bankrupts under this section. This special provision for the farmer is because of the extraordinary condition which confronts him just now, and which, it was believed, might not be necessary to apply to other persons.

Mr. BLAINE. I understand that, but this is an emergency measure.

Mr. HASTINGS. I do not admit that section 74 is intended solely as an emergency measure. It is intended to be a permanent benefit to the people all over the country for all time, if it works out as we believe it will work out.

Mr. BLAINE. Then the proposal, of course, is to apply this method of relieving debtors indefinitely as a permanent law?

Mr. HASTINGS. That is correct.

Mr. BLAINE. I submit that is exactly a very serious objection to the consideration or passage of the bill. The

Judiciary Committee has not given any consideration to the bill whatever. No study of it has been made by the Judiciary Committee. I think about 15 minutes of time was devoted to the entire subject. About the only discussion that was had during that 15 minutes was when I characterized the provision relating to farmers as utterly useless, if not definitely harmful to the farmer.

Mr. HASTINGS. Mr. President, will the Senator yield?

Mr. BLAINE. In just a moment. There was no consideration whatsoever given to this legislation by the Judiciary Committee outside of the subcommittee. visions were not read. They were not considered. I have in my desk in my office voluminous correspondence objecting to this particular section of the bill, the personal-debtor section, not just technical objections, but objections that are substantial. I am now directing my criticism against action upon the bill at the present time and under the present circumstances.

It is clearly impossible and it must be obvious to everyone that we can not rewrite this kind of a bill upon the floor of the Senate, and so we must close our eyes and accept not only the section relating to debtors, but the section relating to farmers-just accept them and hope they are all right and adjourn and go home without any careful consideration of the real substantive part of the proposition. That is why I want to limit the operation of the section to five years. That ought to give the Congress sufficient time to study it. It ought to be limited to one year. Each of the sections ought to be limited in its operation to one year.

I think the section applying to agriculture is a perpetration of a joke upon the farmer. The idea! In these days the farmer, with his farm mortgaged to an amount he can not pay, involved in debt for seed loans, involved in debt for taxes, involved in a multiplicity of indebtedness, with the low prevailing prices of farm products, having this sort of a law enacted in his name is ironical. It is a futile gesture. I think it is unfair to the farmer to give him another

As I understand there have been passed about 30 bills in the name of relief for the farmer, and now here is another bill during the closing days of the session proposed to be put through the Congress under the cloak of "relief for agriculture." Why, Mr. President, no wonder the farmers of the country are losing confidence not only in the Congress but in their Government. When the Congress will propose this kind of legislation without even consideration by a proper committee for more than 15 minutes and attempt to write into the law such perfectly useless provisions, and which must be obvious can not bring any relief to the farmer, it is no surprise that the farmer is justified in losing his respect for Congress and his Government.

It is about time that we cease engaging on these pretenses, this attitude of offering relief to the farmer, handing to him naught but a promise, endeavoring to sustain his hope, and then have the farmer wake up the next morning, as surely he will awaken, and find that he has again been fooled, again been betrayed, that again the Congress has made a gesture which is of no aid to him, but, if anything, harmful to him. It is my opinion that in this bill there is more harm to come to the farmer than good, because when a petition is filed-it may be the creditor who will file the petitionhe will bring the property of the farmer under control of some conciliator, some official whose office has been created by the Government of the United States. There will be thousands of those officials. They will be found all over the country. There will be men wanting the \$5 or \$10 a day, going about in every county for the purpose of creating a conciliation commission so they can take away from the farmer, or perhaps his creditor who may be as poor as the farmer, \$10 or \$5 per day, all in the name of farm relief. That is what this bill does.

Mr. HASTINGS. Mr. President, will the Senator yield to me a moment?

Mr. BLAINE. I yield.

Mr. HASTINGS. The Senator from Wisconsin was the

section for the relief of the farmer. Because he had patiently sat here without much complaint about the whole bill, and had given it considerable study, sufficient to make it necessary from his point of view to offer some rather important amendments, I was congratulating myself that I was about to be spared his criticism of this section or the section relating to individual debtors. I was going to suggest to him that I would rather accept an amendment limiting its operation to five years than not to get the bill through at all.

But we must bear in mind always that a limit of five years is not of very great importance because if it is a desirable thing it can be renewed before the five years have expired, or if it be undesirable or we do not limit it at all, it can be repealed at any time. So the matter of years is not of very great importance.

As I said, I was trying to be frank with the Senator when I said it was intended that this particular part of the bill was to be permanent legislation, and that the farmer's section about which he complains was not intended to be

Mr. BLAINE. Mr. President, I was making no criticism of the Senator from Delaware or any other Member of the Senate. I was directing my criticism to the bill. My absence from the Senate and my silence on this matter is for reasons which the Senator may not know. That does not, however, indicate that I have become enamored with any portion of the bill. I hope the amendment will be adopted.

Mr. NORRIS. Mr. President, I think if we will look for a moment at the provision, we will begin to realize what a dangerous thing it is to try to draw a bill on the floor of the Senate. Let us consider the language for a moment. The first time my attention was called to it was when the amendment was offered by the Senator from Wisconsin.

Mr. BROOKHART. Mr. President, will the Senator yield? The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from Iowa?

Mr. NORRIS. I yield.

Mr. BROOKHART. The Senator from Nebraska desires to take considerable time, I presume. I have an amendment which I think can be disposed of without objection or debate.

Mr. NORRIS. But the pending amendment has to be disposed of before the Senator has a right to offer his amendment, and I am debating the pending amendment. I want to make my remarks before we vote on the amendment. Perhaps it would be better if I waited until afterwards [laughter], but I think I had better say what I have to say before we vote on the amendment.

First, let us consider this language. This is the way it reads on page 40, line 23:

Any person excepting a corporation and excepting a farmer.

Then it goes on to tell what they can do. The reason for putting in the words "excepting a farmer"-

The PRESIDING OFFICER. May the Chair say that those words have been stricken from the bill?

Mr. NORRIS. Have they been taken out of the bill?

The PRESIDING OFFICER. They have been.

Mr. NORRIS. Then that takes away a good deal of the force of my argument [laughter]; but it does illustrate just the same the danger of trying to prepare a bill of this importance on the floor of the Senate. The language was put in because the farmer is cared for in another part of the bill, but the other part of the bill which provides for the farmer is limited to five years. If this language were left in the bill, as I supposed it was, then at the end of five years the farmer would have no way to get into court. He would be the only man who would be cut out. The corporation is provided for in another section.

Mr. HASTINGS. Mr. President-

The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from Delaware?

Mr. NORRIS. Certainly.

Mr. HASTINGS. If I may be permitted, I will say that the real purpose of striking out those words was not, as the only member of the committee who protested against this | Senator suggested, because the other provision runs for five years but for the purpose of avoiding a situation where there could not be 15 farmers gotten together who would want to take advantage of the act.

Mr. NORRIS. I understand.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Wisconsin to the amendment of the committee.

On a division, the amendment to the amendment was rejected.

Mr. BLAINE. Mr. President, I send to the desk an amendment which I shall propose to the pending bill, and ask that it be printed and lie upon the table.

The PRESIDING OFFICER. The amendment will be printed and lie on the table.

Mr. HASTINGS. Mr. President, the Senator from Iowa [Mr. Brookhart] has had a rather serious situation called to his attention and has prepared an amendment, which is entirely satisfactory.

Mr. BROOKHART. I offer the amendment which I send to the desk.

The PRESIDING OFFICER. The clerk will report the amendment offered by the Senator from Iowa.

The LEGISLATIVE CLERK. Add a new section at the end of the bill, as follows:

SEC. 77. In all bankruptcy proceedings the officers and agents in charge of the bankrupt funds are authorized to deposit the same without limit as to amount in the postal-savings depositories at the prescribed interest rate in all cases where local banks are unable or unwilling to give the required security. Such deposit, or any portion thereof, may be withdrawn as required in the bankruptcy proceedings.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Iowa [Mr. BROOKHART].

The amendment was agreed to.

ADJOURNMENT

Mr. HASTINGS. Mr. President, so far as I know, those are the only amendments that are not seriously controverted, and, following the suggestion of the Senator from Oregon, I now move that the Senate adjourn until 11 o'clock tomorrow morning.

The motion was agreed to; and (at 5 o'clock and 15 minutes p. m.) the Senate adjourned until to-morrow, Saturday, February 25, 1933, at 11 o'clock a. m.

CONFIRMATIONS

Executive nominations confirmed by the Senate February 24 (legislative day of February 21), 1933

APPOINTMENTS IN THE REGULAR ARMY

CHAPLAINS

To be chaplains with the rank of first lieutenants

First Lieut. James Gordon De La Vergne. First Lieut. William John Walsh.

APPOINTMENTS, BY TRANSFER, IN THE REGULAR ARMY TO ORDNANCE DEPARTMENT

First Lieut. Wallace Ellsworth Niles.

TO INFANTRY

Maj. Eugene Manuel Landrum.

TO COAST ARTILLERY CORPS

Second Lieut. Frank Theodore Folk.

TO QUARTERMASTER CORPS

Capt. Paul Parker Logan. Capt. Lyle Meredon Shields.

PROMOTIONS IN THE REGULAR ARMY

To be colonels

Lieut. Col. Isaac Samuel Martin, Cavalry.

Lieut. Col. Channing Edmonds Delaplane, Infantry. Lieut. Col. Milton Garfield Holliday, Quartermaster

To be lieutenant colonels

Maj. Oral Eugene Clark, Infantry.

Maj. Allan Clay McBride, Field Artillery.

Maj. Joe Reese Brabson, Field Artillery.

Maj. Herman Kobbé, Cavalry.

Maj. John Norton Reynolds, Air Corps. Maj. Leonard Craig Sparks, Field Artillery.

Maj. Robert Coker, Air Corps.

Maj. Rufus Foote Maddux, Chemical Warfare Service.

To be majors

Capt. William Claude McMahon, Infantry.

Capt. Bertrand Morrow, Cavalry.

Capt. Harry Russell Pierce, Coast Artillery Corps.

Capt. Francis Michael Brennan, Infantry.

Capt. Lawrence Collamore Mitchell, Coast Artillery Corps.

Capt. Milton Baldridge Halsey, Infantry. Capt. Charles Love Mullins, jr., Infantry.

Capt. Sterling Alexander Wood, Infantry.

Capt. Mark Wayne Clark, Infantry.

Capt. Alexander Hunkins Campbell, Coast Artillery Corps.

Capt. David Sheridan Rumbough, Field Artillery.

Capt. Francis John Heraty, Infantry.

Capt. Marvil Groves Armstrong, Coast Artillery Corps.

To be captains

First Lieut. John Carson Grable, Signal Corps.

First Lieut. Guy Lewis McNeil, Air Corps.

First Lieut. James Lebbeus Carman, Infantry.

First Lieut. Landon Johnson Lockett, Infantry.

First Lieut. Columbus Bierce Lenow, Infantry.

First Lieut. Charles Henry Calais, Infantry. First Lieut. William Thomas Johnson, Finance Depart-

First Lieut. Clarence Prescott Talbot, Air Corps.

First Lieut. Charles Deans Calley, Field Artillery.

First Lieut. Arnold Miller Siler, Infantry.

First Lieut. Alfred Liljevalch Jewett, Air Corps.

First Lieut. Loyd Daniel Bunting, Infantry.

First Lieut. Elam La Fayette Stewart, Infantry.

First Lieut. Louie Clifford Mallory, Air Corps.

First Lieut. Bob Childs, Infantry.

First Lieut. Lewis Selwyn Webster, Air Corps.

First Lieut. Virgil Grover Allen, Infantry.

First Lieut. William Andrew Smith, Infantry.

First Lieut. Roy William Camblin, Air Corps.

First Lieut. Ray Eric Cavenee, Infantry. First Lieut. Wade Darragh Killen, Infantry.

First Lieut. Andrew Jackson Schriver, jr., Infantry.

First Lieut. Frank James Lawrence, Infantry.

First Lieut. Dorrance Scott Roysdon, Infantry.

First Lieut. Hyatt Floyd Newell, Infantry.

First Lieut. John Easton McCammon, Infantry.

First Lieut. Cornelius John Kenney, Air Corps.

First Lieut. William Edward Smith, Infantry.

To be first lieutenants

Second Lieut. Herman Walter Schull, jr., Corps of Engi-

Second Lieut. Elmer Blair Garland, Signal Corps.

Second Lieut. Loren Davis Pegg, Cavalry.

Second Lieut. Garrison Holt Davidson, Corps of Engi-

Second Lieut. William Henderson Minter, Corps of En-

Second Lieut. Woodbury Megrew Burgess, Cavalry.

Second Lieut. Manuel José Asensio, Corps of Engineers.

Second Lieut. Cecil Winfield Land, Field Artillery.

Second Lieut. Frederick Everett Day, Coast Artillery Corps.

Second Lieut. Frederic Joseph Brown, Field Artillery.

Second Lieut. Edwin William Chamberlain, Coast Artillery Corps.

Second Lieut. Alvin Louis Pachynski, Signal Corps.

Second Lieut. Harry Oliver Paxson, Corps of Engineers. Second Lieut. Henry Joseph Hoeffer, Corps of Engineers.

Second Lieut. Maurice Francis Daly, Air Corps.

Second Lieut. Fred Wallace Kunesh, Signal Corps.

Second Lieut. Alexander Macomb Miller, 3d, Cavalry. Second Lieut. Gerald Francis Lillard, Field Artillery.

Second Lieut. George Fenton Peirce, Coast Artillery Corps.

Second Lieut. William Hamilton Hunter, Cavalry.

Second Lieut. Francis Cecil Foster, Field Artillery.

Second Lieut. Francis Elliot Howard, Infantry.

Second Lieut. James Wilson Green, jr., Signal Corps.

Second Lieut. Parmer Wiley Edwards, Coast Artillery Corps.

Second Lieut. Laurence Sherman Kuter, Air Corps. Second Lieut. William Perry Pence, Signal Corps.

Second Lieut. Thomas Morgan Watlington, jr., Field Artillery.

Second Lieut. William. Lewis McNamee, Coast Artillery Corps.

Second Lieut. Thomas John Hall Trapnell, Cavalry.

Second Lieut. John Raymond Lovell, Coast Artillery Corps.

Second Lieut, Raymond Wiley Curtis, Cavalry.

Second Lieut, Kenneth Earl Thiebaud, Infantry.

Second Lieut. Reynolds Condon, Field Artillery.

Second Lieut. Charles Brundy Brown, Signal Corps.

Second Lieut, Edward Gilbert Farrand, Field Artillery.

Second Lieut. Mason Fred Stober, Field Artillery.

MEDICAL CORPS

To be major

Capt. Arthur Alexander Hobbs, jr.

To be captains

First Lieut. Frederick Cantwell Kelly.

First Lieut, William Henry Powell, jr.

First Lieut. Junius Penny Smith.

First Lieut. Harry George Armstrong.

First Lieut. Matthew Corell Pugsley.

DENTAL CORPS

To be captains

First Lieut. Leland Grant Meder.

First Lieut. Samuel Rush Haven.

First Lieut. Mallory Carpenter Jones.

VETERINARY CORPS

To be major

Capt. James Lew Barringer.

CHAPLAIN

To be chaplains with the rank of major Chaplain Perry Orlando Wilcox.

Chaplain Willis Timmons Howard.

HOUSE OF REPRESENTATIVES

FRIDAY, FEBRUARY 24, 1933

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

O Thou who art the revelation of eternal love, let us constantly seek to be filled with Thy blessed spirit. Thou hast revealed to us with clearness and power the divinest law in all this universe, namely, the law of love. Do Thou enthrone this wonderful grace within our souls. Take out of our hearts that which is harmful and destructive. If they are blighted with vanity, greed, or envy, forgive us and set us free, our Heavenly Father, and let in the sovereignty of love. With our spiritual eyes open and uplifted we shall see the light, which may be delayed but not denied. Each day inspire us to quit ourselves like men, by being strong, courageous, and true. May we now declare it can be done, because it ought to be done. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Craven, its principal clerk, announced that the Senate had passed with amendments, in which the concurrence of the House is requested, bills of the House of the following titles:

H. R. 14458. An act making appropriations for the Executive Office and sundry independent executive bureaus,

boards, commissions, and offices, for the fiscal year ending June 30, 1934, and for other purposes; and

H. R. 14562. An act making appropriations for the legislative branch of the Government for the fiscal year ending June 30, 1934, and for other purposes.

The message also announced that the Senate had concurred, without amendment, in a concurrent resolution of the House of the following title:

H. Con. Res. 47. Concurrent resolution relating to Statuary

The message also announced that the Senate had ordered that the House be requested to return to the Senate joint resolution (S. J. Res. 223) entitled "Joint resolution establishing the United States Georgia Bicentennial Commismission, and for other purposes," with accompanying papers.

The message also announced that the Senate had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 13872) entitled "An act making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1934, and for other purposes."

The message also announced that the Senate had agreed to the amendment of the House to a bill of the Senate of the following title:

S. 4327. An act for the relief of Lizzie Pittman.

CONDUCT OF JUDGE HAROLD LOUDERBACK

Mr. SUMNERS of Texas. Mr. Speaker, a parliamentary

The SPEAKER. The gentleman will state it.

Mr. SUMNERS of Texas. I am not advised just what the proper parliamentary procedure is in this situation. The gentleman from Oklahoma filed the report for the majority of the committee

The SPEAKER. The usual custom is that the Member who reports the legislation coming before the House is the one the Chair ordinarily recognizes.

Mr. SNELL. Mr. Speaker, we can not hear what is going on.

The SPEAKER. The gentleman from Texas has asked what the parliamentary situation is, and the Chair has stated that the custom has been that the Speaker would recognize the gentleman who has been directed by the committee to report the bill.

Mr. SNELL. This is a peculiar situation. I understand the bill has been reported.

The SPEAKER. And the Chair will recognize the gentleman who reported it.

Mr. McKEOWN. Mr. Speaker, I ask unanimous consent that those in favor of the resolution be allowed one hour's time, and that I be allowed one hour, and that I divide my time with the gentleman from Missouri.

The SPEAKER. The Clerk will report the resolution. The Clerk read the resolution, as follows:

House Resolution 387

Resolved, That the evidence submitted on the charges against Hon. Harold Louderback, district judge for the northern district of California, does not warrant the interposition of the constitutional powers of impeachment of the House.

Mr. SNELL. Mr. Speaker, when they report back a resolution of that kind, is it a privileged matter?

The SPEAKER. It is not only a privileged matter but a highly privileged matter.

Mr. DYER. Mr. Speaker, this is the first instance to my knowledge, in my service here, where the committee has reported adversely on an impeachment charge.

The SPEAKER. The gentleman's memory should be refreshed. The Mellon case was reported back from the committee, recommending that impeachment proceedings be discontinued.

Mr. SNELL. Was that taken up on the floor as a privileged matter?

The SPEAKER. It was.

Mr. BANKHEAD. Will the gentleman from Oklahoma yield? What I am curious to know is whether this is intended as a vindication or an exculpation from the charges | be an opportunity to vote upon the substitute for the maagainst him?

Mr. McKEOWN. The report of the committee is that there is not sufficient evidence to warrant the House in exercising its high privilege of impeaching a judge.

Mr. BANKHEAD. I am sure the committee is well within its rights, but why is it necessary to make an adverse report if the evidence does not sustain the charges?

Mr. McKEOWN. The minority members have signed a report recommending impeachment.

Mr. BANKHEAD. Mr. Speaker, I think it ought to be reported first, so that we may understand the real issue.

Mr. LaGUARDIA. Mr. Speaker, will the gentleman yield? Mr. McKEOWN. Yes.

Mr. LAGUARDIA. I want to make clear to the gentleman from Alabama [Mr. BANKHEAD] that in the course of the consideration of the majority resolution, articles of impeachment will be offered from the floor of the House.

Mr. BANKHEAD. That somewhat clarifies the situation. Mr. MICHENER. Mr. Speaker, in answer to the gentleman from Alabama, let me make this observation. The purpose of referring a matter of this kind to the Committee on the Judiciary is to determine whether or not in the opinion of the Committee on the Judiciary there is sufficient evidence to warrant impeachment by the House. If the Committee on the Judiciary finds those facts exist, then the Committee on the Judiciary makes a report to the House recommending impeachment, and that undoubtedly is privileged. However, a custom has grown up recently in the Committee on the Judiciary of including in the report a censure. I do not believe that the constitutional power of impeachment includes censure. We have but one duty, and that is to impeach or not to impeach. To-day we find a committee report censuring the judge. The resolution before the House presented by a majority of the committee is against impeachment. The minority members have filed a minority report, recommending impeachment. I am making this observation with the hope that we may get back to the constitutional power of impeachment.

Mr. LAGUARDIA. Mr. Speaker, in reply to the gentleman from Michigan [Mr. MICHENER] I suggest that the fault is not in the Constitution of the United States but in the constitution of some individuals who are so timid that they are afraid to impeach a judge guilty of improper

Mr. DYER. Mr. Speaker, the duty of the committee is, of course, only to report a resolution for impeachment or not to report it. The committee has reported a resolution which is found in the report:

That the evidence submitted on the charges against Hon. Harold Louderback, district judge for the northern district of California, does not warrant the interposition of the constitutional powers of impeachment of the House.

That is the only thing that the committee has submitted to the House for consideration.

The SPEAKER. Under the rules of the House the gentleman from Oklahoma [Mr. McKeown] has one hour in which to discuss this resolution, unless some other arrangement is made.

Mr. McKEOWN. Mr. Speaker, I ask unanimous consent that two hours' time be granted on a side. One-half of mine I shall yield to the gentleman from Missouri [Mr. DYER]. At the end of the two hours' time, that the previous question shall be considered as ordered.

Mr. LaGUARDIA. Mr. Speaker, will the gentleman yield? Mr. McKEOWN. Yes.

Mr. LaGUARDIA. The gentleman will remember that the committee unanimously voted that the previous question should not be considered as ordered until the majority had opportunity to offer the articles of impeachment.

Mr. McKEOWN. I yield now to the gentleman for that purpose.

The SPEAKER. If gentlemen will permit, let the Chair make a suggestion. The Chair understands that the com-

jority resolution. Is that correct?
Mr. McKEOWN. Yes.

The SPEAKER. Then the Chair suggests to the gentleman from Oklahoma that he ask unanimous consent that general debate be limited to two hours, one-half to be controlled by himself, and one-half to be controlled by the gentleman from New York.

Mr. McKEOWN. I want one-half of my time to be yielded to the gentleman from Missouri, and that the other hour shall be controlled by the gentleman from Texas.

The SPEAKER. Then the Chair suggests that the gentleman from Oklahoma control all of the time.

Mr. SUMNERS of Texas. Mr. Speaker, I am quite willing that the gentleman from Oklahoma may control the time. because I am sure that he will make a fair distribution of it.

Mr. McKEOWN. Mr. Speaker, I ask unanimous consent that the time for debate be limited to two hours to be controlled by myself, that during that time the gentleman from New York [Mr. LaGuardia] be permitted to offer a substitute for the resolution and at the conclusion of the time for debate the previous question be considered as ordered.

The SPEAKER. Then the Chair submits this: The gentleman from Oklahoma asks unanimous consent that debate be limited to two hours, to be controlled by the gentleman from Oklahoma, that at the end of that time the previous question shall be considered as ordered, with the privilege, however, of a substitute resolution being offered, to be included in the previous question. Is there objection?

Mr. BANKHEAD. Mr. Speaker, reserving the right to object for the purpose of getting the parliamentary situation clarified before we get to the merits, is there any question in the mind of the Speaker, if it is fair to submit such a suggestion, as to whether or not the substitute providing for absolute impeachment would be in order as a substitute for this report?

The SPEAKER. That is the understanding of the Chair, that the unanimous-consent agreement is, that the gentleman from New York [Mr. LaGuardia] may offer a substitute, the previous question to be considered as ordered on the substitute and the original resolution at the expiration of the two hours. Is there objection?

There was no objection.

The SPEAKER. The Clerk will report the substitute offered by the gentleman from New York.

The Clerk read as follows:

Resolved, That Harold Louderback, who is a United States district judge of the northern district of California, be impeached of misdemeanors in office; and that the evidence heretofore taken by the special committee of the House of Representatives under House Resolution 239 sustains five articles of impeachment, which are hereinafter set out; and that the said articles be, and they are hereby, adopted by the House of Representatives, and that the same shall be exhibited to the Senate in the following words and figures to wit:

figures, to wit:

Articles of impeachment of the House of Representatives of the United States of America in the name of themselves and of all of the people of the United States of America against Harold Louder-back, who was appointed, duly qualified, and commissioned to serve during good behavior in office as United States district judge for the northern district of California on April 17, 1928.

ARTICLE I

That the said Harold Louderback, having been nominated by the President of the United States, confirmed by the Senate of the United States, duly qualified and commissioned, and while acting as a district judge for the northern district of California, did on divers and various occasions so abuse the power of his high office that he is hereby charged with tyranny and oppression, favoritism, and conspiracy, whereby he has brought the administration of justice in said district in the court of which he is a judge into disrepute, and by his conduct is guilty of misbehavior, falling under the constitutional provision as ground for impeachment and removal from office

removal from office.

In that the said Harold Louderback, on or about the 13th day of March, 1930, at his chambers and in his capacity as judge aforesaid, did willfully, tyrannically, and oppressively discharge one Addison G. Strong, whom he had on the 11th day of March, 1930, appointed as equity receiver in the matter of Olmsted v. Russell-Colvin Co. after having attempted to force and coerce the said Strong to appoint one Douglas Short as attorney for the receiver in said case.

In that the said Harold Louderback impreparity did attempt to

In that the said Harold Louderback improperly did attempt to mittee has something of an understanding that there would | cause the said Addison G. Strong to appoint the said Douglas Short as attorney for the receiver by promises of allowance of large fees and by threats of reduced fees did he refuse to appoint said Douglas Short.

In that the said Harold Louderback improperly did use his office and power of district judge in his own personal interest by causing the appointment of the said Douglas Short as attorney for the receiver, at the instance, suggestion, or demand of one Sam Leake, to whom the said Harold Louderback was under personal obligation, the said Sam Leake having entered into a certain arrangement and conspiracy with the said Harold Louderback to provide him, the said Harold Louderback, with a room at the Fairmont Hotel in the city of San Francisco, Calif., and made arrangements for registering said room in his, Sam Leake's, name and paying all bills therefor in cash under an arrangement with the said Harold Louderback to be reimbursed in full or in part in order that the said Harold Louderback might continue to actually reside in the city and county of San Francisco after having improperly and unlawfully established a fictitious residence in Contra Costa County for the sole purpose of improperly removing for trial to said Contra Costa County a cause of action which the said Harold Louderback expected to be filed against him; and that the said Harold Louderback improperly did use his ing for trial to said Contra Costa County a cause of action which the said Harold Louderback expected to be filed against him; and that the said Douglas Short did receive large and exorbitant fees for his services as attorney for the receiver in said action, and the said Sam Leake did receive certain fees, gratuitles, and loans directly or indirectly from the said Douglas Short amounting approximately to \$1,200.

In that the said Harold Louderback entered into a conspiracy In that the said Harold Louderback entered into a conspiracy with the said Sam Leake to violate the provisions of the California Political Code in establishing a residence in the county of Contra Costa when the said Harold Louderback in fact did not reside in said county and could not have established a residence without the concealment of his actual residence in the county of San Francisco, covered and concealed by means of the said conspiracy with the said Sam Leake, all in violation of the law of the State of California.

of California.

In that the said Harold Louderback, in order to give color to his fictitious residence in the county of Contra Costa, all for the purpose of preparing and falsely creating proof necessary to establish himself as a resident of Contra Costa County in anticipation lish himself as a resident of Contra Costa County in anticipation of an action he expected to be brought against him, for the sole purpose of meeting the requirements of the Code of Civil Procedure of the State of California providing that all causes of action must be tried in the county in which the defendant resides at the commencement of the action, did in accordance with the conspiracy entered into with the said Sam Leake unlawfully register as a voter in said Contra Costa County, when in law and in fact he did not reside in said county and could not so register, and that the said acts of Harold Louderback constitute a felony defined by section 42 of the Penal Code of California;

Wherefore the said Harold Louderback was and is guilty of a course of conduct improper, oppressive, and unlawful and is guilty of misbehavior in office as such judge and was and is guilty of a misdemeanor in office.

misdemeanor in office.

ARTICLE II

That Harold Louderback, judge as aforesaid, was guilty of a course of improper and unlawful conduct as a judge, filled with partiality and favoritism in improperly granting excessive, exorbitant, and unreasonable allowances as disbursements to one Marshall Woodward and to one Samuel Shortridge, jr., as receiver and attorney, respectively, in the matter of the Lumbermen's Reciprocal Association.

And in that the said Harold Louderback, judge as aforesaid, having improperly acquired jurisdiction of the case of the Lumbermen's Reciprocal Association contrary to the law of the United States and the rules of the court, did, on or about the 29th day of July, 1930, appoint one Marshall Woodward and one Samuel Shortridge, jr., receiver and attorney, respectively, in said case, and after an appeal was taken from the order and other acts of the judge in said case to the United States Circuit Court of Appeals for the Ninth Circuit and the said order and acts of the said Harold Louderback having been reversed by said United States circuit court of appeals and the mandate of said circuit court of appeals directed the court to cause the said receiver to turn over all of the assets of said association in his possession as receiver to the the experimentations of insurement of the States of Celifornia. appeals directed the court to cause the said receiver to turn over all of the assets of said association in his possession as receiver to the commissioner of insurance of the State of California, the said Harold Louderback unlawfully, improperly, and oppressively did sign and enter an order so directing the receiver to turn over said property to said State commissioner of insurance, but improperly and unlawfully made such order conditional that the said State commissioner of insurance and any other party in interest would not take an appeal from the allowance of fees and disbursements granted by the said Harold Louderback to the said Marshall Woodward and Samuel Shortridge, jr., receiver and attorney, respectively, thereby improperly using his said office as a district judge to favor and enrich his personal and political friends and associates, to the detriment and loss of litigants in his, said judge's, court, and forcing said State commissioner of friends and associates, to the detriment and loss of litigants in his, said judge's, court, and forcing said State commissioner of insurance and parties in interest in said action unnecessary delay, labor, and expense in protecting the rights of all parties against such arbitrary, improper, and unlawful order of said judge; and that the said Harold Louderback did improperly and unlawfully seek to coerce said State commissioner of insurance and parties in interest in said action to accept and acquiesce in the excessive fees and the exorbitant and unreasonable disbursements granted by him to said Marshall Woodward and Samuel Shortridge, jr., receiver and attorney, respectively, and did improperly and unlawfully force and coerce the said parties to enter into a stipula-

tion modifying said improper and unlawful order and did thereby make it necessary for the State commissioner of insurance to take another appeal from the said arbitrary, improper, and unlawful action of the said Harold Louderback.

In that the said Harold Louderback did not give his fair, impartial, and judicial consideration to the objections of the said State commissioner of insurance against the allowance of ex-cessive fees and unreasonable disbursements to the said Marshall cessive fees and unreasonable disbursements to the said Marshall Woodward and Samuel Shortridge, Jr., receiver and attorney, respectively, in the case of the Lumbermen's Reciprocal Association, in order to favor and enrich his friends at the expense of the litigants and parties in interest in said matter, and did thereby cause said State commissioner of insurance and the parties in interest additional delay, expense, and labor in taking an appeal to the United States circuit court of appeals in order to protect their rights and property in the matter against the partial, oppressive, and unjudicial conduct of said Harold Louderback.

Wherefore, said Harold Louderback was and is guilty of a course of conduct oppressive and unjudicial and is guilty of misbehavior in office as such judge and was and is guilty of a mis-Wherefore, demeanor in office.

ARTICLE III

The said Harold Louderback, judge aforesaid, was guilty of misbehavior in office resulting in expense, disadvantage, annoyance, and hindrance to litigants in his court in the case of the Fageol Motor Co., for which he appointed one Guy H. Gilbert receiver, knowing that the said Gilbert was incompetent, unqualified, and inexperienced to act as such receiver in said case. In that the said Harold Louderback, judge as aforesaid, oppressively and in disregard of the rights and interests of litigants in his court did appoint one Guy H. Gilbert as receiver for the Fageol Motor Co., knowing the said Guy H. Gilbert to be incompetent, unfit, and inexperienced for such duties, and did refuse to grant a hearing to the plaintiff, defendant, creditors, and parties in interest in the matter of the Fageol Motor Co. on the appointment of said receiver, and the said Harold Louderback did cause said litigants and parties in interest in said matter to be misinformed of his action while said Guy H. Gilbert took did cause said litigants and parties in interest in said matter to be misinformed of his action while said Guy H. Gilbert took steps necessary to qualify as receiver, thereby depriving said litigants and parties in interest of presenting the facts, circumstances, and conditions of the said equity receivership, the nature of the business and the type of person necessary to operate said business in order to protect creditors, litigants, and all parties in interest, and thereby depriving said parties in interest of the opportunity of protesting against the appointment of an incompetent receiver.

Wherefore the said Harold Louderback was and is guilty of a course of conduct constituting misbehavior as said judge and that said Harold Louderback was and is guilty of a misdemeanor

That the said Harold Louderback, judge aforesaid, was guilty of misbehavior in office, filled with partiality and favoritism, in improperly, wilfully, and unlawfully granting on insufficient and improper papers an application for the appointment of a receiver in the Prudential Holding Co. case for the sole purpose of benefiting and enriching his personal friends and associates.

In that the said Harold Louderback did on or about the 15th day of August, 1931, on insufficient and improper application, appoint one Guy H. Gilbert receiver for the Prudential Holding Co. case when as a matter of fact and law and under conditions then existing no receiver should have been appointed, but the said Harold Louderback did accept a petition verified on information and belief by an attorney in the case and without notice to the said Prudential Holding Co. did so appoint Guy H. Gilbert the receiver and the firm of Dinkelspiel & Dinkelspiel attorneys for the receiver; that the said Harold Louderback, in an attempt to benefit and enrich the said Guy H. Gilbert and his attorneys, Dinkelspiel & Dinkelspiel, failed to give his fair, impartial, and judicial consideration to the application of the said Prudential Holding Co. for a dismissal of the petition and a discharge of the receiver, although the said Prudential Holding Co. was in law entitled to such dismissal of the petition and discharge of the receiver; that during the pendency of the application for the dismissal of the petition and discharge of the receiver; that during the pendency of the application for the dismissal of the petition in bankruptcy was filed against the said Prudential Holding Co. based entirely and solely on an allegation that a receiver in equity had been appointed for the said Prudential Holding Co., and the said Harold Louderback then and there wilfully, improperly, and unlawfully, sitting in a part of the court to which he had not been assigned at the time, took jurisdiction of Co., and the said Harold Louderback then and there wilfully, improperly, and unlawfully, sitting in a part of the court to which he had not been assigned at the time, took jurisdiction of the case in bankruptcy and though knowing the facts in the case and of the application then pending before him for the dismissal of the petition and the discharge of the equity receiver, granted the petition in bankruptcy and did on the 2d day of October, 1930, appoint the same Guy H. Gilbert receiver in bankruptcy and the said Dinkelspiel & Dinkelspiel attorneys for the receiver, knowing all of the time that the said Prudential Holding Co. was entitled as a matter of law to have the said petition in equity dismissed; in that through the oppressive, deliberate, and willful action of the said Harold Louderback acting in his capacity as a judge and misusing the powers of his judicial office for the sole purpose of benefiting and enriching said Guy H. Gilbert and Dinkelspiel & Dinkelspiel, did cause the said Prudential Holding Co. to be put to unnecessary delay, expense, and labor and did deprive them of a fair, impartial, and judicial consideration of

their rights and the protection of their property, to which they |

Wherefore the said Harold Louderback was and is guilty of course of conduct constituting misbehavior as said judge and that said Harold Louderback was and is guilty of a misdemeanor in office.

ARTICLE V

That Harold Louderback, on the 17th day of April, 1928, was duly appointed United States district judge for the northern district of California, and has held such office to the present day.

That the said Harold Louderback as judge aforesaid, during his said term of office, at divers times and places when acting as such judge, did so conduct himself in his said court and in his capacity as judge in making decisions and orders in actions pending in his said court and before him as said judge, and in the method of appointing receivers and attorneys for receivers, in appointing incompetent receivers, and in displaying a high degree of indifference to the litigants in equity receiverships, as to excite fear and distrust and to inspire a widespread belief in and beyond said northern district of California that causes were not decided in said court according to their merits but were decided with partiality and with probabilities and flowerites to extent individuals. tiality and with prejudice and favoritism to certain individuals, particularly to receivers and attorneys for receivers by him so appointed, all of which is prejudicial to the dignity of the judi-

All to the scandal and disrepute of said court and the adminis-

tration of justice therein.

Wherefore the said Harold Louderback was and is guilty of misbehavior as such judge and of a misdemeanor in office.

Mr. McKEOWN. Mr. Speaker, I yield 25 minutes to the gentleman from New York [Mr. LaGuardia].

Mr. LaGUARDIA. Mr. Speaker, no task should be shirked because of its unpleasantness. It is not pleasant either to investigate or to come before this House asking for the impeachment of a public official. It is a tragedy in the life of that official. Therefore, in passing upon the merits of this case, I ask the Members to give this man the benefit of every doubt that may exist in their minds.

This is not a trial. This is an accusation. The question which the Members must decide is whether there are sufficient facts to constitute and warrant the accusation against this official which the House of Representatives under the Constitution must make and refer it to the court provided for in the Constitution for decision.

There is no difference of opinion between the majority report and the minority report, except that the minority report gives you a bill of particulars. The distinguished chairman of the Committee on the Judiciary will deal with that phase of the question.

A subcommittee of the Committee on the Judiciary of the House of Representatives went to California and investigated and collected facts, which were presented to the full committee and which are now being presented to the House. The distinguished chairman of the committee, the gentleman from Texas [Mr. Sumners], presided at those hearings. He was there. He heard the testimony. He saw the witnesses. He knows the case. He recommends impeachment in this case. Time is limited. I can not go into detail. I can not take up every phase of the case. I shall only take up one of the articles of impeachment, and that is dealing with the misconduct of the judge in the handling of the Russell-Colvin case. The other articles will be taken up by the gentleman from Tennessee [Mr. Browning].

We charge Judge Harold Louderback, United States district judge for the northern district of California, with improper judicial conduct in this case, with the commission of misdemeanors as contemplated in the Constitution, and which warrants his impeachment by this House and standing

Now, what are the facts in the Russell-Colvin case? This case is the key to the other cases which will be discussed by the gentleman from Tennessee [Mr. Browning].

The Russell-Colvin Co. was a copartnership, engaged in the stock-brokerage business in the city of San Francisco. In March, 1930, they got into financial difficulties. Their condition was taken up by the appropriate committee of the Stock Exchange of San Francisco, and it was decided that their membership in the stock exchange must be rescinded. You will remember during the period of 1930 the market was panicky. The matter was delicate. If not properly handled, it could disrupt the market; it might precipitate a run on the banks. The creditors, the partners, and the stock exchange, and all persons interested agreed that the firm should be placed in receivership; that an application should be made to the United States district court for the appointment of an equity receiver; that it should be economically and efficiently administered and expeditiously liquidated. So they agreed on the auditor of the stock exchange who had examined the books of this concern and was familiar with its condition as the receiver, and all parties in interest joined in an application to the court for the appointment of this gentleman, Mr. Strong, as the equity receiver for this firm, and after some discussion Mr. Strong was appointed, placed under a \$50,000 bond, and qualified as receiver. Now, please get this: In the order appointing Mr. Strong receiver it was provided:

Further ordered, adjudged, and decreed that the said receiver be, and he hereby is, authorized forthwith to take possession

* * to employ accountants, attorneys, and counsel, and to
make such payments and disbursements as may be needful or proper in the preservation of the assets of the defendants.

Bear that in mind, because it becomes important. The judge, after appointing the receiver, told him to return after he had qualified. It was late in the evening when he qualified. He returned the next morning. Then the judge asked him, "Have you made arrangements for the appointment of an attorney?" And he told him he had: that he had appointed a Mr. McAuliffe. The judge threw down his pencil and said, "I knew that would happen. Why didn't you come back last night?" He said. "I was told it was too late." He said, "I want you to appoint John Douglas Short." He said, "I have appointed Mr. McAuliffe."

I will not go into the details of the conversation, because my time is limited.

At that time the judge said, "I want you to appoint Mr. Short. Do you know that I will control your fee and that I can make your fee \$10,000 or I can make it \$80,000?" And that did not work. Then he ordered the receiver to go away and think it over for three days, and ordered him not to consult counsel. Here were the customers coming in for their securities, creditors bringing in their claims, orders on the exchange demanding attention, executory contracts to be decided on, and the receiver ordered by the judge to do nothing, to consult no attorney, but to "think the matter over" as to the appointment of Mr. Short. The rights of the litigants meant nothing to the judge. He was only interested in the patronage in the case. Mr. Strong went back the next day and asked the judge to permit him to consult counsel. There were several conferences the next day, and the judge repeatedly tried to force this man Short on him. The receiver would not have Short. He had selected McAuliffe. Strong was appointed on the 11th, and on the 13th the judge pulled an order which had already been prepared, dismissing the receiver for "cause," took him by the arm, took him to the door, and said. You are fired."

Mr. GARBER. Will the gentleman yield for a question right there in regard to the competency of McAuliffe?

Mr. LaGUARDIA. McAuliffe is conceded by the judge to have been qualified in every respect; is conceded by everyone in San Francisco and by the bar to have been qualified, while Short was a law clerk, getting \$50 a week at the time.

But, Mr. Speaker, if that is all there was to it, while the judge might have been guilty of highly improper judicial conduct, we would not have to come to you here and ask for his impeachment; but this is just the beginning. That left the firm without a receiver; left them absolutely open; and the judge tells the committee that he was very anxious to have the right kind of man appointed receiver and the right kind of man appointed for counsel, and what does he do? That night, in the lobby of the Hotel Fairmont, he is sitting with his friend, Sam Leake, and he said, in substance, to Sam Leake: "Sam, I am looking for a receiver." He said: "It is a brokerage firm; it is a big case. Can you recommend one?" Sam said: "I will think it over, and I will have one for you to-morrow." Just then a gentleman passed in the lobby, and he said: "There is the man. Come over here. Mr. Hunter, Judge Louderback; Judge Louderback, Mr. Hunter." The judge admits he did not know the man, but he remembered then that he was a juror in his court. Mr. Hunter then told him he had been receiver some years ago in another matter. He appointed Mr. Hunter as receiver. He had not known him before that time. As a strange coincidence, Mr. Speaker, the same Mr. Short, though unknown to Mr. Hunter, was appointed counsel to Mr. Hunter and received some \$50,000 in fees.

Now, suppose that were all there was to it. Mr. Speaker, again I say that the conduct of the judge might have been improper and injudicial, but now we come to Mr. Sam Leake. Sam Leake is the fixer for Judge Louderback; he is the contact man, an elderly man with a most colorful and varied career. He served as postmaster during Cleveland's administration. He became editor for one of the San Francisco big papers. He later became addicted to liquor and went down and down—his own admission. He then took up healing, mental healing, and is now in the business of healing and says he makes his living from it. He calls himself a "metaphysical student." He treats sick people by absent or other treatment. He has an office in San Francisco. He lives at the Fairmont Hotel.

Every one of the receivers which the gentleman from Tennessee will mention—strange coincidence, the receiver, his attorney, or some member of the family—is a patient of Sam Leake, who receives fees or gratuities from them.

Mr. Leake originally recommended Short, and when that failed the first time he recommended Hunter and in that way brought about the appointment of Short. The judge permitted himself to become the tool of Leake.

Now, what is the privity between Leake and the judge? The judge was anticipating a civil action to be brought against him. He did not want to try that action in San Francisco. The judge had been a resident of San Francisco all his life. In order not to have this expected civil action tried against him in San Francisco he established a fake residence in Contra Costa County. Time does not permit me to read the cases on the law, but the law in California as to residence is clear and definite. The matter of residence has been passed upon several times by the highest court of appeals. There must be actual residence, together with intent.

Mr. BANKHEAD. What was the nature of the civil suit the judge was anticipating?

Mr. LaGUARDIA. It was a domestic action, a matrimonial action.

The judge established this residence in Contra Costa County. He moved from his home in San Francisco to the Fairmont Hotel in San Francisco. He moved to a room in the Fairmont Hotel, not in his own name but in the name of Sam Leake. He was not registered at the Fairmont Hotel. Had he registered, according to his own admission, his fiction of his residence in Contra Costa County would have been disclosed and his purpose defeated.

Mr. CRAIL. What city is that in?

Mr. LaGUARDIA. San Francisco. The judge would give a check to Sam Leake and Sam Leake paid most of the monthly bills in cash to the hotel. This becomes extremely important, Mr. Speaker, under the decisions in California, because if his residence in San Francisco at the hotel had been known it would have destroyed absolutely his fictitious residence in Contra Costa County; and I am going to give you the citations on this. The purpose of the arrangement with Sam Leake is stated by the judge himself. You will find it on page 342 of the hearing. The judge says this:

Then, after a month or two, I found that the separation was probably permanent. In the meantime, I had gone over and had established my legal residence with my brother, with legal residence, voting and registration of my machine in Contra Costa County; but I realized that in actually doing my work when I was in San Francisco and crossing the bay that it was quite a burden and wear. And so I continued on there at the hotel. I asked Mr. Leake:

asked Mr. Leake:
"Have you any objection to my remaining in this room and letting it stay as it is," because—

Now, this is the judge talking-

"registration is an element upon which to predicate residence."
"And I wanted to maintain residence in Contra Costa County.
And I assure you, gentlemen—

Said the judge-

"I believe the only reason why that suit was not instituted was because I had that residence; because under the California law Mrs. Louderback would have had to contest it in Contra Costa County, and she thought it would be of advantage to her to have it tried in her own county."

And the judge himself, sitting as a Federal judge, under the conformity act would have to pass on questions of residence, on change of venue, on questions of jurisdiction of the Federal court, under the very act which he himself in conspiracy with Sam Leake was evading.

We are not interested in the domestic troubles of the judge except as they affect his judicial conduct. He was under obligation to Sam Leake in the continuing conspiracy to conceal his actual residence at the Fairmont Hotel in San Francisco; and, as Sam Leake aided him, he, the judge, in turn permitted Leake to make appointments of receivers and attorneys, thereby displaying—as is stated in the majority report—indifference to the rights of litigants in receivership cases.

When I asked Sam Leake on the stand, "Where does Judge Louderback live?" he said, "I do not know; in Contra Costa County, I think." And then later on, when word got around that we had subpensed the chambermaid and the clerk of the hotel and the auditor of the hotel, then he told us the story about the room, but he did not tell us all of the story.

So we have Sam Leake covering up the judge, and the judge misusing and abusing his judicial powers to benefit Leake and his friends.

What does Sam Leake get out of it?

Douglass Short, after he was appointed and after he received the first payment of the \$50,000, writes a long and involved letter to his father-in-law, in which he says in substance.

Father-in-law, you have been awfully good to me; you made a gift to my wife and to me some time ago, but I do not want that gift, and inclose herewith my check for \$5,000.

Conceding that he wanted to give the gift back, the gift only amounted to \$3,500, but Short sends him \$5,000, and at the same time this same father-in-law, Mr. Hathaway, gives Sam Leake \$1,000.

Mr. SPARKS. Mr. Speaker, will the gentleman yield?

Mr. LAGUARDIA. Certainly.

Mr. SPARKS. Is it not a fact that he also said he would expect to pay him for some further favors later on?

Mr. LaGUARDIA. Later on, of course; very much like the Mitchell sale of stock.

Mr. Hathaway said he took Sam Leake's note for the thousand, and on the stand testified that the note was no good and that he never expected to realize on the note or get his money back. He thereafter gave Sam Leake \$200 more. So Sam Leake got from Short, indirectly it is true, after the first payment of the fee was made to Short, something like \$1,200 that we know of. Sam Leake in turn accommodated the judge to the extent of covering and concealing and being a party to the conspiracy of Judge Louderback to violate the law of the State of California, both the election law and the law as to change of venue.

Now it is going to be suggested by some of my colleagues: "Well, he did not avail himself of it, did he?" That makes no difference. If my colleagues would only be good enough to read the law—they are all good lawyers—read the decisions of the courts of California as to residence, they would find that the registration in Contra Costa County violated the political code of California and that the conspiracy to conceal the residence in San Francisco could only be effected and consummated by the conduct of Sam Leake in concealing and hiding the actual residence of Judge Louderback.

Mr. BROWNING. Mr. Speaker, will the gentleman yield?

Mr. Laguardia. I yield.
Mr. Browning. But he did avail himself of it in that he admits that he used the conspiracy to serve his purpose.
Mr. Laguardia. Exactly; it did serve the purpose. It scared away the commencement of the action.

Mr. Speaker, a reading of the testimony will disclose that creditors and litigants had no confidence in the court. So

greedy was this particular judge in grasping for cases where | receivers were to be appointed that shortly after he took office the other two judges of that district enacted a rule whereby all such cases were to be assigned to the three judges by means of a lottery—a sort of drawing whereby each of the three judges would draw two out of every six cases, taking his chance whether it was a "big" case or just a small bankruptcy. Such a system, made necessary by Judge Louderback's conduct, is not only unbecoming and undignified, but conducive to lack of confidence in and loss of respect for the court.

The testimony will show that lawyers of standing, attorneys of record in cases before the judge frankly admitted the futility of seeking to protect their clients' interest when a matter of fees for favorite receivers was before this

This is all in the testimony. What is more, it is the knowledge of the bench and bar of San Francisco. This judge has completely lost the respect and confidence of the

In the Russell-Colvin case to which I referred, the judge stated before the committee that his reason for acting arbitrarily was that he was eager to obtain a man as receiver in whom he had confidence and an attorney for the receiver who was fit, qualified, and competent. Yet we find that he discharged the receiver agreed upon by all concerned and all parties in interest. It must be remembered that this particular case was a matter of public concern in San Francisco at the time. Yet he appointed as receiver a man picked by Sam Leake and as his attorney the judge's original choice, also selected by Sam Leake. Now what happened? After the equity receivership had gone along for some time it was apparent that the stock brokerage firm could not continue in business. This too was precipitated by the judge's unjudicial conduct in tying up everything for two days while endeavoring to force Mr. Short as attorney.

When some of the creditors realized the actual condition of the copartnership they petitioned to place the copartnership into bankruptcy. Then what do we find? That this \$50,000 attorney, with the consent of the judge, goes out and hires another attorney to fight the bankruptcy proceedings although the firm was then hopelessly insolvent. Another \$5,000 taken from the assets of the creditors. And in this they were abetted and assisted by Judge Louderback. Why? Because if they had gone into bankruptcy the receiver's fee would have been fixed in accordance with the law and the attorney's fees would have been fixed perhaps by another judge. Another instance of how the judge disregarded the interests of the litigants in receivership matters, as so well stated in the majority report. I repeat, the firm was then so hopelessly insolvent that although they sought to fight off the bankruptcy petition it would surely have gone into bankruptcy had not the receiver and his attorney resorted to improper practice, and to use the words of the receiver himself, "They (the creditors) were bought off as good to get rid of those particular claims." This cost the estate something like \$5,775 in addition to the \$5,000 paid to the attorney who was supposed to be a specialist in bankruptcy.

Lest there be any misrepresentation made on the part of any of the members joining with the majority report who brand this judge as a secoundrel and yet would keep him on the bench, I want to point out that the greater part of the assets of this estate was purely securities belonging to individuals which the firm held in trust. But when it comes down to the creditors of the firm, gentlemen, you will find that they received but a small percentage of their claims. Most of the work was simply the identification of securities belonging to customers of the firm.

I repeat, these were simply returned to the owners. It was listing of these securities that makes the estate look as if it were of great amount and that the receiver and his attorney rendered great services. A casual inspection of a report of the receiver and his attorney on which they based their claim for compensation shows that it was padded, artificial, and ciary ought to impartially investigate an impeachment pro-

swollen, in order to give some color of justification for the enormous fees granted them.

Mr. RAGON. Will the gentleman yield?

Mr. LaGUARDIA. I yield.

Mr. RAGON. How much did this man receive?

Mr. LAGUARDIA. In cash?

Mr. RAGON. I do not know.

Mr. LaGUARDIA. The greater percentage of the assets, as I have stated, were securities held in trust, amounting to over \$400,000.

Mr. BROWNING. How much did the receiver get?

Mr. LaGUARDIA. About \$50,000.

Mr. DYER. There was no complaint that they received any more than that

Mr. LaGUARDIA. Yes; there was sufficient complaint, and the attorneys were blackjacked into silence.

Mr. DYER. Is it not in the record.

Mr. LaGUARDIA. Yes; it is in the record. The gentleman has not read the record.

The SPEAKER. The time of the gentleman has expired. Mr. McKEOWN. Mr. Speaker, I yield 10 minutes to the gentleman from West Virginia [Mr. BACHMANN].

Mr. BACHMANN. Mr. Speaker, the Judiciary Committee has discussed this case in executive session on a number of occasions. Judge Louderback himself appeared before the committee here in Washington. He subjected himself to the cross-examination of all the members of our committee; and the Judiciary Committee voted 13 against impeachment and 5 in favor of impeachment.

Mr. TARVER. Will the gentleman yield?

Mr. BACHMANN. Just briefly. I have not much time.

Mr. TARVER. The judge, however, refused to subject himself to examination by the committee in San Francisco among his own people.

Mr. BACHMANN. I understand that was on the advice of his counsel; and the judge not being satisfied with what his counsel advised him there, came to Washington and voluntarily appeared before the committee.

Mr. DYER. And the committee did not ask him to testify. Mr. BACHMANN. No. He came here on his own volition. Here is the set-up in this case: The chairman of the Judiciary Committee appointed five Members on a subcommittee to go to California to investigate Judge Louderback. The members of that subcommittee were the chairman, Mr. Sumners of Texas, Mr. Dominick, Mr. LaGuardia, Mr. Dyer, and Mr. McKeown.

When the time came for the subcommittee to go to California, due to the election, some of the Members could not go and the gentleman from Tennessee [Mr. Browning] was substituted in the place of one of the other members of the subcommittee. So the committee that went to California to investigate Judge Louderback was composed of Chairman SUMNERS of Texas, Mr. LaGuardia, and Mr. Browning.

When they got to California—let me give you a picture of what occurred. I do not want to cast any reflection upon any member of that subcommittee; but the Members of this House ought to understand just how this committee proceeded to investigate Judge Louderback. When they got to California the chairman of the committee. Mr. Sum-NERS of Texas, occupied a seat high upon the judge's bench; down at the counsel table appeared the two prosecutors of the committee, on one side of the table Mr. LaGuardia and on the other side of the table Mr. Browning. Now, this was the set-up of the three members of the committee that went out there to impartially investigate the facts concerning this judge.

I do not mean to cast any reflection upon my good friend the gentleman from New York [Mr. LaGuardia], and far be it from me to say anything that would reflect in any way on my good friend the gentleman from Tennessee [Mr. Browning], because I have served on the same committees with him during the past eight years and I know him well, and both of them are fine gentlemen; but the House should know what happened. The Committee on the Judiceeding and not in the first instance proceed to prosecute. They were appointed for the purpose of investigating Judge Louderback's conduct.

Let me show you how bitter this prosecution was. I want you to turn to page 191 of the record of the hearings and listen to what occurred between counsel representing the judge and one of the prosecutors of the committee:

Mr. LaGuardia. I think this, gentlemen, would be a good time to adjourn.

Mr. HANLEY. Is that just simply to get some newspaper notoriety

or just simply for effect? Can't we go along here as long as we started and try to get something out of it?

Mr. Sumners. Of course, we assume that counsel is presenting his case. I don't know about the element of newspaper notoriety.

his case. I don't know about the element of newspaper notoriety. There doesn't seem to be very much evidence of that here.

Mr. Hanley. We have heard so much about it, we read so much about what is going to come off, it is getting a little boresome.

Mr. LaGuardia. I think it appeared in the papers long before I introduced my resolution in the House. That's how I got it.

Mr. Hanley. No; it is not how you got the resolution. You know that's not correct, and you know it is not true.

Mr. LaGuardia. If you say that's not true, you are a liar.

(Reporter's note: The space between Mr. LaGuardia and Mr. Hanley closed very rapidly at this point.)

Mr. Sumners. Mr. LaGuardia.

Mr. LaGuardia (to Mr. Hanley). Don't tell me that is not true, because I won't take it from you or anybody else.

Mr. Sumners. Mr. LaGuardia, you sit down or you will get out

Ir. SUMNERS. Mr. LAGUARDIA, you sit down or you will get out of the court room.

Now, that was the attitude of a member of the Judiciary Committee sent out there to impartially obtain the facts upon which to base an impeachment proceeding against a Federal judge. He did not sit merely as a member of the investigating committee but as a prosecutor, and then later sat in judgment as a member of the Judiciary Committee and voted for Judge Louderback's impeachment.

I tell the Members of this House, you can read this record, you can read the judge's statement and all the evidence, and there are no grounds upon which to base an impeachment of Judge Louderback. He is not accused of accepting money; he did nothing criminal. He may be charged with some irregularities. Every Federal judge might be charged with a few minor irregularities. They are all human. But there is no evidence presented to the Judiciary Committee in this record upon which to successfully base an impeachment proceeding.

Mr. McSWAIN. Will the gentleman yield for a question? Mr. BACHMANN. For a brief question.

Mr. McSWAIN. Is it the gentleman's idea that a Federal judge ought not to be impeached unless you can show he has accepted a bribe?

Mr. BACHMANN. Certainly not.

Mr. McSWAIN. Is there not such a thing as judicial

Mr. BACHMANN. I did not say that.

Mr. McSWAIN. You said he took no money.

Mr. BACHMANN. But there ought to be sufficient evidence upon which to base articles of impeachment, and I would like some member of the committee to point out to the House some evidence upon which to base articles of impeachment in this case that can be sustained by the record.

Mr. LaGUARDIA. Will the gentleman yield? Mr. BACHMANN. I can not. Mr. LaGUARDIA. You asked the question.

Mr. BACHMANN. I do not have time to take up all the facts that the gentleman from New York relies upon, but I want to discuss the question of Judge Louderback's residence. Here is a Federal judge with practically all of his time given to conducting court in San Francisco. He unfortunately had some domestic trouble with his wife. Judge Louderback has a brother living in Contra Costa County, one of the adjoining counties, and with whom he made his place of residence when he and his wife separated. We are told by the gentleman from New York that because this Federal judge established his residence in another county he ought to be impeached. In other words, according to the gentleman from New York, Judge Louderback is guilty of a high crime and misdemeanor for having established a residence in another county because of domestic difficulties, and therefore should be impeached.

That is one of the reasons why he wants to impeach the judge. He says the judge tried to cover it up. The judge merely lived at a hotel in San Francisco while he maintained his residence in another county with his brother.

Mr. STAFFORD. The judge occupied a room in the hotel

while attending to his official work-

Mr. BACHMANN. That is correct. The gentleman from New York is seeking to establish that he maintained a resi-

dence there illegally, and therefore, should be impeached.

Mr. STAFFORD. That does not appeal to me at all. Mr. BACHMANN. That is one of the grounds upon which they want to impeach the judge.

[Here the gavel fell.]

Mr. McKEOWN. Mr. Speaker, I will yield to the gentleman from Missouri.

Mr. DYER. I think the gentleman ought to go ahead with another speech on that side.

Mr. McKEOWN. We only have two speeches left.

Mr. DYER. We probably will not have but one more on this side, as far as I know.

Mr. McKEOWN. Mr. Speaker, I yield to the gentleman from Rhode Island [Mr. CONDON] 10 minutes.

Mr. CONDON. Mr. Speaker, I have read every word of this record from beginning to end. I have read very carefully the abstract of the charges prepared by my colleague, Mr. Browning, of Tennessee. I attended every executive session of this committee, and I voted against impeachment, but I did vote for censure.

If I thought there was one scintilla of evidence here that would justify the House of Representatives in sending managers to the bar of the Senate with impeachment charges against this judge, I would have voted for impeachment, because I do not want to be understood as approving many of the actions he is guilty of and which have come out in this investigation.

But, Mr. Speaker, when this House exercises its power of impeachment it exercises the greatest power that has been conferred upon the House of Representatives. Rarely in almost 150 years of its existence has that power been exercised by the House, and rarer still have there been convictions by the Senate.

But rarer even than that has it been exercised in the House of Commons, from which we derived historically this great power to impeach even the highest officer of the

I am very solicitous and anxious that this House shall never bring impeachment proceedings against any person unless there is a firm conviction on the part of the committee and on the part of the House that it has a reasonable chance to obtain a conviction before the bar of the Senate.

It is comparable to a matter that may be presented to a grand jury, where if the prosecutor does not feel that he has a reasonable chance to obtain a conviction before a trial jury he will not ask for an indictment of a person charged with crime.

There is nothing here—and I ask you to read the record there is nothing here, and you will not find anything in the evidence that will justify sending these charges to the bar of the Senate.

I do not for one moment question the conduct of the committee sent to San Francisco. I do not agree with the gentleman from West Virginia [Mr. Bachmann] that the gentleman from New York [Mr. LaGuardia] and his associates were not entitled to proceed in the manner they did. They acted as the agents of this House to find out what the facts were, so that the Members of the House might intelligently pass on this important matter. I want to compliment them for the manner in which they carried out the instructions of the House.

I want to say that I paused a long while before I came to the conclusion I did, because I felt that we did not have the privilege of confronting the witnesses on the ground in San Francisco as did the members of the subcommittee, and because of that possibly they might have some more evidence than had appeared in the record. After we had discussed the matter, however, in executive session, and after an ample opportunity had been offered to the distinguished gentleman from New York [Mr. LaGuardia] to make out his case, and the gentleman from Tennessee [Mr. Browning] to make out the case on the charges that had been particularly placed in his care, I was forced to the conclusion that, however reprehensible the conduct of the judge may have been in certain instances, which bore no relation whatsoever to the charge that is mentioned in the Constitution of high crimes and misdemeanors, I could not in all conscience vote to bring impeachment proceedings in this House. But I did join in the unanimous vote of the committee that Mr. LaGuardia should have an opportunity to present his articles of impeachment here this morning, because I felt that in the last analysis the Committee on the Judiciary has no right to pass final judgment on matters of this kind, and that the House of Representatives, sitting in its sovereign capacity as the grand jury to decide whether or not impeachment charges should be filed against any Federal official, should pass on the record and the whole record, and that they should share the responsibility along with the members of the Committee on the Judiciary. So I say, Mr. Speaker, without going into the details of the record, so far as the judge's conduct is concerned, because I presume that Mr. Dyer and Mr. McKeown will do that, as I said in the beginning, there is not anything in the record that will justify any Member of this House, in my opinion as a lawyer, to vote for impeachment, and vote for sending managers of this House to the bar of the Senate. [Applause.]

Mr. McKEOWN. Mr. Speaker, I yield 20 minutes to the gentleman from Tennessee [Mr. Browning].

Mr. BROWNING. Mr. Speaker and gentlemen of the House, I believe anyone who can subscribe to either the majority report in this case or the minority report is obligated to vote for impeachment, because if Judge Louderback is guilty of the charges set out in the censure, in my judgment, he is guilty of high crimes and misdemeanors sufficient to bring him before the bar of the Senate for trial.

Carrying further the statement in this case with respect to the appointment of receivers, I want to discuss for a few moments some of the cases that I think give a picture of the judge's mind and his attitude toward the litigants and toward friends of his in his court. To me the gravamen of his offense is the fact that he has preferred his friends and undertaken to look after their interests in his court in the appointment of receiverships in preference to the interest of the litigants who come to his court seeking justice.

As an example, I refer now to one Guy H. Gilbert, who has been used more or less by him as a professional receiver. Some 16 years ago he became acquainted with the judge when the judge was a candidate for the police court in San Francisco, and was one of his supporters. He later supported him for the superior court of that State, to which he was elected. About 1926 he asked the judge for some assignment as receiver to supplement his salary as an employee of the Western Union Telegraph Co., and when he resigned in March, 1932, he had been in the employ of that service for 34 years and his highest salary had been \$255 per month. The judge first gave him an assignment in the State court as an appraiser of real estate. He did not go on the property. He did not do anything except to sign his name to the report, and he was given a fee of \$500. The next assignment was in the Stempel-Cooley case, when he was appointed receiver of some apartment houses. He had never had any experience with real estate. He collected \$12,000 in rents, and received a fee of \$500. He appointed John Douglass Short as his attorney upon the recommendation of Sam Leake, and he went to Sam Leake for this instruction because he knew that Sam was influential

Then next came the Sonora Phonograph case, I think in 1929, when the judge's secretary called up Mr. Gilbert and told him that he had been appointed receiver in the Sonora Phonograph case. He went to Sam Leake immediately that night. He expected to appoint John Douglass Short his attorney, but instead he was given the information from some source that one Dinkelspiel was to be appointed. The

people who were in charge of that concern continued to operate it and Mr. Gilbert was a mere figurehead, and admitted that he knew nothing in the world about that kind of business before. He drew the statutory fee of \$6,800 for six months' service, and he did nothing in the case except to go down and receive the reports from these people who were running the business and had run it all of the time. Mr. Dinkelspiel was appointed attorney in the case, received for his six months' work \$20,000, and there was not a single claim that went to litigation. All he did was to give a little legal advice in his office. That was an excessive fee, and it practically ruined the administration of the estate.

Next we find the Prudential Holding Co., which was a very peculiar case.

Mr. RAGON. Mr. Speaker, will the gentleman yield? Mr. BROWNING. Yes.

Mr. RAGON. How much was involved in this \$20,000 fee? Whenever the gentleman says what the fees are he does not give us any information.

Mr. BROWNING. I am telling what the work was. I do not consider that the amount of money involved should fix the fee at all. He did not do \$20,000 worth of work. There was collected in all about \$350,000 by the receivers.

was collected in all about \$350,000 by the receivers.

Mr. RAGON. What is the responsibility attached to it?

Mr. BROWNING. None at all. He did not have a law-

Mr. RAGON. Did he not have a bond?

Mr. BROWNING. No; he did not have any bond as an attorney. It was an ancillary receivership. He had no bond or responsibility except to give a little advice, and within six months he received this exorbitant fee, which I claim is unconscionable, especially under the circumstances that surrounded the case at that time

The next case was the Prudential Holding Co. It was a foreign corporation. The claim against it was by a foreign corporation, and the first notice that the officials of the Prudential Holding Co. had of the receivership proceeding was that Gilbert and Dinkelspiel showed up in their office and demanded possession of the assets of the concern. The attorney in the case said that was the first notice they had, but they found a petition had been filed on information and belief of an attorney, without any indemnity bond against the wrongful acts of the receiver after he took charge of the estate. They alleged in the petition that the concern had assets of \$1,150,000 and it had liabilities of \$1,100,000. The Prudential Holding Co. immediately resisted the appointment of this receiver, and they showed to the court that neither of the corporations was a resident of that district at all and, therefore, there was not any jurisdiction in that court, and yet the judge granted that receivership on a flimsy excuse, and appointed Gilbert as receiver and Dinkelspiel as attorney. They, of course, showed him plainly at the hearing there was no ground for receivership; but he prolonged action on it for a few weeks, and there was filed a petition in bankruptcy in Judge St. Sure's court, in the same district. When that was filed the only ground of bankruptcy alleged was the existence of the equity receivership. Judge Louderback went over into Judge St. Sure's division and appointed Gilbert as receiver and Dinkelspiel as attorney in the same case and then dismissed the equity proceedings on the ground that there was nothing to sustain it and tried to leave them in control of the estate. When Judge St. Sure came home, on the first hearing, he summarily dismissed the proceeding, and they filed a petition asking for it to be reinstated, and Judge St. Sure said in substance, "No. I will not hear you any further. This case smells bad from the very beginning," and it was dismissed, and they went out without fees.

Not being satisfied because his friends Gilbert and Dinkelspiel had received no fees, then there came along the Fageol Motor Co. case, which was a big manufacturing and assembling plant, with some \$3,000,000 of assets scattered through four States—California, Oregon, Washington, and Utah—and they had sales agencies and assembling plants and service and other activities. They filed a petition, after they had had a conference of a week of all the principal

creditors and parties in interest, and decided if they could | get an equity receivership they could stave off their debts until they could work out of their predicament. They put in three days agreeing on a man for receiver. They picked a man who knew every phase of the automotive manufacturing and sales, and nobody disputed that he was qualified. They went in a body to the judge's chambers and took their petition and asked him, through his secretary, to give them a hearing on the granting of the petition. They said to the secretary, in effect, "We have agreed upon a man who is qualified and we want to have a hearing that the judge may understand what our position is." That was at 12 o'clock noon. His secretary said, "He is busy now, but come back at 1.30." They went back at 1.30, and she said, "You will have to come back at 2.30; the judge has not returned, at which time he will hear you." At 2.30 they came back and they passed the judge in the hall, walking away, and they went in and asked her what about the hearing, and she said the judge had appointed Guy H. Gilbert receiver and Dinkelspiel as his attorney some time ago.

Mr. GLOVER. Will the gentleman yield?

Mr. BROWNING. I yield.

Mr. GLOVER. I agree that there has been a multiplicity of receiverships and excessive fees granted, but does the record show that the judge was the beneficiary of any part

Mr. BROWNING. Let me tell the gentleman this: Does he conceive of any moral ground upon which a judge can grant favors to his friends and not be a beneficiary? He is as chargeable with favors to them improperly given as he is to

Mr. GLOVER. I believe he ought to be censured for it.

Mr. BROWNING. Censured? Censured? Of course, if he is guilty of that, he ought to be impeached, and I believe the gentleman from Arkansas would impeach him if he were convinced of that.

This man Gilbert was called in by these parties. They undertook to dismiss their petition because they said they could not do anything with him in as receiver, but he qualified before they had time. They had never heard of him, and decided if they could not get an agreement out of Gilbert they were going into bankruptcy. He agreed to meet them the next morning. They came in, and he threw up hands and agreed, if you will just leave him and his attorney in authority and give them a nominal fee, they would step aside and let the creditors run it. That is exactly what they did. Dinkelspiel took \$6,000 and Gilbert about the same, and they stood aside, and these people employed men to do the work of the receiver, and they said to Gilbert, "You know you are not competent," and he admitted it, and the judge knew it at the time he appointed him, and he did it because he wanted to do him a favor instead of looking after the interests of litigants who came into his court.

Mr. MILLER. Will the gentleman yield?

Mr. BROWNING. Yes. I yield briefly.

Mr. MILLER. Over the period of time of these requests for receiverships, how many receiverships were pending in the court, in order that we may get an idea of whether he was appointing his friends to serve in all such matters?

Mr. BROWNING. The information that came to us was there were about 12 in his court, as I remember it; that is, equity receiverships, and these are the ones that we made a

To my mind, Mr. Speaker, his conduct in selecting personal friends who had nothing on earth in the way of information or managerial ability that they could contribute, and the facts showing that they were merely set up as dummies to keep other arrangements from coming in, I insist that any such conduct as that is reprehensible and it is an utter disregard of his obligation as a court to look after litigants who come into his court. He took his preference to favor friends instead.

Now, there is one other case that I want to mention if I have the time, and that is the Lumbermen's Reciprocal

care of his friends instead of taking care of the litigants in an estate that is entrusted to his keeping.

This was an insurance company. There was some opinion that the receivership should be in Federal court, in order to try to protect the funds in favor of the holders of policies in California, the parent company being in Texas. They did not want them to come in and get the assets that belonged to local policyholders.

So a Federal receivership was considered. Then the State commissioner, under the laws of California, went out and took charge of the assets, and sent one of his deputies up to advise the judge that they were perfectly willing to not contest Federal receivership if he would appoint the State commissioner of insurance as the receiver and the proceedings to go forward in the Federal court because they could thereby use their force without extra compensation and save the assets in the administration. Instead of doing that, when the lawyers got up there to ask for a receiver they were handed a slip containing the names of three for re-ceiver and given to understand that Samuel Shortridge, jr., was to be the receiver in that case; that is, that that was the wish of the judge; the secretary conveyed that information to them. They selected him. It developed that he had, in advance, been notified that he would be appointed receiver and that he and the judge had agreed on an attorney, Mr. Woodworth.

Immediately the commissioner, who had taken charge of everything under the law, and whom the court later held had exclusive jurisdiction of the matter, contested this receivership and it was fought through to the bitter end. No one can read the record of the judge's conduct in that case without reaching the inevitable conclusion that he used every means in his power, that he used every device he could, to assist those two men in holding control of those

Mr. SPARKS. Mr. Speaker, will the gentleman yield?

Mr. BROWNING. I yield.

Mr. SPARKS. Is it not a fact that under the California law the State commissioner of insurance is the one entitled to be receiver of an insurance company when an insurance company becomes defunct?

Mr. BROWNING. Yes; and he took charge of it four days before this petition was filed, was acting under his exclusive authority, and everybody had notice. The claim on which the petition was based was declared null and void before the judge granted the receivership; and he knew it at that time.

Mr. WHITTINGTON. Mr. Speaker, will the gentleman

Mr. BROWNING. I yield.

Mr. WHITTINGTON. The remarks thus far have been based on the receivership. What does the record disclose as to the general conduct and course of the judge in the discharge of his official duties otherwise?

Mr. BROWNING. The record is made up principally of the receiverships, I will say to the gentleman from Mississippi. The other conduct is purely incidental.

Mr. MICHENER. Mr. Speaker, will the gentleman yield?

Mr. BROWNING. I yield. Mr. MICHENER. After a very thorough investigation by the committee of which the gentleman is a member, as a matter of fact the committee was unable to find any fault except those set forth in the record which covered the re-

ceivership. Is not that true?

Mr. BROWNING. No; that is not quite correct. We could have gone into other matters, but we understood that his official conduct as disclosed by these receiverships was what the House wanted and we rested on that. We did not have any local police or detectives' assistance to go on. We just had to do the very best we could ourselves.

Mr. COLE of Maryland. What was the attitude of the Bar Association of California toward his conduct?

Mr. BROWNING. They asked for this investigation, and it was made at their request. They furnished us two very excellent gentlemen to sit with us at the counsel table, and Association. It carries out this very idea of trying to take they undertook to be of all assistance they could in the

matter. The bar association requested the investigation, and they helped us make up the record. They have made no other expression, so far as I know. I do know what their attitude is, but it is not in the record.

Now, when this case was appealed by the commissioner of insurance, this lumbermen's reciprocal case, the court of appeals reversed Judge Louderback and said there was not any jurisdiction in his court; that the commissioner of insurance had exclusive jurisdiction; that the receivership was without warrant of law and should not have been granted: that it should have been left exclusively to the State commissioner. When he started to obey the mandate of the court he put in his order that the assets should be turned over to the Federal receiver within 30 days, provided that no appeal was taken from his allowance of the fees to the receiver and his attorney. That is the kind of an order he made and entered on the minutes of his court in response to the mandate of his own superior court. He admitted himself it was wrong. Later on he saw what a terrible mistake he must have made, but I am giving you this to show you the picture that was in his mind.

I am thoroughly convinced that he was interested more in the fees that were going to his friends than he was in preserving the assets.

Later on he permitted them to turn it over on stipulation. Appeal was taken from the allowance of the fees. The court cut them about half in two. It allowed small fees to the receiver and his attorney on the ground that they possibly did not know that it was wrong for them to take charge of it: that they had put substantial labor on the case, and the court did not want to penalize them by letting them work for nothing.

Mr. ARNOLD. Has the bar association taken any action in this matter, or have any citizens of the county taken any action in the matter?

Mr. BROWNING. As I just stated to the gentleman from Maryland, I believe that the bar association initiated this investigation. They wrote a letter to the President of the United States urging that Congress or some one in authority investigate the conduct of this Federal judge.

Mr. ARNOLD. That is, the local bar association?

Mr. BROWNING. Yes.

Mr. DYER. Is that in the record?

Mr. BROWNING. Yes; that is in the record. Mr. CRAIL. That was by resolution, was it?

Mr. BROWNING. That was by resolution of the bar association which they sent to the President of the United

There is one other case I jumped over, the Golden State Asparagus Co. I apologize for the hasty way in which I have to pass over these matters, but it is occasioned by lack

The Golden State Asparagus Co., as I understand, operated an asparagus farm and a canning establishment in connection with it. They decided to go into receivership. They came to the court and requested the court, because of the peculiar nature of the business and the problems involved, that he permit them to appoint the receiver and suggest the attorney.

He said, "I will give you the receiver," and appointed a very efficient man whom they recommended. Then he said, "I will submit a list of attorneys to the receiver that he can pick from," and this was satisfactory to the litigants; but later on, instead of that he appointed Dinkelspiel. The record shows that the attorney did no more work than counsel had performed ordinarily in the operation of the company. These charges had been less than \$1,000 per year. Yet for a few months' service Dinkelspiel was given a fee by Judge Louderback of \$14,000.

The only real legal service rendered was by the attorneys before appointment of receiver in preventing a forced sale; and the judge denied their uncontested fees in toto. had objected to the exorbitant fee to Dinkelspiel.

[Here the gavel fell.]

Mr. McKEOWN. Mr. Speaker, I yield 15 minutes to the gentleman from Missouri [Mr. DYER].

Mr. DYER. Mr. Speaker, impeachment matters are a very important responsibility that we have to deal with. Under the Constitution we are charged with the matter of bringing impeachment proceedings. Judges of the United States court and certain other civil officials can be removed by impeachment. The House of Representatives is charged with the duty of bringing the impeachment and if they do this, the impeachment case is tried by the Senate.

Naturally, Mr. Speaker, the Judiciary Committee would not want to recommend impeachment proceedings against anyone that, in our judgment, would not be sufficient to sustain the removal of the party from office by the Senate. It is not a question of whether a judge has acted properly in some matter or other; it is a question of whether he has done things that cause his office to be subject to criticism and cause him to be subject to severe punishment. The only way you can punish a Federal judge under such circumstances is to remove him from office.

The Judiciary Committee, consisting of 22 members, went over this case day after day and read and studied every line of testimony taken, and of the 22 members of the committee, 17 of them, headed by such members of long service here as ex-Governor Montague, Mr. Dominick, and others, came in with a report recommending to you that no impeachment be voted

Reference has been made to the investigation in San Francisco. In my opinion and from what I have heard, this investigation was started by newspapers, or at least one newspaper in San Francisco that was waging a fight against the reelection of Senator Shortridge. Senator Shortridge's son had been appointed receiver's attorney in several cases by this judge. Lawyers, naturally, do not feel very friendly to a judge who appoints 1 or 2 or 3 members of the bar to a number of receiverships. They like to have them passed around. But, Mr. Speaker, we are not here settling the question of who should have been elected Senator in the last election. The people have passed upon that.

But this committee went to San Francisco; and, as has been stated on the floor here and not denied, of the three who went to San Francisco two of them did not act in their capacity as Representatives to find out what the facts were regarding this case-two of them occupied the positions of prosecutor and assistant prosecutor of this judge. The bar association offered to furnish such services for the committee. They did not accept the services of the attorneys that the bar association offered; at least there is nothing in all the hearings to show that any attorneys other than the two members of the commmittee asked a single question of a single witness.

Mr. Speaker, I submit to the gentlemen here who have served as judges, if you have a jury impaneled to hear the facts regarding a case against a person, you would not think it proper to permit two of the jurors to sit and bring out facts against the defendant, to ask questions, to prosecute, to cross-examine, and then go back and sit upon the jury to determine the guilt or innocence of the defendant. This is exactly what was done in this case. Others may say it is all right, but in my own judgment of fairness I can not consider this to be the proper thing.

I can not go over these cases, some half dozen receivership cases which the committee has picked out and based its criticism upon. They did not go into all the receivers that this judge has appointed. No; they picked out some half dozen to try to find some criticism, and the only criticism they have been able to bring here is that the judge showed favoritism in the appointment of some of these receivers or that he allowed them too much money.

Mr. Speaker, there is not one single charge in all the testimony in this record that this judge benefited one dollar, directly or indirectly, in connection with his official duties as a judge of the United States court in California.

Mr. CRAIL. Will the gentleman yield?
Mr. DYER. I would prefer not to yield right now.

Not one dollar is he accused of receiving, directly or indirectly. The Committee on the Judiciary during the time I have served there, which is some 20 years, has had a

number of similar matters. Through a resolution is the usual way we get jurisdiction. The proper way is for some Member to stand upon the floor and impeach a judge, but nowadays they come with resolutions. The committee goes into these matters, and while our jurisdiction is only to say whether or not a judge should be impeached, we have gone a little far afield and have brought usually in the report in practically all of these cases a statement to the effect that we do not excuse or justify the action of the judge in this, that, or the other matter.

Mr. BANKHEAD. Will the gentleman yield for a question in that connection?

Mr. DYER. Yes.

Mr. BANKHEAD. Did the gentleman join in the resolution of censure reported by the committee?

Mr. DYER. I joined in the majority report, which has

Mr. BANKHEAD. The report recommends that the judge be censured.

Mr. DYER. Yes; that is in the majority report.

Mr. BANKHEAD. Does the gentleman imagine that the litigants in that court will receive any benefit in the future from a censure in the event it should be voted?

Mr. McKEOWN. If the gentleman will permit, I want to correct the gentleman by saying that the matter of censure is not in the resolution.

Mr. DYER. The only thing that is before the House and that we will be called to pass upon is whether or not we will impeach the judge. We do not vote on any question of censure, because it is not a part of the thing we have to do. We simply vote whether or not he shall or shall not be impeached. We do not vote on whether or not he shall be censured. Whether a judge is to be punished under the Whether a judge is to be punished under the Constitution is in the hands of the United States Senate and not in the hands of the House, and we do not become prosecutors until this House has voted impeachment, and then we have a right, or the House has a right, to go to the Senate and prosecute the case.

Now. I can not make reference to all of these cases, but they start out with what is known as the Russell-Colvin case. They make that number one. I think they consider that their strongest case.

Now, what are the facts? Mr. Strong was recommended by certain interests for receiver, and the judge, not knowing Mr. Strong, wanted him to appoint somebody that he knew as an attorney. The judge has a right to do that. The attorneys are paid out of the allowances made by the court in receivership cases. The judge is responsible for all the work of the receivers and attorneys for receivers. There is no one who will deny that.

So there is no criticism of the judge in appointment of receivers whom he may desire unless they commit some wrongdoing or waste the estate.

Is there any evidence here that one dollar of any estate has been wasted by any of the receivers appointed by this court?

The only thing that has been mentioned in the Russell-Colvin case, a stock-brokerage concern, was that there were excessive allowances and that the judge did not appoint a Mr. Strong as receiver.

The judge testified that a hearing was had on the allowances before they were made—a hearing before him in open court as to what these men should receive.

At that hearing there were lawyers engaged in the practice of law who had had experience in receivership cases. As a matter of fact the disbursements in the receivership matters amounted to some \$464,491 in an estate of more than a million dollars.

These allowances were made after hearing in open court. Are you going to impeach a judge on that, when the allowances were made by him in open court?

I asked the judge this question: "Has there been any complaint against you by anybody with reference to any of these matters?" and he said he had not heard of any except when the election was coming on, and Senator

SHORTRIDGE being a candidate for reelection, the papers made an attack on Shortridge and the judge on the ground that the judge had favored the son of Senator Shortridge.

Mr. HUDDLESTON. Will the gentleman yield?

Mr. DYER. I yield.

Mr. HUDDLESTON. I would like to ask the gentleman if he indorses the report which says that-

The committee censures the judge for conduct prejudicial to the dignity of the judiciary in appointing incompetent receivers, for the method of selecting receivers, for allowing fees that seem excessive, and for a high degree of indifference to the interests of litigants in receiverships.

Mr. DYER. I am in favor of the majority report.

Mr. HUDDLESTON. Does the gentleman approve of this statement?—

And for a high degree of indifference to litigants in receiver-

Mr. DYER. I will say to the gentleman from Alabama, who is always a very fair Representative, that I, as a Member of Congress, do not approve of the allowance of excessive fees in receivership matters. I think that receiver matters belong to the people and not as perquisite of the judge. I have criticised those things, and I think criticising them here in the reports of our committee where we have the grounds for them is very salutary and helpful and beneficial to the administration of justice, and for that reason I have joined in the reports of this character, but, gentlemen, to send the case of a judge over to the Senate for impeachment without one scintilla of evidence that he benefited in any direct or indirect way from any action of his would be simply wasting the time of the Senate and the money of the people, and I am sure that that is not our business here.

Mr. CRAIL. Mr. Speaker, will the gentleman yield? Mr. DYER. Yes.

Mr. CRAIL. To ask the gentleman from Missouri if the committee took a vote on this censure matter?

Mr. DYER. I think they did.

What is the purpose and what is the effect of Mr. CRAIL. this censure?

Mr. DYER. The only effect of that is to notify, so far as we can, the Federal judges generally that they ought to be most careful in the appointment of receivers and attorneys for receivers, and to not make any allowances in any instance except those that are right and fair and proper.

Mr. CRAIL. If that is the purpose of it, then the effect would be to say, "You ought not to do that; but if you do it, it is none of our business."

Mr. DYER. We have said that it is our business indirectly, but we can not impeach for it.

Mr. McKEOWN. Mr. Speaker, I yield 15 minutes to the gentleman from Texas [Mr. SUMNERS].

Mr. LaGUARDIA. Mr. Speaker, will the gentleman from Texas yield for a moment?

Mr. SUMNERS of Texas. Yes.

Mr. LAGUARDIA. The gentleman from Missouri [Mr. Dyerl stated that none of the litigants in this case made complaints. All of the testimony was given by litigants in

Mr. SUMNERS of Texas. Mr. Speaker, we are dealing with a tremendously important matter, and I want the attention of the House in the last 15 minutes permissible to those who believe that the judge ought to be impeached. I make a very brief statement. I agree with the findings of the majority of this committee in its findings of fact. We are dealing with the Federal judiciary, and in this House we set the standard of Federal judicial conduct. We go about the country complaining about what Federal judges do. In the Congress of the United States we determine what the Federal judges do.

Mr. Speaker, my distinguished colleagues of the majority who examined the witnesses in this case are truthful men. Here is what they find: They find that the conduct of the judge was prejudicial to the dignity of the judiciary. How? In appointing incompetent receivers.

This judge took a man who was merely a telegraph operator and put him to bloodsuck a wounded institution, and there is not a man who can stand on the floor of this House and controvert that fact. Of course he was incompetent, and the judge knew he was incompetent when he put him there. That is the reason why the Bar Association of San Francisco petitioned the President of the United States to send an agency, the only agency that could give relief, to inquire into the facts in the case. I have had a good deal of experience in these impeachment matters. We know as a matter of fact you can hardly get a lawyer to raise his voice against a Federal judge, on account of the power they have got, and whenever you find a bar association going on record and appealing to the President of the United States to send somebody there to inquire about the conduct of a judge, you may know as a matter of horse sense that that judge's conduct has been such as to bring reasonable, substantial doubt of his integrity. You can not make a bar association ask for an investigation of a judge when those are not the facts. This is what I say. The highest crime that can be committed by a judge on the bench is to so conduct himself on the bench that the people in that community are substantially doubtful about the integrity of the We go around and appeal to the people to respect the judiciary. I declare to you, men of the American House of Representatives, the only way you can make the people respect the Federal judiciary is to keep the Federal judiciary respectable. [Applause.] Do you mean to tell me that you can expect respect for a judge of whom it may be said that his conduct is prejudicial to the dignity of the judiciary in appointing incompetent receivers, and for the method of selecting receivers? The people in interest got together trying to save a going concern. They tried to make an engagement with the judge to discuss the matter with him, and he evaded them and appointed this man, utterly unfit for the job.

Mr. BACHMANN. Mr. Speaker, will the gentleman yield? Mr. SUMNERS of Texas. Yes.

Mr. BACHMANN. Does the gentleman believe that to be a high crime and misdemeanor?

Mr. SUMNERS of Texas. It just depends on whom you are looking after.

Mr. BACHMANN. Mr. Speaker, will the gentleman answer the question?

Mr. SUMNERS of Texas. I say it is.

Mr. BACHMANN. Will the gentleman explain to the House—

Mr. SUMNERS of Texas. Just let me make my speech. I say that when a Federal judge on the bench in the eyes of the public demonstrates that he is more concerned in somebody getting something out of a going concern than he is concerned for the fate and right of the people who own that concern and its creditors, he is guilty of high crimes and misdemeanors. [Applause.] And may God spare this country so low a standard of official conduct as that! O my friends, this legalistic mind!

Mr. CRAIL. Will the gentleman yield for a question?

Mr. SUMNERS of Texas. Yes. I will yield.

Mr. CRAIL. The majority of the committee reported against the impeachment of this judge. What proportion of the members of the committee who were on the ground and had an opportunity to examine the conduct and demeanor of the witnesses and cross-examine them and judge of their character, reported in favor of impeachment?

Mr. SUMNERS of Texas. I do not like to go into that, but it happens to be that the three men who went there believe this man should be impeached. It may be their judgment was bad, but I base my attitude upon the findings of the gentlemen who filed the majority report. What do they say? What is the use of discussing these fees?

They say that the fees were excessive. How can they stand on this floor and argue that the fees are not excessive when they solemnly declare in their own words of censure that the fees were excessive? I do not like to get into a row with the members of my committee, but there is

too much involved here. How can they say this conduct is all right when they solemnly find that the conduct of this judge is against the dignity of the judiciary? How can they argue that he appointed competent receivers when they say he appointed incompetent receivers? Here is the final word. This is your responsibility. This is not my responsibility. This is your responsibility in this solemn hour. Listen to these concluding words in their findings:

And for a high degree of indifference to the interest of litigants in receiverships.

What can be a high crime or misdemeanor if a judge on the bench guilty of a high degree of indifference to the interest of litigants in receivership cases is not guilty of such crime? Do you want us to prove that he is a thief in chains before we turn him out? What do you want, gentlemen? These are your words. I have great respect, but not for the wisdom of your recommendation. I agree with the correctness of your conclusions, but, gentlemen, we do not have many such judges as this, thank God. We will have more such judges as this if when the facts are before you you say you are willing to allow to sit on the bench a man guilty of allowing excessive fees and having a high disregard of the interest of litigants before him. What is he there for?

We go back to our people every two years. We elect a President every four years. All other officers are subject to removal by Executive order. There is but one protection under the Constitution of the United States for the people who are being ruled over by a judge like that, and that is you. That is myself. What are you going to do about it? Are you going to leave for life this man whom the people did not select, and whom the people can not discharge, and against whom they have no protection? Are you going to say to him, "You go ahead and do this way. It is all right. We think it is all right." Are you going to say to the American people, "There is no relief?"

Now, gentleman, this is an extraordinary power that a judge holds during good behavior; not during life, but during good behavior. Can any man read the report of the majority and say that is good behavior? Is it good behavior to highly disregard the interest of litigants? Is it good behavior for a man to grant excessive fees? But that is not the great crime, gentlemen. I lay this down as a standard, whenever the proven facts with regard to a judge's conduct, first, establish the facts, and then, if the reasonable and probable consequences of those proven facts are to bring to the people of the community where he lives, a substantial doubt as to his judicial integrity, he has committed the highest imaginable crime. Has this judge done it? Gentlemen, what are you going to do about it? Man to man, what are you going to do about it? Facing your obligation and your oath under the Constitution, what are you going to do about it? Are you going to complain about other judges doing what you approve of this judge doing? Are you going to make an example to the judiciary of this country?

In this trying hour in the life of the Nation, when we do not know what the future holds for us, in this hour when we know we must preserve respect for the judiciary if government stands, what are you going to do about it? Are you going to quibble about whether or not this man has been proven to have stolen some money, as some questions from the floor would indicate, was expected? Is that the standard? Take this man off the bench and write a high standard for judicial conduct in this country. Let it go forth this day from the House of Representatives that these judges, who are appointed during good behavior, must behave themselves.

I regret this very much, gentlemen. This is not a pleasant duty. It is your responsibility. We went to California as your agents. As has been explained, it was unfortunate that the entire subcommittee could not go. The gentleman from Tennessee [Mr. Browning] and the gentleman from New York [Mr. LaGuardia] assisted in the development of the facts in this case. They were assisted by two representatives of the bar association. Of course, the entire facts were not developed.

The difference in the conclusion as to the facts between the majority and the minority is not important. I rest my own attitude upon the findings of fact of the majority of this committee. I differ from them as widely as the East is from the West as to what those facts suggest. One is to take the judge and spank him on the hand and say, "Now, now, now, don't do it again;" and the other is to take him out. [Applause.]

[Here the gavel fell.]

The SPEAKER. The question is on the substitute of the gentleman from New York [Mr. LaGuardia].

The question was taken, and the Chair announced that he was in doubt.

Mr. McKEOWN. Mr. Speaker, a division.

Mr. BACHMANN. Mr. Speaker, I ask for the yeas and

The yeas and nays were ordered.

Mr. MICHENER. Mr. Speaker, a parliamentary inquiry. The SPEAKER. The gentleman will state it. Mr. MICHENER. As I understand, a vote of "aye" is a vote for impeachment and a vote of "no" is against impeachment; is that correct?

The SPEAKER. An "aye" vote on the substitute of the gentleman from New York is a vote to impeach and a "no" vote is a vote against impeachment.

The Clerk will call the roll.

The question was taken; and there were-yeas 183, nays 142, answered "present" 4, not voting 97, as follows:

[Roll No. 165] YEAS-183

Allgood	Doxey	Kvale	Sabath
Amlie	Eagle	LaGuardia	Sanders, Tex.
Arnold	Eaton, N. J.	Lambeth	Sandlin
Ayres	Ellzey	Lanham	Schafer
Bankhead	Eslick	Lankford, Ga.	Schneider
Barbour	Fernandez	Larsen	Schuetz
Barton	Flannagan	Lichtenwalner	Shallenberger
Biddle	Flood	Lovette	Simmons
Bland	Fuller	Lozier	Sinclair
Blanton	Fulmer	McClintic, Okla.	Smith, Va.
Boehne	Gambrill	McGugin	
Boileau	Garber	McMillan	Somers, N. Y.
Boland	Gasque		Sparks
Briggs	Gilchrist	McReynolds	Spence
Browning	Gillen	McSwain	Steagall
Buchanan		Maas	Stevenson
Bulwinkle	Glover	Magrady	Strong, Kans.
Burch	Goldsborough	Major	Summers, Wash
Burdick	Green	Maloney	Sumners, Tex.
	Greenwood	Manlove	Sutphin
Busby	Griswold	Mansfield	Swank
Byrns	Guyer	May	Swing
Canfield	Haines	Miller	Tarver
Carden	Hall, N. Dak.	Milligan	Taylor, Tenn.
Carter, Wyo.	Hardy	Mitchell	Temple
Cary	Hare	Mobley	Thomason
Castellow	Hastings	Montet	Thurston
Cavicchia	Hill, Ala.	Moore, Ky.	Timberlake
Chapman	Hill, Wash.	Morehead	Underwood
Chavez	Hoch	Nelson, Mo.	Vinson, Ga.
Clague	Horr	Nelson, Wis.	Vinson, Ky.
Clark, N. C.	Howard	Norton, Nebr.	Warren
Cochran, Mo.	Huddleston	Oliver, Ala.	Weeks
Cole, Md.	Hull, Morton D.	Palmisano	Welch
Collier	Jeffers	Parker, Ga.	West
Cooper, Tenn.	Johnson, Okla.	Patman	Whittington
Cox	Johnson, Tex.	Patterson	Williams, Tex.
Crail	Jones	Peavey	Williamson
Cross	Kading	Person	Wilson
Crowe	Kahn	Pettengill	Withrow
Crump	Keller	Polk	Wolcott
Davis, Tenn.	Kelly, Ill.	Rainey	Wood, Ga.
DeRouen	Kennedy, Md.	Ramspeck	Woodruff
Dickinson	Ketcham	Rankin	Woodrum
Dies	Kinzer	Rayburn	Wright
Disney	Kleberg	Rogers, N. H.	Yon
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Bohn	Condon	Dyer	Goss Granfield
Bolton	Connery	Englebright	Gregory
Bowman	Cooper, Ohio	Erk	Griffin

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Martin, Oreg.
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Michener
Millard
Moore, Ohio
Murphy
Nelson, Me.
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So the substitute was agreed to. The following pairs were announced:

James

On the vote:

Crosser

Mr. Drane (for) with Mr. Campbell of Pennsylvania (against). Mr. Cartwright (for) with Mr. Wolfenden (against).

Until further notice:

Mr. Cartwright (for) with Mr. Wolfenden (against).

Until further notice:

Mr. Pou with Mr. Bacharach.
Mr. Horner with Mr. Selvig.
Mr. Montague with Mr. Kurtz.
Mr. Lewis with Mr. Reid of Illinols.
Mr. Hall of Mississippi with Mr. Knutson.
Mr. Rudd with Mr. Christgau.
Mr. Harlan with Mr. Smith of Idaho.
Mr. Douglas of Arizona with Mr. Beck.
Mr. Kemp with Mr. Lehlbach.
Mr. Beam with Mr. Lehlbach.
Mr. Beam with Mr. Doutrich.
Mr. Kennedy of New York with Mr. Fish.
Mr. Cannon with Mr. Doutrich.
Mr. Kennedy of New York with Mr. Fish.
Mr. Collins with Mr. Andresen.
Mr. O'Connor with Mr. Perkins.
Mr. Collins with Mr. Andresen.
Mr. Reilly with Mr. Britten.
Mr. Drewry with Mr. Pratt.
Mr. Kerr with Mr. Stokes,
Mr. Sirovich with Mr. Golder.
Mr. Johnson of Missouri with Mr. Hopkins.
Mr. Smith of West Virginia with Mr. Yates,
Mr. Gavagan with Mr. Robinson.
Mr. Brunner with Mr. Dowell.
Mr. McDuffle with Mr. Andreser.
Mr. Lindsay with Mr. Campbell of Iowa.
Mr. Crosser with Mr. Aldridge.
Mr. Oliver of New York with Mr. Johnson of Washington,
Mr. Larabee with Mr. Pittenger.
Mr. Corning with Mr. Pavenport.
Mr. Owen with Mr. Pratt.
Mr. Dickstein with Mr. Hovenport.
Mr. Stewart with Mr. Hawley.
Mr. Stewart with Mr. Cochran of Pennsylvania.
Mr. Taylor of Colorado with Mr. Cooke.
Mr. Sullivan of New York with Mr. Hogg of West Virginia,
Mr. Taylor of Sough Mr. Chaperfield.
Mr. Sweeney with Mr. Tohnson of South Dakota.
Mr. Brand of Georgia with Mr. Eano of Colorado.
Mr. Dieterich with Mr. Freeman.
Mr. Hart with Mr. Sullivan of Pennsylvania.

Mr. O'CONNOR. Mr. Speaker, I was present, but I can not say whether I was listening or not. I vote "present."

Mr. PITTENGER. Mr. Speaker, I would like to vote "ave." I do not know whether I can qualify or not. I think I was in the anteroom.

The SPEAKER. The gentleman does not qualify.

Mr. CANNON. Mr. Speaker, I was in the corridor, but if I had been in the Hall I would have voted "aye."

Mr. EATON of Colorado. Mr. Speaker, I was called from the Hall, but had I been present I would have voted "no."

Mr. FRENCH. Mr. Speaker, I withdraw my vote of "no"

and answer "present."

The result of the vote was announced as above recorded. Mr. SUMNERS of Texas. Mr. Speaker, in the usual order I believe the resolution comes from the Committee on the Judiciary with reference to the appointment of managers.

The SPEAKER. That is correct.

Mr. SUMNERS of Texas. Would the committee be privileged to present a resolution to-morrow?

The SPEAKER. That can be done when the gentleman brings in the report from the committee.

INDEPENDENT OFFICES APPROPRIATION BILL

Mr. WOODRUM. Mr. Speaker, I ask to take from the Speaker's table the bill (H. R. 14458) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1934, and for other purposes, disagree to the Senate amendments, and ask for a conference.

The SPEAKER. The gentleman from Virginia asks

unanimous consent to take from the Speaker's table the bill H. R. 14458, disagree to the Senate amendments, and ask for a conference. Is there objection?

There was no objection.

The SPEAKER appointed as conferees on the part of the House Mr. Woodrum, Mr. Boylan, and Mr. Summers of Washington.

Mr. WOODRUM. Mr. Speaker, I ask unanimous consent that the conferees may have until midnight to file a conference report.

The SPEAKER. Is there objection?

There was no objection.

SECOND DEFICIENCY BILL FOR 1933 AND 1934

Mr. BUCHANAN, from the Committee on Appropriations, by direction of that committee, reported the bill H. R. 14769 (Rept. 2108), making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1933, and prior fiscal years, to provide supplementary appropriations for the fiscal year ending June 30, 1933 and 1934, and for other purposes, which was referred to the Committee of the Whole House on the state of the Union and ordered printed.

Mr. WOOD of Indiana reserved all points of order.

TO PROVIDE A GOVERNMENT FOR AMERICAN SAMOA

Mr. BANKHEAD. Mr. Speaker, I call up a privileged report from the Committee on Rules for the bill (S. 417) to provide a government for American Samoa, and I want to see if we can not agree by unanimous consent on debate without the adoption of the rule.

The SPEAKER. The gentleman from Alabama asks unanimous consent to consider Senate bill 417 in the House as in Committee of the Whole. Is there objection?

Mr. BANKHEAD. Mr. Speaker, the rule provides for two hours' general debate. I have conferred with the chairman of the committee, and he informs me that it was a unanimous report from the committee, and it is very likely that the requests for debate can be satisfactorily taken care of in the debate on the bill. I would like to ask unanimous consent that the debate be confined to one hour.

The SPEAKER. The gentleman from Alabama asks unanimous consent to consider S. 417 in the House as in Committee of the Whole with one hour general debate. Is there objection?

Mr. EATON of Colorado. Reserving the right to object.

Mr. BEEDY. I knew of no opposition to the bill until a moment ago, when I was asked by the gentleman from Colorado for 10 minutes' time.

Members of the commission on the other side of the aisle are entitled to at least half an hour, and request has been made that I myself, as a member of the commission, take one half hour. If we are to give time outside of that, we may want to run into an hour and 30 minutes. We may not use all of the time, but I hope that the gentleman will modify his request so that we may have at least an hour and 15 minutes.

Mr. BANKHEAD. Mr. Speaker, in view of that, I think we better go through with the rule, and I shall offer an amendment making the time one hour and a half. Mr. Speaker, I call up the rule.

The SPEAKER. The Clerk will report the resolution.

The Clerk read as follows:

House Resolution 378

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideraof the whole House on the state of the Union for the considera-tion of S. 417, an act to provide a government for American Samoa. That after general debate, which shall be confined to the bill and shall continue not to exceed two hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Insular Affairs, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment the committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. BANKHEAD. Mr. Speaker, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. BANKHEAD: Page 1, line 7, strike out two hours" and insert "one hour and thirty minutes."

Mr. BANKHEAD. Mr. Speaker, I move the previous question on the resolution and amendment to final passage.

The previous question was ordered.

The amendment was agreed to, and the resolution as amended was agreed to.

ORDER OF BUSINESS

Mr. BANKHEAD. Mr. Speaker, I ask unanimous consent to proceed for one minute to make an announcement.

The SPEAKER. Is there objection?

There was no objection.

Mr. BANKHEAD. Mr. Speaker, inasmuch as there is a large attendance of the membership here I think it proper to announce now that when we conclude the consideration of the bill respecting the government for American Samoa, it is the purpose of the gentleman from New York [Mr. O'CONNOR], representing the Committee on Rules, to call up the so-called medicinal whisky bill, an amendment to the Volstead Act.

TO PROVIDE A GOVERNMENT FOR AMERICAN SAMOA

Mr. HARE. Mr. Speaker, how is the time to be divided? The SPEAKER. As the Chair understands, the gentleman from South Carolina [Mr. HARE] is entitled to half the time and the gentleman from Maine [Mr. BEEDY] to the other half of the time.

Mr. HARE. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (S. 417) to provide a government for American Samoa.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill S. 417, with Mr. Morehead in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. HARE. Mr. Chairman, I yield 10 minutes to the gentleman from Texas [Mr. WILLIAMS].

Mr. WILLIAMS of Texas. Mr. Chairman and gentlemen of the committee, this bill is the result of a visitation to the

Samoan Islands made in 1930 by a committee appointed by the Senate and the House, composed of two Members of the Senate and two Members of the House. The bill has already passed the Senate and was referred to the Committee on Insular Affairs of the House. It was there amended by striking out the bill and rewriting it. If the gentlemen will read the report, so ably written by the gentleman from Maine [Mr. BEEDY], they will see that the bill carries out the recommendations made by the commission. The commission spent approximately two weeks in the Samoan Islands. In addition to the two Members of the Senate and the two Members of the House on the commission there were three chiefs of the island. As I say, the commission visited the islands in the fall of 1930 and spent approximately two weeks holding open hearings, and every man in the islands who wanted to be heard was given a hearing.

The commission unanimously made a report, and on that report and the findings of the commission is based this bill. It provides for citizenship, a bill of rights, an executive department and the judiciary, the ownership of land, and so on. The people who own the Samoan Islands are Polynesians. The land is held communally, controlled by the head of the family; and the matai, the head of the family, is selected by the members of the family. The products of the communal land are held communally.

These people are a wonderful people. This Government has had these islands of Western Samoa since 1900. They were ceded to the Government, and since that time they have been under the control entirely of the Navy. President Roosevelt accepted the islands, and the question is often asked why we want them. In Western Samoa there is the greatest harbor in the South Sea at the island of Tutuila. That is the reason that America accepted the islands. These people have never been granted citizenship. There is no appeal from the findings of the governor of those islands, appointed by the Navy. I do not wish to be understood as criticizing the Navy, because the Navy has done a wonderful work in the Samoan Islands, but the people there are desirous of being made citizens. They are people there are desirous of being made citizens. entitled to citizenship. If gentlemen will read the report and the bill, they will find that under the bill a civil gov-ernment is given the people of Western Samoa, and it is left with the President to appoint the governor from civil life or from the Navy or from the Army. The bill provides for a court of appeal. At the present time there is no court of appeals in the islands of Western Samoa. The expenses under this bill of administering the laws in Western Samoa, with the exception of the executives named in the act, are borne by the citizens of those islands.

It is not like it is in the Virgin Islands, where the government supports the local courts and other local institutions such as schools and such things. The people of Samoa bear that burden. This act protects the Samoans in the ownership of their land, and prevents anyone who is not a full blood or part Samoan, owning or leasing land in Samoa, thereby preventing exploitation of the land as has been done in Hawaii. The act provides for a veto power by the governor, and the act has made no change in the legislative machinery of American Samoa. The legislative body of this island is what is known as the fono. The fono is composed of chiefs, selected by members of the family representative to a certain body of chiefs, and those chiefs select the ones who go to the fono and represent them. When the fono passes a law, the governor has authority to veto it, but under this act they have an appeal to the President of the United States. At the present time they do not have that right. This act provides for a governor, an attorney general, a chief justice, and a treasurer. Those are the only officers provided for under this act. The other officers will be appointed by and under the control of the fono, the legislative body of the Samoan Islands.

I wish to say that when this commission went there and spent approximately two weeks holding hearings, the report of the commission was unanimous. Hearings were held in the Committee on Insular Affairs in the House of Representatives and the report on this bill was unanimous, with the

reservation that there would be some amendments. A resolution was reported to the Rules Committee for a rule, and I am advised that that rule was unanimously granted.

I wish to say in closing, were it possible for you to have seen and known these people as the members of that commission saw them and learned of them, there is no question in my mind but what you would pass this legislation. [Applause.]

I yield back the balance of my time, Mr. Chairman.

Mr. BEEDY. Mr. Chairman, I yield 15 minutes to myself. Mr. Chairman. Members of this House are tired and worn with the cares and responsibilities of an extraordinary session of Congress. Giving of our strength and drawing upon our fund of patience in our best-though it may be feebleattempt to meet the problems which confront us, we are further depressed by continued attacks upon Congress by the press, by the undermining influence exerted by the theater, by loose talk upon the street corners, and, alas, too frequently by thoughtless remarks even of our own Members. In the midst of this depression and these discouragements through which we are trying to find our way, it seems at times as though the dark cloud would never lift, and that we should not see the light, but somehow the Ruler of Nations, who chastens the sons of men because He loves them, has in store His richest rewards, which He will bestow in His own good time.

Let us be assured that whatever our troubles, whatever our problems, seemingly insurmountable though they be, we have just as much wealth in this country to-day as we had in September, 1929; we are still a young and virile Nation; there is still the will to find a way out of the wilderness and our Nation will discover it at the very moment when the prospect is darkest.

In this difficult hour I am glad to bring into this fetid Chamber a breath from another world, a cooling breeze, as it were, from islands in the South Seas, inhabited by people who have found the way to social happiness as no so-called great nation with which I am familiar has ever been able to discover it.

The gentleman from Massachusetts just asked me, "Mr. Beedy, who are these Samoans? What are they?" Let me now try to tell you. The inhabitants, about 10,500 in number, of the Samoan Islands in the South Seas, are Polynesians. The origin of the Polynesian race is shrouded in mystery. Nobody knows where they came from, but the best theory is that centuries ago they came out of the heart of Asia and trekked their way to the Pacific coast. I call them the vikings of the South Seas, because these people made a voyage of exploration, which it seems to me is unparalleled in the history of the world. When they had come to the Pacific Ocean and were looking eastward, they noticed from season to season that birds took their way across the ocean in seasonal flights.

Carving out their hollow log canoes and putting in their scant supplies, they ventured out upon this unknown sea, feeling confident that where those birds had gone they should come to a landing place and so they set forth upon their voyages of exploration. They soon came upon the Fiji group. Sojourning there for a while they observed that the birds took their flights yet farther to the east and to the north, and again venturing on uncharted seas, with no compass but the stars in heaven, they put forth again in their open dug-out canoes, and ultimately accomplished a landing on the Samoan group and later on the Hawaiian group. The Hawaiians, I may say in passing, are Polynesians and brothers of the Samoan people. Not satisfied with that, these brave people of the South Seas went farther, and in their open canoes they at length accomplished a landing upon the shores of South America. There they discovered the coconut and the yam, which they took back across the ocean with them and planted in the South Sea Islands. This, to me, was a revelation, for I had always assumed that the coconut was indigenous to the South Sea Islands. It was well that they transplanted this very useful fruit, for it is not only an important means of livelihood but the sole means of revenue in many of the South Sea Islands. This is espe-

cially true of Samoa. The copra, which is the dried meat of the coconut, is the one thing of value which these Samoan Islands produce.

A valuable oil is extracted from this dried meat of the coconut, which is used as a base for the manufacture of the most excellent toilet soaps. Eastern Samoa produces a copra crop ranging from 1,000 to 1,500 short tons per annum, bringing in an annual income in the neighborhood of \$100,000. Outside of some \$6,000, which is realized by the natives from the sale of souvenirs to visiting tourist ships, this is the sole income of the Samoan people.

Originally the Samoan group was one. Three nations-Great Britain, Germany, and the United States-attempted to assist in their government through consuls.

Undoubtedly due to outside interference internecine strife resulted, and the Samoan people, brave and warlike when their rights are infringed, fought and vied with each other. But, though they were brave in war, they longed for peace, and the day in 1899 came when, out of the dissatisfaction arising from this tripartite rule, a treaty between the three great nations resulted. By its terms Great Britain yielded her rights in the group to Germany and the United States, while Germany agreed with the United States that the dividing line between the possessions of the two nations in this group should be the one hundred and seventy-first degree of west longitude.

Seven small islands in the eastern group west of the one hundred and seventy-first degree west Greenwich constitute what is now American Samoa: Tutuila, Aunuu, Ofu, Tau, Olosega, Swains, and Rose Island. Swains Island is inhabited by a hundred people only. Rose Island is a coral atoll. The largest island in the group is Tutuila, which embraces an area of but 40 square miles.

Thank God, there is not in these islands any wealth to excite the cupidity and greed of the so-called more civilized

Mr. COLE of Iowa. Will the gentleman tell us something about the educational status of these natives?

Mr. BEEDY. I am coming to that in just a minute.

The climate is more or less trying to the white man. While the temperature over a range of years has not exceeded 93° F., or fallen below 72°, yet from December to May there are some intensely uncomfortable days, due to the excessive humidity. All these islands lie low upon the ocean surface. They are volcanic in origin. Around them through the years the coral insects have builded the reefs over which the merchant trader may not come with his ships.

The one thing of value in the islands to the outside world is the beautiful harbor of Pago Pago. It is the crater of an extinct volcano into which the ocean has found its way. Entering this harbor one sees on the shore of what might be termed a huge elliptical bowl perhaps a mile and a half long by three-quarters of a mile wide at its widest point our naval station and the feles which mark the village of Pago Pago.

Under the limitation of armaments treaty, as you know, no islands in the Pacific Ocean may be fortified. These islands of American Samoa are not fortified. I can not say that they would be of great use in time of war, but this harbor of Pago Pago is the most valuable harbor in the South Seas to ships in distress in time of peace. It serves as a refuge from the violent storms and tremendous hurricanes which are prevalent in this quarter of the world.

These islands are located 4,150 miles from our west coast as the ship sails. Hawaii is about halfway to the Samoan group. Thence one sails south by west about 2,100 miles or more, and practically 600 miles below the equator.

In 1899 the people of eastern Samoa, longing for peace and speaking through their chiefs, said: "We recognize in the United States of America a peace-loving Nation. We understand that the people are Christians, as we are; that they are also a just people. Therefore, we desire to give these islands to the United States, because we feel that when the American flag has once been raised here we shall enjoy that peace which we so desire." In 1899 Capt. Benja-

min Tilly, in command of a United States naval ship, sailed into what is now the harbor of Pago Pago, raised the American flag, and began to build the present naval station at

From that day to this no violence, no war has swept this little group of islands, and the hope of their people in this respect has been fulfilled.

[Here the gavel fell.]

Mr. BEEDY. Mr. Chairman, I yield myself an additional

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. BEEDY. I yield. Mr. TABER. I am interested to know something about the cost of this proposed government to the islands themselves, how they are going to be able to meet the cost, and what the cost is going to be to this Government; also whether or not it is going to be a desirable thing to shift the government over to a civilian.

Mr. BEEDY. Of course the gentleman wants to know something of costs involved, and if I or some member of the committee did not give it to the House, we would be derelict in our duty. I am coming to it. First, I want you to know the people, because the power we propose to give them should be considered in the light of the character of people who are to be vested with it.

In the first place the Samoans are predominantly Caucasian in type. The color of their skin resembles a beautiful bronze of copper. The men particularly are of impressive physique. Stevenson, who had the wisdom to go to Samoa for the peace and quiet of his later years, and who lived there until he died, tells us that the Samoan men are the finest physical specimens of the human race with one exception, namely the Marquesans, who inhabit a group of islands to the south.

They have an innate dignity, a poise, and a natural grace of bearing which bespeak noble lineage. Back somewhere in the strain was noble blood; and I measure my words to you when I say, without disparaging any other people, that I never was more impressed with the innate worth of a people, nor have I ever more keenly sensed my responsibility in attempting to represent my country aiming to deal kindly and justly with a more lowly people.

Every member of this commission in making recommendations and attempting to draft a bill under which the Samoans might live had this ultimate objective in mindthat we interfere just as little as possible with their customs and civilization; that we keep our hands out of their affairs just as much as possible and give them a measure of power consistent with their development and their life.

Mr. LaGUARDIA. Will the gentleman yield?
Mr. BEEDY. Will the gentleman please make a note of the information he desires? Later I shall hope to devote a few minutes to answering questions.

Because this is a world of dollars and cents it becomes important to see what this bill means to us in dollars and cents; and let me say it is the work of many weeks of careful study.

If anybody thinks that the commission which visited the Samoan Islands went on a junket, I wish he might have been with us every moment, because there was never a moment in our working days, even when we were on the sea, that we were not busy with the study of the people and their problems. Hearings were held for four days in Honolulu, where we found a group of about 100 young Samoans. Immediately upon the conclusion of the hearings in Honolulu we sailed for Samoa. In the course of hearings held in various places in the islands we listened to upwards of 70 witnesses. These hearings were open to everybody regardless of station. Because of work on our report, which was continued even by night, we were able to announce our conclusions at once, and we sailed immediately on our return to the United States.

For nearly 30 years this country has failed to recognize the gift of eastern Samoa to the United States. The Samoans have been disturbed by our apparent lack of appreciation. Not until 1902 was the slightest gesture of

acknowledgment made, when President Roosevelt issued a proclamation acknowledging the cession of eastern Samoa by the Samoan chiefs. But no formal acceptance of them was ever made until by resolution passed in the Senate of the United States in 1929.

I understand that the occasion for that resolution was trouble which had arisen in Western Samoa. Western Samoa, still German Samoa, but administered now under a mandate from the League of Nations, is governed by New Zealand. In the 30 years we have governed American Samoa the people have been taught English. In the schools, which are graded up to the eighth grade, children are not only taught English but writing, arithmetic, geography, and the fundamentals of a common-school education.

Mr. DICKINSON. Will the gentleman yield for just one question?

Mr. BEEDY. I yield.

Mr. DICKINSON. What language do they speak?

Mr. BEEDY. The older people speak the Polynesian language, but the coming generation also speaks very good English.

Mr. DICKINSON. And your testimony was taken in what language?

Mr. BEEDY. In Polynesian; and an interpreter was used. For 30 years Samoan children have been going to these schools, and the Samoans have received nothing from this Government for the support and maintenance of their educational institutions. The Samoan children love to go to school. They besought us to provide funds for a higher education, but upon the theory that a general higher education would be of questionable value in Samoa, we denied them. What do you do with boys and girls who have a higher education in a country where there is no industry? The only thing these boys and girls can do in Samoa is to help with the general work on the family lands and harvest the coconut or the copra crop. If you educate them beyond their needs, they become unhappy and restless; but in these 30 years of their attendance at schools young men have come to ask what kind of government we have been giving them. Well, let us see what kind of government it has been. They have been governed by a naval captain. He embodied the executive, judicial, and the legislative; he combined the three functions. He wrote a pronouncement or a decree and that was law.

True, the Samoans have been permitted to gather in their fonos and present their requests to the governor, but with the years they have asked for things of which the governor disapproved, and as they said, "Our petitions have again and again been thrown into the wastebasket. We appreciate all that the naval government has done for us, but we want some real power in our fonos."

Here I must not omit to say that the United States Navy in the government of these people has done, perhaps, as great a humanitarian work as it ever did or ever will be able to do. There is only one great blot upon the escutcheon of the Navy government which illustrates something of the effect of a tropical climate upon our race. A former Governor of Samoa, a United States Navy captain, injuriously affected by his long service in Samoa, exercised poor judgment. He had one of these Samoan chiefs arrested, preferred charges against him, court-martialed him, and without a jury trial had him hanged within 24 hours.

Fear of some other untoward event—and there has been unrest in eastern Samoa of late—impelled the Senator from Connecticut [Mr. Bingham], who was born in the Hawaiian group, and whose grandfather was an early missionary in the South Sea Islands, to introduce the resolution which passed the Senate in 1929, and in pursuance of which the commission referred to by the gentleman from Texas went to these islands.

Mr. MARTIN of Oregon. Will the gentleman yield for a question at this point?

Mr. BEEDY. Yes.

Mr. MARTIN of Oregon. Does the gentleman know that a strong effort is being made now on behalf of the natives of the island of St. Thomas to go back to the former gov-

ernment under which they prospered, and there is a strong effort being made to bring influence to bear on the President elect in favor of going back to their old form of government?

Mr. BEEDY. You can not make any comparison between the Virgin Islands and this group, General. We know the Virgin Islanders became unhappy under what they called Navy rule and they wanted a civil government. The request was granted and it is true that the change has not proven altogether satisfactory. But the problems of the Virgin Islands are not the problems which confront us in Samoa. They are not to be compared.

Gradually through the years there has developed in the minds of the younger Samoans an idea that the government they are getting is not consistent with the spirit of the institutions of the United States. They therefore said to our commission, "We demand nothing of you, but it seems to us that we ought to have some right to make our own laws." They said, "We live in a tiny group of islands, apart from the civilized world. We are children in experience. You commissioners come from a great Nation. You are wiser in experience than we. You are our Christian brothers. You will do nothing to harm us. We appreciate this opportunity to tell you what we would like, but if it is not good for us, you will tell us and we will accept your judgment."

The present Navy government is the most autocratic in the world. It gives the Samoans no citizenship status. It denies them the right to make laws to regulate purely local problems. It gives them no appeal to a higher court when they seek to litigate their rights. It places them under the supreme control of a Navy officer.

The opposition party, composed principally of the younger men, and known as the Mau Party, asks that we grant them American citizenship above all else. This we provide for in the pending bill.

They ask the right of making their own laws in a fono representing the island group and made up according to their own customs. All acts of the fono, however, they agreed should be subject to the governor's veto. The pending bill makes such provision.

They asked for a right of appeal and we provide for appeals to the District Court of the United States for the District of Hawaii.

We provide for a treasurer, who shall take the place of the naval officer who at present takes charge of the island government's funds.

We provide for them an attorney general, upon whom we impose the duty of sitting in counsel with the fono, helping in the draft of their laws, and who must forward to this Government copies of every law that is passed and a complete report of the proceedings of the fono.

To take the place of their present secretary of native affairs, who has served as a prosecutor as well as a judge in criminal as well as civil cases, we provide for a chief justice to be assisted by two native chiefs who now sit as judges in the village courts.

We have devised as simple a government framework as possible. Its cost is not to exceed by \$18,000 a year the cost of the present Government. It is almost impossible for me to tell you just how many dollars the government in American Samoa is now costing. That cost is covered in the general naval administration. We maintain a naval station there with varied activities, including a naval hospital. The health problem has been dealt with by the Navy in a most excellent manner. Naval surgeons give their services to these people, but native nurses have been trained and now serve in the hospitals.

Now, the first thing we want to do is this: The commission believes we owe the Samoan people the obligation of giving them an organic act as we have the people of every other insular possession of the United States.

The CHAIRMAN. The time of the gentleman from Maine has again expired.

Mr. HARE. . I will yield the gentleman five minutes.

Mr. BEEDY. Now, I think I ought to take five minutes to answer questions, but right now I want to say two things. In the first place, we decided that it was abso-

lutely essential to guard against the possibility of foreigners coming into Samoa and acquiring land from the Samoan people. Their land is almost their sole possession. We want the Samoans to keep their land. That has been the policy of the Navy government. It is the policy written into the pending bill.

We have seen what happened in Hawaii. The Hawaiians have lost the lands. We want to save the Polynesians in

Samoa from any such loss.

Mr. JENKINS. Will the gentleman yield?

Mr. BEEDY. I yield.

Mr. JENKINS. Is it necessary to have section 4 to

coordinate with the rest of the bill?

Mr. BEEDY. Section 4 is the citizenship section, which is the one thing the Samoans must have if they are to be satisfied. They now have no citizen status in the world.

They feel this very keenly.

Mr. JENKINS. Mr. Chairman, the gentleman from Maine answered definitely that sections 4 and 5, if deleted, will leave the bill imperfect. They are the only two sections that relate to citizenship. As the gentleman knows, that is the principal opposition to the bill. Those who are opposed to it are opposed to the granting of citizenship and that is the basis of my opposition. I wonder if that provision can not be stricken out and still give these people what they ought to have.

Mr. BEEDY. I am sorry, but we might just as well do nothing at all about the bill as to refuse them citizenship. The bill leaves to the local authorities the power to determine the qualifications for Samoan citizenship, with the limitation that nobody can become a Samoan citizen who is not an American citizen. So, with the bestowal of citizenship the bill also insures these limited rights of government. You will see that the bill of rights which is proposed is not as broad as the bill of rights in our own Constitution. They are not yet ready for trial by jury, and we do not propose to give them that right. I repeat, we have endeavored to erect a mere framework of government in the proposed organic act. We have dealt only with essentials to the people of Samoa as we see and understand their needs.

Their civilization is almost purely communal. The family owns the land. The family group consists of anywhere from 50 to 100. As the young folks marry, they bring home the new husbands and the new wives. For each new couple a new fele or house is built in the circle of family feles under the palm trees. Work on the plantation begins in the early morning; and when the sun is high in the heavens. the men come back from the coconut groves to rest until the cooler hours in the early evening. Further work is done in the late afternoon and then the family gathers for the evening meal, after which they gather in open circles about their fires to sing and dance into the late hours of the night. And in Samoa no household starts its daily work until the Matai, the chief of the family group, offers prayers to the Christian God: and no household ever retires for the night until the Matai again offers prayers to the Christian God.

These people are not polygamous, they are monogamous, and the strictness with which the marriage tie is observed is a splendid example to the civilization of the world. The respect of children for old age and the respect of the grown people for their elders is also highly commendable.

Mr. WILLIAMSON. Mr. Chairman, will the gentleman vield?

Mr. BEEDY. Yes.

Mr. WILLIAMSON. I do not see how we are going to add anything to the happiness of these people by the provisions of this bill. If we protect them in their property rights and leave them with their communal government, I believe they will be much better off than if we put a government over them which they do not need and probably do not want.

Mr. BEEDY. There is no question but that the most difficult task for a great nation to perform is to attempt to do something through government to help somebody else. But we are proposing to give them what they asked for with limitations. [Applause.]

The CHAIRMAN. The time of the gentleman from Maine has again expired.

Mr. HARE. Mr. Chairman, I yield five minutes to the gentleman from Missouri [Mr. Lozier].

Mr. BEEDY. Mr. Chairman, I have requests on this side for 35 minutes of time.

Mr. HARE. I do not see how it can ever be granted.

Mr. BEEDY. I was afraid of that. I was afraid that I would keep taking up time until I would deprive somebody else of it.

Mr. LaGUARDIA. I would like to have somebody explain just what property laws are to be established. It seems to me that they have solved the property question rather interestingly.

Mr. BEEDY. We have left it just as it was. All the title is in the family.

Mr. HARE. Mr. Chairman, I yield five minutes to the gentleman from Louisiana [Mr. Wilson].

Mr. WILSON. Mr. Chairman, ladies and gentlemen of the committee, I favor the passage of this bill providing a government for American Samoa.

My purpose now is to call the attention of the House to the provisions of the bill approved by both branches of the Congress providing for the purchase and use of American materials and products manufactured or produced in America by American labor, in the execution of all Government contracts wherever the United States has jurisdiction. This includes American Samoa.

I am also delighted to make known to the author of this bill, the gentleman from Maine [Mr. BEEDY], and to the Congress, that by a combination of chemical skill from the State of Maine and natural resources in the State of Louisiana, white paper suitable for all purposes may now be manufactured from southern pine in commercial quantities. This has been definitely proven and settled as a result of experiments carried on under the direction of the Southern Advance Bag & Paper Co., of Hodge, Jackson Parish, La., and the Advance Bag & Paper Co., of Howland, Me.

This has been called an industrial miracle. It had been heretofore contended and conceded generally that craft paper was the only commercial product in that line that could be produced from pine grown in the Southern States. But now from this natural resource in Louisiana, skilled chemists at Howland, Me., have shown that white paper of the highest quality in commercial quantities can be produced. It will be available for use in every Government department and in all Government contracts.

I wish to exhibit samples of the products referred to and the first newspaper printed on white paper manufactured from Louisiana pine, and to announce that that means great progress for the South and wonderful use of its natural resources, not heretofore known.

Mr. GREEN. Will the gentleman yield? Mr. WILSON. I yield. Mr. GREEN. The gentleman is absolutely correct. In our State there is also one of these paper plants to which the gentleman refers, where long-leaf pine is now being converted into very good pulpwood for use in manufacturing

Mr. WILSON. The pulp and paper business is an important and leading industry in Louisiana. I hope we can establish and continue a national policy whereby the money now sent outside the United States for white paper and other paper materials will be retained and used for the purchase of products produced at home by our own people in our own industries and on our own farms.

Mr. BEEDY. Mr. Chairman, I yield 10 minutes to the gentleman from Colorado [Mr. EATON].

Mr. EATON of Colorado. Mr. Chairman, the thanks of this House are due the gentleman from Maine [Mr. BEEDY] and the gentleman from Texas [Mr. WILLIAMS] for a study of the question of a government for Samoa, and the result of their work after a visit to those islands. At the time they went to Samoa the Government was nonpartisan. It was handled by the Navy Department. The words of their report are that they unanimously agree to recommend to

Congress that it shall grant American citizenship to the inhabitants of American Samoa, with as little interference as possible with local customs.

The subject to-day is establishing a new government for an old race of people. What has been presented has all been sentimental. Not one word have I heard to indicate how those people are going to be taught to finance themselves. We have had an experiment for the last four years in the Virgin Islands. It is asserted by the proponents of the pending bill that the Samoans do not like their present government. They want some change, and, of course, they want citizenship. In the Virgin Islands the same plea was made; and about four years ago, for a population of about twice the size of the Samoan Islands, 20,000 people, a government was proposed and has been put into effect. As I understand the census figures, there are approximately 10,000 people in all the islands that are known as American Samoa. From the same source the figures are given me for the Virgin Islands, St. Croix, 84 square miles, population 11,413; St. Thomas, 28 square miles, population 9,834. No one has read the bill to us yet. It will be read, of course. It provides that they will have a governor and a judge of the supreme court and an attorney general. They have three judges now. They are going to have what is tantamount to a supreme court. They ask us to impose on these 10,000 people practically a state government—full machinery for a full state government for 10,000 people.

I do not know what representations were made when that same thing was proposed for the Virgin Islands, but I know what the result has been. In the report of June 30, 1932, the governor says:

A question often asked is why should the United States Government continue to make appropriations for the support of the Virgin Islands. The annual Federal appropriation for the Virgin Islands is about \$400,000.

That is exactly what the result would be if this bill provided that government which they are trying to set up in Samoa, except that in the Virgin Islands it is divided between two islands approximately 40 miles apart, by which they have quick communication by airplane, but they have no airplanes.

Mr. WILLIAMS of Texas. Will the gentleman yield? Mr. EATON of Colorado. I yield.

Mr. WILLIAMS of Texas. There is no comparison between the Virgin Islands and Samoa, as a radical people. The United States pays most of the local expenditures in the Virgin Islands, and this act does not provide for that in

Mr. EATON of Colorado. This act does not provide for the exercise of the taxing power to produce a cent by their own government. It leaves it entirely to the Samoans, and if they want to do it, they may. After four years' experience in the Virgin Islands, they have now set up various commissions. You will find the same commissions on both islands. Some have a principal official at St. Thomas and an assistant at St. Croix. They have a health commission; they have a hospital commission; they have a road commission; they have a fire commission; they have a building and street commission; they have a cemeteries commission; they have a department of public works; they have a judiciary department; a department of public welfare. The head of that department made 1,020 visits and conducted 1,092 interviews, according to their report; that makes an average of less than 3 per day. This is a perfect government that you have prepared here.

Mr. WILLIAMS of Texas. But there is no similarity between the two. If the Congress would quit appropriating money for them, they would not have all these commissions in the Virgin Islands.

Mr. EATON of Colorado. The gentleman is right. There is no dispute about that; and if I can not interfere with this Congress starting to appropriate money to send over to Samoa, two or three hundred thousand dollars a year for all of these commissions, so as to bring these islands up and give them a perfect system of roads from one place to an-

other, whether over the ocean or over coral, I am at least going to point it out here to-day to you.

Now, how much do you think they are going to pay the great governor of these islands? Ten thousand dollars per year. They are going to pay him the same salary they pay now to the Governor of Hawaii, the same salary they pay now to the Governor of Puerto Rico, the same salary they pay now to the Governor of Alaska, and because they have half as many people, almost twice as much as we pay the Governor of the Virgin Islands; but I am told a man should not be asked to go over there without giving him at least \$10,000 a year. That money is going to be paid by the United States.

Mr. BEEDY. Most of the offices the gentleman speaks of in the Virgin Islands they have also in Samoa, but they pay all those expenses themselves. The Samoan people, by a process of poll tax, raise the money to support their own local institutions. They will continue to do so under this

Mr. EATON of Colorado. I thank the gentleman for his contribution. As I understand it, the reason for presenting this bill is that the Polynesians are unhappy with their present government. Now, for the life of me, I do not see why our committee did not consider our own unhappiness with our Government and offer to teach the Samoans to arrange some way as we arrange here in the United States to take care of our own unhappiness. Let them have some franchise rights over there; let them choose the man or the group they want to be in power instead of coming to the United States, some 4,500 miles away and holding the United States responsible as the head of a great insular government with palaces and palazzios, and all those things that go to keep great the "face" of the Polynesian people.

I have the greatest respect for those people. There have been some great men over there in that race. They know their business in the islands well enough to at least take care of themselves so that a great group of 10,000 people are on these islands after all these years.

I see the gentleman representing the Philippines here. He must smile as he hears us talk about a government for Samoa. He comes here asking us for a bill to give the freedom to the Philippines, to which they are entitled, and which they are going to have some day. May I ask the Resident Commissioner [Mr. Osias] what the population of the Philippines is?

Mr. OSIAS. Thirteen million. Mr. EATON of Colorado. Thirteen million. That gives me an illustration for comparison. To pass this bill would be as wise-you might just as well say you are going to give me in my office as Representative of the first district of Colorado a first janitor, an assistant janitor, a clerk, a file clerk, a stenographer, an assistant stenographer-a setup comprehensive enough to run the United States Capitol. That is what I am trying to point out to you and that is what I want to leave with you. You are proposing governmental machinery sufficient for a State, to govern a population of 10,000, who already have the full protection of the United States but have persuaded our emissaries they would be happier if they had a change. I shall leave the effect of giving citizenship to this Polynesian group to those of you who know most about immigration matters, but I am opposed to it, and I think I am not the only one opposed to it. I am opposed to this grant of power to this people at this time. I think it is a mistake, with all due respect to those gentlemen sponsoring it, and recognizing the pleasure they have had in making a full constitution for a nation.

[Here the gavel fell.]

Mr. OSIAS. Mr. Chairman, will the gentleman from Maine yield me time to ask the gentleman from Colorado a

Mr. BEEDY. Mr. Chairman, I yield to the Commissioner from the Philippine Islands one-half a minute.

Mr. OSIAS. In view of the reference that was made to me, I do not want to be placed in the position of appearing that I am not grateful for the independence legislation this Congress gave the Philippine Islands. I am.

Mr. EATON of Colorado. We know how the gentleman

Mr. HARE. Mr. Chairman, I yield five minutes to the gentleman from Ohio [Mr. JENKINS].

Mr. JENKINS. Mr. Chairman, I am sorry I find myself in disagreement with these distinguished gentlemen, the gentleman from Maine [Mr. BEEDY] and the gentleman from Texas [Mr. Williams]; but we do not disagree on one proposition, and that is that we ought to do everything reasonable for these poor people in the South Seas. What I am opposed to is taking American citizenship and flinging it halfway around the world, flinging it out to a group of people who are absolutely unqualified to receive it, who can not espouse it fully, who do not need it as a prerequisite to their happiness, and who can not maintain it honestly. This will bring trouble to them and bring trouble to us.

Mr. GILBERT. Mr. Chairman, if the gentleman will yield, what is the significance of American citizenship in an island? I do not catch what it means. What is its value? What does it bring in; what does it take away?

Mr. JENKINS. I am not stressing that. The gentleman did not get my point. What does American citizenship mean to these people? For instance, the gentleman from Maine [Mr. Beedy] stressed the point that these people are now happy, that the ruthless hand of the money-maker, the grasping, greedy hand of the American, for instance, has never reached out there. If these people are so much happier than we are, what is the use of our contaminating them by giving to them the most priceless heritage we have?

Mr. GILBERT. They can come into America at any time they want to if we extend citizenship to them.

Mr. JENKINS. Yes; without hindrance at any time. I do not object to that. I have been a restrictionist on the floor of the House all the years I have been here, but I am not the kind of a restrictionist that would keep desirable people from visiting our shores.

I have always contended that when we fling out Americanism to the four corners of the earth we cheapen it. We granted American citizenship to the Puerto Ricans, and what has been the result? There is no place in the world where I have ever been that an American is so unpopular as he is down there. I remember when I was a member of a committee visiting there we went to the University of Puerto Rico. The student body numbered some 1,100, and practically all of them apparently indicated that they were not in tune with American ideals, and they showed conclusively that what we had done for them was not appreciated and that they did not appreciate the American citizenship we had given to them.

With members of the committee we went down to the Virgin Islands and took them, in a more or less formal way, the information that we had conferred American citizenship upon them. They received us loyally, and I felt sorry for them, just as the gentleman has felt for these Samoans. But American citizenship to the people of the Virgin Islands has not helped them, financially or otherwise. They come back and bring us all sorts of stories of political discord and bitterness and factionalism. Samoa would be better off if they were under more or less of a protectorate by the United States. They do not need citizenship, and neither do they need a cumbersome political government. They need the warm, sympathetic help and safe protection of America. But we should not bind ourselves to guarantee to them full rights of American citizenship.

Mr. HARE. Will the gentleman yield?

Mr. JENKINS. Yes; I yield to my distinguished chair-

Mr. HARE. Dissatisfaction among American citizens is rather general now, is it not?

Mr. JENKINS. Yes; of course it is; and it is unfortunate that is the case in a lot of places, but what is the use. as my good friend from Maine has said, of our contaminating

ernment that they can not espouse loyally, that they can not handle, and with which they ought not to be inflicted?

I am favorable to doing everything for these people that we can do, and the thing that should be done for them is not to begin at the top and load them down with the political obligations or political power or to give them visions of a new government for themselves such as George Washington fought for. But we should begin at the bottom. They ought to be given protection. Why should we give them citizenship and deny citizenship to the Filipinos who are just a little farther away from us?

Why involve ourselves in all these foreign propositions when it is not necessary? For instance, suppose an American citizen found himself in New Zealand. Here is New Zealand Samoa right against this American section of Samoa. Suppose a controversy arose between American Samoa and New Zealand Samoa and we are involved away down there on the other side of the world over giving citizenship to a little handful of people that need sympathy and need protection, and that is all they do need at this time. [Applause.]

[Here the gavel fell.]

Mr. BEEDY. Mr. Chairman, I yield the remaining time to the gentleman from Michigan [Mr. Hooper].

Mr. HOOPER. Mr. Chairman, I am not particularly interested to-day in discussing the cost of giving to the people of these islands this skeleton of government. If you care to reduce that amount in committee you can go ahead and do it; but I have been very much impressed with the story that the gentleman from Maine and the gentleman from Texas, whom we are going to miss greatly in this House in the next two years, brought back from these islands.

I want to address myself to the matter of citizenship. From what I have learned from the information these gentlemen brought back from their pilgrimage to these islands. these Samoans are as fine a Christian people as you will find anywhere throughout the world. They are people, although remotely, of the race that sits in the House of Representatives. They are Caucasians. Those who have been tracing back the ethnology of this race for a long time past agree that they have come from the plateaus of Central Asia and are of Caucasian stock.

There are no Al Capones among them. There are no criminals among them. There have been no murderers among these people for many, many years past. They want American citizenship, and that is about all they do want from us; and it is a very small boon, it seems to me, for us to give them when we have conferred citizenship upon the people of the Virgin Islands, when we have given citizenship to the mixed people of Puerto Rico, and when we find in every great city of our country people of the yellow race and brown race and the red race and the black race who are citizens of the United States.

There are only 10,000 of these people. They are a rapidly vanishing race. If it means anything to them to have conferred upon them the privilege of American citizenship. I think we can well waive our racial prejudices and scruples and give it to them.

Do what you want to do in this matter as far as the cost of this experiment in government is concerned, but it does not seem to me that the Members of the American House of Representatives or the American people generally ought to be very squeamish about conferring American citizenship upon a people of such fine physique and such fine equipment.

Mr. SCHAFER. Will the gentleman yield?

Mr. HOOPER. I yield.

Mr. SCHAFER. If we pass this bill, are they going to have prohibition down in Samoa the same as they have in Puerto Rico and the Virgin Islands?

Mr. HOOPER. I do not know anything about prohibition in these islands, and I wish my friend from Wisconsin would let me proceed with the few remarks I have to make.

Mr. MARTIN of Oregon. On the Pacific coast we are very much interested in citizenship. We have to bear the brunt of that, and the Filipinos we have here now we want these poor unsophisticated people with a whole lot of gov- to ship back home, and we do not care for any more.

Mr. HOOPER. If the gentleman wants to raise that question with a Filipino delegate sitting beside him, I may say that the Filipino people are not essentially of the Caucasian race; they are Malays; they are people of the brown race; and I want to emphasize here what has been emphasized before, that if you want Caucasians, these people are Caucasians; they speak the same language, with slight variation, from Hawaii clear down to New Zealand; and I want to say to the gentleman from Oregon that the people of the British Empire look upon the Maoris, the people of New Zealand, as among the finest of the native races they have anywhere through the far-flung reaches of the British Empire, and have given them British citizenship.

It seems to me that if these people out there, humble and quiet people, desire the boon of citizenship, if they wish to take their place among Americans as American citizens, it is very little for them to ask and something we can readily

[Here the gavel fell.]

Mr. HARE. Mr. Chairman, I have no further requests for time and I ask unanimous consent that the clerk read the committee amendment in lieu of the original Senate bill.

Mr. STAFFORD. I assume that this request will mean that we will consider the House substitute section by section and not as one amendment.

Mr. HARE. Yes.

Mr. JENKINS. Further reserving the right to object, may I ask a question? Do I understand the gentleman to mean he is going to ask for the consideration of the matter which begins on page 33 of the bill which we have before us?

Mr. HARE. Yes; beginning at page 33 and extending to page 59.

Mr. JENKINS. That is the amendment that was voted out by the committee?

Mr. WILLIAMS of Texas. That is the committee amendment; yes.

The CHAIRMAN. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

The Clerk read as follows:

SECTION 1. This act may be cited as the "Samoan organic act."

Mr. SCHAFER. Mr. Chairman, I move to strike out the enacting clause.

This is a bona fide motion. It is deplorable in these days of misery and despair, with unemployment existing among millions and millions of our American citizens, that the people's tribunal, the House of Representatives, in the few remaining days of the session should be spending hours of its time considering the pending bill with the idea of taking care of the people of a foreign land.

Particularly is the passage of this bill indefensible, in view of the fact that this very Congress has taken a position to divest the American Government of possessions which formerly came to our Government in about the same manner as those included in this bill. We did not give the Philippine people anywhere near the privileges extended to the people of Samoa under this bill.

This is getting the nose of the camel under the tent, and in the future the overburdened American taxpayers will be called upon to pay tribute in order to take care of these foreign people and pay large salaries for a multitude of officeholders, made possible by the enactment of the legislation.

I am surprised to find a few of our good Republican friends supporting this legislation. This legislation can properly be sponsored and supported by the Democratic majority, which has had control of the House of Representatives, actual paper and working control, for two years, and a working coalition in the other body for more than two years. Why? Because when we study the last Democratic administration all the way down the line we find that foreign nations and foreign nationals came first, and in many of the platform pledges in the campaign last November we found that it was a case of foreign nations and foreign nationals

first and the American Nation and American nationals second, not only with reference to taking billions of dollars of the American taxpayers' money under the last Democratic administration and handing it over to the foreign nations, even after the armistice. We also now observe from news dispatches following the conferences of representatives of foreign debtor nations with the Democratic President elect that it is going to be another administration of taking care of the foreign nations first and the American Nation second.

I expect in the not far distant future the Democratic administration will support a program to reduce, in whole or at least in part, the war debts which foreign nations honestly owe us, nations whom we saved from extinction, including the Republic of France, who was too poor to pay \$20,000,000 this year on her honest debt to us, notwithstanding the fact that she had already been reduced over \$4,683,000,000, and yet a few weeks later she had the money to lend \$14,000,000 to a foreign nation from whom we had saved her. Yet in the name of economy, in the name of balancing the Budget, we are asked to reduce benefits to our disabled American war veterans, who fought and bled on the battlefields of this Republic in her war against the enemy which she recently lent \$14,000,000.

Oh, I sincerely hope that when the roll is called the great majority of the members of the Republican Party, which stands for a protective tariff, which stands for protecting the rights of America and American citizens first and foreign nations and foreign citizens second—the great Republican Party, which stands for an adequate national defense to preserve our American Government and protect our people—will be found in a large majority voting against this simon-pure Democratic plan of taking care of foreign peoples first at the expense of the American people.

[Here the gavel fell.]

Mr. BLANTON. Mr. Chairman, I ask recognition, as I desire to be heard against this bill.

Mr. Chairman, when the time comes I intend to vote against this bill, and I intend to vote for the motion of the gentleman from Wisconsin to strike out its enacting clause as the easiest and most expeditious way of killing it.

This island is more than 4,000 miles west of San Francisco. This is a long way to send American boys to defend hand-made Americans who have never seen the United States. I am not going to ever vote again to send American boys across the sea to fight so-called American battles. I have cast my last affirmative vote on that question. I will vote to let them whip the hell out of any nation that tries to invade our country, but our country is the United States.

It was never intended by the United States that this island should serve any other purpose than to be merely a naval base. I am following my friend from Oregon, General Martin, on this question. I think he knows as much about it as any man in the House. I think he has good judgment on this question, and I am not going to vote to make these people Americans and to set up a large bunch of high-salaried officers and put them in positions over there, where eventually all their possible follies and mistakes must be paid out of the tax money of the American-born people of the United States. After they are made Americans we become responsible for their every act and deed. They could scatter over the countries of the Far East and embroil themselves with every kind of foreign entanglement and then expect us to transport armies across the Pacific to defend them. It is simply unthinkable. It is absurd.

I am surprised that this bill is going through here, greased, without any opposition apparently. It seems to be sliding along on roller bearings, and that is just the way most of the bad propositions go through the House. They are not given careful consideration by Members who study legislation closely.

I was one of the few men who voted against the Reconstruction Finance Corporation bill. I was one of the few

who predicted what would happen under it-that there would be big banks, like the Dawes bank, that would get help in \$70,000,000 hand-outs whenever they wanted it, and the little banks that really serve the people, the very lifeblood of the people, would go under.

I predicted when I opposed that bill that it would eventuate in the United States Government's owning busted railroads, and that is exactly what you are going to bring about in the United States: and it is the worst thing on earth that could happen, for the United States to go into the railroad business. You would be held up here every day for some kind of legislation to do something for the railroad employees of the country.

Mr. BEEDY. Will the gentleman yield?

Mr. BLANTON. Yes; I yield to the gentleman from Maine.

Mr. BEEDY. Can the gentleman name one small bank with full and adequate security that has been refused a loan by the Reconstruction Finance Corporation?

Mr. BLANTON. Yes: I am not going to embarrass any bank, but I will give you privately some names. I know of a citizens' national bank that has some of the finest men as officers in the world upon its board of directors, and on account of three years' continuous drought and the continued depression it has been carrying farmers who were down and out, who needed help, and it asked for the sum of a little measly \$140,000, and it has had its officers here for several days trying to get help that would save thousands of people interested in that section, but they can not get it. Oh, yes; Charley Dawes can get \$70,000,000 at a whack for his big bank, with big officials behind it, and then when it gets this tremendous fortune in cash it goes under. I knew that these things would happen and that it would have an army of high-salaried employees, and I voted against it. And I am going to vote to kill this bill.

The CHAIRMAN. The question is on the motion of the gentleman from Wisconsin to strike out the enacting clause. The question was taken; and on a division (demanded by Mr. Schafer) there were 23 ayes and 31 noes.

So the motion was rejected.

Mr. GILBERT. Mr. Chairman, I move to strike out the last word. When the Apostle Paul invoked his Roman citizenship it gave him certain rights in the court that he did not otherwise have. Now, I would like the attention of the gentleman from Maine. I am asking in all seriousness, What does the term "American citizenship" imply on an island like Samoa other than the right of immigration to continental United States? The question has been raised in debate by the gentleman from Texas about sending our boys down to protect the islands if they are American citizens. What greater responsibility will we have by reason of that than we now have? Would we not have to send our boys there now?

Mr. BEEDY. The gentleman is correct. The islands belong to us, and if there should be an attempt to seize them by other nations we would have to make up our minds whether we desired to let them go or to keep them. We are responsible for the islands and the people whether they continue as wards or whether we make them citizens.

The citizenship phase presents a matter for classical discussion rather than a practical problem, because there are not a score of Samoan men and women in the islands who have money enough to get to American shores, and if they came here they would not live here.

Mr. GILBERT. Outside of immigration, are there any rights conferred with American citizenship like there used to be in olden times when the invocation of citizenship carried with it many rights other people did not have?

Mr. BEEDY. That is a pretty broad question. If I understand it. I think the only rights that these people would acquire, if we grant them citizenship, would be the right to participate in their own government. They do not expect to gain anything in the way of immigrating to this country. They do not want to come here. They want to be called American citizens. It is a theoretical proposition more than a practical one.

Mr. GILBERT. Then I would like to ask the gentleman from Ohio [Mr. JENKINS], who opposes this, What is the practical objection to that feature of it?

Mr. JENKINS. American citizenship in one place is American citizenship in another place. Of course a citizen of Oregon can not go to California and vote; there are certain requirements that must be lived up to in each State: but a citizen of the Samoan Islands, if you were to give them American citizenship, would have the same rights in the streets of London as a citizen of Ohio, Oregon, or any other State would have, and the American flag would be behind him and would protect him, regardless of the fact that he can not speak English, regardless of the fact that he can not espouse our constitutional form of government. If we give citizenship to him, he is an American citizen every place and at any time and under all circumstances, and that is what I am against.

Mr. MARTIN of Oregon. The gentleman from Kentucky must realize that this is nothing but a naval base, and here it is proposed to go in there and set up an expensive government. Why not let the matter go on as it is?

Mr. GILBERT. I recognize that this country, through its commercialism, has absolutely destroyed the most beautiful islands in the world, the Hawaiian group, and I do not want that repeated; but if the gentlemen of this committee have protected these people in their own islands, I am for this bill.

The Clerk read as follows:

ISLANDS INCLUDED WITHIN AMERICAN SAMOA

SEC. 2. The islands acquired by the United States of America under the joint resolution entitled "Joint resolution to provide for accepting, ratifying, and confirming the cessions of certain islands of the Samoan group to the United States, and for other purposes," approved February 20, 1929, and the joint resolution entitled "Joint resolution extending the sovereignty of the United States over Swains Island and making the island a part of American Samoa," approved March 4, 1925 (U. S. C., title 48, sec. 1431), shall be known as American Samoa.

Mr. JENKINS. Mr. Chairman, I move to strike out the last word. I do not want to be speaking all the time, but I want to bring your attention to the fact that I think this is a very important measure, and I speak particularly to those who have not had time to investigate the matter. We are about to vote on something that we have never done before. We have never flung American citizenship so far away as we are about to do now. The question has been asked, Why compare these Samoan Islands with the Virgin Islands? It has been implied that we made a mistake in giving citizenship to the people of the Virgin Islands. If we made a mistake in giving them citizenship, we will make a colossal mistake in giving citizenship to Samoa. In the Virgin Islands the basic language is English. The people down there are Danish and English. Of course the majority of the people are colored, but they have been brought up under a form of government akin to our constitutional form of government. They are closely associated down there with Puerto Rico. The Virgin Islands are practically within view of Puerto Rico. We took Puerto Rico under circumstances where we were compelled to take care of her, and we gave her people citizenship several years ago. Puerto Rico has a population of 1,500,000. She has colleges, banks, and is modern in every way. Some maintain that we made a mistake at that time, but there is no comparison between Puerto Rico and Samoa. The Virgin Islands are close to our shores; their people are modern. They have cities and farm sites, much as any country. St. Thomas, on the island of St. Thomas, has one of the most beautiful harbors in the world. A century ago this port was one of the busiest in the West Indian country. St. Croix, the second largest of the Virgin Islands, has two beautiful modern cities. Our own great Alexander Hamilton was born in this section of the world and spent his childhood on St. Croix, and was as much a citizen of St. Croix as any person ever born there. When he came to America at the age of 15 to attend college, he left the only home he ever knew. His mother lived and died there, and her body is buried in a little country cemetery on St. Croix.

I do not think we made a mistake in giving citizenship to the residents of the Virgin Islands; but if you have any qualms of conscience about having given citizenship to the Virgin Islands, which are at our very door, with the same ideas of government that we have, what would you think about voting American citizenship to people clear around the world, away down there as a little dot in the middle of the Pacific Ocean?

You have denied citizenship to the people of the Philippine Islands, who have had able Representatives here in our Congress for years, who are now a strong organization with fine educational and banking institutions, and espousing our form of government. Do we want to embroil ourselves into every controversy that may arise in that country, just out of a little desire to do a fine thing for a few people? The thing we ought to do is to send them a few missionaries if necessary and send them somebody down there as an auditor to audit their business and take care of them, and see to it a good port is kept free for our ships when they travel the south seas. We had the Virgin Islands under the control of the Navy, and many of the people down there want to be returned to that form of government. Under Navy control their rights to own property is protected. Their lives are protected, they are granted every privilege for education that they should have. Nobody has ever accused the Navy Department of tyranny or oppression.

Mr. WILLIAMS of Texas. Does the gentleman recognize the fact that the English language is the language spoken in Samoa, and that there is no comparison between the people of Samoa and the people of the Virgin Islands?

Mr. JENKINS. It was brought out clearly by the gentleman from Maine that they did not speak the English language; that the testimony taken by your commission was taken in another language.

Mr. WILLIAMS of Texas. Oh, of the older ones, but all of the younger generation speak the English language as well as the gentleman does.

Mr. JENKINS. I am glad to hear that. Mr. BRUMM. Will the gentleman yield? Mr. JENKINS. I yield.

Mr. BRUMM. Several members of the committee mentioned the fact that these people do not want to come to the United States. On the face of it, of course, that is ridiculous, because nobody knows what they want to do. However, I would like to ask the gentleman, was not the testimony in this session before the Committee on Insular Affairs, of which the gentleman and I are both members, with regard to the Virgin Islands, that a large percentage of them are flooding into the United States as fast as they can come, right now? Was that not the testimony?

Mr. JENKINS. I think so. At least the testimony was given by the gentleman from Maine [Mr. BEEDY] that they took the testimony of 100 at Hawaii. Now, here is the proposition I want to leave with you to-day. If we defeat this bill we do not do any harm to those people. They have our form of government down there fully protected by our Navy. They are happy, and the testimony of all these gentlemen is that they are much happier than we are. The Volstead Act, according to the gentleman from Wisconsin [Mr. Schafer] has not reached down there to contaminate them or to help them either. What is the use of involving ourselves when we have enough trouble, when we have so many propositions to consider at home? What is the use of taking up the time of this Congress to reach away out there, because you hear a little voice and there is a chance to show a little sympathy? You can sympathize with a thousand people in two hours after you leave this Capitol who do not have enough to eat. We owe them the obligation that one American owes another. Our first care should be for our own. What is the use of going away out yonder into the south seas? This bill will contribute nothing to the happiness or economic advantage of

Mr. WILLIAMS of Texas. I wish to say it is not sympathy. It is the recognition of doing right, and this Nation owes it to those people. We accepted the island as a gift 30 years ago, and this is the first time we have attempted to do anything for them.

The CHAIRMAN. The time of the gentleman from Ohio [Mr. JENKINS] has expired.

Mr. JENKINS. Mr. Chairman, I ask unanimous consent to proceed for one additional minute.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

Mr. HARE. Mr. Chairman, I yielded back 21 minutes of the general debate, and I must object.

Mr. GLOVER. Mr. Chairman, I move to strike out the last three words.

Mr. Chairman, I have been giving this bill considerable study to-day and prior to this time. I am in doubt as to whether it is the proper time for us to venture on a measure of this kind if we ever do. It has been brought out by two very intelligent addresses, and I compliment those two gentlemen for the most excellent manner in which they have made this investigation, the gentleman from Maine [Mr. BEEDY] and the gentleman from Texas [Mr. WILLIAMS]. They have brought back some valuable information, but I do not believe the information that they bring us justifies the great experiment that we are going to make if we pass this bill.

I tried to get recognition a moment ago to ask the gentleman from Maine about how much this bill would cost us in the beginning. I do not think anybody knows now. I know that in the passage of this bill you will bring an additional burden of taxation upon the people of the United States, which they are not able to bear. It has been said there are about 10,000 people on this island. It is undeveloped. It has been stated that one of our people could not go there and live. It is not desirable. If it is not desirable for habitation and those people are there and satisfied with their condition, why is it that we want to further burden our American people with further taxes to go into an experiment of this kind? As soon as this bill is passed, as soon as they are made citizens of the United States, we become directly responsible for them. That is away in the distance for us. I have seen the last war that I want to see. I want to say to you that you are here authorizing a government to be set up there, with power to legislate, and to create binding obligations upon territory that belongs to the United States, for which our Government would be held respon-

Further, I want to say that this is a dangerous time for us to venture into new territory. This action in the Far East might be very much misconstrued. I believe that those men who are advocating this are doing it with the very best of purpose, but what will other nations think of us? What will they think our purpose is? It has been said by one of the gentlemen that he would not favor education for those people; that it would not be helpful to them, and that they could not utilize it. He says that all they do in the morning is go out and shake the coconut trees and pick up the coconuts. If that is all they have to do, and if that is all they can do and education would not develop them so that they could advance, I say to you we ought not to go into this experiment now and spend the taxpayers' money in order to help people which education would not help, and that we could help very little by this action.

I believe this bill ought to be defeated. This is not the time to do it. We can maintain it as it is now. They say they do not want to come to the United States, but you are making them citizens by this act. There is nothing that can keep you from letting them come to the United States if they want to. I say to the outgoing administration, to one of the officials, Mr. Doak, that he has done the best service for this Government that any man has ever done in the Cabinet since he has been there, in keeping our Government free from those who are not ready for citizenship in this country. We are ready now to pass a deportation bill for those opposed to our Government, and I think it will be necessary to pass it.

The CHAIRMAN. The time of the gentleman from Arkansas has expired.

Mr. FRENCH. Mr. Chairman, I rise in opposition to the pro forma amendment.

In my judgment there is more trouble and grief and expense wrapped up in this little bill than in any other bill that has come before this House in many days. I was a member of the Naval Appropriations subcommittee when we had not only the government of American Samoa but the government of Guam and the Virgin Islands before us for consideration. All of these possessions were under the Navy Department. The expenses in connection with the management of the Samoa possession were and are practically absorbed by the administration of the Navy Department out of expenses that would need to be made anyway. The island of Guam, with a population a little more than twice the population of American Samoa, costs us annually approximately \$35,000 under Navy Department administration.

The Virgin Islands, to which reference has been made this afternoon, were under the Navy Department until about two years ago. Now they are under the Department of the Interior. I happen to serve on the Interior subcommittee, so I have had experience with the handling of the Virgin Islands under both committees that have had charge of them and the opportunity of observing the work under the

Navy Department and the Interior Department.

It is costing us to-day over \$300,000 a year to administer the government in the Virgin Islands from this great distance; a territory with a population about equal to the population of Guam, where we spend \$35,000, and not greater than the population of any one of many of the small counties in almost any State of the American Union. This was likewise true under naval administration, because of the projects that were carried on under a system in either case where all the activities of an American State are maintained. The Virgin Islands population is constantly trying to push more and more off onto the Government of the United States. In American Samoa there is a population equal to about one-half of the population of the Virgin Islands.

The Samoans are a happy people. They are not asking for this legislation. They are not equipped to assume the kind of government to which our people are accustomed. If we pass this bill, in my judgment, we shall open up American Samoa to exploiters who, in my judgment, if the truth be known, are the ones back of whatever sentiment there seems

to be for the passage of this measure.

We ought to retain our possession in Samoa for the purpose for which we acquired it. Let it be under the Navy Department. If we transfer it from the Navy Department and set up an independent government, not only shall we be doing the wrong thing by the people of Samoa who are happy to-day and who, through the years will develop into a more responsible people individually when their interests possibly can be cared for better by themselves. Until then to extend the provisions of the pending measure will be to invite appropriations from the Federal Treasury for the government of the Samoan possession that will not be less than \$100,000, \$200,000, or \$250,000, within another five years. [Applause.]

Mr. DYER. Mr. Chairman, I move to strike out the enacting clause.

The CHAIRMAN. The question is on the motion of the gentleman from Missouri.

Mr. BEEDY. Mr. Chairman, I ask recognition on the motion.

Mr. TABER. Mr. Chairman, I make the point of order that the motion to strike out the enacting clause is not in order.

Mr. STAFFORD. Mr. Chairman, the point of order comes too late.

Mr. TABER. The motion of the gentleman from Missouri has not been discussed.

The CHAIRMAN. The Chair will recognize the gentleman from Maine [Mr. Beedy], in opposition to the motion.

Mr. TABER. Mr. Chairman, I make the point of order that the motion to strike out the enacting clause is not in order.

Mr. BLANTON. Mr. Chairman, the point of order comes too late.

Mr. TABER. There has been no discussion, Mr. Chairman, upon the motion to strike out the enacting clause.

The CHAIRMAN. The Chair recognizes the gentleman from Maine [Mr. Beery] to discuss the motion. The gentleman from Maine is recognized for five minutes.

Mr. BEEDY. Mr. Chairman, I was aware that I could have made a point of order against the motion of the gentleman from Missouri, but I have always purposed, in the case of any legislation with which I am connected, that I will never take the attitude of trying to crowd anybody out or cut anybody short, but will give every opportunity to present opposition views. I respect the views of those who oppose me.

I do not want this committee to get the wrong idea of this proposed legislation. I insist that you ought not to place the people of Eastern Samoa in the same category with those of the Virgin Islands or with Guam It is not a fair comparison and no man who understands the situation

would make it.

It is a pity for the gentleman from Idaho [Mr. French] to stand up here and say that he believes men interested in exploiting these islands are behind this bill. There is not anything in the islands to be exploited. The one refreshing feature of the whole problem is that there is no wealth in the islands to arouse the greed of any capitalist.

This bill does not change the obligation of the United States Government, as I see it, in any degree. These islands are ours. They have been ours for 30 years. We are responsible for them. We are responsible for law and order in them. We are responsible for their people. Inasmuch as we have granted citizenship to the people of every other group of our insular possessions, with the exception of the Philippines, which have been granted independence, why should we withhold citizenship from the Samoans? Why make fish of one people and fowl of another?

Now, let us understand the situation. We are not opening the door to any great expenditure of money. We are not opening the door to any trouble. I would not by my vote increase the possibility of sending any of our men across the Pacific to engage in war. There is no added possibility of any such thing in this bill. It is a shame for these suggestions to be made. It is not fair to these people.

If you do not want these islands, give them back to the chiefs who presented them to us 30 years ago, but if you keep them do not deny their people the same privileges you have given other groups who did not give their islands to us, but whose islands we purchased at the cost of millions.

Mr. BLANTON. Mr. Chairman, will the gentleman yield?

Mr. BEEDY. Yes.

Mr. BLANTON. If we give citizenship to these people and make them Americans and then Japan or any other nation were to go over there and impose on them, the gentleman would want American boys to go there, 4,200 miles across the sea, to whip the stuffing out of any nation that went there for that purpose.

Mr. BEEDY. We would have to do it to-day just the same, I may say to my friend. These islands are ours, and

we are responsible for the people living on them.

Mr. BLANTON. But there is a difference now, because they are not American citizens. This now is merely a naval station, and that it should remain. We must not involve American citizens 4,200 miles away from home.

Mr. BEEDY. I do not yield further. There is no ques-

I repeat we have these islands. We are responsible for law and order and for the safety of every soul in them; we have been thus responsible for more than a quarter of a century. There has been no trouble in that time, and this bill does not increase the possibility of trouble there.

Mr. BLANTON. We Americans ought to stay at home and attend to our own business. This bill ought to be defeated.

Mr. BEEDY. This bill provides a measure of justice which we owe the Samoan people. After a prolonged delay of 30 years this Nation ought to be big enough to rise to the occasion and meet its obligation. [Applause.]

Mr. BLANTON. This bill is charged with dynamite and | T. N. T .- tons of it-and we ought to strike out its enacting clause.

Mr. DYER and Mr. JENKINS rose.

Mr. DYER. Mr. Chairman, I made the motion to strike out the enacting clause, and the gentleman from Maine has taken five minutes in opposition to the motion. I do not want to debate the motion further, but I do ask for a vote, and make the point that if anyone asks for further time, we are entitled to a vote now upon the motion.

Mr. JENKINS. Mr. Chairman, a parliamentary inquiry. In view of the fact that the gentleman from Missouri [Mr. Dyer] does not want to speak in favor of his motion and I do, am I not entitled to five minutes under this situation?

The CHAIRMAN. The gentleman from Ohio [Mr. JENKINS] is recognized for five minutes.

Mr. JENKINS. Mr. Chairman-

Mr. BLANTON. Will the gentleman yield?

Mr. JENKINS. Yes. Mr. BLANTON. Suppose that we make them Americans, and they set up all this expensive government down there and they begin to build commerce buildings like the one down here on the Avenue costing \$20,000,000, and they begin to build a several million dollar supreme court building, and they begin to involve us with Far East countries, will we not be responsible for it?

Mr. JENKINS. Yes; but they are not going to do that, of course.

Mr. Chairman, let us be serious about this matter. My good friend the gentleman from Maine [Mr. BEEDY] would have you believe there is no possibility of any trouble on account of the citizenship of these people. Let me read you one section on page 35:

Any person of full or any part Samoan blood who was an inhabitant of American Samoa before the effective date of this act, was residing outside of American Samoa or was engaged in foreign travel on such date, and is not a citizen, subject, or national of any foreign country, if he desires to be a citizen of the United

And so forth, may do so.

Suppose one of these fellows is down in Sumatra or out in South Africa or in Norway or in Sweden or in Siberia or Japan or England or wherever he may be, if he is not too far to write a letter back home to these people, he can become an American citizen without any formality, and where is our responsibility then?

Does this not give responsibility to the American Nation to look after such a person wherever he may be? It is preposterous. It is absolutely unreasonable to take the time of this great Nation of ours and this Congress of ours at this time to pass a piece of legislation that will take us 4,500 miles into the South Seas, that most of us do not know anything about and most of us do not care very much about. and put up the American flag and establish an American government and American responsibility.

I say to you that now is as good a time as any to beat this measure. Let us all vote in favor of this motion to strike out the enacting clause and send it back to the committee. Then the fine, sensible statesmen, the gentleman from Maine and the gentleman from Texas can bring in a bill here that will do exactly what we want done and keep American citizenship to ourselves.

The gentleman from Texas [Mr. WILLIAMS] asked me a question a while ago, and here is the question as I got it. He implied that these people may have some rights with respect to American citizenship.

Mr. Chairman, nobody has a right to American citizenship except a man born in America.

Mr. WILLIAMS of Texas. I did not intimate that. That was not the intimation of the gentleman from Texas. I said that this legislation was right. That is what I said.

Mr. JENKINS. All right; I accept the gentleman's correction. I will take it from that standpoint.

I want to continue this thought. Nobody has a right to become an American citizen except a native-born American, but aliens have the privilege of becoming American citizens, and this is a gracious privilege which we have extended to

them. We have extended this gracious privilege to various people, but we have denied this privilege to the Filipinos. with whom we have been in close association for 35 years. We have denied this to them and they have not asked for it in the recent plan for independence. We have denied this privilege to the Japanese and the Chinese and the Indians from India and to the inhabitants of the Malayan Archipelago, and yet we reach out and find one little island where we have a little naval base and we want to give them American citizenship. We can give them everything they need, which is what they have now, and if they need any improvement in their government, let us give that to them. and let them be happy down there by themselves. Let us not load upon them the responsibility of American citizenship. They can not take it. They do not know anything about trial by jury, and that is very fundamental and the cornerstone of American civilization and American citizenship. They are not able to espouse trial by jury and they can not do this in Puerto Rico or in the Virgin Islands, and some believe we made a mistake in giving them full American citizenship. I say to you that this is a right that we ought to circumscribe with safeguards and is something that should never be given except as a privilege, and let us not give it to these people until they are able to appreciate the privilege. [Applause.]

Mr. BLANTON. After we make them American citizens, and they are living there about 4,200 miles west of San Francisco, we are too far away to know what they may do, or what kind of controversies they will embroil us in, and whatever they may do, we would be responsible, for they would be American citizens, and would have the right to demand of us protection, no matter how scattered they were over other countries. For when they become Americans they will have the right to go where they please. And we will be responsible for them. And for one, I am not willing to assume such responsibility.

The CHAIRMAN. The question is on the motion of the gentleman from Missouri that the committee do now rise and report the bill back to the House with the recommendation that the enacting clause be stricken out.

The question was taken; and on a division (demanded by Mr. BEEDY) there were 72 ayes and 26 noes.

So the motion to strike out the enacting clause was

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. Morehead, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee, having under consideration the bill (S. 417) to provide a government for American Samoa, had directed him to report the same back to the House with the recommendation that the enacting clause be stricken out.

Mr. DYER. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the recommendation of the Committee of the Whole.

The question was taken, and the motion was agreed to. A motion by Mr. Blanton to reconsider the vote whereby the motion was agreed to was laid on the table.

The SPEAKER. The Clerk will inform the Senate of the action of the House.

LEGISLATIVE APPROPRIATION BILL

Mr. SANDLIN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 14562) making appropriations for the legislative branch of the Government for the fiscal year ending June 30, 1934, and for other purposes, and agree to the Senate amendments.

The SPEAKER. Is there objection?

There was no objection.

The Senate amendments were read. The Senate amendments were agreed to.

MEDICINAL LIQUOR

Mr. O'CONNOR. Mr. Speaker, I call up House Resolution 382, making in order the bill H. R. 14395, relating to the prescribing of medicinal liquor. The resolution provides for

Purnell Rainey Ramseyer

Sabath

Schafer

Schuetz

Seiberling

Simmons

Smith, Va.

Somers, N. Y. Spence Stafford

Strong, Kans.

Sinclair

Snell

Stalker

Steagall

Sutphin

Temple Thatcher

Thomason Thurston

Tierney Tinkham Treadway

Turpin Underwood

Swank Taber

Stevenson

Ramspeck Ransley Rogers, Mass.

Rogers, N. H. Romjue

Sanders, Tex. Sandlin

two hours of debate. I ask unanimous consent that that be reduced to 40 minutes.

Mr. BLANTON. Reserving the right to object, there ought to be an equal division of the time, whether it be 40 minutes or 2 hours. I am one of those who is going to speak against the resolution.

Mr. O'CONNOR. The rule provides, in the general form, that the time shall be divided between the chairman and the ranking minority member.

Mr. BLANTON. The gentleman from New York [Mr. O'CONNOR] is for it, the gentleman who introduced the bill [Mr. Celler] is for it, and the chairman of the committee voted for repeal last Monday, and the gentleman from Missouri [Mr. DYER] is the wet leader of the House, hence under the rule no dry could demand any time in his own right.

Mr. O'CONNOR. If the gentleman will pause a moment, I do not control the time, but I believe it is only fair that those who oppose the bill shall have one-half of the time.

Mr. BLANTON. We who oppose it are entitled to control one-half of the time. With that understanding, I have no objection. But we must have such a distinct understanding.

Mr. DYER. I will yield one-half of my time.

The SPEAKER. The gentleman from New York asks unanimous consent that in the debate on this bill one-half of the time shall be controlled by the chairman of the committee, and one-half by a minority member, and that the time be divided equally between those for and those opposed to the resolution.

Mr. BLANTON. Mr. Speaker, I insist that half of the time should be controlled by those opposing the bill, and I insist that the gentleman from Georgia [Mr. TARVER], who is against this proposition, be given the control of the time against it. He is a member of the committee, and he is entitled to it. If that provision for equal control of the time is put into the unanimous-consent request, I shall not object; otherwise I shall object.

Mr. PARKER of Georgia. Mr. Speaker, I object.

Mr. TARVER. Mr. Speaker, I have no desire to control the time, but further reserving the right to object, I feel this is a matter of tremendous importance, and that its disposition ought not to be attempted in 40 minutes, especially before a mere fraction of a quorum of the House. I object.

Mr. O'CONNOR. Mr. Speaker, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment by Mr. O'CONNOR to the resolution: Page 1, line 7, strike out the words "two hours," and insert in lieu thereof the words "40 minutes."

Mr. BLANTON. Mr. Speaker, I have an amendment to the amendment I desire to offer.

The SPEAKER. Does the gentleman from New York yield for that purpose?

Mr. O'CONNOR. Yes. Mr. BLANTON. I offer an amendment to the amendment to insert the following proviso:

Provided, That the time against the resolution shall be controlled by the gentleman from Texas.

Mr. LAGUARDIA. Mr. BLANTON.

Mr. BLANTON. Yes, Mr. BLANTON.
The SPEAKER. The Clerk will report the amendment to the amendment.

The Clerk read as follows:

Amendment by Mr. BLANTON: At the end of the bill insert "Provided, That the time in opposition to the resolution be controlled by the gentleman from Texas [Mr. Blanton]."

Mr. O'CONNOR. Mr. Speaker, I am willing to accept. Mr. DYER. I accept the amendment.

The SPEAKER. The question is on agreeing to the amendment to the amendment.

The amendment to the amendment was agreed to.

The SPEAKER. The question now is on agreeing to the amendment as amended.

The question was taken; and on a division (demanded by Mr. Tarver) there were-ayes 81, noes 7.

Mr. TARVER. Mr. Speaker, I make the point of order that there is no quorum present, and object to the vote upon the ground that there is no quorum present.

The SPEAKER. The gentleman from Georgia makes the point of order that there is no quorum present. Evidently there is not. This is an automatic call. The Doorkeeper will close the doors, and the Sergeant at Arms will bring in absentees. The Clerk will call the roll. The question is on the amendment to the resolution.

The question was taken; and there were-yeas 239, nays 65, not voting 122, as follows:

[Roll No. 166] YEAS-239

Adkins Allgood Amlie De Priest DeRouen Johnson, Tex. Jones Kading Kahn Dickinson Andresen Andrew, Mass. Andrews, N. Y. Arnold Auf der Heide Dominick Keller Kelly, Ill. Kelly, Pa. Doxey Drewry Kemp Kennedy, Md. Driver Dyer Bacharach Eagle Eaton, Colo. Eaton, N. J. Bachmann Kniffin Kunz Bankhead Kvale Englebright Estep LaGuardia Lambeth Barbour Barton Fernandez Fiesinger Fitzpatrick Bland Lamneck Lanham Boehne Larrabee Bohn Boileau Flannagan Flood Larsen Lea Leavitt Litchenwalner Boland Bolton Fuller Gambrill Lonergan Loofbourow Bowman Briggs Gasque Gibson Brumm Lovette McClintic, Okla. McCormack Buchanan Gifford Buckbee Gilbert McDuffie Burch Gilchrist McFadden McKeown Gillen Byrns Canfield Carden McMillan Granfield Green McReynolds Carter, Calif. Carter, Wyo. Castellow Greenwood Gregory Griffin McSwain Major Maloney Mansfield Griswold Hadley Cavicchia Celler Martin, Mass. Martin, Oreg. Chapman Haine Chavez Chindblom Hall, Ill. May Mead Michener Hancock, N. V. Christopherson Clancy Hardy Hare Cochran, Mo. Hartley Millard Cole, Md. Collier Hastings Milligan Mitchell Hess Hill, Ala. Hill, Wash. Colton Condon Montet Connery Cooper, Ohio Cooper, Tenn. Hogg, Ind. Hollister Moore, Ky. Morehead Holmes Nelson, Mo. Niedringhaus Cox Hooper Coyle Cross Crosser Hope Horr Nolan O'Connor Oliver, Ala. Houston, Del. Houston, Der. Howard Hull, Morton D. Hull, William E. Jacobsen Crowe Crump Overton Parker, N. Y. Curry Darrow Parks Parsons Davenport Davis, Tenn. Delaney Jeffers Peavev Johnson, Mo. Johnson, Okla. Person Polk

Vinson, Ga. Vinson, Ky. Warren Wason Watson Weaver Welch West Whitley Whittington Wigglesworth Williamson Wilson Withrow Wolcott Wood, Ga. Wood, Ind. Woodruff Woodrum Wright

NAYS-65

McGugin Fulmer Garber Magrady Mapes Mobley Moore, Ohio Goldsborough Guyer Hall, N. Dak. Murphy Nelson, Me. Norton, Nebr. Hoch Huddleston Parker, Ga. Partridge Jenkins Ketcham Patman Kopp Lambertson Patterson Lankford, Ga. Lozier Luce Pittenger Ragon Rankin Ludlow Reed. N. Y. McClintock, Ohio Rich

Black Bloom

Ayres Beedy Biddle

Browning Busby

Cochran, Pa.

Cable Cannon

Crowther

Culkin

Disney Dowell Ellzey Eslick

Finley

French

Aldrich Allen Almon

Arentz Baldrige

Beam

Abernethy

Crail

NOT VOTING-122 Brunner Bulwinkle Burdick Campbell, Iowa Boylan Brand, Ga. Brand, Ohio Campbell, Pa. Carley Cartwright Britten

Robinson Sanders, N. Y. Shallenberger Snow Sparks Strong, Pa. Stull Summers, Wash, Swanson Swick Swing Tarver Taylor, Tenn.

Cary Chiperfield Christgau Clark, N. C. Clarke, N. Y.

Lewis Lindsay McLeod Manlove Golder Hall, Miss. Hancock, N. C. Harlan Cole, Iowa Sirovich Smith, Idaho Smith, W. Va. Collins Connolly Cooke Cooke Corning Cullen Davis, Pa. Dickstein Hart Haugen Montague Mouser Stewart Stokes Sullivan, N. Y. Nelson, Wis. Norton, N. J. Oliver, N. Y. Hawley Hogg, W. Va. Holaday Hopkins Hornor Sullivan, Pa. Sumners, Tex. Dieterich Doughton
Douglas, Ariz.
Douglass, Mass.
Doutrich Sweeney Taylor, Colo. Timberlake Owen Palmisano Johnson, Ill.
Johnson, S. Dak.
Johnson, Wash.
Kennedy, N. Y. Perkins Pettengill Underhill Drane Pou Prall White Evans, Calif. Evans, Mont. Fish Williams, Mo. Williams, Tex. Pratt, Harcourt J. Pratt, Ruth Rayburn Reid, Ill. Wingo Wolfenden Kerr Kinzer Fishburne Kleberg Reilly Wolverton Frear Wyant Yates Knutson Free Seger Selvig Freeman Fulbright Kurtz Lankford, Va. Gavagan Lehlbach Shannon

So the amendment, as amended, was agreed to. The Clerk announced the following pairs: Additional general pairs:

Mr. Cartwright with Mr. Wolfenden.
Mr. Drane with Mr. Campbell of Pennsylvania.
Mr. Pou with Mr. Davis of Pennsylvania.
Mr. Cullen with Mr. Wolverton.
Mr. Beam with Mr. Evans of California.
Mr. Bulwinkle with Mr. Kinzer.
Mr. Cary with Mr. McLeod.
Mr. Doughton with Mr. Seger.
Mr. Boylan with Mr. Serve.
Mr. Collins with Mr. Perkins.
Mr. Brunner with Mr. Wyant.
Mr. Kleberg with Mr. Arentz.
Mr. Corning with Mr. Cole of Iowa.
Mr. Fishburne with Mr. Erk.
Mr. Abernethy with Mr. Free.
Mr. Brand of Georgia with Mr. Holaday.
Mr. Bloom with Mr. Frear.
Mr. Clark of North Carolina with Mr. Hopkins.
Mr. Douglass of Massachusetts with Mr. Aldrich.
Mr. Shannon with Mr. Manlove.
Mr. Petengill with Mrs. Pratt.
Mr. Sumners of Texas with Mr. Nelson of Wisconsin.
Mr. Rayburn with Mr. Lehlbach.
Mr. Gavagan with Mr. Lehlbach.
Mr. Stewart with Mr. Lankford of Virginia.
Mr. Evans of Montana with Mr. Burdick.
Mr. Dickstein with Mr. Weeks.
Mr. Williams of Texas with Mr. Baldrige.
Mr. Palmisano with Mr. Allen.
The result of the vote was announced as above to Additional general pairs:

The result of the vote was announced as above recorded. The doors were opened.

The SPEAKER. The question is on agreeing to the resolution as amended.

The resolution was agreed to.

Mr. CELLER. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill, H. R. 14395, relating to the prescribing of medicinal liquors.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 14395, with Mr. Cole of Maryland in the chair.

The Clerk read the title of the bill.

Mr. DOMINICK. Mr. Chairman, I ask unanimous consent that the first reading of the bill be dispensed with.

Mr. BLANTON. Reserving the right to object, with the understanding that the bill be incorporated in the RECORD at this point, I shall not object. It would not be printed unless this understanding is had. I want that understood.

The CHAIRMAN. That may be done without objection.

Is there objection?

There was no objection.

The bill is as follows:

H. R. 14395

Be it enacted, etc., That (a) the third sentence of section 7 of Be it enacted, etc., That (a) the third sentence of section 7 of Title II of the national prohibition act, as amended, is amended to read as follows: "Subject to regulations, no more liquor shall be prescribed to any person than is necessary to supply his medicinal needs, and no prescription shall be filled more than once."

(b) Section 7 of Title II of such act, as amended, is further amended by inserting before the period at the end thereof a semi-colon and the following: "but no physician shall be called upon

to file any statement of such ailment in the Department of Justice or the Department of the Treasury or in any other office of the Government, or to keep his records in such a way as to lead to the disclosure of any such ailment, except as he may be lawfully required (1) to make such disclosure in any court or in the course of a hearing under authority of section 9, Title II, of this act, or (2) to make such disclosure to any duly qualified person engaged in the execution or enforcement of this act or any act supplementary hereto"

(2) to make such disclosure to any duly qualified person engaged in the execution or enforcement of this act or any act supplementary hereto."

Sec. 2. Strike out section 8 of Title II of the national prohibition act, and insert in lieu thereof the following:

"Sec. 8. The commissioner shall cause stamps to be printed, the design of which shall be prescribed by regulations in accordance with the provisions of this act, and he shall furnish the same free of cost to physicians holding permits to prescribe. Each such physician shall affix one of said stamps to each such prescription written by him and shall cancel same under regulations to be prescribed in accordance with the provisions of this act. No physician shall prescribe and no pharmacist shall fill any prescription for liquor unless such stamp is affixed thereto. Every person who, with intent to defraud, falsely makes, forges, alters, counterfeits, or reuses any stamp made or used under any provision of this act, or with such intent uses, sells, or has in his possession any such forged, altered, or counterfeited stamp, or any plate or die used or which may be used in the manufacture thereof, or who shall make, use, sell, or have in his possession any paper in imitation of the paper used in the manufacture of any stamp required by this act, shall, on conviction, be punished by a fine not exceeding \$1,000 or by imprisonment at hard labor not exceeding two years. The effective date of this section 2 shall be not earlier than January 1, 1934."

Sec. 3. Strike out the first paragraph of section 2 of the act.

years. The effective date of this section 2 shall be not earlier than January 1, 1934."

SEC. 3. Strike out the first paragraph of section 2 of the act entitled "An act supplemental to the national prohibition act, approved November 23, 1921," and insert in lieu thereof the

following:

"Sec. 2. Only spiritous and vinous liquor may be prescribed for medicinal purposes. All prescriptions for any other liquor shall be void. But this provision shall not be construed to limit the sale of any article the manufacture of which is authorized under section 4, Title II, of the national prohibition act."

Sec. 4. Strike out subdivision (a) of section 5 of the prohibition reorganization act of 1930, and insert in lieu thereof the following: "(a) The Attorney General and the Secretary of the Treasury shall jointly prescribe all regulations under this act and the national prohibition act relating to permits and prescriptions for liquor for medicinal purposes, and the quantities of spiritous and vinous liquor that may be prescribed for medicinal purposes, and the form of all applications, bonds, permits, records, and reports under such acts: Provided, That all regulations relating to the Bureau of Prohibition in the Department of Justice shall be made by the Attorney General." by the Attorney General."

The CHAIRMAN. Is there objection to the request of the gentleman from South Carolina that the first reading of the bill be dispensed with?

There was no objection.

Mr. DOMINICK. Mr. Chairman, I yield five minutes to the gentleman from New York [Mr. CELLER].

Mr. CELLER. Mr. Chairman, I shall be very brief in describing the provisions of this bill, which I am sure should commend itself to all Members of the House, regardless of their views on the subject of prohibition. It was indeed hoped that the matter might be considered free from any prohibition controversy. This bill has its genesis in the recommendations of the Wickersham commission. That commission in its report to the President made these suggestions and recommendations:

(a) Doing away with the statutory fixing of the amount [of liquor] which may be prescribed and the number of prescriptions [that the medical profession might issue for the sick].
(b) The abolishing of the requirement of specifying the allment for which the liquor is prescribed upon a blank to go into

public files.

(c) Leaving as much as possible to regulations, rather than fixing details by statute. (P. 84 of the Wickersham report.)

When the Wickersham commission report came to the House it was accompanied by a statement of President Hoover, wherein he used the very significant phrases implying that the irritations and resentments of the medical profession in being circumscribed in this way in the Volstead Act should be removed.

The American Medical Association is behind this bill, which, in a word, lifts the burdensome restrictions from the doctors in the prescribing of medical liquor, taking the restrictions out of the statute and leaving them to regulations, the regulations to be promulgated by the Department of Justice through the Attorney General and by the Treasury Department through the Secretary of the Treasury.

In the testimony given before the House committee, Doctor Doran, in charge of prohibition enforcement in the Treasury Department, heartily subscribed to this bill and urged its passage.

Colonel Woodcock, of the Department of Justice, favored the bill and urged its passage, and said it would be an aid to enforcement.

The Acting Secretary of the Treasury, Mr. Ballantine, has submitted a communication to the committee commending the bill as being in the interest of economy, claiming there would be a saving of something like \$110,000 per annum in the elimination of special bond paper prescription blanks and the substituting of small stamps to be affixed by the doctor to his own prescription blank.

The bill is sponsored by the American Medical Association, with a membership of 124,651 doctors; its legislative counsel, Dr. William C. Woodward, in testifying before the subcommittee of the Judiciary Committee, stated that the American Medical Association is a federation of State medical societies. It has a State organization in every State and it is governed by a house of delegates made up of delegates representing the several State organizations. That house of delegates has repeatedly expressed opinions adverse to the limitations that have been placed by the national prohibition act, as amended, on the number of prescriptions a physician may write for his patients and on the quantity of alcoholic liquor that he may prescribe for them. This bill amends the national prohibition act to carry out those recommendations.

Permit me to analyze the bill section by section:

Section 1 (a) amends the national prohibition act so as to remove the present limitation of 1 pint per 10 days on the quantity of spirituous liquor that a doctor may prescribe for his patient and also removes the limitation of the time within which additional prescriptions may be written, but leaves to the administrative authorities the power to promulgate regulations on that subject. The bill, however, limits the amount of intoxicating liquor which a physician may prescribe to "no more liquor * * * than is necessary to supply his (the patient's) medicinal needs" and provides further that "no prescription shall be filled more than once."

Section 1 (b) amends the national prohibition act so as to remove therefrom the requirement that the doctor file with the administrative bureau a statement of the ailment from which his patient is suffering, but does require the doctor to make such disclosure in any court or in the course of administrative hearings and also to make such disclosure to any duly qualified person engaged in the execution or enforcement of the national prohibition act as amended. The national prohibition act, however, remains unchanged relative to the requirement that the physician keep an accurate record of the ailment of his patient and other data concerning the prescription in a book which he must keep in his office and which is subject to the inspection of Federal agents and local peace officers.

Section 2 eliminates from the national prohibition act the provision requiring doctors to write prescriptions for intoxicating liquors on forms provided by the Government, but requires all such prescriptions to have affixed thereto a Government stamp and provides penalties for forgery and misuse of such stamps.

Section 3 amends an "act supplemental to the national prohibition act approved November 23, 1921," so as to remove the limitations of 1 quart per 10 days on the quantity of vinous liquors which may be prescribed by a physician for a patient, the limitation of time within which additional prescriptions for such liquor may be written for such patient, and the limitation of 100 prescriptions per 90 days to a physician. The limitations in this regard are left to regulations by this bill.

Section 4 provides for the promulgation of the regulations heretofore mentioned in connection with sections 1 (a) and 3 of this bill.

These regulations are to be promulgated by the Attorney General and the Secretary of the Treasury jointly.

The bill, it is interesting to note, follows the recommendations of Judge Kenyon, an ardent dry and a member of the Wickersham commission, who in his report, page 122, makes the following comment:

Physicians should be permitted, under reasonable regulations, to prescribe whatever liquor in their judgment is necessary for a patient. If a physician can be trusted to prescribe dangerous drugs, he can be trusted to prescribe liquors as medicines.

Doctor Woodward, legislative counsel, speaking for the American Medical Association before the subcommittee of the Judiciary Committee, called attention to the fact that under the present law a physician can obtain normally not more than 100 blanks for use in prescribing intoxicating liquors during any period of 90 days. The law itself authorizes the issue of a larger number of such blanks but only in the event of extraordinary conditions, and in order to prove those extraordinary conditions the physician is required to make application under oath to the supervisor of permits for the additional blanks, stating why he needs them. If he bases his request for additional blanks on the existence of an epidemic, he is required to support his application by evidence of the local health authorities showing the presence of the epidemic. It can be readily seen, therefore, that in case of an emergency the physician might be without prescription blanks for some time before he could get an additional supply. This bill corrects that situation by leaving the authority to control the quantities which may be prescribed to administrative regulations, which obviously can be made much more flexible than the statute.

Doctor Woodward further testified—page 12 of the hearings—as follows:

The objection on the part of the American Medical Association, and, I think, of physicians generally outside of the association, is to the limitation on the quantity of liquor that may be prescribed for any one patient. You may search in vain for anything in any congressional hearing or in any court case, so far as I know, and nowhere will you find a scintilla of evidence to support the quantitative limits that have been placed on prescribing. They are arbitrary and, so far as I can discover, they are based on guesswork

one advantage of regulations lies in the fact that they can be changed from time to time, if necessary, in order to meet conditions that develop. If under regulations it is found that one quantity is too large or too small, it can be altered.

Doctor Doran, Commissioner of Industrial Alcohol, testified before the subcommittee of the Judiciary Committee (pp. 18 and 19 of the hearings) as follows:

If that were removed from the statute and the Secretary of the Treasury and Attorney General given authority, as they now have the general authority, to deal by regulation with the question of frequency and quantity with respect to individual patients, it is my opinion that a satisfactory regulation—that is, satisfactory to the American Medical Association and satisfactory from the viewpoint of the Treasury, at least, in the administration of this law—could be drawn and abuses with respect to diversion would not arise. There is ample remedy under the act to curb diversion—the examination of the physician's office records, the authority to cite for revocation, and the inquiry that is possible under the revocation procedure sections is, in my opinion, ample means of curbing the unethical practitioner.

Doctor Doran further testified as follows:

Cases may arise undoubtedly where the 1-pint limitation as to spirituous liquor is onerous, due to the distance from the drug store, outlying rural communities, and with respect to the 1-quart limitation as to wine. In my opinion that might also be made the subject of exception by regulations, where a special showing might be made, the sole purpose being to take care of those occasional, outstanding, and meritorious cases with respect to quantity. But with respect to frequency, I believe that statutory limitations should be withdrawn—frequency as to any one patient.

Both Doctor Doran and Colonel Woodcock stated that the bill now before us would be an aid to enforcement.

Section 2 of this bill was originally proposed as an amendment to H. R. 10524, previously introduced by me. The instant bill is in effect identical with H. R. 10524 except for the addition of what is now section 2 of the instant bill. That provision was submitted to the Treasury Department for comment and recommendations in response to which

the aforesaid letter signed by Hon. A. A. Ballantine, Acting | Secretary of the Treasury, was received, which letter reads as follows:

> TREASURY DEPARTMENT, Washington, January 9, 1933.

Hon. EMANUEL CELLER,

House of Representatives.

My Dear Mr. Celler: Your communication of December 15, 1932, relative to pending bill (H. R. 10524), regarding prescriptions for medicinal liquors, has been given careful consideration. I note that you are considering the following amendments:

1. Insert as the second section thereof the following:

"Strike out section 8 of Title II of the national prohibition act

and insert in lieu thereof the following:

"'SEC. 8. The commissioner shall cause stamps to be printed, the design of which shall be prescribed by regulations in accordance with the provisions of this act, and he shall furnish the same free of cost to physicians holding permits to prescribe. Each such physician shall affix one of said stamps to each such prescription written by him and shall cancel same under regulations to be prescribed in accordance with the provisions of this act. No physician shall prescribe and no pharmacist shall fill any prescription for liquor unless such stamp is affixed thereto.

"Every person who, with intent to defraud, falsely makes, forges, alters, counterfeits, or reuses any stamp made or used under any provision of this act, or with such intent uses, sells, or has in his possession any such forged, altered, or counterfeited stamp, or any plate or die used or which may be used in the manufacture thereof, or who shall make, use, sell, or have in his possession any stamp required by this act, shall, on conviction, be punished by a fine not exceeding \$1,000, or by imprisonment at hard labor not exceeding two years."

2. Renumber section 2 as section 3.

2. Renumber section 2 as section 3.
3. Strike out the old section 3, and insert as section 4:
SEC. 4. Subdivision (a) of section 5 of the prohibition reorganization act of 1930 is amended to read as follows:

action act of 1930 is amended to read as follows:

"The Attorney General and the Secretary of the Treasury shall jointly prescribe all regulations under this act and the national prohibition act relating to permits and prescriptions for liquor for medicinal purposes, and the quantities of spirituous and vinous liquor that may be prescribed for medicinal purposes, and the form of all applications, bonds, permits, records under such acts: Provided, That all regulations relating to the Bureau of Prohibition in the Department of Justice shall be made by the Attorney General."

General."

At the hearing held last spring before the subcommittee of the House Committee on the Judiciary, the Commissioner of Industrial Alcohol favored the passage of the bill with the amendment set forth in section 4, which you have quoted, which in effect gives the Secretary of the Treasury and the Attorney General joint power in the regulation of prescriptions.

The other amendment, dealing with section 8 of the national prohibition act, proposed by you, provides for the use by the physician of his own prescription blank in prescribing liquor for medicinal purposes. In connection with the use of the physician's own blank, there will be affixed thereto an official stamp which will be printed and issued to the permittee, as provided by regulations. The section also provides for a penalty for the forging or reusing of these stamps.

of these stamps.

These proposed amendments meet with my approval as they seem to be in line with the desires of the American Medical Association and are in accord with the general purpose of the bill. Incidentally, they will result in the saving of approximately \$110,000 per annum to the Government when the present supply of prescription blanks is exhausted. There is now on hand a little over one year's supply of the present form, which would indicate that the effective date of the amendment should either be made subject to regulation, or specified in the bill as not earlier than January 1, 1934.

Very sincerely yours,

A. A. BALLANTINE, Acting Secretary of the Treasury.

Nobody in the hearings, either before the House or Senate committees, appeared in opposition to the bill. I am reliably informed, although I have no exact knowledge on the subject myself, that the Anti-Saloon League is unopposed to this bill. They have not stated that they favored the bill, but Mr. Dunford, attorney for the Anti-Saloon League, was present, I am informed, at the Senate subcommittee hearings, and voiced no protest whatsoever against the terms of this bill. So we might reasonably infer that the Anti-Saloon League is not opposed to this bill. If I am in error perhaps someone close to that organization might enlighten me. I do not desire to misstate the fact in any respect. I presume nobody in this Chamber has received any communication from any "dry" organization, for example, in opposition to this bill. I thoroughly believe that. If I am mistaken perhaps someone will arise in his or her seat and direct my attention to such a communication of with so little whisky in the country if a limitation is not

opposition or protest. Again I do not wish to misstate any fact

This bill leaves the States with utter freedom to act. Nothing therein prevents any State from prohibiting physicians to prescribe. We do not take the right away from the State of Georgia, for example, or Alabama or Kansas or Tennessee or Maine, in their proscriptions against doctors prescribing liquor. Any State can pass any kind of restriction it wills, within its police powers on the subject.

There are some States at the present moment precluding the right of doctors to prescribe medicinal liquor. I believe there are about 13 in number at this time. At the last election the States of Oregon, Washington, Arizona, West Virginia, and Montana joined 24 States earlier permitting the prescription of medicinal liquor by doctors. So I would suggests that the gentleman from those "doctor prescribing" States should follow the growing liberal sentiment in their States in the interest of lifting these irksome restrictions from doctors practicing in those States.

Colorado next June will permit physicians to prescribe. Indiana, I believe, last week voted the right to have dectors prescribe. Michigan and North Dakota changed their constitutions, enabling the legislature, when it wishes, to permit doctors to prescribe. In Idaho and Wyoming I understand there have been referenda favorable to a liberalizing of all laws on the subject of liquor-including medicinal liquor.

I hesitate to take any more of the time of the committee, except to state this: Under the present régime, a doctor must file his stubs and books and records, and the ailment for which the liquor is prescribed, if we go to him and he prescribes liquor. He must file that in a central office where the nature of the disease of the patient is open to the scrutiny and curious gaze of any underling in that department.

It is known that this has given rise to blackmail in several of the offices throughout the country, where irresponsible snoopers, knowing that a person, for example, suffered from syphilis, for which the doctor prescribed whisky, blackmailed the poor unfortunate person thus afflicted.

We do not take away the right to visitation on the part of Government officials, either of the Treasury Department or of the Attorney General's office, to go to the doctor's office and see what the doctor is doing-see if he is abusing his privileges—but the doctor need not under this bill transmit his records to the department, there to be gazed upon by the curious and idle.

Mr. BACON. Mr. Chairman, will the gentleman yield?

Mr. CELLER. I yield.

Mr. BACON. Did I understand the gentleman to say that both Doctor Doran and Mr. Woodcock are in favor of this bill?

Mr. CELLER. Both these gentlemen testified they were in favor of this legislation and that it would be an aid to enforcement.

Mr. BACON. Furthermore, did they state how much it would save a year?

Mr. CELLER. The Acting Secretary of the Treasury, Mr. Ballantine, stated it would save \$110,000 a year. The Government now prints the prescriptions on very fine paper. on bond paper. This act would enable the doctor to use his own prescription upon which he will affix and cancel appropriately a stamp which the doctor would procure from the Commissioner of Prohibition. These prescriptions cost the Government something like \$110,000 a year and this money would be saved by the adoption of this resolution. The prescription blanks are given to the doctors without charge. The stamps would likewise be furnished without charge.

Mr. WILLIAM E. HULL. Mr. Chairman, will the gentleman yield?

Mr. CELLER. I yield.

Mr. WILLIAM E. HULL. In writing this bill was any consideration given the matter of limiting the price of a prescription? The gentleman can see where the price will run put on the price. I think such a limitation should be included in the bill.

Mr. CELLER. I do not think it would be fair to the medical profession to put into the bill something as unreasonable as the cost of a prescription. I do not believe the doctor charges for the prescription. The doctor charges for his services. The prescription is incidental.

Mr. WILLIAM E. HULL. Under this bill the doctor may charge what he pleases. There is so little whisky in the country that the result will be the price will run up to such an extent that the average person will not be able to buy it.

Mr. CELLER. If there is little whisky now, what is to prevent more whisky from being made or imported? I do not think it would be well to amend the bill as the gentleman suggests, because it has the approval of all the departments in question, of the American Medical Association, involving 160,000 physicians throughout the country. I think any change might imperil the passage of the bill. Let us trust the physician. We intrust him with our lives; we can trust him not to charge unduly for his services.

Mr. WILLIAM E. HULL. I shall not object to the bill.

Mr. GARBER. Mr. Chairman, will the gentleman yield? Mr. CELLER. I yield.

Mr. GARBER. Section 2 limits the prescription to spiritous and vinous liquors. Why was not malt included?

Mr. CELLER. The gentleman may remember the celebrated case in which the Supreme Court handed down a decision—the Lambert case—that there was no therapeutic value in malt liquor. I do not agree with it. I should like to have had beer included along with vinous and spiritous liquors, but I bowed to the superior judgment of the Ameriman Medical Association. Its house of delegates wrote this bill without the inclusion of beer.

Mr. GARBER. The food value of malt liquor is superior to that of spiritous and vinous liquors.

Mr. MOORE of Ohio. Mr. Chairman, will the gentleman vield?

Mr. CELLER. I yield.

Mr. MOORE of Ohio. Does the gentleman know whether this bill in its present form has been approved by either the Department of Justice or the Treasury Department?

Mr. CELLER. Yes, indeed. The bill in its present form was approved by both these departments.

Mr. MOORE of Ohio. Where is there indication to that

Mr. CELLER. There is incorporated in the report a letter from Mr. Ballantine, and the amendments he mentions were incorporated in the bill.

Mr. MOORE of Ohio. Have there also been included in the bill all the rules and regulations recommended by Doctor Doran, the Commissioner of Industrial Alcohol?

Mr. CELLER. Yes, indeed. The changes spoken of by Mr. Ballantine in his letter, which will be found on page 5 of the report, involve and embrace the very changes Doctor Doran advised and of which he said that unless they were in the bill he would not support it. He said that with those changes in the bill he would support it. Those changes have been incorporated in the bill.

The present severe limitations on the quantities of liquor obtainable on prescription and the requirement of records disclosing the patient's ailment discourage many doctors from qualifying to prescribe, and makes it impossible in many instances for doctors who have thus qualified to prescribe sufficient quantities for their patients. Many doctors who have thus qualified nevertheless are loathe to involve themselves in the irritating intricacies of the prescription procedure. Thus patients are often driven to illicit channels for their supply of medicinal liquors. The record shows that only a very small amount of pure legitimate medicinal liquors are diverted to beverage use, while the amount of illicit liquor used for medicinal purposes is believed to be large.

All that this bill does is to permit the physician to treat the diseases of his patients and to promote their physical well-being according to the exercise of his best skill and scientifically trained judgment, subject to such regulations

as are found by the administrative officers to be necessary to prevent diversion of medicinal liquors to beverage use.

Finally, this bill, therefore, has the following advantages: First. It will aid in enforcement.

Second. It is in the interest of economy, as it involves a saving of \$110,000 per annum in Government printing costs.

Third. It removes the irritations which now harass and cause resentment of an honorable profession.

Fourth. It will encourage the procuring of pure medicinal liquors by the sick from legitimate sources.

Fifth. It will not in any way adversely affect the enforcement of the prohibition on the beverage-liquor traffic.

Mr. BLANTON. Mr. Chairman, I ask recognition. Mr. Chairman, I ask unanimous consent to revise and extend my remarks and to include the present law paralleled with the changes this bill makes, and certain other excerpts I shall refer to.

The CHAIRMAN (Mr. PALMISANO). Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. BLANTON. Mr. Chairman, this is a bill that will make saloons out of the drug stores of the country, and bartenders out of the druggists, and bootleggers out of the doctors. It is the worst measure we have had, worse than the repeal resolution, because the fathers and mothers in the States will stop it, and worse than the beer bill-even worse than that—because this bill legalizes the sale of whisky, by paying unscrupulous doctors \$3 for every prescription. And some doctors would issue a thousand prescriptions a day.

The wets right now are running true to form. They have everything greased. This bill was introduced by a great wet leader from New York [Mr. CELLER]. The rule brought in here to make it in order was brought in by another great wet leader from New York [Mr. O'CONNOR], the coauthor of the beer bill. It is most fitting that wets should have the honor now of having to preside over these deliberations as our Chairman a former bartender, the gentleman from Maryland [Mr. Palmisano]. He ought to have on a white apron to make the setting complete. And when you pass this bill you ought to put a white apron on every prescription doctor in the United States, for they will all be bartenders, selling whisky prescriptions promiscuously at \$3 per pint.

The present law says that a doctor shall not prescribe more than 1 pint of whisky to a patient in 10 days. This bill takes off that limitation. Prescription doctors under this bill can prescribe as many pints of liquor per hour as he can find millionaires and other men with loose money and a terrible thirst to pay \$3 a prescription for. This bill simply puts doctors and drug stores in the saloon business.

I have permission to parallel the present law side by side with how it will read when changed by this bill. Here it is:

PRESENT LAW

LAW AS CHANGED BY THIS BILL

Not more than a pint of spiritous liquor to be taken internally shall be prescribed for use by the same person within any period of 10 days, and no prescription shall be filled more

No more liquor shall be prescribed to any person than is necessary to supply his medici-nal needs, and no prescription shall be filled more than once.

Of course, Mr. Chairman, the doctors are in favor of this proposed change in the law, for many of them are prescription doctors, and the prescription doctors speak louder than the others. They are turned loose, and they determine "his medicinal needs," and their conscience is their guide, and some of them have not any conscience any more. Naturally the doctors agree that "no prescription shall be filled more than once," because they get \$3 for each prescription. And this bill gives the doctors this further "deuces wild with ace in the hole" provision, which you will find on page 2 of this bill, which I quote:

But no physician shall be called upon to file any statement of such ailment in the Department of Justice or the Department of such ailment in the Department of Justice or the Department of the Treasury or in any other office of the Government, or to keep his records in such a way as to lead to the disclosure of any such ailment, except as he may be lawfully required (1) to make such disclosure in any court or in the course of a hearing under authority of section 9, Title II, of this act, or (2) to make such disclosure to any duly qualified person engaged in the execution or enforcement of this act or any act supplementary hereto.

Mr. Chairman, it is simply ridiculous to pass a bill with | the above provisions in it. If there is one thing about the prohibition laws that has disgusted every decent citizen in the dry States, it is what they have personally witnessed respecting whisky prescriptions being issued by prescription doctors at \$3 per, to drinking rounders who were never sick in their lives, except when they got too many prescriptions on one day from the saloon-drug stores. The thinking people at home are disgusted with it. And they are going to hold every Congressman responsible who votes for this bill, and thereby takes the bridle off of these prescription doctors and these prescription drug stores and allow them to run wild.

The provision in this bill about doctors putting a whisky stamp on each of their prescriptions is so amusing that it is downright funny. Why these prescription doctors will lick these stamps so fast they will not have time for anything else except to collect their \$3 between each lick. Just take a close look at this stamp provision of the bill. It means nothing. Doctors will get these stamps by the thousands. They will lick them faster than they get them. And they will get \$3 for each stamp, and will pay nothing for the stamps, and the Government will get nothing from the stamps. It is just a lot of useless words thrown together. Here it is, look at it:

The commissioner shall cause stamps to be printed, the design of which shall be prescribed by regulations in accordance with the provisions of this act, and he shall furnish the same free of cost to physicians holding permits to prescribe. Each such physician shall affix one of said stamps to each such prescription written by him and shall cancel same under regulations to be prescribed in accordance with the provisions of this act. No physician shall prescribe and no pharmacist shall fill any prescription for liquor unless such stamp is affixed thereto.

The CHAIRMAN. The time of the gentleman has expired. Mr. BLANTON. Mr. Chairman, I yield to myself five minutes additional.

I see before me one of our distinguished colleagues who comes from the State that sent our extremely wet colleague, Mr. Horr, here from Washington, a splendid colleague who, as an expert, has practiced medicine for 30 years, and who has as many medical diplomas and who has served in as many hospitals as almost any other doctor in the country, our good friend, Doctor SUMMERS of Washington. He has trained in important hospitals in Chicago, New York, London, Berlin, and Vienna. I wonder if he would let me ask him a question. Do you mind, Doctor?

Mr. SUMMERS of Washington. I do not know whether I can answer it or not.

Mr. BLANTON. I would like to ask Doctor SUMMERS whether or not, after his long experience in hospitals, and after all of his experience as an old-line medical practitioner in this country, one of the old school, a regular doctor, he considers it absolutely necessary to prescribe whisky for anybody.

Mr. SUMMERS of Washington. The medical profession is divided about 50-50 as to the necessity for the use of alcoholic liquors in the treatment of their patients. Personally, I found that the patient was much more anxious to have the prescription, in the earlier days, than the doctor was to prescribe it [laughter], and so, about 25 years ago I quit prescribing it absolutely, and found that something else, aromatic spirits of ammonia or strychnine or something of that kind would serve just as well, or better.

Mr. BLANTON. Then our distinguished expert friend on medicine considers it unnecessary to prescribe whisky?

Mr. SUMMERS of Washington. Yes; it is unnecessary, in my judgment, in the treatment of disease.

Mr. BLANTON. I see another distinguished doctor in the House-

[Cries of SIROVICH!]

Mr. BLANTON. Just a minute. I can not call on any doctor who claims that he can improve on God Almighty's formula for milk. I am speaking of a distinguished physician from wet Pennsylvania, a man who has practiced medicine in the State of Pennsylvania for 20 years, our dis-

tinguished colleague from Beaver Falls, Doctor Swick. I wonder if he would let me ask him a question.

Doctor, is whisky prescribed by good doctors to men afflicted with syphilis?

Mr. SWICK. Not to my knowledge.

Mr. BLANTON. Not to his knowledge! So what our friend from New York, Mr. Celler, said about that falls flat to the ground and you see that there is nothing in his argument.

I want to say this, Mr. Chairman: I have lots of respect for some of the good bartenders, for some bartenders are good. There are lots of them who are honest. [Laughter.] There are lots of them who do not drink. Oh, they will sell the infamous stuff to other people and let them ruin their souls and go down to degradation and carry their families with them but they do not drink themselves. I know some of them who will pay their debts, I know some of them who are truthful, I know some of them whom you can depend upon; they have some respect for themselves and for their fellow man; but you show me a doctor who, in his office, when he knows it is not necessary, will take \$3 from a man to give him a little old prescription for a pint of liquor just because he can get \$3 from him and I say he is the most damnable and despicable piece of humanity that I know of.

Mr. SCHAFER. Will the gentleman yield?
Mr. BLANTON. Does the gentleman approve of that kind of a prescription doctor?

Mr. SCHAFER. No; and if the gentleman will support an amendment which I intend to offer, the doctor can only

ring up \$3 once in his till for a prescription. Mr. BLANTON. Oh, our New York friends in this bill

are fixing it so that every millionaire who carries a flask on his hip, whose money was inherited from forbears whose pastime was clipping coupons, can get all he wants from the doctors by paying them \$3 for each prescription, and paying the drug stores \$4 per pint, but the poor devil who works and needs all of his money to buy meat and bread for his wife and little children can not get it at all. This is a rich man's bill, to give liquor to the rich and keep it from the poor. I am for prohibition and against all liquor, but God knows I would sooner vote for a bill that would give the same rights and privileges to the poor that you hand over on a silver platter to the rich.

Are you going to support a measure like this? The poor laborer who works on the streets for \$4 a day, can he pay a doctor \$3 for a prescription? No. Can he pay \$4 per pint at a drug store? No. I know doctors in my own State who. to my own knowledge, have written up a bunch of prescriptions, signed their names in blank, and have let them stay in the drug store and people have gone there and bought pint after pint of liquor without the doctor ever seeing them or knowing them; but the doctor got \$3 for every prescription, and the drug store got \$4 for every pint that was thus sold. It is simply demoralizing. Do you want to turn them loose and let them issue any number of prescriptions they want per day for \$3 a prescription and then let the drug stores fill these prescriptions without limit and charge the people \$4 a pint? If you do, you do not realize the true sentiment of the people back home and you do not stand for American equality of rights and privileges.

It is claimed that Doctor Doran and Colonel Woodcock and Attorney General Mitchell are all for this bill. If they are, what of it? None of them are real prohibitionists. They are merely administrators of the law as they find it. No real prohibitionist is in favor of letting doctors issue whisky prescriptions at \$3 per and drug stores to sell it at \$4 per pint without limit. If they are for this bill, they are

I am not in favor of this bill. This bill ought to be defeated just like we defeated the last bill. You ought to strike out the enacting clause of this bill and kill it. And we must have a record vote on it so the people may hold responsible those who vote for it.

Mr. Chairman, I reserve the balance of my time and yield five minutes to the gentleman from Arkansas [Mr. MILLER]. The CHAIRMAN (Mr. Cole of Maryland). The gentle-man from Arkansas is recognized for five minutes.

Mr. MILLER. Mr. Chairman, I do not think I can be classed as a fanatic on the liquor question. I voted for the submission of the question of the repeal of the eighteenth amendment to the States, but here a different question is presented. There are many reasons why this bill should not be enacted into law, and I want to discuss briefly some of those reasons which, to my mind, demand the defeat of this bill.

Under the law as it now stands the amount of whisky that may be prescribed for medicinal purposes is limited by law. If this bill is enacted, that limitation is removed and destroyed entirely.

The next proposition is that under the present law any physician—and I have as much respect for the medical profession as any man; they are just as honorable as any profession in our land to-day; I am not opposed to the bill because of any prejudice against the medical profession—is limited to 100 prescriptions in 90 days. In this bill that limitation is destroyed.

The next proposition is that under the present law the quality of medicinal liquor is defined, and under this bill all limitations are destroyed and anything may be prescribed. In other words, any liquor that comes under the definition of spirituous and vinous liquors may be prescribed.

When you enact this law you are taking the bridle off entirely; you are destroying all limitations and putting it in the hands of unscrupulous men, if there be any, in the medical profession. I am willing to leave the question to you as to whether or not it would be abused. You are taking off the limit entirely and allowing liquor in unlimited quantities.

I want to call your attention to the report on page 7:

The Attorney General and the Secretary of the Treasury shall jointly prescribe all regulations under this act and the national prohibition act relating to permits and prescriptions for liquor for medicinal purposes, and the quantities of spirituous and vinous liquor that may be prescribed for medicinal purposes, and the form of all applications, bonds, permits, records, and reports under such acts: Provided, That all regulations relating to the Bureau of Prohibition in the Department of Justice shall be made by the Attorney General.

The question is at this time, as long as the eighteenth amendment exists and is a part of our basic law, the Constitution, and the Volstead law remains on the statute books, are we going to delegate the enforcement of that law to any set of men in this country? Are we going to take the bridle off? Let us wait. We submitted the question to the people. Let us not break the law down; let us not create more disrespect for the laws of our country than now exists.

The question will be presented to the people. If that law is repealed there will be ample time to make regulations, ample time to make these changes.

I have not heard, and I doubt whether any man has ever heard, of any person dying from the want of liquor to be prescribed. But that is neither here nor there. The question I am particularly impressed with is that by the enactment of this bill you remove every safeguard that exists under the present law. [Applause.]

You are giving to every physician in this country the right to prescribe intoxicating liquor to any person who can pay for the prescription in any quantity and at any time. The physician is the sole judge. Is it fair and proper to place this unlimited power in the hands of all physicians? Are there not some who will abuse it? Is it not the entering wedge for the repudiation of the present laws and the Constitution? To say that not all physicians will abuse the right is no answer. The question is, Will we not be giving this power to some of that great class who will abuse the power? No one has to make any report to anyone. This bill simply in its last analysis gives the power to a class of men to nullify our Constitution and our statutes. I appeal to you in the name of law and order to not pass this bill. Let the people act on the question that has been submitted. If the people in the manner as pointed out by our law and Constitution repeal the eighteenth amendment, then the necessary

changes can be made in the statutes; but this House should not do by indirection what it can not do directly, and that is what will be done if you pass this bill.

I can not understand how any man can support this bill as long as our Constitution and the Volstead law remains unchanged by the people. I hope you will not act without reason and that you will not be a party to the passage of this bill and thus lend your aid to the undermining of the Constitution and the nullification of the same. One provision of that great document should be as sacred as any other, and, as for me, I shall not lend my aid to any movement or bill that tends toward nullification by placing the power in the hands of any set of men, no matter how honorable they or their profession may be, to set aside the law and make the question of obtaining liquor one of conscience and judgment of the medical profession. [Applause.]

[Here the gavel fell.]

Mr. DYER. Mr. Chairman, I rise to make a request for recognition of some one on this side. Forty minutes' debate have been allotted. Already 25 minutes of the time has been consumed, 10 by the gentleman from Texas [Mr. Blanton], 10 by the gentleman from New York [Mr. Celler], and 5 by the gentleman from Arkansas [Mr. Miller].

Mr. BLANTON. Mr. Chairman, that by the action of the House the time was divided, 20 minutes to the gentleman from New York and 20 minutes to myself.

The CHAIRMAN. The point of order is sustained.

Mr. DYER. I want to say in just half a minute that it is most unfair for one side of the House to consume all of the time.

Mr. CELLER. Mr. Chairman, I yield seven minutes to the gentleman from Missouri.

Mr. DYER. Mr. Chairman, I only want one or two minutes. Personally, I do not believe any further time is desired in general debate upon this bill, and, so far as I know, on this side we are ready to vote. I ask the gentleman to facilitate the vote. I yield back the remainder of my time.

Mr. CELLER. Mr. Chairman, I yield one minute to the gentleman from Maryland [Mr. Goldsborough].

Mr. GOLDSBOROUGH. Mr. Chairman, I am opposed to this bill and shall vote against the bill, but on behalf of the Maryland delegation I rise to say that we resent the reflection upon the gentleman from Maryland [Mr. Palmisano] made by the gentleman from Texas [Mr. Blanton]. [Applause.] The gentleman from Maryland [Mr. Palmisano] has risen over great obstacles to a place of distinction and great honor, and the Maryland delegation is proud that he is one of it. [Applause.]

Mr. BLANTON. Mr. Chairman, I yield myself half a minute. Personally I am a good friend of the gentleman from Maryland [Mr. Palmisano]. He knows that in the reference I made there was nothing personal and that I would not in any way reflect upon his standing here. We fraternize together and work together, and we get along splendidly, even though I am a fundamental dry and he is a fundamental wet. He is not ashamed of having been a bartender, but frequently mentions it himself, hence there was no impropriety or violation of friendship for me to mention that fact. To show that I am a good sport I yield two minutes of my time to the distinguished gentleman from Maryland [Mr. Palmisano] so that he may have the floor and speak in his own behalf.

Mr. PALMISANO. Mr. Chairman, I had asked to have two minutes from the gentleman from New York [Mr. Celler] so that I might tell the Members of my position. Yes; I have been a bartender and I never have denied it. [Applause.] I command the respect of every man, woman, and child in my district; and I say to you that my district, while I am of Italian birth, is not Italian in make-up at all. There are more Germans, Irish, Poles, Armenians, and colored people in my district than there are Italians. It is due to the respect that they have for me that I am a Member of this House. I have never denied that I was a bartender, and I want to say to you, my friends, that that is one of the reasons I am against prohibition. When I was a

bartender I saw the evils and the good and I see the evils and the good to-day. Before prohibition I was threatenend with being killed because I would not sell a man a glass of beer who was under the influence of liquor. There was a young man 25 years of age in my family that was unable to obtain a glass of beer because of his youthful appearance. To-day young men, boys, and girls are different from what they used to be, and it is disgraceful to see them in the dance halls with bottles of liquor on their person. Young girls in the days before prohibition would not associate with a man who had a bottle of liquor. [Applause.] To-day unless you have a bottle of liquor they will not tolerate you. [Laughter and applause.]

Mr. CELLER. Mr. Chairman, I yield three minutes to

the gentleman from Pennsylvania [Mr. Boland].

Mr. BOLAND. Mr. Chairman, I want to ask Mr. Blanron's Exhibit B, my colleague from Pennsylvania, Doctor Swick, if he ever knew of doctors prescribing liquor for miners' asthma?

Mr. SWICK. Yes; I have. They have done that.

Mr. BOLAND. There is no question about it. At least I have brought out that fact. The question that seemed to worry me more than anything else in regard to this bill is how they arrived at the conclusion that 1 pint of liquor every 10 days for a patient was the proper prescription, and by what evidence they limited it to 100 prescriptions in 90 days. I believe it must have been guesswork on the part of laymen to tell doctors what was necessary for a patient, and I believe the law was entirely wrong in trying to conduct the business of the medical profession. I have a statement here from Judge Kenyon, who was a member of the Wickersham commission, an ardent dry, and he says:

Some of the physicians who have appeared before us made no Some of the physicians who have appeared before us made no objection to the restrictions upon physicians in the way of liquors as medicines. They differ as to the necessity for such use, but the majority of them resent these restrictions as to the maximum amount of alcohol that may be permitted to a patient within a given period, placed upon them by laymen who have no knowledge of the needs thereof, as do they, as a reflection on the medical profession. Physicians should be permitted under reasonable regulations to prescribe whatever liquor in their judgment is necessary for a patient. If a physician can be trusted to prescribe dangerous drugs, he can be trusted to prescribe liquors as medicine. medicine.

Mr. SWICK. Will the gentleman yield?

Mr. BOLAND. My time has expired.

Mr. BLANTON. Mr. Chairman, I yield one-half minute to the gentleman from Pennsylvania [Mr. Swick].

Mr. SWICK. I just wanted to ask the gentleman from Pennsylvania [Mr. Boland] about this report that he read, and suggest to him that the judge there mentions specifically "under reasonable regulations." Just what regulations are there under this particular bill?

Mr. BOLAND. The Attorney General and the Treasury Department.

Mr. BLANTON. Mr. Chairman, I yield two minutes to the gentleman from Maine [Mr. BEEDY].

Mr. BEEDY. Mr. Chairman, I rise principally for information. If there is to be any regulation it surely comes under section 8 of this bill. This bill, as a whole, if it passes and is signed by the President, becomes law at once, but the one regulatory section of it is not to become effective until January 1, 1934, within which time all the stamp provisions and the penalty for violation are in abeyance, and the door is wide open to wholesale abuses. Why was the bill left in such shape?

Mr. CELLER. The effective date of that particular provision was January 1, 1934, because they have supplies of prescription blanks now on hand, which would last until that date. That is, throughout the calendar year 1933, after which that type of prescription will be discarded and the doctor may use his own prescription with a stamp, which he must cancel, the stamp to be furnished by the Government.

Mr. BEEDY. And the present prescription requires a stamp?

Mr. CELLER. The present supply consists of prescriptions issued in triplicate. They are of bond paper of a certain weight and fineness, so as to prevent counterfeiting.

Mr. BEEDY. That form of prescription will not be effective under this law?

Mr. CELLER. That will be effective until the supply is exhausted, which will be January 1, 1935.

Mr. BLANTON. But there will not be any limitation on the number of prescriptions.

Mr. CELLER. Oh, yes; there will.

The CHAIRMAN. All time has expired. The Clerk will

The Clerk read as follows:

Be it enacted, etc., That (a) the third sentence of section 7 of Title II of the national prohibition act, as amended, is amended to read as follows: "Subject to regulations, no more liquor shall be prescribed to any person than is necessary to supply his medicinal needs, and no prescription shall be filled more than once

once."

(b) Section 7 of Title II of such act, as amended, is further amended by inserting before the period at the end thereof a semicolon and the following: "but no physician shall be called upon to file any statement of such aliment in the Department of Justice or the Department of the Treasury or in any other office of the Government, or to keep his records in such a way as to lead to the disclosure of any such ailment, except as he may be lawfully required (1) to make such disclosure in any court or in the course of a hearing under sutherity of section 9. Title II. or in the course of a hearing under authority of section 9. Title III, of this act, or (2) to make such disclosure to any duly qualified person engaged in the execution or enforcement of this act or any act supplementary hereto."

Mr. SCHAFER. Mr. Chairman, I offer an amendment. The Clerk read as follows:

Amendment offered by Mr. Schaffer: On page 1, line 7, after ne word "needs," strike out the balance of line 7 and all of the word

Mr. SCHAFER. Mr. Chairman, it is a very strange situation in which we find ourselves, with reference to the disposition of the time allotted for general debate on this bill. The Republican gentleman from Missouri [Mr. Dyer] takes about three minutes of time, out of order, to bitterly denounce the fact that the Republican Members of the House did not have time yielded to them, and at the same time indicating that he did not want any time, and precluded Members who had bona fide amendments from having an opportunity to discuss those amendments as promised by the distinguished Democrat who had the disposition of the time for those in favor of the bill.

Mr. DYER. Will the gentleman yield?

Mr. SCHAFER. I yield.

Mr. DYER. The gentleman, I am sure, does not want the impression to go that he requested any time of me. He said he had an amendment.

Mr. SCHAFER. No. I had requested time from the distinguished Democrat of this House, Mr. Celler, who was the only Member who had time to allot under the general debate to those favoring the bill. However, the Republican gentleman from Missouri took up about two or three minutes of the time of this House, out of order, raising objections to the fact that Republicans were not yielded time, and in fact I, as a Republican, was promised time, and was precluded from getting that time by reason of the action of my Republican colleague, who obtained the time, which he used to state that he did not desire time. Now, so much for that.

Mr. DYER. If the gentleman will yield, he did not say anything like that to me.

Mr. SCHAFER. Oh, the gentleman is not the Mussolini of this House that he claims to be or intends to be under his procedure in disposing of the time for general debate. The gentleman from New York and not the gentleman from Missouri had charge of the time.

Now, Mr. Chairman, this is a bona fide amendment. My opposition to this bill in its present form is not that it goes too far, as indicated by the gentleman from Texas [Mr. BLANTON], but that it does not go far enough. For instance, if a poor man with a case of miner's asthma or chronic bronchitis, as was called to the attention of the House by the distinguished Member on the other side, has to obtain medicinal liquor to keep from going into the care of an undertaker, if he consumes 1 pint he must go to his physician and pay a tribute of three or four or five dollars for

a prescription for the second, and two or three or four dollars more for a prescription for the third pint, and so forth.

When we obtain a prescription from a physician for cough medicine to cure such ills as a cold, it is not necessary to obtain a new prescription and pay tribute to the physician each time the bottle of cough medicine has been consumed in order to get another. So I say this amendment is fair and is reasonable. If you want to take care of the poor, sick, common man who needs medicinal liquor and who does not have the funds to go back and pay toll to the doctor for a new prescription two or three or four or five times or more in order to keep from going into the hands of the undertaker, you should vote for this amendment. I ask that you Members think of the poor sick patients and vote for my amendment and give them some relief and not be in a position of giving the medical profession a great monopoly at the expense of the poor and unfortunate. The objection to my amendment, as apparently indicated by the distinguished Republican leader, the gentleman from Missouri, [Mr. Dyer], to the contrary notwithstanding. [Applause.]

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin.

The question was taken; and on a division (demanded by Mr. Celler) there were—ayes 23, noes 66.

So the amendment was rejected.

Mr. SNELL. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. SNELL. I understood the Chairman to say that the amendment was adopted, and after the Chairman had made that announcement the gentleman from New York called for a division.

Mr. BANKHEAD. I may say the gentleman from New York did not rise to his feet when he asked for the division. I admit he should have risen to his feet.

Mr. SNELL. The Chair can not recognize a man sitting in his seat.

Mr. BANKHEAD. I understand, but the gentleman asked the Chair for a division.

Mr. SNELL. I did not understand him to ask for it until the Chairman had announced the outcome of the vote.

The CHAIRMAN. The Chair may state to the gentleman from New York that the gentleman from New York [Mr. Celler] was seeking recognition at the time the Chair was making the announcement of the vote.

Mr. SNELL. I understood the gentleman to demand a division after the Chair had made the announcement.

The Clerk read as follows:

Sec. 3. Strike out the first paragraph of section 2 of the act entitled "An act supplemental to the national prohibition act, approved November 23, 1921," and insert in lieu thereof the following:

following:

"Sec. 2. Only spiritous and vinous liquor may be prescribed for medicinal purposes. All prescriptions for any other liquor shall be void. But this provision shall not be construed to limit the sale of any article the manufacture of which is authorized under section 4, Title II, of the national prohibition act."

Mr. SCHAFER. Mr. Chairman, I offer an amendment. The Clerk read as follows:

Amendment offered by Mr. Schafer: Page 3, line 14, after the work "spiritous," strike out the word "and" and insert a comma in lieu thereof, and after the word "vinous," in line 14, insert "and malt."

Mr. BANKHEAD. Mr. Chairman, I reserve a point of order against the amendment on the ground that it is not germane to the section.

Mr. SNELL. Will the gentleman reserve the point of order?

Mr. BANKHEAD. No. I make the point of order that we may get a decision.

Mr. SNELL. Mr. Chairman, will the gentleman again state his point of order?

Mr. BANKHEAD. The point of order is in line with a distinction that was very clearly drawn some time ago when another bill was before the House for consideration. The gentleman is undertaking, as I understand it, to in-

corporate with reference to provisions affecting spiritous liquors an entirely different type and kind of liquor, to wit, a malt liquor.

Mr. LaGUARDIA. The gentleman was in the chair at the time the so-called beer bill was before the House. I introduced an amendment extending it to vinous liquors, and the gentleman properly held that the bill was limited to one kind of liquor and that I could not amend it by adding another.

Mr. BANKHEAD. I am undertaking to be consistent.

Mr. LaGUARDIA. That is not what we have here.

Mr. SNELL. There are two kinds of liquor mentioned in this bill. The gentleman from New York seeks to add a third.

Mr. LaGUARDIA. In the bill at the present time are spiritous and vinous liquors.

Mr. BANKHEAD. Mr. Chairman, I withdraw the point of order.

Mr. SCHAFER. Mr. Chairman, I am certainly astounded to find the Democratic leader, the gentleman from Alabama [Mr. Bankhead] making a point of order against my amendment which would permit physicians to prescribe for medicinal purposes beer with an alcoholic content of about 4 per cent. Still the Democrats talk about bringing good beer back to the people! They do not even want a sick person to have a good glass of beer to aid in restoring his health.

The provision affected by this amendment permits physicians to prescribe intoxicating distilled liquors with an unlimited alcoholic content, and naturally fermented wine liquors with an alcoholic content up to 18 and 22 per cent. Yet this great Democratic leader, and the Democratic majority of the great committee reporting this bill want to deny a physician the right to prescribe a wholesome, beneficial, health-restoring glass of 4 per cent beer for medicinal purposes. A vast majority of the Members of this House have talked for beer. Now you have a chance to vote as you have talked.

It has been said that this amendment should not be incorporated because the Anti-Saloon League has not indicated that it should be. Rather strange that Members of the wet group of this House should look for the approval of the Anti-Saloon League before voting for this good amendment.

Oh, do not say it will be taken care of in the other body. Now is the time for all good Democrats to come to the aid of their party. [Laughter and applause.] Immediately, my dear friends, as promised in your platform, not a year or 2 years or 3 years or 5 years in the future, or perhaps when Noah may come back and build another ark.

I believe that my distinguished Republican colleague from that great city of St. Louis, of Anheuser-Busch fame, will rise up when the division and roll call is called for on this amendment and vote to permit physicians legally to prescribe a bottle or two or more of Anheuser-Busch 4 per cent beer to help restore the health of sick patients in St. Louis and other parts of the Nation.

Mr. DYER. Mr. Chairman, will the gentleman yield?

Mr. SCHAFER. I yield.

Mr. DYER. If the gentleman will provide that it shall not come from Milwaukee but from St. Louis, it will be better.

Mr. SCHAFER. When this amendment becomes law I would suggest that the gentleman have his physician prescribe Milwaukee beer once in a while, for if he is sick he will find Milwaukee beer will hasten his recovery better than some others.

Mr. Speaker, if it is proper to permit a physician to prescribe intoxicating distilled liquors with an unlimited alcoholic content, if it is proper to permit physicians to prescribe naturally fermented wines with an alcoholic content of 18 to 22 per cent, certainly it is reasonable and proper to permit them to prescribe for sick patients a health-giving tonic, a body builder, a mind builder, a health restoring malt product with an alcoholic content of 4 per cent.

Mr. WILLIAM E. HULL. Mr. Chairman, will the gentleman yield?

Mr. SCHAFER. I yield.

Mr. WILLIAM E. HULL. Does not the gentleman think a prescription costing \$3 is a pretty heavy charge for a 10-cent bottle of beer?

Mr. SCHAFER. My amendment does not limit the prescription to one bottle of beer any more than the bill as reported limits the prescription to a bottle of distilled spirits or wine.

If the gentleman's illness was not so severe the doctor might prescribe a few bottles. If it was more serious and extended over a period of times, the doctor might find it necessary to prescribe a case or several cases.

Of course, medical judgment, the condition of the patient, the nature of the illness, and so forth would control.

There is no justification for opposing this amendment. I do not see why every wet and every dry who supports the bill can not support this amendment. This bill is not sacred, as some of the so-called wets claim it is when opposing any amendment to it. If we could only obtain a roll call, under the parliamentary procedure, the amendment would be adopted by an overwhelming vote. There is not a wet or a dry that could go before the people and say it is O. K. for a physician to prescribe intoxicating distilled liquor of any alcoholic content or 18 per cent intoxicating wine, but that it is wrong to prescribe beer with an alcoholic content of 4 per cent for medicinal purposes.

[Here the gavel fell.]

Mr. CELLER. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, were I to consult my own wishes in this matter, I would gladly vote for the amendment of the gentleman from Wisconsin, but, as I said a moment ago, this bill has been very carefully and skillfully drawn by the American Medical Association, the highest medical authority in this country, whose State associations are nationwide. I fear if we add malt liquors to this bill, we may incur the opposition of the American Medical Association, particularly of its house of delegates that has heartily subscribed to the bill and has worked faithfully and ardently for it. I feel it might imperil its passage if we loaded it down with this amendment. Furthermore, as I said a moment ago, there has been no protest filed on the part of the Anti-Saloon League to this bill, and adding malt liquor might incur such a protest.

Mr. STAFFORD. Will the gentleman yield?

Mr. CELLER. Yes.

Mr. STAFFORD. Is it not more generally accepted among the medical profession that malt liquor or beer has better medicinal qualities than alcoholic whisky?

Mr. CELLER. I agree with the gentleman that there is a goodly portion of the doctors who think so.

Mr. STAFFORD. Then, is not this a reasonable amendment, because all doctors agree that beer has a sedative effect in the treatment of the sick.

Mr. CELLER. There is no doubt about it so far as I am personally concerned. So far as my limited medical knowledge goes, I agree with the gentleman about the efficacy of this particular amendment. But I dare not trust myself. I am out of my depth on medical matters. I rather rely upon the recommendations of the American Medical Association. I ask that the amendment be not agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin [Mr. Schafer].

The question was taken; and on a division (demanded by Mr. Celler) there were—ayes 89, noes 58.

So the amendment was agreed to.

Mr. BLANTON. Mr. Chairman, I offer an amendment. The Clerk read as follows:

Amendment offered by Mr. Blanton: On page 3, line 19, after the word "act," insert the following proviso: "Provided, That physicians shall not charge a poor man for liquor prescriptions."

Mr. LAGUARDIA and Mr. CELLER rose.

Mr. LaGUARDIA. Mr. Chairman, I make the point of order that the amendment is not germane to the bill or to the section of the bill.

Mr. BLANTON. Mr. Chairman, I want to be heard on that. Surely the gentleman from New York is in favor of

the poor man getting prescriptions for liquor the same as the rich man.

Mr. LaGUARDIA. The gentleman from Texas knows that that is not the question involved in his amendment.

Mr. BLANTON. I am in favor of giving the poor devils in the gentleman's district a chance. I know that the gentleman has a sympathetic heart for the poor man; and if he would allow my amendment to be passed, it would be possible for the poor man to get a prescription once in a while.

I am against this bill in its entirety, because it is opening wide the floodgates of liquor and making it possible for the idle rich, with more money than brains, to get all the liquor they want, simply by paying an unscrupulous doctor \$3 each for a batch of prescriptions every day, and then paying the druggist \$4 and \$5 a pint for all they want. But the poor man, who is not able to pay the doctor \$3 for his prescription, will not be able to get any liquor at all. Of course, he will be better off without it. But he should have equal rights with the rich, so far as Congress-made laws are concerned; and if my amendment is passed, he will be able to get his prescriptions without paying \$3 each for them. I hope the point of order will be withdrawn.

The CHAIRMAN. The Chair sustains the point of order of the gentleman from New York.

Mr. MOORE of Ohio. Mr. Chairman, I move to strike out the last word.

I only want to take a moment of the time of the House. I can not let go unchallenged the statement of the gentleman from Maryland [Mr. Palmisano] relating to the young people of this country.

If there is anything that I resent it is the unwarranted statement that is made time and again that all the young people of the country are drinking. I maintain they are still the cleanest and the brightest and the best young people that have ever come from the homes of this country, at any time, in any age. [Applause.]

But I want to call attention to this fact: Every system of control of the liquor traffic, whether it be by prohibition, State control, or control of the saloon, or whatever it be, is prohibition to the young people; and if they resent prohibition, they will resent the prohibition that will not let them buy in saloons. They will resent the prohibition that will not let them buy under State control, and I think it is about time that we should be fair in this matter, because every system is a system of prohibition to the young people. It is said they resent Federal prohibition. They could not buy in a saloon, they could not buy in a dispensary; and if they get liquor at all, they will have to get it from a bootlegger. It is about time we faced the truth. On behalf of the young people, I resent the unwarranted statements that most of our young people are drinking. Somebody ought to call attention to the fact that every method of control in civilized society is prohibition to minors. [Applause.]

Mr. PALMISANO. Mr. Chairman, I rise in opposition to the amendment. The gentleman from Ohio in his remarks implied that I referred to all the young people of the country. What I contended in my remarks was that before prohibition no young people could get a drink in a legalized saloon, but, of course, there may have been some exceptions. The trouble is the gentleman from Ohio is not acquainted with the conditions prior to prohibition.

Mr. MOORE of Ohio. Let me say to the gentleman that for four years I was prosecuting attorney, immediately before I came here 14 years ago, and I do know conditions before prohibition. There were violations of the liquor laws then, and, in my judgment, conditions in this respect were worse then than now.

Mr. PALMISANO. That was in the great State of Ohio, where the Anti-Saloon League came from. In Maryland we received a representative of the Anti-Saloon League who came from Ohio—the gentleman who is prosecuting the bankers on the other side for taking money from the Anti-Saloon League and making no proper return thereon. That is what we get from Ohio; and later on we received another

gentleman from Ohio who is now in the State of Maryland. That is the class of people that the gentleman from Ohio is talking about.

Mr. CELLER. Mr. Chairman, I move that all debate on this section and all amendments thereto now close.

The motion was agreed to.

The Clerk completed the reading of the bill.

Mr. SCHAFER. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Page 4, line 1, after the word "spiritous," insert a comma and the word "malt."

The CHAIRMAN. The question is on the amendment. The amendment was agreed to.

The CHAIRMAN. Under the rule the committee automatically rises.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. Cole of Maryland, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill H. R. 14395, and had directed him to report the same back with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

The SPEAKER. The question is on the amendments. Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The bill was ordered to be engrossed and read a third time.

Mr. BLANTON. Mr. Speaker, I demand the reading of the engrossed copy.

The SPEAKER. The engrossed copy is not here, and the vote will go until morning.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. Craven, its principal clerk, announced that the Senate insists upon its amendments to the bill (H. R. 14458) entitled "An act making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices for the fiscal year ending June 30, 1934, and for other purposes," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. Smoot, Mr. Keyes, Mr. Hale, Mr. Glass, and Mr. Copeland to be the conferees on the part of the Senate.

The message also announced that the Senate had agreed to the amendment of the House to a bill of the Senate of the following title:

S. 466. An act for the relief of the Allegheny Forging Co. The message also announced that the Senate had passed without amendment a joint resolution of the House of the following title:

H. J. Res. 583. Joint resolution to provide for a change of site of the Federal building to be constructed at Binghamton, N. Y.

POWERS OF THE COMPTROLLER OF THE CURRENCY RESPECTING NATIONAL BANKS

Mr. BANKHEAD, from the Committee on Rules, reported the following resolution for printing in the RECORD:

House Resolution 396 (Rept. 2132)

Resolved, That immediately upon the adoption of this resolution the House shall proceed to the consideration of Senate Joint Resolution 256, a joint resolution authorizing the Comptroller of the Currency to exercise with respect to national banking associations powers which State officials may have with respect to State banks, savings banks, and/or trust companies under State laws. That after general debate, which shall be confined to the joint resolution and shall continue not to exceed 40 minutes, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking and Currency, the previous question shall be considered as ordered on the joint resolution and the committee amendments thereto to final passage without intervening motion except one motion to recommit.

UNITED STATES-GEORGIA BICENTENNIAL COMMISSION

The SPEAKER laid before the House the following communication which was read:

In the Senate of the United States.

Ordered, That the House of Representatives be requested to return to the Senate, Senate Joint Resolution 223, entitled "Joint resolution establishing the United States-Georgia Bicentennial Commission, and for other purposes," with accompanying papers.

The SPEAKER. Without objection, the request is

There was no objection.

LEASE OF POST-OFFICE GARAGE IN BOSTON, MASS.

Mr. HAINES. Mr. Speaker, I call up the conference report on the bill (S. 88) to authorize the Postmaster General to investigate the conditions of the lease of the post-office garage in Boston, Mass., and to readjust the terms thereof, and ask unanimous consent that the statement be read in lieu of the report.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 88) having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its amendment numbered 1. That the Senate recede from its disagreement to the amendments of the House numbered 2 and 4, and agree to the same.

Amendment numbered 3: That the Senate recede from its disagreement to the amendment of the House numbered 3, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by said amendment insert the following: "under the lease from March 23, 1931, but not in excess of"; and the House agree to the same.

HARRY L. HAINES,
LA FAYETTE L. PATTERSON,
FRANK H. FOSS,
Managers on the part of the House.
GEO. H. MOSES,
TASKER L. ODDIE,
KENNETH MCKELLAR,
Managers on the part of the Senate.

STATEMENT

A brief summary of the amendments inserted by the House in S. 88 "A bill to authorize the Postmaster General to investigate the conditions of the lease of the post-office garage in Boston, Mass., and to readjust the terms thereof," and the action taken thereon by the House and Senate conferees is as follows:

Amendment No. 1 changed the word "directed" to "authorized," so that the bill authorized the Postmaster General to readjust the rental and purchase options in the existing lease of the post-office garage in Boston, Mass. The House conferees receded from this amendment and the word "directed" has been replaced.

Amendment No. 2 merely inserted "the" before "purchase options," and the Senate conferees agreed to this amendment.

The Senate bill provided for an increase in annual rental of \$7,500 from the date of the lease. Amendment No. 3 modified this provision by making it effective only from the date of the enactment of this act, and provided that the additional rental should not exceed \$7,500 a year. The House and Senate conferees have amended this amendment by making the readjustment retroactive to March 23, 1931, which is two years after the date of the lease.

Amendment No. 4 limited the increase in the purchase options to not in excess of \$75,000, the Senate bill having read "increasing the purchase options \$75,000." This amendment was agreed to by the Senate conferees.

HARRY L. HAINES,
LA FAYETTE L. PATTERSON,
FRANK H. FOSS,
Managers on the part of the House.

The SPEAKER. The question is on agreeing to the conference report.

The conference report was agreed to.

ORDER OF BUSINESS TO-MORROW

Mr. SNELL. Mr. Speaker, can the Speaker inform the House what the program will be to-morrow?

The SPEAKER. It is rather difficult. There are many conference reports that will come up and the Chair is going to recognize gentlemen to take up conference reports first.

Mr. SNELL. Does the Chair expect the deficiency bill to be taken up to-morrow?

The SPEAKER. It was reported out to-day, and it is expected that will be taken up to-morrow.

Mr. SNELL. It seems to me that the conference report as far as possible ought to be taken up earlier in the day when many Members are present, and that we should not wait until late in the evening.

The SPEAKER. It is the purpose of the Chair to take up conference reports to bring to a conclusion matters in difference between the House and the Senate. Three or four rules have been reported from the Committee on Rules. There are House bills on the Speaker's desk with Senate amendments, and it is the purpose of the Chair to recognize gentlemen who desire to concur in those Senate amendments.

Mr. SNELL. I am in entire accord with the position of the Speaker that the differences between the two Houses should be adjusted. I think we should be given notice of what bills they are, so that we may look them up.

Mr. BANKHEAD. Mr. Speaker, the Chair made reference to several rules. I think in the temporary absence of the majority leader the Chair will remember that it is quite probable that we will ask to call up, as one of the first things to-morrow, a rule respecting a bill from the Committee on Banking and Currency.

Mr. STAFFORD. Will that be brought up prior to the consideration of the deficiency appropriation bill?

Mr. BANKHEAD. The majority leader is not present at the moment and I could not say definitely, but I wanted the gentleman from New York to have reasonable notice of that. It is a matter in which the gentleman from Michigan is interested.

The SPEAKER. It seems to be an emergency matter.

Mr. SNELL. I think it is. The first thing to-morrow will
be the vote on the medicinal liquor bill.

The SPEAKER. That is true.

SUSPENSIONS

Mr. CHINDBLOM. Mr. Speaker, a parliamentary inquiry. As I understand the rule, six days during which suspensions are in order before the end of a session will begin to-morrow.

The SPEAKER. The parliamentary clerk advises the Chair that to-morrow is the first of the six suspension days.

REDEMPTION OF FARM MORTGAGES

Mr. GLOVER. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. GLOVER. Mr. Speaker, ladies and gentlemen of the House, we have been in this session of Congress now for nearly three months, and we have made very little progress toward relieving some of the problems that should have been dealt with in this Congress.

On June 16, 1932, I introduced a bill, H. R. 12674, to provide for the relief of farmers by making loans on lands now used for agricultural purposes, and for the purpose of re-

deeming lands on now existing mortgages, judgment liens, and tax mortgages.

The first section of that bill reads as follows:

That for the purpose of aiding farmers in any State who own lands in fee, which are used for agricultural purposes, the Secretary of the Interior is authorized to loan out of the revolving fund hereinafter provided for to any farmer, making application for same, an amount sufficient to redeem the mortgage indebtedness against his lands together with any interest, taxes, or judgments that may be due against said lands, if said agricultural lands are on appraisement, as hereinafter provided for, found to be of a greater value than said mortgage indebtedness and any other liens, if any, against said lands.

We must have a loan sufficient to take care of the entire mortgage indebtedness of agricultural lands at a low rate of interest and for a long period of time. It is a matter of impossibility now for a farmer to redeem the mortgage on his land with the price of agricultural products as low as they now are. These mortgages were made in prosperous times when cotton was worth 20 cents per pound and other agricultural products about in equal proportion in price. Now they have declined in price at least 60 per cent, and it becomes a matter of impossibility for the farmer to support his family, pay his taxes, and attempt to redeem farm mortgages.

Section 2 of that bill provides as follows:

Loans shall be made only to the owners of agricultural lands, when the Secretary of the Interior has satisfied himself by examination or by appraisal of the property, that it is of a greater value than the outstanding indebtedness against it.

This section provides that an appraisal of the property shall be made by the Secretary of the Interior and the appraisal must show that the land that is mortgaged is of greater value than the mortgage indebtedness against it. With this safety provision in the law the Government could not possibly lose anything on these loans. But on the other hand, would soon have an increased income tax.

As long as the farmer is depressed as he now is, and has no purchasing power, it practically stagnates every other class of business. You can not have railroads and public works continually going on and have the entire agricultural world bankrupt and continue to go on.

Section 3 of the bill provides as follows:

The Secretary of the Interior shall make or cause to be made an appraisement of the lands of each person making application for a loan, and no loan may be made until the Secretary is satisfied that the land is of a greater value than the loan asked for and that said loan will be paid back at maturity.

This is a safety provision by the Government and will give the department accurate information of the value of farm lands on which a loan is asked. With this provision in the bill no abuses would arise from the lack of information as to the correct valuation.

Section 4 of this bill provides as follows:

Loans shall be made for a period of not exceeding 10 years, to be determined by the Secretary of the Interior in each case, which shall bear interest at the rate of not exceeding 3 per cent per annum and payable annually and in 10 equal installments: Provided, however, that the borrower shall have the privilege of paying back all or any part of said loan after one year.

You will note this section provides for a rate of interest not exceeding 3 per cent per annum and that the indebtedness be divided into 10 equal payments. I would be very glad to see this rate of interest lower than 3 per cent, and under this bill it could be placed at 1½ per cent if the Government could finance it with that amount of interest.

You will note that this section further provides that the borrower shall have the privilege of paying back all or any part of said loan after one year.

Section 5 of the bill reads as follows:

The Secretary of the Interior to secure said loans shall take a first mortgage on said property and pay off all indebtedness against said lands, and said first mortgage is hereby declared to be sufficient security and no other security shall be required.

Under this bill when the appraisal is made and the land found to be of greater value than the indebtedness against it, then the Interior Department would take up all the mortgage indebtedness, judgment liens, and foreclosures for taxes and then amortize that throughout a period of 10 years, and the Government would take the first lien for its security on the lands. It is readily seen from this provision that as soon as a payment was made the Government's security becomes better each year. When the land was one-half paid out the Government would have double the security that it had in the beginning.

Section 6 of the bill reads as follows:

"Agricultural lands," as used in this act, is land actually or partly in cultivation, or lands that are best suited for agricultural purposes.

This section broadens the act from strictly agricultural lands to lands that are partly agricultural and partly growing timber and which are suited for agricultural purposes. For instance, a man might have 100 acres of land with 75 acres in cultivation, and 25 acres would be in timber. This would not prevent him from borrowing to cover the entire amount of indebtedness on the entire tract.

Section 7 of the bill simply provides that the Secretary of the Interior shall make all rules and regulations for carrying into effect the purposes of the act.

Section 8 of the bill is the most important part of the bill, as it provides a method of financing these loans, and that has always been the question that has prevailed up to this date, the refinancing of these mortgage loans.

Section 8 reads as follows:

The Secretary of the Treasury is hereby authorized and directed to issue United States notes to the extent required to make the loans herein authorized. Such notes shall be legal tender for both public and private debts and printed in the same size and the same denominations and of the same form as Treasury notes, omitting the reference to any Federal reserve bank. He shall place said notes in the Federal reserve banks, subject to the order of the Secretary of the Interior, to be used for the purposes of this act. He shall issue a like amount of bonds bearing 3 per cent interest, payable annually, with coupons attached, and such bonds shall be due and payable in 10 years from the date of issue, subject to the right of redemption after 5 years. These bonds shall be deposited in the Federal reserve banks as the agents of the United States, in approximate proportion to the current assets at the date of the passage of this act, and the Federal Reserve Board, by resolution in writing, may direct the sale to the public of such portion of said bonds as it may from time to time desire. Such currency received for such bonds shall be exchanged for the notes hereby authorized to be issued, and they shall be returned to the Secretary of the Treasury for cancellation.

The Constitution of the United States gives to Congress the power to coin money and to regulate the value thereof. Congress, under this grant of power given it by the Constitution, several years ago provided for the issuing of money through the Federal reserve system. That act provides that before money is coined and put into circulation there shall remain in the Treasury a 40 per cent gold reserve or eligible paper. Section 8 of this bill provides for the latter part of that act by using eligible paper.

No one can say that the paper of the Government placed in the reserve would not be eligible. Under this plan the bonds would not be sold, but would remain on deposit as eligible security for the issuing of money on the first mortgage retained on the land, and all the bonds deposited to carry out the issuing of this much money. The Government would not pay any interest on these bonds while they remained on deposit, and within a 10-year period of time they would be paid out entirely by the farmers and the Government would not lose one penny of money in the transaction.

The Government has helped everybody else in the way of big business except agriculture. The railroads, the banks, trust companies, building and loans, and every other corporate institution, but the farmer up to this date has had no permanent legislation for relief.

Section 9 of the bill simply repeals all laws or parts of laws in conflict with the provisions of this act.

In order to further carry out my idea of the relief that should be given agriculture, on February 18 I introduced a bill which is H. R. 14704, which provides for a moratorium of five years on all mortgages held by Federal land banks of the United States and interest thereon.

Some of the greatest distress that the farmer is now having to go through with is being pressed on mortgages

held by the Federal farm loan banks. There is no necessity in the world for this, because if the money was paid in now it would be reloaned on lands, and if the mortgage lien is good, there is no reason why a foreclosure should be had.

This bill contains only three sections, but it hits the spot and would give immediate relief to that class of farmers who are now needing it so badly.

Section 1 of the bill reads as follows:

That from and after the passage of this act a moratorium of both principal and interest is hereby declared for a period of five years on all mortgages held by the Federal land banks of the United States on agricultural lands.

This period of time would enable them to pay the mortgage and interest off without a loss of agricultural land.

Section 2 of the bill provides that the payment of the principal or interest of the mortgage may be made during this moratorium at the option of the mortgagor, and section 3 simply repeals all laws in conflict with it.

Under the present tendency of foreclosure of mortgages by Federal land banks, by insurance companies, and by other large moneyed interest, our best farm lands will soon be in the hands of corporations, and we will have corporation farming with farmers renting land from them.

This system is tending toward the English landlord system, which was so detested in its day.

Let us be wise enough in the coming session of Congress, called by our new President, to enact this legislation and give our agricultural people a chance to live.

REORGANIZATION OF THE GOVERNMENT

Mr. WILLIAMSON. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Record.

The SPEAKER. Is there objection?

There was no objection.

Mr. WILLIAMSON. Mr. Speaker, the reorganization of Government departments appears to be decidedly more alluring as a campaign slogan than as a practical means of reducing expenditures. As a vote-getter it is something to be conjured with, but as a stark reality it has all the terrors of Banquo's ghost. If any doubt was still entertained upon the subject by any of its votaries, they must have been effectively disillusioned by the action of the majority in the House of Representatives on January 19, last, when it turned down the entire Hoover program for grouping, coordinating, and consolidating executive and administrative agencies of the Government according to major purpose as set out in the President's message of December 9, 1932.

HOOVER PLAN KILLED

Ever since Herbert Hoover entered the Cabinet some 12 years ago, he has been an advocate of assembling and recasting Government functions according to "major purpose." His carefully matured plan, which had been gradually crystallizing for a decade, went by the boards without the courtesy of any real consideration by the Congress. No one claimed perfection for the President's plan, but that it had much of solid merit does not admit of doubt. His scheme of reorganization did not differ materially on principle from that indorsed by every committee, official and otherwise, that has studied the problem in the last 25 years, but a caucus had decreed its doom upon considerations quite apart from its merits or demerits.

REORGANIZATION IN RETROSPECT

Before proceeding to discuss the Executive orders with their far-reaching transformation of the existing set-up of the administrative and executive structure of the Government, it might be well to look at the problem in retrospect with a view to appraising more accurately the soundness and validity of the President's proposals.

That there has been need of a general overhauling and reorganization of the vast Government machine has been apparent for at least a quarter of a century. One bureau after another has been tacked on here or there from time to time with little regard to fitting it into its appropriate place. No rule or principle seems to have developed in Congress to guide it in this respect. As illustrative of this utter lack of

a fixed principle in the grouping of activities, the placing of the Public Health Service, the Supervising Architect—a great construction agency, and the Bureau of Prohibition Enforcement in the Treasury Department may be cited. Clearly, none of these have any relation to the Treasury, which was originally created as a purely fiscal agency. Other incongruities equally absurd from the standpoint of a practical business administration might be enumerated, but little is to be gained by mere recital.

An historical study of how some of the bureaus came to be placed as they are would be illuminating as showing how little heed has been paid to principles of sound organization from the standpoint of securing the most economical and effective administration. As things are, it takes an expert indeed to know to what source to go when in search of specific information or aid that some Government bureau is prepared to give.

Particular activities or functions have been shunted to departments in defiance of common sense because their sponsors disliked the head of the department into whose organization they would most logically fit; others have become stepchildren in unhappy surroundings because the department head was a pet of some Senator or Representative; and still others were just hung on or chucked in with no thought of scientific placement, or perchance because quarters could not readily be made available in the establishment where they naturally belonged.

Once placed they have for the most part remained, no matter how far removed they may be from the major purpose of the department in which they find themselves. With astonishing regularity and a persistence that would be worthy of the highest praise in a good cause, division chiefs and department heads fight like wildcats to retain what they have. This explains more than anything else the tremendous difficulty that attends every effort at reorganization. Then, too, the moment a change is suggested the personnel affected become alarmed and start a backfire that is too often decisive of the issue. Standpatism is the natural state of the group, and anything that is apt to disturb long-established routine or make necessary new alignments is resisted to the bitter end.

EXECUTIVE EFFORTS AT BEORGANIZATION

Cleveland and Roosevelt made feints now and then at reorganization, but it remained for William Howard Taft to make a determined fight for reorganizing the Government structure with a view to putting it on a sound administrative basis. His messages to Congress are replete with suggestions and plans. He secured large appropriations from Congress and created a commission that went exhaustively into the subject, but in the end his really heroic effort came to naught because of the do-nothing policy, or perhaps, more correctly speaking, of the inertia of Congress.

Taft regarded the proper grouping of Government services as "a matter of fundamental importance."

It is only after a satisfactory solution of this problem-

Said he in his message to Congress on January 17, 1912-

that many important measures of reform become possible. Only by grouping services according to their character can substantial progress be made in eliminating duplication of work and plant and proper working relations be established between services engaged in similar activities. Until the head of a department is called upon to deal exclusively with matters falling in but one or very few distinct fields, effective supervision and control is impossible.

The exhaustive studies made under Taft became the heritage of the Wilson administration, only to be forgotten. On December 20, 1918, Congress passed a law giving the President very sweeping power:

To make such redistribution of functions among executive agencies as he may deem necessary, including any functions, duties, and powers hitherto by law conferred upon any executive department, commission, bureau, agency, office, or officer, in such manner as, in his judgment, shall seem best fitted to carry out the purpose of this act.

However, President Wilson was so engrossed with other matters of great public moment at the time that he had little energy left to devote to reorganization problems. Lit-

tle was done under this law and it came to an end by its own terms "six months after the termination of the war."

But the matter would not rest. The Republican platform of 1920 declared—

We advocate a thorough investigation of the present organization of the Federal departments and bureaus, with a view to securing consolidation, a more businesslike distribution of functions, the elimination of duplication, delays, and overlapping of work, and the establishment of an up-to-date and efficient administrative organization.

Warren G. Harding made this plank a major issue of his campaign for the Presidency, and later caused to be set up the "Joint Committee on the Reorganization of the Administrative Branch of the Government." Walter F. Brown, now Postmaster General, served as the personal representative of the Chief Executive and acted as chairman. On February 23, 1923, the President transmitted to the committee an "outline of the reorganization plan recommended by the President and the Cabinet." The committee conducted exhaustive hearings, and on June 3, 1924, submitted an elaborate report to Congress embodying most of the recommendations of the President and the Cabinet. Bills were introduced in both the Senate and House to carry out the proposals of the joint committee. The plan had the active backing of the President, but in the end came to nothing. The majority of the Cabinet had joined reluctantly in the report submitted by the President and privately had no hesitancy in condemning certain of the most important recommendations which were vital to any worthwhile reorganization of the Government set-up.

In view of the experiences of his predecessors, Coolidge choose not to tackle the problem. He contented himself with shaving appropriations, cutting down personnel, and creating the maximum of efficiency in the bureaus as he found them.

CAMPAIGN PROMISES

In the presidential campaign of 1928 both Hoover and Smith stressed the necessity for a drastic reorganization of the administrative branch of the Government. Hoover won, and in his message to the Congress at its first regular session following his induction into office, in December, 1929, called attention to the fact that departmental reorganization had been under consideration for over 20 years, and stated that—

It was promised by both political parties in the recent campaign.

After reviewing past studies on reorganization, the necessity therefor if substantial economies were to be realized, and laying down broadly the principles to be followed, the President continued:

With this background of all previous experience I can see no hope for the development of a sound reorganization of the Government unless Congress be willing to delegate its authority over the problem (subject to defined principles) to the Executive, who should act upon approval of a joint committee of Congress or with the reservation of power of revision by Congress within some limited period adequate for consideration.

HOUSE CREATES NEW COMMITTEE

However, the House had set up on its own account, in December, 1927, the Committee on Expenditures in the Executive Departments and vested it with very broad powers to effect economy and retrenchment in Government expenditures. It had general jurisdiction of all consolidation and reorganization problems and was especially charged with the duty of abolishing "useless offices." Of this committee I had the honor of becoming the first chairman. Due to the importance of the work to be undertaken by this committee, special care was taken in the selection of its personnel.

During the first session in which it sat it reported and secured the passage of a number of bills which resulted in the elimination of some minor bureaus and the reorganization of others. Its most notably achievements were the transfer of the Bureau of Prohibition Enforcement from the Treasury Department to the Department of Justice, and the consolidation of the Pension Bureau, the National Home for Disabled Volunteer Soldiers and the Veterans' Bureau into the present Veterans' Administration. The first had for its primary purpose a more efficient and effective administration with only incidental economies. The latter has not only

brought about vastly improved service and more uniform treatment of the veterans of all wars, but has resulted in very substantial economies. After one year of operation, the new administrator reported economies running well past the \$12,000,000 mark. Encouraged by the success of these reforms, its chairman undertook to put through a bill creating a public works administration and introduced another to consolidate the War and Navy Departments into a Department of Defense. While a concentrated and well-directed fire has killed all possibility of either measure becoming law in the near future, continued pressure and agitation by friends of these bills have brought the prospects of favorable action measurably nearer. Similar bills were introduced in this Congress by myself, the present chairman [Mr. Cochran], and the gentleman from Tennessee [Mr. Byrns].

THE ECONOMY ACT

In the first session of the present Congress the House created the select economy committee of seven, of which I was also a member. A similar committee was organized in the Senate. While these committees failed to effect any major consolidations or eliminations of bureaus, they did succeed in passing the "economy act," which carried savings and reductions of \$150,000,000. The insuperable difficulties attending the attempt to reorganize Government departments by the legislative branch led to the inclusion of the Vandenberg-Williamson reorganization of Government departments bill as Title IV of the economy act. By way of preamble this title declares it to be the policy of Congress—

To group, coordinate, and consolidate executive and administrative agencies of the Government, as nearly as may be, according to major purposes; to reduce the number of such agencies by consolidating those having similar functions under one head; to eliminate overlapping and duplication of effort; and to segregate regulatory agencies and functions from those of an administrative or executive character.

POWER TO REORGANIZE DELEGATED TO THE PRESIDENT

The body of the act gives the President very sweeping powers to carry out the above policy by Executive order, but provides that any transfers, consolidations, or eliminations effected by the President shall not become effective for 60 calendar days during which Congress is in session. If within that time either branch passes a resolution disapproving of the Executive order or any part of it, such Executive order shall become null and void to the extent of such disapproval. It is of this latter provision that the President complains, but it is clear that without some such provision the President would be endowed with powers of so sweeping a character as to enable him to practically destroy activities which Congress might consider vital to the proper functioning of the Government. The veto of the President's action by one body without the concurrence of the other seems to me, however, to be unsound in principle and highly objectionable from the standpoint of failing to give reasonable effectiveness to the act. It is objectionable, too, in that it permits one body to undo what the Congress as a whole has sanctioned. Onehalf should not be permitted to become greater than the whole. I doubt that Congress can constitutionally delegate to one of its branches the power to undo what Congress as a body has authorized.

However, I do not share the views of those who believe the President should be given carte blanche authority to reorganize Government bureaus and departments without a veto power in the legislative branch, especially where this goes to the extent of permitting him by Executive order to eliminate activities that have been created by statute. To permit him to do so would be tantamount to authorizing him to repeal existing law. Congress can not, if it would, delegate to him functions which are clearly legislative in character any more than it can usurp duties which are essentially executive. The Federal Constitution forbids it, and such denial has been enforced repeatedly by the Supreme Court of the United States. In my judgment the powers now granted to the President are sufficient for all practical purposes and go as far as prudence will allow, although I think the law should be so amended as to require joint action of both the Senate and the House in order to set aside an Executive order issued in pursuance

of the economy act. In my judgment Congress can reserve this authority to itself, and any action taken jointly will be effective without Executive approval.

It was under this act that President Herbert Hoover transmitted to the Congress his message of December 9 last. This message contained the most ambitious and far-reaching attempt ever made by an Executive in the history of this country to reorganize the executive departments, independent establishments, and commissions of the Government. Not only did it cause consternation in many of the Government bureaus, but it stirred up a hornet's nest among propaganda groups and certain Members of Congress. A flock of resolutions introduced by Members of Congress shortly appeared having for their purpose the disapproval of the whole or a part of the President's program. simply illustrates the enormous difficulty of accomplishing anything worth while in the matter of reorganization. Everybody is for it, provided always his pet bureau is not interfered with. But let it be noted that the American taxpayer is getting heartily tired of the frills of government, to say nothing of the innumerable regulations that dog him from the cradle to the grave. He is not overlooking the fact that the per capita tax in this country has mounted from \$23 in 1913 to \$84 in 1930, which represents an increase of 355 per cent. He is demanding a return to sanity in public expenditures and means to have it.

PARTY PLATFORMS

It will be recalled that the Democratic platform of 1932 promises "a saving of not less than 25 per cent in the cost of the Federal Government." That promise was reiterated and reinforced by candidate Franklin Delano Roosevelt, now President elect, during the late campaign. I do not believe so large a saving is possible without drastic cuts in veterans' benefits. Certainly no such savings can be accomplished by reorganization of Government departments.

The Republican platform was equally emphatic, though less specific as to actual savings proposed. It declared:

We urge prompt and drastic reduction of public expenditures and resistance to every appropriation not demonstrably necessary to the performance of the essentials of government.

It also pledged efficiency and economy and the reorganization of Government bureaus.

As a first step in carrying out these platform pledges President Hoover sent to the Congress at the opening of the present session a Budget carrying net reductions for the fiscal year 1934 of \$580,000,000, as compared with the fiscal year 1933. While no accurate estimate of the savings that might be realized as a result of the President's proposed reorganization is possible, it is clear that if it had been carried out in good faith and efficiently administered the savings would have run into large figures annually.

REORGANIZATION MESSAGE AND EXECUTIVE ORDERS OF PRESIDENT HOOVER

We now come to a consideration of the reorganization message of the President. It might be well to note in passing that the criticism leveled at the President in some quarters because he did not launch his program earlier is not justified, due to the fact that Congress did not grant the authority until June 30, 1932, right at the close of the last session of Congress. In view of this, the President has acted with great dispatch and unquestionably in the utmost good faith.

No useful purpose can be served by attempting a complete analysis here. It is worthwhile, however, to take cognizance of a few of the more important groupings and consolidations which are illustrative of the whole.

DIVISION OF PUBLIC WORKS

Of first importance was the establishment by Executive order of a Division of Public Works in the Department of the Interior. The creation of such a division or department has long been advocated by the engineering and architectural professions of the country and has been recommended by every committee on reorganization in and out of Congress that has considered the subject. From time to time lengthy hearings have been held and detailed studies made that have gone into every phase of the subject here and abroad. At the present time construction work is being carried on by

of the Government that spend hundreds of millions of dollars annually. Among the important nations of the earth we are practically the only country that has not centralized public construction, including the improvement of rivers and harbors, under one controlling head. England is an exception only in that rivers and harbors are under the jurisdiction of the board of trade. The manifest advantages that would flow from such centralized control must be apparent to anyone who has given the matter even casual study.

Such consolidation would have the very great merit of developing an expert corps of highly trained architects, engineers, designers, and draftsmen who would be available to every department of the Government. It would put an end to competitive construction by different departments and permit standardization of specifications for material and supplies and to some extent of designs and structural specifications, which are important items in economical purchasing and construction. It would make long-time planning possible and practicable so that work might be slowed up during periods of active demand for labor and speeded up in times of depression and unemployment. Unified control and direction would gradually develop an American structural design and architectural symmetry of the highest utility and beauty. Finally, it would enable Congress to visualize the construction projects as a whole when appropriations were asked, which in turn would result in a better balanced building program with respect to actual public needs. Now the head of a department carrying the greatest weight with Congress or who is the most skillful propagandist often gets more for his department than the situation warrants.

The President's set-up has one vital defect in that it does not bring in the construction work of the Veterans' Administration. The building program of this establishment is large and it would seem clear that if we are to have a division of public works the construction unit of this administration should be brought in.

REORGANIZATION OF DEPARTMENT OF COMMERCE

The proposed reorganization of the Department of Commerce was also outstanding and on the whole sound in principle. That some of the transfers and consolidations, if again attempted, will be bitterly challenged and resisted by the bureaus effected may be safely predicted from past experience. The acrimonious debate which developed be-tween the Director of the Coast and Geodetic Survey and the Hydrographer of the Navy at the hearings of the Joint Committee on the Reorganization of the Administrative Branch of the Government in 1924 is classic, and yet to an outsider who has studied the problem it would seem fairly clear that the consolidation of the Hydrographic Office with the Coast and Geodetic Survey would be in the interest of both economy and better service.

Other consolidations having to do with our merchant marine were suggested that not only would have resulted in large economies but which would have added greatly to the convenience of shipping. The time-killing annoyances which are now incident to the numerous Government agencies having to do with the clearance of vessels would not be tolerated for a moment in private business.

As an illustration of what the captain of a ship is up against every time he enters port, the following may be cited. First he encounters the Public Health Service at quarantine, now in the Treasury Department; anchorage directions are secured from the Coast Guard (Treasury Department) but under regulations of the War Department; his boilers and life-saving devices are inspected by the Bureau of Navigation and Steamboat Inspection (Department of Commerce); another division of the same bureau helps sign off his crew; the Bureau of Immigration (Labor Department) inspects his immigrants; the Bureau of Customs (Treasury Department) registers entry of his ship: the Collector of Customs (Treasury Department) attends to the collection of customs on his cargo; the Bureau of Lighthouses or the Coast and Geodetic Survey (Commerce Department) must be contacted for any changes that may

10 or a dozen departments and independent establishments | and Geodetic Survey (Department of Commerce) and Great Lakes Survey (War Department) for charts of domestic waters; and the Hydrographic Office (Navy Department) for charts of foreign waters. When he leaves port he must back through most of these bureaus before he can sail.

> The proposed consolidation of the Great Lakes Survey and the Hydrographic Office with the Coast and Geodetic Survey and the grouping of the latter with the Naval Observatory, Bureau of Navigation and Steamboat Inspection, Supervisor of New York Harbor, and Bureau of Lighthouses in the merchant marine group under an assistant secretary in the Department of Commerce will go a long way toward putting an end to the delays and annoyances now experienced by incoming and outgoing vessels.

> Into the merchant-marine group would also go the United States Shipping Board Merchant Fleet Corporation (independent) and the Inland Waterways Corporation (War Department). With the thorough reorganization of this group and the services now in or to be brought into the Department of Commerce under the industrial and trade group and the service group there should not only be large economies but greatly added efficiency and, what is still more important, vastly improved services to commerce, industry, and the public.

REGROUPING IN DEPARTMENT OF INTERIOR

Another transfer of profound significance sought to be carried out by the President was the removal of the Public Health Service from the Treasury Department, where it clearly does not belong, to the Department of the Interior, and the setting up in the latter department of a division of education, health, and recreation under an Assistant Secretary. This is a much-needed reform, but fraught with considerable political dynamite—so much, in fact, that Congress has never been willing to pass any of the numerous bills introduced from time to time dealing with the subject.

Since the President tackled it, it is difficult to see why he did not bring in the Children's Bureau, now in the Department of Labor. The work of this bureau is intimately connected with public health. By law it is required to investigate and report-

upon all matters pertaining to the welfare of children and child life among all classes of our people, and shall especially investigate questions of infant mortality, the birth rate, orphanage, juvenile courts, desertion, dangerous occupations, accidents, and diseases of children

Not only is the work of the bureau in large part a duplication of the work done by the Public Health Service, but it is intimately connected with the Division of Vital Statistics (Commerce Department), which was to become a part of the new set-up. The gathering of vital statistics is done in close cooperation with State and local health authorities and has for its primary purpose the solution of health prob-lems. The solution of health problems is also a primary purpose of the Children's Bureau. The Public Health Service is better qualified and equipped to solve these problems than any other Government agency, and perforce should supervise and control all Federal activities seeking to improve and protect the health of our people. It will be noted that the Children's Bureau deals with children of all classes, and not of the laboring class alone. It was not intended as a service for a particular group, but as a service for the whole people.

MERIT IN PRESIDENT'S PROGRAM

It is unfortunate that the President did not take into his confidence those Members of Congress who have long worked on the problem. Had this been done some mistakes could have been avoided and his program saved. But whatever defects there may be in the plan of reorganization of Government departments projected into the congressional arena by the President's message of December 9, they are trivial as compared with the very great merit of the plan as a whole. For the first time since our Government was established a President has undertaken a complete revamping of our whole administrative structure, with a view to making it operate upon a functional basis, with like activities assembled, coordinated, and consolidated under a single head. have been made in lighthouse and other signals; the Coast In place of discarding the whole, Congress should have considered his program by Executive orders upon their respec-

It is a singular fact that in a country that has taken an easy world leadership in business and industry so little of generalship should have developed in working out a smoothly running and efficient business administration in the executive branch of our Government. Doubtless this defect inheres in large measure in the character of our Government, with its checks and balances and division of authority. Under our Constitution Congress alone can determine the activities in which our Government shall engage. The Congress has left little discretion in the Executive as to where such activities should be placed and too often has attempted to set up the whole structure, thereby making it wooden and inelastic. If our Government is ever to function satisfactorily, more leeway must be given to the executive branch to work out practical details of organization and business administration. Unless this is done it is inevitable that there will be much of duplication, overlapping, and incongruous assembling of unrelated functions.

Much of the duplication and overlapping that exist is due to the tendency to self-expansion by Government departments and bureaus. Ambitious chiefs too often reach out for new power and expand agencies out of all proportion to their original intent and purpose. This results in encroaching upon fields already adequately covered by some other branch of the Federal service. The activities of the Government are so vast that this insidious invasion is not always detected by committees of Congress.

The regrouping proposed by the President would have gone a long way in putting an end to these abuses. Once like activities are properly assembled and coordinated or consolidated, it will be much easier for the Committee on Appropriations to guard against undue expansion and duplication by curtailing appropriations so as to confine agencies to their legitimate functions as established by law.

SUPPORT OF TAXPAYERS ESSENTIAL

Sleepless vigilance and continued restraint on the part of the taxpayers themselves, however, are the final brakes that must be applied to hold down expenditures within reasonable bounds. As long as militant and well-organized minority groups are allowed to foist their pet hobbies upon the public by their incessant pressure and propaganda, just so long will the Government continue to expand into new fields. people must learn to protect their Representatives in Congress who refuse to be cajoled, driven, or frightened into supporting measures that have little relation to the proper functions of government or that cost more than they are worth in real service to the people. No one likes the prevailing depression, the falling of incomes, and the low commodity prices, but at least they have served to make the people tax conscious. Their insistent demand for reduced budgets and lower taxes is finding a response in every legislative body in the land. The reduction of the tax load will prove a powerful stimulant in the revival of business, reemployment, and higher commodity prices for the hard-pressed farmer. A less burdensome Government is one of the factors in the rehabilitation of our common country.

Mr. STAFFORD. Mr. Speaker, when a Member rises and says he asks unanimous consent to extend his remarks in the Record it is construed that they are his own remarks?

The SPEAKER. It is.

MAPLE SUGAR AND THE TARIFF

Mr. GIBSON. Mr. Speaker, I ask unanimous consent to insert some remarks of my own in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Vermont?

There was no objection.

Mr. GIBSON. Mr. Speaker, Vermont is one of the principal maple sugar producing States of the country. The producers are farmers who depend on their sugar crop for a material portion of their annual incomes. Sugar making is a short-time activity covering the months of March and April, and is carried on when it is impossible to do regular farming work.

The principal competition comes from Canada, where sugar is produced at a cost much lower than is possible in this country. Importations from Canada have increased from about 2,000,000 pounds in 1923 to over 10,000,000 pounds annually at the present time. This competition has resulted in driving many farmers out of sugar producing. Less than 60 per cent of our maple trees are now in use and many splendid orchards have been sacrificed to lumber.

The tariff act of 1930 fixed a duty of 8 cents per pound on maple sugar and 5½ cents per pound on maple sirup. This rate offered a proper measure of protection. A considerable portion of our crop each year is used by tobacco manufacturers, especially by the American Tobacco Co. On July 25, 1930, a small New York corporation, backed by a big tobacco company, made application to the Tariff Commission before the rate fixed by Congress went into effect for a rate reduction, and the Tariff Commission, following an unworkable formula, recommended a reduction of the duty to 6 cents per pound on sugar and 4 cents per pound on sirup. This struck a hard blow at the farmers of the maple sugar producing States. It was a stab in the dark from an unseen but all-powerful foe.

The fact that the cost of producing a gallon of Vermont sirup is about \$1.21 a gallon, while a gallon of sirup produced in Canada, with the tariff added, can sell in this country for 88 cents; the fact that last year there was a tremendous carry-over in the Vermont product estimated at 10,000,000 pounds; and the further fact that certain companies which usually purchased and marketed a greater portion of the crop did not buy in the usual quantities created a serious situation in the industry. The producers appealed to the State farm bureau federation to work out a solution and devise ways and means whereby some agency or cooperative could be organized to take the crop for 1932 and market it for the benefit of the farmers.

Five cardinal principles had to be taken into consideration in order to meet the problem:

First. Financing.

Second. Finding the right package or container.

Third. Getting the right product.

Fourth. Finding a market and opening an outlet for the merchandising of the product.

Fifth. Advertising.

The organization of the Vermont Maple Cooperative (Inc.) was effected and an arrangement was made for financing through local banks and the Federal Intermediate Credit Bank of Springfield, Mass.

Through conferences with merchandising men of New England the idea was developed of using a bottle container properly labeled to show that it was 100 per cent pure maple sap sirup from Vermont trees, the advertising thought being to inform the public that the consumer is getting pure sap sirup of the proper quality and density. This met with instant success.

Carrying out the plan, a market was developed so that now the pure product is on sale in over 3,000 stores in New England and 400 stores in New York City.

The venture has been so successful that it was possible during the first year to pay off the loan to the Federal intermediate-credit bank and materially reduce the loan in the local banks. Officials of the Federal intermediate bank have advised that the financial affairs of the association have been handled to their entire satisfaction and the business has been operated on a sound financial basis. The Vermont Maple Cooperative (Inc.) has taken its place in the agriculture of the State in that it stepped into the breach, took the crop, and is marketing it for the benefit of the farmers. The farm leaders who conceived and backed the plan are entitled to the thanks and the loyal support of all producers.

I call the attention of the farmers of other maple sugar producing States to this successful experiment of the Vermont farmers. A concerted effort, however, should be made to restore a rate of duty that will give protection to a farm product, help the small farmers, and relieve them from the danger of Canadian competition, which is increasing by rea-

son of the depreciated currency of Canada. These farmers | represent a class that needs all the protection that Congress and its agencies can give.

Tobacco companies and other parties interested in lowering maple-sugar rates can take care of themselves. The farmers can not. Help to these farmers means help to the agricultural interests of over 20 States and to a crop value that ordinarily runs into millions of dollars.

PARCEL POST-WHAT IT IS AND HOW IT CAN SERVE YOU

Mr. MEAD. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by inserting an address I made over the radio during the Home and Farm Hour February 16.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. MEAD. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following:

Our Committee on the Post Office and Post Roads, of the House Our Committee on the Post Office and Post Roads, of the House of Representatives, has been making an extensive survey during the past year of all postal activities, and is now engaged in drafting recommendations to Congress which it is hoped will result in many improvements in the Postal Service, as well as a substantial decrease in the cost to the Government.

Of the 10 major departments of our Government, the Post Office Department comes in closest contact with every inhabitant of the Nation. The services of the postal organization reach every community, from the largest cities to the smallest villages, and, through the Rural Delivery Service, even to remote farm houses. These postal services include the transmission and delivery of letters, newspapers, magazines, books, advertising matter, and

These postal services include the transmission and delivery of letters, newspapers, magazines, books, advertising matter, and merchandise; the money-order system, the postal savings bank, the registry and insurance services, and the collection-on-delivery service. The original purpose of the Postal Service was the carrying of letters and newspapers. The other services have been added from time to time.

added from time to time.

To-day I shall speak to you about the Parcel Post Service, what it is, and how it can serve you.

The Parcel Post Service was established on January 1, 1913. More recent readjustments of rates and increases in weight limits have further popularized the service. The people of the country, particularly the business men and manufacturing concerns, have been prompt to take advantage of these expanding postal facilities. The number of parcels of fourth-class matter increased from 250,000,000 during the fiscal year 1912 to over 1,000,000,000 during the fiscal year 1923.

The number continued to increase during the years 1924 and

the fiscal year 1923.

The number continued to increase during the years 1924 and 1925. In 1925 Congress took out of the fourth class those parcels not exceeding 8 ounces in weight, which had previously been included therein, and put them in the third class. Consequently there was a less number of parcels mailed as fourth-class matter in the following years, the number in 1930 being 837,308,320. This does not mean that during that year there was a less quantity of matter mailed, since matter of the character taken out of the fourth-class was mailed as matter of the third class. Owing to present economic conditions and other causes, the number of parcels of fourth-class matter mailed during the fiscal year 1931 decreased to 765,661,536, and during the year 1932 to 616,531,806.

Beginning in 1913 with a size limit to parcels of 72 inches combined length and girth, and a weight limit of 20 pounds, increases have been made in these limits as the service grew. Now parcels measuring as much as 100 inches, combined length and girth, and weighing up to 70 pounds, may be sent by parcel post to any point

weighing up to 70 pounds may be sent by parcel post to any point in the United States or its possessions, except part of the Philippine Islands, where transportation facilities are very limited.

Parcel Post Service extends to all of the 48,159 post offices in the United States and its possessions. Parcels are delivered and may

United States and its possessions. Parcels are delivered and may be mailed on all of the 41,602 rural routes in the country. The parcel post reaches every community.

The methods of transportation used include airplanes, railways, motor vehicles, wagons, horseback riders, boats, and in Alaska sleds pulled by dogs. Parcel Post Service is also available practically to all foreign countries. More than 3,963,749 parcels were mailed to foreign countries during the fiscal year 1932.

Parcel-post rates are reasonable. Twenty-eight cents will carry 19 pounds 150 miles; 26 cents will carry a 2-pound parcel to the Philippine Islands, or half way around the world. A 70-pound parcel may be sent 150 miles for 84 cents. The schedule of rates on parcel post is based on the cost of handling only.

The methods used in the handling and transportation of parcel post are such that loss or damage seldom occurs. Insurance

post are such that loss or damage seldom occurs. Insurance against such contingency is available for a small additional fee. The fees range from 5 cents on a \$5 valuation to 35 cents for a

are less range from 5 cents on a \$5 valuation to 35 cents for a parcel valued at \$200. On a 10-pound parcel, valued at \$5, for any distance up to 150 miles, the total charge for transportation and delivery, with insurance against loss or damage, is 23 cents. The parcel post is a safe method of transportation. All parcels are carried in locked canvas bags, except a comparatively small number, the nature of which is such that individual handling is necessary. These bags, in addition to providing protection against

depredation, protect the contents against damage in bad weather while being placed on or taken from cars at railway stations. All

while being placed on or taken from cars at railway stations. All of the safeguards which protect the United States mails throughout the Postal Service extend to the parcel-post mails.

Convenient facilities for the mailing of parcels are provided in every community. In addition to the 48,159 post offices, there are 7,447 post-office stations located in the larger cities and towns. These stations are maintained for the convenience of patrons in transacting postal business, and most of them are located in the residential districts.

Carriers on rural delivery routes accept parcels for mailing from

Carriers on rural-delivery routes accept parcels for mailing from their patrons. As an added inducement for the mailing of farm products the postage on parcels collected on rural routes, for local delivery, is 2 cents less per parcel than when mailed at a post office, and 3 cents less per parcel when for other than local de-

The use of parcel post provides farmers and residents of country districts a convenient, practical, and economical method of marketing seasonable and staple farm products. Many residents of cities have arranged with farmers to furnish them with eggs and other products at regular intervals by parcel post. In many instances the containers are returned when empty for reuse.

Standard, 30-dozen egg cases are mailable, and the postage on a full case, for delivery within 150 miles, averages less than 66 cents, making the transportation cost a trifle over 2 cents for a dozen eggs. Many storekeepers in the smaller towns, as well as farmers, ship eggs to commission houses in the cities by parcel post.

Delivery service is provided for parcel post in all cities and towns having carrier service, as well as on rural routes.

Due to the immense volume of parcel post and the distribution methods which are necessarily used, transportation and delivery of this class of mail can not be accomplished as quickly as of letters. When the utmost speed is essential, parcels should be sent special delivery or special handling.

The fees for special-delivery service, in addition to the regular postage, are 15 cents for parcels weighing 2 pounds or less, 25 cents for parcels weighing over 10 pounds and up to 70 pounds.

Special-delivery parcels addressed to patrons on rural routes are delivered at the house of the addressee, instead of being left at his roadside mail box, if the house is within one-half mile of the road traveled by the carrier. Postmasters are instructed to notify, by telephone or otherwise natures. The use of parcel post provides farmers and residents of country

road traveled by the carrier. Postmasters are instructed to notify, by telephone or otherwise, patrons who reside outside the special-delivery limits, of the arrival of special-delivery parcels, in order that they may be secured without delay. It is our intention to make this service just what its name implies—a real special-

make this service just what its name implies—a real special-delivery service.

Special-handling parcels are handled in transit exactly the same as special-delivery parcels, but on arrival at destination they are delivered on the next regular carrier trip, instead of by special messenger. The fees for this service are, for parcels up to 2 pounds, 10 cents; over 2 pounds and up to 10 pounds, 15 cents; and over 10 pounds and up to 70 pounds, 20 cents, in addition to the regular postage.

the regular postage.

the regular postage.

Parcels may be sent C. O. D.—that is, the value of the parcel and the amount of postage prepaid by the sender, if desired, will be collected from the addressee on delivery, and the amount collected will be remitted promptly by postal money order to the sender of the parcel. The fees for this service range from 12 cents for a collection of \$5 or less, to 45 cents for a collection of \$200, and are in addition to the regular postage. The C. O. D. fee automatically insures the parcel against loss or damage. Articles can not be sent C. O. D. to persons who have not actually ordered them.

In conclusion: The Parcel Post is your service operated with-

In conclusion: The Parcel Post is your service, operated without profit by your Government, for your benefit and convenience. Get acquainted with your postmaster, your mail carrier, or the clerk at the post-office window. You will find them ready and willing to extend the fullest cooperation in making your postal service satisfactory.

SENATE BILL AND JOINT RESOLUTION REFERRED

A bill and joint resolution of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 5408. An act relating to the revolving fund established by the joint resolution of December 21, 1928, for the relief of Puerto Rico; and

S. J. Res. 183. Joint resolution to amend a joint resolution entitled "Joint resolution for the relief of Porto Rico, approved December 21, 1928," as amended by the second deficiency act, fiscal year 1929, approved March 4, 1929; to the Committee on Insular Affairs.

SENATE ENROLLED BILLS SIGNED

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 1044. An act authorizing the issuance to Cassie E. Howard of a patent for certain lands;

S. 2148. An act for the relief of Clarence R. Killion; S. 2259. An act for the relief of Mathie Belsvig;

S. 4286. An act to authorize credit in the disbursing account of Donna M. Davis; and

S. 4287. An act for the relief of Harold W. Merrin.

BILL PRESENTED TO THE PRESIDENT

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, a bill of the House of the following title:

H. R. 7521. An act to provide a new Code of Civil Procedure for the Canal Zone and to repeal the existing Code of Civil Procedure.

ADJOURNMENT

Mr. O'CONNOR. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 2 minutes p. m.), in accordance with the order previously made, the House adjourned until to-morrow, Saturday, February 25, 1933, at 11 o'clock a. m.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. ARENTZ: Committee on the Public Lands. H. R. 14646. A bill to extend the mining laws of the United States to the Death Valley National Monument in California, and for other purposes; with amendment (Rept. No. 2107). Referred to the Committee of the Whole House on the state of the Union.

Mr. BUCHANAN: Committee on Appropriations. H. R. 14769. A bill making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1933, and prior fiscal years, to provide supplemental appropriations for the fiscal years ending June 30, 1933, and June 30, 1934, and for other purposes; without amendment (Rept. No. 2108). Referred to the Committee of the Whole House on the state of the Union.

Mr. VINSON of Kentucky: Committee on Ways and Means. H. R. 6017. A bill to amend section 24 of the trading with the enemy act, as amended; with amendment (Rept. No. 2109). Referred to the Committee of the Whole House on the state of the Union.

Mr. COLLIER: Committee on Ways and Means. H. R. 14579. A bill to provide for the free importation of certain articles exported temporarily for scientific or educational purposes; without amendment (Rept. No. 2110). Referred to the Committee of the Whole House on the state of the Union.

Mr. STEAGALL: Committee on Banking and Currency. Senate Joint Resolution 256. Joint resolution authorizing the Comptroller of the Currency to exercise with respect to national banking associations powers which State officials may have with respect to State banks, savings banks, and/or trust companies under State laws; with amendment (Rept. No. 2111). Referred the the House Calendar.

Mr. BANKHEAD: Committee on Rules. House Resolution 396. A resolution providing for the consideration of Senate Joint Resolution 256, a joint resolution authorizing the Comptroller of the Currency to exercise with respect to national banking associations powers which State officials may have with respect to State banks, savings banks, and/or trust companies under State laws; without amendment (Rept. No. 2132). Referred to the House Calendar.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. PITTENGER: Committee on Claims. H. R. 14217. A bill for the relief of Ellis Duke, also known as Elias Duke; without amendment (Rept. No. 2112). Referred to the Committee of the Whole House.

Mr. PITTENGER: Committee on Claims. H. R. 2394. A bill for the relief of Wade Dean; without amendment (Rept. No. 2113). Referred to the Committee of the Whole House.

Mr. PITTENGER: Committee on Claims. H. R. 2496. A bill for the relief of Joseph Dumas; with amendment (Rept. No. 2114). Referred to the Committee of the Whole House.

Mr. BOEHNE: Committee on Claims. H. R. 5391. A bill for the relief of George L. Stone; without amendment (Rept. No. 2115). Referred to the Committee of the Whole House.

Mr. BOEHNE: Committee on Claims. H. R. 5392. A bill for the relief of James L. Barnett; without amendment (Rept. No. 2116). Referred to the Committee of the Whole House.

Mr. PITTENGER: Committee on Claims. H. R. 10778. A bill for the relief of Irvin Pendleton; with amendment (Rept. No. 2117). Referred to the Committee of the Whole House.

Mr. ELLZEY: Committee on Claims. H. R. 14151. A bill for the relief of I. T. McRee; with amendment (Rept. No. 2118). Referred to the Committee of the Whole House.

Mr. PITTENGER: Committee on Claims. H. R. 14313. A bill for the relief of Robert B. James; without amendment (Rept. No. 2119). Referred to the Committee of the Whole House.

Mr. PITTENGER: Committee on Claims. H. R. 14324. A bill for the relief of certain disbursing officers of the Army of the United States and for the settlement of an individual claim approved by the War Department; without amendment (Rept. No. 2120). Referred to the Committee of the Whole House.

Mr. PITTENGER: Committee on Claims. H. R. 14491. A bill for the relief of William E. Bosworth; with amendment (Rept. No. 2121). Referred to the Committee of the Whole House.

Mr. PITTENGER: Committee on Claims. H. R. 14625. A bill for the relief of Gale A. Lee; without amendment (Rept. No. 2122). Referred to the Committee of the Whole House.

Mr. PITTENGER: Committee on Claims. S. 254. An act authorizing adjustment of the claim of the Chicago, North Shore & Milwaukee Railroad Co.; without amendment (Rept. No. 2123). Referred to the Committee of the Whole House.

Mr. PITTENGER: Committee on Claims, S. 257. An act authorizing adjustment of the claim of the Baltimore branch of the Federal Reserve Bank of Richmond; without amendment (Rept. No. 2124). Referred to the Committee of the Whole House.

Mr. PITTENGER: Committee on Claims. S. 2469. An act for the relief of Nellie E. Treuthart; without amendment (Rept. No. 2125). Referred to the Committee of the Whole House.

Mr. SCHAFER: Committee on Claims. S. 3972. An act for the relief of Alva D. McGuire, jr.; without amendment (Rept. No. 2126). Referred to the Committee of the Whole House.

Mr. PITTENGER: Committee on Claims. S. 4782. An act authorizing adjustment of the claim of Arthur R. Saffran; without amendment (Rept. No. 2127). Referred to the Committee of the Whole House.

Mr. SCHAFER: Committee on Claims. S. 5203. An act for the relief of the Harvey Canal Ship Yard and Machine Shop; without amendment (Rept. 2128). Referred to the Committee of the Whole House.

Mr. SCHAFER: Committee on Claims. S. 5204. An act for the relief of the Texas Power & Light Co.; without amendment (Rept. No. 2129). Referred to the Committee of the Whole House.

Mr. MILLER: Committee on Claims. S. 5205. An act for the relief of the Great Falls Meat Co., of Great Falls, Mont.; without amendment (Rept. No. 2130). Referred to the Committee of the Whole House.

Mr. PITTENGER: Committee on Claims. S. 5413. An act for the relief of the Booth Fisheries Co.; without amendment (Rept. No. 2131). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of Rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BUCHANAN: A bill (H. R. 14769) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1933, and prior fiscal years, to provide supplemental appropriations for the fiscal years ending June 30, 1933, and June 30, 1934, and for other purposes; to the Committee of the Whole House.

By Mr. McLEOD: A bill (H. R. 14770) to amend sections 3 and 9 of the act of July 15, 1932, entitled "An act to establish a Board of Indeterminate Sentence and Parole for the District of Columbia and to determine its functions, and for other purposes"; to the Committee on the District of Columbia.

By Mr. ERK: A bill (H. R. 14771) to provide for regulation and examination of national bank affiliates, and for other purposes; to the Committee on Banking and Currency.

By Mr. BANKHEAD: Resolution (H. Res. 396) providing for the consideration of Senate Joint Resolution 256, a joint resolution authorizing the Comptroller of the Currency to exercise with respect to national-banking associations powers which State officials may have with respect to State banks, savings banks, and/or trust companies under State laws; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. COCHRAN of Pennsylvania: A bill (H. R. 14772) granting a pension to Grace Amanda Black; to the Committee on Invalid Pensions.

By Mr. HOOPER: A bill (H. R. 14773) for the relief of Edwin L. Menzer; to the Committee on Military Affairs.

By Mr. HORR: A bill (H. R. 14774) for the relief of Berg Shipbuilding Co.; to the Committee on Claims.

By Mr. MEAD: A bill (H. R. 14775) for the relief of Henry C. Zeller and Edward G. Zeller with respect to the time within which suit may be brought against the United States for the recovery of any income tax paid to the United States for the fiscal year beginning October 1, 1916, and ending October 30, 1917, in excess of the amount of tax lawfully due for such period; to the Committee on Claims.

By Mr. SUMNERS of Texas: A bill (H. R. 14776) for the relief of J. H. Knott; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of Rule XXII petitions and papers were laid on the Clerk's desk and referred as follows:

10655. By Mr. BACON: Petition of sundry people of Ronkonkoma, N. Y., urging revaluation of gold dollar and correction of abuses associated with present-day mass production; to the Committee on Banking and Currency.

10656. Also, petition of sundry people of Mastic, N. Y., urging revaluation of gold ounce and correction of abuses associated with present-day mass production; to the Committee on Banking and Currency.

10657. Also, petition of sundry citizens of Greenport and East Marion, N. Y., urging a constitutional amendment to eliminate the count of aliens for apportionment purposes; to the Committee on the Judiciary.

10658. By Mr. BIDDLE: Petition of members of Cloyd K. Davis Post, No. 150, Petersburg; Capt. James McKibbin Post, No. 561, McConnellsburg; Mansbarger-Brumbaugh Post, No. 288, Three Springs; and Horace Corbin Post, No. 518, Orbisonia, Pa., protesting against any changes in veterans' legislation as set out in the proposition of the Economy League and the United States Chamber of Commerce, and favoring immediate and full payment of adjusted-service certificates, as well as passage of the widows and orphans' pension bill; to the Committee on World War Veterans' Legislation.

10659. By Mr. BOEHNE: Petition of Mrs. George Meyer, rural route No. 5, box 459, Evansville, Ind., and others, for the enactment of a law establishing Federal motion-picture Foreign Affairs.

commission; to the Committee on Interstate and Foreign Commerce.

10660. Also, petition of Mrs. George Meyer, rural route No. 5, box 459, Evansville, Ind., and others, favoring prompt action on the ratification of the World Court protocols; to the Committee on Foreign Affairs.

10661. By Mr. BURDICK: Petition of Herman C. Richter, 125 Second Street, Newport, R. I., and 61 other citizens of the United States, urging that no repeal or modification of existing legislation beneficial to Spanish War veterans, their widows, or dependents be made; to the Committee on Pensions.

10662. Also, petition of Herman C. Richter and 52 others of Newport, R. I., urging that no repeal or modification of existing legislation beneficial to Spanish War veterans, their widows, or dependents be made; to the Committee on Pensions.

10663. Also, petition of Harry L. Albee and 70 others of Newport, R. I., urging that no repeal or modification of existing legislation beneficial to Spanish War veterans, their widows, or dependents be made; to the Committee on Pensions

10664. Also, petition of John T. O'Neill and 47 others of Newport, R. I., urging that no repeal or modification of existing legislation beneficial to Spanish War veterans, their widows, or dependents be made; to the Committee on Pensions.

10665. Also, petition of Violet Ramos and 56 others of Newport, R. I., urging that no repeal or modification of existing legislation beneficial to Spanish War veterans, their widows, or dependents be made; to the Committee on Pensions.

10666. Also, petition of William Harris and 56 others of Newport, R. I., urging that no repeal or modification of existing legislation beneficial to Spanish War veterans, their widows, or dependents be made; to the Committee on Pensions.

10667. By Mr. CLARKE of New York: Petition of the Woman's Home Missionary Society, Sanitaria Springs, N. Y., requesting that a Federal motion-picture commission be established to regulate through public utility the motion-picture business as to selection and treatment of subject material and its various processes; to the Committee on Interstate and Foreign Commerce.

10668. By Mr. ESTEP: Memorial of the General Assembly of Pennsylvania in regular session on February 20, 1933, protesting against the cutting of appropriations for the support of the Army, Navy, and Marine Corps of the United States and of the National Guard of the several States; to the Committee on Naval Affairs.

10669. By Mr. GIBSON: Petition of D. C. Howard and 48 citizens of West Burke, Vt., opposing passage of House bill 13742, Collier beer bill; to the Committee on Ways and Means.

10670. By Mr. HOUSTON of Delaware: Resolution of the Milford (Del.) Woman's Christian Temperance Union; to the Committee on the Judiciary.

10671. Also, resolution of the Thatcher Woman's Christian Temperance Union, Wilmington, Del.; to the Committee on the Judiciary.

10672. Also, resolution of the Laurel (Del.) Woman's Christian Temperance Union; to the Committee on the Judiciary.

10673. By Mr. McCORMACK: Memorial of the General Court of Massachusetts, vigorously opposing any policies that involve the closing, in whole or in part, of the Boston Navy Yard, and protesting against any action by the Secretary of the Navy or the Congress of the United States which will affect as aforesaid the said navy yard; to the Committee on Naval Affairs.

10674. By Mr. PERSON: Petition of the Woman's Home Missionary Society, Stockbridge, Mich., advocating ratification of the World Court protocols; to the Committee on Foreign Affairs

10675. Also, petition of the City Commission of the City of Pontiac, Mich., favoring the recognition of the memory of Brig. Gen. Thaddeus Kosciusko by the issuing of a special series of postage stamps; to the Committee on the Post Office and Post Roads.

10676. Also, petition of the Woman's Home Missionary Society, Stockbridge, Mich., advocating a law establishing a Federal motion-picture commission, etc.; to the Committee on Interstate and Foreign Commerce.

10677. Also, petition of 42 residents of Grand Ledge and Lansing, Mich., protesting against the repeal of the eighteenth amendment; to the Committee on the Judiciary.

10678. Also, petition of 97 residents of Detroit, Mich., protesting against House bill 13742, the beer bill; to the Committee on Ways and Means.

10679. By Mr. SINCLAIR: Petition of the Senate of the State of North Dakota, favoring the enactment of House bills 20 and 21 to raise and stabilize the commodity price level; to the Committee on Banking and Currency.

10680. By Mr. SUTPHIN: Petition of the Manufacturers Club of Bloomfield, N. J., urging the balancing of the Budget; to the Committee on Ways and Means.

10681. By Mr. WATSON: Petition of Mrs. B. Hartman, with 26 other signatures, residents of Bucks County, Pa., urging the elimination of aliens in making future apportionments for congressional districts; to the Committee on the Judiciary.

SENATE

SATURDAY, FEBRUARY 25, 1933

The Senate met at 11 o'clock a. m.

The Chaplain, Rev. ZeBarney T. Phillips, D. D., offered the following prayer:

Eternal Father, in whose hands are life and death, by whose power we are sustained, by whose mercy we are spared, we thank Thee for the endless renewing of life in the divine ordering of this wondrous world, for Thou art never weary in releasing us from the bonds wherewith we have bound ourselves. Help us, therefore, to walk in this new day free from the bondage of fear, and as Thou hast committed unto us our work so would we commit our care unto Thee. Open our eyes that we may receive new light, our ears that we may hear the voice of Thy love, speak peace unto our hearts that we may gain the victory o'er the things that press us down and o'er the flesh that doth so often encumber us, that we may hope all things and endure all things as messengers of Thy healing mercy to this troubled and distracted world. We ask it in the name of Him who is our peace, Jesus Christ our Lord. Amen.

Mr. FESS. Mr. President, I ask unanimous consent for the approval of the Journal for the calendar days of Thursday and Friday, February 23 and 24, 1933.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

CALL OF THE ROLL

Mr. FESS. Mr. President, I suggest the absence of a

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Ashurst	Carey	Harrison	Moses
Austin	Clark	Hastings	Neely
Bailey	Coolidge	Hatfield	Norbeck
Bankhead	Copeland	Hayden	Norris
Barbour	Costigan	Hebert	Nye
Barkley	Couzens	Johnson	Oddie
Bingham	Dale	Kean	Patterson
Black	Dickinson	Kendrick	Pittman
Blaine	Dill	Keyes	Reed
Borah	Fess	King	Reynolds
Bratton	Fletcher	La Follette	Robinson, Ark.
Brookhart	Frazier	Lewis	Robinson, Ind.
Broussard	George	Logan	Russell
Bulkley	Glass	Long	Schuyler
Bulow	Glenn	McGill	Sheppard
Byrnes	Gore	McKellar	Shortridge
Capper	Grammer	McNary	Smith
Caraway	Hale	Metcalf	Smoot

Steiwer Thomas, Okla. Tydings Watson Stephens Townsend Vandenberg Wheeler Thomas, Idaho Trammell Walsh, Mass. White

Mr. NORRIS. I wish to announce that my colleague [Mr. Howell] is absent from the Senate because of illness.

Mr. BLAINE. I wish to announce that the senior Senator from Minnesota [Mr. Shipstead] is unavoidably absent owing to illness.

The VICE PRESIDENT. Eighty-four Senators have answered to their names. A quorum is present.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Chaffee, one of its clerks, announced that the House had passed a bill (H. R. 14395) relating to the prescribing of medicinal liquor, in which it requested the concurrence of the Senate.

The message also announced that the House had rejected, by striking out the enacting clause thereof, the bill (S. 417) to provide a government for American Samoa.

The message further announced that the House had agreed to the amendments of the Senate to the bill (H. R. 14562) making appropriations for the legislative branch of the Government for the fiscal year ending June 30, 1934, and for other purposes.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 88) to authorize the Postmaster General to investigate the conditions of the lease of the post-office garage in Boston, Mass., and to readjust the terms thereof.

The message returned to the Senate, in compliance with its request, the joint resolution (S. J. Res. 223) establishing the United States Georgia Bicentennial Commission, and for other purposes, with the accompanying papers.

ENROLLED BILLS SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

S. 1044. An act authorizing the issuance to Cassie E. Howard of a patent for certain lands;

S. 2148. An act for the relief of Clarence R. Killion;

S. 2259. An act for the relief of Mathie Belsvig;

S. 4286. An act to authorize credit in the disbursing account of Donna M. Davis; and

S. 4287. An act for the relief of Harold W. Merrin.

AMENDMENT OF BANKRUPTCY ACT

Mr. BLAINE. Mr. President, on page 4912 of the RECORD of Friday, February 24, in the first column, I find the following:

The Presiding Officer. The question is on agreeing to the amendment of the Senator from Wisconsin to the amendment of the committee.

On a division, the amendment to the amendment was rejected.

Following that announcement, this statement appears:

Mr. Blaine. Mr. President, I send to the desk an amendment which I shall propose to the pending bill and ask that it be printed and lie upon the table.

I was not advised of the error in time to make the correction in the stenographic report of the proceedings yesterday. I want to correct the RECORD to the effect that while the Senator from Nebraska [Mr. Norris] had the floor he yielded to me to present the amendment which I sent to the desk and which I proposed or said I would propose as an amendment to the pending bill, and I asked that it be printed and lie upon the table. The Senator from Nebraska had the floor and yielded. I was immediately called from the Chamber and, evidently in the confusion that existed upon the floor and the general disorder, action upon the amendment which I had offered at an earlier date is shown to have taken place while I was present. I could not have been present at the time, because I was absent from the time I said I would propose an amendment, which I sent to the desk to be printed, through the kindness of the Senator from Nebraska in yielding to me for that purpose.

My only purpose in making the correction is to move a reconsideration of the vote by which the amendment to the amendment, as announced by the Presiding Officer, was rejected. I enter a notice of my intention to make a motion to reconsider the vote by which the amendment to the amendment was rejected.

The VICE PRESIDENT. The motion to reconsider will be entered.

ORDER OF BUSINESS

Mr. McNARY. Mr. President, I propose the following unanimous-consent agreement and ask for its present consideration.

The VICE PRESIDENT. Let it be read for the information of the Senate.

The CHIEF CLERK. The Senator from Oregon proposes the following unanimous-consent agreement:

Ordered, by unanimous consent, That the Senate proceed to the consideration of unobjected bills on the Calendar, subject to the 5-minute rule, beginning with Order No. 1214, and after completing the call that the Senate then proceed with the call at the beginning for unobjected bills.

The VICE PRESIDENT. Is there objection?

Mr. ROBINSON of Arkansas. Mr. President, I have no

THE PETROLEUM INDUSTRY

Mr. THOMAS of Oklahoma. Mr. President, I have a resolution on the table which I desire to call up. I think it will take no particular time to dispose of it, but I should like to have a chance to have the resolution considered.

Mr. McNARY. I did not understand the statement of the Senator.

Mr. THOMAS of Oklahoma. I say I have on the table Senate Resolution 339, which is a resolution referring some data to the Federal Trade Commission for examination and report back to the Senate. It calls for no appropriation and only for information. It relates to the running of illegal oil in the flush oil fields of the West, including Oklahoma, Texas, and western California.

Mr. MOSES. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it. Mr. MOSES. Has the routine morning business been

concluded?

The VICE PRESIDENT. It has not; it is just beginning. Mr. MOSES. Then may I suggest to the Senator from Oklahoma that, under the routine morning business, his being a resolution coming over from a previous day, it would

Mr. McNARY. Mr. President, the Senator from New Hampshire is not conversant, I think, with the nature of the request. I am asking immediately to proceed to the consideration of unobjected bills on the calendar.

Mr. MOSES. Immediately?

Mr. McNARY. Yes.

The VICE PRESIDENT. Is there objection?

Mr. THOMAS of Oklahoma. If I can have the resolution to which I have referred considered for just a moment, I shall have no objection.

The VICE PRESIDENT. Will the Senator from Oregon yield so that the resolution referred to by the Senator from Oklahoma may be read to ascertain whether or not there is

Mr. McNARY. Yes; I yield.

The VICE PRESIDENT. Let the resolution be read.

Mr. FLETCHER. Mr. President, may we not have the regular morning procedure? Can we not proceed with the presentation of petitions and the introduction of bills and joint resolutions, and so forth?

Mr. McNARY. My object is simply this: There are a number of Senate bills on the calendar which if passed to-day will be messaged over to the House and an opportunity will be afforded to have them brought up for consideration on the Union Calendar of the House on Monday next, which will be the last opportunity for the consideration

The request is made in the interest of the expedition of legislation and to accommodate most of the Members of the Senate.

Mr. FLETCHER. I should like to see that done. The VICE PRESIDENT. The resolution referred to by the Senator from Oklahoma will be read.

The Chief Clerk read the resolution, Senate Resolution 339, submitted by Mr. Thomas of Oklahoma on January 20, 1933, as follows:

Resolved, That since Federal tax receipts will be decreased, balancing the Budget made more difficult, and a valuable and irreplacable natural resource may be wasted by the impending demoralization of the American petroleum industry, the Federal Trade Commission is hereby directed to report at once to the Senate of the United States the fullest information now in their possession covering the following-named topics and to further investigate and report at the earliest possible time to the Senate of the United States, if it is then in session, or to the Senate Committee on the Judiciary, if the Senate is not in session, in which case the Committee on the Judiciary shall make such report a public document at once that it may be available for use of Members of the Senate;

the Senate;
(1) The cause of the recent cut in the price of petroleum and

petroleum products;

(2) The reason for the drop in crude-oil prices in 1931;
(3) The explanations of fluctuations in the price of petroleum products contrary to the normal operation of the laws of supply

products contrary to the normal operation of the laws of supply and demand;

(4) The base which determines the price paid the producer of petroleum and the ultimate price paid by the consumer of petroleum products and their relation;

(5) Whether the price of petroleum or petroleum products is determined by any corporation or group of corporations;

(6) Whether any groups through their evasion of State regulatory laws are tending to develop a monopoly in petroleum products: products:

(7) Whether any companies or corporations engaging in interstate business are requiring the repayment of loans by delivery of petroleum at rates fixed below their own posted prices or below the market price, thus breaking that market price and demoraliz-

ing the industry;

(3) Whether any person, persons, or corporation is guilty of purchasing, transporting, or disposing of petroleum or petroleum products produced or acquired in violation of State regulatory laws; and

(9) Whether unfair competition is being made possible by unfair charges on transporting petroleum or its products or in any process of refining or distributing them, enabling any corporation to enjoy an improper advantage over competitors who are not guilty of such practices.

The VICE PRESIDENT. Is there objection to the present consideration of the resolution?

Mr. ROBINSON of Arkansas. Mr. President, may I make a suggestion to the Senator from Oklahoma?

Mr. THOMAS of Oklahoma. Certainly.

Mr. ROBINSON of Arkansas. I suggest that the declaration in the beginning of the resolution in the nature of a preamble be stricken out, including all the language after the word "That," in line 1, down to and including the word "industry" and the comma in line 5, page 1, so that the resolution will be directory without the preliminaries.

Mr. THOMAS of Oklahoma. That is satisfactory to me, Mr. President.

The VICE PRESIDENT. The Senator from Oklahoma modifies his resolution. Is there objection to the resolution as modified?

Mr. McNARY. I have no objection.

Mr. THOMAS of Oklahoma. Mr. President, before the resolution is acted upon I ask permission to submit a statement following the printing of the resolution and likewise to submit a number of letters-

The VICE PRESIDENT. Just a moment. The resolution has not been agreed to. Is there objection? The Chair hears none.

The resolution as modified was agreed to as follows:

Senate Resolution 339

Resolved, That the Federal Trade Commission is hereby directed to report at once to the Senate of the United States the fullest information now in their possession covering the following-named topics and to further investigate and report at the earliest possible time to the Senate of the United States, if it is then in session, of such bills. Hence I ask that the morning be not entirely taken up with routine morning business but that we may proceed immediately to the consideration of the calendar. for use of Members of the Senate:

- (1) The cause of the recent cut in the price of petroleum and petroleum products;
- (2) The reason for the drop in crude-oil prices in 1931;
 (3) The explanations of fluctuations in the price of petroleum products contrary to the normal operation of the laws of supply and demand:
- and demand;

 (4) The base which determines the price paid the producer of petroleum and the ultimate price paid by the consumer of petroleum products and their relation;

 (5) Whether the price of petroleum or petroleum products is determined by any corporation or group of corporations;

 (6) Whether any groups through their evasion of State regulatory laws are tending to develop a monopoly in petroleum products;
- (7) Whether any companies or corporations engaging in inter-state business are requiring the repayment of loans by delivery of petroleum at rates fixed below their own posted prices or below the market price, thus breaking that market price and demoralizing the industry:
- (8) Whether any person, persons, or corporation is guilty of purchasing, transporting, or disposing of petroleum or petroleum products produced or acquired in violation of State regulatory
- laws; and

 (9) Whether unfair competition is being made possible by unfair charges on transporting petroleum or its products or in any process of refining or distributing them, enabling any corporation to enjoy an improper advantage over competitors who are not guilty of such practices.

Mr. THOMAS of Oklahoma. Mr. President, I ask permission to insert at this point in the RECORD a statement explaining briefly the purpose of the resolution, and I also submit a number of affidavits and letters and photostatic copies of data to accompany the resolution and to be transmitted to the Federal Trade Commission.

The VICE PRESIDENT. Without objection, the statement will be printed in the RECORD, and the material referred to by the Senator will be transmitted to the Federal Trade Commission.

The statement referred to is as follows:

The indictment and punishment of any who are guilty of de-liberately wrecking the American petroleum industry through unjustified price cuts just when it was leading the way back to prosperity should be expedited by the passage of this resolution authorizing the Federal Trade Commission to thoroughly investigate this question. Regardless of how high placed or how wealthy the guilty persons might be, such an investigation should neither be postponed nor avoided. No alien enemy in time of war-could have done so much damage to the welfare of the whole American people or could have blotted out so much wealth as was done by the unwarranted slash in petroleum prices at the dictates of some

unrevealed authority.

The Federal Government has both an interest in this investigation and a duty to further it. Those reasons may be briefly enumerated thus:

- (1) Income-tax receipts growing out of the American petroleum industry will be diminished by enormous sums through the practical ruin of hundreds of operators and by the serious losses suffered by still more because of this movement by which they have been forced to sell their oil at less than actual production costs.
- (2) The Federal income from corporation taxes will be equally reduced by the serious losses suffered by companies engaged in the production of petroleum.
- (3) Federal receipts from pipe-line taxes may have been seriously affected by the clandestine transportation of oil produced in violation of State regulation without proper reports being made as a basis for taxation.
- (4) The many Federal interests involved in the interstate commerce in petroleum and its products demand that the United States Government should ascertain the facts in order that any guilty of such violations might be properly prosecuted.

 (5) The antitrust laws forbid combinations in restraint of trade
- such as seem probable in this united movement to eliminate large
- such as seem probable in this united movement to eliminate large groups of petroleum producers to the advantage of those having the power to determine the price at which they purchase oil and also the price at which they sell its refined products.

 (6) Should the evidence show a conspiracy on the part of any group or groups responsible for slashing the price of petroleum, for encouraging tax evasion, or for practically subsidizing the evasion of State laws to the damage of Federal tax receipts, indictments under the conspiracy act should be made possible through transmission of this evidence to the Department of Justice and the appropriate authorities.
- (7) The Treasury Department should be provided with all the covering the first three items in this list, embracing the effect of income-tax payments, corporation-tax payments, and pipe-line levies in order that, should there be presumptive evidence of guilt, fullest information might be given to the Department of Justice in order that proper criminal action might be taken.
- (8) Evidence indicating violations of various acts governing interstate commerce should be referred to the Interstate Com-

- merce Commission for its study and report to the Department of
- (9) The Department of Justice should be requested to enter prosecutions if sufficient evidence is found to justify such action in regard to any violations of the laws previously mentioned and especially to prosecute under the conspiracy act any who have been guilty of entering any conspiracy whose result would be to affect Federal tax receipts, or to violate either interstate commerce laws or the provisions of the antitrust acts.
- No additional appropriation should be required at present to accomplish a preliminary investigation. The Federal Trade Commission should be able to obtain from the States of Texas and Oklahoma the facts which have been revealed in those States by official investigation. The Federal Trade Commission also probofficial investigation. The Federal Trade Commission also probably possesses already much information in regard to previous combinations in restraint of trade or to artificially depress prices of petroleum products. That information should be collated with data obtained from the Texas and Oklahoma investigations. If additional and more detailed inquiry should be necessary, the Federal Trade Commission may report to the coming special sestion of the Compress when a guardenequal expression with the compress when a guardenequal expression of the Compression of the Compressio sion of the Congress when a supplemental appropriation might be given proper consideration.
- Since responsible persons in the petroleum industry and reputable newspapers are publicly alleging the truth of these charges, a positive duty rests upon the Federal Government in making such an investigation as will establish their truth or falsity and determine whether one of the basic industries of the Nation is being deliberately wrecked for the enrichment of a few people and whether the Federal revenues are being further depleted at the very time when the stability of our credit depends upon our securing sufficient revenue to carry on necessary governmental activities.

PETITIONS AND MEMORIALS

Mr. BLAINE presented a resolution adopted by the Eau Claire County Farmers Union and National Holiday Association, Fall Creek, Wis., favoring the repeal of the Federal reserve act and the passage of legislation for the coinage of new full legal-tender money in sufficient amount to pay the soldiers, finance Federal improvements, and to refinance agriculture, and also favoring the full payment of foreign debts owed to the United States, which was referred to the Committee on Banking and Currency.

Mr. KEAN presented a resolution adopted by the council of the borough of South River, N. J., protesting against any Federal taxation which imposes, or may be interpreted as imposing, a burden upon States, State agencies, and/or publicly owned utilities, which was referred to the Committee on Finance.

Mr. ASHURST presented a resolution of the Arizona Cattle Growers' Association, favoring the waiver by the Secretary of Agriculture of the first half of the 1933 grazing fees in the national forests, which was referred to the Committee on Agriculture and Forestry.

He also presented a resolution of the Arizona Cattle Growers' Association, favoring increase in the maximum loan limit of the Federal land banks to \$100,000, and the authorization of loans to corporations as well as to individuals or partnerships, which was referred to the Committee on Banking and Currency.

He also presented a resolution of the Arizona Cattle Growers' Association, favoring the passage of legislation to authorize the Reconstruction Finance Corporation, through its regional agricultural credit corporations, to allow 10-year loans on an amortization plan to livestock producers, which was referred to the Committee on Banking and Currency.

He also presented a resolution of the Arizona Cattle Growers' Association, favoring the maintenance of the present tariff duty on livestock and livestock products, excepting hides, the duty on hides to be increased to a basis of at least 6 cents per pound on green hides, which was referred to the Committee on Finance.

He also presented a resolution of the Arizona Cattle Growers' Association, indorsing house bill No. 174 of the Arizona Legislature, providing for the creation of a copper tariff board and the making of an appropriation to defray the expenses thereof, which was referred to the Committee

He also presented a resolution of the Arizona Cattle Growers' Association, in opposition to a bill introduced in the Legislature of Arizona, proposing to place a tax on all margarine, which was referred to the Committee on Finance.

BONDS AND DEBTS OF MUNICIPALITIES

Mr. BARBOUR. Mr. President, I ask unanimous consent for the printing in full in the RECORD and appropriate reference of the resolution adopted by the Board of Commissioners of the city of Camden, N. J., urging enactment of legislation to permit the Reconstruction Finance Corporation to make loans to municipalities and to permit cities to refinance their present bonded debts at lower rates of

There being no objection, the resolution was referred to the Committee on Banking and Currency and ordered to be printed in the RECORD, as follows:

Be it resolved by the Board of Commissioners of the city of Camden, N. J., That the Congress of the United States be requested, by proper national legislation, to permit a moratorium on municipal bonds and debts: And be it further Resolved, That said Congress further be requested to pass such legislation as may be necessary, to permit the Reconstruction Finance Corporation to loan moneys to municipalities and permit

Finance Corporation to loan moneys to municipalities and permit cities to refinance their present bonded debts at lower rates of interest: And be it further

Resolved, That copies of these resolutions, signed by the city clerk certifying to their adoption by the city commissioners on this date, be sent to the Clerk of the House of Representatives, the clerk of the United States Senate, our Congressman, our United States Senator, and to our senator and assemblymen of this county.

CITY CLERK'S OFFICE

Camden, N. J I, F. S. Albright, city clerk of Camden, N. J., do hereby certify that the foregoing is a true copy of resolution passed by the Board of Commissioners of Camden, N. J., the 23d day of February, A. D. 1933, as taken from and compared with the original now on

in testimony whereof, I have hereunto set my hand and seal of the city of Camden, at Camden, this 23d day of February,

[SEAL.]

F. S. ALBRIGHT, City Clerk.

ANNIVERSARY OF GENERAL KOSCIUSKO

Mr. BARBOUR. Mr. President, I ask unanimous consent for printing in full in the RECORD and appropriate reference of the resolution adopted by the board of commissioners of the city of Camden, N. J., urging the issuance of a special series of 3-cent postage stamps commemorating the one hundred and fiftieth anniversary of the naturalization as an American citizen and appointment of Thaddeus Kosciusko as brevet brigadier general of the Continental Army on October 13, 1783.

There being no objection, the resolution was referred to the Committee on Post Offices and Post Roads and ordered to be printed in the RECORD, as follows:

Whereas on October 13, 1933, will occur the one hundred and fiftieth anniversary of the naturalization as an American citizen of Brig. Gen. Thaddeus Kosciusko, a hero of the Revolutionary

Whereas the service rendered by him was of great value and assistance to the cause of American independence and of such high importance that on October 13, 1783, he was appointed brevet brigadier general of the Continental Army and was granted naturalization as an American citizen; and

naturalization as an American citizen; and
Whereas it is but fitting that proper recognition should be given
to the memory of Brig. Gen. Thaddeus Kosciusko, whose illustrious service in the war for American independence is well known
to all who are familiar with our history: Therefore be it
Resolved by the Board of Commissioners of the City of Camden,
N. J., and the Board of Commissioners of the City of Camden,
N. J., hereby respectfully requests and urges Congress to authorize the
issuance of a special series of postage stamps of the denomination
of 3 cents, of such design and for such period as it may determine, commemorative of the one hundred and fiftieth anniversary
of the naturalization as an American citizen and appointment of of the naturalization as an American citizen and appointment of Thaddeus Kosciusko, as brevet general of the Continental Army on October 13, 1783; and be it further

Resolved, That a copy of this resolution be sent to the Representative in Congress from the first district of New Jersey and to the two United States Senators from New Jersey.

CITY CLERK'S OFFICE,

Camden, N. J

I, F. S. Albright, city clerk of Camden, N. J., do hereby certify that the foregoing is a true copy of resolution passed by the Board of Commissioners of Camden, N. J., the 23d day of February, A. D. 1933, as taken from and compared with the original now on file in my office.

In testimony whereof I have hereunto set my hand and seal of the city of Camden, at Camden, this 23d day of February, A. D.

F. S. ALBRIGHT, City Clerk.

REMONETIZATION OF SILVER

Mr. WHEELER presented a resolution of the Miles City (Mont.) Trades and Labor Council, which was referred to the Committee on Finance and ordered to be printed in the RECORD, as follows:

memorial "memorializing the President and Congress of the United States to enact into law Senate bill 2487, known as the Wheeler bill."

To the honorable Senate and House of Representatives of the United States in Congress asembled:

Your memorialists, the members of the Twenty-third Legislative Assembly of the State of Montana, the senate and house concur-

Assembly of the State of Montana, the senate and house concurring, respectfully represent as follows:

Whereas the people of this State, this Nation, and the world in general are struggling to maintain themselves, retain their property and business and meet their private and public obligations under the heavy and increasing burdens of steadily falling commodity prices, with consequent unemployment and other forms of hardship and distress; and

Whereas the various efforts that have been made to restore prosperity and confidence, apparently based on the thesis that relief of special groups would relieve all other groups also, and that forced expansion of credit would raise commodity prices, have either failed or proved inadequate; and

either failed or proved inadequate; and Whereas it is our belief that the Wheeler bill will do more to relieve the deplorable condition that our country is in: Therefore be it

Resolved by the Miles City Trades and Labor Council, That we indorse the Wheeler bill and earnestly recommend its passage to the President and Congress of the United States.

REVIEW OF DISABILITY-ALLOWANCE CLAIMS

Mr. FLETCHER. Mr. President, in the Washington Post of to-day there appears an article having reference to the action taken by Gen. Frank T. Hines, Administrator of Veterans' Affairs, in directing that all disability-allowance claims be reviewed.

As further information on this controversial subject I request leave to have printed and appropriately referred, following these remarks, a letter addressed to me several days ago by Administrator Hines.

There being no objection, the letter was referred to the Committee on Finance and ordered to be printed in the RECORD, as follows:

VETERANS' ADMINISTRATION, Washington, February 14, 1933.

Washington, February 14, 1933.

Hon. Duncan U. Fletcher,
United States Senate, Washington, D. C.

My Dear Senator Fletcher: This has reference to your telephonic communication of February 13, 1933, and is in response to your inquiries relating to the review of disability-allowance claims which is now being conducted.

On December 1, 1932, there was initiated, by administrative order, a review by the Veterans' Administration of awarded claims for disability allowance in order to place into effect standards for disability evaluation presently in use in the adjudication of such

On December 1, 1932, there was initiated, by administrative order, a review by the Veterans' Administration of awarded claims for disability allowance in order to place into effect standards for disability evaluation presently in use in the adjudication of such claims. The review now in progress was undertaken, according to the legal warrant conferred by section 5 of the World War veterans' act, 1924, as amended, which provides in effect that for the purpose of administering, executing, and enforcing the provisions of the act the director (administrator) shall have full power and authority to make such rulings and regulations as are necessary or proper not inconsistent with the other provisions of the act. It is also specified by that section that regulations and provisions may be made for the nature and extent of proofs and evidence, as well as for the determination of methods for investigations, medical examinations, adjudications, and awards.

In the matter of your reference, generally, to the review of claims now being conducted it is felt that in the way of explanation of the reasons for having instituted the review it will be in order to discuss briefly the history of disability allowance and the problems which confronted the administration in the adjudication of disability-allowance claims. Thousands upon thousands of claims were presented for consideration immediately after the enactment of the amendatory act of July 3, 1930, and the necessity to secure prompt relief for veterans entitled thereto was immediately apparent; it was then obvious that if relief were to be afforded promptly it could be done only by means of the most expeditious adjudication of claims. Accordingly ratings were based upon medical data contained in reports of examinations which were of record and which had been, in some instances, secured months previously. Further, in the sole interest of dispatch, there were adopted standards for disability evaluation which were more fiexible perhaps than were justified by the experience of th

nency of disabling conditions, but adjudications were based upon diagnoses and disability estimates previously made.

The necessity for the eventual adoption of more fixed evaluative standards and definitions of permanency of disability was recognized by the administration at the time the expedient measures nized by the administration at the time the expedient measures were temporarily resorted to, and it was then intended that as soon as the circumstances should permit a general review of awarded claims would be undertaken in order to place into effect criteria for rating which would be in consonance with the experience acquired by the administration following the passage of the amendatory act of July 3, 1930. At this time over 95 per cent of claims have been adjudicated, and it may be said that practical results have justified the previous conclusions of the administration in respect to the necessity for the ultimate reconsideration tion in respect to the necessity for the ultimate reconsideration of claims. Numerous claims which have been reviewed in regular course of adjudication have demonstrated that in many instances disabling conditions initially considered to be permanent were not in fact so, and that in some instances diseases or injuries have been found to be no longer present, or to have improved to an extent which has warranted reduction or discontinuance of awards. Paragraph 2 of section 200 of the act is held to warrant the rule for permanency which is now in effect, namely, that a permanent disability will be taken to exist when there is present a disability

disability will be taken to exist when there is present a disability which, it is reasonably certain, will continue unimproved throughout the claimant's life. It is upon that definition of permanency that all adjudications of disability-allowance claims are now made. In consideration of your reference to the adjudication of claims pursuant to the review without reexamination of the veteran concerned, it is desired to assure you that it is the intention of the administrative order which initiated the review (a copy of which issue is inclosed for your information) that awards will not be discontinued in any case where the available evidence is not entirely adequate to support the action taken. In that direct connection your attention is invited to paragraph 5 of the inclosed issue. adequate to support the action taken. In that direct connection your attention is invited to paragraph 5 of the inclosed issue. You will observe that it has been provided that reexaminations are expected to be secured in any case where examination reports of record are clearly inadequate and where reexamination is considered to be essential to further adjudication of the claim; that is to say, where it is considered that the data of record are insufficient to satisfactorily portray the physical condition of the veteran and to enable accurate estimation of the extent of disability in any instance. The other provisions to which the letter of December 1, 1932, refers relate to cases wherein it is apparent that the application of presently effective standards for disability evaluation to conditions which are satisfactorily described will result in either increased or decreased disability ratings.

In the further matter of the questioned propriety of reduction

In the further matter of the questioned propriety of reduction of awards without reexamination it is believed that you will apof awards without reexamination it is believed that you will appreciate that the application of the rating principles now approved in presently effective regulations makes it necessary that the need for reexamination be determined according to the facts of individual cases, and it may be said at this point that it is expected that the officials and agencies of the administration, whose responsibility it is to conduct the review of claims, may be relied upon to exercise sound judgment and discretion in making the determinations required of them. It is not anticipated that reductions without examination will be accomplished unless (1) the file clearly indicates that a condition which qualifies under ductions without examination will be accomplished unless (1) the file clearly indicates that a condition which qualifies under the early rule for determining permanence, "reasonably certain to continue unimproved for an indefinite period" falls to qualify under the present rule, "reasonably certain to continue unimproved throughout the veteran's life," particularly with respect to those conditions which are susceptible to operative intervention; (2) the file definitely indicates that a disability in question can not qualify for a 25 per cent, 50 per cent, 75 per cent, or permanent total rating under the evaluative regulations were shown to be too elastic, especially so far as 25 per cent, 50 per cent, 75 per cent, and permanent total ratings had been developed by the use of less than 10 per cent ratings, applied to conditions which for the most part had heretofore not been definitely evaluated.

In providing for the review every precaution has been observed in the protection of the rights of veterans whose claims will be effected. The review will follow the order in which awards were

effected. The review will follow the order in which awards were approved, and it is intended that claims will not be adjudicated without reexamination except where sufficient medical data is of record to permit adjudication. The right of any veteran to secure appeal of his claim or to have reconsideration of his claim, to which the present policies of the administration entitle him, will be in no wise jeopardized by the review. Further, in order to provide a stay of adjudication to permit sufficient opportunity for the submittal of additional evidence on the part of veterans and as an added safeguard to the rights of veterans now provided, the field offices have been instructed to discontinue no award pursuant to the review before the first of the second calendar month.

field offices have been instructed to discontinue no award pursuant to the review before the first of the second calendar month succeeding the month in which the termination is approved.

The attitude of veterans who are denied disability allowance is sympathetically appreciated, and you are assured that the administration is fully aware of the hardships which will follow the reduction of awards in some instances. The review of claims which is now under way, as well as such reviews of disability-allowance claims as have been conducted in the past, must be held to be warranted as a matter of sound administration, upon the proposition that it is in the interest both of the veterans concerned and of the Government to review claims whenever it may be necessary to see to it that the basic law and interpretations thereof are properly administered. Reconsiderations of inditions thereof are properly administered. Reconsiderations of individual disability-allowance claims have been had in the routine

of adjudication as they may come to the attention of the field offices of the administration, either through the presentation of additional evidence or in other proper manner, and it is therefore proper to say that the review now under discussion constitutes no departure from established policy affecting the basic rights of beneficiaries concerned, and that it is in no sense unusual or extraordinary

In conclusion it is desired to assure you that it is the intention of the administration that no veteran who is found to have a permanent disability of 25 per cent or more and who meets the other requirements of the law need entertain any fear regarding the continuation of disability allowance to which he is entitled.

Very truly yours.

FRANK T. HINES, Administrator.

REPORTS OF COMMITTEES

Mr. McNARY, from the Committee on Agriculture and Forestry, to which was referred the bill (H. R. 10124) for the relief of A. Zappone, disbursing clerk, United States Department of Agriculture, reported it without amendment and submitted a report (No. 1301) thereon.

Mr. JOHNSON, from the Committee on Commerce, to which was referred the bill (S. 5651) to amend sections 361, 392, 406, 407, 408, 409, 410, 411, and 412 of the United States Code, relating to the construction and inspection of boilers. unfired pressure vessels, and the appurtenances thereof, reported it with an amendment and submitted a report (No. 1302) thereon.

Mr. LOGAN, from the Committee on Military Affairs, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

H. R. 5367. An act for the relief of Jerry V. Crane (Rept. No. 1303);

H. R. 7167. An act for the relief of Stuart L. Ritz (Rept. No. 1304); and

H.R. 11980. An act authorizing the President to make a posthumous award of a distinguished-flying cross to Glenn H. Curtiss, deceased, and to present the same to Lua Curtiss, mother of the said Glenn H. Curtiss, deceased (Rept. No. 1305).

Mr. DICKINSON, from the Committee on Military Affairs, to which was referred the bill (S. 2167) for the relief of Robert J. Foster, reported it with amendments and submitted a report (No. 1308) thereon.

Mr. CAREY, from the Committee on Military Affairs, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

H. R. 2803. An act for the relief of John S. Stotts, deceased (Rept. No. 1309); and

H. R. 7174. An act for the relief of James J. Meaney (Rept. No. 1310).

Mr. SMOOT, from the Committee on Finance, to which was referred the bill (H. R. 12328) to authorize the assignment of awards entered by the Mixed Claims Commission, United States and Germany, the Tripartite Claims Commission, and the War Claims Arbiter, reported it without amendment and submitted a report (No. 1306) thereon.

Mr. SHORTRIDGE, from the Committee on Appropriations (as an ex officio member thereof), to which was referred the bill (H. R. 14724) making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1934, and for other purposes, reported it with amendments and submitted a report (No. 1307) thereon.

Mr. NYE, from the Committee on Public Lands and Surveys, to which was referred the bill (H. R. 637) to relinquish the title of the United States to certain lands in the county of Los Angeles, State of California, reported it with an amendment and submitted a report (No. 1311) thereon.

He also, from the same committee, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

H.R. 189. An act to add certain lands to the Modoc National Forest, in the State of California (Rept. No. 1312);

H. R. 6484. An act to grant lands in Alaska to the Yakutat & Southern Railway, a Washington corporation authorized to carry on its business in the Territory of Alaska (Rept. No. 1313);

H. R. 10756. An act for the relief of Clive Sprouse and Robert F. Moore (Rept. No. 1314);

H. R. 11242. An act to relinquish the title of the United | States in and to lands in Rapides Parish, State of Louisiana (Rept. No. 1315); and

H. R. 12126. An act to add certain lands to the Gunnison National Forest, Colo. (Rept. No. 1316).

LAKE ODDIE

Mr. KENDRICK, from the Committee on Public Lands and Surveys, reported a bill (S. 5693) giving the name Lake Oddie to the body of water resulting from the construction of Hoover Dam, which was read twice by its title, and ordered to be placed on the calendar.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. AUSTIN:

A bill (S. 5691) to amend section 337 of the tariff act of 1930; to the Committee on Finance.

By Mr. ROBINSON of Indiana:

A bill (S. 5692) to provide for the donation of certain Army equipment to posts of the American Legion; to the Committee on Military Affairs.

By Mr. CAPPER:

A joint resolution (S. J. Res. 258) to change the name of B Street SW., in the District of Columbia; to the Committee on the District of Columbia.

HOUSE BILL REFERRED

The bill (H. R. 14395) relating to the prescribing of medicinal liquors, was read twice by its title and referred to the Committee on the Judiciary.

PURCHASE OF ALLOTMENTS OF DECEASED INDIANS-AMENDMENTS

Mr. FRAZIER submitted amendments intended to be proposed by him to the bill (S. 5483) authorizing the Secretary of the Interior, in behalf of Indians, to purchase the allotments of deceased Indians, and for other purposes, which were ordered to lie on the table and to be printed.

LEASING OF AGRICULTURAL LANDS-AMENDMENT

Mr. BANKHEAD submitted an amendment in the nature of a substitute intended to be proposed by him to the bill (H. R. 13991) to aid agriculture and relieve the existing national economic emergency, which was ordered to lie on the table and to be printed.

AMENDMENT TO SECOND DEFICIENCY APPROPRIATION BILL

Mr. WHEELER submitted an amendment intended to be proposed by him to House bill 14769, the second deficiency appropriation bill, which was referred to the Committee on Appropriations and ordered to be printed, as follows:

On page 15, after line 4, to insert the following:

"Protection of interests of the United States in matters affecting oil lands in former naval reserves: For an additional amount ing oil lands in former naval reserves: For an additional amount for expenses of special counsel and for all other expenses, including employment of experts and other assistants at such rates as may be authorized or approved by the President, in connection with carrying into effect the joint resolution directing the Secretary of the Interior to institute proceedings touching sections 16 an 36, township 30 south, range 23 east, Mount Diablo meridian, approved February 21, 1924 (43 Stat. 15), fiscal year 1932, \$17,000 to be expended by the President."

GLADYCE W. SIMMONS

Mr. NORRIS. Mr. President, I desire unanimous consent to submit a resolution and have it referred to the Committee to Audit and Control the Contingent Expenses of the Senate. It is a resolution of my colleague [Mr. Howell] who is detained from the Senate by illness, and I am submitting it at his request.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the resolution will be received and appropriately referred.

The resolution (S. Res. 372) was refered to the Committee to Audit and Control the Contingent Expenses of the Senate, as follows:

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay from the appropriation for miscellaneous items, contingent fund of the Senate, fiscal year 1932, to Gladyce W. Simmons, daughter of Samuel B. Weil, late a messenger of the Senate under supervision of the Sergeant at Arms, a sum

equal to six months' compensation at the rate he was receiving by law at the time of his death, said sum to be considered inclusive of funeral expenses and all other allowances.

HEARINGS BEFORE THE COMMITTEE ON BANKING AND CURRENCY. SEVENTY-THIRD CONGRESS

Mr. FLETCHER, by unanimous consent, submitted the following resolution (S. Res. 373), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the Committee on Banking and Currency, or any Resolved, That the Committee on Banking and Currency, or any subcommittee thereof, hereby is authorized to sit during the sessions, recesses, and adjourned periods of the Seventy-third Congress at such times and places as it may deem advisable, to make investigations into all matters within its jurisdiction, and to compile and prepare statistics and documents relating thereto as directed from time to time by the Senate and as may be necessary, and to report in due course to the Senate the result thereof, to send for persons, books and papers, to administer oaths, and to send for persons, books and papers, to administer oaths, and to employ such expert, stenographic, clerical, and other assistance as may be necessary; and all of the expenses incurred in pursuance hereof shall be paid from the contingent fund of the Senate; and the committee is authorized to order such printing and binding as may be necessary for its use.

UNITED STATES GEORGIA BICENTENNIAL COMMISSION

The PRESIDENT pro tempore. The Chair lays before the Senate the joint resolution (S. J. Res. 223) establishing the United States Georgia Bicentennial Commission, and for other purposes, returned from the House of Representatives on the request of the Senate.

Mr. GEORGE. I move that the Senate reconsider its action disagreeing to the amendment of the House of Representatives to the joint resolution and requesting a conference with the House on the disagreeing votes of the two Houses thereon.

The motion to reconsider was agreed to.

Mr. GEORGE. I now move that the Senate agree to the amendment of the House to the joint resolution.

The motion was agreed to.

UNVEILING OF A CANVAS ON THE WALL

Mr. THOMAS. Mr. President, I ask leave to have printed in the RECORD an address by John A. Simpson, president of the National Farmers' Union, delivered to-day over a network of the National Broadcasting Co., at Washington, D. C., entitled "Unveiling of a Canvas on the Wall."

There being no objection, the address was ordered to be printed in RECORD, and it is as follows:

printed in Record, and it is as follows:

I am happy indeed to have this opportunity, again, of talking to thousands of my radio friends who, I feel sure, are listening in at this moment. I want to express my deep appreciation to the National Broadcasting Co. for giving this hour to the Farmers' Union the fourth Saturday of each month.

I also want to thank those who responded so splendidly to the talk I gave the fourth Saturday in January. We now have more than 1,500 who have volunteered to do organizing work in their own counties. There is scarcely a day that we do not receive results from these organizers. I take the position that any person who speaks to an audience, like the one I am addressing to-day, should give them bread instead of a stone; should give them milk instead of just foam. It is my purpose in each of my talks to give you information, to give you truth not available through the ordinary sources of securing information. If I can do this, I am not wasting your time nor mine, and we shall be drawn closer together as we meet each other, radio fashion, once each month. I am fully convinced we can not only become acquainted over the radio, but also build up a friendship approaching that of personal contact. So I come to friendship approaching that of personal contact. So I you to-day happy in the feeling that we are friends. So I come to

THE UNVEILING

The usual purpose at the unveiling of a great picture is to ex-

The usual purpose at the unveiling of a great picture is to expose to view the work of some great artist—a work that he has done with paint and brush. The unveiling brings to the eyes of those present a thing of beauty. It brings to them the pleasure and delight that we get from seeing beautiful things.

The picture that I shall unveil was not made with paint and brush. It was not intended by its authors to be exposed to public gaze. It was not constructed with the thought of making it a thing of beauty. I shall unveil an ugly, hideous, inhuman picture constructed by selfish, greedy, avaricious souls for the purpose of robbing their fellow men.

MONEY AND CREDITS

Tearing the curtain aside, we see the subject of this picture is "Money and Credits." So far as this particular picture is concerned the making of it began during the Civil War.

Examining the thumb prints on this picture, I can see it is the work of the slimy hands of the big bankers of the Nation.

BANKER PERFIDY

I see, as a part of the background of this picture, what Abraham Lincoln was up against in the trying days of his administration. Big bankers went to Congress in the early days of the war tion. Big bankers went to Congress in the early days of the war and put exception clauses into the currency Lincoln was compelled to issue. The exception clauses prevented this currency from being full legal tender for all debts, public and private. In the background of this picture, I see that this exception clause prevented the money Lincoln issued from passing at a hundred cents on the dollar. I see the soldiers of '61 accepting these bills at face value, but they and their families back home compelled to turn them in to the merchant and to those whom they owed at 50 cents on the dollar and even less in some instances. I see the big bankers of the Nation accumulating hundreds of millions of dollars of this currency at this depreciated value. Then after the war I see, in this ugly picture, these same bankers going to Congress and having their 50-cent dollars funded into Government bonds payable in gold dollars at 100 cents on the dollar. ment bonds payable in gold dollars at 100 cents on the dollar.

NATIONAL BANK ACT

I see these bankers, during this war period and after the war period, secure the enactment of the national bank act. The national bank act provides that national banks may loan the United States receiving for such loan a Government interest-United States receiving for such loan a Government interest-bearing bond. The Government will then print for the national bank an equal amount of blank national bank notes, the bank leaving the Government bond as a guaranty that the bank shall stay open ready to redeem such currency on demand. The officers of such banks make money out of these blank national bank notes by simply signing each bill at the place indicated. Under this act, the national bank, after lending the Government, has just as much money to lend out to its customers upon which it draws high rates of interest and at the same time the Government. draws high rates of interest and at the same time the Government

draws high rates of interest and at the same time the Government sends them interest quarterly on a like amount of money.

To make this plain I give you my own experience. I was president of the First National Bank of Weatherford, Okla., some 20 years ago. One day I lent \$25,000 of that bank's money to the Government in Washington. The Government issued a \$25,000 bond, its note to my bank. I left the bond with the Government and received \$25,000 in blank national bank notes which I signed and returned to the vaults of the First National Bank of Weatherford. I had just as much money to lend in and around Weatherford to farmers and business men as I had before I lent the Government that \$25,000, and received interest every three months on the Government bond left with the Secretary of the Treasury, as well as from the bank's customers. I want you listening in on the Government bond left with the Secretary of the Treasury, as well as from the bank's customers. I want you listening in to know that when the last coupon on that Government bond has been paid to the First National Bank of Weatherford, Okla, the taxpayers of this Nation will have paid more than \$25,000 in interest to the bank for my signing and making some money for the people to use. That is the national-bank system that I find in the background of this picture, a system that I concede the daily press of the country have the people believing is a sound system. It is sound for the bankers, but not sound for the taxpayers of this Nation.

CRIME OF 1873

In the background of this hideous picture I want to call your attention to the crime of 1873. England had gone off the bimetallic standard in 1816. Immediately she entered upon an extensive campaign to get other nations to do the same. It was emissaries of Great Britain working through the big bankers of this country who were largely responsible for the demonetization of silver in 1873. Our big bankers saw that it would be much easier for them to control the basic money of the country under a single gold-standard system instead of a bimetallic system in which both gold and silver were money.

This is a terrible picture I am unveiling and I want you to know that it is, exclusively, the work of the big bankers of this Nation.

FEDERAL RESERVE ACT

The next part of the background of this picture to which I call your attention is the Federal reserve act passed by Congress in 1914. This machine was supposed to function in the interest in 1914. This machine was supposed to function in the interest of the common people. It was supposed to furnish an elasticity to the money and credits of this country that would respond quickly and adequately to the needs of the business and commerce of the Nation. In the background of this picture I see that the international bankers jumped onto the Federal reserve machine, threw the lever in reverse, and instead of elastic qualities being used to the advantage of the people it has been used against their interests. their interests.

DEFLATION

I call your attention to that part of the background of the picture where, immediately after the war the international bankers of this country, through the Federal reserve banks, beginning in May, 1920, demanded payment by the small banks of the country of what those small banks owed to the big banks and to the Federal reserve banks. As a result of these demands in less than 18 months nearly \$3,000,000,000 of Federal reserve notes and national-bank notes were called in and canceled. In other words, these pirates of finance destroyed in 18 months \$3,000,000,000 of the medium of exchange of this country.

I see in this picture that May 1, 1920, when deflation began, cotton was 40 cents a pound on the Cotton Exchange in New Orleans. Four months later it was 7 cents a pound, and to-day it is less than 6 cents. I see in the background of this picture on May 1, 1920, when the big bankers commenced the destruction

of the medium of exchange of this country, wheat was \$3 a bushel on the Chicago Grain Exchange. Four months later it was \$1.40, and to-day it is less than 50 cents a bushel.

BANKS' POWER

In the background of this canvas I am unveiling, I want to call your attention to the strangle hold two big banking systems in New York City have on the business of this Nation. This will be

a very brief summary of the situation.

I shall take the Chase National Bank first. Members of its board I shall take the Chase National Bank first. Members of its board of directors hold directorships in other institutions to the following extent: 18 banks, 12 insurance companies, 32 manufacturing corporations, 17 railroad companies, 19 public utilities, and 21 miscellaneous corporations. In turn, these banks in which directors of the Chase National have one or more directors have one or more directors in 104 other banks, 142 insurance companies, 360 manufacturing corporations, 234 transportation companies, which include some street railways, steamship and aviation corporations, 266 public utilities, and 569 miscellaneous corporations. We find the Chase National and its interlocking banks with a total of 2,023 directorships in other banks, in insurance companies. of 2,023 directorships in other banks, in insurance companies, manufacturing concerns, transportation companies, and public

A breakdown of the National City Bank shows they hold 7 directorships in aviation companies, 41 in other banks, 104 in miscellaneous companies, 44 in insurance companies, 102 in manufacturing corporations, 29 in transportation companies, 115 in public-utility corporations. A breakdown of each of these 41 banks shows that the group under the National City Bank holds 4,019 directorships in other banks, public utilities, insurance companies, transportation companies, manufacturing, and miscellaneous corporations

Investigation reveals these interlocking directorates, both in banking and industry, extend into foreign countries. It further reveals that it extends to every automobile concern with the exception of Ford. It shows it includes practically every railroad, steamship company, and aviation company in the United States. It includes practically every public utility in the United States. It includes a majority of the insurance companies of the United States. It includes every line of manufacturing. It reveals there is scarcely such a thing as an independent concern in the United States. Just a few big bankers completely control commerce, industry, and transportation.

I get this information from the testimony of Mr. John P. Frey,

secretary-treasurer of the metal trades department of the American Federation of Labor. This testimony was given Tuesday, January 31, this year before a subcommittee of the Judiciary Committee of the United States Senate, Senator George Norris, of Nebraska, presiding.

HOW BANK DESTROYS INDIVIDUAL

I want to call your attention to an incident in the background of I want to call your attention to an incident in the background of this picture that is typical of multiplied thousands of similar incidents. It is the story of a friend of mine in Oklahoma who through luck and a knowledge of oil geology really fell into great wealth. He has opened more oil fields in this country than any man in the country. This friend of mine told me a few months ago that less than three years from the day he took lunch with an international banker in New York City, they stripped him of over \$30,000,000. The process was, first, financing through lending; second, financing by increasing his capital stock and the big bankers taking most of the increased capital stock; third, by surrentitiously buying other stock from minority stockholders until bankers taking most of the increased capital stock; third, by surreptitiously buying other stock from minority stockholders until they had controlling interest; fourth, after obtaining controlling interest removing my friend as president of his own company; fifth, and the last process, was selling to my friend's company worthless property owned by the international banker. That day when my friend took lunch with the international banker in New York City it was the old story of the spider and the fly.

THE PICTURE ITSELF

I have hastily called your attention to the background of the picture. Now, let us look at the picture itself. In the center of this background is the complete control by the international bankers of the "money and credits" of this country. As Sampson's locks were the source of his power, so the control of the money and credits of this country is the source of the power of the international bankers of this country. Sampson shorn of his locks was shorn of his power. The international bankers shorn of their control of money and credits will be shorn of their power and their interlocking directorates will cease to work when they no longer have the power to make a big crop of money or a small crop; when they are no longer the only source of credit for the people of this Nation.

I did not make this picture. The international bankers made

I did not make this picture. The international bankers made I have unveiled it and brought it to your view. If you like the condition this picture reveals, if you are contented for a few selfish, greedy, avaricious men to have control of the money and credits of this country, then turn from your radios at the close of this hour, put your necks in the yoke and wear it uncompletingly.

HOW ORGANIZE

If this picture is a thing of horror and terror to you, then at the close of this hour write to our national secretary, E. E. Kennedy, Kankakee, Ill., and ask for instructions how you may become a member of the Farmers' Union of America and how you can organize a local of the Farmers' Union in your community. Around Hazleton, Pa., the farmers have self-organized in the last 30 days and now have 5 locals with 150 members.

We are the only organized group of farmers here in Washington working for the passage of the Frazier bill, S. 1197. This bill provides for the Government refinancing farmers at $1\frac{1}{2}$ per cent interest and $1\frac{1}{2}$ per cent payment on the principal each year until the principal is paid. We are the only organization of farmers with headquarters here in Washington advocating the passage of the Wheeler bill, S. 2487, which provides for the remonetization of silver at the ratio of 16 to 1. We are the only organization of farmers with headquarters here in Washington advocating the passing of such legislation as will get for farmers cost of production for that part of their products consumed in this country.

If you would like to see such bills as I have mentioned pass and become laws in this Nation, it is your duty to become a member of the organization that is promoting these measures. The Farmers' Union is the only farm organization doing this, with headquarters in Washington.

Farmers' Union is the only farm organization doing this, with headquarters in Washington.

I want you to know that the Farmers' Holiday Association has the same program of legislation as the Farmers' Union. I also want you to know that the Farmers' Holiday Association has done more to bring to the attention of the people and all official Washington the awful conditions of the farmers than any other organization in the United States. I want you farmers to know that every foreclosure sale controlled by the Farmers' Holiday Association has caused another Congressman or Senator to think just a little deeper on these questions than they had before.

A new organization has sprung up in Wisconsin, known as the Cooperative Milk Pool. Right now they are carrying on a big milk strike that surpasses anything the Holiday Association has attempted so far. All these organizations are an indication that the spirit of 1776 still survives.

If this Nation is saved, it will be because there are farmers who have the moral courage to resist the continued mistreatment of the agricultural classes of this country.

Among the things at which you have a right to complain are the following: You are made to work harder than any other group. On an average, the homes in which you live are not as good as the average of that of any other group. You get less for your labor than any other group. You pay higher rates of interest when you borrow than any other group. You pay higher rates of interest when you borrow than any other group. You raxes are much higher than those of any other group. As a group, you are treated as inferior to other groups. You could get a thousand illustrations of this last statement.

You are disgracefully treated by the Reconstruction Finance Corporation.

You are disgracefully treated by the Reconstruction Finance

Individual banks and individual railroads often secure loans of many millions of dollars with the collateral offered the Government sometimes less than one-third of the amount borrowed.

when the Reconstruction Finance Corporation lends to a farmer, they require such an extortion of security as to, in most instances, absolutely make impossible the securing of a loan. The following letter is a sample of the way farmers are mistreated by the Reconstruction Finance Corporation. This letter is from the Reconstruction Finance Corporation set-up at Helena, Mont., to Mr. Emory J. LaRoche, Madoc, Mont., under date of January 20, 1933.

REGIONAL CREDIT AGRICULTURAL CORPORATION, Helenz, Mont., January 20, 1933.

Mr. EMORY J. LAROCHE,

Mr. EMORY J. LAROCHE,

Madoc, Mont.

Dear Sir: Please be advised that your application for a loan has had the careful consideration of our loan committee, and that it has seemed inadvisable to allow the loan in the amount for which you applied. However, they have approved a loan to you of \$800 to be secured by a first mortgage on your 6 cattle, 2 horses, 7 tons of hay, 4,370 bushels of wheat in bin, your 1933 crops, and all machinery and equipment as listed by the inspector. It will also be necessary that you give us a first mortgage on your real estate. We will require that your wife join you in signing the note and mortgage.

signing the note and mortgage.

It will also be necessary that your cattle be branded with your

recorded brand.

Trusting that this meets with your satisfaction and upon receipt of such information the necessary papers will be prepared and forwarded to you for execution.

Yours very truly,

D. P. McConnect Assistant Manager.

P. B. McCLINTOCK, Assistant Manager.

The latest, up-to-date one is a resolution that passed the Senate The latest, up-to-date one is a resolution that passed the Senate providing a committee should be appointed to invite citizens scattered over the Nation to come before this committee and give what information they can about the causes and the remedies for the depression in which we find ourselves. This committee has been organized and 60 invitations sent out. A big majority of these invitations have been issued to those who brought on the wreck and ruin existing in the country.

In my radio talk the fourth Saturday of March I shall give you my statement before this committee including questions asked me by members of the committee and my answers.

my statement before this committee including questions asked me by members of the committee and my answers.

Mr. Farmer listening in, I will tell you why you are mistreated this way. It is because you have refused to join your own class organization, the Farmers' Educational and Cooperative Union of America. Let me, once more, appeal to you to write E. E. Kennedy, Kankakee, Ill., our national secretary and find out how you can place yourself in a position where public officials will respect and recognize you. Write to E. E. Kennedy, Kankakee, Ill., and ask him how you may become a member of the farmers' union.

For lack of organization, here is what has happened to you in the last three years. Farmers sold in 1929 farm products and

received therefor a total of \$10,100,000,000. In 1930 they realized from their sales a total of \$7,800,000,000. In 1931 they realized from their sales a total of \$5,500,000,000. For the year 1932 the continued and increasing shrinkage brought the total down that farmers received from the sale of their crops to \$4,000,000,000.

TARIFF AND HIGH-PRICED DOLLAR

Our high-priced dollar and our high tariffs are forcing our manufacturers to build factories in the countries where money is cheap. Hundreds of manufacturing concerns in this country have either established branch factories in foreign countries or entirely removed their manufacturing plants from this country. The tariff is made to operate against the farmer.

In 1930 the cement concerns in the United States secured a tariff on cement when the year before practically every cement company in this country was making huge profits; some of them more than 100 per cent. A wheat exporter told me that before this tariff was placed on cement, in 1930, he exported large quantities of wheat to Belgium, taking in pay therefor Belgium cement. The tariff granted our cement manufacturers completely destroyed that wheat market. The point I want to make is that the tariffs are set up almost exclusively in the interest of the manufacturers and against the interest of producers of raw materials. It makes no difference whether those raw materials come from the farms, from the mines, from the forests, or from the oil wells of our country, this Government in its tariff bills has always discriminated against these producers of raw materials. The trouble has been that those who are in control of this Government have greater interests in foreign countries than they have in this. A friend of mine from San Francisco writes: "Our country will never get back to the road toward prosperity until our national affairs are controlled by men whose controlling financial interests are within America. At present, and for a number of years last past, our financial affairs have been governed by people who have all or too large a proportion of their investments in foreign countries. They proceed on the policy of "America last" instead of "America first, last, and all the time."

STATE LEGISLATIVE REPORTS

I am glad to learn that the Farmers' Union in most of the I am glad to learn that the Farmers' Union in most of the States where the legislatures are in session are making effective fights against legislation intended to make motor transportation more expensive. The railroads of the country are getting higher freight rates to-day than they were when farmers were getting \$3 a bushel for wheat and 40 cents a pound for cotton. Motor and water transportation are the only two factors that have been able to in any way curb the greed of the railroad companies. I urge you members and others listening in to continue your vigilance in this matter. lance in this matter.

lance in this matter.

The long-awaited Coolidge-Smith-Baruch transportation report which was made public on February 15 is a source of much satisfaction to farm organization leaders here who had taken an active part in presenting the farm viewpoint to this committee. Among other things this report says, "Where competition with trucks and other methods exists, it will determine rates. In other cases rates must be regulated, but the basis of cost of operation under efficient management is a better guide than any attempt to preserve capital structures regardless of economic trends."

"Neither tax nor regulation should be applied for any purpose of handicapping the march of progress for the benefit of the railroads," the report says, referring particularly to motor vehicles. It further says, "One thing is certain. Automotive transportation is an advance in the march of progress. It is here to stay.

To further says, "One thing is certain. Automotive transportation is an advance in the march of progress. It is here to stay. We can not invent restrictions for the benefit of railroads. We can only apply such regulations and assess such taxes as would be necessary if there were no railroads, and let the effect be what it may."

I hope the farmer's friends in the various State legislatures will keep this idea in mind and oppose the many proposals to increase unnecessarily motor vehicle taxes and restrictions.

THE NEW DEAL

When I talk to you four weeks from to-day, Saturday, March 25, at this same hour, there will be a new man in the White House. There will be nearly 200 new faces in the House and Senate. I believe it means a new deal.

The Democratic Party in its plaform and by utterance of its standard bearers in the last election campaign solemnly promised us farmers that if their candidates were elected they would do two things for us. First, they promised to see that we would be refinanced at lower rates of interest and long-time payments of the principal. Second, that everything possible would be done to see that we received cost of production for our products. Its candidates were elected, and I consider they are under contract to do these things. to do these things.

It is the duty of the farmers' union to assist this new President and this new Congress to carry out and fulfill to the letter these two provisions of the contract. To that end I urge each State farmers' union to organize a delegation to be sent to Washington at the time of the opening of the special session of Congress. It is the last chance. If we get needed legislation, it will be in the special session or never. I appeal to you, I beg of you, to do this at once. Write to our national secretary, E. E. Kennedy, Kankakee, Ill., for full instructions about how to select and raise the necessary funds for sending a legislative delegation from your State. sary funds for sending a legislative delegation from your State.

I am your national president, I am your hired man, doing my best to put over your national legislative program here in Wash-ington. I am now calling for help. I know you will not fail me. ington.

REMONETIZATION OF SILVER

Mr. THOMAS of Oklahoma. Mr. President, I ask leave to have printed in the RECORD a radio address by Hon. BURTON K. WHEELER, the junior Senator from Montana, over a network of the National Broadcasting Co. at noon to-day, on the subject of Remonetization of Silver.

There being no objection, the address was ordered to be printed in the RECORD, and it is as follows:

Ladies and gentlemen of the radio audience: I am very happy to appear on this program with Mr. John A. Simpson, president of the National Farmers' Union. Mr. Simpson, in my judgment, has been carrying on a great constructive work for the farmers of this Nation, appearing before committees of Congress and urging with all the earnestness in his soul that something be done to relieve your present situation.

with all the earnestness in his soul that something be done to relieve your present situation.

He has very kindly asked me to address you to-day upon the subject of my bill (S. 2487), which I introduced into the United States Senate over a year ago, to remonetize silver and to reestablish the money of our forefathers.

As I have recently spoken over the radio on this subject, I am not going to take up some of the aspects which I have already covered but several inquiries have come to me concerning various phases of the bill which I shall try to answer.

For instance, I have here a letter from a farmer in Iowa, inquiring how the remonetization of silver on a basis of 16 to 1 is going to help him pay his interest, taxes, and mortrage on his

quiring how the remonetization of silver on a basis of 16 to 1 is going to help him pay his interest, taxes, and mortgage on his farm. That is a very pertinent inquiry.

It is going to help that farmer who raises corn in Iowa because: First, it is going to raise world commodity prices; that is, it is going to raise the world price of wheat, cotton, corn. It is going to do so because of the fact that at the present time there are in the world, 60 per cent of the people using silver as their yardstick, and when you raise the price of silver you raise the price of their money. Raising the price of their money increases their cost of production and makes it impossible for them to dump their produce as they can to-day by reason of their depreciated money.

depreciated money. You good people out there on the farm have heard it repeatedly said that what is wrong with this country is an overproduction of products; and also that the machines are doing too much work

and taking the place of too many men.

I am unable to subscribe to those theories. I say that there is no overproduction of corn, wheat, and other foodstuffs as long as there are millions of people anywhere in the world going hunas there are millions of people anywhere in the world going nungry, and I say that there is no overproduction of woolen goods and cotton goods as long as untold millions are ragged and half-clad for want of clothes. And there is not and can not be an overproduction of lumber, brick, and things of the sort, as long as people have to go without shelter.

My bill would make it possible for the untold millions of people throughout the rest of the world in silver-using countries to buy from our factories our manufactured goods, boots, shoes, and elothing; your corn, hogs, cattle, wheat, and cotton.

clothing; your corn, hogs, cattle, wheat, and cotton.

A banker wrote to me stating, "Why don't you use, instead of silver, aluminum or copper; why should you take silver?" The answer to that is very simple. Silver and gold have been the primary money of the world all through the ages, and something like 60 per cent of the people of the world use silver as their yardstick, for their medium of exchange to measure the price of their commodities.

For over a hundred years the financiers of the western world have sought in vain to try to get these countries to stop using silver and make gold the universal yardstick of the world. They have never succeeded in so doing, and consequently, because silver is the yardstick of 60 per cent of the people of the world, I am seeking to make their yardstick of the same length as the yardstick which we in the United States use, and by so doing, stabilize the explanar rates and currencies of the world and keep them. the exchange rates and currencies of the world and keep them from fluctuating. This would do more to stabilize your money than any other piece of legislation that is pending or has been pending before Congress.

At this point I want to earnestly and emphatically urge you not to be misled by any of the proposed methods of utilizing silver as an adjunct to or subsidiary of the single gold standard. Briefly, these measures provide for the purchase of limited quantities of silver on a fluctuating market at a price to be controlled by the Government itself. A fluctuating price on a substance used as money is unsound under every theory of economics and common sense.

and common sense

Under the limitations fixed by these proposed enactments, not be exceed \$250,000,000 would be added to the circulating medium of the United States and the insignificance and futility of the United States and the insignificance and futility of such an amount in the support of a debt structure estimated at \$240,000,000,000 is immediately manifest. The effect of such legislation on the ability of our silver-using customers to purchase our goods would be absolutely nil. Any measure which does not restore silver to its hereditary place side by side with gold, would have no potency whatever in raising the price of the products you farmers have for sale or those you hope to produce in the future. To adopt such makeshift measures or to reduce the weight of the gold in the dollar would mean the voluntary surrender of our export trade without which farming will continue to be unprofitable. To tell the wheat, cotton, and tobacco growers that their domestic price is fixed by world prices is as superfluous as to remind them that 2 and 2 make 4.

Neither of these other methods of modifying the monetary system would add one lota to the purchasing power of our oriental, European, or South American customers, but my bill would imme-

European, or South American customers, but my bill would immediately quadruple their purchasing power and thereby furnish you a profitable outlet for your products.

You hear it said frequently on the floor of the Senate; you heard in the recent campaign, and saw it written into the platforms of both parties that we believe in sound money. When these people talk to you about sound money what do they mean? What we want is stable money, money that will purchase the same number of bushels of wheat in 1932 that it did in 1926, so that you farmers can pay off your mortgages with the same number of bushels of wheat, cotton, and corn as you did when you horrowed it. borrowed it.

I hold in my hand a letter from a labor organization in Virginia asking this very pertinent question, Would not the remonetization of silver have the effect of lowering wages in this country? In other words, what they want to know is whether raising the price of commodities would not have the effect of reducing

wages.

The answer to that is very simple. Unless the purchasing power of farmers of this country can be restored so that he can buy clothes for his children, machinery with which to carry on his work, automobiles, etc., then labor can find no employment. It is because of the fact that the farmer has no purchasing power to-day that twelve or fourteen million people are walking our streets. It is because of the fact that the farmer has no purchasing power that little banks are failing all over this country; it is because of the fact that the farmer has no purchasing power that wages are being cut in every line of industry, and unless that purchasing power can be restored you will find eighteen to twenty million people out of employment inside of a very comparatively short time. You will also see wages reduced and standards of living reduced in this country lower than they ever have been before. The laboring man who is unable to see that the thing that gives him high wages and steady employment is high commodity prices for the farmer is standing in his own light.

gives him high wages and steady employment is high commodity prices for the farmer is standing in his own light.

My bill is not in the interest of any class of people. It has heretofore had the endorsement of every labor organization in the United States; in 1896 it had the endorsement of all the great farm organizations in the United States. My bill would do more to help every class of citizen by restoring prosperity to the farmers than any other piece of legislation pending before Congress.

Why is it not passed? Because men in Congress say to me, "WHEELER, you are right, but politically it is a mistake because Mr. Bryan was defeated upon that platform in 1896. Mr. Bryan was defeated in 1896, but that is no argument against the soundness of my bill, or why it should not pass the Congress of the

ness of my bill, or why it should not pass the Congress of the United States.

A very eminent leader of the Democratic Party said to me, "I think you made a mistake in taking 16 to 1; you should have taken 17 to 1 or 15½ to 1 in order to get away from the prejudice in people's minds against Mr. Bryan. I do not believe there is any prejudice in the mind of the average person against Mr. Bryan; most people feel that he was 30 years ahead of his time, but whatever may be the arguments against the remonetization of silver in 1896, can not be advanced in 1933.

If our financiers and lawmakers could forget entirely the prejudices and preconceived convictions directly traceable to that ancient campaign we would have practically a unanimous public opinion back of the free coinage of silver.

Every domestic condition and foreign contact is different now to what it was in 1896. Then every owner of a mortgage or bond very eminent leader of the Democratic Party said to me, "I

to what it was in 1896. Then every owner of a mortgage or bond knew that if we remained on the gold standard he would be paid in a dearer dollar than under bimetallism—in other words, he would get more wheat, cotton, meat, clothes, or property in payment of his loan.

Now the holder of such mortgages and bonds knows that he will receive no payment at all unless the price of the products of mills, mines, and farms can be increased so that there will be a margin left above production costs from which his mortgage or bond

can be paid.

The Department of Agriculture estimates that 750,000 private individuals, many of them old people who retired from active farming when incapacitated by age for the strenuous work of the farm, hold \$3,000,000,000 in farm mortgages.

Payment of interest has long since ceased, and those people know full well that the mortgages will never be paid under the

gold standard.

What good is it to them to tell them that the dollars which the mortgages and bonds represent are sound gold dollars when they know in their hearts that those dollars will never be paid them under this system?

In 1896 the salaried man feared deflation of the purchasing power of his fixed salary. Now he does not sleep well at night by reason of anxiety over the permanency of his job. He knows that unless business promptly improves his employer can not long em-

unless business promptly improves his employer can not long employ him.

In 1896 we were a debtor Nation, owing large sums to England, France, Germany, Belgium, and Holland. Our railroads and industrial developments had been partly financed by money borrowed abroad. The American corporations owing this money needed further European credit and therefore violently assailed bimetallism as the foreign financiers advised them that unless the United States remained on the gold standard no renewals or further loans would be made. Incidentally, it may be said that even though we did stay on the gold standard the European credits were gradually withdrawn.

But we are no longer a debtor Nation: we are the greatest creditor Nation the world ever saw. Perhaps we better enjoy whatever prestige there may be in that eminence, for unless the price of world commodities is very promptly increased there will be nothing left of those foreign obligations due us except an unplease of the property were as the property were as the property were well as the property were a

unpleasant memory.
So in every respect the case now is different to what it was

in 1896.

It should be apparent to everyone that there is not sufficient gold in the world with which to pay our national, international, and local indebtedness. We have less than five billions of gold in the United States and debts of over \$200,000,000,000. I have before me a letter from the president of a bank and trust company up in Pennsylvania, from which I quote: "The fallacy, absurdity, and physical impossibility of redeeming financial obligations in gold are apparent and need only statement of fact to carry conviction; two hundred billion debt, forty billion bank deposits, to be paid in gold with a Nation supply of less than five billion."

This banker sees the absurdity of trying to pay these debts in gold, and for that reason he is strongly in favor of my bill to remonetize silver and thereby use both gold and silver as the

remonetize silver and thereby use both gold and silver as the foundation and basis of our monetary system.

The single gold standard has collapsed throughout the world since the World War, and the only way to stabilize world currencies is by fixing the ratio of value between gold and silver upon which the currencies of the world are based.

For thousands of years the money of the teeming millions in the Orient has been silver, while in western nations it was silver and gold at a fixed ratio of value between the two metals.

No great nation ever attempted to base its currency on the single gold standard prior to 1816, and for many years after that time and down to 1873 a ratio of value throughout the world was maintained between silver and gold which stabilized the exchange ratio between the currencies in all countries using either or both silver and gold.

My bill is to reestablish this bimetallic system which served humanity well for thousands of years and which was destroyed by selfish foreign banking interests in the year 1873.

On my own behalf and on behalf of the millions of honest men and women on the farms, in the shops, in the factories, and on the

and women on the farms, in the shops, in the factories, and on the streets and highways seeking honest toil, who favor the remonetization of silver, I vigorously resent the implication that to coin silver and endow it with all the basic qualities of gold money would be a dishonest thing for this Government to do.

I doubly resent it when I consider the course which inspires this charge against the advocates of bimetallism. Who are these men who undertake to speak as the exponents of a sound and honest dollar? They are the same men whose overreaching greed and stupid leadership largely contributed to the destruction of

the Nation's prosperity.

We had the gold standard; we had a balanced National Budget, and, unfortunately for the people, we had a national administration which did everything possible to strengthen the power of those financial leaders.

I need not tell you the result.

I need not tell you the result.

On top of the immeasurable loss of the immediate present and the destitution and despair of our people we have lost nearly all of the gains of a quarter of a century of social progress.

And who are these men? Some of the most powerful of the group have appeared before the Banking Committee of the Senate, and the unblushing story that came from their own lips condemns them to the contempt of honest men.

them to the contempt of honest men.

An adventurous American people will not criticize too harshly mistakes of judgment or even unwise speculation, but they will never condone the violation of a fiduciary trust. These men, trusted by their depositors, stockholders, and investment clients, traded on that sacred confidence to their own profit and to the ruin of those who trusted them. And what is their alibi now? Merely that the structure of fictitious security values which they themselves had built up for the purpose of reaping profit through commissions and stock manipulation on every merger, reorganization, and reissue of stocks and bonds fell about their heads before they had time to escape with all the loot.

Who was it lost the \$2,000,000,000 that vanished in thin air when the Insull bubble burst?

It was the hard-working, thrifty, frugal men and women of

It was the hard-working, thrifty, frugal men and women of modest means to whom supposedly trustworthy bankers and financiers sold the worthless securities.

There is no alibi that they did not know the facts. In cold print in the record of the Banking Committee are statements from bank presidents acknowledging that affiliate companies owned 100 bank presidents acknowledging that affiliate companies owned 100 per cent by their banks continued to sell these securities to the public when all the assets of these Insuli companies were already held by the banks on loans so large that the total assets could not possibly cover the obligations.

These are the same people who filled our schools and colleges with propaganda denouncing as radicals all public men who undertook to break their strangle hold on the industry, commerce, and finance of the Nation.

Not only did they plunder the investor but through fraudulent overcapitalization of these public utilities they fastened upon the consumers of light, gas, water, and power prices for these necessities that were insupportable even in prosperous times and are

ruinous in times like these.

But this is only part of the picture and in some respects not the worst part.

Insull sought sanctuary in a foreign land to escape the reach of the law and the just wrath of an outraged people, but the representatives of one of the world's largest banking institutions testifying before the same committee shocked the moral conscience of the entire Nation. They tell us we must not speak of those things above a whisper lest the people lose confidence in our financial institutions. our financial institutions.

our financial institutions.

To that I reply that nothing will restore confidence in our banking structure more promptly than demostrated proof that we have a Government that has the courage and integrity to prosecute with equal vigor these malfactors of great wealth as well as the humbler offenders.

The public confidence in these institutions will never be restored until the people are convinced that their Government with all its majesty and power stands ready to visit its just wrath on any and all people who betray the public trust.

Shall the people continue to look for leadership to those financiers despite the irrefutable proof of their rapacity and selfishness?

selfishness?

Like their predecessors of times past who conspired to demone-tize silver in order that the gold which they controlled would make them masters of the world's business activities, these men

hope to perpetuate a system through which they control the destinies of nations to their own personal profit.

No other measure that might be enacted into law would so promptly and effectively deprive them of that control as the Wheeler bill for the free and unlimited coinage of silver.

Enact that law and once again silver which for 50 centuries was the medium of exchange in 90 per cent of all the business activities of mankind will again serve faithfully and well the needs of the common people.

THE CALENDAR

Mr. McNARY. Mr. President, I renew my request for unanimous consent.

Mr. COSTIGAN. Mr. President, I ask that the request for unanimous consent be read.

The VICE PRESIDENT. Let the request be read again. The CHIEF CLERK. The Senator from Oregon proposes the following unanimous-consent agreement:

Ordered, by unanimous consent, That the Senate proceed to the consideration of unobjected bills on the Calendar, subject to the 5-minute rule, beginning with Order No. 1214, and after completing the call that the Senate then proceed with the call at the beginning of the calendary weekleted bills. ning for unobjected bills.

The VICE PRESIDENT. Is there objection?

Mr. COSTIGAN. Mr. President, a parliamentary inquiry. The VICE PRESIDENT. The Senator from Colorado will state it.

Mr. COSTIGAN. If the unamious-consent agreement shall be entered into, what will be its effect on resolutions coming over from a previous day?

The VICE PRESIDENT. Such resolutions would go over under the rule without prejudice until the Senate meets following an adjournment.

Mr. COSTIGAN. Until Monday?

The VICE PRESIDENT. Until whatever day to which an adjournment may be taken.

Mr. COSTIGAN. May I ask the courteous Senator from Oregon whether an adjournment is expected to be taken soon so that such resolutions may be considered?

Mr. McNARY. I expect that the Senate will adjourn this afternoon and have a morning hour on Monday, which is customary and usual.

The VICE PRESIDENT. Is there objection to the request for unanimous consent preferred by the Senator from Oregon? The Chair hears none, and it is so ordered. The Secretary will state the first bill on the calendar.

BILLS PASSED OVER

The bill (H. R. 13742) to provide revenue by the taxation of certain nonintoxicating liquor, and for other purposes, was announced as first in order.

Mr. BRATTON. Over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 5498) to authorize an increase in the limit of cost of one aircraft carrier was announced as next in order. Mr. KING. Over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 5035) amending the shipping act, 1916, as amended, for the purpose of further regulating common carriers by water, was announced as next in order.

Mr. VANDENBERG. Over.

The VICE PRESIDENT. On objection, the bill goes over.

BILL INDEFINITELY POSTPONED

The bill (S. 5363) to provide for the housing, feeding, and clothing of certain unemployed persons at military posts of the United States, was announced as next in order.

The VICE PRESIDENT. The bill has been adversely reported from the Committee on Military Affairs.

Mr. KING. I move that the bill be indefinitely postponed. The motion was agreed to.

BILLS PASSED OVER

The bill (H. R. 5823) to increase the motor-vehicle fuel tax in the District of Columbia, and to provide for the better administration thereof, was announced as next in order. Mr. KING. Over.

The VICE PRESIDENT. The bill goes over on objection. The bill (H. R. 14416) to make the Federal gasoline tax effective until June 30, 1934, was announced as next in order. Mr. VANDENBERG. Over.

The VICE PRESIDENT. The bill goes over on objection. CUSTODY AND CONTROL OF WASHINGTON CITY POST OFFICE

The bill (S. 5530) to provide for placing the jurisdiction, custody, and control of the Washington city post office in the Secretary of the Treasury, was announced as next in order.

The VICE PRESIDENT. The Chair is advised that this bill is identical with House bill 14461, being Calendar No. 1361.

Mr. NORRIS. Mr. President, I had my attention diverted. I have been informed by the secretary of my colleague that he desired me to look at a bill in which my colleague is interested. I will inquire has any bill as yet been passed? The VICE PRESIDENT. No bill on the calendar has as

yet been passed; they have all been passed over.

Mr. NORRIS. What is the next number on the calendar? The VICE PRESIDENT. The bill now before the Senate is Senate bill 5530, being Calendar 1250.

Mr. ROBINSON of Arkansas. Mr. President, I suggest that the House bill be substituted for the Senate bill on the calendar, and, if the House bill shall be passed, I will then move that the Senate bill be indefinitely postponed.

The VICE PRESIDENT. Is there objection?

There being no objection, the Senate proceeded to consider the bill (H. R. 14461) to provide for placing the jurisdiction, custody, and control of the Washington city post office in the Secretary of the Treasury, which was read, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the act of July 1, 1898 (U. S. C., title 40, sec. 285), is hereby amended to give the Secretary of the Treasury exclusive jurisdiction, control, and custody of the Washington city post office and the additions thereto, located at North Capitol Street and Massachusetts Avenue, to be operated and maintained by him the same as other public buildings under his custody and control.

Mr. ROBINSON of Arkansas. I move that Senate bill 5530, to provide for placing the jurisdiction, custody, and control of the Washington city post office in the Secretary of the Treasury be indefinitely postponed.

The motion was agreed to.

BILLS PASSED OVER

The bill (S. 4326) for the relief of R. S. Howard Co. (Inc.) was announced as next in order.

Mr. KING. Over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 5553) to relieve destitution in the District of Columbia was announced as next in order.

Mr. KING. Over.

The VICE PRESIDENT. The bill goes over on objection. QUOTA EXEMPTION OF FATHERS AND MOTHERS OF UNITED STATES CITIZENS

The bill (H. R. 8174) to exempt from the quota fathers and mothers over 60 years of age of United States citizens was announced as next in order.

Mr. REED. Mr. President, I have received within the last five or six minutes a long letter from the State Department asking for the hearing on this bill. For that reason,

without expressing any prejudice for or against it, I ask that the bill go over.

Mr. KING. Mr. President, I can only express my regret that the bill should go over. The committee gave due consideration to this bill and was unanimous in reporting it.

The VICE PRESIDENT. The bill will be passed over.

ACTION FOR DAMAGES AGAINST THE DISTRICT OF COLUMBIA

The bill (S. 5224) to regulate the bringing of actions for damages against the District of Columbia, and for other purposes, was announced as next in order.

The VICE PRESIDENT. The Chair is advised that this bill is identical with House bill 13750, being Order of Business 1315 on the calendar.

Mr. McKELLAR. Mr. President, may we have an explanation of that bill?

The VICE PRESIDENT. Let the House bill be reported, and then the Senator in charge of the bill may explain it.

The CHIEF CLERK. A bill (H. R. 13750) to regulate the bringing of actions for damages against the District of Columbia, and for other purposes.

Mr. CAPPER. Mr. President, I ask that that bill may be passed over temporarily. The Senator in charge of it is out of the Chamber at the moment.

The VICE PRESIDENT. The bill will be passed over temporarily.

BILLS PASSED OVER

The bill (S. 5436) to amend section 653 of the Code of Law for the District of Columbia was announced as next in order.

The VICE PRESIDENT. The Chair is advised that this bill is identical with a House bill 14204, being Order of Business No. 1316 on the calendar.

Mr. ROBINSON of Arkansas. Mr. President, I inquire what is the purpose of this bill. It appears to amend a section of the Code of Law for the District of Columbia.

Mr. CAPPER. Mr. President, in the absence of the Senator from Washington [Mr. Grammer], who is in charge of the bill, I will say it is a bill to provide:

That no action against the District of Columbia for unliquidated damages to person or property shall be maintained unless the claimant shall prove that he gave notice to the District commissioners in writing, within 30 days after the injury or damage was sustained, of the details of such injury or damage.

Mr. ROBINSON of Arkansas. I will say to the Senator from Kansas that we are now considering Order of Business No. 1275. The bill to which he refers has been passed over.

Mr. BINGHAM. Mr. President, may I suggest that the Senator who reported the bill is presiding over a committee, but will be here in a few minutes? I suggest that the bill may be passed over without prejudice.

Mr. ROBINSON of Arkansas. Very well; it may be passed over if the Senator from Kansas wishes.

The VICE PRESIDENT. The bill will be passed over without prejudice.

The bill (S. 4871) to amend the teachers salary act of the District of Columbia, approved June 4, 1924, as amended, in relation to establishing the Wilson and Miner Teachers Colleges on a basis comparable with recognized standards for accredited institutions of like kind; to raising the trade or vocational schools to the level of junior high schools, and for other purposes, was announced as next in order.

Mr. McKELLAR. Over.

The VICE PRESIDENT. Objection is made, and the bill goes over.

LANDS FOR THE USE OF THE UNIVERSITY OF ARIZONA

The bill (S. 5361) to provide for the selection of certain lands in the State of Arizona for the use of the University of Arizona was read, considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That subject to lawful claims initiated by settlement or otherwise prior to August 2, 1932, and maintained in the manner required by law, the State of Arizona may select for the use of the University of Arizona by legal subdivisions all or any portions of sections 11, 14, 22, and 28 and the east half section 21, township 14 south, range 16 east, Gila and Salt River meridian,

Arizona, and upon the submission of satisfactory proof that the land selected contains saguaro groves or growths of giant cacti or are necessary for the care, protection, and conservation of such groves or growths, the Secretary of the Interior shall cause patents to issue therefor: Provided, That there shall be reserved to the United States all coal, oil, gas, or other mineral contained in such lands together with the right to prospect for, mine, and remove the same at such times and under such conditions as the Secretary of the Interior may prescribe.

C. J. MAST

The bill (S. 4993) for the relief of C. J. Mast was read, considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to C. J. Mast, of Charlo, Mont., the sum of \$255 in full satisfaction of his claim against the United States for damages on account of injury to his crops in the years 1924 to 1928, both inclusive, by reason of breaks in a lateral dike in connection with the Flathead irrigation project.

DISPOSAL OF MONEY OR PROPERTY IN CUSTODY OF PROPERTY CLERK

The Senate proceeded to consider the bill (H. R. 13378) to amend sections 416 and 417 of the Revised Statutes relating to the District of Columbia, which was read, as follows:

Be it enacted, etc., That section 416 of the Revised Statutes

Be it enacted, etc., That section 416 of the Revised Statutes relating to the District of Columbia be amended by striking out the word "fifty," where it occurs in said section, and inserting in lieu thereof the words "five hundred,"

SEC. 2. That section 417 of the Revised Statutes relating to the District of Columbia be amended so as to read as follows:

"SEC. 417. All property, except perishable property and animals, that shall remain in the custody of the property clerk for the period of six months, with the exception of motor vehicles, which shall be held for a period of three months without any lawful period of six months, with the exception of motor vehicles, which shall be held for a period of three months, without any lawful claimant thereto after having been three times advertised in some daily newspaper of general circulation published in the District of Columbia, shall be sold at public auction, and the proceeds of such sale shall be paid into the policemen's fund; and all money that shall remain in his hands for said period of six months shall be so advertised, and if no lawful claimant appear shall be likewise paid into the policemen's fund."

Mr. McKELLAR. Mr. President, will the Senator from Kansas explain that bill?

Mr. CAPPER. Mr. President, the purpose of the bill is well set forth in the report accompanying the bill, from which I quote as follows:

Under section 416 of the Revised Statutes of the District, the property clerk is made custodian for money or property of deceased persons coming into the hands of the police department. If the value of any such estate exceeds \$50 and has not been claimed by legal representatives of the deceased in the course of a year, the property clerk is required to certify all records pertaining thereto to the District probate court, which shall appoint an administrator of the estate.

The commissioners have informed the committee that in many cases the "entire estate of the deceased is kept in the jurisdiction of the property clerk and the cost of securing letters of administration would practically wipe out the estate."

The bill proposes to amend this section by requiring the court procedure only in cases involving estates of \$100 or more.

Mr. McKELLAR. Mr. President, why does the bill make an exception in the case of automobiles?

Mr. CAPPER. That was the recommendation of the District Commissioners, and on that point they say:

The amendment proposed to this section is to reduce the period The amendment proposed to this section is to reduce the period for holding certain property from six months to three months. This change will not only save considerable administrative work, but will result in a considerable saving to the Government through a reduction in the requirements for storage space. Particularly is this true of the case of automobiles, most of which that are received by the property clerk are junk. If the legislation should not be enacted the demand for storage space for old cars coming within the custody of the police department will be increased.

That is the statement of President Reichelderfer of the District Commissioners.

Since this bill was reported the commissioners have asked that we strike out the words "five hundred" and insert "one hundred." That is on the first page, line 6. The committee is agreeable to that amendment, and I offer it.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Kansas, to strike out "five hundred" and insert "one hundred."

The amendment was agreed to.

The amendment was ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time and passed.

The VICE PRESIDENT. Without objection, Senate bill 5053, with identical title to House bill 13378, will be indefinitely postponed.

GEORGE BRACKETT CARGILL, DECEASED

The Senate proceeded to consider the bill (H. R. 5548) for the relief of George Brackett Cargill, deceased, which had been reported from the Committee on Naval Affairs with an amendment, on page 1, line 8, after "Provided," to strike out "That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the date of this act" and insert "That no compensation, retirement pay, back pay, pension, or other benefit shall be held to have accrued prior to the passage of this act," so as to make the bill read:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, or benefits upon persons honorably discharged from the United States Navy, George Brackett Cargill, deceased, shall be held and considered to have been discharged under honorable conditions as a seaman, second class, United States Navy, on July 22, 1918: Provided, That no compensation, retirement pay, back pay, pension, or other benefit shall be held to have accrued prior to the passage of this act.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time, and passed.

JOHN E. DAVIDSON

The Senate proceeded to consider the bill (H. R. 9326) for the relief of John E. Davidson, which had been reported from the Committee on Naval Affairs with an amendment, on page 1, line 11, after "Provided," to strike out "That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act" and to insert "That no compensation, retirement pay, back pay, pension, or other benefit shall be held to have accrued prior to the passage of this act," so as to make the bill read:

Be it enacted, etc., That in the administration of the pension laws and of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers and sailors, their widows and dependent relatives, John E. Davidson, seaman, second class, United States Navy, shall hereafter be held and considered to have been discharged under honorable conditions from the naval service of the United States at St. Elizabeths Hospital, Washington, D. C., on the 16th day of July, 1918: Provided, That no compensation, retirement pay, back pay, pension, or other benefit shall be held to have accrued prior to the passage of this act.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time, and passed.

WILLIAM JOSEPH VIGNEAULT

The Senate proceeded to consider the bill (H. R. 792) for the relief of William Joseph Vigneault, which had been reported from the Committee on Naval Affairs with an amendment, on page 1, line 9, after "Provided," to strike out "That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act" and to insert "That no compensation, retirement pay, back pay, pension, or other benefit shall be held to have accrued prior to the passage of this act," so as to make the bill read:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, or benefits upon honorably discharged sailors William Joseph Vigneault, late of the United States Navy, shall be held and considered to have been discharged under honorable conditions from the naval service of the United States as seaman, first class, on December 11, 1918: Provided, That no compensation, retirement pay, back pay, pension, or other benefit shall be held to have accrued prior to the passage

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

WILLIAM JOSEPH LACARTE

The Senate proceeded to consider the bill (H. R. 6409) for the relief of William Joseph LaCarte, which had been reported from the Committee on Naval Affairs with an amendment, on page 1, line 10, after "Provided," to strike out "That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act" and to insert "That no compensation, retirement pay, back pay, pension, or other benefit shall be held to have accrued prior to the passage of this act," so as to make the bill read:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers William Joseph LaCarte, who was a member of the United States Naval Auxiliary Service and United States Naval Reserve Force, shall hereafter be held and considered to have been discharged under honorable conditions from the naval service of the United States as a member of that organization on the 18th day of April, 1917: Provided, That no compensation, retirement pay, back pay, pension, or other benefit shall be held to have accrued prior to the passage of this act.

The amendment was agreed to.

The amendment was ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time and passed.

SYDNEY THAYER, JR.

The Senate proceeded to consider the bill (H. R. 1936) for the relief of Sydney Thayer, jr., which had been reported from the Committee on Naval Affairs with an amendment, on page 1, line 12, after "Provided further," to strike out "That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act," and to insert: "That no compensation, retirement pay, back pay, pension, or other benefit shall be held to have accrued prior to the passage of this act," so as to make the bill read:

Be it enacted, etc., That Sydney Thayer, jr., who served as an officer of the Marine Corps of the United States during the World War, shall be deemed and considered to be entitled to the benefits and privileges of the emergency officers' retirement act, public, No. 506, Seventieth Congress, notwithstanding the time limit for applicants for the benefits thereunder has expired: Provided, That such disability rating is sufficient and said Sydney Thayer, jr., is otherwise eligible for retirement under the terms and conditions of said act: Provided further, That no compensation, retirement pay, back pay, pension, or other benefit shall be held to have accrued prior to the passage of this act.

The amendment was agreed to.

The amendment was ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time and passed.

BILLS PASSED OVER

The bill (H. R. 7263) for the relief of Felix Maupin was announced as next in order.

Mr. KING. Let that go over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (H. R. 9355) for the relief of David Schwartz was announced as next in order.

Mr. KING. Let that go over.

The PRESIDENT pro tempore. The bill will be passed over.

RUTH M'CARN

The bill (H. R. 7548) granting six months' pay to Ruth McCarn was announced as next in order.

Mr. NORRIS. Mr. President, I should like to have that bill read in full.

The Chief Clerk read the bill, as follows:

Be it enacted, etc., That there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, such sum as may be necessary to pay to Ruth McCarn, dependent mother of the late John Bush Watson, seaman, United States Navy, an amount equal to six months' pay at the rate said John Bush Watson was receiving at the date of his death.

Mr. NORRIS. I have no objection.

The bill was considered, ordered to a third reading, read the third time, and passed.

BILLS PASSED OVER

The bill (S. 4203) for the relief of William James Waters was announced as next in order.

Mr. KING. Let that go over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 2008) for the relief of Maurice M. Keleher was announced as next in order.

Mr. KING. Let that go over.

The PRESIDENT pro tempore. The bill will be passed over.

IRRIGATION PROJECTS ON INDIAN RESERVATIONS

The Senate proceeded to consider the bill (S. 5525) to extend temporary relief to water users on irrigation projects on Indian reservations, and for other purposes, which had been reported from the Committee on Indian Affairs with an amendment, on page 1, line 8, after the word "for" to strike out "one-half of," so as to make the bill read:

Be it enacted, etc., That the Secretary of the Interior is authorized and directed to extend to water users on Indian irrigation projects like relief to that provided in an act approved April 1, 1932, applying to water users under the reclamation law for the remaining half of such charges due for the calendar year 1932 and for all similar charges to become due for the calendar year 1933, the said Secretary to issue appropriate regulations for the carrying out of the provisions of this act.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

SHOALWATER INDIAN RESERVATION, WASH.

The Senate proceeded to consider the bill (S. 5576) to authorize the creation of an Indian village within the Shoalwater Indian Reservation, Wash., and for other purposes, which was read, as follows:

Be it enacted, etc., That the Secretary of the Interior be, and he is hereby, authorized, in his discretion, to reserve and set aside for Indian-village purposes, and to survey and plat into village blocks, lots, streets, and alleys, a suitable area of land within the Shoalwater (Georgetown) Reservation, and thereafter dispose of the village lots in accordance with section 10 of the act of June 25, 1910 (36 Stat. L. 855-858).

SEC. 2. That the Secretary of the Interior is hereby authorized, in his discretion to expend so much of the \$15.150 derived from

SEC. 2. That the Secretary of the Interior is hereby authorized, in his discretion, to expend so much of the \$15,150 derived from the sale of timber on the reservation and now carried in "special deposits" to the credit of the Superintendent of the Taholah Agency, as may be needed to carry out the provisions of section 1 of this act and to assist the Indians who receive lots, in developing the village and building homes therein, including the construction of such water and sewage facilities as may be practicable.

Mr. KING. Mr. President, may I ask the Senator whether or not the passage of this measure is desired by the Indians?

Mr. FRAZIER. Yes; it is. There are a few families that go to these waters to fish. They have enough money to put up homes; and the Government will furnish, out of money of their own, a little land there for them to build upon. It is a very important measure to that little band of Indians.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

NAVAJO INDIAN RESERVATION, UTAH

The Senate proceeded to consider the bill (H. R. 11735) to permanently set aside certain lands in Utah as an addition to the Navajo Indian Reservation, and for other purposes, which was read, as follows:

Be it enacted, etc., That all vacant, unreserved, and undisposed of public lands within the areas in the southern part of the State of Utah, bounded as follows: Beginning at a point where the San Juan River intersects the one hundred and tenth degree of west longitude; thence down said river to its confluence with the Colorado River; thence down the Colorado River to a point where said river crosses the boundary line between Utah and Arizona; thence east along said boundary line to the one hundred and tenth degree of west longitude; thence north to the place of beginning; also beginning at a point where the west rim of Montezuma Creek or wash intersects the north boundary line of the Navajo Indian Reservation in Utah; thence northerly along the western rim of said creek or wash to a point where it intersects the section line running east and west between sections 23 and 26, township 39 south, range 24 east, Salt Lake base and meridian in Utah; thence eastward along said section line to the northeast section corner of section 26, township 39 south, range 25 east; thence south 1 mile along the section line between sections 25 and 26 to the southeast section corner of section 26, township 39 south, range 25 east; thence eastward along the section line between sections 25 and 36, township 39 south, range 25 east, extending through township 39 south, range 26 east, to its intersection with the boundary line between Utah and Colorado; thence south along said boundary line to its intersection

with the north boundary line of the Navajo Indian Reservation; thence in a westerly direction along the north boundary line of said reservation to the point of beginning be, and the same are hereby, permanently withdrawn from all forms of entry or disposal for the benefit of the Navajo and such other Indians as the Secretary of the Interior may see fit to settle thereon: Provided, That no further allotments of lands to Indians on the public domain shall be made in San Juan County, Utah, nor shall further Indian homesteads be made in said county under the act of July 4, 1884 (23 Stat. 96; U. S. C., title 43, sec. 190). Should oil or gas be produced in paying quantities within the lands hereby added to the Navajo Reservation, 37½ per cent of the net royalties accruing therefrom derived from tribal leases shall be paid to the State of Utah: Provided, That said 37½ per cent of said royalties shall be expended by the State of Utah in the tuition of Indian children in white schools and/or in the building or maintenance of roads across the lands described in section 1 hereof, or for the benefit of the Indians residing therein.

Sec. 2. That the State of Utah may relinquish such tracts of

section 1 hereof, or for the benefit of the Indians residing therein. SEC. 2. That the State of Utah may relinquish such tracts of school land within the areas added to the Navajo Reservation by section 1 of this act as it may see fit in favor of the said Indians, and shall have the right to select other unreserved and non-mineral public lands contiguously or noncontiguously located within the State of Utah, equal in area and approximately of the same value to that relinquished, said lieu selections to be made in the same manner as is provided for in the enabling act of July 16, 1894 (28 Stat. L. 107), except as to the payment of fees or commissions which are hereby waived.

Mr. KING. Mr. President, I should like to ask the chairman of the committee whether, in the consideration of this bill, there was any evidence that there were valid claims of white settlers within the territory which this bill proposes to have detached from the public domain permanently and turned over to the Indians.

Mr. FRAZIER. Mr. President, this is a House bill. I understand from the Secretary's report that the objections that were made by the white landowners there have been overcome, and that it is satisfactory. This is a measure that has been hanging fire for years, relating to what is known as the Piute Strip.

Mr. KING. The Senator knows that there sometimes have been withdrawals by Executive orders of large portions of the public domain without regard to the valid rights of settlers within the territory so withdrawn. If there are no conflicting rights, I am in sympathy with the proposition.

Mr. FRAZIER. As I understand, the department has taken care of those conflicting interests.

The bill was ordered to a third reading, read the third time, and passed.

HINTAH, WHITE RIVER, AND UNCOMPANGER INDIANS OF HEAH

The Senate proceeded to consider the bill (H. R. 12651) for the relief of the Uintah, White River, and Uncompangre Bands of Ute Indians of Utah, and for other purposes, which had been reported from the Committee on Indian Affairs with an amendment, on page 1, line 8, after "Stat.," to strike out "192" and insert "1092," so as to make the bill read:

Be it enacted, etc., That the Secretary of the Interior be, and he is hereby, authorized and directed to withdraw from the Treasury of the United States the total funds on deposit to the credit of the of the United States the total funds on deposit to the credit of the Unitah, White River, and Uncompangre Bands of Ute Indians, arising under the provisions of the act of February 13, 1931 (46 Stat. 1092), including the accrued interest thereon and cause the total sum to be paid in pro rata shares to all members of the said Unitah, White River, and Uncompangre Bands of Ute Indians who were alive and entitled to enrollment with such Indians on February 13, 1931: Provided, That the said Secretary, under such rules and regulations as he may prescribe, shall cause the shares of all Indians, including minors, to be deposited as individual Indian money in banks bonded and designated as depositaries for individual Indian moneys, to remain subject to disbursement for the benefit of the Indians entitled thereto as are other individual Indian moneys under existing laws.

SEC. 2. The funds when so deposited to the credit of each individual Indian shall become immediately available for the purpose

SEC. 2. The funds when so deposited to the credit of each individual Indian shall become immediately available for the purpose of improving their lands, the erection of suitable homes, the purchasing of building material, farming equipment, livestock, feed, food, seed, grain, tools, machinery, implements, household goods, bedding, clothing, and any other equipment or supplies necessary to enable the Indians to fit themselves for or to engage in farming, livestock industry, or such other pursuits or vocations as will enable them to become self-supporting under such rules and regulations as may be prescribed by the Secretary of the Interior for their actual benefit and welfare: Provided, That in cases of the aged, infirm, decrepit or incapacitated members their shares may aged, infirm, decrepit, or incapacitated members their shares may be used for their proper maintenance and support in the discretion of the Secretary of the Interior.

SEC. 3. The funds deposited to the credit of minors, under authority of this act, may be invested or expended in the same authority of this act, may be invested or expended in the same manner and for the same purposes as are herein provided for the adults: *Provided*, That where the funds of any minor are invested or expended it shall be done with the consent of the parents and the approval of the Secretary of the Interior.

SEC. 4. In no event shall any of this money become liable, payable, or subject to any debt or debts contracted prior to the passage of this act.

The amendment was agreed to.

The amendment was ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time and passed.

LANDS IN OTTAWA COUNTY, OKLA.

The Senate proceeded to consider the bill (S. 5427) authorizing the Secretary of the Interior to purchase certain lands in Ottawa County, Okla., which had been reported from the Committee on Indian Affairs with an amendment to strike out all after the enacting clause and to insert:

That the Secretary of the Interior be, and he is hereby, authorized to acquire, for Indian school purposes, the east half southwest quarter, southeast quarter northwest quarter, east half northwest quarter and west half southwest quarter southeast quarter section 21, township 27 north, range 24 east, Indian meridian, Oklahoma

Oklahoma.

SEC. 2. In order to carry out the provisions of section 1 hereof there is hereby authorized to be appropriated, out of any money in the Treasury of the United States and otherwise appropriated, the sum of \$10,000, which said sum when so appropriated and placed in the Treasury of the United States to the credit of the Wyandotte Tribe of Indians, shall operate as a full, complete, and provided actions the property of all their right, title and interest in and perfect extinguishment of all their right, title, and interest in and to the lands above described and which sum shall be subject to disbursement under congressional authority for the benefit of the Wyandotte Tribe.

Mr. KING. Mr. President, I should like some explanation of this bill from the Senator from Oklahoma.

Mr. THOMAS of Oklahoma. Mr. President, in northeast Oklahoma we have an Indian school known as the Seneca Indian Boarding School. The school is located on lands belonging to the Wyandotte Tribe. The title is in the tribe of Wyandottes. The Government has largely improved this site, so that now it has improvements to the extent of 28 buildings, worth about \$135,000.

We appropriate each year about \$82,000 to maintain the school; but the school has been enlarged and is now used by all tribes. The Wyandottes think it is unfair to use their lands indefinitely for school sites for all tribes of Indians. Besides, the Government has appropriated this vast sum of money to construct a school on land that belongs to one particular tribe.

This bill proposes to take over this land and make it Government property-not only the buildings but the land itself. It authorizes an appropriation of \$10,000 at some time in the future to pay the Wyandotte Tribe for the land. The \$10,000, when appropriated, will go into the Treasury to be spent by the Congress for the benefit of the Wyandotte Indians.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill to authorize the acquisition by the United States of the land upon which the Seneca Indian School, Wyandotte, Okla., is located.'

ALLOTMENTS OF DECEASED INDIANS

The bill (S. 5483) authorizing the Secretary of the Interior in behalf of Indians to purchase the allotments of deceased Indians, and for other purposes, was announced as next in

Mr. McKELLAR. Mr. President, will the Senator from North Dakota explain that bill and how much it will cost?

Mr. FRAZIER. No appropriation is provided in the bill.

Mr. McKELLAR. But it authorizes an appropriation. Mr. FRAZIER. Yes. According to the commissioner's report it maye take as much as \$100,000 later on, in small amounts. I have several amendments, however, that are deemed advisable. The department has recommended these

amendments, and I wish to submit the amendments, which I I send to the desk.

Mr. KING. Mr. President, in view of the fact that it is conceded that the system of dealing with allotted lands, especially the allotted lands of deceased persons, is to be changed—there is to be a complete modification of the present system under which the title goes to the Indians, and when they die the lands do not go to their heirs, but are sold-it seems to me that it is unwise now to provide for the Government purchasing these allotments. I think that the lands ought to go into the tribe instead of being purchased and then sold to white people.

I think the bill had better go over.

Mr. FRAZIER. Mr. President, will the Senator withhold his objection for a moment?

Mr. KING. Yes; I will do it.

Mr. FRAZIER. Under the present system, where an Indian dies who owns allotted property the property must be sold and divided among the heirs. Generally speaking, the white people buy that property and come in and own land right in and around the reservation, which oftentimes causes a good deal of trouble. This bill would provide that the heirs of the deceased might buy the land, or the tribe might buy the land for tribal purposes; or, in some cases where the tribes have no money the money would be furnished by the Government. Under this bill the money would have to be appropriated. It means the prevention of breaking up the Indian tribal lands.

Mr. KING. I will say to the Senator that I am now working on a bill under the terms of which this vicious system of allotments, followed by the dispossession of the Indians when the allottee dies, will be done away with. In view of that fact, and the fact that legislation dealing with Indian lands will certainly be enacted at the next session of Congress, I think this bill had better go over.

The PRESIDENT pro tempore. The bill will be passed

COLLECTION OF FEES FOR WORK DONE FOR INDIANS

The bill (H. R. 10086) to amend the act of February 14, 1920, authorizing and directing the collection of fees for work done for the benefit of Indians, was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the item contained in the act approved February 14, 1920 (41 Stat. L. 415; U. S. C., title 25, sec. 413), authorizing and directing the collection of fees to cover the cost of certain specified work performed for the benefit of Indians, be, and the same is hereby, amended so as to read as follows:

"That the Secretary of the Interior is hereby authorized, in his discretion and under such rules and regulations as he may prescribe, to collect reasonable fees to cover the cost of any and all work performed by Indian tribes or for individual Indians, to be paid by vendees, lessees, or assignees, or deducted from the proceeds of sales, leases, or other sources of revenue: Provided, That the amounts so collected shall be covered into the Treasury as miscellaneous receipts, except when the expenses of the work as miscellaneous receipts, except when the expenses of the work are paid from Indian tribal funds, in which event they shall be credited to such funds."

REPEAL OF OBSOLETE SECTIONS OF REVISED STATUTES

The Senate proceeded to consider the bill (H. R. 9877) to repeal obsolete sections of the Revised Statutes omitted from the United States Code, which had been reported from the Committee on the Judiciary with an amendment.

Mr. ROBINSON of Arkansas. Mr. President, this is an important bill, but it has been pending here for a long time. I do not feel justified in objecting to the consideration of the bill, but I should like to have some assurance from the Senator from Delaware [Mr. HASTINGS] that the bill has been carefully drafted. It repeals a great many sections of the code, which sections are alleged to be obsolete.

Mr. KING. Mr. President, before the Senator from Delaware answers the able Senator from Arkansas will he permit me to make a suggestion?

Mr. HASTINGS. The chairman of the committee, the Senator from Nebraska [Mr. Norris], can answer the Senator's question better than I can. I remember something about it, but I know that the chairman of the committee

will be better able than I am to respond to the Senator's inquiry.

Mr. NORRIS. Mr. President, I should like to say that this bill has been pending here for a long time. It was reported once by the Judiciary Committee and then referred back by the Senate to the committee. The Senator will realize that the bill is a very difficult one. It is, however, one that requires a great deal of care and a great deal of attention.

The committee had the matter up again and referred it to a subcommittee, of which the senior Senator from Montana [Mr. Walsh] was chairman. He reported it favorably to the full committee, after a reexamination of all the statutes proposed to be repealed.

Of course, necessarily we had to depend on an examination being made by a competent person, who should review the matter again, to see that no mistake had been made. That work has all been done, and we have recommended that the bill be passed. It is a bill which has passed the House, and necessarily a great deal of additional labor will be entailed if the bill is not enacted at this session of the Congress.

Mr. ROBINSON of Arkansas. Mr. President, I think it ought to be disposed of now, if it is practicable to do so.

Mr. NORRIS. We are satisfied that the work was done satisfactorily, and the committee was unanimous in making

Mr. ROBINSON of Arkansas. With the assurance the chairman of the Committee on the Judiciary has given, I shall make no objection.

Mr. KING. Mr. President, I want to ask the Senator from Nebraska a question. The Senator will recall that Senator Ernst, when in the Senate, spent several years in working out a codification of the Statutes of the United States. My understanding was that that codification eliminated obsolete laws, and I was wondering whether all of the provisions carried in the pending bill are to be found in the codification.

Mr. NORRIS. I think the Senator is wrong about the elimination of all obsolete laws being taken care of in the bill sponsored by Senator Ernst. That was a codification, but I think it included a good many laws which were obsolete and had been repealed.

Mr. KING. The Senator may be correct, but my recollection was that when Senator Ernst made his report and the matter was sent back to him it was with the understanding that laws clearly obsolete should be omitted from the codification.

Mr. NORRIS. The Senator will remember that when we passed the measure covering that codification we finally agreed upon an amendment that the statutes included in the codification, known as the Code of Laws, would be prima facie evidence, when they were offered, but only prima facie evidence, that they stated the law, and that if it were shown in any case that they conflicted with other statutes there should be a decision as to which stated the law. In other words, it was not the intention of the codification to repeal any law. This measure does repeal obsolete statutes.

Mr. KING. I shall not object.

Mr. BLAINE. Mr. President, I want to call attention to the fact that the pending bill and the next bill on the calendar are in the same category. Mr. Fitzgerald, of the House of Representatives, devoted a great deal of time and attention to the revision of the code. He put a great deal of painstaking effort into eliminating the obsolete sections of the code. As the Senator from Nebraska has stated the general history of these matters before the Committee on the Judiciary, I simply want to add that the Senator from Montana [Mr. Walsh], to whom, as chairman of a subcommittee, were referred these two bills, reported to the full committee that he had caused a very careful review to be made of all the sections alleged to be obsolete, that he had had that work done by a very competent clerk in his office, that the work had been submitted to him, and, while the Senator did not want it understood that he had made a careful, detailed study of the various provisions repealed, yet he was convinced, from a general review of the work that had been done

by a member of his office force, that there was no question | R. S. 1205 but that the obsolete sections proposed to be repealed should

Mr. NORRIS. Mr. President, I would like to add, for the benefit of the Senate, the statement that, of course, no member of the Committee on the Judiciary can say that he has personally examined all these statutes; it must be quite evident to the Senate that it would be almost a physical impossibility for a Senator to take the time to go over them all; it would be a terrible task. A Member of the House did that, however. Really, a competent attorney should have been employed to go through these statutes and make the examination.

Mr. WATSON. How many of them are there?
Mr. NORRIS. There is a large number of them. If one should go through them in detail in an effort to satisfy himself that the list given covered all statutes which had been repealed and which should be stricken from the statute books, it would probably take him two or three months. The Senator from Montana [Mr. Walsh] devoted considerable time to the matter, but, of course, he did not claim that he examined the statutes personally. He supervised the work done by a member of his office force and no errors were found. It was found that everything that had come from the House was correct.

Mr. HASTINGS. Mr. President, I would like to call the attention of Senators to the report made by the Senator from Montana [Mr. Walsh], stating that every section had been thoroughly studied by the executive department concerned, the legislative reference service of the Library of Congress, and the House Committee on Revision of the Laws, as well as by the Senate committee itself.

Mr. FLETCHER. Mr. President, I think we ought to pass the bill. If it includes some statutes by mistake, it probably would be just as well to have them repealed anyhow.

The PRESIDENT pro tempore. The clerk will state the

The amendment of the committee was, on page 7, column 4, to strike out "R. S. 5599," so as to make the bill read:

Be it enacted, etc., That the following sections of the Revised Statutes are hereby repealed:

R. S. 242 R. S. 253 R. S. 255 R. S. 826 R. S. 827 R. S. 1131 R. S. 1133 R.S. 16 R. S. 268 R. S. R. S. R.S. 271 R.S. 276 R. S. 1137 R. S. 1139 20 R.S. 835 21 R.S. 836 23 42 R. S. 279 R.S. 837 R. S. 1140 R. S. 299 R. S. 300A R. S. 1142 R. S. 1146 R.S. R.S. 839 R.S. R. S. R. S. 52 53 75 76 77 78 85 R.S. 300B R. S. R. S. 841 842 R. S. 1147 R. S. 1148 R. S. 316 R. S. 317 843 844 R.S. R. S. R. S. 322 323 R. S. 1152 R. S. 1154 R.S. R.S. R.S. R.S. 845 R. S. 1155 R. S. 1159 847 980 R.S. 332 R.S. R.S. R. S. R. S. 334 351 R. S. 86 R. S. 1008 R. S. 1009 R. S. 1037 R. S. 1038 R. S. 1039 87 88 90 91 R. S. 1161 R. S. 1162 R.S. R.S. 352 R.S. R.S. 393 394 414 416 R.S. R. S. 1163 R. S. R. S. R. S. 1168 R.S. R. S. 1040 R. S. 1048 R. S. 1090 R. S. 1094 R. S. 1099 R. S. 1170 R. S. 1171 R. S. 1172 R. S. 1173 433 440 443 445 93 130 R.S. R.S. R.S. R.S. R. S. R. S. 135 142 R. S. 1179 R.S. R.S. 155 R.S. 466 R. S. 1100 R. S. 1180 156 477 484 R. S. 1101 R. S. 1102 R. S. 1181 R. S. 1182 R.S. R.S. R.S. 157 R.S. R. S. R. S. 163 164 R. S. 1184 R. S. 1185 R.S. 490 R. S. 1106 R. S. 1107 R.S. R.S. 491 492 503 R. S. 1109 R. S. 1113 R. S. 1114 R. S. 1187 R. S. 1188 R.S. 168 R.S. R.S. 171 R. S. R.S. 511 R. S. 1190 R.S. 201 212 R.S. 521 R. S. 1115 R. S. 1193 R.S. R. S. 1195 R. S. 1196 R. S. 1117 R. S. 1119 R.S. R. S. 522 561 628 221 R.S. R. S. 1121 R. S. 1197 R.S. R.S. R. S. 1123 R. S. 1198 R.S. 223 768 R. S. 1200 R. S. 1202 R. S. 1203 R. S. 1204 770 777 778 781 R. S. 1124 R. S. 1126 R.S. R. S. R. S. R. S. R. S. R. S. R. S. 1128 R. S. 1129

R. S. 2205 R. S. 1912 R. S. 1207 R. S. 1208 R. S. 1579 R. S. 1589 R. S. 1914 R. S. 1915 R. S. 2207 R. S. 2208 R. S. 1213 R. S. 2209 R. S. 2210 R. S. 2211 R. S. 1594 R. S. 1917 R. S. 1918 R. S. 1214 R. S. 1595 R. S. 2212 R. S. 2213 R. S. 1216 R. S. 1217 R. S. 1596 R. S. 1597 R. S. 1920 R. S. 1219 R.S. R. S. 1220 R. S. 1221 R. S. 1599 R. S. 1601 R. S. 2215 R. S. 2216 R.S. 1922 R. S. 1923 R. S. 1235 R. S. 1236 R. S. 1602 R. S. 2217 R. S. 1608 R. S. 1615 R. S. 1925 R. S. 1926 R. S. 2226 R. S. 2227 R. S. 1239 R. S. 1240 R. S. 1618 R. S. 1661 R. S. 2233 R. S. 2241 R. S. 1928 R. S. 1262 R. S. 1662 R. S. 1929 R. S. 2256 R. S. 1263 R. S. 1663 R. S. 1667 R.S. 1930 R. S. 2299 R. S. 1267 R. S. 2312 R. S. 1931 R. S. 1269 R. S. 1271 R. S. 1670 R. S. 1932 R. S. 1672 R. S. 1933 R. S. 1934 R. S. 2314 R. S. 2315 R. S. 1272 R. S. 1273 R. S. 1673 R. S. 1676 R. S. 1677 R. S. 1935 R. S. 2316 R. S. 2317 R. S. 1936 R. S. 1937 R. S. 1279 R. S. 1282 R. S. 1678 R. S. 2367 R. S. 2390 R. S. 2489 R. S. 1679 R. S. 1938 R. S. 1283 R. S. 1682 R. S. 1939 R. S. 1286 R. S. 1287 R. S. 1684 R. S. 1687 R.S. 1940 R. S. 2491 R. S. 2492 R. S. 2493 R. S. 1941 R. S. 1289 R. S. 1942 R. S. 1943 R. S. 1944 R. S. 1945 R. S. 2494 R. S. 2495 R. S. 2496 R.S. 1290 R. S. 1691 R. S. 1694 R. S. 1292 R. S. 1295 R. S. 1702 R. S. 1703 R. S. 1704 R. S. 1297 R. S. 1946 R. S. 1947 R. S. 1948 R. S. 2497 R. S. 2498 R. S. 1315 R. S. 1316 R. S. 1326 R. S. 1705 R. S. 1720 R.S. R. S. 1949 R. S. 1950 R. S. 2500 R. S. 2501 R. S. 1729 R. S. 1730 R. S. 1732 R. S. 1733 R. S. 1339 R. S. 1340 R. S. 1951 R.S. R. S. 2503 R. S. 2504 R. S. 1952 R. S. 1953 A. S. 2505 R. S. 2506 R. S. 2506 R. S. 2506 R. S. 1343 R. S. 1739 R. S. 1741 R.S. 1363 R. S. 1954 R. S. 1364 R.S. 1958 R.S. 1991 R. S. 1365 R. S. 1366 R. S. 1747 R. S. 1751 R. S. 1762 R. S. 2034 R. S. 2036 R. S. 2508 R. S. 2509 R. S. 1368 R. S. 1371 R. S. 1799 R. S. 1817 R. S. 2041 R.S. 2510 R. S. 1372 R. S. 2043 R. S. 2044 R. S. 2511 R. S. 2512 R. S. 1376 R.S. 1842 R. S. 2045 R. S. 2046 R. S. 2047 R. S. 1377 R. S. 1390 R. S. 1845 R. S. 1846 R. S. 2513 R. S. 2517 R. S. 1391 R. S. 1847 R. S. 2518 R. S. 2048 R. S. 2049 R. S. 1392 R. S. 1394 R.S. 1848 R. S. 2519 R. S. 1849 R. S. 2522 R. S. 1399 R. S. 1850 R. S. 2050 R. S. 2523 R. S. 1400 R. S. 1412 R. S. 1413 R. S. 1423 R. S. 1424 R. S. 1447 R. S. 1447 R. S. 1461 R. S. 1472 R. S. 1479 R. S. 1479 R. S. 1484 R. S. 1497 R. S. 1494 R. S. 1497 R. S. 1851 R. S. 2051 R. S. 2054 R. S. 2525 R. S. 2526 R. S. 1852 R. S. 1853 R. S. 1856 R. S. 2055 R.S. R.S. 2062 R.S. 2065 R. S. 2528 R. S. 2529 R. S. 1859 R. S. 1862 R. S. 1863 R. S. 2099 R. S. 2530 R. S. 2102 R. S. 2107 R. S. 2531 R. S. 2532 R. S. 1865 R. S. 1866 R. S. 1867 R. S. 2128 R. S. 2129 R. S. 2533 R. S. 2534 R. S. 1869 R. S. 1870 R. S. 2535 R. S. 2131 R. S. 2175 R. S. 2536 R. S. 2538 R. S. 1871 R. S. 1872 R. S. 1874 R. S. 2176 R. S. 2539 R. S. 2177 R. S. 2178 R. S. 2541 R. S. 2542 R.S. 1875 R. S. 2543 R. S. 2544 R. S. 1876 R. S. 2179 R. S. 2180 R. S. 1877 R. S. 1879 R. S. 1880 R. S. 1513 R.S. R. S. 1514 R. S. 1522 R. S. 2182 R. S. 2183 R. S. 2546 R. S. 2547 R. S. 1881 R. S. 2548 R. S. 2549 R. S. 1523 R. S. 1524 R. S. 1882 R. S. 1885 R. S. 2184 R. S. 2185 R. S. 1525 R. S. 1887 R. S. 2186 R.S. R. S. 1889 R. S. 2187 R. S. 2188 R. S. 1529 R. S. 1530 R. S. 2551 R. S. 2552 R. S. 1891 R. S. 1531 R. S. 1540 R. S. 2553 R. S. 2555 R. S. 2189 R. S. 2190 R.S. 1896 R. S. 1897 R. S. 1898 R. S. 1899 R. S. 1541 R. S. 2191 R. S. 2556 R. S. 1556 R. S. 1558 R. S. 2192 R. S. 2193 R. S. 2557 R. S. 2558 R. S. 1900 R. S. 1559 R. S. 1901 R. S. 2194 R.S. R. S. 2195 R. S. 2196 R. S. 1561 R. S. 1902 R.S. 2560 R. S. 1903 R. S. 2562 R. S. 1562 R. S. 1565 R. S. 1566 R. S. 1904 R. S. 1905 R. S. 2198 R. S. 2564 R. S. 1567 R. S. 1906 R. S. 2199 R.S. R. S. 1568 R. S. 1569 R. S. 1907 R. S. 1908 R. S. 2200 R. S. 2201 R. S. 2566 R. S. 2567 R. S. 2568 R. S. 1570 R. S. 1572 R. S. 1909 R. S. 1910 R. S. 2202 R. S. 2203 R. S. 2569 R. S. 1573 R. S. 1911 R. S. 2204 R. S. 2576

4974		CONG	RESSIONA
R. S. 2577	R. S. 2724	R. S. 3656	R. S. 4000
R. S. 2578	R. S. 2725	R. S. 3657	R. S. 4001
R. S. 2579	R. S. 2726	R. S. 3658	R. S. 4002
R. S. 2582	R. S. 2728	R. S. 3666	R. S. 4003
R. S. 2583	R. S. 2729	R. S. 3669	R. S. 4004
R. S. 2586	R. S. 2730	R. S. 3680	R. S. 4005
R. S. 2587	R. S. 2731	R. S. 3697	R. S. 4024
R. S. 2591	R. S. 2732	R. S. 3756	R. S. 4025
R. S. 2592	R. S. 2733	R. S. 3757	R. S. 4032
R. S. 2593	R. S. 2734	R. S. 3758	R. S. 4047
R. S. 2594	R. S. 2735	R. S. 3759	R. S. 4092
R. S. 2595	R. S. 2736	R. S. 3760	R. S. 4093
R. S. 2596	R. S. 2737	R. S. 3761	R. S. 4094
R. S. 2597	R. S. 2738	R. S. 3762	R. S. 4095
R. S. 2598	R. S. 2739	R. S. 3763	R. S. 4096
R. S. 2599	R. S. 2740	R. S. 3764	R. S. 4123
R. S. 2600	R. S. 2741	R. S. 3765	R. S. 4124
R. S. 2601	R. S. 2742	R. S. 3766	R. S. 4135
R. S. 2602	R. S. 2743	R. S. 3767	R. S. 4140
R. S. 2603	R. S. 2744	R. S. 3768 R. S. 3769	R. S. 4175
R. S. 2604	R. S. 2745	R. S. 3770	R. S. 4185
R. S. 2605	R. S. 2746		R. S. 4186
R. S. 2606	R. S. 2750	R. S. 3771	R. S. 4212
R. S. 2607	R. S. 2752	R. S. 3772	R. S. 4229
R. S. 2618	R. S. 2753	R. S. 3773	R. S. 4230
R. S. 2624	R. S. 2754	R. S. 3774	R. S. 4231
R. S. 2634	R. S. 2755	R. S. 3775	R. S. 4243
R. S. 2642	R. S. 2757	R. S. 3776	R. S. 4244
R. S. 2650	R. S. 2917	R. S. 3777	R. S. 4246
R. S. 2653	R. S. 3109	R. S. 3778	R. S. 4247
R. S. 2655	R. S. 3112	R. S. 3779	R. S. 4248
R. S. 2656	R. S. 3145	R. S. 3780	R. S. 4346
R. S. 2657	R. S. 2148	R. S. 3781	R. S. 4347
R. S. 2658	R. S. 3178	R. S. 3782	R. S. 4458
R. S. 2659	R. S. 3222	R. S. 3783	R. S. 4592
R. S. 2660	R. S. 3237	R. S. 3784	R. S. 4593
R. S. 2661	R. S. 3245	R. S. 3785	R. S. 4594
R. S. 2662	R. S. 3328	R. S. 3786	R. S. 4616
R. S. 2663	R. S. 3365	R. S. 3787	R. S. 4631
R. S. 2664	R. S. 3378	R. S. 3788	R. S. 4632
R. S. 2665	R. S. 3379	R. S. 3789	R. S. 4633
R. S. 2666	R. S. 3380	R. S. 3790	R. S. 4634
R. S. 2667	R. S. 3401	R. S. 3791	R. S. 4635
R. S. 2668	R. S. 3410	R. S. 3792	R. S. 4642
R. S. 2669	R. S. 3412	R. S. 3793	R. S. 4643
R. S. 2670	R. S. 3413	R. S. 3794	R. S. 4648
R. S. 2671	R. S. 3420	R. S. 3795	R. S. 4649
R. S. 2672	R. S. 3421	R. S. 3796	R. S. 4672
R. S. 2673	R. S. 3422	R. S. 3797	R. S. 4675
R. S. 2674	R. S. 3423	R. S. 3798	R. S. 4689
R. S. 2675	R. S. 3424	R. S. 3799	R. S. 4710
R. S. 2676	R. S. 3425	R. S. 3800	R. S. 4714
R. S. 2677	R. S. 3426	R. S. 3801	R. S. 4718
R. S. 2678	R. S. 3427	R. S. 3802	R. S. 4723
R. S. 2679	R. S. 3428	R. S. 3807	R. S. 4725
R. S. 2680	R. S. 3429		R. S. 4726
R. S. 2681	R. S. 3430	R. S. 3808 R. S. 3809	R. S. 4727
R. S. 2682	R. S. 3431	R. S. 3811	R. S. 4730
R. S. 2683	R. S. 3432	R. S. 3813	R. S. 4731
R. S. 2684	R. S. 3433	R. S. 3814	R. S. 4732
R. S. 2685	R. S. 3435	R. S. 3815	R. S. 4733
R. S. 2686	R. S. 3436	R. S. 3816	R. S. 4736
R. S. 2688	R. S. 3438	R. S. 3817	R. S. 4737
R. S. 2689	R. S. 3439	R. S. 3818	R. S. 4738
R. S. 2690	R. S. 3440	R. S. 3819	R. S. 4739
R. S. 2691	R. S. 3441	R. S. 3820	R. S. 4740
R. S. 2692	R. S. 3442	R. S. 3821	R. S. 4743
R. S. 2693	R. S. 3465	R. S. 3822	R. S. 4751
R. S. 2694	R. S. 3489	R. S. 3823	R. S. 4758
R. S. 2695	R. S. 3564	R. S. 3824	R. S. 4759
R. S. 2696	R. S. 3572	R. S. 3825	R. S. 4760
R. S. 2697	R. S. 3573	R. S. 3826	R. S. 4761
R. S. 2698	R. S. 3574	R. S. 3827	R. S. 4762
R. S. 2699	R. S. 3575	R. S. 3837	R. S. 4763
R. S. 2700	R. S. 3579	R. S. 3865	R. S. 4764
R. S. 2701	R. S. 3582	R. S. 3866	R. S. 4765
R. S. 2702	R. S. 3586	R. S. 3872	R. S. 4767
R. S. 2703	R. S. 3592	R. S. 3875	R. S. 4768
R. S. 2704	R. S. 3594	R. S. 3876	R. S. 4769
R. S. 2705	R. S. 3596	R. S. 3877	R. S. 4774
R. S. 2706	R. S. 3597	R. S. 3878	R. S. 4775
R. S. 2707	R. S. 3598	R. S. 3881	R. S. 4777
R. S. 2708	R. S. 3599	R. S. 3884	R. S. 4779
R. S. 2709	R. S. 3601	R. S. 3886	R. S. 4781
R. S. 2710	R. S. 3602	R. S. 3897	R. S. 4782
R. S. 2712	R. S. 3603	R. S. 3902	R. S. 4789
R. S. 2713	R. S. 3604	R. S. 3903	R. S. 4817 R. S. 4828
R. S. 2714	R. S. 3605	R. S. 3904	R. S. 4832
R. S. 2715	R. S. 3606	R. S. 3905	
R. S. 2716	R. S. 3607	R. S. 3906	R. S. 4836
R. S. 2717	R. S. 3608	R. S. 3907	R. S. 4837
R. S. 2718	R. S. 3609	R. S. 3908	R. S. 4845
R. S. 2719	R. S. 3610	R. S. 3909	R. S. 4846
R. S. 2720	R. S. 3611	R. S. 3910	R. S. 4847
R. S. 2721	R. S. 3612	R. S. 3970	R. S. 4848
R. S. 2722	R. S. 3654	R. S. 3997	R. S. 4864
R. S. 2723	R. S. 3655	R. S. 3998	R. S. 4924

R. S. 4925	R. S. 4945	R. S. 4960	R. S. 5194
R. S. 4926	R. S. 4946	R. S. 4961	R. S. 5245
R. S. 4927	R. S. 4947	R. S. 4962	R. S. 5249
R. S. 4928	R. S. 4948	R. S. 4963	R. S. 5255
R. S. 4932	R. S. 4949	R. S. 4964	R. S. 5411
R. S. 4937	R. S. 4950	R. S. 4965	R. S. 5412
R. S. 4938	R. S. 4952	R. S. 4966	R. S. 5568
R. S. 4939	R. S. 4954	R. S. 4967	R. S. 5569
R. S. 4940	R. S. 4955	R. S. 4968	R. S. 5597
R. S. 4941	R. S. 4956	R. S. 4969	R. S. 5598
R. S. 4942	R. S. 4957	R. S. 4970	
R. S. 4943	R. S. 4958	R. S. 5180	
R. S. 4944	R. S. 4959	R. S. 5181	

SEC. 2. The question as to whether any other provisions of law now omitted from the United States Code and supplements have present force or effect as general and permanent law shall be determined without regard to this act.

SEC. 3. No inference shall be raised by the enactment of this act that the sections of the Revised Statutes repealed by this act were in force or effect at the time of such enactment: Provided, however, That any rights or liabilities existing under such repealed sections shall not be affected by their repeal.

The amendment was agreed to.

The amendment was ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time and passed.

REPEAL OF OBSOLETE STATUTES

The Senate proceeded to consider the bill (H. R. 7121) to repeal obsolete statutes, and to improve the United States Code, which was ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the following obsolete sections of the Revised Statutes are hereby repealed:

Revised Statutes:	United States Code
R. S. 89	Title 2, sec. 136.
R. S. 340	Title 15, sec. 180.
R. S. 972	Title 28, sec. 820.
R. S. 2458	Title 16, sec. 591.
R. S. 2459	Title 16, sec. 592.
R. S. 2461	Title 16, sec. 595.
R. S. 2462	Title 16, sec. 596.
R. S. 2628	Title 19, sec. 41.
R. S. 2644	Title 19, sec. 46,
R. S. 2645	Title 19, sec. 47.
R. S. 2938	Title 19, sec. 378,
R. S. 3297	Title 26, sec. 421,
R. S. 3911	Title 39, sec. 296.
R. S. 3912	Title 39, sec. 297.
R. S. 3972	Title 39, sec. 490.
R. S. 3973	Title 39, sec. 491.
R. S. 3999	Title 39, sec. 521.
R. S. 4056	Title 39, sec. 788.
R. S. 4316	Title 46, sec. 256.
R. S. 4317	Title 46, sec. 257.
R. S. 4334	Title 46, sec. 287.
R. S. 4340	Title 46, sec. 281.
R. S. 4341	Title 46, sec. 282.
R. S. 4342	Title 46, sec. 283.
R. S. 4343	Title 46, sec. 284.
R. S. 4344	Title 46, sec. 285.
R. S. 4345	Title 46, sec. 286.
R. S. 4371	Title 46, sec. 317.

SEC. 2. Rights or liabilities existing under the foregoing statutes on the date of the enactment of this act shall not be affected thereby.

INDUSTRIAL LIFE INSURANCE IN THE DISTRICT OF COLUMBIA

The Senate proceeded to consider the bill (S. 3257) for the protection of holders of industrial insurance policies in the District of Columbia, which had been reported from the Committee on the District of Columbia with an amendment, to strike out all after the enacting clause and to insert:

Be it enacted, etc., That policies of industrial weekly payment life insurance hereafter issued or delivered in the District of Columbia shall be subject to the following conditions, in addition to any others prescribed by law and not inconsistent with the provisions of this act.

GOOD FAITH

SEC. 2. If payment of such a policy shall be refused because of unsound health at or prior to the date of the policy, the good faith of both applicant and insured shall constitute a material element in determining the validity of the policy; and it shall not be held invalid because of unsound health unless the insurer shall prove that, at or before the date of issue of the policy, the insured or applicant had knowledge of, or reason to know, the facts on which the defense is based, or shall prove that the insurance was procured by the insured or applicant in bad faith or with intent to defraud the company, any provision, agreement, condition, warranty, or clause contained in said policy, or indorsed

thereon, or added or attached thereto, to the contrary notwith-standing. Proof by the insurer of fraud, intent to deceive, unsound health, bad faith, breach or warranty or condition precedent, or other matter of defense, shall be subject to the provision of section 657 of the act entitled "An act to establish a Code of Law for the District of Columbia," approved March 3, 1901, as amended. (D. C. Code, title 5, sec. 183.)

INCONTESTABILITY

SEC. 3. Every such policy shall be incontestable upon any ground relating to health after two years from its date of issue (notwithstanding a longer period may be named therein), provided the insured shall be alive at the end of said period. If the policy by its terms shall be incontestable after a shorter period than herein provided, the terms of the policy with regard to such period of limitation shall govern.

ASSIGNMENT

SEC. 4. Nothing contained in the terms of any such policy shall operate to prevent its valid assignment by the insured; but the company issuing the policy so assigned shall be discharged of all liability thereon by payment of its proceeds in accordance with its terms, unless before such payment the company shall have written notice of such assignment. notice of such assignment

BENEFICIARY

SEC. 5. Any individual designated with the consent of the insurer, evidenced by the signature of its president or secretary, or designated upon a form furnished by and filed with the insurer, as beneficiary of such a policy shall be entitled to the proceeds of such policy after the death of the insured in priority to all other claimants, and may sue in his own name for such proceeds if payment is refused by the insurer: Provided, That upon the expiration of 15 days after the death of the insured, unless proof of claim in the manner and form required by the policy, accompanied by the policy for surrender, has theretofore been made by or on behalf of such designated beneficiary, the insurer may pay to any other claimant permitted by the policy. A person specified as one to whom the insured desires payment made, but not formally designated as beneficiary, shall be deemed a beneficiary for the purposes of this section, provided such designation be made in writing and filed with the company during the lifetime of the insured.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading. read the third time, and passed.

The title was amended so as to read: "A bill respecting contracts of industrial life insurance in the District of Columbia."

RIO GRANDE BRIDGE, TEXAS

The bill (S. 5532) to extend the time for the construction of a bridge across the Rio Grande at Boca Chica, Tex., was announced as next in order.

The PRESIDENT pro tempore. This is the same as Calendar 1376, House bill 14411.

Mr. VANDENBERG. I ask that the House bill be substituted and the Senate bill indefinitely postponed.

The PRESIDENT pro tempore. Is there objection?

There being no objection, the Senate proceeded to consider the bill (H. R. 14411) to extend the times for commencing and completing the construction of a bridge across the Rio Grande at Boca Chica, Tex., which was ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the time for commencing and completing the construction of a bridge authorized by act of Congress approved June 10, 1932, to be built by the Boca Chica Bridge Co. across the Rio Grande at Boca Chica, Tex., are hereby extended one and three years, respectively, from June 10, 1933.

SEC. 2. The right to alter, amend, or repeal this act is hereby

expressly reserved.

The PRESIDENT pro tempore. Senate bill 5532 will be indefinitely postponed.

HUDSON RIVER BRIDGE, NEW YORK

The Senate proceeded to consider the bill (S. 5564) to extend the times for commencing and completing the construction of a bridge across Hudson River at or near Catskill Greene County, N. Y., and for other purposes, which had been reported from the Committee on Commerce, with an amendment, on page 1, line 10, after "1930," to insert the words "heretofore extended by an act of Congress approved April 15, 1932," so as to make the bill read:

Be it enacted, etc., That the times for commencing and completing the construction of the bridge across the Hudson River at or near Catskill, Greene County, N. Y., authorized to be built by the State of New York by the act entitled "An act granting the consent of Congress to the State of New York to construct, maintain, and operate a highway bridge across the Hudson River at or near Catskill, Greene County, N. Y.," approved June 5, 1930,

heretofore extended by an act of Congress approved April 15, 1932, are hereby further extended one and three years, respectively, from the date of the approval hereof.

SEC. 2. Section 2 of such act of June 5, 1930, is hereby repealed.

SEC. 3. The right to alter, amend, or repeal this act is hereby

expressly reserved.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading. read the third time, and passed.

HEARINGS BEFORE COMMITTEE ON INTEROCEANIC CANALS

The resolution (S. Res. 344) authorizing the Committee on Interoceanic Canals to hold hearings during the Seventysecond Congress was read, considered, and agreed to, as

Resolved, That the Committee on Interoceanic Canals, or any Resolved, That the Committee on Interoceanic Canals, or any subcommittee thereof, is authorized, during the Seventy-second Congress, to send for persons, books, and papers, to administer oaths, and to employ a stenographer, at a cost not exceeding 25 cents per 100 words, to report such hearings as may be had in connection with any subject which may be before said committee, the expenses thereof to be paid out of the contingent fund of the Senate; and that the committee, or any subcommittee thereof, may sit during the sessions or recesses of the Senate.

CANYON DE CHELLY NATIONAL MONUMENT, ARIZ.

The bill (S. 5190) to amend the description of land described in section 1 of the act approved February 14, 1931, entitled "An act to authorize the President of the United States to establish the Canyon De Chelly National Monument within the Navajo Indian Reservation, Ariz.," was announced as next in order.

The PRESIDENT pro tempore. This is the same as Calendar 1362, House bill 13960, and without objection the House bill will be substituted for the Senate bill, and the Senate bill will be indefinitely postponed.

There being no objection, the Senate proceeded to consider the bill (H. R. 13960) to amend the description of land described in section 1 of the act approved February 14, 1931, entitled "An act to authorize the President of the United States to establish the Canyon De Chelly National Monument within the Navajo Indian Reservation, Ariz."

The bill was ordered to a third reading, read the third time, and passed.

PATRICK HENRY WALSH

The Senate proceeded to consider the bill (S. 4380) for the relief of Patrick Henry Walsh, which had been reported from the Committee on Claims with an amendment, on page 1, line 6, to strike out "\$15,000" and to insert in lieu thereof \$3.000," so as to read:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay to Patrick Henry Walsh, of Weehawken, N. J., out of any money in the Treasury not otherwise appropriated, the sum of \$3,000, in full satisfaction of all claims against the United States for damages on account of injuries resulting from being struck by a United States mail truck, at Jersey City, N. J., on December 19, 1924.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

UNITED STATES DISTRICT COURT, EASTERN DISTRICT OF NORTH CAROLINA

The Senate proceeded to consider the bill (H. R. 13655) to amend the act of May 10, 1928, entitled "An act to provide for the times and places for holding court for the eastern district of North Carolina" (45 Stat. 495), which was ordered to a third reading, read the third time, and passed.

SALE OF PROPERTY IN THE DISTRICT OF COLUMBIA

The bill (S. 5470) authorizing the sale of certain property no longer required for public purposes in the District of Columbia was announced as next in order.

The PRESIDENT pro tempore. That bill being identical with Calendar 1317, House bill 14340, if there is no objection, the House bill will be substituted for the Senate bill, and the Senate bill will be indefinitely postponed.

Mr. McKELLAR. Mr. President, I hope the Senator from Kansas will explain this bill.

Mr. CAPPER. Mr. President, these two bills are exactly alike. The purpose of the bill is to permit the District Commissioners to sell the old Potomac School property in southwest Washington. The property is no longer used for school purposes, and no suitable municipal use can be made of it.

The property is now located in the wholesale-market area. The commissioners are informed that a more advantageous price can be secured now than might be the case later. Several property owners are interested in its purchase.

The bill provides for sale of the property to the highest bidder "at public or private sale as in their-the commissioners'-opinion may be most advantageous to the District of Columbia." The auditor of the District of Columbia, at the committee's hearing on this bill, stated that the commissioners desired the authority to sell the property at private sale, if, after offering it for sale publicly, they received no satisfactory bids for purchase. Advertisement and an effort to sell the property publicly would precede any attempt to sell privately, the committee was assured.

Mr. McKELLAR. What the Senator has stated is not exactly what the bill would effect? The bill provides that the commissioners may sell the property at either public or private sale. No limit is put on the price. This is a very bad time for the sale of real estate, and it seems to me it would be a very unhappy time to put the property on the

The PRESIDENT pro tempore. Does the Chair understand the Senator to ask that the bill go over?

Mr. McKELLAR. Let the bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

AMENDMENT OF BANKRUPTCY ACT

The bill (H. R. 14359) to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, and acts amendatory thereof and supplementary thereto, was announced as next in order.

The PRESIDENT pro tempore. That is the unfinished business, and will be passed over.

PROOF OF CLAIMS IN BANKRUPTCY CASES

The bill (S. 5394) to amend section 57 of the act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, as amended and supplemented, with respect to proof and allowance of claims by trustees for bondholders, was announced as next in order.

Mr. GEORGE. Let the bill go over.

Mr. METCALF. Mr. President, will not the Senator withhold his objection for a moment? If he will read the report, he will see that this is a very carefully drawn bill.

Mr. GEORGE. Mr. President, I withhold the objection; but I thought that, since the general matter of bankruptcy laws was before the Senate, this should go over to be considered in connection with the unfinished business.

The PRESIDENT pro tempore. The bill will go over.

SENECA INDIANS IN NEW YORK STATE

The bill (S. 5302) to amend the act entitled "An act to grant to the State of New York and the Seneca Nation of Indians jurisdiction over the taking of fish and game within the Allegany, Cattaraugus, and Oil Spring Indian Reservations," approved January 5, 1927, was considered. The bill had been reported from the Committee on Indian Affairs with amendments, on page 1, line 7, after the numerals "1927," to insert "(44 Stat. L. 932)"; and, in the same line, after the word "hereby," to strike out:

Amended to read as follows: "That the Seneca Nation of Indians shall have the exclusive right to take fish and game within the Allegany, Cattaraugus, and Oil Spring Indian Reservations in the State of New York without regard to the laws of such State relating to the taking of fish and game; and such Seneca Nation shall have the exclusive authority through its counsel to prescribe rules and regulations governing the taking of fish and game in such reservations and to punish any violations thereof, and to issue permits and licenses for such taking of fish and game;

And to insert in lieu thereof "repealed," so as to make the bill read:

over the taking of fish and game within the Allegany, Cattaraugus, and Oil Spring Indian Reservations," approved January 5, 1927 (44 Stat. L. 932), is hereby repealed.

Mr. KING. Mr. President, may I ask the Senator from North Dakota [Mr. Frazier] whether this does not deprive the Indians of a right which under existing law they have?

Mr. FRAZIER. No; it gives them the right to fish on their own land. The old law enacted in 1927 put the Seneca Indian Reservation under the State law. I have a letter this morning with reference to three Indians who have been arrested for fishing in little streams on their own reservation contrary to the State law. We had hearings and there were about a dozen Indians here with their attorney. I think it meets with general approval.

Mr. KING. I have had some complaints from the Indians in New York to the effect that they were not receiving adequate protection from the State. I approve of the bill.

Mr. COPELAND. Mr. President, I think I am in agreement with the purpose of the bill, and I shall not object to its passage. However, I want to serve notice that I may desire to ask for a reconsideration.

The amendments were agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time, and passed.

The title was amended so as to read: "A bill to repeal the act entitled 'An act to grant to the State of New York and the Seneca Nation of Indians jurisdiction over the taking of fish and game within the Allegany, Cattaraugus, and Oil Spring Indian Reservations,' approved January 5, 1927."

AMENDMENT OF DISTRICT TEACHERS' SALARY ACT

The bill (H. R. 12595) to amend the teachers' salary act of the District of Columbia, approved June 4, 1924, as amended, in relation to establishing the Wilson and Miner Teachers Colleges on a basis comparable with recognized standards for accredited institutions of like kind; to raising the trade or vocational schools to the level of junior high schools, and for other purposes, was announced as next in order.

Mr. KING. Over.

Mr. CAPPER. Mr. President, will the Senator withhold his objection for a moment?

Mr. KING. Very well.

Mr. CAPPER. We had long hearings on this bill. I do not recall whether the Senator was present or not, but the committee was unanimous in approving the bill. It does not cost any money, but it places these teachers in line for recognition.

Mr. KING. There has been some complaint to me about this bill as well as the one which was passed over previously; and this is not the one the Senator from Kansas has in mind, because this is the House bill. It is alleged that it contains some discriminations. In view of the fact that we are to have a morning hour next Monday, I suggest that it go over.

The PRESIDENT pro tempore. The bill will be passed

ACTION FOR DAMAGES AGAINST THE DISTRICT OF COLUMBIA

The bill (H. R. 13750) to regulate the bringing of actions for damages against the District of Columbia, and for other purposes, was announced as next in order.

Mr. NORRIS. Mr. President, what was done with Order of Business 1314?

The PRESIDENT pro tempore. That was passed out of order. When we reached the identical Senate bill a substitution was made and this number was passed and the Senate bill indefinitely postponed.

Mr. NORRIS. I was asked by my colleague's secretary to object to a bill, and I am not sure whether this is the one or not. Let me ask the Senator from Kansas [Mr. CAPPERl about Order of Business No. 1314. What is the object of that bill?

Mr. CAPPER. The bill proposes to amend the law relating to estates of deceased persons which come under the police department. The Senate bill carries out the recommendations of the commissioners and federation of busi-Be it enacted, etc., That the act entitled "An act to grant to the State of New York and the Seneca Nation of Indians jurisdiction remaining unclaimed with the police for a full year should ness associations, namely, that estates under \$100 in value be exempted from the provisions of law requiring the pro-bate court to appoint administrators. The present limit is \$50, and that is very unsatisfactory. The House bill proposes to raise the limit to \$100.

Mr. NORRIS. I do not think that is the bill to which my attention was directed. Is there a bill on the calendar reported from the District Committee in regard to the gas companies in the District of Columbia?

Mr. CAPPER. That has not as yet been reached. Mr. McNARY. It is on page 17 of the calendar, Order No. 1339.

Mr. NORRIS. I presume that is the bill my colleague had in mind. I have no objection to the bill just reported.

There being no objection, House bill 13750 was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That no action shall be maintained against the District of Columbia for unliquidated damages to person or property unless the claimant within six months after the injury or damage was sustained, he, his agent, or attorney gave notice in writing to the Commissioners of the District of Columbia of the approximate time, place, cause, and circumstances of such injury or damage: Provided, however, That a report in writing by the Metropolitan police department, in regular course of duty, shall be regarded as a sufficient notice under the above provision.

The PRESIDENT pro tempore. Without objection, Calendar No. 1274, the identical Senate bill, is indefinitely post-

AMENDMENT OF DISTRICT OF COLUMBIA CODE

The bill (H. R. 14204) to amend section 653 of the Code of Law for the District of Columbia was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the provision of section 653 of the act of Congress approved March 3, 1901, entitled "An act to establish a Code of Law for the District of Columbia," as amended by the act of Congress approved August 15, 1911, which said provision reads: "Every such company or association shall pay to the collector of taxes for the District of Columbia a sum of money, as the act of the collector of taxes for the District of Columbia as un of money as the constant of all moneys received from members of tax, equal to 1 per cent of all moneys received from members of policy or certificate holders within the District of Columbia, said tax to be paid on or before the 1st day of March of each year on

tax to be paid on or before the 1st day of March of each year on the amount of such income for the year ending December 31, next preceding;" is hereby amended to read:

"Every such company or association shall pay to the collector of taxes for the District of Columbia a sum of money as taxes equal to 1½ per cent of its net premium receipts from business done in the District of Columbia, said taxes to be paid before the 1st day of March of each year on the amount of such income for the year ending December 31, next preceding, in lieu of all other taxes, except taxes upon real estate and any license fees provided for in sections 654 and 655; and upon the failure of any company to pay said taxes before March 1, as aforesaid, and license of said company shall be revoked and a penalty of 8 per cent per month shall be charged against said company, which, together with said taxes, shall be collected before said company shall be allowed to resume business." resume business.

The PRESIDENT pro tempore. Order of Business No. 1275, the bill (S. 5436) to amend section 653 of the Code of Law of the District of Columbia, is indefinitely postponed.

BILLS PASSED OVER

The bill (S. 5219) to provide funds for cooperation with the Minnesota State Board of Control in the extension of the Minnesota State Sanatorium at Ah-Gwah-Ching, Minn., was announced as next in order.

Mr. KING. Over.

The PRESIDENT pro tempore. The bill will be passed

The bill (S. 5639) providing for loans or advances by the Reconstruction Finance Corporation for the purpose of securing the postponement of the foreclosure of certain mortgages for a period of two years, and for other purposes, was announced as next in order.

Mr. GEORGE. Let that go over.

The PRESIDENT pro tempore. The bill will be passed

AMENDMENT OF FEDERAL FARM LOAN ACT

The bill (S. 5337) to amend the Federal farm loan act, as amended, to permit loans for additional purposes, to extend the powers of Federal land banks in the making of direct

loans, to authorize upon certain terms the reamortization of loans by Federal and joint-stock land banks, and for other purposes, was announced as next in order.

Mr. SMOOT. Over.

Mr. FLETCHER. Mr. President, may I ask the Senator to withhold his objection just a moment?

Mr. SMOOT. Very well.

Mr. FLETCHER. The bill has been approved by the Treasury Department and approved by the Federal Farm Board and approved by the various farm organizations. I do not know of anybody who is objecting to it. I can state in just a moment an analysis of its provisions.

Mr. SMOOT. Upon further examination I find the bill is not the one I thought it was. Therefore, I withdraw my objection.

The PRESIDENT pro tempore. The amendments will be stated.

The Senate proceeded to consider the bill, which had been reported from the Committee on Banking and Currency, with amendments, on page 2, line 4, to strike out "such association to indorse such loans," and to insert "the bank to accept applications from such associations"; on page 7. line 11, after the word "collateral" to insert "if otherwise eligible under the provisions of such sections"; on page 7, line 15, to strike out "if said mortgage is otherwise eligible under the provisions of said sections"; and to insert in lieu thereof the following:

and to accept payment of the aggregate amount of such principal on an amortization plan by means of a fixed number of annual or semiannual installments sufficient to cover the interest payable semiannual installments sufficient to cover the interest payable thereon and in addition thereto such amounts to be applied on the principal after the expiration of the period of deferment as will extinguish the debt within an agreed period of not more than forty years from the date of such agreement.

On page 8, line 23, to strike out as follows:

(a) To pay off consolidated farm-loan bonds issued in behalf said bank as they mature.

(b) To purchase at or below par consolidated Federal farmloan bonds.

(c) To loan on first mortgages on farm lands within the land-bank district, qualified under this act as collateral security for the issue of farm-loan bonds.

(d) To purchase United States Government bonds.

The farm-loan bonds, first mortgages, United States Government bonds, or cash constituting the trust fund aforesaid shall be forthwith deposited with the farm-loan registrar as substituted collaterial security in place of the sums paid on principal of the mortgages held by him in trust—

And to insert in lieu thereof-

in the manner provided in section 22 with respect to payments on principal of first mortgages held as collateral for farm-loan bonds of individual banks.

So as to make the bill read:

Be it enacted, etc., That section 7 of the Federal farm loan act, as amended (U. S. C., title 12, ch. 7, secs. 711-722), is amended by adding at the end thereof the following:

"That whenever it shall appear to the Federal Farm Loan Board that national farm-loan associations have not been formed in any locality in the continental United States, or that the farm-In any locality in the continental United States, or that the farmers residing in the territory covered by the charter of a national farm-loan association are unable to apply to the Federal land bank of the district for loans on account of the inability of the bank to accept applications from such associations, the Federal Farm Loan Board may, in its discretion, authorize said bank to make direct loans to borrowers secured by first mortgages on farm lands situated within any such locality or territory. Except as herein otherwise specifically provided, all provisions of this act applicable with respect to loans made through national farm loan associations shall, in so far as practicable, apply with respect to such direct loans, and the Federal Farm Loan Board is authorized to make such rules and regulations as it may deem necessary with respect to such direct loans.

"The rate of interest on such direct loans may be 1½ per

"The rate of interest on such direct loans may be 1½ per centum in excess of the rate of interest borne by the last preceding issue of farm-loan bonds of the Federal land bank making such loans.

such loans.

"Each borrower who obtains a direct loan from a Federal land bank shall subscribe and pay for stock in such bank in the sum of \$5 for each \$100 or fraction thereof borrowed. Such stock shall be held by such Federal land bank as collateral security for the loan of the borrower and shall participate in all dividends. Upon full payment of the loan such stock shall, if still outstanding, be canceled at par, or, in the event that such stock shall have become impaired, at the estimated value thereof as approved by

the Federal Farm Loan Board, and the proceeds thereof shall be paid to the borrower.

"Each such borrower shall covenant in his mortgage that, whenever there are 10 or more borrowers who have obtained from a Federal land bank direct loans under the provisions of this section aggregating not less than \$20,000, and who reside in a locality which may, in the opinion of the Federal Farm Loan Board, be conveniently covered by the charter of and served by a national farm-loan association, he will unite with such other borrowers to form a national farm-loan association. Such borrowers shall organize the association supposed to the requirements. rowers shall organize the association subject to the requirements and the conditions specified in this section, so far as the same and the conditions specified in this section, so far as the same may be applicable, and in accordance with rules and regulations of the Federal Farm Loan Board. As soon as the organization of the association has been approved by the Federal Farm Loan Board, the stock in the Federal land bank held by each of the members of such association shall be canceled at par, and in lieu thereof the bank shall issue in the name of the association an equal amount of stock in said bank, which stock shall be held by said bank as collateral security as provided in this section with respect to other lears through national formulations. held by said bank as collateral security as provided in this section with respect to other loans through national farm-loan associations. Thereupon there shall be issued to each such member an amount of capital stock in the association equal to the amount which he previously held in said bank, which stock shall be held by said association as collateral security as provided in section 8. The board of directors of said association shall adopt a resolution authorizing and directing its secretaryshall adopt a resolution authorizing and directing its secretary-treasurer on behalf of said association to indorse, and thereby become liable for the payment of, the mortgages taken from its charter members by the Federal land bank. When it shall appear to the satisfaction of the Federal Farm Loan Board that all of the foregoing conditions have been compiled with, and upon the granting of the charter by the Federal Farm Loan Board, the interest rate paid by each charter member of such association whose loan is in good standing shall, beginning with his next regular installment date, be reduced to the rate of interest paid by borrowers on new loans made through national farm-loan associations in the same Federal land bank district at the time the said loan was made to such charter member.

"Initial charges to be paid by applicants for direct loans from a Federal land bank shall not exceed amounts to be fixed by the Federal Farm Loan Board and shall in no case exceed the charges which may be made to applicants for loans and borrowers through

which may be made to applicants for loans and borrowers through national farm-loan associations under the provisions of sections

SEC. 2. Paragraph fourth of section 12 of the Federal farm loan act, as amended (U. S. C., title 12, ch. 7, sec. 771), is amended

to read as follows:

"Fourth. Such loans may be made for the following purposes and for no other:

"(a) To provide for the purchase of land for agricultural

"(b) To provide for the purchase of equipment, fertilizers, and livestock necessary for the proper and reasonable operation of the mortgaged farm; the term 'equipment' to be defined by the Federal Farm Loan Board.

"(c) To provide buildings and for the improvement of farm lands; the term 'improvement' to be defined by the Federal Farm

Loan Board.

"(d) To liquidate indebtedness of the owner of the land mortgaged incurred for agricultural purposes, or incurred prior to January 1, 1933.

gaged incurred for agricultural purposes, or incurred prior to January 1, 1933.

"(e) To provide the owner of the land mortgaged with funds for general agricultural uses."

SEC. 3. Section 13 of the Federal farm loan act, as amended (U. S. C., title 12, ch. 7, sec. 781), is amended by adding at the end thereof the following new paragraph:

"Eleventh. When in the judgment of the directors conditions justify it, and with the approval of the Federal Farm Loan Board, to reamortize, in whole or in part, the aggregate amount remaining unpaid under the terms of any mortgage, and to accept payment of such aggregate amount on an amortization plan by means of a fixed number of annual or semiannual installments sufficient to cover the interest payable on the mortgage, and in addition thereto, such amounts to be applied upon the principal as will extinguish the debt within an agreed period of not more than 40 years from the date of the reamortization; to deposit such mortgage with the farm-loan registrar as collateral security for farm-loan bonds at an amount not exceeding the principal of the original loan remaining unpaid at the date of such reamortization; and with the approval of the Federal Farm Loan Board, to charge the borrower an amount not to exceed the actual cost incurred in connection with such reamortization."

SEC. 4. Paragraph second of section 14 of the Federal farm loan act, as amended (U. S. C., title 12, ch. 7, sec. 791), is amended to read as follows:

"Second To loan on first mortgage except through national

read as follows:

"Second. To loan on first mortgage except through national farm-loan associations as provided in section 7 and section 8 of this act, or through agents as provided in section 15, or direct to borrowers as provided in section 7."

Sec. 5. The fourth paragraph of section 19 of the Federal farm loan act, as amended (U. S. C., title 12, ch. 7, sec. 854), is amended to read as follows:

to read as follows:

"No mortgage shall be accepted by a farm-loan registrar from a land bank as part of an offering to securing farm-loan bonds, either originally or by substitution, except first mortgages made subject to the conditions prescribed in sections 4, 7, 12, 15, and

16: Provided, That such registrar, when authorized and directed to do so by the Federal Farm Loan Board, shall accept or retain in his custody as collateral, if otherwise eligible under the provisions of such sections, any first mortgage in connection with which the land bank depositing the same has agreed to defer for a period of not more than five years the collection of the principal portion of maturing installments and to accept payment of the aggreof not more than five years the collection of the principal portion of maturing installments and to accept payment of the aggregate amount of such principal on an amortization plan by means of a fixed number of annual or semiannual installments sufficient to cover the interest payable thereon and in addition thereto such amounts to be applied on the principal after the expiration of the period of deferment as will extinguish the debt within an agreed period of not more than 40 years from the date of such agreement."

agreement."

SEC. 6. The eleventh paragraph of section 21 of the Federal farm loan act, as amended (U. S. C., title 12, ch. 7, sec. 881), is amended by substituting in lieu thereof the following:

"When any Federal land bank shall desire to participate in a consolidated issue of farm-loan bonds it shall make application to the Federal Farm Loan Board for the approval on its behalf of such issue and tender to the registrar approved farm mortgages, or obligations of the United States Government, as security therefor, and no banks shall participate in such consolidated issue until such application has been approved by the Federal Farm Loan Board. Such approved farm mortgages or obligations of the United States Government shall be held by each farm-loan registrar as collateral security for consolidated bonds, separate and apart from the mortgages and/or Government bonds held by him as collective security for the bonds previously issued or assumed individually by the Federal land bank of his district. Amortization and other payments on the principal of first mortassumed individually by the Federal land bank of his district, Amortization and other payments on the principal of first mortgages held by a farm-loan registrar as collateral security for the issue of consolidated farm-loan bonds shall constitute a trust fund in the hands of the Federal land bank receiving the same and shall be applied or employed in the manner provided in section 22 with respect to payments on principal of first mortgages held as collateral for farm-loan bonds of individual banks, "Every Federal land bank shall notify the farm-loan registrar.

gages held as collateral for farm-loan bonds of individual banks. "Every Federal land bank shall notify the farm-loan registrar of the disposition of all payments made on the principal of mortgages held as collateral security for the issue of consolidated farm-loan bonds, and said registrar is authorized, at his discretion, to order any of such payments, or the proceeds thereof, wherever deposited or however invested, to be immediately transferred to his account as trustee aforesaid. Each bank shall maintain with the farm-loan registrar of its district collateral security for the issue of consolidated farm-loan bonds in an amount at least equal to the face amount of such bonds issued on its behalf.

"When any Federal land bank shall surrender to the farm-loan

"When any Federal land bank shall surrender to the farm-loan registrar of its district any consolidated Federal farm-loan bonds, canceled or uncanceled, said land bank shall be entitled to withdraw first mortgages and bonds previously pledged as collateral in connection with any issue of consolidated farm-loan bonds to an amount equal to the consolidated farm-loan bonds so surrendered and it shall be the duty of such registrar to permit and direct the delivery of such mortgages and bonds to such land bank.

bank.

"The Federal Farm Loan Board may at any time call upon any Federal land bank for additional security to protect the consolidated bonds issued under the provisions of this section. Each bank shall pay when due, without notice, all bonds and coupons issued on its behalf hereunder.

"Every Federal land bank shall have power to exchange consolidated farm-loan bonds for farm-loan bonds previously issued or assumed by it individually, with the approval of and under rules and regulations promulgated by the Federal Farm Loan Board."

The amendments were agreed to.

Mr. FESS. Mr. President, in looking over the bill I notice it involves a great many matters that are rather important. Has it been given such consideration that we ought to pass it?

Mr. FLETCHER. Absolutely. It was referred to a special subcommittee of the Banking and Currency Committee and hearings were had. It is approved by the Treasury, the Farm Loan Board, and by various farm organizations. I do not know of a single objection to it.

Mr. FESS. Was it reported unanimously?

Mr. FLETCHER. Yes; it was reported unanimously.

Mr. GEORGE. Mr. President, I do not rise to object, but I would like to have the Senator from Florida indicate briefly what the bill provides. I have not had an opportunity to examine it.

Mr. FLETCHER. The bill seeks to amend the Federal farm loan act, as amended, so as to permit loans by Federal land banks for additional purposes, to extend the powers of Federal land banks in the making of direct loans, to authorize upon certain terms the reamortization of loans by Federal and joint-stock land banks.

The first section of the bill provides that whenever it shall appear to the Federal Farm Loan Board that national

farm-loan associations have not been formed in any locality in the continental United States, or that farmers residing in the territory covered by the charter of a national farm-loan association are unable to apply to the Federal land bank of the district for loans on account of the inability of such association to indorse such loans, the Federal Farm Loan Board, may, in its discretion, authorize said banks to make direct loans to borrowers secured by first mortgages.

Another section provides for reamortization of such loans where payments have been made for a number of years and now they want an additional loan perhaps.

Another provision is that they may issue consolidated bonds by all the banks, thinking they may get a lower rate of interest.

Mr. GEORGE. Does it enlarge the powers of the Federal land bank?

Mr. FLETCHER. No.

Mr. GEORGE. Does it give them any greater privilege than they have now?

Mr. FLETCHER. No, except they can make individual loans in certain instances.

Mr. GEORGE. That is permissive, as I understand it?

Mr. FLETCHER. Yes.

Mr. GEORGE. I apprehend they would not exercise the privilege because \$125,000,000 was appropriated to them at the last session and yet the land banks have failed to make loans to farmers.

Mr. FLETCHER. I agree with the Senator. The bill has been thoroughly considered, and the Farm Loan Board and the agricultural associations appealed to us to pass the bill to give some measure of relief.

Mr. ROBINSON of Arkansas. Mr. President, will the Senator from Florida yield?

The PRESIDENT pro tempore. Does the Senator from Florida yield to the Senator from Arkansas?

Mr. FLETCHER. I yield.

Mr. ROBINSON of Arkansas. It also liberalizes the provisions of existing law with respect to the purposes for which loans may be made. Is not that true?

Mr. FLETCHER. That is true. The matter has been thoroughly examined, and there is no objection to the bill. It is a Senate bill and must go to the House. The House will have a chance to act on it next Monday if we pass it now. I hope the Senator will allow it to be passed.

Mr. GEORGE. I am not objecting to the bill, but I can not vote to enlarge the powers of the Federal land banks on the theory that they are going to be of assistance to the farmer. I well recall that we appropriated \$125,000,000 to the Federal land banks and they used it primarily for the benefit of themselves or the bondholders. I am not interested in giving them further power. This bill seems to me to be in the interest of the borrower if the land bank would exercise the additional power which is given. I am concerned only that further extension of power to the Federal land banks be not granted.

Mr. FLETCHER. It does not do that.

Mr. LONG. Mr. President, will the Senator yield?

The PRESIDENT pro tempore. Does the Senator from Florida yield to the Senator from Louisiana?

Mr. FLETCHER. I yield.

Mr. LONG. I would like to have the attention of the Senator from Georgia [Mr. George]. I understand that there were floated several million dollars last year for these Federal land banks, which ostensibly was for the purpose of easing collections against the farmers, but that a large part of that money was used to buy in some of their own unmatured bonds at depreciated prices. I have that information.

Mr. FLETCHER. I think the Senator is referring to the joint-stock land banks.

Mr. GEORGE. The Senator has in mind the joint-stock land banks.

Mr. ROBINSON of Arkansas. The joint-stock land banks did not receive any assistance from the Federal Government. Mr. LONG. It was the Federal land banks in this in-

Mr. ROBINSON of Arkansas. The appropriations that were made were \$25,000,000 for extensions and \$100,000,000, as I remember, for additional capitalization with a view of making new loans. I do not think it is accurate to say that they did not make extensions. They did make a great many extensions.

Mr. FLETCHER. Undoubtedly, and they made some new loans, too.

Mr. ROBINSON of Arkansas. They made few new loans, comparatively speaking.

Mr. GEORGE. They made so few that the appropriation turned out to be a grant merely for the benefit of the bondholders.

Mr. ROBINSON of Arkansas. It was confined to the Federal land banks and did not extend to the joint-stock land banks.

Mr. GEORGE. The joint-stock land banks were not the beneficiaries of the appropriation made at the last session of Congress.

Mr. LONG. I have a telegram this morning from a banker in Lafayette, La., who says that for the Federal land bank of the New Orleans district there was allotted \$12,000,000 for the purpose of granting relief to the farmers; that was the share of that district of the money appropriated. I have not looked it up to see just how accurate it is, but instead of making this kind of extensions to the farmers, they had taken a great deal of this money and bought up their own unmatured bonds at depreciated prices, which they now could buy for much less. That is the information coming to me directly.

Mr. FLETCHER. I think the Senator's correspondent is in error. They have not bought up their unmatured bonds at all

Mr. LONG. I checked that up with another Member of the Senate who has checked it up, the Senator from Mississippi, and he informed me that according to his understanding that was true; that they had been doing that.

Mr. FLETCHER. I think the Senator is mistaken about that. This has nothing to do with what he has in mind.

The PRESIDENT pro tempore. The question is, Shall the bill be ordered to be engrossed for a third reading, read the third time, and passed?

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. FLETCHER. I ask unanimous consent to have inserted in the Record an analysis of the bill and also a letter from Mr. Chester H. Gray.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The analysis and letter are as follows:

ANALYSIS OF BILL S. 5337

The bill seeks to amend the Federal farm loan act, as amended, so as to permit loans by Federal land banks for additional purposes, to extend the powers of Federal land banks in the major of direct loans, to authorize upon certain terms the reamortization of loans by Federal and joint-stock land banks, and "for other purposes."

The first section of the bill would provide that whenever it

The first section of the bill would provide that whenever it should appear to the Federal Farm Loan Board that national farmloan associations have not been formed in any locality in the continental United States, or that farmers residing in the territory covered by the charter of a national farm-loan association are unable to apply to the Federal land bank of the district for loans on account of the inability of such association to indorse such loans, the Federal Farm Loan Board may, in its discretion, authorize said bank to make direct loans to borrowers secured by first mortgages. With certain exceptions mentioned in the bill, these direct loans would be made in accordance with the provisions of the farm loan act applicable to loans made through national farm-loan associations. The rate of interest paid by borrowers would, under the terms of the bill, be 1½ per cent in excess of the rate borne by the last preceding issue of farm-loan bonds of the Federal land bank making the loans.

Each borrower who would obtain a direct loan from a Federal

Each borrower who would obtain a direct loan from a Federal land bank would be required to subscribe to the stock of the bank in the sum of \$5 for each \$100 or fraction thereof borrowed. This stock would be held by the bank as collateral security for

The bill would also require each borrower to covenant in his mortgage that, whenever 10 or more borrowers who have obtained from a Federal land bank direct loans aggregating not less than \$20,000, and who reside in a locality which may, in the opinion of the Federal Farm Loan Board, be conveniently covered by the

charter of and served by a national farm-loan association, he would unite with such other borrower to form a national farm-loan association. The section would provide also that as soon as the organization of the association had been approved by the Federal Farm Loan Board, the stock in the Federal land bank held by each of the members would be canceled at par, and in lieu thereof such members would receive an equal amount of lieu thereof such members would receive an equal amount of stock in the association; and that, upon the granting of the charter by the Federal Farm Loan Board, the interest rate paid by each charter member of the association whose loan is in good standing must, beginning with his next regular installment date, "be reduced to the rate of interest paid by borrowers on new loans made through national farm-loan associations in the same Federal land bank district at the time the said loan was made to such charter member."

Under the terms of the proposed bill charges to be paid by

Under the terms of the proposed bill, charges to be paid by applicants for direct loans from a Federal land bank must not exceed amounts to be fixed by the Federal Farm Loan Board and must in no case exceed the charges which may be made against applicants for loans and borrowers through national farm-loan

applicants for loans and borrowers through national farm-loan associations.

The enactment of this provision would permit the Federal land banks to extend credit to many deserving borrowers residing in various sections of the United States. At present these borrowers are unable to obtain loans through the national farm-loan associations serving these localities due to the financial difficulties in which the associations find themselves. In some instances situations of this character have been met by extending the territory of other associations in good financial condition or through the formation of new associations. There are, however, many localities in which neither of these methods can be followed. Therefore, in order to preserve the cooperative features of the Federal land bank system it would seem to be desirable to permit the banks to make direct loans only under the conditions stated in the bill.

Section 2 would amend section 12 of the Federal farm loan act

Section 2 would amend section 12 of the Federal farm loan act Section 2 would amend section 12 of the Federal farm loan act by removing some of the restrictions with respect to the purposes for which loans may be made by Federal land banks. At present section 12 of the act provides that no loans shall be made by a Federal land bank to liquidate indebtedness of the owner of the land mortgage-incurred proir to January 1, 1922. The proposed amendment to section 12 would permit the banks to make loans to liquidate indebtedness incurred prior to January 1, 1933, and to make loans to provide the owner of the land mortgaged with funds for general agricultural uses. If the amendment is adopted, it will permit the banks to make loans to a number of deserving borrowers who are not eligible to borrow under the present law borrowers who are not eligible to borrow under the present law and are now unable to obtain funds from other sources to carry

on their necessary operations.

Section 3 would amend section 13 of the act by adding at the end thereof a new provision which would permit the banks, with the approval of the Federal Farm Loan Board, to reamortize, in whole or in part, the aggregate amount remaining unpaid under the terms of any mortgage and to accept payment of such amount over an aggregate period of not more than 40 years from the data. over an agreed period of not more than 40 years from the date of the reamortization. This amendment would serve a very useof the reamortization. This amendment would serve a very useful purpose. At present the banks hold a great many mortgages in connection with which they have been obliged to pay taxes on the property and premiums on fire-insurance policies covering the insurable improvements thereon. Many of these mortgages also have an accumulation of delinquent installments. Due to the existence of junior liens on the property and for other reasons it is not possible in a number of cases to refinance the borrower's indebtedness by making him a new loan. In order to permit such borrowers to retain their homes it is necessary to spread out the payment of their accumulated indebtedness over a considerable period of time and to reduce, if possible, the amount of their semiannual installments required by their mortgages. Ordinarily, in order to afford any substantial relief to borrowers under such circumstances, it would be necessary for the banks to extend the time of payment beyond the original life of the loan. Extensions of this character would be permitted under the proposed amendment. amendment.

In every case where a reamortization agreement of this character is made varying the terms of an existing mortgage it would be necessary, of course, for the bank to obtain an opinion of its counsel stating that the agreement had not affected the priority of the mortgage; that the mortgage would continue to be a valid first lien and that the agreement would be valid and binding on all parties. In most States the extension of the original maturity of amounts due under the terms of a mortgage does not

date of amounts due under the terms of a mortgage does not affect its status as a first lien.

Section 5 would amend section 19 of the Federal farm loan act so as to permit a Federal land bank to defer, over a period of not more than five years, the collection of the principal portion of the maturing installments of its mortgages without affecting their eligibility as collateral for farm-loan bonds. Under the provisions of the farm loan act the banks undoubtedly have the power to waive the collection of principal payments where conditions justify such action. On the other hand, the law requires that loans made by Federal land banks shall be repaid on an amortization plan "by means of a fixed number of annual or semiannual installments" as will extinguish the debt within an agreed period of not less than 5 or more than 40 years. In view of this provision it is felt that, if a bank should agree to defer the collection of the principal portion of maturing installments over a period of years, the eligibility of the mortgage as collateral for bonds might be affected. By permitting the banks to defer prin-

cipal payments and at the same time not affect the eligibility of the mortgages as collateral many borrowers would be permitted to reduce the amount of their installment payments during this period of disastrously low commodity prices. The following figures will show the extent of relief which this plan would provide under various circumstances:

	Number of install- ments paid	Total amount of next semi- annual install- ment	Interest portion of next install- ment	Principal portion of next installment	
				Amount	Per cent of total install- ment
(1)	(2)	(3)	(4)	(5)	(6)
Loan of \$10,000 on standard plan with interest at 6 per cent re- payable in 33 years by semi- annual installments: 5	10	\$350,00	\$282.80	\$67. 20	19. 2
	20	350,00	259.69	90, 31	25. 8
	30	350,00	228.64	121. 36	34. 7
with interest at 5½ per cent repayable in 34½ years by semiannual installments: 5	10 20 30	325, 00 325, 00 325, 00	259, 42 238, 98 212, 17	65, 58 86, 02 112, 83	20, 2 26, 5 34, 7
repayable in 20 years by semiannual installments: 5	10	415, 40	231, 24	184, 16	44.3
	20	415, 40	173, 85	241, 55	58.1
	30	415, 40	98, 57	316, 83	76.3
semiannual installments; 5 10 15 Loan of \$10,000 on Springfield plan with interest at 5½ per cent repayable in 33 years by	10	300.00	236, 00	64.00	21. 3
	20	300.00	218, 07	81.93	27. 3
	30	300.00	195, 12	104.88	35. 0
semiannual installments: 5	10	383, 75	283. 75	150. 00	39. 1
	20	342, 50	192. 50	150. 00	43. 8
	30	301, 25	151. 25	150. 00	49. 8
semiannual installments: 5 10	10	456, 25	206. 25	250. 00	54. 8
	20	387, 50	137. 50	250. 00	64. 5
	30	318, 75	68. 75	250. 00	78. 4

It will be seen from the foregoing figures that in the case of the loan of \$10,000 bearing 6 per cent interest and repayable in 33 years by semiannual installments and has been in existence for a period of 5 years, by waiving the collection of principal the borrower's installment would be reduced 19.2 per cent. If the loan had run for 10 years, a 25.8 per cent saving would be effected. If the loan was 15 years old, the saving would amount to 34.7 per cent. per cent

A general average of the relative extent of relief which would be A general average of the relative extent of relief which would be afforded by this plan is furnished by payment of the principal of delinquent installments and total delinquent installments as of October 31, 1932. The principal portion of delinquent installments of the 12 Federal land banks represented 27.2 per cent of their total delinquencies. On the average therefor the plan would provide relief to the extent of 27.2 per cent of present installment payments. It would not be possible, of course, for the banks to announce a general policy of waiving principal payments on their loans. Each case would have to be considered on its individual merits.

Section 6 proposes certain amendments to the provisions of the act with respect to the issuance of consolidated bonds. These amendments are in the main intended merely to clarify the present amendments are in the main intended merely to clarify the present procedure provided in the law. However, the last paragraph of the section is new and would permit the Federal land banks to exchange consolidated bonds for bonds previously issued by them individually. Consolidated bonds would be the joint and several obligations of all of the 12 Federal land banks. It is the opinion of some of those who have made a close study of the situation that it might be possible for the banks to refinance their high-rate bonds through the issuance of lower-rate consolidated bonds. On Sentember 30, 1932, the bents had outsteading in excess of On September 30, 1932, the banks had outstanding in excess of \$160,000,000 of 5 per cent bonds. On the same date they had outstanding in excess of \$131,000,000 of 4.75 bonds. If the banks are enabled to refinance these high-rate bonds through the issuance of lower-rate consolidated bonds, the saving thus effected would inverte the heapest of the horrowers. inure to the benefit of the borrowers.

WASHINGTON, D. C., February 21, 1933.

WASHINGTON, D. C., February 21, 1933.

Senator Duncan U. Fletcher,
Senate Office Building, Washington, D. C.

My Dear Senator Fletcher: I am glad to know that your measure, S. 5337, has been reported to the Senate by the Banking and Currency Committee of the Senate.

The American Farm Bureau Federation ordinarily in times past has not been in favor of direct loans in the farm-loan system, but

has not been in favor of direct loans in the farm-loan system, but as this proposition is set up in your measure, requiring each borrower to take stock in the system and to form a new national farm-loan association under certain conditions, it seems to remove any opposition to direct loans which farmers might have expressed. What we are most desirous of accomplishing in these times of great need for more elastic credit facilities is to reach out to the individual farmer who needs better treatment in regard to his farm mortgages. This seems to be well handled in your pending measure and does not sacrifice the cooperative or mutual aspects of the Federal farm loan act, as originally designed by its writers years ago.

years ago.

Trusting you can get action upon this measure in the near future, and with highest personal regards, I am,

Very truly yours,

ARRIVAN FARM BUREAU FEDERATION,

American Farm Bureau Federation, Chester H. Gray, Washington Representative.

COLLECTION OF JUDGMENTS AGAINST PAN AMERICAN PETROLEUM CO.

The Senate proceeded to consider the joint resolution (S. J. Res. 253) authorizing the Attorney General, with the concurrence of the Secretary of the Navy, to release claims of the United States upon certain assets of the Pan American Petroleum Co. and the Richfield Oil Co. of California and others in connection with collections upon a certain judgment in favor of the United States against the Pan American Petroleum Co. heretofore duly entered, which had been re-ported from the Committee on Public Lands with an amendment, on page 2, line 11, after the words "sum of," to strike out the word "approximately," so as to make the joint resolution read:

resolution read:

Resolved, etc., That the Attorney General of the United States, with the concurrence of the Secretary of the Navy, be, and he is hereby, authorized, in connection with collection of amounts due the United States of America under a certain judgment for \$9,277,666.17 entered in the office of the clerk of the District Court of the United States for the Southern District of California at Los Angeles on January 14, 1933, against the Pan American Petroleum Co., a corporation, to release from claim or lien under said judgment such part or portions of the property and assets of the said Pan American Petroleum Co. and the Richfield Oil Co. of California, in such manner and with such reservations as shall seem to him proper and advisable, in consideration of payments to the United States to apply upon said judgment, of not less than the sum of \$5,000,000, and in connection therewith to release any claims of the United States against purchasers of oil and petroleum products from the leases commonly known as "E," "I," and "G" leases, or also known as Visalia 010042, 010043, and 010097 leases in naval petroleum reserve No. 1, Kern County, "I," and "G" leases, or also known as Visalia 010042, 010043, and 010097 leases in naval petroleum reserve No. 1, Kern County, Calif., and to consent, in the premises, to the assignment of other oil and gas leases in said naval petroleum reserve No. 1, now part of the unmortgaged assets of Pan American Petroleum Co., with the concurrence of the Secretary of the Navy and to the assignment of other oil and gas leases, also part of the unmortgaged assets of Pan American Petroleum Co., of the United States outside the said naval petroleum reserve No. 1, with the consent of the Secretary of the Interior, said assignments to be authorized only to assignees otherwise duly qualified under existing laws.

The amendment was agreed to.

The joint resolution was ordered to be engrossed for a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (S. 5609) to amend the emergency relief and construction act of 1932 was announced as next in order. Mr. KING. As I understand the subject matter of that bill has been disposed of, and I ask that it go over.

The PRESIDENT pro tempore. The bill will be passed

HARVEY COLLINS

The bill (H. R. 2213) for the relief of Harvey Collins was announced as next in order.

Mr. KING. Over.

Mr. McNARY. Mr. President, will the Senator withhold his objection for a moment?

Mr. KING. I withhold it.

Mr. McNARY. Mr. President, I am not a member of the Naval Affairs Committee, but the Senator from Maryland [Mr. Goldsborough], who is unavoidably absent, is very much interested in the bill. I have had time only hastily to read the bill, but I am impressed with its merit, and I hope the Senator from Utah will permit it to receive consideration at this time.

Mr. KING. Mr. President, I find the Secretary of the Navy, Mr. Adams, has recommended against the bill. I have read the report, and it seems to me that there is scarcely sufficient reason to justify the measure; and, in view of the recommendation against it, I suggest that it be passed over, and we may take it up later.

The PRESIDENT pro tempore. The bill will be passed

BILLS PASSED OVER

The bill (H. R. 9231) for the relief of George Occhionero was announced as next in order.

Mr. KING. Let that bill go over.

The PRESIDENT pro tempore. The bill will be passed

The bill (H. R. 6292) to prevent professional prize fighting and to authorize amateur boxing in the District of Columbia, and for other purposes, was announced as next in order.

SEVERAL SENATORS. Over. The PRESIDENT pro tempore. The bill will be passed

over. The bill (H. R. 11504) authorizing the sale of certain Government property in the District of Columbia was an-

nounced as next in order.

Mr. McKELLAR. Let that go over. The PRESIDENT pro tempore. The bill will be passed

DR. M. M. BRAYSHAW

The bill (H. R. 3607) for the relief of Dr. M. M. Brayshaw was read, considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury is hereby authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Dr. M. M. Brayshaw, Loma Linda, Calif., the sum of \$210 in full settlement of all claims for professional service, hospital care, nursing, medicines, etc., furnished in 1927 and 1928 to Charles Dixon, a civilian prisoner of the United States Marine Corps Detachment at El Callo, Nicaragua: Provided, That no part of the amount appropriated in this act in excess of 10 per cent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withrendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 per cent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

The bill (H. R. 2872) for the relief of the Dongji Investment Co. (Ltd.) was announced as next in order.

Mr. McKELLAR. I think a similar Senate bill was passed over a while ago, and I will ask that this bill go over.

The PRESIDENT pro tempore. The bill will be passed

Mr. LOGAN subsequently said: Mr. President, I should like to ask the Senator from Tennessee [Mr. McKellar] to permit us to return to Order of Business No. 1331, being House bill 2872. I do not feel that there is any reason why anyone should object to that measure, and I think it ought to be passed.

Mr. McKELLAR. In view of the explanation made by the Senator from Kentucky, I will be glad to withdraw the objection.

The PRESIDENT pro tempore. Is there objection to returning to Calendar No. 1331 and considering the bill at this time?

There being no objection, the bill (H. R. 2872) for the relief of the Dongji Investment Co. (Ltd.) was read, considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Dongji Investment Co. (Ltd.), an Hawaiian corporation, organized under the laws of the Territory of Hawaii, be, and it is hereby, released from any and all claims for damages, in excess of the amount of the performance bond given by such company, which the United States of America may have against it arising out of its breach of contract No. N3118—2830, dated March 18, 1929, by and between the Dongji Investment Co. (Ltd.) and the United States of America.

MAJ. L. D. WORSHAM

The bill (H. R. 3905) for the relief of Maj. L. D Worsham was read, considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of \$1,500, in full settlement of all claims against the Government of the United States, to Maj. L. D. Worsham for moneys deducted from his salary on account of loss of funds in the disbursing account, Corps of Engineers, War Department, September 14, 1928: Provided, That no part of the amount appropriated in this act in excess of 10 per cent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 per cent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

FIRST NATIONAL BANK, JUNCTION CITY, ARK

The bill (H. R. 8216) for the relief of the First National Bank of Junction City, Ark., was read, considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of \$654.17, to the First National Bank of Junction City, Ark., in full settlement against the Government for money that was paid to Joe F. Tullis, who was postmaster at Upland, Union County, Ark., on post-office money orders deposited at said First National Bank of Junction City at different times and for different amounts, aggregating \$654.17, which money orders were cashed by said bank, and which had been fraudulently issued by the postmaster without the knowledge of said bank that they were fraudulent. All of said money orders were paid by the Government and the money was subsequently refunded by said bank: Provided, That no part of the amount appropriated in this act in excess of 10 per cent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 per cent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

LAURA J. CLARKE

The bill (H. R. 8800) for the relief of Laura J. Clarke was read, considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to Laura J. Clarke, out of any money in the Treasury not otherwise appropriated, the sum of \$3,500, in full settlement of all claims for injuries sustained by reason of the explosion of munitions at the naval ammunition depot at Lake Denmark, N. J., in 1926: Provided, That no part of the amount appropriated in this act in excess of 10 per cent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 per cent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

EMILY ADDISON

The bill (H. R. 9336) for the relief of Emily Addison was read, considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That there is hereby appropriated, and the Secretary of the Treasury is hereby authorized and directed to pay, out of any money in the United States Treasury not otherwise appropriated, the sum of \$1,500 to Emily Addison in full for all claims she may have against the Government on account of injuries received by her on the 14th day of August, 1919, by being struck by a falling airplane, then and there owned and operated by the Government of the United States: Provided, That no part of the amount appropriated in this act in excess of 10 per cent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, with-

hold, or receive any sum of the amount appropriated in this act in excess of 10 per cent thereof on account of services rendered in connection with said claim, any contract to the contrary not-withstanding. Any person violating the provisions of this act shall be deemed gullty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

MERCHANTS AND FARMERS BANK, JUNCTION CITY, ARK.

The bill (H. R. 9476) for the relief of the Merchants & Farmers Bank, Junction City, Ark., was read, considered, ordered to a third reading, read the third time, and passed, as follows:

as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of \$3,044.99 to the Merchants & Farmers Bank, of Junction City, Ark., in full settlement against the Government for money that was paid to Joe F. Tullis, who was postmaster at Upland, Union County, Ark., on post-office money orders deposited in said Merchants & Farmers Bank at different times and for different amounts, aggregating \$3,044.99, which money orders were cashed by said bank, and which had been fraudulently issued by the postmaster without the knowledge of said bank that they were fraudulent. All of said money orders were paid by the Government and the money was subsequently refunded by said bank: Provided, That no part of the amount appropriated in this act in excess of 10 per cent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 per cent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

GEORGE ROGERS CLARK MEMORIAL AT VINCENNES, IND.

The Senate proceeded to consider the bill (S. 5625) authorizing an appropriation to provide for the completion of the George Rogers Clark Memorial at Vincennes, Ind., which had been reported from the Committee on the Library with an amendment, on page 2, line 5, after the word "resolution," to insert "as amended by section 2 of the act approved February 28, 1931," so as to make the bill read:

Be it enacted, etc., That there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of \$250,000, or so much thereof as may be necessary, for the completion of the memorial authorized by section 2 of the joint resolution approved May 23, 1928, to be erected at or near the site of Fort Sackville, in the city of Vincennes, Ind., in commemoration of the winning of the old Northwest and the achievements of George Rogers Clark and his associates in the War of the American Revolution. Such sums as may be appropriated pursuant to the provisions hereof shall be expended by the George Rogers Clark Sesquicentennial Commission in the manner provided in section 2 of such joint resolution as amended by section 2 of the act approved February 28, 1931.

The amendment was agreed to.

Mr. REED. Mr. President, will the Senator from Ohio explain why it is necessary to spend that large amount at this time?

Mr. FESS. Mr. President, the construction of the memorial is nearing completion, but it can not be completed within the present year, and it is necessary to add the amount which the Senate originally provided and which was omitted by the House. From the beginning the Senate, without opposition, but unanimously, authorized the full amount, but each time the matter was considered by the House it cut off a portion of the appropriation on the ground that there should be appropriated only enough to keep construction going. It will require the amount of money provided in the bill now before us. It is not in addition to the amount the Senate authorized to complete the work, and it is quite important that the bill should be passed, because we can not allow the memorial to remain uncompleted.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

FREMONT NATIONAL FOREST

The bill (S. 3009) to extend the boundaries of the Fremont National Forest was read, considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That any lands which are in private ownership within 6 miles of the boundaries of the Fremont National Forest, Oreg., which are found by the Secretary of Agriculture to be chiefly valuable for national-forest purposes may be offered in exchange under the provisions of the act of March 20, 1922 (42 Stat. 465), and upon acceptance of title shall become parts of the Fremont National Forest. Lands in public ownership within 6 miles of the boundaries of the Fremont National Forest and found by the Secretary of Agriculture to be chiefly valuable for national-forest purposes may be added to the Fremont National Forest by proclamation of the President, subject to any valid existing claims.

Mr. KING. Mr. President, may I inquire of the Senator from Oregon if this bill merely proposes to make an exchange for land outside the forest?

Mr. McNARY. This is a department bill. It provides for the exchange of privately owned land for Government land within 6 miles of the exterior boundaries of the national forest. It is proposed in the interest of fire protection and the better administration of the national forest.

Mr. KING. I suppose if any additional expense is required it will come out of the general fund for the acquisition of land?

Mr. McNARY. The bill does not contemplate any expenditure. It follows the general act of 1922 and applies it, as must be done, to each specific unit in the national forest. This one happens to be in the southern part of my own State.

Mr. McKELLAR. The bill will not require an additional appropriation?

Mr. McNARY. Not at all.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (H. R. 13853) to authorize the merger of the Georgetown Gaslight Co. with and into Washington Gas Light Co., and for other purposes, was announced as next in order.

Mr. NORRIS. Mr. President, on behalf of my colleague [Mr. Howell], who is detained from the Senate on account of illness, I ask that that bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

ANNUAL STATEMENTS OF PUBLISHERS

The bill (H. R. 11270) to amend section 2 of the act entitled "An act making appropriations for the service of the Post Office Department for the fiscal year ending June 30, 1913, and for other purposes," was announced as next in order

Mr. ROBINSON of Arkansas. Mr. President, I will inquire what is the nature of that bill?

Mr. ODDIE. Mr. President, it is a measure that changes existing law so that the owners of publications entered as second-class matter shall file with the Post Office Department an annual statement instead of a semiannual statement as at present. Then an amendment is proposed making the filing date October 1 instead of July 1. That is for the benefit of newspapers which are required to include a statement as to circulation. The figures as to circulation are now prepared as of October 1, and it is believed that the work of preparing such annual statements in newspaper offices would be simplified if the statements were filed on that date

Mr. KING. Mr. President, I inquire if that bill has been recommended by the department?

Mr. ODDIE. It has been recommended by the department.

Mr. ASHURST. Mr. President-

The PRESIDENT pro tempore. Does the Senator from Nevada yield to the Senator from Arizona?

Mr. ODDIE. I yield.

Mr. ASHURST. I have no objection, provided the bill does not apply to weekly newspapers.

Mr. ROBINSON of Arkansas. I think it does.

Mr. ODDIE. It refers to all publications entering the mail as second-class matter.

Mr. ASHURST. I object if it applies to weekly newspapers. I do not wish to object otherwise.

Mr. KING. Let the bill go over.

The PRESIDENT pro tempore. The Chair will state to the Senator from Arizona that second-class mail matter includes all periodicals weekly, daily, semimonthly and monthly; second class includes them all.

Mr. ODDIE. I will state to the Senator from Arizona that that bill, as I understand, proposes a change which will be for the convenience of the publishers of the country and will save them a duplication of effort and considerable money. It will enable them to file a report once a year instead of twice a year.

Mr. ASHURST. Mr. President, I am heartily in sympathy with the general purpose of the bill, but I move to amend by inserting the following proviso:

Provided, however, That this act shall not apply to weekly newspapers.

Mr. ROBINSON of Arkansas. Mr. President, I think that is the very class of publications at which it is principally directed. I believe the bill had better go over so that a little opportunity may be afforded to study it.

The PRESIDENT pro tempore. Does the Senator from Arizona wish a vote on his amendment?

Mr. ASHURST. Mr. President, I think that a bill which would require weekly newspapers to make returns as to their circulation would not, without further investigation, be fair. I will look into the bill, and the next time calendar is called probably I shall be perfectly willing to withdraw the objection.

Mr. MOSES. Mr. President, while the Senator is doing that, may I say to him that the language which the Senator proposes in his amendment providing that the provisions of this bill shall not apply to weekly newspapers—

Mr. ASHURST. I did not hear the Senator and I know that is my loss.

Mr. MOSES. I am sorry that I have a cold. The fact is that there are many weekly newspapers having a national circulation which runs up into the hundreds of thousands, or even millions, in case of one or two of them.

Mr. ASHURST. Yes.

Mr. MOSES. And I am sure those are not the periodicals the Senator is seeking to benefit by his amendment. The Senator, I assume, is seeking to make it easier or more beneficial by this legislation for the small country weekly.

Mr. ASHURST. That is what I have in mind.

Mr. MOSES. Therefore, if the Senator is going to study the bill with a view to offering an amendment the next time the calendar is called, which I understand is to be on Monday, I offer him this suggestion in order that the language which he will propose in his amendment will not be such as to do the thing I have indicated.

Mr. ASHURST. I regard the Senator from New Hampshire as an expert in matters with respect to newspaper publications, and I am inclined to take his view; but let the bill go over a few moments, until I can have an opportunity to look into it.

The PRESIDING OFFICER (Mr. VANDENBERG in the chair). The bill will be passed over.

Mr. ROBINSON of Arkansas. Mr. President, the present law, as I remember, requires this information to be filed, and I think it properly should do so. The change is that under the existing law the filings must be semiannual, whereas under the proposed change in the law, under the pending bill, the filings may be annual.

Mr. MOSES. Yes; and, if the Senator will permit me, it changes the month in which the filing shall be made.

Mr. ROBINSON of Arkansas. Yes; the time of filing does not conform to the fiscal year.

Mr. MOSES. No; that is true.

Mr. ASHURST. Mr. President, I will withdraw the objection.

The PRESIDING OFFICER. The Senator withdraws his objection.

The Senate proceeded to consider the bill, which had been reported from the Committee on Post Offices and Post Roads with an amendment, on page 2, line 5, after the words "day of " to strike out "July" and insert "October," so as | to make the bill read:

Be it enacted, etc., That the second paragraph of section 2 of the act entitled "An act making appropriations for the service of the Post Office Department for the fiscal year ending June 30, 1913, and for other purposes," approved August 24, 1912 (37 Stat. 553; U. S. C., title 39, secs. 233 and 234), is amended to read as

"That it shall be the duty of the editor, publisher, business manager, or owner of every newspaper, magazine, periodical, or other publication to file with the Postmaster General and the postmaster at the office at which said publication is entered, not later than the 1st day of October of each year, on blanks furnished by the Post Office Department, a sworn statement setting forth the names and post-office addresses of the editor and managing editor, publisher, business managers, and owners, and, in addition, the stockholders, if the publication be owned by a corporation; and also the names of known bondholders, mortgagees, or other security holders; and also, in the case of daily newspapers, there shall be included in such statement the average of the number of copies of each issue of such publication sold or newspapers, there shall be included in such statement the average of the number of copies of each issue of such publication sold or distributed to paid subscribers during the preceding 12 months: Provided, That the provisions of this paragraph shall not apply to religious, fraternal, temperance, and scientific, or other similar publications: Provided further, That it shall not be necessary to include in such statement the names of persons owning less than 1 per cent of the total amount of stock, bonds, mortgages, or other securities. A copy of such sworn statement shall be published in the second issue of such newspaper, magazine, or other publication printed next after the filing of such statement. Any such publication shall be denied the privileges of the mail if it shall fail to comply with the provisions of this paragraph within 10 days after notice by registered letter of such failure. That all editorial or other reading matter published in any such newspaper, magazine, or periodical for the publication of which money or other valuable consideration is paid, accepted, or promised shall be plainly marked 'advertisement.' Any editor or publisher printing editorial or other reading matter for which compensation is paid, accepted, or promised without so marking the same, shall upon conviction in any court having jurisdiction be fined not less than \$50 nor more than \$500." of the number of copies of each issue of such publication sold

The amendment was agreed to.

The amendment was ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time and passed.

R. S. HOWARD CO. (INC.)

Mr. KING. Mr. President, a few moments ago Senate bill 4326, Order of Business No. 1260, was called, and I objected to its consideration. Since the objection I have had placed in my hands a memorandum showing that the Supreme Court of the United States reversed the lower court with respect to a case involving the same legal principles. Therefore, under that ruling, the claim would be a just claim. I withdraw my objection and suggest that we recur to that bill.

The PRESIDING OFFICER. Without objection, the Senate will recur to Senate bill 4326, which will be read.

The Senate proceeded to consider the bill (S. 4326) for the relief of R. S. Howard Co. (Inc.), which had been reported from the Committee on Claims with an amendment, on page 1, line 5, after the words "sum of," to strike out "\$32,827.51" and insert "\$20,827.51," so as to make the

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of \$20,827.51 to R. S. Howard Co. (Inc.), of New York City, as just compensation and in full settlement and satisfaction of the damages and/or losses incurred and suffered by it in complying with United States Navy order No. N-3255, dated June 18, 1918.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (S. 964) authorizing and directing the Secretary of Agriculture to investigate all phases of taxation in relation to agriculture was announced as next in order.

Mr. KING. I object.

sell surplus coal at nominal prices for distribution to the needy, which was read, as follows:

Resolved, etc., That the Secretary of the Navy is hereby authorized, under such regulations as he may prescribe, to sell, at nominal prices, to recognized charitable organizations, to States and subdivisions thereof, and to municipalities such excess coal that is not needed as a war reserve, and as may be available and required, for distribution to the needy: Provided, That such coal shall be sold only after agreement by the purchaser that it shall not be resold but shall be given absolutely free to the needy: Provided further, That such coal, as far as practicable, snall be allotted proportionately among communities reasonably available therefor.

Mr. KING. Mr. President, I desire to ask the Senator from California [Mr. Johnson], who introduced the joint resolution, a question regarding it. In view of the fact that the coal alleged to be unnecessary is located in two places only, how will it be distributed to those parts of the United States where coal is needed? At San Diego not much coal is needed.

Mr. JOHNSON. True.

Mr. KING. And if this is for the purpose of helping the needy, how will the coal be distributed?

Mr. JOHNSON. That is the only purpose of the joint recolution. It would be distributed, of course, to those who could be reached readily.

It happens that this is a measure that was brought to me by Congressman Clarence Lea, of California, in whose district a very large part of this coal is situated. The coal that he seeks to have distributed to the needy is coal which has been stored in the open air for 10 years and unused, and the Navy Department has assented to the measure.

Mr. KING. I merely want to make the observation that at nearly every session-in fact, several times each sessionwe have bills authorizing the giving away or distribution of unused properties and commodities in the hands of the Army and the Navy, showing that they purchase improvidently, spend millions unnecessarily, and then come and ask permission to give away the commodities.

The joint resolution was ordered to be engrossed for a third reading, read the third time, and passed.

QUARTERLY PAYMENT OF TAXES IN THE DISTRICT

The bill (H. R. 14392) to authorize the payment of taxes and assessments on family dwelling houses in the District of Columbia in quarterly installments, and for other purposes, was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That each fiscal year, commencing with the fiscal year ending June 30, 1934, the assessor of the District of Columbia shall send to the owner of each family dwelling house occupied by such owner upon written application therefor an itemized statement of the taxes payable with respect to such dwelling house not less than 30 days prior to the time when the first installment of real-estate taxes for such fiscal year becomes due and payable. Such statement shall include all real-estate taxes which are due and payable in such fiscal year and all indue and payable. Such statement shall include all real-estate taxes which are due and payable in such fiscal year and all installments of special assessments which have been levied, charged, or assessed prior to, and are due and payable in, such fiscal year, with respect to the family dwelling house occupied by the owner. Such taxes and assessments shall be payable, at the election of the taxpayer, in four equal installments, in the months of September, December, March, and June, and no interest shall be payable with respect to any such installment unless it is unpaid after the time it is due. Any real-estate tax or special assessment or any installment thereof with respect to any family dwelling house occupied by the owner thereof not included in such statement shall not be due or payable during the fiscal year for which the statement is sent; and any such tax or assessment or any installment thereof otherwise chargeable, assessable, or payable during such fiscal year shall be included in the statement for the next succeeding fiscal year.

SEC. 2. The collector of taxes of the District of Columbia shall extend the time for the payment of real-estate taxes and special assessments payable after January 1, 1933, on any family dwelling house occupied by the owner thereof, or any installment of such taxes or assessments, for not more than 90 days, if written application for such extension is filed with the collector before such taxes or installment thereof are due. Such extension shall be granted only if, in the judgment of the collector of taxes, satisfactory evidence is presented by the owner that, through unem-

The PRESIDING OFFICER. The bill will be passed over.

SALE OF SURPLUS COAL

The Senate proceeded to consider the joint resolution

(S. J. Res. 255) authorizing the Secretary of the Navy to

or assessments or installments thereof for the time of the extension applied for. In any case in which the amount of the tax or assessment or installment due is paid prior to the expiration of the period of the extension there shall be deducted from the amount payable an amount equal to such part of the interest payable with respect thereto as represents the unexpired portion of the period of the extension.

SEC. 3. After the date of enactment of this act no family dwelling house occupied by the owner thereof shall be sold for delinquent personal or real-estate taxes or special assessments unless notice has been personally served upon such owner or sent by registered mail, addressed to him at such dwelling house, not less than 30 days prior to the date of such sale.

than 30 days prior to the date of such sale.

SEC. 4. No sale for delinquent personal or real-estate taxes or special assessments with respect to a family dwelling house owned by the occupier thereof shall be valid if such sale is in consequence of an error or omission in the computation of the amount of taxes

Sec. 5. In the case of taxes with respect to any family dwelling house occupied by the owner thereof due and payable during the second half of the fiscal year ending June 30, 1933, the assessor shall send an itemized statement of such taxes to the owner upon shall send an itemized statement of such taxes to the owner upon request made by the owner and filed with the assessor not later than midnight, March 15, 1933. Such statement shall include all real-estate taxes or installments thereof due and payable during the second half of such fiscal year and all installments of special assessments which have been assessed, charged, or levied prior to, and are due and payable in, the second half of such fiscal year, with respect to the family dwelling house occupied by the owner. Such taxes and assessments or installments thereof shall be payable in the month of April, 1933, or at the election of the taxpayer in two equal installments, in the months of April and June, 1933, and no interest shall be payable with respect to any such 1933, and no interest shall be payable with respect to any such installment unless it is unpaid until after the time it is due. Such statement shall also show all arrears in taxes, special assessments, or installments thereof, with respect to the family dwelling house of such owner, due and payable prior to the last half of the fiscal year ending June 30, 1933, and all unredeemed certificates of sale issued with respect to the sale of such family dwelling house for delinquent taxes or assessments, together with total amount for which each such unredeemed certificate was issued and the name and address of the holder thereof as of record in the office

SEC. 6. This act shall be deemed as applying only to such occu-pant and owner as shall have filed with the assessor of the District of Columbia an affidavit as to domicile and ownership. The form of the affidavit shall be prepared by the assessor of the District of Columbia, and shall show the beginning of domicile, the time when ownership began, the street number, the number of the square and lot, and all trusts, if any, against the property.

PROVISION OF BOOKS FOR THE ADULT BLIND

The bill (H. R. 13817) to amend section 1 of the act entitled "An act to provide books for the adult blind," approved March 3, 1931, was announced as next in order.

Mr. BULKLEY. I ask that that go over. Mr. METCALF. Mr. President, will not the Senator withdraw his objection?

Mr. BULKLEY. I am glad to suspend the objection. The PRESIDING OFFICER. The objection is withheld. The Chair recognizes the Senator from Rhode Island.

Mr. METCALF. Mr. President, I merely desire to explain the nature of the bill. It will require no appropriation. The only people that are objecting to the bill are the people who make the Braille books for the blind.

There are only a comparatively small number of blind that can read the Braille books. There has now been invented a process by which it is possible to produce rather cheaply records that can be put on talking machines, so that these books can be put on those machines and anybody

We have already made an appropriation for the Braille books. This bill leaves the Librarian of Congress free to use for this purpose such part of the funds appropriated for books for the blind as he deems proper. It seems only fair to the poor blind people who can not read the Braille books, but can hear, that they should have the benefit of this new invention.

I hope the Senator from Ohio will withdraw his objection. Mr. SMOOT. Mr. President, I want to say to the Senator from Ohio that we have appropriated \$100,000 for Braille books, and the manufacturing was divided between the East and the West-the two places that are manufacturing Braille literature in the United States. There can not be any justice in objecting to having old people, who at their present age can not learn to read by their fingers, given the benefit of this invention. This is simply to permit the use of these books that go on a phonograph, by Senator from California [Mr. Johnson], whom I under-

which means the blind can hear them without using their fingers. That is the only way they can get the information the books contain. The Senator from Wisconsin asked that the bill go over, but when I explained the matter to him he said, "Personally, I have no objection.

Mr. BULKLEY. Mr. President, my objection is based on a communication that I have from a friend in whose good faith I have great confidence. I ask that the bill go over at this time, and I may not object to it when it comes up again.

The PRESIDING OFFICER. The bill will be passed

PARK LANDS IN CALIFORNIA

The Senate proceeded to consider the bill (S. 5612) to provide for the selection of certain lands in the State of California for the use of the California State park system, which had been reported from the Committee on Public Lands and Surveys with amendments, on page 1, line 2, after the enacting clause, to strike out "That subject to lawful claims initiated by settlement or otherwise prior to July 18, 1929, and maintained in the manner required by law, the State of California may select for the use of the California State park system by legal subdivisions all or any portions of the following townships outside of private grant,' and to insert "That subject to valid rights existing on the date of this act, the State of California may within five years select for State park purposes by legal subdivisions all or any portion of the public land not reserved for public purposes in the following townships:", and on page 2, line 23, after the word "prescribe," to insert: ": Provided further, That any patent so issued shall contain a provision for reversion of title to the United States upon a finding by the Secretary of the Interior that for a period of more than one year the land has not been used by the State for park purposes: And provided further, That in order to consolidate park areas or to eliminate private holdings therefrom lands patented hereunder may be exchanged with the approval of and under rules prescribed by the Secretary of the Interior for privately owned lands in the area hereinbefore described of approximately equal value containing the natural features sought to be preserved hereby. The lands so acquired to be subject to all the conditions and reservations prescribed by this act, including the reversionary clause hereinbefore set out"; so as to make the bill read:

Be it enacted, etc., That subject to valid rights existing on the date of this act, the State of California may within five years select for State park purposes by legal subdivisions all or any portion of the public land not reserved for public purposes in the following townships:

Township 9 south, range 4 east; township 9 south, range 5 east; township 9 south, range 6 east; township 9 south, range 7 east; township 9 south, range 8 east; township 10 south, range 5 east; township 10 south, range 6 east; township 10 south, range 7 east; township 10 south, range 8 east; township 11 south, range 7 east; township 10 south, range 6 east; township 11 south, range 7 east; township 11 south, range 8 east; township 12 south, range 5 east; township 12 south, range 6 east; township 12 south, range 7 east; township 12 south, range 8 east; San Bernardino meridian

Upon the submission of satisfactory proof that the land selected contains characteristic desert growth and scenic or other natural features which it is desirable to preserve as a part of the Cali-Ieatures which it is desirable to preserve as a part of the California State park system, the Secretary of the Interior shall cause patents to issue therefor: Provided, That there shall be reserved to the United States all coal, oil, gas, or other mineral contained in such lands, together with the right to prospect for, mine, and remove the same at such times and under such conditions as the Secretary of the Interior may prescribe: Provided further, That any patent so issued shall contain a provision for reversion of title to the United States upon a finding by the Secretary of the Interior that for a period of more than one year the land has any patent so issued shall contain a provision for reversion of title to the United States upon a finding by the Secretary of the Interior that for a period of more than one year the land has not been used by the State for park purposes: And provided further, That in order to consolidate park areas or to eliminate private holdings therefrom lands patented hereunder may be exchanged with the approval of and under rules prescribed by the Secretary of the Interior for privately owned lands in the area hereinbefore described of approximately equal value containing the natural features sought to be preserved hereby. The lands so acquired to be subject to all the conditions and reservations prescribed by this act. including the reversionary clause hereinprescribed by this act, including the reversionary clause hereinbefore set out.

Mr. ROBINSON of Arkansas. Mr. President, I think the

stand to be the author of the bill, should make a statement | as to the quantity of land that it is proposed to permit the State to select for use for park purposes. I understand that that is the object of the bill.

Mr. JOHNSON. Entirely so.

The exact quantity I am unable to say. In my tabulation here, the bill and the report are not contained. They were evidently left out of my tabulation by the young gentlemen of the Senate who fix those things.

This is a bill from San Diego County, concerning, I think, the Cactus Forest. It is one that should be preserved; and there is a lengthy letter, if the Senator finds it—it ought to be inserted in the report-from the Secretary of the Interior, very strongly advising the passage of the bill.

Mr. ROBINSON of Arkansas. It does not impose any cost on the National Government?

Mr. JOHNSON. Oh, no, sir. Mr. ROBINSON of Arkansas. But the State takes over the lands and places them in parks, and then maintains them?

Mr. JOHNSON. For the completion of the State park system.

Mr. ROBINSON of Arkansas. I have no objection.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (H. R. 11477) for the relief of George Charles Walthers was announced as next in order.

Mr. KING. Let that go over.

The PRESIDENT pro tempore. The bill will be pased

REGULATION OF ALASKAN FISHERIES

The bill (S. 3379) for the protection and regulation of the fisheries of Alaska, and for other purposes, was announced as next in order.

Mr. KING. Mr. President, I shall be glad to have an

explanation of this measure.

I confess that I am not very much in sympathy with the proposal to grant these licenses for five years. I wish the Senator would let the bill go over until next Monday and give us an opportunity to examine it. I have had a great many complaints from the natives of Alaska and persons who have been fishing for years along the coast from Washington up to the limits of Alaska.

Mr. WHITE. Mr. President, this bill relates only to fixed traps. I understand that the natives are not concerned with them. The natives are employing other means of fishing, and are not affected, as I understand, by this method.

Mr. KING. But there was an investigation some time ago, as I remember, conducted by a committee of the House, which showed that traps and seines were being improperly used by persons and corporations, and that many of the streams were being despoiled of salmon and other varieties of fish. I think that the operations of many of the large fishing companies were reprehensible and destructive of the

Mr. WHITE. Mr. President, I may say that the design of this legislation is, in part, to give to the Department of Commerce a more rigid control over these fishing operations, primarily and fundamentally in the interest of the conservation of salmon. The bill comes here with the approval of the Department of Commerce. The Delegate from Alaska was advised of the pendency of the bill. A hearing was held. He interposed no objection to it; and, so far as I am advised, there is no objection at this time to the legislation from any source.

Mr. KING. Mr. President, many complaints have been made against the methods adopted by the Department of Commerce in dealing with the fishing industry in the northern and particularly in the Alaskan waters, and because of the lack of proper regulations as well as the unfair and discriminating policies adopted by the Commissioner of Fisheries. From the data brought to my attention by the former Delegate from Alaska, Mr. Sutherland, and others, I reached the conclusion that many changes were needed in

the Bureau of Fisheries, including officials in that organization.

Mr. WHITE. That would cure the Senator's objection? Mr. KING. Perhaps if there were a new commissioner many precedures of which complaint has been made would be changed. I ask the Senator to let the bill go over until next Monday.

The PRESIDENT pro tempore. The bill will be passed

FINAL PROOF BY DESERT-LAND ENTRYMEN

The Senate proceeded to consider the bill (S. 5456) to extend the provisions of the act entitled "An act to extend the period of time during which final proof may be offered by homestead entrymen," approved May 13, 1932, to desertland entrymen, which had been reported from the Committee on Public Lands and Surveys with an amendment, to strike out all after the enacting clause and to insert:

That the act entitled "An act to extend the period of time during which final proof may be offered by homestead entrymen," approved May 13, 1932, is amended to read as follows:

"That the Secretary of the Interior is hereby authorized to extend for not exceeding two years the period during which final proof may be offered by any person who has a pending homestead or desert-land entry upon public lands of the United States on which at the date of this act or on any date on or prior to December 31, 1934, under existing law final proof is required showing residence, cultivation, improvements, expenditures, or payment of purchase money, as the case may be: Provided, That any such entryman shall be required to show that it is a hardship upon himself to meet the requirements incidental to final proof upon the date required by existing law, due to adverse weather upon the date required by existing law, due to adverse weather or economic conditions: And provided further, That this act shall apply only to cases where adequate relief is not available under

"Sec. 2. The Secretary of the Interior is authorized to make such rules and regulations as are necessary to carry out the purposes of this act."

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill to amend the provisions of the act entitled 'An act to extend the period of time during which final proof may be offered by homestead entrymen,' approved May 13, 1932, to desertland entrymen, and for other purposes."

BILL PASSED OVER

The bill (H. R. 13991) to aid agriculture and relieve the existing national economic emergency was announced as next in order.

Mr. REED. Let that go over.

The PRESIDENT pro tempore. The bill will be passed

ALTERNATE BUDGET FOR INDIAN SERVICE

The bill (S. 5622) providing for an alternate budget for the Indian Service, fiscal year 1935, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That in addition to the estimates of approriations for the Bureau of Indian Affairs transmitted in the Budget for the fiscal year 1935 in the customary order and arrangement, there shall be submitted for the consideration of Congress an alternate arrangement of such estimates with a view to simplification and clarity of presentation and consideration

BILL PASSED OVER

The bill (S. 5607) authorizing the Reconstruction Finance Corporation to make advances to the reclamation fund was announced as next in order.

Mr. BLAINE. Let that go over.

The PRESIDENT pro tempore. The bill will be passed

IMPROVED ORDER OF RED MEN

The bill (H. R. 194) to amend section 6 of the national charter of the Great Council of the United States of the Improved Order of Red Men was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That section 6 of the charter of the Great Council of the United States of the Improved Order of Red Men, be, and the same is hereby, amended to read as follows:

"Sec. 6. That said corporation shall not engage in any business for gain; the purposes of said corporation being fraternal, benevolent, and patriotic in providing benefits to its members, care for members, orphans, and widows of members, and to inspire a greater love for the United States of America, and the principles of American liberty.'

SALARY RATES OF CIVIL-SERVICE POSITIONS

The bill (S. 5475) to amend section 3 of the act of May 28, 1928, relating to salary rates of certain civil-service positions was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That section 3 of the act of Congress approved May 28, 1928, entitled "An act to amend the salary rates contained in the compensation schedules of the act of March 4, 1923, entitled 'An Act to provide for the classification of civilian positions within the District of Columbia and in the field services'", as amended by the act of July 3, 1930, be further amended by adding thereto the following: "* * * Provided, That in all cases where, since December 6, 1924, in such adjustment the position occupied by an employee has been or shall be allocated to a grade with a maximum salary below the salary received by the incumbent, the rate of pay fixed for such position prior to such allocation may be continued so long as the position is held by the incumbent occupying it at the time of such allocation."

BILL PASSED OVER

The bill (S. 5614) authorizing the Reconstruction Finance Corporation to make advances to the reclamation fund was announced as next in order.

Mr. BLAINE. Let that go over.

The PRESIDENT pro tempore. The bill will be passed over.

GRAZING FEES WITHIN NATIONAL FORESTS

The joint resolution (S. J. Res. 219) authorizing the fixing of grazing fees on lands within national forests was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Resolved, etc., That the Secretary of Agriculture is authorized and directed to fix the fees to be charged during the year 1933 for the grazing of sheep and cattle on lands within the boundaries of national forests at rates not in excess of those charged during the year 1932.

PROCEDURE IN CIRCUIT COURTS OF APPEAL

The Senate proceeded to consider the bill (H. R. 10641) to amend section 122 of the Judicial Code, which was ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That section 122 of the Judicial Code (U. S. C., title 28, sec. 219) be, and the same is hereby, amended to read as follows:

"SEC. 122. Each circuit court of appeals shall prescribe the form and style of its seal, and the form of writs and other process and procedure as may be conformable to the exercise of its jurisdiction; and shall have power to establish all rules and regulations for the conduct of the business of the court within its jurisdiction as conferred by law. In case any senior circuit judge is disabled by illness from exercising any power given, or performing any duty imposed by law, such power or duty shall be exercised or performed by the other judges of that circuit in the order of the seniority of their respective commissions."

COMPACTS BETWEEN STATES FOR THE PREVENTION OF CRIME

The bill (H. R. 10243) granting the consent of Congress to any two or more States to enter into agreements or compacts for cooperative effort and mutual assistance in the prevention of crime, and for other purposes, was announced as next in order.

SEVERAL SENATORS. Over!

The PRESIDENT pro tempore. The bill will be passed over.

ASSUMPTION OF RISKS OF EMPLOYMENT

The bill (S. 1060) relative to assumption of risks of employment, was announced as next in order.

SEVERAL SENATORS. Over!

The PRESIDENT pro tempore. The bill will be passed

HOMESTEAD DESIGNATIONS ON ALLOTTED INDIAN LANDS

The Senate proceeded to consider the bill (S. 5463) to authorize the change of homestead designations on allotted Indian lands.

Mr. ROBINSON of Arkansas. Mr. President, I think the Senator from North Dakota should explain this bill. It is not clear what the purpose is.

Mr. FRAZIER. Mr. President, this is a departmental bill, recommended by the Secretary of the Interior. It applies to some Montana reservations. Under the law, the Indians have allotments designated as homesteads, to provide for homes, where houses may be built. In some instances an Indian may have two or three allotments, but the allotment designated as a homestead may not be a desirable place for the erection of a home. This bill would simply give authority to the Secretary of the Interior to designate, upon application from the Indian, another allotment as a homestead, instead of the one originally designated. It applies only to Montana.

The bill was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That where any Indian who now has or may hereafter acquire an allotment designated as a homestead and such Indian owns other restricted allotted lands acquired by inheritance or otherwise, the Secretary of the Interior be, and he heritance or otherwise, the Secretary of the Interior be, and he is hereby, authorized, in his discretion and under such rules and regulations as he may prescribe, to allow such Indian owner to change the designation of his or her homestead to other restricted lands owned by the said Indian. Upon acceptance by the Secretary of the Interior of relinquishments and the designation of lieu homestead lands, appropriate patents or other evidence of title as may now or hereafter be provided for by law shall be issued to the Indian owner for the lands so redesignated: Provided, however, That this act shall not apply to the Indians of the Five Civilized Tribes, nor to the Osage and the Kaw Indians in Oklahoma. in Oklahoma.

LIMITATION OF DEBATE

The resolution (S. Res. 360) limiting debate during the remainder of the present Congress was announced as next in order.

Mr. KING. Let that go over.

The PRESIDENT pro tempore. The resolution will be passed over.

CONSTRUCTION OF A BRIDGE IN ALABAMA

The bill (S. 5632) to extend the times for commencing and completing the construction of a railroad bridge and/or a toll bridge across the water between the mainland at or near Cedar Point and Dauphin Island, Ala., was announced as next in order.

The PRESIDENT pro tempore. That is the same as Calendar No. 1385, House bill 14657, and without objection, that bill will be substituted for the Senate bill.

There being no objection, the Senate proceeded to consider the bill (H. R. 14657) to extend the times for commencing and completing the construction of a railroad bridge and/or a toll bridge across the water between the mainland at or near Cedar Point and Dauphin Island, Ala., which was ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the times for commencing and completing the construction of a railroad bridge and/or a toll bridge across the water between the mainland at or near Cedar Point and Dauphin Island, Ala., authorized to be built by the Dauphin Island Railway & Harbor Co., its successors and assigns, by an act of Congress approved February 25, 1927, heretofore extended by an act of Congress approved February 7, 1930, are hereby further extended one and three years, respectively, from February 25, 1933.

SEC. 2. The right to alter, amend, or repeal this act is hereby expressly reserved.

expressly reserved.

The PRESIDENT pro tempore. Senate bill 5632 will be indefinitely postponed.

ESTABLISHMENT OF BRANCH BANKS

The bill (S. 5273) authorizing national banks to establish branch banks, and to secure deposits, was announced as next in order.

Mr. BRATTON. Let that go over. Mr. BARKLEY. Mr. President, will not the Senator from New Mexico withhold his objection?

Mr. BRATTON. Yes, Mr. President, I withhold the objection temporarily.

Mr. BARKLEY. I will say to the Senator that this is a bill introduced by my colleague [Mr. Logan], having especially in view the lack of any banking facilities at Fort Knox. The bill is general in its terms, but in order that reservations like that at Fort Knox, Ky., may be provided banking facilities the bill has been introduced and unanimously reported from the committee. What is the objection the Sen-

Mr. BRATTON. Mr. President, I would have no objection if the establishment of the branch banks were limited to States in which State banks are authorized to engage in branch banking. As I understand this measure it would authorize the establishment of a branch bank on a Federal reservation, even though the reservation were situated in a State where branch banking was not permitted or was even denounced.

Mr. BARKLEY. That is true, but I understand that no State bank could be established on such a reservation as I have described, and it does seem to me that it would not offer sufficient conflict with any State banking system to justify an objection to it.

I have especially in mind the situation at Fort Knox, Ky., which is a very large military reservation. There are no banking facilities there, within convenient reach of the people at that reservation, at which, as the Senator knows, there is a large number of soldiers, officers, and their families. It is in order to cure that situation that the bill was introduced. I hope the Senator will not object to it.

Mr. LOGAN. Mr. President, this matter was taken up with the Comptroller of the Currency a year or more ago, and in trying to work the matter out I finally prepared a bill. The Treasury Department itself objected to one section of the bill, which was stricken out. The officials of that department also expressed the opinion that the bill as reported by the committee was all right and should be

This measure does not go into branch banking, I may say to the Senator from New Mexico. There are these military reservations, and they are reservations without any banking facilities. In the case referred to the distance from Fort Knox to the nearest bank is 15 miles. The purpose of the bill is to allow the establishment of a branch which will receive deposits and pay out money for the convenience of the soldiers and officers in that camp. We have been trying to get something along that line for some time, and the Comptroller of the Currency thought that an act would be necessary in order to give him authority.

Mr. BRATTON. Mr. President, with the explanation made by both of the Senators from Kentucky, I withdraw my objection.

Mr. LOGAN. I thank the Senator. Mr. BLAINE. Mr. President, I interposed an objection, and I ask for the regular order.

The PRESIDENT pro tempore. The bill will be passed over.

GALEN E. LICHTY

The bill (S. 246) for the relief of Galen E. Lichty was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and the is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of \$554.70 to Galen E. Lichty, stamp clerk of the post office at Beatrice, Gage County, Nebr., to reimburse him for funds stolen from the Beatrice post office by unknown persons on the day of November 17, 1008. 17, 1928.

FLORENCE MAHONEY

The bill (H. R. 3036) for the relief of Florence Mahoney, was considered, read the third time, and passed, as follows:

Be it enacted, etc.. That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, and in full settlement against the Government, the sum of \$1,000, to Florence Mahoney, of Newport, R. I., for injuries received as the result of a collision involving an Army vehicle in Newport, R. I., on June 4, 1930: Provided, That no part of the amount appropriated in this act in excess of 10 per cent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 per cent thereof on account of serv-

ices rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

MARY ELIZABETH FOX

The bill (H. R. 3727) for the relief of Mary Elizabeth Fox was considered, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Mary Elizabeth Fox, Granger, Tex., the sum of \$3,000 in full settlement of all claims against the Government of the United States, for permanent injury received on February 2, 1928, while getting her mail out of a post-office box at Southwestern University Station at Georgetown, Tex., said injury being caused by neglectful construction of said post-office box: Provided, That no part of the amount appropriated in this act in excess of 10 per cent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 per cent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

ANNIE M. EOPOLUCCI

The Senate proceeded to consider the bill (H. R. 5150) for the relief of Annie M. Eopolucci, which had been reported from the Committee on Claims with an amendment, to strike out all after the enacting clause and to insert the following:

That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to Annie M. Eopolucci, out of any money in the Treasury not otherwise appropriated, the sum of \$20 per month, in a total amount of not to exceed \$5,000, such payments to be in full settlement of all claims against the Government for the death of her son, John E. Eopolucci, who, while serving as a member of the armed guard of the United States Navy on the steamship Aztec, lost his life when said steamship was torpedoed and sunk on April 1, 1917, this while in the active service of the United States.

The amendment was agreed to.

The amendment was ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time and passed.

SALE OF REVENUE STAMPS

The Senate proceeded to consider the bill (H. R. 12977) to amend section 808 of Title VIII of the revenue act of 1926 as amended by section 443 of the revenue act of 1928.

Mr. McKELLAR. Mr. President, I would like to have an explanation of that.

Mr. REED. Mr. President, the last revenue bill we passed provided for the sale of revenue stamps in cities having populations of 25,000 or over. There are a great many county seats in the United States with populations smaller than 25,000; and because we require the placing of revenue stamps on conveyances now, a great deal of trouble has been

Mr. McKELLAR. I think this is a wise measure and should be passed.

The bill was ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That section 808 of Title VIII of the revenue act of 1926, as amended by section 443 of the revenue act of 1928, be, and the same is hereby, amended by striking out the words "in cities of over 25,000 inhabitants" and inserting in lieu thereof the following: "in all post offices of the first and second classes and such post offices of the third and fourth classes as are located to contract the second classes." in county seats.

PROOF OF CLAIMS IN BANKRUPTCY CASES

Mr. METCALF. Mr. President. I ask unanimous consent that we may return to calendar 1311, Senate bill 5394, a bill to amend section 57 of the act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, as amended and supplemented, with respect to proof and allowance of claims by trustees for bondholders.

The Senator who objected when the bill was reached on the calendar has now agreed to withdraw his objection and indicates that he sees no objection to the bill.

The PRESIDENT pro tempore. Is there objection to returning to the bill?

Mr. ROBINSON of Arkansas. Mr. President, this bill provides for an amendment to the general bankruptcy statute. Will not the Senator from Rhode Island explain what changes the bill would make in the law?

Mr. METCALF. Mr. President, the amendment is simply for the protection particularly of small investors, who perhaps would not know that it is necessary for them to file their claims. It would give the trustee power to file for all of them. There have been cases where people who had bonds and expected that somebody else would look out for them did not know, perhaps, that they were in a bankruptcy proceeding, and this would simply afford assistance for such an individual.

Mr. BRATTON. Mr. President, the Committee on the Judiciary gave this measure consideration. As I understand its provisions, it simply authorizes a trustee, in a trust indenture for the benefit of a large number of holders of bonds or notes, to file a claim in bankruptcy for those who have failed to do so.

Mr. METCALF. The Senator is correct.

The PRESIDENT pro tempore. Is there objection to recurring to the consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That section 57 of the act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, as amended and supplemented, is amended by adding at the end thereof the following

new paragraph:

"(0) Whenever indebtedness of the bankrupt arises in respect of notes, bonds, or similar obligations issued under or pursuant to a trust deed, indenture, or other instrument to which reference is made in such obligations, whether or not such obligations are in negotiable form or specifically secured, and such trust deed, indenture, or other instrument, and/or such obligations (a) expresses an undertaking of the issuer of such obligations, in the event of default, to make payment of the indebtedness in respect of such obligations, to a trustee or other representative designated for the owners of such obligations, or (b) authorizes such trustee or other representative, in the event of bankruptcy, to make claim for the indebtedness in respect of which such obligations were issued, or to represent the holders thereof, and/or to collect and distribute any dividends thereon, such trustee or other representative shall for all purposes of this act be deemed to be the creditor in respect of such indebtedness, except in so far as the holders of such notes, bonds, or other obligations shall themselves duly file proof of claim thereon, and shall be entitled in its name as such trustee or other representative to file proof of claim thereon and to receive payment, subject to such provisions and regulations as may be prescribed by the courts, of all dividends declared on said claim, and to act with respect to all other matters arising in connection with such claim as though the absolute owner thereof. Such trust deed, indenture, or other instrument shall within the meaning of paragraph (b) of this section be deemed to be the instrument of writing upon which said claim is founded."

Sec. 2. The amendment made by section 1 of this act shall be

SEC. 2. The amendment made by section 1 of this act shall be effective as to claims filed in all bankruptcy proceedings instituted after the date of enactment of this act and to claims filed in all bankruptcy proceedings theretofore instituted in which no dividend has been declared prior to such date, but nothing contained in this act shall be deemed to extend the time for filing claims in any bankruptcy proceeding.

GOVERNMENT-OWNED COTTON TO RED CROSS

The Senate proceeded to consider the joint resolution (S. J. Res. 228), authorizing the American National Red Cross and certain other organizations to exchange Government-owned cotton for articles containing wool.

Mr. KING. Mr. President, I ask the Senator from New York the purpose of this measure. I know that he and others were very insistent a short time ago for a large appropriation to have cotton owned by the Government, through its stabilization and other organizations, delivered to the Red Cross because of the imperative need to dispose of it for the manufacture of cotton goods. It seems to me we are broadening our action, and pretty soon there will be a desire for the Federal Government to take over all the wool in the United States and deliver it to the Red Cross for distribution in such manner as it may see fit.

Mr. COPELAND. Mr. President, apparently the Senator was not here the other day when we discussed this matter.

This is not a measure asking for any new cotton. The cotton has already been turned over to the Red Cross, and under the act doing that they can exchange it only for articles made of cotton, cotton clothing, cotton blankets, and cotton mattresses.

I pointed out that in the northern climates, of northern New York, Michigan, Wisconsin, Montana, and other places, it would be very much better, in affording comfort to human beings, if the Red Cross could exchange the cotton for woolen garments, as they may now exchange it for cotton garments. It does not involve the expenditure of any money or the acquisition of any more cotton.

Mr. KING. Mr. President, my understanding is that contracts are made with various manufacturing organizations, with mills, with corporations which are engaged in manufacturing cloth into garments for use after the cotton has been obtained. It would seem to me that this measure would contemplate an abrogation of or interference with contracts which have been entered into with textile organizations for manufacturing garments for distribution from the cotton which has been heretofore obtained.

Mr. COPELAND. Mr. President, let me say to the Senator that the Red Cross desires to do this, but under the law they are limited, and there are no such contracts that would be interfered with. I am sure the Senator, when he looks into the matter more thoroughly, will see that I am right about it.

Mr. KING. I have no objection.

The joint resolution was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Resolved, etc., That the American National Red Cross or any other organization to which Government-owned cotton has been or shall hereafter be delivered pursuant to law is hereby authorized, if it shall be deemed advisable, to exchange any such cotton for cloth or wearing apparel or other articles of clothing containing wool.

TURTLE MOUNTAIN BAND OF CHIPPEWA INDIANS

The Senate proceeded to consider the bill (S. 5623) referring the claims of the Turtle Mountain Band or Bands of Chippewa Indians of North Dakota to the Court of Claims for adjudication and settlement, which had been reported from the Committee on Indian Affairs with amendments.

The amendments were, on page 2, line 8, after the words "Turtle Mountain Band or Bands," to strike out "(whether officially recognized or not)"; in line 9, after the name 'North Dakota," to insert "including the band of Chief or Thomas Little Shell and other isolated Pembina Bands of Chippewas of North Dakota and Montana,"; in line 14, after the word "petition," to insert "or petitions"; in line 19, after the word "defendant," to insert "The claim or claims of the band or bands aforementioned may be presented separately or jointly by petition, subject, however, to amendment."; in line 22, after the word "petition," to insert "or petitions"; on page 6, line 4, after the word "Indians," to insert "(whether officially recognized or not)"; in line 7, after the word "Indians," to insert "The court shall have jurisdiction and is hereby further authorized to determine what amount of the recovery, if any, shall be awarded to the respective bands who bring suit hereunder."; in line 22, after the word "Indians," to insert "less fees and expenses" on page 7, line 1, after the word "decree," to insert "The court shall have jurisdiction and is hereby further authorized to determine what amount of the recovery, if any, shall be awarded to the respective bands who bring suit hereunder: "; so as to make the bill read:

Be it enacted, etc., That jurisdiction be, and hereby is, conferred upon the Court of Claims, with right of appeal to the Supreme Court of the United States by either party, notwithstanding the lapse of time, statutes of limitations, waiver, release, settlement heretofore made or directed by any act of Congress or otherwise, to hear, adjudicate, and render judgment according to right and justice and as upon a full and fair arbitration, on any and all claims not heretofore determined and adjudicated on their merits by the Court of Claims or the Supreme Court of the United States, arising under any treaty, ratified or unratified, act of Congress, agreement or understanding, verbal or written, Executive order, or treaty with any other tribes or nations of Indians by the authorized agents or representatives of the United States relating to, affecting, or violating the land occupancy or other rights of the Turtle Mountain Band or Bands of Chippewa Indians of North

Dakota, including the band of Chief or Thomas Little Shell, and other isolated Pembina Bands of Chippewas of North Dakota and Montana.

SEC. 2. Any and all claims against the United States within the SEC. 2. Any and all claims against the United States within the purview of this act shall be forever barred unless suit be instituted or petition or petitions filed as herein provided in the Court of Claims within five years from the date of the approval of this act, and such suit shall make the Turtle Mountain Band or Bands of Chippewa Indians of North Dakota party or parties plaintiff and the United States of America party defendant. The claim or claims of the band or bands aforementioned may be presented claims of the band or bands aforementioned may be presented separately or jointly by petition, subject, however, to amendment. The petition or petitions shall be verified by the respective attorney or attorneys employed to prosecute such claim or claims under contract with the Turtle Mountain Band or Bands of Chippewa Indians, approved by the Commissioner of Indian Affairs and the Secretary of the Interior, as provided by law. Official letters, Indians, approved by the Commissioner of Indian Affairs and the Secretary of the Interior, as provided by law. Official letters, papers, documents, reports and records, or affidavits on file in the Interior Department or certified copies thereof, may be used in evidence; and the departments of the Government shall furnish to the attorney or attorneys of said Turtle Mountain Band or bands such treaties, agreements, papers, reports, correspondence, affidavits, or records as may be needed by the attorney or attorneys of said band or bands of Indians.

SEC. 3. That if any claim or claims be submitted to said court

SEC. 3. That if any claim or claims be submitted to said court it shall determine the rights of the parties thereto, notwithstanding lapse of time, statutes of limitation, waiver or release, and any payment which may have been made by the United States upon any claim so submitted shall not be pleaded as an estoppel, but may be pleaded as the Court of the United States.

upon any claim so submitted shall not be pleaded as an estoppel, but may be pleaded as a set-off in any suit; and the United States shall be allowed credit subsequent to the date of any law, treaty, or agreement under which the claims arise for any sum or sums heretofore paid or expended for the benefit of said Indians.

Sec. 4. That if the Court of Claims shall determine that the United States, under the provisions of any agreement or understanding, verbal or written, Executive order, law, or treaty referred to in section 1 hereof, has unlawfully appropriated or disposed of any property belonging to the said Turtle Mountain Band or Bands of Chippewa Indians, or its or their members, or to which the said Indians had the right of title by occupancy; or if the said court shall determine that the United States, under the provisions of any such agreement, Executive order, law, or treaty, herein referred to, under mistake of fact or duress obtained title to or the cession of any land from the said Indians for an inadequate consideration; or if the court shall determine that the United States obtained cessions of land from said band or bands of Indians withcession of any land from the said Indians for an inadequate consideration; or if the court shall determine that the United States obtained cessions of land from said band or bands of Indians without obtaining the consent of a majority of the male adult members thereof; or if the court shall determine that the United States, to the loss of said Indians, appropriated to its own use or to the use of any other Indian tribe or band, or permitted white settlers to occupy and acquire title under the public land laws of the United States, to any lands in North Dakota, the title and occupancy of which by long possession by the said Indians had been acknowledged by other tribes and by officials of the United States; or if a portion of the land so claimed by the said band or bands was taken from them by an Executive order for the benefit of any other band or tribe of Indians, without compensation to the said Turtle Mountain Band or Bands of Chippewa Indians, the damages shall be confined to the reasonable money value thereof at the time of such appropriation: Provided, That if the Court of Claims shall determine that the United States, by reason of any delay on the part of its agents or authorized representatives, in submitting for ratification any agreement with the said Turtle Mountain Band or Bands of Chippewa Indians, for the purchase or cession of any land so occupied and possessed by them, or that the Congress of the United States, contrary to the understanding of or any promise made to said Indians, unduly delayed the ratification of any such agreement whereby any such lands were ceded to the United States, to the detriment and loss of the said Indians, then the said court is hereby authorized to award and enter judgment, as justice and equity may demand, for damages due to such delay at 4 per cent per annum of the stipulated or agreed amount set out in any such agreement ceding such lands to the United States, and to compute such interest from the date the said agreement was signed or executed by the said Inlands to the United States, and to compute such interest from the date the said agreement was signed or executed by the said Indians; and with reference to all claims which may be the subject matter of the suits herein authorized, the decree of the court shall be in full settlement of all damages, if any, committed by the Government of the United States and shall annul and cancel all

Government of the United States and shall annul and cancel all claim, right, and title of the said Turtle Mountain Band or Bands of Chippewa Indians in and to such money or other property.

SEC. 5. Upon the final determination of such suit or suits the Court of Claims shall have jurisdiction to fix and determine a reasonable fee, not to exceed 10 per cent of the recovery in each instance, together with all necessary and proper expenses incurred in preparation and prosecution of the suit, to be paid to the respective attorneys employed by the said band or bands of Indians (whether officially recognized or not), and the same shall be included in the decree and shall be paid out of any sum or sums found to be due said band or bands of Indians. The court shall have jurisdiction and is hereby further authorized to determine

have jurisdiction and is hereby further authorized to determine what amount of the recovery, if any, shall be awarded to the respective bands who bring suit hereunder.

SEC. 6. The Court of Claims shall have full authority by proper orders and process to bring in and make parties to such suit any other tribe or band of Indians deemed by it necessary or proper to the final determination of the matters in controversy.

SEC. 7. A copy of the petition shall, in such case, be served upon the Attorney General of the United States, and he, or some attorney from the Department of Justice to be designated by him, is hereby directed to appear and defend the interests of the United

States in such case.

SEC. 8. The proceeds of all amounts, if any, recovered for said band or bands of Indians less fees and expenses shall be deposited in the Treasury of the United States to the credit of the Indians decreed by said court to be entitled thereto, and shall draw interest at the rate of 4 per cent per annum from the date of the judgment or decree. The court shall have jurisdiction and is hereby further authorized to determine what amount of the renerely further authorized to determine what amount of the re-covery, if any, shall be awarded to the respective bands who bring suit hereunder: Provided, That actual costs necessary to be in-curred by the Turtle Mountain Band or Bands of Chippewa In-dians as required by the rules of court in the prosecution of this suit shall be paid out of the funds of said Indians in the Treasury of the United States, upon proper vouchers, to be examined and approved by the Commissioner of Indian Affairs.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading. read the third time, and passed.

ORDER OF BUSINESS

The PRESIDENT pro tempore. The hour of 1 o'clock having arrived, the Chair lays before the Senate the unfinished business, which will be stated.

The CHIEF CLERK. A bill (H. R. 14359) to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, and acts amendatory thereof and supplementary thereto.

Mr. BROUSSARD. Mr. President-

The PRESIDENT pro tempore. The Senator from Louisiana.

Mr. McNARY. Mr. President, will the Senator from Louisiana yield?

Mr. BROUSSARD. For what purpose, may I inquire?

Mr. McNARY. I ask it for the purpose of submitting a unanimous-consent agreement which I trust will be satisfactory to the Senator.

Mr. BROUSSARD. I yield provided I do not lose my right to the floor.

The PRESIDENT pro tempore. The Senator will not lose the floor.

Mr. McNARY. After conferring with the Senator from Delaware [Mr. Hastings], who is in charge of the unfinished business, I wish to propose the consideration of the calendar in conformity with the purposes of the unanimousconsent agreement previously entered into, which would be to consider unobjected bills on the calendar to the end, Order No. 1400, and then return to Order No. 1207.

Mr. KING. Mr. President, as I understand the Senator's proposition it is not only to complete the call of the remainder of the bills upon the calendar, but to return to those that were not taken up this morning and go through the calendar?

Mr. McNARY. Yes.

Mr. ROBINSON of Arkansas. Mr. President, may I suggest to the Senator from Oregon that he limit the request to a completion of the call of the calendar? Most of the numbers preceding the point where we began this morning have been called many times and will undoubtedly be objected to again, but the numbers that have not yet been called this morning, from No. 1375 on to the end of the calendar, ought to be called. I suggest that the Senator modify his request accordingly.

Mr. McNARY. The only reason why I asked to return to the beginning of the calendar was because it was mentioned in the original proposal this morning.

Mr. ROBINSON of Arkansas. But that lapses now.

Mr. McNARY. There is some force in the suggestion of the Senator from Arkansas. I do not want to delay unnecessarily the further consideration of the unfinished business, so I amend my proposal and ask that we may continue until we complete the call of the calendar to Order of Business No. 1409.

The PRESIDENT pro tempore. May the Chair state that the Senator from Louisiana will not be entitled to the floor if the unanimous-consent agreement is entered into. Is | there objection?

Mr. LONG. Mr. President, what is the request?

The PRESIDENT pro tempore. The unfinished business was laid before the Senate. The senior Senator from Louisiana [Mr. Broussard] was recognized and yielded to the Senator from Oregon [Mr. McNary] to propose a unanimous-consent agreement, which is now pending. The unanimous-consent request is to proceed with the calling of the calendar for unobjected bills through to the end to Calendar No. 1409. Is there objection?

Mr. BROUSSARD. Am I to await the conclusion of the call of the calendar?

The PRESIDENT pro tempore. If the unanimous-consent agreement is granted, the Senator from Louisiana may speak five minutes at a time on each bill.

Mr. BROUSSARD. I think we can conclude the call of the calendar at a later day. I prefer to retain the floor now.

APPROPRIATIONS FOR THE TREASURY AND POST OFFICE DEPARTMENTS

The PRESIDENT pro tempore laid before the Senate the action of the House of Representatives on House bill 13520. which was read as follows:

In the House of Representatives, United States, February 21, 1933.
Resolved, That the House recede from its disagreement to t

amendment of the Senate No. 1 to the bill (H. R. 13520) entitled "An act making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1934, and for other purposes," and concur therein with an amendment, as fol-

In line 1 of the matter inserted by said amendment strike out "35" and insert "32¼."

That the House insist upon its disagreement to the amendments of the Senate Nos. 7, 8, and 9.

That the House recede from its disagreement to the amendment of the Senate No. 14 and conquest therein with an amendment as of the Senate No. 14 and concur therein with an amendment, as follows:

follows:

In lieu of the matter inserted by said amendment insert:

"SEC. 4. (a) The provisions of the following sections of Part II of the legislative appropriation act, fiscal year 1933, are hereby continued in full force and effect during the fiscal year ending June 30, 1934, namely, sections 101, 102, 103, 104, 105, 106, 107 (except paragraph (5) of subsection (a) thereof), 108, 109, 112, 201, 203, 205, 206 (except subsection (a) thereof), 211, 214, 216, 304, 315, 317, 318, and 323, and, for the purpose of continuing such sections, in the application of such sections with respect to the fiscal year ending June 30, 1934, the figures '1933' shall be read as '1934'; the figures '1934' as '1935'; and the figures '1935' as '1936'; and, in the case of sections 102 and 203, the figures '1932' shall be read as '1933'; except that in the application of such sections with respect to the fiscal year ending June 30, 1934 (but not with respect to the fiscal year ending June 30, 1934 (but not with respect to the fiscal year ending June 30, 1934), the following amendments shall apply:

"(1) Section 104 (a) is amended by striking out the period at

"(1) Section 104 (a) is amended by striking out the period at the end thereof and inserting a semicolon and the following: 'and (12) special-delivery messengers in the Postal Service,'; and section 105 (d) (2) is amended by adding at the end thereof the following 'special-delivery messengers in the Postal Service, but in the case of such messengers, the sum of \$400 shall not be included in the calculation of the rate of their compensation for the nursees of this title.'

the purposes of this title;'.
"(2) Section 106 is amended by striking out 'except judges whose compensation may not, under the Constitution, be diminished during their continuance in office' and inserting in lieu thereof 'except judges, whose compensation, prior to retirement or resignation, could not, under the Constitution, have been diminished '.

diminished'.

"(3) Section 216 is amended by striking out the period at the end thereof and inserting in lieu thereof a colon and the following: 'Provided further, That no employee under the classified civil service shall be furloughed under the provisions of this section for a total of more than 90 days during the fiscal year 1934, except after full and complete compliance with all the provisions of the civil service laws and regulations relating to reductions in per-

sonnel.'

"(4) Section 317 is amended by striking out the period at the end thereof and inserting in lieu thereof a colon and the following: 'Provided further, That no part of any appropriation for "public works," nor any part of any allotment or portion available for "public works" under any appropriation, shall be transferred pursuant to the authority of this section to any appropriation for expenditure for personnel unless such personnel is required upon or in connection with "public works." "Public works" as used in this section shall comprise all projects falling in the general classes enumerated in Budget Statement No. 9, pages A177 to A182, inclusive, of the Budget for the fiscal year 1934, and shall also include the procurement of new airplanes and the construction of vessels under appropriations for "Increase of the Navy." The interpretation by the Director of the Bureau of the Budget, or by the President in the cases of the War Department and the Navy sonnel.

Department, of "public works," as defined and designated herein,

Department, or "public works," as defined and designated herein, shall be conclusive."

"(b) All acts or parts of acts inconsistent or in conflict with the provisions of such sections, as amended, are hereby suspended during the period in which such sections, as amended, are in

during the period in which such sections, as amended, are in effect.

"(c) No court of the United States shall have jurisdiction of any suit against the United States or (unless brought by the United States) against any officer, agency, or instrumentality of the United States arising out of the application, as provided in this section, of such sections 101, 102, 103, 104, 105, 106, 107, 108, 109, or 112, as amended, unless such suit involves the Constitution of

section, of such sections 101, 102, 103, 104, 105, 106, 107, 108, 109, or 112, as amended, unless such suit involves the Constitution of the United States.

"(d) The appropriations or portions of appropriations unexpended by reason of the operation of the amendments made in subsection (a) of this section shall not be used for any purpose, but shall be impounded and returned to the Treasury.

"(e) Each permanent specific annual appropriation available during the fiscal year ending June 30, 1934, is hereby reduced for that fiscal year by such estimated amount as the Director of the Bureau of the Budget may determine will be equivalent to the savings that will be effected in such appropriation by reason of the application of this section and section 7.

"SEC. 5. Effective the first day of the month next following the passage of this act, in the application of Title I of Part II of the legislative appropriation act, fiscal year 1933, and section 4 of this act, in any case where the annual rate of compensation of any position is in excess of \$1,000, the provisions reducing compensation shall not operate to reduce the total amount paid for any month to any incumbent of any such position unless the total amount earned by such incumbent in such month exceeds \$83.33:

Provided, That any such reduction made in any case where the total amount earned by any such incumbent in any month exceeds \$83.33:

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Provided, That any such reduction made in any case where the total amount ear

"(b) During the fiscal year 1934 deductions on account of legis-(b) During the iscal year 1934 deductions on account of legislative furlough shall be made each month from the compensation of each officer or employee subject to the furlough provisions of Title I of Part II of the legislative appropriation act, fiscal year 1933, as continued by section 4 (a) of this act, at the rate of 8½ per cent per month regardless of the number of days of such furlough actually taken by any such officer or employee in any month

of such furlough actually taken by any such officer or employee in any month.

"SEC. 7. No administrative promotions in the civil branch of the United States Government or the government of the District of Columbia shall be made during the fiscal year ending June 30, 1934: Provided, That the filling of a vacancy, when authorized by the President, by the appointment of an employee of a lower grade, shall not be construed as an administrative promotion, but no such appointment shall increase the compensation of such employee to a rate in excess of the minimum rate of the grade to which such employee is appointed, unless such minimum rate would require an actual reduction in compensation: Provided further, That the restoration of employees to their former grades or their advancement to intermediate grades following reductions of compensation for disciplinary reasons shall not be construed to be administrative promotions for the purposes of this section. The provisions of this section shall not apply to commissioned, commissioned warrant, warrant, and enlisted personnel, and cadets, of the Coast Guard. of the Coast Guard.

"SEC. 8. All officers and employees of the United States Government or of the government of the District of Columbia who had reached the retirement age prescribed for automatic separation from the service on or before July 1, 1932, and who were continued in active service for a period of less than 30 days after June 30, 1932, pursuant to an Executive order issued under authority of 1932, pursuant to an executive order issued under authority of section 204 of Part II of the legislative appropriation act, fiscal year 1933, shall be regarded as having been retired and entitled to annuity beginning with the day following the date of separation from active service, instead of from August 1, 1932, and the Administrator of Veterans' Affairs is hereby authorized and directed to make payments accordingly from the civil service retirement and disability fund.

"SEC. 9. The allowance provided for in the act entitled "An act to permit payments for the operation of motor cycles and auto-mobiles used for necessary travel on official business, on a mileage basis in lieu of actual operating expenses," approved February 14, 1931 (U. S. C., Supp. V, title 5, sec. 73a), for travel ordered after the date of enactment of this act shall not exceed 2 cents per mile in the case of travel by motor cycle or 5 cents per mile in the case of travel by automobile.

"SEC. 10. Whenever by or under authority of law actual expenses for travel may be allowed to officers or employees of the United States, such allowances, in the case of travel ordered after the date of enactment of this act, shall not exceed the lowest first-

class rate by the transportation facility used in such travel.

"Sec. 11. From and after the date of enactment of this act, the provisions of the act of March 3, 1931 (U. S. C., Supp. V, title 5, sec. 26a), shall not apply to any employees of the Veterans'

Administration homes, hospitals, or combined facilities where, in the discretion of the Administrator of Veterans' Affairs, the public interest requires that such employees should be excepted from the provisions thereof. As to those employees excepted from the provisions of the act of March 3, 1931, seven hours shall constitute a workday on Saturday, and labor in excess of four hours on Saturdays shall not entitle such employees to an equal shortenof the workday on some other day or to additional compensation therefor.

"SEC. 12. Assignments of officers of the Army, Navy, or Marine Corps to permanent duty in the Philippines, on the Asiatic station, or in China, Hawaii, Puerto Rico, or the Panama Canal Zone shall be for not less than three years. No such officer shall be transferred to duty in the continental United States before the expiration of such period unless the health of such officer or the public

tion of such period unless the health of such officer or the public interest requires such transfer, and the reason for the transfer shall be stated in the order directing such transfer.

"SEC. 13. The act entitled "An act to provide for deducting any debt due the United States from any judgment recovered against the United States by such debtor," approved March 3, 1875 (U. S. C., title 31, sec. 227), is hereby amended to read as follows:

"'That when any final judgment recovered against the United

c., title 31, sec. 227), is hereby amended to read as follows:

"'That when any final judgment recovered against the United States duly allowed by legal authority shall be presented to the comptroller General of the United States for payment, and the plaintiff therein shall be indebted to the United States in any manner, whether as principal or surety, it shall be the duty of the Comptroller General of the United States to withhold payment of an amount of such judgment equal to the debt thus due to the United States; and if such plaintiff assents to such set-off, and discharges his judgment or an amount thereof equal to said debt, the Comptroller General of the United States shall execute a discharge of the debt due from the plaintiff to the United States. But if such plaintiff denies his indebtedness to the United States, or refuses to consent to the set-off, then the Comptroller General of the United States shall withhold payment of such further amount of such judgment, as in his opinion will be sufficient to cover all legal charges and costs in prosecuting the debt of the United States to final judgment. And if such debt is not already in suit, it shall be the duty of the Comptroller General of the United States to cause legal proceedings to be immediately commenced to enforce the same, and to cause the same to be prosecuted to final judgment with all reasonable dispatch. And if in such action judgment shall be rendered against the United States, or the amount recovered for debt end costs shall be less than the such action judgment with all reasonable dispatch. And if in such action judgment shall be rendered against the United States, or the amount recovered for debt and costs shall be less than the amount so withheld as before provided, the balance shall then be paid over to such plaintiff by such Comptroller General of the United States with 6 per cent interest thereon for the time it has been withheld from the plaintiff.'

"Sec. 14. All laws providing for permanent specific annual appropriations are hereby modified so that, after June 30, 1934, in lieu of the appropriations made therein, the sums available for the purposes of such laws shall be such sums (not exceeding the amounts now provided in such laws) as may hereafter be provided therefor from time to time by Congress.

"Sec. 15. Section 322 of Part II of the legislative appropriation act, fiscal year 1933, is amended by adding at the end of the section the following proviso: ': Provided further, That the provisions of this section as applicable to rentals, shall apply only where the rental to be paid shall exceed \$2,000 per annum.'

"Sec. 16. Title IV of Part II of the legislative appropriation act, fiscal year 1933, is amended to read as follows:

"'TITLE IV—Reorganization of Executive Departments such action judgment shall be rendered against the United States,

"'TITLE IV-REORGANIZATION OF EXECUTIVE DEPARTMENTS " 'DECLARATION OF STANDARD

"'SEC. 401. The Congress hereby declares that a serious emergency exists by reason of the general economic depression; that it is imperative to reduce drastically governmental expenditures; and

that such reduction may be accomplished in great measure by proceeding immediately under the provisions of this title.

"'Accordingly, the President shall investigate the present organization of all executive and administrative agencies of the Government and shall determine what changes therein are necessary to accomplish the following purposes:

Government and snall determine what changes therein are necessary to accomplish the following purposes:

"'(a) To reduce expenditures to the fullest extent consistent with the efficient operation of the Government;

"'(b) To increase the efficiency of the operations of the Government to the fullest extent practicable within the revenues;

"'(c) To group, coordinate, and consolidate executive and administrative agencies of the Government, as nearly as may be,

according to major purposes; "'(d) To reduce the number of such agencies by consolidating those having similar functions under a single head, and by abolishing such agencies and/or such functions thereof as may not be necessary for the efficient conduct of the Government;

(e) To eliminate overlapping and duplication of effort; and "'(f) To segregate regulatory agencies and functions from those of an administrative and executive character.

" DEFINITION OF EXECUTIVE AGENCY

"'SEC. 402. When used in this title, the term "executive agency" means any commission, independent establishment, board, bureau, division, service, or office in the executive branch of the Government and, except as provided in section 403, includes the executive departments.

" ' POWER OF PRESIDENT

"'SEC. 403. Whenever the President, after investigation, shall find and declare that any regrouping, consolidation, transfer, or abolition of any executive agency or agencies and/or the functions

thereof is necessary to accomplish any of the purposes set forth in section 401 of this title, he may by Executive order—
"'(a) Transfer the whole or any part of any executive agency and/or the functions thereof to the jurisdiction and control of and/or the functions thereof to the jurisdiction and control of any other executive agency;

"'(b) Consolidate the functions vested in any executive agency; or

"'(c) Abolish the whole or any part of any executive agency and/or the functions thereof; and

"'(d) Designate and fix the name and functions of any consolidated extraits or executive agency and the title powers and

solidated activity or executive agency and the title, powers, and duties of its executive head; except that the President shall not have authority under this title to abolish or transfer an executive

have authority under this title to abolish or transfer an executive department and/or all the functions thereof.

"'SEC. 404. The President's order directing any transfer, consolidation, or elimination under the provisions of this title shall also make provision for the transfer or other disposition of the records, property (including office equipment), and personnel, affected by such transfer, consolidation, or elimination. In any case of a transfer or consolidation under the provisions of this title, the President's order shall also make provision for the transfer of such unexpended balances of appropriations available for use in connection with the function or agency transferred or consolidated, as he deems necessary by reason of the transfer or consolidation, for use in connection with the transferred or consolidated function or for the use of the agency to which the transfer is made or of the agency resulting from such consolidation.

"'SAVING PROVISIONS

" SAVING PROVISIONS

"'SEC. 405. (a) All orders, rules, regulations, permits, or other privileges made, issued, or granted by or in respect of any executive agency or function transferred or consolidated with any other executive agency or function under the provisions of this title, and in effect at the time of the transfer or consolidation, shall continue in effect to the same extent as if such transfer or consolidation had not occurred, until modified, superseded, or

repealed.
"'(b) No suit, action, or other proceeding lawfully commenced by or against the head of any executive agency or other officer of the United States, in his official capacity or in relation to the discharge of his official duties, shall abate by reason of any transfer of authority, power, and duties from one officer or executive agency of the Government to another under the provisions of this title, but the court, on motion or supplemental petition filed at any time within 12 months after such transfer takes effect, showing a necessity for a survival of such suit, action, or other proceeding to obtain a settlement of the questions involved, may allow the same to be maintained by or against the head of the executive agency or other officer of the United States to whom

the authority, powers, and duties are transferred.
"'(c) All laws relating to any executive agency or function transferred or consolidated with any other executive agency or function under the provisions of this title, shall, in so far as such laws are not inapplicable, remain in full force and effect, and shall be administered by the head of the executive agency to which the transfer is made or with which the consolidation is

'WINDING UP AFFAIRS OF AGENCIES

"'SEC. 406. In the case of the elimination of any executive agency or function, the President's order providing for such elimination shall make provision for winding up the affairs of the executive agency eliminated or the affairs of the executive agency with respect to the functions eliminated, as the case may be.

"'EFFECTIVE DATE OF EXECUTIVE ORDER

"'SEC. 407. Whenever the President makes an Executive order under the provisions of this title, such Executive order shall be submitted to the Congress while in session and shall not become effective until after the expiration of 60 calendar days after such transmission, unless Congress shall by law provide for an earlier effective date of such Executive order or orders: Provided, That if Congress shall adjourn the expiration of 60 calendar days from the date of such transmission such Executive order shall not become effective until after the expiration of 60 calendar days from the opening day of the next succeeding regular or special session.

" APPROPRIATIONS IMPOUNDED

"'SEC. 408. The appropriations or portions of appropriations unexpended by reason of the operation of this title shall not be used for any purpose but shall be impounded and returned to the Treasury.

'TERMINATION OF POWER

"'SEC. 409. The authority granted to the President under section 403 shall terminate upon the expiration of two years after the date of enactment of this act unless otherwise provided by Congress."

That the House recede from its disagreement to the amendment of the Senate numbered 15 and concur therein with an

ment of the Senate numbered 15 and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment insert "17."

That the House recede from its disagreement to the amendment of the Senate numbered 16, and concur therein with amendments, as follows:

In line 1 of the matter inserted by said amendment strike out "22" and insert "18";

In lines 2, 8, and 16 of the matter inserted by said amendment, after "authorized," insert in each instance "and directed"; and

In line 10 of the matter inserted by said amendment strike out | appeal" and insert "a writ of certiorari sought."
That the House recede from its disagreement to the amend-

ments of the Senate numbered 17 and 18, and concur therein.

Mr. ODDIE. I move that the Senate disagree to the amendments of the House to the amendments of the Senate numbered 1, 14, 15, and 16, that it further insist upon its amendments in disagreement (being amendments Nos. 1 to 16, inclusive), and ask a further conference with the House on the disagreeing votes of the two Houses thereon, and that the Chair appoint the conferees on the part of the

Mr. LA FOLLETTE. Mr. President, it is my understanding that the junior Senator from Vermont [Mr. Austin] wanted to offer a motion at the proper time before the conferees were appointed, for the purpose of instructing them. May I ask the Senator from Nevada whether he has conferred with the Senator from Vermont?

Mr. ODDIE. No, I have not conferred with him to-day, although I am agreeable to that course and am in agreement with the Senator from Vermont [Mr. Austin] regarding his amendment.

Mr. LA FOLLETTE. If the Senator is going to insist upon his motion at this time, I would feel compelled to suggest the absence of a quorum, in the absence of the junior Senator from Vermont.

Mr. BROUSSARD. Mr. President, I do not yield for that purpose. I must decline to yield any further.

The PRESIDENT pro tempore. The Senator from Louisiana has the floor and declines to yield further.

Mr. BROUSSARD. Mr. President, I regret to have to take the time of the Senate at this late day in the session when we have only a few days left with so many very important bills pending, but inasmuch as I asked for the investigation I feel it my duty, after having heard a number of speeches made against continuing the investigation or at any rate against furnishing more funds to continue the investigation, to submit some remarks.

The conditions in Louisiana for the last several years have been such that I was warned and so were my friends that there would not be an honest election. After the primary election, had I not believed that I had a majority of the people of the State of Louisiana voting for me, I should not have protested; but I am satisfied that I had, and from every nook and corner of the State and from the most highly respectable citizens of the State, I have received letters and affidavits informing me of the manner in which the primary election was conducted. I did not care to claim anything in that election for myself, but I did file a protest. I am not claiming to have been nominated and I could not claim to have been elected, if I care to do so, because this was a primary election, but I do claim that the other candidate was not fairly nominated, and not only that, but I claim he was nominated by fraud, trickery, corruption, in-timidation, and by every method known to the racketeer in this country.

It is said here that the evidence adduced before the investigating committee is not relevant. Well, Mr. President, I shall recite first a few of the facts that are in the record. I am amazed that Senators, with the experience they all have had, should come to any sort of a conclusion except that which the investigating committee should submit to them, when there are 2,400 pages of evidence which no one has read up to now, because it is not printed. The committee heard it, however, and I heard every word of that testimony in person. It is shown that the junior Senator from the State of Louisiana selected Mr. Overton as a candidate to oppose me; that he selected the managers to manage that campaign, and that he then and there took charge and made of those managers nothing but clerks and he himself managed the campaign, and all the time in company of Representative Overton, who claims to have been nominated

The junior Senator from Louisiana says that his organization raised the funds for that campaign. Representative Overton's report to the investigating committee was that

he spent between four hundred and five hundred dollars in that campaign for personal expenses, and that the Louisiana Democratic Association had taken charge and raised the funds and expended them.

Then the committee asked him who were the officers of the Louisiana Democratic Association, and he said he did not know. And, Mr. President, he could not know, as I shall show in a few moments. Nobody knew. Here is the testimony of the junior Senator from Louisiana himself before the first hearing held by the Senator from Texas [Mr. Con-NALLY] and the Senator from New Mexico [Mr. Bratton]. In that hearing here is what Senator Long said:

We want to join that view-

Making an observation as to what had been said beforeand state that we were the first ones who tried to stop it.

Senator Bratton. You refer to the Louisiana Democratic Asso-

ciation?

Senator Long. Yes, sir

Senator Bratton. Will you tell us who is the president and

Secretary of that association?

Senator Long. It did not have any president. It was an organization I formed to defeat the regulars during the impeachment in 1929. In other words, the old New Orleans organization took over my organization.

Then there is a dash, showing that he hesitated-

Major Sullivan was my leader. Mr. Rightor and I were sleeping in the same political bed then.

Mr. Rightor was representing me at that hearing, and he

No, sir; I never voted for you in my life, Senator, and I never slept in the same bed, and never will.

Senator Bratton. This association did not function in this

recent primary?

Senator Long. Oh, yes; yes. Senator Bratton. Who directed that organization? Senator Long. Well, it was directed by—

And there are a few dashes.

It was just used-

And there are some more dashes-

I would say that the head of it would have been myself and that the-

Dashes again-

We had two campaign managers, Mr. Peltier and Mr. Ellender. We never thought about a treasurer until Senator Howell wired us and asked who he was.

Before I proceed further I want to give the date of that testimony. It was on October 5.

In 1928 there was what you might say-

Senator Long continuing-

what was known as the Old Regulars and the New Regulars. what was known as the Old Regulars and the New Regulars. Now, the New Regulars and the Old Regulars coalesced, and that left me with what you say those who stayed with me, and I named mine during the impeachment, the Louisiana Democratic Association. We didn't have many people at the naming of it, and we were pretty well in control, and never thought of naming officers. Senator Connally. This Democratic association of which Bratton inquired, does it collect money for campaign funds? Senator Long. Yes; they collected some money. Senator Connally. Did it do that during the last senatorial campaign?

Senator Long. Yes: it didn't collect much, but we collected it.

Senator Long. Yes; it didn't collect much, but we collected it for them. Senator Connally. You mean for the association?

Senator Long. I collected money that I gave the association.
Senator Connally. To the Democratic association?
Senator Long. Yes; and various other people did. It might not have gone through any officer, but we paid the bills. We collected about \$13,000.

We want this investigation to continue, Mr. President, because we have established that in certain departments which we have had time to cover, 8 and 10 per cent assessments were made in the month of September, and we have the names of other departments that are already in the record where it can be shown that \$77,000 were collected in the month of September for political purposes in the campaign against me. Of course the other side claims other-

Senator Connally. That is, these expense items show on this file Senator Long. Yes, sir.

That was the last report made by Peltier and Ellender, the managers, or supposed to be the managers, for Representative Overton.

Senator Connally. And that money was largely collected by the Democratic organization.

Senator Long. Yes, sir; the members of it contributed.

Then he goes on to describe how they raised the money, accounting for \$13,000.

Representative Overton reported to the committee that he expended between \$400 and \$500 during that campaign in paying his personal expenses, and that he had no other expenses. Traveling with him and the junior Senator from Louisiana were one or two high-sounding trucks with phonographs, loud speakers, and platforms on top where shows and circuses could be held, carrying the occupants and the helpers inside of these trucks that may have cost anywhere from \$10,000 to \$15,000 each. The same trucks he took across the line into Arkansas, followed by a highway truck carrying printed literature, to be used in Arkansas, and escorted by a retinue of 15 or 16 armed men all the time. He even brought gunmen for his personal guard into the very presence of the senatorial committee, and then he comes here and calls them policemen.

Nobody knew what this organization was. No one claimed to be an officer of it until the committee demanded that they give the names of the officers, and within a few days after the first session was held by the committee we find that they have a new president, Mr. Robert Maestri, and that they then have an organization. However, up to this time there were no officers, and Maestri's account as filed in the record accounts for but very little of Representative Overton's campaign expenditures, but goes back to the campaign held in January, 1932, when the governor of the State was elected, because they had been found out collecting money and forcing employees, even those earning the lowest salaries, wage earners, to contribute 10 per cent of their pay. That is in the record. They wanted to account for that and they said, "We gave \$300,000 to the unemployed; we paid the deficit of the Allen campaign, and we had so much that we gave it to Representative Overton's campaign. However, Mr. President, they had no officers during that time; they had no officers for some time after the 5th of October, when the demand was made by the committee that they name them.

During all that interval, during the last four or five years, there was a man who is the manager of the Roosevelt Hotel, named Weiss. He testified in the last hearing that he is the "clearing house," that he collects the money and disburses it. When he was asked how did he collect it, how did he disburse it, he said in cash. He was asked why he did that. He said that he did not have to deposit it. Asked for a reason, he told the committee many different times that it was none of their business. He was a "clearing house." To him all the money was brought, and he disbursed the money. We want to find out, and it can be found out, what these moneys were, where they came from, and where they went.

Let no man on this floor think that this is a fight against the junior Senator from Louisiana; but Representative Overton can not be separated from the junior Senator from Louisiana, because Representative Overton never would have been a candidate nor would he have made a campaign, except by the side of the junior Senator from Louisiana, who managed his fight and disbursed the money directly or through Weiss.

We want to show the system and the methods used in robbing elections in the State of Louisiana, which has been going on for a little while, in order to show that the nomination of Representative Overron is tainted with fraud.

Who, in this Chamber, would take the attitude that he would stop a judge halfway in a case and tell him to render a decision? I have seen cases based on a written contract where the court has stopped the proceeding; but when fraud and corruption are charged the rules of evidence are thrown wide open, and they do not apply, and

every avenue that might shed light upon the question is open to investigation.

Shall this committee be held to strict proof such as would be required under a written contract? Fraud never could be discovered in that way; and the law specifically provides that where fraud and corruption or intimidation are alleged, other things can be done besides following those rules, and any remedy is available that the presiding officer thinks is justified in arriving at a conclusion; but the Senate can not stop this investigation halfway. It would have been better not to have started it at all than to do that.

What are you going to do with Weiss, who defies the Senate of the United States? Do you propose to stop these hearings and let him stand out brazenly boasting that he has defied the Senate of the United States?

Some of the Senators, I understand, have stated that the matters offered were irrelevant. The junior Senator from Louisiana made certain selected extracts from 2,400 pages of testimony, which he read to the Senate. Any case can be proved out of 2,400 pages.

Some have said to me that the question of Indian blood was brought in. That is untrue. The only time that came up was when the brother of the junior Senator from Louisiana was asked a question, and he volunteered the statement that his brother, the junior Senator, would even pretend to have Indian blood to get votes. It was not asked by the investigator or by the committee. Nobody went into that. Nobody went into anything that I think is improper.

May I say to the Senate that there are five members of this committee. Not one of them can say I spoke to him about the result of this investigation. Not one of them can say that I ever asked him anything except as to dates of meetings. I never tried to approach them. I never saw General Ansell until I reached New Orleans and got into the chamber where the hearings were held. I have not seen him since. I held no conversation with him other than at the counsel table inside of the committee room in New Orleans. Their theory of this case is one that they have evolved themselves, without any suggestion from me.

How could Representative Overton ignore the fact that money was being spent for him when he was traveling in high-priced cars with the junior Senator from Louisiana, escorted by a bunch of followers in high-priced cars, followed by highway trucks carrying literature for John H. Overton and other candidates? Where did he think the cost came from—from heaven? Still, he says he never inquired. Just the other day he was asked again, "Who are the officers of the Louisiana Democratic Association?" and he said he did not know. He does not know yet, except that he read that Mr. Maestri had been elected, and then Doctor O'Hara. What they wish to do, may I say, Mr. President, is, after the foundation has been laid to connect Congressman Overton with this, to stop these hearings; and that is the effort that is being made here.

I have yet to speak to a single Senator, save probably one, about this matter. I have done what I conceived to be my duty, and I have confidence in the Members of the Senate. I know that if they permit this investigating committee to continue their work they will do what the engineer speaks of as tying the ends. The evidence is already found. The witnesses are known. What needs to be done now is merely to call them up. The expense of finding them has been incurred. It is known where they are. It is known who they are. It is known what they know. Then why not let the committee go back there and finish up this matter.

I do not believe there is a single Senator on this floor who, if charged with matters such as I have charged against Representatives Overton, would stand for anybody's making any suggestion that the hearings be stopped. I myself, and all of you, would be demanding that they complete the investigation. If he is innocent, let this committee continue and prove him innocent. If we stop here it will be a mark against him the rest of his life.

I have nothing against Representative Overron. I went to school with him. He has voted for me every time I ran; but he has fallen into bad company, and there are many others in my State, unfortunately, who have. I can tell you, however, why he does not take that stand. He has a counsel, and the counsel is resorting to the same tricks that he has been resorting to in Louisiana for a long time. There is a big show on, and he is going back and starting little side shows.

When the legislature—the Senator's legislature, then governor-authorized a committee to investigate the highway department, he vetoed the bill. He will not have any of that. In the last general election in the city of New Orleans, with not a candidate against the Democratic candidates. with no opposition, there were, however, constitutional amendments that had to be carried; and the junior Senator from Louisiana holds the machine that can count these votes. What did he do? In a fight where a justice of the supreme court was running, where a Senator was to be elected, where the Members of the House were to be elected, where every judicial officer in the city of New Orleans was to be elected, still, when they counted the votes on election day, without opposition, they found that 2,000 votes had been cast more than were cast in the election of all the above candidates; and in that election they had cast about 20,000 more than they should, probably 30,000.

What did he do? The district attorney of the city of New Orleans ordered four of the boxes brought to the grand jury. What did they show? Take a ward with 17 precincts: They are all published. They will all be in this record if they are not in there now. For the amendment, 385; against, none. There were 17 of them the same way, ward after ward and precinct after precinct. So the attorney general, elected on the junior Senator's ticket, goes over to the grand jury room and tells the district attorney to step out; that he is going to take charge of that matter. Under the law he has that authority; and he tells the newspapers that the district attorney insisted that he write him a letter. He said, "He can not investigate that. It might prevent the sale of the bonds." It was not a question of whether it was crooked or not. So that is the kind of trick that has inveigled Representative Overton into demanding that this thing be not completed.

The junior Senator blocked his own impeachment, which I shall come to very soon. The things that I should like to refer to are too numerous to mention.

The other day it was stated on this floor that the Broussard element did not expect to win. That is untrue. The Senator talks about an arbitration committee. Well, an arbitration committee of such followers as are drawn at the time for that particular purpose can not displace commissioners such as these. It is said that their report shows that it was a quiet election. If there are five commissioners against me, what complaint could there be? And it is in this record how many precincts there were where I had no representation, not only in the city of New Orleans but in 33 of the parishes of the State, containing over two-thirds of the people of the State of Louisiana.

The Senator talks about reducing the State pay roll. That is what we want to prove. We have already laid the basis to prove an increase. If he reduced the pay roll, why does he not let us show that to the committee? Why does he want the committee to stop investigating?

I want to cover the question of dummy candidates, because I do not think that is understood by many people outside of Louisiana. Those who are not here I hope will read it.

The junior Senator says that he put up dummy candidates because the other side had done so. In the parish of East Baton Rouge, in one ward, they put up 13 candidates for the school board.

The other candidate he refers to as St. Amant. I do not know St. Amant. He was running for the public-service commission, and he campaigned for a while, but after a while he withdrew when he saw he had no chance. What did they do? They put up nine candidates for the public-utilities commission against a candidate named LeBlanc, the district covering 29 parishes (counties).

The junior Senator has cited the fact that the supreme court had held against withdrawing those candidates, deny-

ing them the right to name commissioners. In all those cases cited by him the filing of the suit was after the drawing of the commissioners, when there was so little time left that the supreme court said, "There will be no time to draw new commissioners. Therefore we will let the present commissioners stand."

In this case, however, the day after the nominations closed suit was filed and Judge Butler was the presiding judge. These dummy candidates were called before the court, and they admitted that they were not candidates. One of them, Hoffman, admitted that, and the attorneys admitted that all the rest would testify in the same way. They were not candidates, but they had been asked to go on the ticket in order to furnish commissioners, so Judge Butler ruled that they had no right to and enjoined them from filing commissioners.

This matter went before the supreme court, and the supreme court had ample time and did decide before the election this very case. On that supreme court there are seven judges. Judge Land was in Europe. There were six judges sitting. One of them was a brother of Representative Overton. Another was Judge St. Paul, who took the position that they had no jurisdiction. Of course, Judge Overton should not have sat in that case. Judge St. Paul was a candidate for the supreme court himself at that very election, and they had for just one office down there in Orleans 13 candidates for judge in order to get commissioners. Judge St. Paul sat there, and three of the judges wanted to agree with Judge Butler's decision.

Much to my regret, I found myself in a position to have to denounce Judge Overton and Judge St. Paul, and I did it all over the State; and the junior Senator from Louisiana, after I made a statement, distorted it, and he did that on this floor again.

I made this statement on the stump, and made it in every town I went to. I said:

If I had a brother on the supreme court of this State and I could not convince him that honor compelled him to retire from that case, I would be so ashamed of myself for him that I would withdraw from the race.

He said the other day that I said I was not a serious candidate, and that I expected to withdraw. Nevertheless, Judge Overton sat on that case and Judge St. Paul sat on that case, and they brought in Judge Higgins, and he delivered the opinion, saying the court had no jurisdiction.

Mr. President, I want to tell the Senate what the court said, notwithstanding they decided against LeBlanc. I want to read what they said. I want to show what these dummy candidates admitted. The court had held before that, if a man says he is a candidate, that statement can not be questioned. If he claims he is, one can not say he is not. But here is the judgment of the supreme court. It said:

On the trial of the rule nisi the respondent judge, after having heard argument upon the exceptions, reserved his ruling, declaring that his conclusions in that respect would be thereafter announced, and proceeded to try the rule on the merits. During the course of the trial the plaintiff called one of the defendants, Edward R. Hoffman, to the stand for the purpose of cross-examination. He was asked concerning his good faith in offering for the position of public-service commissioner. His counsel promptly objected, upon the ground that the testimony sought to be elicited was not responsive to any of the allegations of the petition, and upon the further ground that the court was without jurisdiction to inquire into the bona fides of the defendants. These objections were overruled, whereupon counsel for the defendants admitted, subject to his objections, and with a reservation of his rights under his exceptions, "that the witness on the stand, if examined in this case, and the other three defendants in this case, if placed on the stand and examined, would testify in accordance to the allegations of fact contained in the plaintiff's petition, except as to those allegations of a conspiracy among themselves."

The other dummies lived and had to be sued in another parish.

The court said then:

In other words, it was admitted that none of the four-

That is, four in one county.

In other words, it was admitted that none of the four defendants were bona fide candidates in the respect that they had no intention to run for the offices for which they had announced, and had qualified merely for the purpose of putting additional names on the list from which the commissioners of election were to be drawn for the purpose of favoring a candidate other than the plaintiff in this case.

The court further said:

To countenance the practice here resorted to would lend judicial sanction to the destruction of the objects and purposes of the primary law, the most important of which is to insure fairness in primary elections.

But they decided the other way.

Mr. President, in answer to the concluding part of the speech of the junior Senator from Louisiana on Tuesday, I wish to insert some doggerel here, except that I want to delete the last word. I would like to have it inserted in the RECORD at this place.

The PRESIDING OFFICER (Mr. Russell in the chair) Is there objection?

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

[From the Washington Post, Thursday, May 19, 1932]

"I TOLD YOU SO!" LIARS AND EGOTISTS ARE ALLIED

By John J. Daly

told you so!

knew it all the time.

have inside information.

I—Ego—am a great guy because I think so. As a man thinketh so is he. I am convinced that I am imperial.

I know all there is to know—on any subject. That is why I am privileged to intrude on other peoples' preserves, into their private business. I am a sacred person. I, I, I, I, I.

The I has it

It is natural that I should figure so prominently in human affairs. See who I am. I am the Great, I am.

I am a man!

All the world centers about my person, my activities, my hopes, my ambitions, aspirations, my desires. I control the universe. The sun shines for me. I am the reason why flowers bloom, shedding their fragrance for me. I am the listener to the songs of the birds. For me the moon shines and the stars twinkle. The earth turns on its axis once every 24 hours because I must be kept in motion.

I am the cause of the seasons' changes—the summer warmth to soothe me; the showers of spring to bathe me; the fruits of autumn to comfort me; the blasts of winter to stir my royal

autumn to comfort me; the blasts of winter to stir my royal blood. I have the day for my endeavors and the night for sleep. For me the ocean pulsates, and I am covered by the vaulted canopy of heaven, the sky. I am the biggest factor in life.

There is no other. Even when I pray I place myself before the Supreme Being—"I believe in God, the Father Almighty, Creator of heaven and earth," who put all these magnificent gifts at my service, that I should be happy in this world and in ecstasy former in the post. ever, in the next.

Here I am a citizen, a gentleman, and a scholar. There I shall e an archangel. I shall own my own ark, a celestial bark, and be an archangel.

I will be the captain.

I know more than anybody else—professors, teachers, preachers, students, and statesmen. To me all doors are open, for I hold the key to the book of knowledge. I am all things to all men, especially in their sorrow and distress. I bring them the will-o'the-wisp happiness, if only momentarily. I am everything but humble.

Oh, yes; I almost forgot to say that I am a -

Mr. BROUSSARD. Mr. President, the junior Senator from Missouri [Mr. CLARK] the other day said that he appealed to the committee to go to Missouri, and that they told him if he had any proof, to send it or to send some evidence. The Senator stated that if they had proof, they would prosecute in their own State. We can not do that in Louisiana. The statute of frauds in the primary election laws were declared unconstitutional, and all efforts made since that decision have been fruitless, because it has been killed in the legislature.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. BROUSSARD. I yield.

Mr. CLARK. I want to call the Senator's attention to the fact that what I said was that the essential purpose of such a committee as the Howell committee, in my view, was to prevent violations of the law and to supply process for investigation. In Missouri there was evidence of the excessive use of money on every hand, but, of course, neither the man putting out the money nor the man handling it desired to come in and give us an affidavit we could send to the committee. What we wanted was process to get the testimony.

Mr. BROUSSARD. Mr. President, the first part of my

that in Missouri there is a law under which a man who violates the election laws of Missouri may be punished, but we have no such law in Louisiana, and so we can not go to court in a case like that. The courts have held that the statute is unconstitutional. The house passed a bill at the last session, last year, in that regard, but the senate killed it.

Mr. President, the junior Senator from Louisiana seems to have concentrated all of his animosity against the counsel of the committee, whom I had never known before this investigation. But since he believes that the criticism of counsel in this investigation is material, inasmuch as in this particular case he is not only a Senator but Congressman Overton's counsel, I wish to make this comment. The Senator says that General Ansell wrote his own commission. I do not know whether that is true or not. My experience in the Army-and I have been in the Army-leads me to say that had he done that, he would not have been permitted to resign. But it comes with poor grace from the junior Senator, who, in filling out his questionnaire at the time of the draft, when we entered the World War, represented himself as a public officer and thus entitled to exemption in the draft. When he had to answer further, he wrote down that he was a notary public. The local draft board decided that that did not entitle him to exemption. Not satisfied with that decision, he appealed to the State board, and when the State board stood by the local board he appealed to the Federal board. That is how this document is here and is of record in the War Department.

The next charge is that General Ansell represented Bergdoll as a lawyer. I do not know what significance is to be given to that, when it is considered that the House did not act on the report. It was merely a committee report.

Now I wish to place in the RECORD the full text of the impeachment resolution against Governor Long, as carried in the New Orleans Item of March 26, 1929.

(After reading the first 13 articles:)

Mr. President, this is very long, so I ask that it may be inserted in the RECORD without further reading.

The PRESIDING OFFICER. Without objection, it is so ordered.

The matter is as follows:

Whereas Huey P. Long, Governor of the State of Louisiana, has

Whereas HUEY P. Long, Governor of the State of Louisiana, has been guilty of high crimes and misdemeanors in office, incompetency, corruption, favoritism, oppression in office, and gross misconduct: Now, therefore, be it

Resolved by the House of Representatives of the Legislature of the State of Louisiana, in open session convened, That the said HUEY P. Long be, and he is hereby, impeached for said offenses, and ordered to be tried by the Senate of the State of Louisiana sitting as a court of impeachment, as provided in the constitution of the State: of the State;

Resolved further, That the following are hereby adopted by this house of representatives as the articles of impeachment against said HUEY P. LONG, to wit:

That he has used the appointive power of the governor with the hope of influencing and in the attempt to influence the judiciary of the State, and has publicly boasted that he controls said

That he, the said HUEY P. LONG, while Governor of the State of Louisiana, has bribed or attempted to bribe a member or members of the State legislature, contrary to the constitution and laws of Louisiana and especially Article XIX, section 20, of the constitu-

That in violation of the constitution of Louisiana he has habitually required, as a condition to appointment to public office, signatures of appointees to undated resignations, so as to give him, the said Long, the power of removal of public officers whose terms are fixed by the constitution or statutes of the State of Louisiana

ARTICLE 4

That he has, through himself and through boards controlled by him, wasted, misused, misapplied, and misappropriated funds and property of the State of Louisiana.

That he has, through himself and through boards controlled by him, contracted illegal loans for the State of Louisiana in violation of the constitution of the State.

ARTICLE 6

That through himself and through boards controlled by him, statement was merely to lay a premise, to make the point he has removed school officials of the State for purely political purposes; and that he has been and is using said powers for the purpose of intimidating teachers and pupils in the schools and educational institutions of the State, to the end of suppressing free thought and free expression of opinion and of politicalizing the educational institutions of the State, including the public schools.

That he has, in time of peace, and not in aid of or at the request of civil authorities, and while Governor of the State of Louisiana, subordinated the civil authorities to the military contrary to the provisions of the constitution of the State of Louisiana, and as commander in chief of the State militia, has attempted to impose his own will through the said militia as superior to the courts of the State without declaring martial law, causing the said militia to loot and pillage private property and to take from the person of certain individuals their private property and destroy private property without due process of law. erty, and destroy private property without due process of law, all without legal authority and contrary to Article I, sections 2, 7, and 14 of the constitution of the State of Louisiana of 1921.

ARTICLE 8

That he has, as Governor of Louisiana, attempted to force official bodies in the parishes of the State to follow his dictation in regard to public litigation, as the price of permitting the passage of legislation affecting such parishes.

ARTICLE 9

That he habitually carries concealed weapons upon his person, both in his office and on the public streets and highways of the State of Louisiana, in violation of the laws of the State of

That he has repeatedly been guilty of violent abuse of officials of the State of Louisiana, members of public boards of the State, and private citizens visiting him upon public business.

ARTICLE 11

That he, the said HUEY P. LONG, while Governor of Louisiana, has been guilty of gross misconduct in public places throughout the various parishes of this State, and particularly that he did, on or about February 12, 1929, in the city of New Orleans, parish of Orleans, Louisiana, participate in an entertainment where intoxicating liquor was served to him and to other guests, contrary to the constitution of the State of Louisiana and the Constitution and laws of the United States of America, at which entertainment the said HUEY P. LONG, Governor of the State of Louisiana, did deport himself in a scandalous and indecorous manner, thus holding up the State of Louisiana to ridicule and shame.

ARTICLE 12

That the same Huer P. Long has publicly flouted the Constitution of the United States and of the State of Louisiana and has usurped to himself the powers of the legislature of the State and of the committee thereof, and has on occasions commanded the breaking of the quorums of said committees with the purpose in view of preventing the consideration of proposed legislation by

That he has been guilty of favoritism, in that after plans and specifications for a refrigerating plant had been submitted and approved by the officials of the Louisiana State penitentiary involving an expenditure of \$20,000, and upon the condition that bids, therefore, should be advertised, he, the said Huey P. Long, ordered the penitentiary officials to divide the order for said plant into numerous orders for separate and inoperative units, the purchase price of which units fell below the sum of \$1,000 rendering public bids unnecessary therefor and gave the orders therefor to one W. K. Henderson, a personal and political friend of the said Long, as is shown and contained in the affidavit of one Bernard L. Kiernan, published in the daily press of the State of Louisiana, Monday, March 25, 1929, all in violation of the law and in contravention of the requirements of the law with reference to the advertisement by public boards of this State for bids on all material and equipment in an amount in excess of \$1,000.

ARTICLE 14

That the said HUEY P. LONG did while Governor of the State of Louisiana and in the city of Baton Rouge, and in a public place on or about the — day of March, 1929, intrude himself upon, threaten, and attempt to intimidate Charles P. Manship, owner and publisher of the Daily State Times, a newspaper published in the city of Baton Rouge, on or about the — day of March, 1929, and did threaten to make known and to cause to make publicly known the infirmities of a member of said Manship's family in his exercise of his rights as a citizen of the State of Louisiana and in an attempt to suppress the freedom of the press in lawfully opposing and criticizing certain legislation proposed or pending in the legislature of Louisiana of the special session of 1929, all of which being in contempt of the laws of the State of Louisiana, and particularly denounced as a crime by act number 110 of the and particularly denounced as a crime by act number 110 of the legislature of 1908.

ARTICLE 15

That the said Huer P. Lone did, while Governor of the State of Louisiana and in the City of Baton Rouge, parish of East Baton Rouge, La., during the months of February and March, 1929, demoish and destroy the executive mansion, being the property of the State of Louisiana and did raze the property to the ground without legal authority and in violation of his oath of office.

ARTICLE 16

That the said Huey P. Long, while Governor of the State of Louisians, and in the city of Baton Rouge, parish of East Baton Rouge, did destroy or dispose of property belonging to the State of Louisiana, being the furniture and fixtures then located in the executive mansion, executive offices, and in the offices of the State highway commission, the State tax commission, and the supervisor of public accounts, and he, the said Huey P. Long, governor, has made no accounting for said property thus destroyed or disposed of in violation of law and his oath of office.

ARTICLE 17

That the said Huey P. Long, while Governor of the State of Louisiana, and in Baton Rouge, in the parish of East Baton Rouge, La., in violation of the law and of his oath of office as governor of La., in violation of the law and of his oath of office as governor of the State, and over the objection and protest of the board of parole of the State of Louisiana, the only lawful body authorized to grant paroles to prisoners confined in the State penitentiary, did, on or about the 12th of November, 1928, parole and discharge from the State penitentiary of Louisiana a convict by the name of Elmer Dunnington, convicted of the crime of embezzlement in the parish of Tangipahoa, La., on the 16th day of March, 1925, the said Dunnington being ineligible for parole at the time.

ARTICLE 18

That the said HUEY P. LONG, Governor of the State of Louisiana, has repeatedly, while both branches of the legislature were in open session, appeared within the bar of the house and the senate and intruded upon the deliberations of each of said bodies by personally attempting to impose his own views on the members of the house and senate as to the merits of the pending legislation, all in violation of the constitution of the State of Louisiana, which provides for three separate and distinct branches of the government, and which prohibits the members of each of those branches from usurping or exercising the duties that belong to another, thus using the executive power of the State to interfere with the duties of the legislative branch of the government, all in violation of the oath taken by the governor of the State.

ARTICLE 19

That he, the said HUEY P. Long, while Governor of the State of Louisiana, in the city of Baton Rouge, and in the parish of East Baton Rouge, La., did attempt to hire and induce one H. A. Bozeman to kill and murder one J. Y. Sanders, jr., a member of the House of Representatives of the State of Louisiana, as shown and set forth in the sworn statement of H. A. Bozeman of date March 25, 1929,

Wherefore, for the above and diverse other offenses, the house of representatives demands trial hereof by the senate, duly convened as a court of impeachment.

Mr. BROUSSARD. Mr. President, there is an editorial printed in the New Orleans Item under the heading "Jekyll and Hyde" Long, on March 26, 1929. The editor and the proprietor of this paper is James M. Thompson, who is now a great friend of the junior Senator from Louisiana and was his candidate for Secretary of War, and, by the way, is a brother-in-law of the junior Senator from Missouri [Mr. CLARK]. I ask that the editorial may be inserted in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The editorial is as follows:

[From the New Orleans Item, March 26, 1929] "JEKYLL AND HYDE" LONG

Of course, last night's proceeding in the Louisiana House of Representatives is explained this morning as "all a mistake, just a bit of misunderstanding as a result of confusion."

just a bit of misunderstanding as a result of confusion."

But if the senate had adjourned sine die, on false information reported to have been conveyed to it from the house, and if the action attempted by ex-Speaker Fournet, notorious as a political creature of Governor Long, had stuck with the senate, the house of representatives would probably have been obliged to go through months of court proceedings to establish the fact that it had not been adjourned sine die in spite of the desire of nine-tenths of its members to remain in session.

In other words, a great body of decent, honest, disinterested

In other words, a great body of decent, honest, disinterested citizens of Louisiana who want the good name and reputation of the State preserved, could by this trick have been thwarted in their desires. And to-day they would be the laughing stock of tricksters, self-seekers, and charlatans who would remain in control of our State government.

It is a time for honest men to be on guard at Baton Rouge. It is time for all men to realize that in dealing with Hurr Long they are dealing with a man who is neither ordinary or normal. For a long observation of the public men of our generation we recall no parallel to this man in either his personal or public career

On Sunday, last, Herman P. Deutsch, writing from Baton Rouge for the Item-Tribune, spoke of Jekyl Long and Hyde Long, comparing Governor Long to the famous characters, Doctor Jekyl and Mr. Hyde. Fit these characters into last night's attempted trickery on the senate by Mr. Long's creatures in charge of the house machinery. Note how quickly it all becomes a "mistake" as soon

as the trick failed, and watch the game Long plays as the proceed-

ings go on at Baton Rouge.

ings go on at Baton Rouge.

But healthy, wholesome normalcy seems to be returning to the legislature—which this extraordinary and abnormal man boasted in public meeting to be his deck of cards which he could shuffle and handle as he desired.

Many of these men have been simply temporarily hypnotized, as have been many others outside the legislature, by this extraordinary and abnormal man—a person who seems to have no respect whatever for the decent opinion of mankind.

We would caution these men in dealing with Long to take most careful counsel among themselves and to put none but true and tried and trusted men on guard to deal with him and with his case.

his case

Normal men and women will be shocked into unbelief when they read the confession of "Battling" Bozeman—a political supporter, personal friend, confidant, and personal bodyguard of Governor Long until a few days ago. Bozeman simply claims that Long attempted to get him to murder young J. Y. Sanders, a member of the legislature. And it was to stop the privileged exposure of this statement made on the floor of the house that Long tried to delerme the legislature by a grade triek. adjourn the legislature by a crude trick.

Yet is this charge of Bozeman any more unbelievable than Long's broadcasting to Louisiana and the world his determination to bring to terms Charles Manship and his papers in Baton Rouge by broadcasting the fact that Manship had a brother who was a patient in an insane asylum?

The list of abnormal things this man has said and done can be multiplied indefinitely. And these things are being blazoned to the four corners of America to the temporary detriment of the good name and reputation of Louisiana. Indorsed by the legislature and continued for the next three years they will do the State great harm.

There is no doubt that it is the duty of the legislature to investigate this man thoroughly, fairly, and impartially. It owes this

to its own membership.

This paper doesn't believe that Louisiana is safe with the legislature adjourned.

Mr. BROUSSARD. Mr. President, there is only one thing I want to deal with tending to show what happened to the impeachment charges. The impeachment charges were sent to the Senate of the State of Louisiana. I read from the New Orleans Times-Picayune of September 14, 1929, that a special session of the legislature was to be held September 22, 1930, soon after the impeachment charges had reached the senate and the governor, according to the press and according to those present at the legislature, had given enough positions to senators to get 15 of them to sign a round robin that no matter what the proof might be they would not vote to convict him. Thereupon the senate adjourned. But the proceedings were still pending. We find him then getting together with the regular organization in New Orleans, against whom he had been very much opposed. We find that the Times-Picayune said on the 14th of September, 1930, that the governor would call the legislature to convene in special session on Monday, September 22, to consider a constitutional amendment providing for paved roads, and so forth. Things moved fast.

Individual negotiations were quickly effected and compromises made. We find that on the 16th of September there was published a call of the legislature, dated September 15, calling the legislature to meet on the 16th at Baton Rouge. We find that the press carried a statement that the governor had arrived at a conclusion with the organization in New Orleans, or with some of the leaders in New Orleans. To quote the Times-Picayune of September 16:

Opposition was expressed by certain old regular leaders and members of the legislature, it was said, to the governor's pro-posal that the impeachment charges against him in the senate be dismissed, and that the board of managers named by the house of representatives to prosecute the governor on the impeachment charges be discharged.

We find the same statement carried by the New Orleans Item. Remember, the legislature met on the 16th. On the 18th of September, two days afterwards, carrying out the deal that he made with the organization in New Orleans, a resolution, such as was agreed should be adopted, was adopted. Even if all the formalities had been waived and the usual delays avoided, no action could legally have been taken on a bill within five days, but the resolution passed within two days. The legislature met on the 16th and on the 18th the resolution was passed in the house asking the senate not to prosecute the case.

Mr. President, I mention all these things, not that I know General Ansell but because of the unfairness of the Senator with that record coming here and talking about Ansell.

I have here a circular which the junior Senator from Louisiana sent all over the State when the committee adjourned, calling it a "kangaroo court" in most scurrilous language. I do not think it is fit to go through the mails. I am afraid to offer it for insertion in the RECORD. It is an insult not only to the committee but to the Senate of the United States, because that committee represented the Senate of the United States. He calls everybody scoundrels, liars, and thieves.

Let us see what the Senate of the State of Texas said about the Senator. I assume, Mr. President, that an act of the senate of the legislature of a sovereign State is permitted to be read here without deleting anything. Here is what the Senate of the State of Texas said about the present junior Senator from Louisiana who talks about General Ansell being condemned by some committee:

> SENATE OF TEXAS, STATE HOUSE, AUSTIN, TEX., September 16.

The Senate of Texas in a formal resolution adopted by a vote, 21 yeas to 7 nays, denounced Gov. HUEY P. LONG-

Well, I will not read that part because it is not the resolution-

As a consummate

The resolution describes the statement made by Governor Long that the Legislature of Texas had been bought like a sack of corn to vote against the cotton-prohibition plan.

The full text of the resolution follows, and I think I am within my rights in reading it:

Whereas the Associated Press of the date of the 16th of September, 1931, carries a statement issued by Gov. Huer P. Long, of the State of Louisiana, as follows:

"It is an open matter of conversation—

These are the words of the junior Senator from Louisiana who was then Governor of Louisiana

"It is an open matter of conversation and of world-wide known fact that members of the Texas Legislature have been bought like a sack of corn to vote against the cotton-prohibition plan. It is so well known that it is a matter of openly admitted conversation that they have paid them off like a slot machine. Every State in the South is ready to vote the prohibition plan and the people of Texas are voting for it, but the corruption at Austin alone stands in the way. It is a standing disgrace to the shame of the South and to the impoverishment of the people."

Then the resolution goes on:

Whereas this statement is not only untrue but carries the vice

Whereas this statement is not only different the vice of a lie and the venom of a liar; and
Whereas it is an assault by the executive of the State of Louisiana upon the legislative department of the State of Texas, and should not be permitted to go unchallenged, but should be met with a proper denial and denunciation: Now, therefore, be it

Resolved by the Senate of Texas (the House concurring), That the above and foregoing quoted statement of Hury P. Long, governor of the State of Louisiana, is a lie made out of the whole cloth, and its author is a consummate liar.

Mr. President, I hate to use those words, but if a man employed as counsel by a committee of the Senate who appeared once before a committee of the other House, which submitted a report which was never acted upon, may be called a scoundrel, a thief, and a liar and everything else on this floor, then on this floor I think I owe it to the Senate to show the record of the man who does that, for I am not speaking of him as a Senator; for he is also counsel in this case. As I have said, I have here a circular that went all over of the State of Louisiana. I would not want to read it because it is not privileged, but I think what I have read is privileged.

Mr. President, there are many things that may be brought out and that can be brought out, I am told. I do not know of them intimately and personally, but I have been told so in a general way by the investigators. I never had any private talk with them, but I have had conferences in the presence of members of the committee, and I think that the investigation ought to be continued because it has gone too far to be stopped. Otherwise it should not have been started at the beginning, but as it has been started it should be finished.

Mr. President, I shall reserve whatever else I have to say for some later date.

Mr. LONG. Mr. President, I wish to correct only such matters as are patent errors in my colleague's statement. I do not wish to discuss matters that are not shown by the record. I do not think it would be relevant to this case to try the public or private career of my colleague, because I do not consider that to be relevant.

My colleague has seen fit, Mr. President, to read the articles of impeachment preferred against me by the Legislature of Louisiana in 1929. Those articles were preferred against me by the house of representatives in the month, I think, of April, 1929. The same members of that house, Mr. President, sent a committee to the senate the following year to withdraw them, and they were withdrawn. That was done as the result of the election which occurred in the State of Louisiana between Senator Joseph E. Ransdell and myself, in which I was elected to the United States Senate, and everybody who ran on the ticket which I had the honor to head was elected in the same election.

The same legislature, Mr. President, which preferred those charges of impeachment—based on the ground that \$2,000 in one instance had been spent illegally and that \$400 in another instance had been spent illegally—the following year the same legislature, composed of the same members, voted approximately \$100,000,000 to be expended by my administration, and that action was ratified by the people by majorities of 15 or 30 to 1. That is the means and the manner by which the impeachment received its final quietus.

I did not have the help of my colleague, Mr. President, in that impeachment fight which I am satisfied he considers to his aggravated honor, but in my colleague's fight he had my help.

My colleague has seen fit to say that the Senator elect from Louisiana, Mr. John H. Overton, was such an elegant man that he was at one time his schoolmate and had supported him for every public office; but, says my colleague, Senator-elect Overton fell into bad company in the last campaign. However, six years before my colleague was in the same company that Senator-elect Overton was in during the last campaign. My colleague sat on the speakers' stand with me at nearly every meeting that was held in his campaign six years previously, and it did not seem to injure the good service of my colleague, because he has acquitted himself with distinction here during the six years following the time that I helped to reelect him to the Senate. I am very proud of the part that I took in the campaign of 1926 to reelect him to the Senate.

I do not think you will find, Mr. President, a single public advertisement of the meetings for my colleague in 1926 that did not contain my name on the bill announcing the speaking engagements. There may have been some few exceptions, but if there were they were very few.

Mr. President, I undertook to keep all these matters from being injected into this case; but I am sure that my distinguished colleague forgets a little bit. It is only natural that he should; he has been concerned with national issues here for a number of years, and it is only natural that he should have forgotten some of the things concerning which he has undertaken to inform the Senate. He has forgotten. Mr. President, that the impeachment of 1929 started over whether or not I should be allowed to impose a tax on the business of refining oil. He has forgotten that the impeachment resolution came from a mass meeting that recommended that impeachment be lodged on several grounds, without naming what they should be, because of the fact that I had undertaken to impose a tax on the business of refining oil in the State of Louisiana. He has forgotten the fact that in that mass meeting the Standard Oil brass band furnished the music. He has forgotten my statement, Mr. President, on the floor of the senate that on the night of the round robin six members of the Senate of the State of Louisiana held up their hands in public and said that they had been offered from \$85,000 up to vote for my impeach-

ment on the following day, and gave the names, dates, and addresses of the persons. Then he condemns the round robin, which was approved by the people of the State and subsequently by the legislature.

The adjournment that was taken was not different in method from the adjournment in the case of the impeachment of President Andrew Johnson. That was a motion to adjourn sine die after they had defeated one charge. By a strange coincidence it happens that on the trial of Andrew Johnson, after voting down two impeachment charges, they moved to adjourn sine die; and by a strange coincidence in my impeachment they voted down one charge and moved to adjourn sine die.

My friend has forgotten a great many more things, Mr. President. I shall take but a few minutes to describe them; but I do not want him to leave the Senate without his memory being corrected on them and without justice being done to my friends.

I had nothing to do with electing Senator Overton's brother to the supreme court. He was elected without opposition long before I was a factor in politics. I had nothing to do with electing Judge St. Paul. He was elected to the supreme court before I was a factor in public politics in a state-wide way. But, Mr. President, there never was any motion to recuse Justice Winston Overton in the Le-Blanc case until after it had been decided. Senator Broussard was not a party to that suit. John H. Overton was not a party to that suit; and the LeBlanc case, without one single mention of criticism of any kind or character, was decided by the supreme court in a case in which neither Senator Broussard nor Senator Overton was a party to the litigation.

The case in which the recusation of Judge Winston Overton was asked before decision was the one in which Senator Broussard was a party. In that case, when he was a party, Senator-elect Overton made himself a party to the suit in order that his brother might, under the code of that State, have legal grounds for his own recusation, and was recused.

The first mention that was ever made of Justice Winston Overton being recused in the case was after the commissioners had been drawn and the decision had been rendered. After that the first mention of the matter was made, on a motion for rehearing, long after the case had been decided and the commissioners had been drawn.

The Senator states that I did not want to go to the war between America and Germany. He is not giving any new information. I never was in favor of the war. I might have been wrong. I never was in favor of the war, Mr. President, and I never made any effort to go. I was excused from going to the war on the ground of having a wife and two children. I am not the only man who was excused from going into that Army. I will say further, however, that I have not raised any great hubbub and claptrap over the country on the subject of war debts. If I had voted for the war, which I did not do, as "a war to save civilization," I would not stand up here and make an argument contrary to what I would have said to have been the patriotic purpose of this country in helping other countries.

Now, Mr. President, about commissioners: Do not have any misunderstanding about this. They tell you they are going to develop some facts. They had five months in which to develop them, and they have produced every witness they could. The record here shows that they produced every witness they could. After they had gone 5 days' time, or 6 days' time, or 7 days' time, and could not produce any witness for anything else at all, they took up 1 week in trying the case along the lines of my colleague's speech this morning. He has not stated in the RECORD any more than the other evidence did; but what are the witnesses? What are the witnesses he claims to have? They could not dig them up down there. They dug up whatever they could. They have spent 5 months in trying to find witnesses, and have spent 12 days in a hearing, and could not bring up any witnesses except a few witnesses to testify about 1 box that had 11 votes in it that had the lock broken—that is one thing they tried to prove, which two witnesses disputed—and another witness said that he heard a man, when he was counting the votes, say that "Broussard has got a whole lot of votes here." That was another one of the things that they produced a witness to prove.

The only other direct thing that I remember at all that was brought into the case, with what they had there relative to election irregularities, was by hearsay testimony of a man by the name of Williams, who swore that a lot of men had been beaten up on the day of election. The Broussard arbitrator took the stand and swore that it was not so, and the chief of police said it was not so, and the United States marshal said he did not hear anything about it, and nobody but this double-hearsay-testimony man had ever heard anything about it.

Now my friend [Mr. Broussard] says—and he is my friend, I am not going to let a little political campaign incense me against a man with whom I was associated politically to the extent that I was with my colleague; we probably will be together again, it would not be anything unusual, they all come back. When I get beaten I will join them. That will be the only difference. We have that system down there, Mr. President. Those that beat us we join. Those that we beat join us. "Jine the cavalry!" We learned by good precedent that there was not any use in fencing yourself out.

Mr. President, I have here a few little figures, that I should like to have you know, about who is to be condemned for having been elected by the New Orleans vote in Louisiana.

When I ran for governor in 1924 I went to the Orleans Parish line ahead of both candidates, Mr. Fuqua and Mr. Bouanchaud. In 1924 the county vote was, Bouanchaud 60,000, Henry Fuqua 48,000, Huey P. Long 61,000. That is in round figures. I am leaving off the figures above that.

Mr. Fuqua, who was elected governor, went into New Orleans 13,000 votes behind me; but Orleans Parish gaye Mr. Fuqua 21,000 more votes than it gave me, and gave him a lead of 7,000 and put him in the second primary, and he was elected governor of the State.

That was in 1924.

In 1928 I ran for governor again. I beat my two opponents—one of them the governor of the State and another one a Congressman who is still here, who is chairman of the Flood Control Committee of the House, the Hon. Riley J. Wilson. I beat the governor of the State and the Congressman in the country by a vote of 9,000 votes more than both of them put together. That was in 1928. I was defeated in New Orleans in that election by the combined vote of my opponents by something like 50,000 votes. There was no second primary. I was given the nomination without having a second primary.

That is my record. That is not all.

I ran again for the United States Senate in 1930. What did New Orleans have to do with electing me that time? I carried the country by a clear majority. I carried the country by 42,000 votes. I was defeated in the city of New Orleans by 4,600 votes. I came to the United States Senate with a vote by which the country overcame the city. I never have carried the city of New Orleans in any election I ever had in my life when I was a candidate.

Now let us go back and see how my distinguished friend got here. He talks about the "New Orleans ring," and the "Huey Long organization." It took us both to keep him here, as I will show you by records.

I never bit the hand that fed me. I will never come in and hold an office and condemn the organization that put me in. That may not be good politics according to some standards, but it is politics in my way. Whenever I accept the support of a man for a public office, and take him on the platform, and announce that I am glad to have his votes, and hold him up as a holy apostle to carry my candidacy for me, I will never bite the hand that feeds me. I never have done it. That may be right. I do not say it is not; but let us go back to 1920 and see how my friend came to the Senate.

Country parishes: My distinguished colleague lost the country by 8,408 votes. He was defeated in the country by 8,408 votes. But the city of New Orleans gave my distinguished colleague a majority of 17,000 votes; and it was the city of New Orleans, that overcame the country in 1920, that gave my distinguished colleague the opportunity to be of the great service that he has been to this country, of which our State and all of our people are sincerely proud.

Let us go down a little bit farther.

In 1926, when my distinguished colleague was a candidate for the United States Senate, did he owe anything against New Orleans? No. He carried the country that time—I was supporting him in that race, and on the stump in every speech he made, with the exception of two or three, maybe four—he carried the country that time by a scant vote. I think it is here. He carried the country by about 700 or 800 votes, but he also carried the city of New Orleans in that election by 2,633 votes. So he had the city of New Orleans that time with him.

When my distinguished colleague was defeated in the last election, was it the "New Orleans ring" that did it? Was it the New Orleans vote that did it? Let us see, Mr. President.

Mr. Overton received a majority in the parish of Orleans of 25,887 votes; but in the country outside of New Orleans—north Louisiana, east Louisiana, west Louisiana, among the farmers and among the laborers, in the wide-open spaces—Mr. Overton received a majority over Senator Broussard of thirty thousand three hundred and odd votes. In other words, Mr. Overton's majority was much greater in the country than it was in the city; and he carried the city, and he carried the country, and he carried practically every part of the State of Louisiana, from the north Louisiana "hill-billy" farm section down to the Acadian section, the French section of our State, with the exception of one congressional district, the home congressional district of my distinguished colleague, which Mr. Overton lost by, I think, 500 or maybe a thousand votes.

Mr. President, those are the details. Those are the

Mr. President, my colleague says that there were 20,000 too many votes cast in the last election between Overron and Broussard in New Orleans. Let us see if that seems to be in accordance with the facts.

In the governor's race, which occurred last year, in 1932—and the registration and the vote were never attacked in the governor's race of 1932—the parish of Orleans cast 98,000 votes plus. In the Broussard-Overton race the parish of Orleans cast 87,000 votes plus. In other words, eleven or twelve thousand less votes were cast in the Broussard-Overton election in September than were cast in the governor's race in January.

I think I can make another comparison which will show whether that is about right or not. In the campaign between Long and Ransdell for United States Senator in 1930, 83,000 votes were cast. So there was an increase in the New Orleans vote of only about four or five thousand votes from September, 1930, to September, 1932, and I think the census will show that there was much increase in population, to say nothing of the fact that that was 11,000 votes less than were cast in the race for governor.

Everybody knows of the intense drive down there to get everybody to pay his poll tax. In Louisiana we have a better system than exists in some other States. In order for a man to be able to vote, he must have paid his poll tax for two years previous to the election, and be able to exhibit his receipts. He must have registered a certain length of time before the election, and had to be able to show a poll-tax receipt for the two preceding years, not the year of the election, but the two years preceding. In the 1932 election a man had to exhibit a poll-tax receipt for 1931 and another one for 1930, unless he was 60 years old or older, and in that event he had to be registered the same as any of the balance of the voters had to be registered.

Mr. President, I am very sorry the senior Senator has seen fit to make some of the statements he has made here. He

said he wants to find out about the pay roll. At the close of the whole investigation I had inserted in the Congressional Record a report from every one of the departments, what they had given to me, a synopsis, a telegram which came here after I had shown that there had been an immense reduction in the public pay roll of September, 1932, the date of the Broussard-Overton election, as compared with the pay roll of September, 1931, that almost 50 per cent of the employees had been reduced on account of the depression, at the time of the Broussard-Overton election, as compared with the election before. Notwithstanding that fact, there was no effort to contradict the statement at all, and when we had finished the hearing, they said they wanted the departments to send them a statement showing what the pay rolls were for two years before.

It so happened that those were matters of public record in the office of the secretary of State, for, unlike most States, there is a law in Louisiana that requires every board and every department to file a quarterly report showing the changes made, and how many men are carried on the payroll, so as to prevent any such thing as we are now charged with. That was not the law until my administration came into power. That was an administration measure written and enacted during the time I was governor of the State. Those are matters of public record, and will be sent here, and there need be no delay of the inquiry waiting for that information to be supplied to the Senate.

Mr. President, my distinguished friend says that I vetoed a bill to investigate the highway department. I did not veto any bill until they had spent over \$100,000 of public funds investigating, and had found nothing. I did not veto a bill until they had spent several hundred thousand dollars of private funds and found nothing, and when they had spent several hundred thousand dollars—I see my friend the Senator from Illinois [Mr. Lewis] laughing. He happened to come to New Orleans during some of that investigation. When they had spent about three or four or five hundred thousand dollars, I vetoed the bill, and submitted the matter to the people, and the people sustained us by an alarming majority, and the majorities have increased ever since.

There was another statement I am sure my friend did not mean to make. He said that the evidence in this record showed that Representative Overton, now Senator elect, had traveled in high-priced cars, followed by highway trucks with literature. That is not in the record. The contrary is in the record, that there was no such thing as a publicly owned truck or a public employee in the campaign at all, that what men had been used in that campaign and had ever been connected with the highway department, had been forced to resign their positions, and to be paid personally and privately, and to ride in cars that were no part of the State's property. That is in the record, and it is not disputed by one line of anything like legitimate testimony.

Mr. President, the Senator says that there were 15 or 16 armed guards secreted in those automobiles. Nobody knows anything about that but the Senator. I take his word for it, but there is no record of it. On the contrary, the evidence was to the contrary.

The Senator has been a Member of the Senate, but has forgotten the law in many particulars. His knowledge of the law, I must say, was extensive when he came here, because I certified to that fact myself before the electorate of the State, and I am not willing to go back on it at this late date. The Senator says that all rules of evidence are thrown down when fraud is charged, and you do anything you want to in an investigation of fraud. That is not the law.

The law is that fraud must be proved by just as competent evidence as anything else. While there is a reasonable latitude allowed, yet competent testimony must be submitted to prove fraud, the same as anything else. Double hearsay evidence and opinion evidence is no more admissible to prove an act of fraud than it is to prove that the time of the day is something else than it really is.

My friend says—I refer to my colleague—that Overton could not have made a campaign if I had not been with him. Let us just take a look at it and see. There had been

a race down there long before, and my colleague did not support Overton. In the former campaign-and the record is here to show it-Representative Overton, who was then a private citizen, running without any organization of any kind at all, according to the record-and, as I have said, the record is here to show the facts-lacked less than 100 votes of carrying the country parishes, at a time when all organizations and all newspapers and my distinguished opponent, and all the balance of them, were against him, in 1918. But four years ago Representative Overton carried a large majority of the country parishes, and lacked but a very small vote of having led the entire ticket in the country in that election. Every one knows that it was the vote in the city of New Orleans that kept John H. Overton out of the United States Senate in 1918, long before I came to be a political factor, and at a time, I think, when I was running for my first public office.

Mr. President, to show how much better the distinguished Senator fared than candidates always have fared down in Louisiana, here is the record of the race which I made for reelection as railroad commissioner in 1924 in the north Louisiana district. The administration's candidate, Senator Walter L. Bagley, received 8,500 votes; and in that election I received 45,000 votes, a majority of 37,000 votes. My colleague, the senior Senator from Louisiana [Mr. Broussard] ran much better in 1926 than my opponent did, and much better this time than he did the time before in the north Louisiana territory.

Mr. President, there is another thing to be noted; and I want to apologize to the Senate. I am trying to take just as little time as I can, and I want to answer just such of these things as are matters of record, and no more.

The Senator has told the Senate about campaign funds, and I hope I may have the attention of Senators on this. This is what the Senator has failed to tell. He has not told that we had to raise about \$45,000 for the National Democratic Party. We did not have the Senator's help in doing that down in Louisiana. I am satisfied that he contributed directly, but he did not contribute through us, and the record will show that. I know he is a good, loyal Democrat, just as good as I am, particularly on the tariff [laughter], and I am satisfied that there is no question whatever about that, but I will say this, that in raising the campaign funds he is talking about, when he said that \$77,000 was raised, he did not take into consideration the fact that \$45,000 that had to go to the national ticket, had to come from somebody, which would have left but about \$34,000 or \$35,000. The statement is that there was spent \$77,000-and there was no such thing, or one-fifth that much-but there were seven Representatives, a candidate for railroad commissioner, several judges, and a United States Senator, and if they are all added up and the \$77,000 is divided among them, the entire campaign expenses for each candidate would not have been more than four or five thousand dollars.

A statement was given, Mr. President, which I put into the Record, showing that certain money had been raised, and how it had been raised, but it was no different from the way in which the Republican Party raised its funds. Right in our own jurisdiction they raised their money in the same way we raised ours. Whoever says that the employees and officers of the Republican Party were not asked to contribute to the campaign of the Republican Party is speaking without his host. The Democrats did the same thing. Who is going to contribute, the man who has no job or office or the man who has one?

The Senator sees fit to attack the witness Weiss. I have put Weiss's testimony in the Congressional Record, and I have yet to find a single man who has upheld the kind of questions that were asked of that man, or has questioned the propriety of his acts, not one single man. The testimony is in the Congressional Record. I went to the trouble to put it into the Record so that everybody could see it, and I have yet to find anyone who has questioned it, from topside to bottom, as having been anything but proper.

The Senator says that he is amazed that Members of the Senate would come to any other conclusion as to what the committee found. Go find out what the committee found, gentlemen of the Senate. Go find out what the committee thinks of that kangaroo court. Ask the members of the Senate committee. I am not talking to them about it, and I can not tell the Senate what they are going to say; but the Senator wants the Senate to find out what the whole committee thinks. Go and ask them and find out.

There was somebody down in Louisiana besides the chairman. Ask him [Mr. Carey, of Wyoming] and see what he thinks about it. I do not know what he will tell. I know what he said here the other day on the floor—that a lot of this business was irrelevant.

Mr. President, I want to repeat a little statement from the Senator [Mr. Broussard]. I took it down in handwriting, and I am satisfied it will appear in the Record exactly as I have it here. Just a moment ago the Senator said these words:

I am not claiming to have been nominated.

Mr. President, the law of Louisiana gave the Senator the right to go into court and throw out any box that was not regular. It gave him the right to have the votes counted again. It gave him the right to go in there with anything on the living earth he could prove that would show that there was fraud in any kind of a return, and have had it thrown out.

He was given every right under the law if he wanted to go before the court and contest the primary election, but he did not see fit to do so.

I have to differ with one of the statements of the Senator, but it is a matter of record and that will show who is in error. The Senator said that he did not say that he would retire from the race if certain things were not done. He may be right about that. I will take the files of the Times-Picayune and I will insert in the record in this case just what he did say, as recorded by the paper which was supporting him at the time. My recollection of it is, however, that we were faced by an immediate withdrawal of the Senator as a candidate unless we did it and we wanted to be certain that he did not withdraw. It was because of that fact that we took it upon ourselves to go to extra length to see that what the Senator, our opponent, wanted done was done so that he would not withdraw from the campaign for the United States Senate. We did not want him to withdraw for a very good reason. Why? Because we had a lot of candidates in the country and we knew that with those other candidates in the field the Overton ticket would all be elected, and we knew if he withdrew from the race it would jeopardize the race by not having a strong leader to carry on the campaign.

That is my side of it. The Senator may be right. I do not remember, but I am going to get a clipping from the paper published at the time which was supporting the Senator in the campaign, and I am willing to venture to risk whatever reputation I have that I will be sustained when I produce the clipping from the paper. I still, however, grant that the Senator's memory may be better than mine, but I am certain that it is not.

Mr. President, I believe that is about all I am going to undertake to answer at this time. I have tried to stay within bounds that I think are proper in this matter. I do not expect much publicity to be given to my answer. I only expect publicity be given to the charges. We have never been able to get the statistics in the record counteracting the charges made.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Chaffee, one of its clerks, announced that the House had passed the joint resolution (S. J. Res. 256) authorizing the Comptroller of the Currency to exercise with respect to national banking associations powers which State officials may have with respect to State banks, savings banks, and/or trust companies under State laws, with amendments, in which it requested the concurrence of the Senate.

ENROLLED BILLS STONED

The message also announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

S. 88. An act to authorize the Postmaster General to investigate the conditions of the lease of the post-office garage in Boston, Mass., and to readjust the terms thereof:

S. 466. An act for the relief of the Allegheny Forging Co.;

S. 4327. An act for the relief of Lizzie Pittman.

NOMINATIONS IN THE PUBLIC HEALTH SERVICE

Mr. ROBINSON of Arkansas. Mr. President, as in executive session, I ask unanimous consent for the present consideration of sundry routine nominations in the Public Health Service.

The PRESIDING OFFICER (Mr. BARKLEY in the chair). Is there objection to the present consideration of the nominations as in executive session?

Mr. McNARY. I have no objection.

The PRESIDING OFFICER. Without objection, the reading of the nominations will be dispensed with, and without objection the nominations will be confirmed.

Mr. ROBINSON of Arkansas. I ask that the President be notified.

The PRESIDING OFFICER. Without objection, the President will be notified.

(The nominations this day confirmed appear at the end of to-day's proceedings.)

TRIBUTE TO DR. A. K. FISHER

Mr. SHEPPARD. Mr. President, when the Department of Agriculture appropriation bill was before the Senate I intended to call attention to the distinguished service of Dr. A. K. Fisher, a retired official of the Bureau of Biological Survey, but was unavoidably prevented.

Doctor Fisher entered the Department of Agriculture in 1885. He retired in September, 1930, having served continuously 46 years and 3 months. In 1906 he helped to organize the beginnings of the present Bureau of Biological Survey.

Doctor Fisher organized and directed work which in the aggregate has saved millions of dollars worth of livestock through the destruction of predatory animals, and also perfected and put into operation the methods for the control of rodents that destroyed farm produce and forage on the public ranges.

As long ago as the year 1890 he experimented with poisons as a means of destroying coyotes, and 40 years ago he directed the work which resulted in the killing of many wolves in Montana.

Although the experiments were carried on, it was not until 25 years ago that Doctor Fisher was placed in complete charge of the Biological Survey's economic work of controlling crop destroyers and animals that were bubonic-plague carriers in California and later of controlling the rodent hosts of tick carriers producing spotted fever.

In the year 1913 \$43,000 was the total amount appropriated for this necessary work. Three years later a \$75,000 urgent deficiency appropriation was voted. It was appropriated because of the prevalence of rabies in wolves and coyotes. One year earlier the western range country was divided into districts, and each soon was placed under the direction of an assistant who directed the work of the trappers of predatory animals. Doctor Fisher kept closely in touch with all these assistants and with virtually all of the trappers. He was sympathetic with their troubles and encouraged them by word and example in order to increase the efficiency of their labor.

It was he who first directed attention to the advantage of the salary system as against that of the bounty. It had been found in one State which offered a bounty on coyote scalps that many persons, seeing the possibility of making money, imported these scalps from distant States, paying for them about one-third the amount offered for the same scalps in the State in which they were operating.

In Michigan, where the bounty system was established, the State paid \$300,000 annually with but little result, according to my information. The services of the Biological Survey were offered. Field men under Doctor Fisher brought the wolves quickly under control at the cost of little less than \$40,000.

At different times Doctor Fisher met Government officers, officers of livestock associations and stock raisers, and he managed to get their cooperation to such an extent that finally the Federal appropriations were more than balanced by State and individual contributions. His assistants wiped out the foot-and-mouth disease among deer in the Stanislaus National Forest, and thereby prevented the spread of this dread cattle disease to domestic livestock.

Not long before the doctor's retirement the appropriation for his work for the year ending June 30, 1927, was \$533,290. It was money well appropriated and well spent.

All of Doctor Fisher's field men had the utmost confidence in him. They felt that when they were doing right he would stand by them against any unjust criticism. Secretary of Agriculture Wallace, who met many of the field assistants, said that the esprit de corps of this division of the Biological Survey was the best in the department.

One of the assistants, not now in the service, recently wrote to Doctor Fisher:

I am wondering if many of the service employees realize what a wonderful bureau you have built.

About a month ago Mr. F. R. Marshall, secretary of the National Wood Carriers Association, wrote to Doctor Fisher, saying, in part:

Some statements recently have come to my attention which seemed as if they might possibly have been intended to raise the question as to the character and value of the great work you did while you were in the Biological Survey in connection with predatory-animal control. * * *. I am sure that a great deal more than the majority of those who have studied the question and are familiar with local efforts at control, and who also know the plans and scope of the system put into effect under your direction, realize that the Biological Survey plan as it was up to the time of your leaving the office was by all odds the most effective and most economical plan that could be devised for the job.

I do not feel that I can let the opportunity pass without paying a tribute to the great work of the conservation of livestock which was done under the direction of Dr. A. K. Fisher, recently retired from his position in the Biological Survey of the Department of Agriculture.

THE CALENDAR

Mr. McNARY. Mr. President, I renew the unanimous-consent request submitted at 1 o'clock.

The VICE PRESIDENT. Let it be reported.

Mr. McNARY. Probably I should restate it. I ask unanimous consent that the Senate resume consideration of the calendar at Order of Business No. 1377 and proceed to the consideration of unobjected bills on the calendar, subject to the 5-minute rule, to the end, Order No. 1409.

The VICE PRESIDENT. Is there objection? The Chair hears none.

Mr. McNARY. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll and the following Senators answered to their names:

Carey Clark Coolidge Ashurst Moses Harrison Austin Bailey Bankhead Hastings Hatfield Neely Norbeck Copeland Costigan Hayden Hebert Norris Barbour Nye Oddie Barkley Couzens Johnson Dale Dickinson Kendrick Black Pittman Blaine Dill Keyes Reed Borah Bratton Brookhart King La Foliette Lewis Logan Reynolds Robinson, Ark. Robinson, Ind. Fess Fletcher Frazier George Glass Broussard Russell Schuyler McGill Sheppard Shortridge Smith Bulow Glenn McKellar McNary Metcalf Caraway Hale Smoot LXXVI-316

Steiwer Stephens Thomas, Idaho Thomas, Okla. Townsend Trammell Tydings Vandenberg Walsh, Mass. Watson Wheeler White

The VICE PRESIDENT. Eighty-four Senators have answered to their names. A quorum is present. The Secretary will state the first bill in order on the calendar.

Mr. VANDENBERG. Mr. President, the first bill now in order and the seven succeeding bills on the calendar are all House bridge bills in regular form and unanimously reported from the committee without amendment. I ask that they may be considered en bloc and considered to have passed through the various parliamentary stages.

Mr. ROBINSON of Arkansas. What are they?

Mr. VANDENBBERG. As I have said, they are eight bridge bills.

Mr. ROBINSON of Arkansas. Have they all been unanimously reported?

Mr. VANDENBERG. Yes; and they are all House bridge bills and have been reported without amendment.

Mr. ROBINSON of Arkansas. Very well. The VICE PRESIDENT. Is there objection?

There being no objection, the following bills were severally read, considered, ordered to a third reading, read the third time, and passed:

A bill (H. R. 14460) to extend the times for commencing and completing the construction of a bridge across the Mississippi River at or near Baton Rouge, La.:

A bill (H. R. 14480) to extend the times for commencing and completing the reconstruction of a railroad bridge across the Little River at or near Morris Ferry, Ark.;

A bill (H. R. 14500) to extend the time for completing the construction of a bridge across the Missouri River at or near Kansas City, Kans.;

A bill (H. R. 14584) granting the consent of Congress to the Board of County Commissioners of Allegheny County, Pa., to construct, maintain, and operate a bridge across the Allegheny River between the city of Pittsburgh and the township of O'Hara and the borough of Sharpsburg, Pa.;

A bill (H. R. 14586) to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Culbertson, Mont.;

A bill (H. R. 14589) to extend the times for commencing and completing the construction of a bridge across the Mississippi River at or near Tenth Street in Bettendorf, Iowa;

A bill (H. R. 14601) to extend the times for commencing and completing the construction of a bridge across the Mississippi River between New Orleans and Gretna, La.; and

A bill (H. R. 14602) to revive and reenact the act entitled "An act granting the consent of Congress to the Highway Department of the State of Alabama to construct a bridge across Elk River between Lauderdale and Limestone Counties, Ala.," approved February 16, 1928.

REGISTRATION OF TEXTILE DESIGNS

The bill (S. 5075) to provide protection by registration of designs for textiles and other materials was announced as next in order.

Mr. KING. I ask that the bill go over.

Mr. HEBERT. Mr. President, was objection made to Senate bill 5075?

The VICE PRESIDENT. The Senator from Utah [Mr. King] objected.

Mr. KING. Mr. President, I asked that that bill go over. I think the Senator from Washington [Mr. Dill] ought to be present when it is considered. I shall have no objection to having it come up on Monday when we have a morning hour.

Mr. HEBERT. Mr. President, I think the Senator from Utah is under a misapprehension as to the attitude of the Senator from Washington toward the bill. We have had a meeting of the committee during the last two or three days, and the Senator from Washington did not indicate that he was opposed to the bill.

Mr. KING. I did not mean to state that the Senator from Washington had indicated to me opposition to this bill, but I know that at the last session of Congress, when a similar

measure was under consideration, there was objection interposed by the Senator from Washington as well as by other Senators.

Mr. HEBERT. Mr. President, the bill that was on the calendar at the last session was a very different bill from this one. In other words, it affected many activities aside from those covered by this bill.

The bill is satisfactory, I may say to the Senator, to all the manufacturers who may be affected by the measure, as well as by all the merchants who may be affected by it.

Mr. KING. May I inquire of the Senator whether this bill contains the provisions of the bill which was under consideration at a former session of Congress, under the terms of which an individual or corporation might obtain a patent or a copyright or a license or other protection for a pattern or design such as that upon the wall here, which shows a scroll with a flag set in it, and then prevent any other textile manufacturer from manufacturing cloth or textiles using the same design?

Mr. HEBERT. Mr. President, the bill provides for granting design copyrights to originators of novel designs applying to textile articles.

Mr. KING. The Senator knows, if he will pardon me, that there was great objection to a measure of that kind at the time we had the copyright bill under consideration.

Mr. HEBERT. I know there was objection at that time, but I will not admit that there was "great objection," but I may say to the Senator that there is no objection at this time, either on the part of any manufacturer or on the part of any merchant. The provisions of this bill are satisfactory to all parties who may be affected by it.

Mr. KING. Mr. President, I shall not object to the consideration of the bill, with the understanding that if, upon examination of the measure by the Senator from Washington [Mr. Dill] or by myself either of us should desire to have it reconsidered, on Monday upon application to have the bill reconsidered and placed back upon the calendar, the Senator from Rhode Island will consent.

Mr. HEBERT. I should, of course, have no objection, to that, Mr. President.

The VICE PRESIDENT. The Senator from Utah withdraws his objection. Is there objection to the present consideration of the bill?

Mr. COSTIGAN. I ask that the bill go over.

The VICE PRESIDENT. The Senator from Colorado objects.

Mr. HEBERT. May I ask, Mr. President, if there was further objection?

The VICE PRESIDENT. The Senator from Colorado objected. The Secretary will report the next bill on the calendar.

CONTRACTS FOR SALE OF TIMBER ON INDIAN LAND

The bill (H. R. 6684) to authorize the Secretary of the Interior to modify the terms of existing contracts for the sale of timber on Indian land when it is in the interest of the Indians so to do was announced as next in order.

Mr. ROBINSON of Arkansas. Mr. President, I think we should have an explanation of this bill. It is a rather remarkable thing to authorize the alteration of contracts after they have been made when it is in the interest of one of the parties to the contract.

Mr. KING. Let the bill go over.

Mr. ROBINSON of Arkansas. Who sponsors this bill?
The VICE PRESIDENT. The junior Senator from Oregon
[Mr. Steiwer] reported the bill.

Mr. STEIWER. Mr. President-

Mr. ROBINSON of Arkansas. I was suggesting—I think the Senator from Oregon did not hear me—

Mr. STEIWER. No; I did not.

Mr. ROBINSON of Arkansas. That it is a rather a remarkable thing to do by legislation what this bill proposes to do; that is, to authorize the alteration of a contract which has been regularly made and is for the benefit of one of the parties to the contract.

Mr. STEIWER. Mr. President, I think there is some misunderstanding as to the purpose of the bill. Mr. ROBINSON of Arkansas. I am referring to the title of the bill, which reads:

To authorize the Secretary of the Interior to modify the terms of existing contracts for the sale of timber on Indian land when it is in the interest of the Indians so to do.

I do not know how we can authorize the alteration of a contract for the benefit of one of the parties to the contract.

Mr. STEIWER. Mr. President, the Senator is quite right in that the title evidently is misleading, but the bill authorizes the modification of a contract only with the agreement of both parties to the contract.

Mr. ROBINSON of Arkansas. That is an entirely different proposition, of course.

Mr. STEIWER. It is, indeed, and I think there is no objection to the bill. The timbermen want it, the Indians want it, and the department supports it.

Mr. KING. Mr. President, some of the representatives of the Klamath Indians within the past 20 minutes have handed me a copy of the bill containing interlineations in the form of amendments, failing to accept which they are opposed to it.

May I say to the Senator that I have very grave doubts as to the wisdom of this bill? The Senator may recall that in the hearings it was demonstrated that contracts have been entered into by the Indian Bureau with timbermen under the terms of which the timbermen were given all the advantage; they were jug-handled contracts; they could be continued indefinitely by the Secretary of the Interior, and the timbermen on one reservation are now \$1,500,000 in arrears in complying with the terms of the contract. I felt when the conditions came to light that the Indians had been imposed upon. The able Senator from Connecticut [Mr. Walcott] denounced the contracts and stated that any white man who would accept such a contract lacks in morality, or words to that effect. I think that those contracts were unjust, and if this bill permits the Secretary of the Interior to continue them and does not compel an examination and cancellation with advantages to the Indians. then I would be very much opposed to it.

Mr. FRAZIER. Mr. President-

The VICE PRESIDENT. Does the Senator from Utah yield to the Senator from North Dakota?

Mr. KING. I yield.

Mr. FRAZIER. I wish to say that the changes in the contracts are to be made only with the consent of the Indians, and the amendments which were suggested by delegates from the Klamath Reservation are all included in the amendments reported by the committee to the bill. The representatives of those Indians favor the passage of the bill.

Mr. KING. I hardly think so, if the Senator will pardon me.

Mr. FRAZIER. I just talked to them when I left my office a few minutes ago. I have been in consultation with them frequently in regard to this measure.

Mr. KING. Mr. President, I will ask the Senator, then, turning to page 1, if these amendments are found in the bill that is now before us.

Strike out the word "may" and insert "is hereby authorized and directed to," and to strike out the word "tribal" in line 4. Are those amendments in the bill?

And coming to page 2, in line 11, are the words "but in no event to a point higher than was stipulated in the contract as it existed before such modification" stricken out, and is the following proviso inserted:

And provided further, That hereafter no contract of sale of Indian timber shall be entered into without the consent of the said general council.

Mr. FRAZIER. Those amendments are all embodied in the bill.

Mr. KING. May I inquire whether, beginning on page 2, the language reading as follows has been stricken out:

And should a sufficient number of Indians apply for work they shall be employed to the extent of not less than three Indians to every non-Indian engaged. Local Indians, when apply-

ing for employment, shall be given preference over outside Indians. Wages paid to Indians shall be at the same rate as that paid to other employees and in no case less than the wages paid for corresponding labor in the territory where the operation is being carried on.

Are all those words eliminated?

Mr. McNARY. Mr. President, will the Senator yield?

Mr. KING. I yield.

Mr. McNARY. It was my good fortune to discuss this matter on several occasions with the representatives of the Klamath Indians. The language in italics is all responsive to the wishes of the Indians, as declared by their representatives. The language stricken out is useless if we read the earlier portion, and is thought to be impracticable. It says:

In all such modified contracts the purchasers of Indian timber on tribal lands or on restricted or trust allotments in all operations pertaining to the logging and manufacturing of said timber shall be required to give preference to the employment of Indian labor.

That is as far as the Indians thought it was practicable to go. There are times when there is plenty of Indian help and times when they need white employment. So when preference is given, which is the language usually employed in cases of that kind, the Indians themselves have caused this language to be stricken out, because they deem it to be impracticable.

The same thing appertains to the other amendment.

Mr. KING. Mr. President, I am not sure now whether the amendments which have been suggested by the Indians who called on me within the past half-hour are embodied in the bill. My friend from North Dakota [Mr. Frazier] insists that they are there; so I shall not object to its consideration.

The Senate proceeded to consider the bill, which had been reported from the Committee on Indian Affairs with amendments, on page 1, line 4, after the word "called" to strike out "tribal" and insert "general"; in line 5, after the word "purchasers" to strike out "may" and insert "is hereby authorized and directed to"; in line 6, after the words "terms of" to strike out "any"; in line 7, after the word "timber" to strike out "if in his judgment it is in the interest of the Indians to do so"; on page 2, line 7, after the word "Interior" to insert "with the consent of the said general council"; in line 8, after the word "authorized" to insert "and directed"; in line 11, after the word "contract." to strike out "but in no event to a point higher than was stipulated in the contract as it existed before such modification," and insert "And Provided further, That hereafter no contract of sale of Indian timber shall be entered into without the consent of the said general council"; and in line 25, after the word "labor," to strike out: " should a sufficient number of Indians apply for work they shall be employed to the extent of not less than three Indians to every non-Indian engaged. Local Indians, when applying for employment, shall be given preference over outside Indians. Wages paid to Indians shall be at the same rate as that paid to other employees and in no case less than the wages paid for corresponding labor in the territory where the operation is being carried on "; so as to make the bill read:

Be it enacted, etc., That the Secretary of the Interior, with the consent of the Indians involved, expressed through a regularly called general council, and of the purchasers, is hereby authorized and directed to modify the terms of now existing and uncompleted contract of sale of Indian tribal timber: Provided, That the prices are not reduced below the basic sale prices: Provided further, That any such modifications shall be upon the express condition that said purchaser shall forthwith proceed to operate under all the terms of said contract as modified or suffer forfeiture of such contract and collection upon his bond: And provided further, That any modification of said contracts shall stipulate that in the event of sufficiently improved economic conditions the Secretary of the Interior with the consent of the said general council is authorized and directed after consultation with the purchasers and the Indians involved and after 90 days' notice to them, to increase stumpage prices of timber reduced in any such modified contract: And provided further, That hereafter no contract of sale of Indian timber shall be entered into without the consent of the said general council.

Sec. 2. The Secretary of the Interior may modify existing contracts between individual Indian allottees or their heirs and purchasers of their timber, under the terms and requirements of section 1 of this act, with the consent of the allottee or his heirs.

SEC. 3. In all such modified contracts the purchasers of Indian timber on tribal lands or on restricted or trust allotments in all operations pertaining to the logging and manufacturing of said timber shall be required to give preference to the employment of Indian labor.

The amendments were agreed to.

The amendments were ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time and passed.

Mr. STEIWER subsequently said: Mr. President, for the purpose of correcting an obvious clerical error in the bill, I ask unanimous consent for the reconsideration of the vote by which we passed the bill (H. R. 6684) to authorize the Secretary of the Interior to modify the terms of existing contracts for the sale of timber on Indian land when it is in the interest of the Indians so to do, being Calendar No. 1387. I do this merely in order that I may suggest a change of a word from the singular to the plural.

The PRESIDING OFFICER. Without objection, the vote by which the bill was passed will be reconsidered.

The bill is before the Senate for amendment.

Mr. STEIWER. In line 7, page 1, I find that the word "contract" is in the singular. It is agreed by all who have examined it that it ought to be in the plural. I offer that amendment.

The PRESIDING OFFICER. The amendment will be stated

The CHIEF CLERK. On page 1, line 7, after the word "uncompleted," strike out the word "contract" and insert the word "contracts."

The amendment was agreed to.

The amendments were ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time and passed.

CHIPPEWA INDIANS OF MINNESOTA

The bill (S. 5626) to amend the act of June 23, 1926, reserving Rice Lake and contiguous lands for the Chippewa Indians of Minnesota, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That section 2 of the act of June 23, 1926 (44 Stat. 763), entitled "An act setting aside Rice Lake and contiguous lands in Minnesota for the exclusive use and benefit of the Chippewa Indians of Minnesota," be, and the same is hereby amended to read as follows:

of the Chippewa Indians of Minnesota," be, and the same is hereby, amended to read as follows:

"All unallotted and undisposed-of lands within the area described in section 1 hereof, are hereby permanently withdrawn from sale or other disposition and are made a part of said reserve, and the Secretary of the Interior is authorized to acquire by purchase any lands within said area at a price of not to exceed \$5 per acre, and to acquire by condemnation proceedings, in accordance with the laws of the State of Minnesota relating to the condemnation of private property for public use, such of said lands as can not be acquired by purchase at the price named, whether in private ownership or owned by the State of Minnesota; the purchase price and costs of acquiring said lands to be paid out of the trust fund standing to the credit of all of the Chippewa Indians of Minnesota in the Treasury of the United States upon warrants drawn by the Secretary of the Interior."

POST OFFICE BUILDING, LAS VEGAS, NEV.

The Senate proceeded to consider the bill (S. 5362) authorizing the Secretary of the Treasury to pay certain subcontractors for material and labor furnished in the construction of the post office at Las Vegas, Nev., which was read, as follows:

read, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to subcontractors, labor, and material men who furnish labor and material to the Plains Construction Co., defaulted general contractor for the construction of the post office at Las Vegas, Nev., such sums as he may consider equitable and just to reimburse said subcontractors, labor, and material men for unpaid accounts left by said Plains Construction Co. at the time of its default, said sums to be paid only upon proper proof of actual losses sustained exclusive of profit; and there is hereby made available for this purpose not to exceed \$20,000 from any sum which may remain from the lump-sum appropriations made for building-construction purposes, notwithstanding the amount of the claims of said subcontractors in addition to the cost of completing the building exceed the limit of cost for the construction of the Las Vegas Post Office.

Mr. KING. Mr. President, I should like to have an explanation of that bill.

Mr. ODDIE. Mr. President, this is a matter that I have already discussed on the floor of the Senate.

The contract for a Federal building in Las Vegas, Nev., was let by the department over two years ago. The contractor was from the State of Texas. Apparently his bond was adequate. He had three bondsmen. The contractor failed without having paid for much of the materials furnished for the building, and without having paid a great deal of the labor.

Afterward it was ascertained that the contractor had forged the names of the bondsmen on the bond, and there was, therefore, no bond. It is obvious that these men who furnished materials and the men who performed the labor have not been paid. For practically two years they have been kept out of the money that is due them. The mistake was made because of the negligence of the department in not looking into the question of the validity of this bond and the proper details in connection with the signing of it.

The only way in which this injustice can be corrected is by the passage of this bill. The Treasury Department has approved it; the Public Buildings and Grounds Committee of the Senate has approved it; and it is a very valid and necessary piece of legislation in order to correct the injustice that has been done to the labor and material men, to whom this money has been due for practically two years.

Mr. KING. Mr. President, will the Senator yield?

Mr. ODDIE. I yield.

Mr. KING. Did the Government of the United States pay the entire contract price to the contractor who defaulted?

Mr. ODDIE. Oh, no; just a portion of the money was paid. The building is not yet completed. This is to pay for the work that was done that was not paid for. The labor felt that the Government had shown good faith in making this contract and in authorizing the performance of this work. They believed they would be paid for it. It is a question involving the good faith of the Government. The Government must keep faith with these men who relied on it, and the money due them must be paid.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

FEDERAL BUILDING SITE, MAXWELL, NEBR.

The bill (H. R. 10749) to authorize acceptance of proposed donation of property in Maxwell, Nebr., for Federal building purposes was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and empowered to accept on behalf of the United States the donation by Mr. C. J. Israel of his property in Maxwell, Nebr., for Federal building purposes; being a cross section of lots Nos. 1, 2, 3, and 4, block 22, original town, facing east on Pine Street and having dimensions of 26 by 96 feet, together with the 1-story bank building now located thereon; that said property shall be used and operated as are other public buildings, and that the annual appropriations for the general maintenance of public buildings under the control of the Treasury Department shall be construed to be available for use in connection with said property as for other buildings under use in connection with said property as for other buildings under said department; and there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of \$1,000 to be used for the purpose of altering, repairing, and reconditioning said building to make same available for the purpose of altering. able for use as a post office.

BILL PASSED OVER

The bill (H. R. 13521) to transfer control of building No. 2 on the customhouse reservation at Nome, Alaska, to the Secretary of the Interior, was announced as next in order.

Mr. KING. Mr. President, I do not see the Senator from New Hampshire [Mr. Keyes], who reported this bill. I have had some letters from Alaska protesting against the extravagance of the Treasury Department in erecting two public buildings there at a cost greatly in excess of what would be justified, and protesting, indeed, against the construction of one of the buildings. If this bill is in the interest of the execution of the plan of the Treasury Department against which protests have come to me, I shall object to its consideration.

Let the bill go over.

The PRESIDING OFFICER (Mr. Fess in the chair). Objection being made, the bill will be passed over.

PUBLIC-BUILDING SITE, HUNTSVILLE, ALA.

The bill (H. R. 14321) to authorize the Secretary of the Treasury, in his discretion, to acquire a new site in Huntsville, Ala., and to construct a building thereon for the accommodation of the courts, post office, and other Government offices, was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized, in his discretion, to acquire a new site in Huntsville, Ala., and to construct a building thereon for the accommodation of the courts, post office, and other Government offices, at a cost not to exceed the sum of \$234,000, in lieu of the acquisition of additional land, demolition of building, and construction of a new building within said limit of cost fixed under struction of a new building within said limit of cost fixed under authority of the act approved July 21, 1932, as modified by the act approved June 30, 1932.

FEDERAL BUILDING, MANGUM, OKLA.

The bill (H. R. 14489) relating to the construction of a Federal building at Mangum, Okla., was considered, ordered to a third reading, read the third time, and passed, as

Be it enacted, etc., That in the construction of the Federal building at Mangum, Okla., authorized by the act of February 16, 1931 (Doc. No. 788, 71st Cong.), the Secretary of the Treasury is hereby authorized to provide facilities for the holding of terms of the District Court for the Western District of Oklahoma.

FORT PECK IRRIGATION PROJECT, MONTANA

The Senate proceeded to consider the bill (S. 4960) to reduce the area of the Fort Peck irrigation project in the State of Montana, which had been reported from the Committee on Indian Affairs with an amendment to strike out all after the enacting clause and to insert:

That the Secretary of the Interior is authorized and directed to redesignate such lands in the Fort Peck irrigation project in the State of Montana as can, in his opinion, be successfully irrigated with the existing equipment on such project. Such lands shall comprise, as nearly as practicable, not over 3,000 acres, 4,000 acres, 5,395 acres, and 2,412 acres, respectively, in those parts of the project known as the Big Muddy unit, Poplar River unit, the Big Porcupine unit, and the Little Porcupine unit.

SEC. 2. No obligation shall be assumed by the United States for the irrigation of any land not so designated, and no irrigation charges shall be imposed in respect of such land.

SEC. 3. The Secretary of the Interior is hereby authorized to cause to be made an investigation for the determination of the probable damages that may result to owners of land that will be eliminated from the irrigation project by reason of the provisions of this act and to make his recommendations thereon to Congress on or before the first Monday in December, 1933.

SEC. 4. Upon the passage of this act the Secretary of the In-

(a) Shall abandon all efforts to irrigate such lands so designated;

(b) Shall release the landowners of such lands from all charges on account of such land in connection with the Fort Peck irri-

gation project;
(c) May lease or sell, on such terms and conditions as he deems proper, any land, works, or equipment, or any right or interest therein, within such project, not needed for the irrigation of the designated lands, and shall cover the proceeds of any such sale or

lease into the Treasury as miscellaneous receipts;
(d) Shall release, subject to the conditions and limitations hereinafter provided, all owners of such designated lands from all charges in respect of such lands, on account of the construction charges in respect of such lands, on account of the construction of such project, except an amount equal to \$10 per acre within the Big Muddy unit, \$28 per acre for lands within the Poplar River unit, \$30 per acre for lands within the Big Porcupine unit, and \$20 per acre for lands within the Little Porcupine unit, and \$20 per acre for lands within the Little Porcupine unit, less the amount of any payments already made on account of such charges: Provided, That before the benefits of this provision are extended to non-Indian owned lands in the designated area the owners shall enter into contracts with the Government to repay construction costs as herein fixed and the annual operation and maintenance expenses: and maintenance expenses; and

(e) Shall fix like charges, subject to like conditions and limitations, and subject to the provisions of the act of July 1, 1932 (47 Stat. 564), for all such designated lands on which he may thereafter issue fee patents.

SEC. 5. The charges herein provided for against non-Indian owned lands shall be payable under such rules and regulations as the Secretary of the Interior may prescribe.

SEC. 6. The Secretary of the Interior is authorized and directed to make such rules and regulations as may be necessary and proper for carrying out the provisions of this act.

Mr. KING. Mr. President, I should like to ask the Senator from North Dakota [Mr. FRAZIER] if this bill is in pursuance of the plan of the present Commissioner of Indian Affairs to readjust many of these so-called reclamation projects upon Indian reservations. As the Senator knows, more than \$50,000,000 have been appropriated for reclamation projects upon Indian reservations; \$36,000,000 are still further to be expended, and the Indians are not the beneficiaries, but the whites.

Mr. FRAZIER. Mr. President, this is a bill that the junior Senator from Montana [Mr. Wheeler] introduced. The department recommended striking out the original language of the bill and rewriting it. The claim is that it will help the Indians. It reduces the amount of land under the project and takes out some, as I understand, that is not good land and is not worth the irrigation. The Senator from Montana seemed to think it would be a good thing for that reservation.

Mr. KING. Is not one of the objects of it to relieve the white settlers from paying the obligations due upon the land

Mr. FRAZIER. No; I do not think that is the case at all. The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

WHITE EARTH INDIAN RESERVATION, MINN.

The Senate proceeded to consider the bill (S. 5485) establishing a State game refuge on islands in the Egg Lakes in the White Earth Indian Reservation in the State of Minnesota, which had been reported from the Committee on Indian Affairs with amendments, on page 1, line 4, after the figures "16," to insert "township 141," and on page 2, line 6, after "1927," to insert "Provided, That in the event the islands hereby transferred to the State of Minnesota are no longer used for said State game refuge purposes they shall automatically revert to their former status of Indian lands," so as to make the bill read:

Be it enacted, etc., That the islands in the Egg Lakes, in sections 9, 10, 14, 15, and 16, township 141 north, range 39 west, fifth meridian, in the White Earth Indian Reservation in the State of Minnesota, are hereby reserved from allotment and set aside for the protection of game animals, birds, and fish, and are hereby granted to the State of Minnesota; conditioned, however, that such islands, together with all lands abutting on three of said lakes located in sections 9, 14, and 16 and the west half of section 15 shall, within two years from the passage and approval of this act, with the consent of the owner or owners of such abutting lands, be established as a State game refuge, as provided in section 5610 of Mason's Minnesota Statutes of 1927: Provided, That in the event the islands hereby transferred to the State of Minnesota are event the islands hereby transferred to the State of Minnesota are no longer used for said State game refuge purposes they shall automatically revert to their former status of Indian lands.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

DELEGATION OF POWERS BY INTERSTATE COMMERCE COMMISSION

The Senate proceeded to consider the bill (H. R. 7432) to authorize the Interstate Commerce Commission to delegate certain of its powers, which was read, as follows:

Be it enacted, etc., That section 17 of the interstate commerce act, as amended (U. S. C., title 49, sec. 17), is amended by adding at the end thereof a new paragraph to read as follows:

"(6) The commission is hereby authorized by its order to assign or refer any portion of its work, business, or functions arising under this or any other act of Congress or referred to it by Congress, or either branch thereof, to an individual commissioner, or to a board composed of an employee or employees of the commission, to be designated by such order, for action thereon, and by its order at any time to amend, modify, supplement, or rescind any such assignment or reference: Provided however rescind any such assignment or reference: Provided, however, That this authority shall not extend to investigations instituted upon the commission's own motion nor, without the consent of the parties thereto, to contested proceedings involving the taking of testimony at public hearings. All such orders shall take effect forthwith and remain in effect until otherwise ordered by the commission. In case of the absence or inability for any other reason to act of any such individual commissioner or employee designated to serve upon any such board, the chairman of the commission may designate another commissioner or employee, as the case may be, to serve temporarily until the commission shall

otherwise order. In conformity with and subject to the order or orders of the commission in the premises, any such individual or orders of the commission in the premises, any such individual commissioner, or board acting by a majority thereof, shall have power and authority to hear and determine, order, certify, report, or otherwise act as to any of said work, business, or functions so assigned or referred to him or it for action by the commission and in respect thereof shall have all the jurisdiction and powers now or then conferred by law upon the commission and be subject to the same duties and obligations. Any order, decision, or report made or other action taken by any such individual commission. report made or other action taken by any such individual com-missioner or board in respect of any matters so assigned or remissioner or board in respect of any matters so assigned or referred shall have the same force and effect, and may be made, evidenced, and enforced in the same manner as if made or taken by the commission. Any party affected by any order, decision, or report of any such individual commissioner or board may file a petition for reconsideration or for rehearing by the commission or a division thereof and every such petition shall be passed upon by the commission or a division thereof. Any action by a division upon such a petition shall itself be subject to reconsideration by the commission, as provided in section 16a of this act (U. S. C., title 49, sec. 16a), and in paragraph (4) of this section. The commission may, as provided in paragraph (1) of this section, make and amend rules for the conduct of proceedings before such individual commissioner or board and for the rehearing of such action before a division of the commission shall be the secretary and seal of such individual commissioner or board."

Mr. ROBINSON of Arkansas. Mr. President, I trust the Senator from Michigan [Mr. Couzens], who is present, will make an explanation of this bill.

Mr. COUZENS. Mr. President, this bill was given very careful consideration by the House Committee on Interstate and Foreign Commerce. Quite extensive hearings were held, and it was passed unanimously. The bill came to the Senate and went to the Interstate Commerce Committee, where we had Commissioner Eastman before us.

I draw attention to paragraph (6), which, in the initial language, seems rather broad. It says:

The commission is hereby authorized by its order to assign or refer any portion of its work, business, or functions arising under this or any other act of Congress or referred to it by Congress, or either branch thereof, to an individual commissioner, or to a board composed of an employee or employees of the commission, to be designated by such order, for action thereon, and by its order at any time to amend, modify, supplement, or rescind any such assignment or reference.

Now I draw attention to the limitations:

Provided, however, That this authority shall not extend to investigations instituted upon the commission's own motion nor, without the consent of the parties thereto—

And I think that is the important part-

to contested proceedings involving the taking of testimony at public hearings. All such orders shall take effect forthwith and remain in effect until otherwise ordered by the commission.

The purpose of this is to assign to employees many of the details that now occupy the time of the Interstate Commerce Commission; such, for instance, as an overcharge claim by a shipper, where a trained employee of the commission is much more familiar with the details than any individual commissioner. I could go on and recite many of the details which can be assigned if this bill is enacted into law.

There is no objection to the bill from any source that we can find, either the practitioners before the commission, the commissioners themselves, the railroads, or anyone else. In other words, the bill proposes a very great simplification of the proceedings now conducted before the com-

Mr. ROBINSON of Arkansas. I shall not object, Mr. President.

The bill was ordered to a third reading, read the third time, and passed.

NORTH CAROLINA SENATORIAL CONTEST

The Senate proceeded to consider the resolution (S. Res. 346) to pay certain expenses incurred in connection with the so-called Pritchard-Bailey contested election case from North Carolina, which had been reported from the Committee to Audit and Control the Contingent Expenses of the Senate, with amendments.

The first amendment was on page 1, line 1, after the words "sum of", to strike out "\$500" and insert "\$250", so as to read:

Resolved, That the sum of \$250 be paid to the treasurer of the State of North Carolina.

Mr. BAILEY. Mr. President, I do not want to interpose | an objection to the action of the committee; but I do think the figure "\$250" in line 1 should be "\$500." The State of North Carolina paid \$500 to counsel for the treasurer, who attended three actions in three separate courts. As a matter of dignity of the State and of the Senate, I think that if we pay anything on that account we should pay the \$500.

Mr. ROBINSON of Arkansas. Mr. President, I inquire if the resolution as the committee proposes to amend it is satisfactory to the Senator from North Carolina.

Mr. BAILEY. With the exception of the \$250 proposed to be paid to the State of North Carolina; but I will accept that rather than delay the conclusion of this matter. I am not going to offer an amendment, although if some other Senator does I will support it; but the balance of the resolution is satisfactory.

Mr. KING. Mr. President, I have a great deal of sympathy with the position taken by the Senator from North Carolina. Being the ranking member upon the committee, I have given considerable attention to this matter.

Mr. BULKLEY. Mr. President, it seems clear to me that either the State of North Carolina ought to be reimbursed or it should not be reimbursed. I think it should be reimbursed. But I do not see any reason why we should quibble with the State of North Carolina over \$250. I hope the amendment will be defeated.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was rejected.

The next amendment of the committee was on line 3, to strike out "\$3,000" and to insert in lieu thereof "\$1,500."

The amendment was agreed to.

The next amendment was on line 4, to strike out "\$8,000" and to insert in lieu thereof "\$4,000."

The amendment was agreed to.

The PRESIDING OFFICER. The question now is on agreeing to the resolution, as amended.

The resolution, as amended, was agreed to, as follows:

Resolved, That the sum of \$500 be paid to the treasurer of the State of North Carolina; that the sum of \$1,500 be paid to Hon. Josiah W. Bailey, the sitting senior Senator from North Carolina; and that \$4,000 be paid to Hon. George M. Pritchard, of Asheville, N. C.; all of said sums to be paid from the contingent fund of the Senate and in full settlement of expenses incurred in the contested case affecting the seat of the senior Senator from North Carolina.

INVESTIGATION OF AIR MAIL AND OCEAN MAIL CONTRACTS

The Senate proceeded to consider the resolution (S. Res. 349) creating a special committee of the Senate to investigate air mail and ocean mail contracts, which had been reported from the Committee to Audit and Control the Contingent Expenses of the Senate with an amendment on page 3, line 6, to strike out "\$10,000" and insert in lieu thereof "\$5,000," so as to make the resolution read:

Resolved, That a special committee of the Senate, to be ap pointed by the President of the Senate, three from the majority political party and two from the minority political party, is authorized and directed to investigate and make a full, complete, political party and two from the minority political party, is authorized and directed to investigate and make a full, complete, and detailed inquiry into all existing contracts entered into by the Postmaster General for the carriage of air mail and ocean mail, both foreign and domestic, with a view to determining particularly (1) all the circumstances surrounding the execution and continuation of, and the necessity, if any, of maintaining, altering, or canceling such contracts; (2) the organization and financial condition of the associations, partnerships, or corporations with which such contracts have been entered into, including a study of their capital stock, authorized and paid in, their receipts and expenditures, their total outlay in salaries paid to officers, executives, and employees, whether by way of bonus or otherwise, and their relationship, whether by interlocking directorates or otherwise, with any other individual, association, public official, partnership, or corporation, commercial or banking; (3) the extent of any activities by or on behalf of any association, partnership, or corporation with which such contracts have been entered into, in any effort to obtain, through legislation or otherwise, cash subsidies from the United States; and (4) any other facts relating to legislation or appropriations affecting air mail and ocean mail contracts, both foreign and domestic. The committee shall report to the Senate, as soon as practicable, the results of its investigations, together with its recommendations.

together with its recommendations.

For the purposes of this resolution the committee, or any duly authorized subcommittee thereof, is authorized to hold such hear-

ings, to sit and act at such times and places during the sessions and recesses of the Senate in the Seventy-second and succeeding Congresses, to employ such clerical and other assistants, to require by subpens or otherwise the attendance of such witnesses and the production of such books, papers, and documents, to administer such oaths, to take such testimony, and to make such expenditures as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words. The expenses of the committee, which shall not exceed \$5,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman.

The amendment was agreed to.

Mr. ROBINSON of Arkansas. Mr. President, I propose an amendment, on line 2, after the word "Senate," to strike out all down to and including the word "party" in line 4, and I will make just a brief explanation of the amendment.

The resolution as drafted by the Senator from Alabama, requires the President of the Senate to appoint three Members from the majority and two from the minority. We all know that within about a week the majority in the Senate will change, and for that reason I do not wish to have the Chair bound to appoint a majority from the other side of the Chamber. I think he should and will appoint a majority from this side of the Chamber, in view of the fact that those in control of the Government will change in such a short time.

Mr. REED. Mr. President, will the Senator yield?

Mr. ROBINSON of Arkansas. I yield.

Mr. REED. I was about to suggest an amendment with the same thought in mind, but to accomplish the result in a different way. I was about to propose that after the word Senate," in line 2, we insert the words "after March 4, 1933."

Mr. ROBINSON of Arkansas. Mr. President, I would prefer, and I think the Senator from Alabama would prefer to leave the Chair at liberty to make the appointments now, so that the investigation might proceed, if the resolution is agreed to, at as early a date as possible.

Mr. REED. There would be a difference of only one week, and it seems to me that, since the investigation can not be concluded within that week, it is better that the appointments be made by the new Vice President.

Mr. ROBINSON of Arkansas. It is true that the investigation not only could not be completed within a week, but no doubt will not be started within that time.

Mr. President, I will accept the amendment of the Senator from Pennsylvania, so far as I am authorized to accept any amendment, if the Senator from Alabama will consent, in lieu of my own amendment. I withdraw my amendment and ask consideration of the amendment proposed by the Senator from Pennsylvania.

The PRESIDING OFFICER. The clerk will state the amendment proposed by the Senator from Pennsylvania.

The CHIEF CLERK. The Senator from Pennsylvania offers the following amendment, on page 1, line 2, after the word "Senate" and the comma, to insert the words "after March 4, 1933."

The amendment was agreed to.

Mr. BINGHAM. Mr. President, I shall not utilize my prerogative of objecting to this resolution, although I do not think there is any necessity for its adoption.

I desire, however, if I may have the attention of the Senate, to call attention to the fact that, in a time when economy is needed and urged, and little people are having amounts of money taken away from them, we are spending thousands and thousands of dollars in investigating the air mail. It has been a favorite indoor and outdoor sport of the Congress for some time.

Mr. ROBINSON of Arkansas. Mr. President, will the Senator yield?

Mr. BINGHAM. I yield.

Mr. ROBINSON of Arkansas. The Senator speaks of this investigation as a great charge on the Treasury of the United States.

Mr. BINGHAM. No. Mr. President, I have not referred to the pending investigation, but to preceding investigations.

Mr. ROBINSON of Arkansas. I thought the Senator was speaking of the pending resolution.

Mr. BINGHAM. It has been a favorite indoor and outdoor sport of the Congress for the past 15 or 16 years to investigate aviation. When the President appointed the Morrow board some five or six years ago, we learned that within the nine years preceding that there had been nine investigations. One House committee alone had published a small shelfful of volumes as a result of their investigation.

After the Morrow board's report, for the next few years aviation went along fairly well, and there were very few investigations. But the urge to investigate started in again a few years ago, and last year, or perhaps a little more than a year ago, we passed Senate Resolution 53, calling upon the Postmaster General to give us information regarding the air mail contracts. He and his associates spent several months in preparing a report in accordance with the resolution, the report was printed at the expense of the taxpayers of the United States in a volume of 1,256 pages, and I am informed by the Government Printing Office that it cost \$8,693 just to print that report with regard to the air mail. We do not know how many thousands of dollars it cost the Post Office Department to prepare the material.

Last spring the House of Representatives decided that the air mail needed an investigation, and in March, 1932, they spent five or six thousand dollars and printed a document of 200 pages as a result of their investigation with regard to the air mail.

Not satisfied with that, they got another resolution through in June, 1932, House Resolution 226, asking all kinds of information about contracts, the prices paid, and so forth, very much in line with the resolution we are now asked to pass, and appropriated \$5,000 for the investigation, employing an expert. Their report has recently been printed.

During the hearings on the Treasury and Post Office appropriation bill nearly 1,000 pages of testimony was taken regarding the air mail and the ocean mail, printed at a cost of about \$5,000, and now we are asked to spend \$5,000 more investigating this already overinvestigated subject.

It may be that the Senate wants to do it. It may be that the air mail is in such bad condition and that the contracts are so bad that they need investigation. I do not intend to object to the passage of the resolution, but I would like to have a vote upon it, after the Senate understands that we have already spent about eighteen or twenty thousand dollars in the last year and a half in investigating the air mail; and if the Senate wants to spend another \$5,000 investigating it, I have no objection, except that I shall vote against it.

The PRESIDING OFFICER. The question is on agreeing to the resolution as amended.

The resolution as amended was agreed to.

MATILDA A. BARKLEY

The resolution (S. Res. 366) to pay to Matilda A. Barkley a sum equal to six months' compensation of the late Joshua W. Barkley was read, considered, and agreed to, as follows:

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay from the appropriation for miscellaneous items, contingent fund of the Senate, fiscal year 1932, to Matilda A. Barkley, widow of Joshua W. Barkley, late a laborer in the employ of the Senate under supervision of the Sergeant at Arms, a sum equal to six months' compensation at the rate he was receiving by law at the time of his death, said sum to be considered inclusive of funeral expenses and all other allowances.

CHANGES IN THE NAVY RATION

The Senate proceeded to consider the bill (S. 5675) to effect needed changes in the Navy ration, which was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That sections 1580 and 1581, Revised Statutes, amended by the act of June 29, 1906, and the act of March 1907 (34 Stat. 570, 571, 1193; U. S. C., title 34, secs. 902, 903, 906), are hereby repealed.

The Navy ration issued to each person entitled thereto shall consist of the following daily allowance of provisions: 8 ounces of biscuit or 12 ounces of soft bread or 12 ounces of flour; 12 ounces of preserved meat or 14 ounces of salt or smoked meat or 20 ounces of fresh meat or fresh fish or poultry; 12 ounces

of dried vegetables or 18 ounces of canned vegetables or 44 ounces of fresh vegetables; 4 ounces of dried fruit or 10 ounces of canned fruit or 6 ounces of preserved fruit or 16 ounces of fresh fruit; 2 ounces of cocoa or 2 ounces of coffee or half ounce of tea; 4 ounces of evaporated milk or 1 ounce of powdered milk or half pint of fresh milk, together with 1_{10}^{+} ounces of butter, 1_{10}^{+} ounces of cereals or rice or starch foods, half ounce of cheese, 1_{10}^{+} eggs, 1_{10}^{+} ounces of lard or lard substitute, two-fifths of a gill of oils or sauces or vinegar, 5 ounces of sugar and such quantities of baking

powder and soda, flavoring extracts, mustard, pepper, pickles, salt, strup, spices, and yeast as required.

Sec. 2. Any article comprised in the Navy ration may be issued in excess of the authorized quantity: Provided, That there be an underissue of the same value in some other article or articles.

underissue of the same value in some other article or articles.

SEC. 3. The Secretary of the Navy is authorized to increase the above-stated allowances on those vessels and stations having an allowed complement of less than 150 men and subsisting on a ration allowance, when, in his opinion, such vessels and stations are operating under conditions which warrant such increases.

SEC. 4. The Secretary of the Navy is authorized to fix the limit of the cost of rations on destroyers, submarines, mine sweepers, tugs, aircraft, and other vessels and stations subsisted under the direction of commanding officers.

direction of commanding officers.

LOANS OF CONDEMNED PROPERTY

The Senate proceeded to consider the bill (H. R. 13026) to amend section 546, title 34, U.S.C., which was ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That chapter 231 of the act of May 22, 1896 (29 Stat. 133, sec. 546, title 34, U. S. C.), be, and the same is

hereby, amended to read as follows:

"Sec. 546. Loan or gift of condemned or obsolete property:
The Secretary of the Navy is hereby authorized, in his discretion, to lend or give to soldiers' monument associations, posts of the Grand Army of the Republic, posts of the American Legion, and other recognized war-veteran associations, State museums, and incorporated museums, and maintained for educations. the Grand Army of the Republic, posts of the American Legion, and other recognized war-veteran associations, State museums, and incorporated museums operated and maintained for educational purpose only, whose charter denies them the right to operate for profit, and municipal corporations condemned or obsolete ordnance, guns, projectiles, books, manuscripts, works of art, drawings, plans, models, and other condemned or obsolete material which may not be needed in the service of the Navy Department. Such loan or gift shall be made subject to rules and regulations covering the same, and the Government shall be at no expense in connection with any such loan or gift."

BERYL M. M'HAM

The Senate proceeded to consider the bill (H. R. 10070) for the relief of Beryl M. McHam, which had been reported from the Committee on Military Affairs with an amendment, on page 1, line 9, after the numerals "1920" to insert the words, "Provided, That no pay, compensation, benefit, or allowance shall be held to have accrued prior to the passage of this act," so as to make the bill read:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers, Beryl M. McHam, who served in Company C, Twenty-sixth Regiment, and Company C, Eighth Regiment, United States Infantry, World War, shall hereafter be held and considered to have been honorably discharged from the military service of the United States on the 7th day of July, 1920: Provided, That no pay, compensation, benefit, or allowance shall be held to have accrued prior to the passage of this act.

The amendment was agreed to.

Mr. LOGAN. Mr. President, on yesterday the Committee on Military Affairs authorized me to report three bills for the calendar. Through neglect on my part I did not report them in time to have them printed on the calendar to-day, and I ask unanimous consent that they be considered immediately following the last bill on the calendar.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Kentucky? The Chair hears none, and it is so ordered. The question is, Shall the amendment of House bill 10070 be engrossed and the bill be read a third time?

Mr. KING. Let the bill go over.
Mr. REED. Mr. President, will the Senator withhold his objection a moment?

Mr. KING. I will.
Mr. REED. This is one of the most extraordinary cases that has come before the Committee on Military Affairs for a long time.

Mr. President, a man enlisted in the Army one week before we entered the World War in 1917. He was among the first enlisted men to go abroad. He was assigned to the First Division. He was in every major offensive the American Army fought. He was very severely wounded in several

places. He was put on the most perilous of duty. He served in raiding squads. I remember that at one time he and 11 other Americans went over and captured 29 Germans in a surprise raid. He was put into isolated posts, far in front, charged with throwing hand grenades into German trenches close before him. This man was given a citation for distinguished gallantry in action. He had as fine a fighting record as any soldier in the Army.

After the armistice, when he had recovered from his wounds, he volunteered to go forward in the Army of Occupation, and was assigned to the Twenty-sixth Division. That division at that time was largely made up of men who had not seen any fighting, but had been sent abroad to fill up outfits as replacements, after the armistice. Those new soldiers did not know McHam, and he did not know them.

It was supposed that he was probably a recent replacement who had not seen any service. Like a number of other mistaken young men, he did not behave himself very well in Coblentz. One night in September, 1919, he got drunk with two or three others and got into a fist fight and seems to have done some very courageous battling in that affair. He was charged with having beaten up three other American soldiers. He was arrested and tried by general courtmartial. On the advice of his counsel, an Army officer, he stood mute and made no defense. I think his counsel ought to have been dishonorably discharged for giving him such advice. The sentence was 15 months at hard labor and dishonorable discharge. He took it and was dishonorably discharged. In some way he got himself back into the Army on a new enlistment from which he deserted at Fort Hamilton, N. Y., some six months afterwards.

The committee have always firmly taken the position that we would not pardon desertion except in cases where the soldier had a good record in actual combat with the enemy. This is such an outstanding case of good service that the committee did not hesitate, but were unanimous in reporting the bill favorably. I hope it may be favorably considered.

Mr. KING. I have no objection.

The PRESIDING OFFICER. Is there objection?

Mr. WALSH of Massachusetts. Mr. President, reserving the right to object, within five minutes a Senator on this floor has spoken to me about reporting favorably from the Committee on Naval Affairs a bill removing a dishonorable record from an enlisted naval man who was given an undesirable discharge during the war period-not a dishonorable discharge, but an undesirable discharge-and whose record offenses were shooting craps and being absent for a few days. I could not consent. I do not know when and where and how we can draw the line once we lift the ban on dishonorable discharges when they are inflicted during the period of war. The purpose of the legislation is to give World War benefits to these soldiers with dishonorable records. If we raise the ban for this man, who undoubtedly has rendered brave and conspicuous war service but nevertheless has a dishonorable discharge, I do not know where and when and how we are going to draw the line. I have insisted in the Committee on Naval Affairs, before which committee are hundreds of cases, that if a man goes through a war with an honorable record and later enlists and gets drunk and is dishonorably discharged, I will help to lift the dishonorable dicharge so that he will not be deprived of his war-service benefits, but he must come with clean hands, an honorable war-period record, in order for him to get the benefits that are given an honorably discharged war veteran. On that account I regret to say I must object. I object to dishonorably discharged veterans' being added to the pension rolls when we are advocating reducing the pensions and compensations of honorably discharged veterans.

The PRESIDING OFFICER. Objection is made, and the bill goes over.

WILLIAM MATHEW SQUIRES

The bill (H. R. 2601) for the relief of William Mathew Squires was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers William Mathew Squires, late of Company C. Third Regiment Texas Volunteer Infantry, war with Spain, shall hereafter be held and considered to have been honorably discharged from the military service of the United States as a member of that organization on the 16th day of July, 1898, and notwithstanding any provisions to the contrary in the act relating to pensions approved April 26, 1898, as amended by the act approved May 11, 1908: Provided, That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act.

PRICE HUFF

The bill (H. R. 11035) for the relief of Price Huff, was considered. The bill had been reported from the Committee on Military Affairs with an amendment on page 1, line 9, after the word "no" to strike out:

bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act: Provided further, That if the said Huff shall within 12 months after the enactment of this act file with the Veterans' Administration a claim for adjusted-service compensation under the provisions of the World War veterans' act of 1924, as amended, then and in that event nothing in this act contained shall be construed to prevent said veteran from being allowed his adjusted-service certificate, if he be found otherwise entitled thereto;

And to insert in lieu thereof "back pay, compensation, benefit, or allowance shall be held to have accrued prior to the passage of this act."

The amendment was agreed to.

Mr. REED. Mr. President, I want to propose a further amendment. On page 1, line 7, strike out the words "discharged under honorable conditions" and insert the words "honorably discharged."

The PRESIDING OFFICER. The amendment will be stated.

The amendment was, on page 1, line 7, to strike out the words "discharged under honorable conditions" and insert "honorably discharged," so as to make the bill read:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers Price Huff, who was a member of the Chemical Warfare Service, United States Army, shall be held and considered to have been honorably discharged from the military service of the United States as a member of that service on the 6th day of February, 1920: Provided, That no back pay, compensation, benefit, or allowance shall be held to have accrued prior to the passage of this act.

The amendment was agreed to.

The amendments were ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time and passed.

SALE OF GOVERNMENT PROPERTY, ST. LOUIS, MO.

The bill (S. 5660) authorizing the Secretary of the Treasury to sell certain Government property in St. Louis, Mo., was considered.

Mr. McKELLAR. Mr. President, this is a very bad time to sell property. May we have some explanation of the bill? Mr. CLARK. Mr. President, the facts are that the bill

Mr. CLARK. Mr. President, the facts are that the bill authorizes the Secretary of the Treasury to sell what is known as the old customhouse in St. Louis. The price is to be fixed by the Secretary of the Treasury. The old customhouse is a very old building no longer suitable for the uses of the Government. A new building to house the customs service and other governmental activities is already under contract. The city of St. Louis contemplates the creation of a north and south boulevard and wishes to make arrangements at this time. The bill provides that the Government shall be permitted to occupy the old customhouse free of rent until such time as the new building shall have been completed.

Mr. McKELLAR. I have no objection.

The bill was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and empowered, in his discretion, to sell to the city of St. Louis, Mo., the appraisers' stores site and building at Third and Olive Streets in the said city at fair market value at such time and upon such terms and conditions as he may deem to be to the best interests of the United States, and to

convey such property to the city of St. Louis by usual quitclaim deed: Provided, That the site and building shall remain in the custody and control of the United States and shall be occupied by the United States without payment of rent until such time as the new Federal building at St. Louis, in which the present Government activities in the appraisers' stores building are to be housed, is completed and occupied and the present appraisers' stores site and building are no longer required for any of the activities of the United States Government: And provided further, That the proceeds of such sale shall be deposited in the Treasury as miscellaneous receipts in accordance with the provisions of section 5 of the act entitled "An act to provide for the construction of certain public buildings, and for other purposes," approved May 25, 1926.

ALEXANDER F. SAWHILL

The bill (H. R. 6270) for the relief of Alexander F. Sawhill, was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers, Alexander F. Sawhill, who was a member of Company C, Tenth Regiment Pennsylvania Reserves; Thirty-ninth Regiment Pennsylvania Volunteer Infantry, shall hereafter be held and considered to have been honorably discharged from the military service of the United States as a member of that organization on the 7th day of December, 1863: Provided, That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act.

ACQUISITION OF LAND, CAMP BULLIS, TEX.

The bill (H. R. 12769) to provide an additional authorization for the acquisition of land in the vicinity of Camp Bullis, Tex., was considered.

Mr. KING. Mr. President, I would like to inquire whether the original appropriation was not sufficient?

Mr. REED. Mr. President, it was not sufficient. It was \$15,000. We tried to get the land by private negotiation and that proved to be impossible. Thereupon condemnation proceedings were started and the judgment price fixed in those proceedings was \$21,300. At present we find ourselves in this situation. Interest at 6 per cent is running on the \$21,000 judgment and at the same time we are paying a rental of about \$100 a month for the same property. We are paying twice for the same property and we want to terminate that double liability.

Mr. KING. I have no objection.

The bill was ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, in addition to the sum of \$15,000 authorized by the act of January 12, 1929, to be appropriated for the acquisition by the Secretary of War in the vicinity of and for use in connection with the present military reservation at Camp Bullis, Tex., and which was appropriated in the War Department appropriation act for the fiscal year 1931, there is authorized to be appropriated for the same purpose, to meet the judgment in condemnation proceedings, an additional sum of not to exceed \$6,400, together with such amount as may be necessary to pay interest.

WATER FOR FIRE-FIGHTING PURPOSES ADJACENT TO DISTRICT OF COLUMBIA

The bill (S. 1001) to authorize the Chief of Engineers of the Army to enter into agreements with local governments adjacent to the District of Columbia for the use of water for purposes of fire fighting only was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Chief of Engineers of the Army is hereby authorized to formulate regulations and enter into agreements with county or other local governments in communities adjacent to the District of Columbia for the use of water from unmetered mains or conduits for emergency purposes in fire fighting only.

JERRY V. CRANE

The bill (H. R. 5367) for the relief of Jerry V. Crane was considered.

Mr. McKELLAR. Mr. President, let us have the bill read. The bill was read, as follows:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers Jerry V. Crane, who was a member of Company K, Thirty-seventh Regiment Kentucky Volunteer Mounted Infantry, shall hereafter be held and considered to have been honorably discharged from the military service of the United States as a private

of that organization on the 5th day of March, 1864: Provided, That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act.

Mr. KING. Mr. President, I can not believe that any soldier from Kentucky ever deserted, so I ask the Senator

from Kentucky to make an explanation.

Mr. LOGAN. Mr. President, it has been so long ago that I do not say with definiteness, but the man was reported to have deserted and was reported to have died in a hospital. I do not know which is correct. However, he is 84 or 85 years old; the House passed the bill with approval, and the Senate Committee on Military Affairs has approved it.

Mr. KING. Is the Senator sure the ex-soldier is not dead?

Mr. LOGAN. No; I am not sure. He was about dead the last I heard.

There being no objection, the bill was ordered to a third reading, read the third time, and passed.

STUART L. RITZ

The bill (H. R. 7167) for the relief of Stuart L. Ritz was announced as next in order, and was read, as follows:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers Stuart L. Ritz, late of Company L, Second Regiment United States Infantry, shall hereafter be held and considered to have been honorably discharged from the military service of the United States on the 22d day of April, 1899: Provided, That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act.

Mr. WALSH of Massachusetts. Mr. President, I would like to inquire if there was in this case a dishonorable discharge and if an attempt is now being made by special act of Congress to remove such a record.

Mr. LOGAN. The record was made during the Spanish-American War. That is my recollection. I do not have

the report before me.

Mr. WALSH of Massachusetts. I feel very strongly that if we are to remove the dishonorable discharge ban and change the veterans' law and allow all dishonorably discharged veterans to come in and get the benefit of veterans' laws, we ought to make it a general practice and have a general bill covering them all. If this dishonorable discharge came after the war during another enlistment, then I would be willing to join in removing it, assuming that his war record was good.

Mr. LOGAN. May I suggest to the Senator from Massachusetts that there is never a call of the Calendar that bills of this kind are not passed. The records are filled with them for years and years. The Senator from Massachusetts does not mean to say that he has just discovered that such bills are being passed? I remind him that such bills are

passed on every call of the Calendar.

Mr. WALSH of Massachusetts. I have never, as a member of the Committee on Naval Affairs for years, known of any such bill to be passed removing a dishonorable discharge which was made a matter of record during the war. I have voted for and advocated and reported bills for the removal of a dishonorable discharge inflicted after the war where the record shows the man made an honorable record during the war and wanted the benefit extended to war veterans of that honorable record. But I have refused and I now refuse to permit a dishonorable record to be wiped out when made during the war. If there is evidence that the dishonorable record was incurred after the war following an honorable record during the war, that is another question. On a record of dishonorable discharge imposed during the war, I insist that the man shall not be given the same benefits as the honorably discharged man. If we make one exception, then we should except them all. How can we justify advocating the reduction of the benefits of honorably discharged veterans and adding dishonorably discharged veterans to the

The PRESIDING OFFICER. Does the Senator from Massachusetts object?

Mr. WALSH of Massachusetts. I object. The PRESIDING OFFICER. The bill goes over. POSTHUMOUS AWARD TO GLENN H. CURTISS, DECEASED

The bill (H. R. 11980) authorizing the President to make a posthumous award of a distinguished-flying cross to Glenn H. Curtiss, deceased, and to present the same to Lua Curtiss, mother of the said Glenn H. Curtiss, deceased, was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the President be, and he is hereby, authorized to make a posthumous award of a distinguished-flying cross to Glenn H. Curtiss for distinguished service in the development of American aviation. The distinguished-flying cross shall be presented to Lua Curtiss, mother of the said Glenn H. Curtiss, deceased.

Mr. ROBINSON of Arkansas. Mr. President, we have now finished the call of the printed calendar and I understand that other bills are being called up concerning which reports are not available. I shall object to the consideration of further bills for the reason that it seems to me manifest that Senators ought to have the opportunity of examining the reports.

NATIONAL BANKING ASSOCIATIONS

The PRESIDENT pro tempore laid before the Senate the amendments of the House of Representatives to the joint resolution (S. J. Res. 256) authorizing the Comptroller of the Currency to exercise with respect to national banking associations powers which State officials may have with respect to State banks, savings banks, and/or trust companies under State laws, which were, on page 1, line 6, to strike out "national banking associations" and insert "any national banking association;" on page 2, line 2, after the word "nothing" to strike out all down to and including "associations" in line 6, and insert "herein shall be construed to permit the establishment of branches of either National or State member banks or allow consolidation of either National or State member banks not allowed by existing laws," and on page 2, to strike out lines 14 and 15 and insert the following: "The powers herein conferred shall terminate six months from its approval by the President; but the President of the United States may extend its force by proclamation for an additional six months."

Mr. COUZENS. I move that the Senate concur in the House amendments.

The motion was agreed to.

MESSAGE FROM THE HOUSE—ENROLLED JOINT RESOLUTIONS SIGNED

A message from the House of Representatives by Mr. Haltigan, one of its clerks, announced that the Speaker had affixed his signature to the following enrolled joint resolutions, and they were signed by the Vice President:

S. J. Res. 223. Joint resolution establishing the United States Georgia Bicentennial Commission, and for other purposes:

S. J. Res. 256. Joint resolution authorizing the Comptroller of the Currency to exercise with respect to national banking associations powers which State officials may have with respect to State banks, savings banks, and/or trust companies under State laws; and

H. J. Res. 583. Joint resolution to provide for a change of site of the Federal building to be constructed at Binghamton,

APPROPRIATIONS FOR THE TREASURY AND POST OFFICE DEPARTMENTS

The PRESIDING OFFICER (Mr. FESS in the chair) laid before the Senate the action of the House of Representatives relative to certain amendments of the Senate to House bill 13520, the Treasury and Post Office Departments appropriation bill, which were previously laid before the Senate and read in full.

Mr. ODDIE. Mr. President, I advert again to the Treasury and Post Office Departments appropriation bill and move that the Senate disagree to the amendments of the House to the amendments of the Senate numbered 1, 14, 15, and 16; that it further insist upon its amendments in disagreement, being amendments Nos. 1 to 16, inclusive, and ask a further conference with the House on the disagreeing votes of the two Houses thereon, and that the Chair appoint the conferees on the part of the Senate.

Mr. BLACK. Mr. President, may I ask whether that is satisfactory to the Senator from Vermont [Mr. Austin]?

Mr. AUSTIN. Mr. President, such arrangements have been made between the managers of the former conference and those who are interested in the amendments that we have no objection to the adoption of this motion.

The motion of Mr. Oddie was agreed to, and the Presiding Officer (Mr. Fess in the chair) appointed Mr. Oddie, Mr. Smoot, Mr. Bingham, Mr. Dickinson, Mr. Keyes, Mr. Moses, Mr. Glass, Mr. McKellar, Mr. Bratton, Mr. Byrnes, and Mr. Thomas of Oklahoma conferees on the part of the Senate at the further conference.

APPROPRIATIONS FOR THE DEPARTMENTS OF STATE, JUSTICE, ETC.—
CONFERENCE REPORT

Mr. HALE. Mr. President, I submit the conference report on the bill making appropriations for the Departments of State and Justice, and for the Judiciary, and for the Departments of Commerce and Labor, and ask unanimous consent for its immediate consideration.

The PRESIDING OFFICER. The Senator from Maine submits a conference report which will be read.

The Chief Clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 14363) "making appropriations for the Departments of State and Justice and for the Judiciary, and for the Departments of Commerce and Labor, for the fiscal year ending June 30, 1934, and for other purposes," having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 4, 12, 15, 17, and 18.

That the House recede from its disagreement to the amendments of the Senate numbered 2, 3, 5, 7, 8, 9, 10, and 16, and agree to the same.

Amendment numbered 6: That the House recede from its disagreement to the amendment of the Senate numbered 6, and agree to the same with an amendment, as follows: In lieu of the matter proposed to be inserted by such amendment, insert the following: "Convention relating to liquor traffic in Africa, \$55; in all, \$575,486"; and the Senate agree to the same.

Amendment numbered 19: That the House recede from its disagreement to the amendment of the Senate numbered 19, and agree to the same with an amendment, as follows: Restore the matter stricken out by such amendment and in the matter so restored, strike out the sum "\$13,195" and insert in lieu thereof the sum "\$8,500"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 1, 11, 13, and 14.

FREDERICK HALE,
HENRY W. KEYES,
GEO. H. MOSES,
KENNETH MCKELLAR,
CARL HAYDEN,

Managers on the part of the Senate.

W. B. OLIVER,
ANTHONY J. GRIFFIN,
CLARENCE CANNON,
MILTON W. SHREVE,
GEORGE HOLDEN TINKHAM,
Managers on the part of the House.

The PRESIDING OFFICER. The Chair understands the Senator from Maine to ask unanimous consent for the present consideration of the report?

Mr. HALE. I do.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

Mr. HALE. Mr. President, I now ask the Chair to lay before the Senate the action of the House on the amendments shown by the conference report to be in disagreement.

The PRESIDING OFFICER. The Chair lays before the Senate the action of the House of Representatives on the amendments referred to by the Senator from Maine, which will be read.

The Chief Clerk read as follows:

IN THE HOUSE OF REPRESENTATIVES,

IN THE HOUSE OF REPRESENTATIVES,
February 25, 1933.
Resolved, That the House recede from its disagreement to the amendments of the Senate Nos. 1, 11, and 14 to the bill (H. R. 14363) making appropriations for the Departments of State and Justice and for the Judiciary, and for the Departments of Commerce and Labor, for the fiscal year ending June 30, 1934, and for other purposes, and concur therein.
That the House insist upon its disagreement to the amendment of the Senate No. 13.

of the Senate No. 13.

Mr. HALE. I move that the Senate recede from its amendment No. 13.

Mr. LA FOLLETTE. Mr. President, what is the amendment from which it is proposed the Senate shall recede?

Mr. HALE. Mr. President, this is the item in regard to the construction of metal furniture in prisons. The House bill contained a provision that none of the appropriation should be used for this purpose. The Senate eliminated that provision. The House has refused to accept the Senate amendment, and I move that the Senate recede.

The PRESIDING OFFICER. The question is on the motion of the Senator from Maine.

The motion was agreed to.

CABINET OF PRESIDENT-ELECT ROOSEVELT

Mr. WHEELER. I ask unanimous consent to have inserted in the RECORD an article by Carlisle Bargeron, being a timely comment upon the Cabinet of President-elect Roosevelt, appearing in the Washington Herald of February 24, 1933.

There being no objection, the article was ordered printed in the RECORD, as follows:

[From the Washington Herald, February 24, 1933]

THE LISTENING POST By Carlisle Bargeron

There will continue for some time, of course, to be disappointment over the Roosevelt Cabinet because it includes none of the "big" minds. Undoubtedly it has been the reflection of this disappointment in the stock market that has caused it to go down the past two or three days. Ah, those boys up there in what we affectionately term "the Street"—if you are really blase and understand finance, you always say "the Street"—those boys know what is good for the country. They can detect the weakness in a set-up immediately.

know what is good for the country. They can detect the weakness in a set-up immediately.

For example, they had only to scan the Roosevelt Cabinet and perceive it was without a "big" mind and realize that the thing to do was to sell, not buy. When you contemplate the minds of these boys of the Street, the acuteness of their perception, the alertness of their processes, one is left utterly awed.

They have, though, been quite unfair in their criticism of Mr. Roosevelt's Cabinet. Their disappointment is easily understood. But for them to criticize is not to know what has gene on.

They overlook entirely in their criticism of the absence of "big" minds in the Cabinet the fact that none was available, that instead, all of the "big" minds are either under indictment, should be, or to say the least are in decided ill repute. Which is to say that the country has gotten an overdose of their big-mindedness.

edness.

To illustrate: My choice of a "big" mind for the Cabinet would have been Mr. Charley Mitchell, the head of the National City Bank. "For crying out loud," there is a man who has dealt in billions. Nothing cheap or small about him.

If that man isn't a "big" mind, then I don't know one. There is a man of conception, of execution, of conclusion. To add six naughts onto a deal meant not the slightest thing in the world to him.

to him.

When that fellow found he had \$20,000,000 or so of worthless bonds on his hands do you think he worried and threw up the sponge with the ejaculation: "Ye gawds, I am sunk"?

He did nothing of the kind. He organized another company to hold these bonds and sold the stock in that company. That, my friends, is a "big" mind's knowledge of finance.

Now, his appointment as Secretary of the Treasury would have been inspiring. Because the next Secretary of the Treasury must refund some ten billions or so. He could have done it in some way. Maybe he would have organized a holding company for way. Maybe he would have organized a holding company for the United States.

But it is to utterly misapprehend the situation to criticize Mr. Roosevelt for not naming him. Mr. Mitchell is utterly unavailable. It would unquestionably take a steamshovel to get him away from the enclosure of those high-priced, wise-looking lawyers, who sit with him at the hearings of the Senate Banking and Currency Committee. If that isn't a treat for the sore eyes, I'll eat my hat. I would give a lot to be a cartoonist, a Kirby or a Talburt, for just the nonce

give a lot to be a cartoonist, a Kirby or a Talburt, for just the nonce.

Just at present Mr. Mitchell is not on the stand. Mr. Pecora, the energetic committee questioner, is plying one question after another into Mr. Baker, another head of the National City Bank. Mr. Mitchell has retired temporarily to the spectators' row. There he sits, the personification of American rugged individualism. But now with an injured air. He has told without blushing, without shame, how he paid no income taxes, not even with his wealth which runs into the millions, in 1929 or '30 or '31—I forget just which one of the years. And the way he got out of it was simply to transfer some \$3,000,000 worth of securities to a member of the family for a brief period, a transaction by which, instead of showing an income to the Government, he was able to show a loss. There is no question that our incomes are drying up in this country.

And flanking the gentleman, this master of finance, this patriot, this builder, this Yankee ingenuity, is a parade of lawyers. The President is surrounded by Secret Service men. They never envelop him more than the lawyers are enveloping Mr. Mitchell. The newspapermen say to one another: "They'll have Frank Hogan in the group to-morrow. The fire is getting hot."

What a picture it makes. The beady eyes, sitting as they might sit of Sundays in the Episcopal Church, the small and egg-shaped skulls, the receding hair, and the bald heads, all sitting there with their hands folded across their laps. The "big" minds. Roosevelt should certainly have had one in his Cabinet. It is a pity that the late Senator Caraway is not here. I should like to see him now a member of the Harrison economics committee and have these birds come before him holding up their hands and adjuring: "We must have sound money."

And hear Caraway ask them: "How about sound stocks and sound sense?"

Talk about inflationists, Caraway was a deflationist—of "big" minds. I wish he were here.

Talk about inflationists, Caraway was a deflationist-of "big" minds. I wish he were here.

CORRECTION IN LAW RELATIVE TO DISCRIMINATIONS IN CERTAIN LAND GRANTS

Mr. NYE. Mr. President, on February 14 last, the President approved a bill, which had been passed by the Senate and House, to remove existing discriminations incident to certain land grants and subject them to the same conditions that govern other land grants of their class.

The attention of the Committee on Public Lands has, by the Director of the Budget, been called to the fact that there is an error involving only a date which he would like to have corrected. The bill itself as it passed the Congress and as it has been approved by the President referred to another act, being the act of July 2, 1866, when it should refer to the act of July 27, 1866. To accomplish the correction which is sought, for the Public Lands Committee, I am reporting a joint resolution and ask unanimous consent for its immediate consideration.

The joint resolution (S. J. Res. 259) to amend the act entitled "An act to remove existing discriminations incident to certain land grants and to subject them to the same conditions that govern other land grants of their class," approved February 14, 1933, was read the first time by its title and the second time at length, as follows:

Resolved, etc., That the act entitled "An act to remove existing discriminations incident to certain land grants and to subject them to the same conditions that govern other land grants of their class," approved February 14, 1933, be, and the same is hereby, amended by striking out "July 2, 1866." where it occurs therein and inserting in lieu thereof "July 27, 1866."

The PRESIDING OFFICER. Is there objection to the present consideration of the joint resolution?

Mr. KING. Mr. President, I have no objection to the consideration of the joint resolution, but I will ask the Senator if it has been unanimously reported by the committee?

Mr. NYE. It is by action of the committee that the resolution is reported.

Mr. KING. And what does the joint resolution seek to accomplish?

Mr. NYE. It is merely designed to correct a date that appears in the bill which the Congress has passed and which the President has approved very recently. It proposes to change a date from the second of a month to the twentyseventh of the same month. It was merely an error in the drafting of the measure.

Mr. KING. It does not affect any right which the Government or any person has?

Mr. NYE. In no case.

Mr. KING. I have no objection.

The PRESIDING OFFICER. Is there objection to the present consideration of the joint resolution?

There being no objection, the joint resolution was considered, ordered to be engrossed for a third reading, read the third time, and passed.

AMENDMENT TO BANKRUPTCY ACT

The Senate resumed the consideration of the bill (H. R. 14359) to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, and acts amendatory thereof and supplementary thereto.

Mr. WALSH of Massachusetts. Mr. President, I ask to have printed in the RECORD a memorandum prepared by a prominent lawyer discussing certain legal aspects of the bankruptcy bill pending before the Senate as the unfinished business. I ask that the memorandum may be printed and lie on the table.

There being no objection, the memorandum was ordered to be printed in the Recorp and to lie on the table, as follows:

MEMORANDUM ON THE PROPOSED AMENDMENT TO THE BANKRUPTCY ACT

I have before me a memorandum by Solicitor General Thacher relative to H. R. 14359, to amend the bankruptcy act. It is an exhaustive study of the bill now pending before the Congress of the United States, and I might add that it has passed the other House and is being considered by the Senate.

Digressing for a moment I want to refer to the decisions of the Supreme Court of the United States on this question. They are not numerous. Perhaps the first was Sturgis v. Crowninshield (decided in 1819 and reported in 4 Wheaton 122). It has no particular application to the question at hand, but is part of the history of bankruptcy legislation. It held in effect, in considering a bankruptcy statute of the State of New York, that the bankruptcy or insolvency law of a State can not discharge a debtor in that State from his previously incurred liability to pay, as the Constitution forbids the State to impair the obligations of a contract. The State law, under consideration in that case, was designed not only to liberate the debtor from his contractual liability but also from imprisonment. Four years later, however, the Supreme Court in United States v. Wilson (8 Wheaton 253) held that a State law releasing the debtor from the imprisonment penalty does not impair the obligations of future contracts. In 1827 in Ogden v. Saunders (12 Wheaton 213) they held that such a State law does not impair the obligations of future contracts nor could it have extraterritorial effect if the creditor lived outside the State unless the creditor had submitted himself to the jurisdiction of the State. I merely cite these cases to call the Senate's attention to the fact that that body should not be slow now to give the relief which bankruptcy laws were designed to give.

The first fundamental law of the land, the Articles of Confed-

The first fundamental law of the land, the Articles of Confederation, did not deal with this subject. In the Constitutional Convention held in Virginia in 1787, to which was submitted the new Constitution for rejection or adoption, this and every other question was ably debated by Marshall, Madison, Randolph, and other great men of American history favoring adoption of the Constitution, while the opposition was voiced and led by Patrick Constitution, while the opposition was voiced and led by Patrick Henry, America's first patriot perhaps, and certainly her greatest orator, ably assisted by Mason, who had declined to sign the Constitution, and others. When section 8 of Article I was reached, the debate was rather desultory, or at least, very little of it was reported by David Robertson, or the other shorthand reporters who assisted him. But they did get a ringing sentence of Henry's in reply to one of the other oratorical gladiators when Henry stated in effect that the courts of equity abrogated the obligations of contracts as a common practice and that they had been doing so for hundreds of years.

been doing so for hundreds of years.

Congress was loath to adopt a bankruptcy law and failed to do so until April 4, 1800. This act was but short lived being repealed in 1803, and because of the absence of a national bankpealed in 1803, and because of the absence of a national bank-ruptcy law the States were compelled to pass remedial legislation of that kind. In August, 1841, Congress again passed a bank-ruptcy act which was repealed in less than two years. On March 3, 1867, they once more enacted similar legislation which re-mained on the statute books until 1878. On July 1, 1898, a bankruptcy law was enacted which, with amendments, is still on the statute books and which the Senate is seeking to amend

This relief should be granted because the national bankruptcy not while on the statute books suspends, in effect, the bankruptcy laws of the States with reference to the same question. Therefore Congress should exercise its undoubted right to regulate the relationship between debtor and creditor. In Kunzler v. Kohaus (5 Hill 317), in the opinion announced by Justice Cowen, it is said: "Congress shall have the power to establish uniform laws on the subject of any person's general inability to pay his debts throughout the United States." This was his interpretation of the power granted to Congress with reference to bankruptcy legislation. And in re Reiman (7 Benjamin 455) there was considered an amendment to the bankruptcy act of 1867 which provided

for compositions "whether an adjudication in bankruptcy shall have been had or not," and the constitutionality of this amendment was upheld. These decisions are fully discussed in the brief of Solicitor General Thacher, which is in possession of every Senator, proving beyond peradventure the right of Congress to administer the remedy as set forth in the bill under consideration.

minister the remedy as set forth in the bill under consideration.

Now, as to the justice of it. It seems to me that this need no argument. As to the necessity for such legislation, "He who runs may read," and we all read of a desperate situation of debtors of every kind and character, and with one voice they are crying to us for relief. Opponents of this measure talk about the abrogation of contracts as though it is sancrosant, but every student of the Bible—nay, every casual reader of the Bible—knows that the greatest lawgiver of which the Old Testament preserves a record made a provision for the release of debtors every seven years. In other words all obligations were canceled every seven years. Evidently Moses paid but little attention to this invention of the debtors and it makes its appearance now in the Senate under the guise of the holy of holies, that is to say, the impairment of the obligations of contracts.

There was argument in the legal tender cases that it was the

There was argument in the legal tender cases that it was the There was argument in the legal tender cases that it was the purpose of the people to put an end to misuses and abuses of paper issued by the banking institutions of the different States which composed the confederation. This was answered by the provision of the making of "anything but gold and silver coin a tender in the payment of debts" stand in the Constitution not against the Nation but against the States. While probably the decisions finally were based on other grounds, yet these cases were argued on these issues. In other words, there can be no question but that the Congress of the United States has full authority to pass legislation not only to regulate the relationship between creditor and debtor but it has the absolute right to pass laws abrogating contracts. laws abrogating contracts.

laws abrogating contracts.

The only inhibition in section 10, Article I, with reference to the abrogation of contracts is "No State shall * * * pass * * any law impairing the obligations of contracts." And, of course, not even the most reactionary person in this country would claim that that places any restriction on the Congress of the United States with reference to contracts.

It is my judgment, although of course I would not advocate such a course, that so far as the organic law or any decision interpretative thereof the Congress of the United States, so long as there is due process—that is to say, so long as the parties are given a tribunal and reasonable time to present their case, in other words, have their day in court, can unquestionably abrogate contracts not even under the guise of bankrupty laws so far as the people of the District of Columbia and the Territories are concerned. And I am not prepared to resist the statement made by some of my colleagues in private conversation that the Congress of the United States can, provided there is due process, pass legisof the United States can, provided there is due process, pass legis lation to abrogate contracts throughout the United States. But whether they can or not, we are confronted in the various States of the Union where the people have taken the law into their own hands and are in effect abrogating contracts, with a serious situation, so that the least that can be done is for the Senate to pass legislation of this character to give relief to the debtor and compel the creditor to be reasonable and readjust a contract made unconscionable by conditions over which neither debtor nor creditor had any control.

I have used the word "unconscionable." There is no lawyer of any general experience in practice who has not had contracts as any general experience in practice who has not had contracts as sacred as any that were ever written abrogated by the court by the simple word "unconscionable." I might also suggest that contracts have been set aside and abrogated because it is said they are usurious. Is there a lawyer in the Senate of the United States who has not heard of the statute of limitations? Does it or does it not abrogate contracts? And what about the statute of frauds and perjuries? The Constitution of the United States does not place the inhibition on the States only with reference to written contracts but says "contracts." But what about the statute of frauds? It abrogates oral contracts and contracts where one person obligates to pay the debts of another. Is there any statute of frauds? It abrogates oral contracts and contracts where one person obligates to pay the debts of another. Is there any lawyer who is not familiar with that doctrine? Is there anyone who will say that that is not abrogation? I might make a solemn obligation with my neighbor to purchase his lot or house or farm, and when I call in a few days to get him to transfer it to me he can laugh in my face and tell me the contract was not in writing, and the courts will sustain him. Is this or is this not abrogation of contracts? Or, if I make a contract with a merchant or a broker which looks to the requirement of purchasing personal property, and if it should happen that it is of the value of more than \$50, he could laugh me to scorn and the courts would deny me a remedy because of the statute of frauds. But will any sane person say that this is not the abrogation of a contract? Other in stances of legal fictions and devices to meet a special situation stances of legal fictions and devices to meet a special situation which human experience has found necessary might be cited, and that is what the Congress of the United States is up against now. The human experience which all debtors are up against now demand it, and it is my firm conviction that that situation should be met by the passing of this measure by the Senate.

Mr. McNARY obtained the floor.

Mr. ROBINSON of Arkansas. Mr. President—
The PRESIDING OFFICER. Does the Senator from Oregon yield to the Senator from Arkansas?

Mr. McNARY. I yield.

Mr. ROBINSON of Arkansas. Mr. President, some question arose yesterday as to what course should be taken respecting the bill that constitutes the unfinished business. Two sections of the bill, those sections relating to compositions for individuals and for farmers, were agreed to, and an amendment was presented by the Senator from Delaware [Mr. Hastings] having relationship to railroad reorganizations. I should like to have some discussion now as to the practicability of concluding the amendment of the Senator from Delaware. This session is rapidly drawing toward a close, and it is my opinion, after a somewhat careful study of the amendment proposed by the Senator from Delaware, that we ought to take action on it and incorporate it in the bill. I believe that it would be helpful and quite advantageous to do so. I know that if there is serious opposition to that course it will tend to result in the prevention of other legislation which ought to be taken up and acted

I should like to have some expression on that point. It is my thought that if the Senate is not ready to proceed with the Hastings amendment to the bankruptcy bill we might lay that measure temporarily aside and take up the bill S. 5369, by Mr. Hull and Mr. Walcott, having relationship to the postponement of the foreclosure of mortgages for a period of two years, and for other purposes.

Mr. HASTINGS. Mr. President, I should like to say to the Senator from Arkansas that following the suggestion made to me yesterday by that Senator, while I was making an effort to explain this bill, I have told several Senators that, in my judgment, we would not take up these sections to-day-at least, I would not insist upon it to-day-so as to give Senators an opportunity over the week-end to examine thoroughly the railroad section and the corporate reorganization section in order that we might be able to take them up and dispose of them during the early part of the coming week.

Mr. ROBINSON of Arkansas. Mr. President, can the Senator supply information as to whether those Senators who expressed themselves yesterday as particularly desirous of making a study of the sections referred to will be ready to go on with them on Monday? I think we ought to avail ourselves of every opportunity to consider legislation that is recognized as of great importance.

Mr. HASTINGS. I am quite sure that the Senators who really desire seriously to consider the sections referred to will have an opportunity before Monday to consider them and ought to be willing at that time to take them up and discuss them. My thought is that, whatever is done to-day, we ought on Monday to consider the questions involved and see whether or not the Senate is going to incorporate either of those additional sections in the bill.

Mr. ROBINSON of Arkansas. Mr. President, I inquire, would the Senate be willing to lay aside temporarily the bankruptcy bill and proceed with the consideration for a time of the bill to which I have referred? I realize that it is late in the day but, in view of the very limited time that remains between now and the end of the session, I should like to have some action.

The PRESIDING OFFICER. The Senator from Arkansas asks unanimous consent temporarily to lay aside the unfinished business. Is there objection?

Mr. BORAH. Mr. President, I have no objection to laying aside temporarily the bankruptcy bill, with the distinct understanding that its consideration will be resumed on Monday.

The PRESIDING OFFICER. The Chair hears no objection, and the unfinished business is temporarily laid aside.

POSTPONEMENT OF MORTGAGE FORECLOSURES

Mr. ROBINSON of Arkansas. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Senate bill 5639.

Mr. McNARY. Mr. President, I inquire is that the socalled Hull-Walcott bill?

Mr. BORAH. It is.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Arkansas that the Senate proceed to the consideration of Senate bill 5639?

There being no objection, the Senate proceeded to consider the bill (S. 5639) providing for loans or advances by the Reconstruction Finance Corporation for the purpose of securing the postponement of the foreclosure of certain mortgages for a period of two years, and for other purposes.

Mr. KING. Mr. President, is it the purpose to take this bill up for consideration to-night?

Mr. ROBINSON of Arkansas. It has already been taken up; we are considering it now.

Mr. KING. I did not so understand.

The PRESIDING OFFICER. The bill will be read.

The Chief Clerk proceeded to read the bill.

Mr. BORAH. Mr. President, are amendments now in

The PRESIDING OFFICER. The bill is being read. If there be no objection, the formal reading of the bill will be dispensed with and, without objection, amendments will be considered in order unless the full reading of the bill is demanded. The Chair hears no objection.

The bill (S. 5639) providing for loans or advances by the Reconstruction Finance Corporation for the purpose of securing the postponement of the foreclosure of certain mortgages for a period of two years, and for other purposes, is as

Be it enacted, etc., That with a view to overcoming unprecedented panic conditions which seriously threaten the destruction of agriculture, and with a view to alleviating the suffering resulting from the foreclosure of mortgages on farm lands and on small homes, the foreclosure of mortgages on farm lands and on small homes, the Reconstruction Finance Corporation is authorized and directed to make loans or advances, at a rate of interest not to exceed 4 per cent per annum, through its regional agricultural credit corporations, or otherwise, in the amount of \$500,000,000, or so much thereof as may be necessary, to mortgagees for the purpose of securing the postponement for two years from the date of approval of this act of the foreclosure of farm mortgages, and of mortgages on homes occupied by their owners and of a value not exceeding \$8,000 as determined by the Reconstruction Finance Corporation, not including junior mortgages, on account of (1) deporation, not including junior mortgages, on account of (1) default for more than six months in the payment of mortgage interest and principal due under the terms of the mortgage, and (2) unpaid delinquent taxes in arrears for more than 12 months, exunpaid delinquent taxes in arrears for more than 12 months, excluding interest and penalties: Provided, That during such 2-year period such mortgagees shall charge the mortgagors interest at a rate not exceeding 4 per cent per annum on the aggregate amount of such delinquent taxes and defaulted interest and principal with respect to which loans or advances are made to the mortgagees

pursuant to this act

SEC. 2. No such advance or loan shall be made unless the Reconstruction Finance Corporation is satisfied that the mortgagee has SEC. 2. No such advance or loan shall be made unless the Reconstruction Finance Corporation is satisfied that the mortgage has first protected his mortgage rights by paying accrued delinquent taxes for the mortgagor, as aforesaid, and that the mortgagor, after exercising ordinary diligence to meet accrued interest and principal payments, has defaulted thereon over a period of six months. If, in these circumstances and conditions, the mortgagor should execute and duly acknowledge a certificate setting out the facts as to such default in payment of interest and principal and delinquent taxes, his inability to pay the same, and the fact that the mortgagee had thereupon paid such delinquent taxes, in accordance with the terms of the mortgage, and that the amount so paid had become a part of the mortgage, and that the amount so paid had become a part of the mortgage debt, the mortgagee may thereupon apply to and secure from said Reconstruction Finance Corporation an advance or loan in the aggregate amount of the delinquent taxes paid by such mortgagee and of the interest and principal due and unpaid on said mortgage for a period of more than six months; except that the amount so advanced or loaned by the corporation to any mortgagee on account of unpaid principal shall not exceed 5 per cent of the amount of the unpaid principal of his mortgage. Before any such advance or loan is made the mortgagee shall transfer the certificate aforesaid of the mortgage to the Reconstruction Finance Corporation, shall assign his mortgage to the corporation, or furnish such other collateral as may be acceptable to the corporation, as security for such advance or loan, and shall agree to the satisfaction of the corporation that during such 2-year period he will not proceed against the or loan, and shall agree to the satisfaction of the corporation that during such 2-year period he will not proceed against the mortgagor on account of default in the payment of interest or principal due under the terms of his mortgage and will not fore-close his mortgage unless the property covered by the mortgage is abandoned by the mortgagor or unless, in opinion of the corporation, such foreclosure is necessary for other reasons: Provided, ration, such foreclosure is necessary for other reasons: Provided, That in the case of advances or loans by the corporation to the Federal land banks or joint-stock land banks, that part of each such advance or loan representing the interest and principal due and unpaid on any mortgage, shall be secured by an assignment to the corporation of the bank's lien under the mortgage with respect to which such advance or loan is made, and the lien so transferred shall be subordinate to the existing lien of the

bank for the balance due the bank under such mortgage; but the corporation may require the bank to furnish collateral of the character described in subsection (b) of section 5 of this act as security for such loan or advance, if such collateral is available to the bank. The Reconstruction Finance Corporation shall thereupon make the advance or loan in the aggregate amount of the de-linquent taxes and the defaulted interest and principal payments as aforesaid.

Except as herein otherwise specifically provided, such loans or advances shall be made on such terms and conditions as the

advances shall be made on such terms and conditions as the Reconstruction Finance Corporation may prescribe, but no such loan or advance shall be made until the Reconstruction Finance Corporation is satisfied that all amounts so loaned or advanced shall be used solely for the purposes herein provided.

SEC. 3. As used in this act—

(a) The term "mortgagee" includes any individual, trustee, executor, administrator, receiver, partnership, association, or corporation holding a first mortgage (1) on farm lands, as such lands are defined by regulations of the Federal Farm Loan Board made pursuant to the Federal farm loan act, as amended, or (2) on a home of the character specified in section 1 of this act; and

home of the character specified in section 1 of this act; and
(b) The term "first mortgage" includes such classes of first
liens on farm lands or on homes, and the credit instruments secured thereby, as shall be approved by the Reconstruction Finance Corporation.

SEC. 4. Any receiver appointed by the Federal Farm Loan Board pursuant to section 29 of the Federal farm loan act, as amended, is authorized, for the purposes of paying taxes on farm real estate owned by the bank and for the further purposes specified in section 1 of this act, with the approval of the Federal Farm Loan Board, to borrow from the Reconstruction Finance Corporation and to issue receiver's certificates as security for any advance or loan received from the corporation under this act.

loan received from the corporation under this act.

Sec. 5. (a) The Reconstruction Finance Corporation is further authorized and directed to make available out of the funds of the corporation the sum of \$100,000,000 to be used, for a period of not exceeding two years from the date of approval of this act, to make loans to the joint-stock land banks organized and doing business under the Federal farm loan act, as amended, at an interest rate not to exceed 4 per cent per annum, payable annually. Such loans shall be made upon application therefor by such banks and upon compliance with the requirements of this section. The amount which may be loaned hereunder to any such bank shall not exceed an amount having the same proportion to the said \$100,000,000 as the mortgages of such bank outstanding on the date of approval of this act bear to the total mortgages of all the joint-stock land banks outstanding on such date.

(b) Any joint-stock land bank applying for a loan under this

(b) Any joint-stock land bank applying for a loan under this section shall deliver to the Reconstruction Finance Corporation as collateral security therefor first mortgages or purchase-money mortgages on farm lands, first mortgages on farm real estate owned by the bank in fee simple, or such other collateral as may be available to said bank, including sales contracts and sheriff's certificates on farm lands. The real estate upon which such collateral is based shall be appraised by appraisers appointed by the Federal Farm Loan Board, and the borrowing bank shall be entitled to borrow not to exceed 60 per cent of the normal value of such real estate as determined by such appraisal. Fees for such appraisals shall be paid by the applicant banks in such amounts as may be fixed by the Federal Farm Loan Board. No such loan shall be made until the applicant bank, under regulations to be prescribed by the Reconstruction Finance Corporation, (1) shall have agreed to grant to each borrower then indebted to the bank under the terms of a first mortage, a reduction to the respective to the same under the terms of a first mortgage a reduction to 4 per cent per annum in the rate of interest specified in such mortgage, beginning at his next regular installment date, for a period of two years from the date of approval of this act, (2) shall have agreed to the satisfaction of the corporation that during such 2-year period the bank will not proceed against the mortgagor on account of default in the payment of interest or principal due under the terms of its mortgage and will not foreclose its mortgage unless the property covered by such mortgage is abandoned by the mortgagor or unless, in the opinion of the corporation, such foreclosure is necessary for other reasons, and (3) shall have agreed that the farm-loan bonds issued by the bank will be accepted at their face value in payment of any indebtedness due the bank under the terms of a first mortgage held by the bank.

SEC. 6. The provisions of this act shall not apply with respect to any farm lands unless the interest of the mortgagor therein was acquired before January 1, 1931, and unless the first mortgage on such lands with respect to which a loan or advance is applied for under this act was executed before January 1, 1931.

SEC. 7. The Reconstruction Finance Corporation is authorized to make such rules and regulations as may be necessary to carry out the purposes of this act and to make the relief contemplated by this act immediately available.

SEC. 8. The Federal Farm Loan Board shall cooperate with the Reconstruction Finance Corporation to the fullest practicable extent in administering the provisions of this act, and shall make available to the corporation its services and facilities in order to avoid preventable expense or duplication of effort.

SEC. 9. Any person who makes any material false representation for the purpose of obtaining any loan or advance under this act, or in assisting in obtaining any such loan or advance, shall, upon conviction thereof, be fined not more than \$1,000 or imprisoned not more than six months, or both.

Mr. BORAH. Mr. President, on page 1, line 9, I move to strike out "4 per centum" and insert "3 per centum."

The PRESIDING OFFICER. The amendment will be

The CHIEF CLERK. On page 1, line 9, before the words per centum," it is proposed to strike out the numeral "4" and insert the numeral "3," so as to read:

At a rate of interest not to exceed 3 per centum per annum.

Mr. ROBINSON of Arkansas. Mr. President, I do not know whether any member of the committee desires to resist that amendment or not. Of course, everyone would like to see the rate made as low as it is possible to make it without injustice to the credit of the Government of the United States; but this rate has been pretty carefully considered, I am informed, by the Committee on Banking and Currency. It represents a substantial reduction in the rates that are now being charged.

I do not intend to resist the amendment of the Senator from Idaho if the members of the Committee on Banking

and Currency think it is all right.

Mr. BORAH. Mr. President, when we take into consideration the interest which the mortgagors will be paying upon other obligations which this bill is designed to help them carry, it will be practically impossible for them to get any relief out of this situation. I think, in view of the condition that exists, the Government can afford to make the loan at 3 per cent. I have not talked with the members of the committee, but I have talked with people who are interested in the subject, and I believe that 3 per cent will protect the Government sufficiently. It will not enable it to make any money but it will protect it, and that is all that ought to be

Mr. ROBINSON of Arkansas. Of course, the Government does not wish to make money, or at least I do not wish that the Government shall make money out of these transactions, but-

Mr. FLETCHER. It is costing the Government 31/2 per cent now.

Mr. ROBINSON of Arkansas. The maximum rate carried is 4 per cent, and, as stated by the Senator from Florida, the rate which the Government is now paying is 31/2 per cent. I do not feel that we ought to put in the bill a rate of interest that will make it certain that the Government will lose money by the legislation.

Mr. BARKLEY. Mr. President, if the Senator will yield there, I will state to the Senators from Idaho and Arkansas that when this bill originally was introduced it carried a rate of 31/2 per cent.

Mr. ROBINSON of Arkansas. That is right.

Mr. BARKLEY. It was represented to the committee that the Reconstruction Finance Corporation, through which this money is to be loaned, is now paying 31/2 per cent for money, and the margin of one-half of 1 per cent simply allows something for administration.

Personally I should like to see the Senator's amendment adopted; but to fix a 3 per cent rate for this money will mean that there will be a loss of at least one-half of 1 per cent in the transactions.

Mr. BORAH. I do not think so.

Mr. BARKLEY. Well, we had the word of the members of the Reconstruction Finance Corporation, which will have charge of the transactions, that that was the case, and we relied upon them. I think, as a matter of fact, that that is what is happening.

Mr. LA FOLLETTE. Mr. President, will the Senator yield?

Mr. BORAH. I yield to the Senator from Wisconsin.

Mr. LA FOLLETTE. I know nothing about this bill. I have had no opportunity to read it. Would it be amiss to ask some Senator who is familiar with the bill to make a brief statement, setting forth the principal things which the bill provides, and what it seeks to accomplish?

Mr. REED. Mr. President, will the Senator from Idaho yield to me at that point?

Mr. BORAH. I yield.

Mr. REED. It seems to me that it is highly unfair to the Senate to ask it to proceed here with both of the authors of the bill out of the Chamber, and with most of the Senators not having the faintest suspicion that we are working on a bill of this magnitude.

This bill appropriates \$500,000,000 for a totally new experiment in government. Perhaps it is wise. I do not know. I have not had time even to read the bill. I think the least we can do is to give other Senators a chance to know what is going on. Therefore, if the Senator will yield for that purpose, I will suggest the absence of a quorum.

Mr. McNARY. Mr. President, will the Senator withhold that suggestion for a moment?

Mr. REED. I withhold it.

Mr. McNARY. As far as I could oppose action this afternoon, I should exercise that privilege in regard to the adoption of any amendment. I thought the Senator from Arkansas probably would take advantage of the opportunity to explain the bill to the Senate, in order that the Members might be thinking of it between now and the time when it comes up some day next week, if it comes up at all. I do not think anyone desires any action to-night on the bill, or any amendment that may be offered or pending thereto.

If the Senator from Arkansas desires to make a statement, I think we would be glad to hear him. Otherwise I think, exactly as the Senator from Pennsylvania has said, that we should recess until 11 o'clock on Monday.

Mr. ROBINSON of Arkansas. Mr. President, I have no disposition to make a statement for the mere purpose of consuming time. This bill has been before the Senate for several days. It is a matter of pressing importance. I can make a statement, but—

Mr. BORAH. Mr. President, let me ask the Senator one question before he starts on the statement.

Mr. ROBINSON of Arkansas. Certainly.

Mr. BORAH. There is an exceedingly important provision on page 7 in which Senators who are not here are interested. If it is going to be contested, I shall have to urge that the bill go over. Otherwise, I shall not. I refer to clause (3) on page 7.

MR. FLETCHER. Beginning in line 19? Mr. BORAH. Yes; in line 19. It reads:

and (3) shall have agreed that the farm-loan bonds issued by the bank will be accepted at their face value in payment of any indebtedness due the bank under the terms of a first mortgage held by the bank.

Mr. ROBINSON of Arkansas. Mr. President, of course that provision will be contested. In my view of the matter the provision is plainly unconstitutional, and would have the effect of putting every joint-stock land bank into receivership in the immediate or early future.

I have no disposition to crowd this measure unduly if Senators wish to take a recess. It is late, as I said in the beginning. If some other Senator does not do so, I shall move to strike that language from the bill; and I shall want to be heard on the motion if the provision is to be seriously insisted upon. If the Senator wishes the matter to go over until Monday, or until it can be taken up, I shall not object to doing that.

I had this thought:

There is an admirable statement, fully explaining the general provisions of the bill, in the report submitted by the authors of the bill. Everyone knows that the original author of the bill, the Senator from Tennessee [Mr. Hull], is preparing to leave the Senate to take the office of Secretary of State, is now engaged in preparation for his labors there, and will not return to the Senate. The Senator from Connecticut [Mr. Walcott], who joined with him in the authorship and report of the bill, happens to be temporarily absent from the Chamber.

It was my thought that with conditions as they are, with riots occurring at many of the county seats where foreclosures are attempted and where tax sales are being carried out, where force is being used to prevent foreclosures,

Mr. REED. It seems to me that it is highly unfair to if we are going to do anything about it, we ought to do it the Senate to ask it to proceed here with both of the authors before the end of this session.

Mr. BORAH. I agree with the Senator.

Mr. ROBINSON of Arkansas. We ought to take action on it, and we ought not to justify ourselves in failing to act merely because not every Senator here has studied the bill.

We all realize that there are thousands and thousands of bills introduced in both Houses of Congress, and no Senator ever familiarizes himself with all of them. What actually happens is that he makes a study of the subjects in which he is especially interested and the bills that he thinks are of primary and of especial importance.

If this bill is to be disposed of in time to receive consideration by the House of Representatives, some action ought to be taken on it, and there ought not to be any great

controversy growing out of this proposition.

I realize fully that if the Senate does not wish to act on the bill, any one Senator here can prevent action. I realize that I am not in a position to insist upon the passage of the measure this afternoon. I do think, however, that it is rather a simple matter.

The purpose is, as explained in the committee report, which is merely one and one-half printed pages, to provide a fund from the credit resources of the Reconstruction Finance Corporation out of which loans may be made to mortgagees holding farm mortgages for the purpose of causing a suspension of foreclosures and for the purpose of causing a reduction in the interest rates that are being charged to the mortgagors.

There are other provisions in the bill which contemplate that this suspension of foreclosures shall be for a period of two years, the thought being that in the meantime and before the expiration of the two years the Congress will have the opportunity to formulate and enact permanent legislation looking to the refinancing of farm mortgages on a basis that will enable the farm owners to save their properties or at least will enable many of them to accomplish that result.

The provision that has been referred to by the Senator from Idaho is that joint-stock land banks shall be required to accept bonds of the bank at their face value in payment of farm mortgage indebtedness due the bank. The point is that these bonds on the market are worth from 20 to 50 cents on the dollar. The contracts are payable in legal tender. To require the banks to accept 20 or 30 cents on the dollar in payment of the indebtedness due them, as anyone can see, will result in the immediate insolvency of every joint-stock land bank in the United States and the consequent foreclosure of thousands of farm mortgages.

Mr. COUZENS. Mr. President, will the Senator yield?

Mr. ROBINSON of Arkansas. Certainly I yield.

Mr. COUZENS. I do not quite catch the thought of the Senator.

Mr. ROBINSON of Arkansas. These bonds have not matured. They are not due for quite a long period. What is it that the Senator does not catch?

Mr. COUZENS. I do not quite catch the point as to how it would put the joint-stock land banks into bankruptcy, because obviously they would not have to take the bonds until they matured.

Mr. ROBINSON of Arkansas. But that is just exactly where the Senator is wrong. The requirement of the provision is that they must be accepted at their face value in payment of indebtedness due the bank.

Mr. COUZENS. Yes.

Mr. ROBINSON of Arkansas. The bonds have not matured. That is one of the reasons why I say that it would be an invalid provision of law.

Mr. COUZENS. But certainly there would be no objection to surrendering them for payment when they were due, would there? In other words, that provision might need an amendment so that the bonds could not be submitted for payment until they had matured.

Mr. BORAH. Mr. President, this amendment was put in by the unanimous vote of the committee.

Mr. ROBINSON of Arkansas. Oh, no, no! The Senator either is misinformed or does not understand the true

Mr. BORAH. I am reading from the report.

Mr. ROBINSON of Arkansas. The amendment was put in by a majority of 1, as stated by the chairman of the committee

Mr. BORAH. I was misinformed, then.

Mr. ROBINSON of Arkansas. Of course, I can not help that

Mr. BORAH. I talked with one of the authors of the bill, and I am now reading from the report. It says:

At the meeting of the full committee it was suggested as an amendment that, in addition to these two requirements, a third requirement be added as follows:

"and (3) shall have agreed that the farm-loan bonds issued by the bank will be accepted at their face value in payment of any indebtedness due the bank under the terms of a first mortgage held by the bank."

Mr. ROBINSON of Arkansas. There is no statement there that it was a unanimous report.

Mr. BORAH. No; and there is no statement that it was a majority report.

Mr. ROBINSON of Arkansas. No; but every report is a majority report unless it is otherwise stated. That is the way committees report; and the chairman of the committee states to me now-he is present-that the vote was by a majority of 1.

Mr. BORAH. Of course, I accept his statement.

Mr. ROBINSON of Arkansas. I undertake to say that the Congress can not require anyone to accept payment of an obligation, which by law is payable in legal tender, in securities or paper or property worth 20 to 30 cents on the dollar. It constitutes a taking of property without due process of law.

Mr. BROOKHART. Mr. President-

Mr. BORAH. As I said a moment ago, if the matter is to be resisted, I will not press it to-night.

Mr. ROBINSON of Arkansas. The matter is to be resisted. The Senator need not doubt that.

Mr. BORAH. Then the Senator from Idaho would like some time to present it.

Mr. BROOKHART. Mr. President, regarding the statement just made by the Senator from Arkansas, this bill provides that the Reconstruction Finance Corporation may make a \$100,000,000 loan to these joint-stock land banks, but it provides as a condition that before they make such loan they shall agree to permit the farmer to pay his mortgage in the bonds of the bank. There is no question of constitutionality about it. They do not get the loan unless they agree to this.

Under the law as it stands now the banks have the right to accept these bonds if they want to at any time in the payment of their mortgages, but instead of following that policy they are foreclosing the mortgages, they are selling the farm lands at a low price, and have done more in the State of Iowa to beat down land values than any other foreclosures in the State. Then they have taken advantage of the low prices and have bought the bonds at 35 or 40 cents on the dollar and balanced their books.

If the Government of the United States is now to come in and relieve them by a \$100,000,000 loan, it is only fair that they should require these banks to give the farmers the benefit of those depreciated bonds, and they will not go into receiverships, either.

Mr. LONG. Mr. President, will the Senator from Arkansas vield?

Mr. ROBINSON of Arkansas. I yield.

Mr. LONG. I just wanted to ask the Senator from Iowa a question. I understand that these bonds are selling for from 30 to 35 cents on the dollar.

Mr. BROOKHART. I think they average 40 cents for the joint-stock land banks of the country. Some of them are down to 20 cents.

Mr. LONG. If these people do not get the payments back in money, are they going to be able to continue in business?

Mr. ROBINSON of Arkansas. Certainly they would not be able to operate.

Mr. BROOKHART. They could get a loan of \$100,000,000 under this proposal.

Mr. LONG. I know that, but take any bank, take a Federal reserve bank. Some of the bank stocks are selling for 10 or 15 cents on the dollar. Suppose they could pay loans at the bank to-day in those stocks or bonds. What I was wondering about was what they would have to operate on.

Mr. BROOKHART. They would have their obligations canceled, and the books would balance just as well that way, with the farmer paying, as in any other way.

Mr. ROBINSON of Arkansas. The point is, the bonds are

Mr. LONG. How long are they to run?

Mr. ROBINSON of Arkansas. Most of them are amortized over a period of 34 years, and this proposal is to take a bond that is amortized over a period of 34 years and apply it on an indebtedness that is now due. The proposal is so unreasonable that I can not understand how any lawyer would regard it as consistent with the fundamental principles of justice.

The Senator from Iowa has referred to the fact that this provision is coupled with a plan for a loan, and that it is one of the conditions on which a loan may be made. There are other considerations I shall hereafter discuss in connection with the matter, which I think make it evident that, notwithstanding all that the Senator from Iowa has said, were true, the provision would still be held invalid by any court in the United States. How can a bank, as suggested by the Senator from Louisiana, borrow money at 4 per cent, and accept in payment of its obligations property valued at 20 to 30 cents on the dollar?

Mr. BROOKHART. If the Senator please, that same property is its own bonds, valued at 100 cents on the dollar.

Mr. ROBINSON of Arkansas. That makes not the slightest difference.

Mr. BROOKHART. It makes a difference on the book accounts. It balances the books all right.

Mr. LONG. Mr. President, if the Senator from Arkansas will permit me-

Mr. ROBINSON of Arkansas. Certainly.

Mr. LONG. About how many of these bonds are outabout ten billion?

Mr. ROBINSON of Arkansas. Oh, no. There are outstanding about \$497,000,000 of joint-stock land bank bonds.

Mr. LONG. Practically \$500,000,000. My friend, the Senator from Oregon, was responsible for me asking a very rash question.

Mr. McNARY. Mr. President, the Senator asked me the outstanding indebtedness on farms.

Mr. LONG. I beg the Senator's pardon.

Mr. ROBINSON of Arkansas. The Senator from Louisiana was speaking of the joint-stock land bank bonds.

Mr. LONG. It is very easy to see that if there is a loan of \$100.000,000—is that what the bill calls for?

Mr. BROOKHART. Yes.

Mr. LONG. It is impossible for a \$500,000,000 corporation

to preserve its liquidity with a loan of \$100,000,000.

Mr. BROOKHART. This \$100,000,000 is not all they get. They get all the farmers raise besides, in interest.

Mr. ROBINSON of Arkansas. Mr. President, here is another proposition which ought to appeal to any fair-minded person. We realize that the farmer who is in default, who can not pay the taxes on his land, and can not pay the fifty or one hundred or two hundred dollar installments that are due, is not in position to buy joint-stock land bank bonds, and the inevitable result of this provision would be to encourage and stimulate speculation in the bonds of the joint-stock land banks, to the detriment and ruin of the borrowers and of the banks.

Who, with little cash money, knowing that he could sell something or use something worth 20 cents on the market for \$1, would not be willing to put his money into those bonds? Inevitably, the speculators would buy up the bonds;

and if any farmer got the benefit, he would pay tribute to | the speculators.

Mr. GEORGE. Mr. President, will the Senator yield?

Mr. ROBINSON of Arkansas. I yield.

Mr. GEORGE. What difference does it make to the farmer whether he pays it to the speculator or to the bank?

Mr. ROBINSON of Arkansas. The difference is this: The bank would be wrecked for the benefit of the speculator, and to the joint detriment of the farmer and the bank.

Mr. GEORGE. Mr. President, I was not asking about the benefit to others; I said, what difference does it make to the farmer if he is going to have to pay a hundred cents on the dollar on a mortgage, when the bonds issued on the mortgage can be bought in by the bank for 35 cents on the dollar?

I think the Senator from Arkansas is overlooking the fact that if the people of the United States, all of them, are to lend their credit to the joint-stock land banks, the jointstock land banks then ought to be willing to cancel their

indebtedness against the farmer.

Mr. ROBINSON of Arkansas. Mr. President, the proposal is that the joint-stock land banks shall give the farmers the advantage of the reduced rate of interest. If we require the joint-stock land banks to liquidate immediately obligations which will not be due for 30 or 34 years, we will inevitably destroy them, we will put them into receiverships, we will make them insolvent.

Mr. REED. Mr. President, will the Senator yield to me?

Mr. ROBINSON of Arkansas. I yield.

Mr. REED. Does it not come down to this: The farmer who is flat broke, so many of them are, will not be able to buy bonds with which to discharge his debt; the farmer who is not flat broke, who still has some resources, will be able to buy the bonds and turn them in to get rid of his mortgage?

Mr. ROBINSON of Arkansas. Certainly.

Mr. REED. The result of that is that the farmer who is not able to pay interest does not clean up his mortgage, but he is not paying anything into the bank. The farmer who is able to muster the cash, and, therefore, is the only source of cash receipts for the joint-stock land bank, buys the bonds and pays off his mortgage.

Mr. ROBINSON of Arkansas. Surely.

Mr. REED. We would shut off all cash receipts of the joint-stock land banks by the adoption of this expedient. Mr. ROBINSON of Arkansas. There is no doubt but that the enactment of the proposal would render every joint-stock

land bank in the system insolvent.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Chaffee, one of its clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 7716) to amend the radio act of 1927, approved February 23, 1927, as amended (U. S. C., Supp. V, title 47, ch. 4), and for other purposes.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 14363) making appropriations for the Departments of State and Justice and for the judiciary, and for the Departments of Commerce and Labor, for the fiscal year ending June 30, 1934, and for other purposes; that the House had receded from its disagreement to the amendments of the Senate numbered 1, 11, and 14 to the said bill, and concurred therein, and that the House further insisted upon its disagreement to the amendment of the Senate numbered 13 to the bill.

ENROLLED BILLS AND JOINT RESOLUTIONS PRESENTED

Mr. VANDENBERG, from the Committee on Enrolled Bills, reported that on to-day, February 25, 1933, that committee presented to the President of the United States the following enrolled bills and joint resolutions:

S. 88. An act to authorize the Postmaster General to investigate the conditions of the lease of the post-office garage in Boston, Mass., and to readjust the terms thereof;

S. 466. An act for the relief of the Allegheny Forging

S. 1044. An act authorizing the issuance to Cassie E. Howard of a patent for certain lands;

S. 2148. An act for the relief of Clarence R. Killion;

S. 2259. An act for the relief of Mathie Belsvig;

S. 4286. An act to authorize credit in the disbursing account of Donna M. Davis;

S. 4287. An act for the relief of Harold W. Merrin;

S. 4327. An act for the relief of Lizzie Pittman;

S. J. Res. 223. Joint resolution establishing the United States Georgia Bicentennial Commission, and for other purposes: and

S. J. Res. 256. Joint resolution authorizing the Comptroller of the Currency to exercise with respect to national banking associations powers which State officials may have with respect to State banks, savings banks, and/or trust companies under State laws.

RECESS

Mr. McNARY. Mr. President, I move that the Senate take a recess until 11 o'clock Monday.

The motion was agreed to; and the Senate (at 4 o'clock and 55 minutes p. m.) took a recess until Monday, February 27, 1933, at 11 o'clock a. m.

CONFIRMATIONS

Executive nominations confirmed by the Senate February 25, 1933

> PUBLIC HEALTH SERVICE To be assistant surgeons

Victor H. Haas. Clifton K. Himmelsbach. Kenneth E. Gamm.

Ralph R. Braund. Vernon A. Gotcher. Seymour D. Vestermark. John W. Oliphant. Hollis U. Maness.

To be assistant dental surgeons

Ray P. Breaux. Joseph J. Dunlay.

To be sanitary engineers

Arthur L. Dopmeyer. Edmund C. Sullivan.

Arthur P. Miller. Frederic J. Moss.

To be surgeons

Walter G. Nelson. Calvin C. Applewhite. Roy E. Bodet.

Frank V. Meriwether. Albert E. Russell. Ralph D. Lillie.

To be senior surgeon

Grover A. Kempf.

To be medical director

Friench Simpson.

To be assistant surgeons

Walter W. Hammond, jr. Harold L. Lawrence.

Leroy E. Burney. Charles R. Mallory.

To be passed assistant surgeons

Harold D. Lyman. Frederick W. Kratz.

To be assistant surgeons

Bert R. Boone. Don S. Cameron. Cassius J. Van Slyke. Oliver C. Williams.

C. Benjamin Spencer.

To be assistant dental surgeon

Walter J. Pelton.

To be assistant sanitary engineer Joseph M. Dalla Valle.

HOUSE OF REPRESENTATIVES

SATURDAY, FEBRUARY 25, 1933

The House met at 11 o'clock a. m.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Our Father in Heaven, make the threshold of this moment the gateway of thanksgiving and praise. We thank Thee for the commonplace things of life which are so essential to our peace and comfort. Be gracious to accept our gratitude for shelter, for food, for raiment, for loved ones, for liberty of conscience, for the open library, and far beyond all other blessings for the gift of God, through Jesus Christ our Lord. O temper our lives and let their qualities be developed. Allow not burdens to be too heavy, temptations too subtle, or sorrows too acute. We thank Thee that the hand of the Lord our God limits the severities of life so that they may serve and not destroy us. Let this day bespeak Thy present help, through Jesus Christ our Lord. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Craven, its principal clerk, announced that the Senate had passed without amendment bills of the House of the following titles:

H. R. 7121. An act to repeal obsolete statutes, and to improve the United States Code:

H. R. 7548. An act granting six months' pay to Ruth McCarn:

H. R. 10086. An act to amend the act of February 14, 1920, authorizing and directing the collection of fees for work done for the benefit of Indians;

H. R. 11735. An act to permanently set aside certain lands in Utah as an addition to the Navajo Indian Reservation, and for other purposes;

H. R. 13655. An act to amend the act of May 10, 1928, entitled "An act to provide for the times and places for holding court for the eastern district of North Carolina" (45 Stat. 495);

H. R. 13750. An act to regulate the bringing of actions for damages against the District of Columbia, and for other

H. R. 13960. An act to amend the description of land described in section 1 of the act approved February 14, 1931, entitled "An act to authorize the President of the United States to establish the Canyon De Chelly National Monument within the Navajo Indian Reservation, Ariz ";

H. R. 14204. An act to amend section 653 of the Code of Law for the District of Columbia:

H. R. 14411. An act to extend the times for commencing and completing the construction of a bridge across the Rio

Grande at Boca Chica, Tex., and H. R. 14461. An act to provide for placing the jurisdiction, custody, and control of the Washington city post office in the Secretary of the Treasury.

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 5684. An act to authorize the Comptroller General to allow claim of district No. 13, Choctaw County, Okla., for payment of tuition for Indian pupils.

The message also announced that the Senate had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 88) entitled "An act to authorize the Postmaster General to investigate the conditions of the lease of the post-office garage in Boston, Mass., and to readjust the terms thereof."

MEDICINAL LIQUOR

The SPEAKER. The Clerk will read the engrossed copy of the bill (H. R. 14395) relating to the prescribing of medicinal liquors.

Mr. STAFFORD. Mr. Speaker, I ask unanimous consent that the reading of the engrossed copy be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

The SPEAKER. The question is on the passage of the

The question was taken; and on a division (demanded by Mr. Blanton) there were—ayes 61, noes 42.

Mr. BLANTON. Mr. Speaker, I object to the vote on the ground there is not a quorum present.

The SPEAKER. Evidently there is not a quorum present. The call is automatic.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken, and there were-yeas 167, nays 160, answering "present" 1, not voting 98, as follows:

[Roll No. 167] YEAS-167

Amlie Delaney Andrew, Mass. Andrews, N. Y. De Priest DeRouen Arentz Dies Auf der Heide Dominick Bacharach Bachmann Douglas, Ariz. Douglass, Mass. Baldrige Drewry Dyer Barbour Black Eagle Eaton, N. J. Englebright Bloom Estep Evans, Mont. Bohn Boileau Boland Fernandez Bolton Fitzpatrick Britten Foss Frear Gambrill Brumm Buchanan Buckbee Gifford Burdick Gillen Burtness Goss Campbell, Pa. Granfield Canfield Griffin Carter, Calif. Cavicchia Griswold Hancock, N. Y. Celler Hartley Chapman Hill, Wash. Chavez Chindblom Hollister Clague Holmes Clancy Hooper Cochran, Mo. Cole, Md. Collier Horr Howard Hull, William E. Condon Jacobsen Cross Crosser Crowe Johnson, Mo. Johnson, S. Dak. Kading Darrow Kahn Davenport Kelly, Ill.

Abernethy Adkins

Allen

Allgood

Arnold

Bankhead Barton

Ayres

Beedy

Biddle

Bland

Burch Busby

Cable

Cannon

Clarke, N. Y.

Cochran, Pa.

Cooper, Ohio Cooper, Tenn.

Cole. Iowa

Crowther Crump

Davis, Tenn.

Dickinson

Culkin

Collins Colton

Cox Coyle Crail

Carden

Blanton

Bowman

Briggs Browning Bulwinkle

Kemp Kennedy, Md Kennedy, N. Y. Kleberg Kniffin Kunz Kvale LaGuardia Larrabee Lichtenwalner Lonergan Lozier McCormack McDuffie McKeown McLeod McMillan McSwain Maas Maloney Mansfield Martin, Oreg. May Mead Michener Millard Milligan Mitchell Montet Niedringhaus Nolan O'Connor Overton Owen Palmisano Parker, N. Y. Peavey Perkins Person Pettengill NAYS-160

Pittenger Polk Pou Purnell Rainey Ramseyer Reilly Rogers, Mass. Rogers, N. H. Romjue Sabath Schafer Schuetz Selvig Shannon Shreve Sinclair Smith, Va. Spence Stafford Steagall Stewart Taber Thomason Tierney Tinkham Treadway Turpin Underwood Warren Welch West Whitley Wigglesworth Withrow Wolcott Wood, Ind. Woodruff Yon

Johnson, Okla.

Disney Doughton Dowell Doxey Driver Eaton, Colo. Ellzey Finley Flannagan Flood French Fuller Fulmer Garber Gasque Gibson Gilbert Gilchrist Glover Goldsborough Castellow Christopherson Greenwood Guver Hall, Ill. Hall, N. Dak. Hardy Hare Hastings Haugen Hawley Hill, Ala. Hogg, Ind. Holaday

Hope Huddleston

Jenkins

Johnson, Tex. Johnson, Wash. Jones Keller Kelly, Pa. Kerr Ketcham Kopp Lambertson Lambeth Lanham Lankford, Ga. Larsen Leavitt Loofbourow Lovette Ludlow McClintic, Okla. Sparks McClintock, Ohio Stalker McFadden McReynolds Magrady Major Manlove Mapes Miller Mobley Moore, Ky. Moore, Ohio Morehead Murphy Nelson, Me.

Nelson, Mo. Norton, Nebr. Oliver, Ala. Parker, Ga.

Parks Parsons Partridge Patman Patterson Ragon Ramspeck Rankin Rayburn Reed, N. Y. Rich Robinson Sanders, Tex. Sandlin Seiberling Shallenberger Shott Snell Snow Stevenson Strong, Pa. Stull Summers, Wash. Swank Swanson Swick Swing Tarver Taylor, Colo. Taylor, Tenn. Temple Thatcher Thurston Timberlake Vinson, Ky.

Williamson Wilson Wood, Ga. Woodrum Wright Yates Weeks Whittington PRESENT-1 Strong, Kans. NOT VOTING-98

Davis, Pa. Houston, Del. Sanders, N. Y. Aldrich Hull, Morton D. Schneider Almon Andresen Dickstein Igoe Jeffers Simmons Bacon Doutrich Simmons Sirovich Smith, Idaho Smith, W. Va. Somers, N. Y. Johnson, Ill. Kinzer Beck Erk Boylan Evans, Calif. Knutson Brand, Ga. Brand, Ohio Brunner Fiesinger Kurtz Lamneck Fish Sullivan, N. Y. Fishburne Lankford, Va. Lehlbach Sullivan, Pa Free Freeman Fulbright Byrns Campbell, Iowa Carley Carter, Wyo. Cartwright Lewis Lindsay Sumners, Tex. Underhill Gavagan Golder McGugin Montague Vinson, Ga. Weaver Mouser Nelson, Wis. Norton, N. J. Oliver, N. Y. Prall Cary Gregory Haines White Hall, Miss. Williams, Mo. Williams, Tex. Chiperfield Christgau Clark, N. C. Hancock, N. C. Prall Wingo
Pratt, Harcourt J. Wolfenden
Pratt, Ruth Wolverton Connolly Hart Pratt, Ruth Ransley Reid, Ill. Cooke Hoch Hogg, W. Va. Hopkins Hornor Wyant Corning Cullen Curry

So the bill was passed.

The Clerk announced the following pairs: On this vote:

On this vote:

Mrs. Norton (for) with Mr. Strong of Kansas (against).

Mr. Cullen (for) with Mr. Sumners of Texas (against).

Mr. Flesinger (for) with Mr. Smith of Idaho (against).

Mr. Lamneck (for) with Mr. Reid of Illinois (against).

Mr. Rudd (for) with Mr. Brand of Ohio (against).

Mr. Ravagan (for) with Mr. Johnson of Illinois (against).

Mr. Corning (for) with Mr. Kurtz (against).

Mr. Connolly (for) with Mr. Hancock of North Carolina (against).

Mr. Pansley (for) with Mr. Halies (against).

Mrs. Pratt (for) with Mr. Hall of Mississippi (against).

Mr. Beck (for) with Mr. Vinson of Georgia (against).

Mr. Somers of New York (for) with Mr. Kinzer (against).

Mr. Seger (for) with Mr. Cartwright (against).

Mr. Lehlbach (for) with Mr. Evans of California (against).

Mr. Wolfenden (for) with Mr. Evans of California (against).

Mr. Davis of Pennsylvania (for) with Mr. Chiperfield (against).

Mr. Carter of Wyoming (for) with Mr. Sanders of New Yoragainst).

Mr. Carbon of Wyoning (1987)

Mr. Harlan (for) with Mr. Houston of Delaware (against).

Mr. Boylan (for) with Mr. Hoch (against).

Mr. Lindsay (for) with Mr. McGugin (against).

Mr. Sullivan of New York (for) with Mr. Brand of Georgia (against).
Mr. Prall (for) with Mr. Jeffers (against).

Until further notice:

Mr. Byrns with Mr. Wolverton.
Mr. Clark of North Carolina with Mr. Pratt.
Mr. Fulbright with Mr. Free.
Mr. Williams of Missouri with Mr. Christgau.
Mr. Wingo with Mr. Wyant.
Mr. Almon with Mr. Fish.
Mr. Cary with Mr. Aldrich.
Mr. Drane with Mr. Chase.
Mr. Fishburne with Mr. Andresen.
Mr. Williams of Texas with Mr. Underhill.
Mr. Weaver with Mr. White.

Mr. BACHMANN. Mr. Speaker, the following gentlemen are unavoidably absent:

Messis. Golder, Hopkins, Curry, Freeman, Stokes, Knut-SON, SULLIVAN of Pennsylvania, Cooke, Erk, and Doutrich.

Mr. RAINEY. Mr. Speaker, the following Members are unavoidably absent. If present, they would vote "yea":

Messis. Carley, Montague, Oliver of New York, Beam, SIROVICH, HORNOR, DICKSTEIN, LEWIS, SMITH of West Virginia, IGOE, DIETRICH, BRUNNER, HART, and SWEENEY.

Mr. STAFFORD. Mr. Speaker, I ask unanimous consent that all Members who have not voted be granted the privilege of having their names inserted with the announcement that they were unavoidably absent and how they would have voted.

Mr. BLANTON. Mr. Speaker, I object. This custom has been followed for 50 years.

Mr. STAFFORD. Mr. Speaker, this is a practice which has grown up in this Congress. The practice ought to stop. The result of the vote was announced as above recorded. The doors were opened.

A motion to reconsider the vote by which the bill was passed was laid on the table.

ORDER OF BUSINESS

Mr. RAINEY. Mr. Speaker, I move the adoption of a resolution I send to the Clerk's desk.

The Clerk read as follows:

House Resolution 398

Resolved, That on Wednesday, March 1, 1933, it shall be in order to move that the House take a recess until 8 o'clock p. m., and that at the evening session until 10.30 p. m. it shall be in order to consider Senate bills on the Private Calendar and Senate bills on the Speaker's table where similar House bills have been favorably reported and are now on the Private Calendar, the call of said bills to begin where the last call of the Private Calendar ended. In order to expedite the consideration of said bills the Clerk shall prepare a special Private Calendar of Senate bills eligible to be considered under this resolution, and the bills on said special calendar unobjected to shall be considered in their numerical order on said calendar in the House as in Committee of the Whole: *Provided*, That after the completion of the call of bills on the said special Private Calendar of Senate bills it shall be in order to call the bills on the Private Calendar where the last call on the Private Calendar ended.

Mr. SNELL. Mr. Speaker, reserving the right to object, I have no objection to this procedure, but I would like to ask the majority leader if he has any assurance that the body at the other end of the Capitol is going to grant us the same consideration in connection with our own private bills that we have sent over there in large numbers for the last two years?

Mr. RAINEY. I regret that I have no such assurance.

Mr. SNELL. Would it not be possible to get some agreement whereby the Senate will consider some of these important private bills of the House that ought to be considered before the end of the session?

Mr. RAINEY. I should be very glad to attempt to bring about some such arrangement.

Mr. SNELL. It would be very desirable to have some such arrangement accomplished.

The SPEAKER. If the House will permit, the Chair will appoint the gentleman from Illinois and the gentleman from New York to negotiate with the Senate on this matter. [Applause.]

Mr. SCHAFER. Mr. Speaker, reserving the right to object, I do not believe this resolution should be adopted by the House until the gentleman from New York and the gentleman from Illinois have conferred with Members of the other body. These are the facts: In the closing days of every session of Congress the House has adopted this same procedure and in the Claims Committee we expedite action on the consideration of all bills sent over by the Senate, and in the House we speed action on all Senate bills and dispose of them one way or the other. Notwithstanding that fact, we find that the other body makes no attempt to consider meritorious House bills. In fairness to Members of the House I believe we should withhold passage of this resolution until we have an understanding with the

Mr. BLANTON. Mr. Speaker, when the gentleman from Wisconsin gets over there, in the other end of the Capitol, he can change the present Senate rules.

Mr. SCHAFER. The gentleman from Texas is out of order.

Mr. BACHMANN. Mr. Speaker, reserving the right to object, I would like to ask the gentleman from Illinois if the consideration of bills on the Private Calendar that is provided for by this resolution for Wednesday night will be conducted as we have conducted the Private Calendar in

Mr. RAINEY. I understand that is to be the rule; yes. Mr. SWING. Mr. Speaker, reserving the right to object, the language of the resolution seems to limit it to Senate bills. Will it include House bills that have been to the Senate, amended by the Senate in some minor way and sent back to the House?

The SPEAKER. The Speaker hopes to take care of that situation as it develops.

Without objection, the resolution is agreed to. There was no objection.

CONSENT CALENDAR

Mr. RAINEY. Mr. Speaker, I ask unanimous consent that on Monday next it shall be in order to call and consider bills on the Consent Calendar.

Mr. STAFFORD. Mr. Speaker, reserving the right to object, I have no objection to the request if the gentleman from Illinois will qualify it by saying bills unobjected to on the Consent Calendar, so that only those bills will be called that require only one objection.

Mr. RAINEY. I will amend the request in that particular. I ask unanimous consent that on next Monday it shall be in order to consider unobjected-to bills on the Consent Calendar, beginning with the starred bill.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

HON. CHARLES L. UNDERHILL

Mr. WARREN. Mr. Speaker, I ask unanimous consent to address the House for three minutes.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. WARREN. Mr. Speaker, were I to attempt to pay tribute to those who have made their impress on this body and who leave us on March 4, I would call a long roll of those who have rendered distinguished service to the Nation. The exigencies of politics bringing for the moment their thrills and disappointments do not affect the personal relationships that after all are about the dearest and priceless things of life.

I speak of one this morning whose friendship and association I have valued and treasured and whose service I have been in a position to peculiarly appraise.

Entering this body 12 years ago-splendidly equipped after a service of 10 terms in his State legislature and membership in a constitutional convention-he applied himself assiduously from the start to the serious work of legislation. He sought not in this House popular acclaim or personal popularity. He selected the harder path and walked unswerved regardless of opinion or consequences. A man of force and convictions, a stubborn man, courageous and fearless, he threw into his work all the faculties of an able and well-trained mind, and brought wisdom and judgment to the council table. And yet, back of a seemingly hard exterior there was friendship, sociability, loyalty, and sympathy.

He voluntarily retires from this body, and he leaves with the respect and good wishes of all, with the hope that in the more peaceful pursuits of civil life he will find that relaxation and contentment to which he is justly entitled.

There is distinct loss to the Nation in the retirement of Hon Charles L. Underhill, of Massachusetts. [Applause.]

RELATING TO LEAVE WITH PAY FOR EMPLOYEES OF THE GOVERNMENT PRINTING OFFICE

Mr. STEVENSON. Mr. Speaker, I ask unanimous consent that Senate Joint Resolution 238, relating to leave with pay for employees of the Government Printing Office, be rereferred from the Committee on Appropriations to the Committee on Printing.

The SPEAKER. This is agreeable to the chairmen of both committees?

Mr. STEVENSON. Yes.

The SPEAKER. Is there objection?

There was no objection.

WITHDRAWAL OF PAPERS FROM FILES OF THE HOUSE

Mr. DOMINICK. Mr. Speaker, I ask unanimous consent to withdraw from the files of the House papers that were filed in connection with the bill H. R. 5699, no adverse action having been taken thereon by the committee.

The SPEAKER. Is there objection? There was no objection.

COMPTROLLER OF THE CURRENCY

Mr. BANKHEAD. Mr. Speaker, by direction of the Committee on Rules I call up House Resolution (H. Res. 396) and ask for its immediate consideration.

The Clerk read the resolution as follows:

House Resolution 396

Resolved, That immediately upon the adoption of this resolution the House shall proceed to the consideration of S. J. Res. 256, a joint resolution authorizing the Comptroller of the Currency to exercise with respect to national banking associations powers which State officials may have with respect to State banks, savings banks, and/or trust companies under State laws. after general debate, which shall be confined to the joint resolution and shall continue not to exceed 40 minutes, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking and Currency, the previous question shall be considered as ordered on the joint resolution and the committee amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. BANKHEAD. Mr. Speaker, by agreement with the minority of the Committee on Rules I move the previous question on the adoption of the rule.

The previous question was ordered.

The resolution was agreed to.

The SPEAKER. The Clerk will report the Senate joint resolution.

The Clerk read as follows:

Senate Joint Resolution 256

Resolved, etc., That, with the approval of the Secretary of the Treasury, the Comptroller of the Currency shall have and may exercise to such extent as he deems advisable with respect to national banking associations any powers which the State officials having supervision of State banks, savings banks, and/or trust companies in the State in which such national banking associa-tions are located may have with respect to such State institutions under State laws now in force or hereafter enacted: Provided, That nothing in this joint resolution shall be construed to extend the authority of the Comptroller of the Currency under section 5155, as amended, of the Revised Statutes, with respect to the estab-lishment of branches of national banking associations.

Expenses incurred by the Comptroller of the Currency in the

exercise of such powers may be assessed by him against the banks concerned and, when so assessed, shall be paid by such banks.

Nothing herein shall be construed to impair any power otherwise possessed by the Comptroller of the Currency, the Secretary of the Treesway or the Federal Becarres Board.

of the Treasury, or the Federal Reserve Board.

All powers conferred herein shall terminate on March 3, 1934.

With the following committee amendments:

Page 1, line 5, after the word "to," strike out "national bank-ag associations" and insert "any national banking association." Page 2, line 2, after the word "nothing," strike out the balance of line 2 and all of lines 3, 4, and 5, and insert in lieu thereof "herein shall be construed to permit the establishment of branches of either national or State member banks or allowed

Page 2, line 17, strike out all of lines 17 and 18 and insert: "The powers herein conferred shall terminate six months from its approval by the President; but the President of the United States may extend its force by proclamation for an additional six

The SPEAKER. The gentleman from Alabama [Mr. STEAGALL] is recognized for 20 minutes, and the gentleman from Pennsylvania [Mr. McFadden] for 20 minutes.

Mr. STEAGALL. Mr. Speaker, the purpose of this resolution is to confer upon the Comptroller of the Currency the same powers as to national banks that are conferred or may be conferred by State law upon State bank authorities as to State banks, in dealing with individual difficulties, or difficulties extending throughout a State, such as recently occurred in the State of Michigan.

Several States have passed laws conferring unusual authority upon their bank-controlling bodies. One plan is to undertake in case of an insolvent bank to segregate the assets, take the liquid portion assets, treat it as such, and strike a balance and start over again maintaining a liquid position as to new deposits, not permitting any additional loans. It represents an effort to work out a solution of problems to avert the closing of a bank with the demoralization and hardship that necessarily result at all times from general breaking down of a banking institution and forced

liquidation of assets.

Unless we pass this resolution national banks in States where there are State laws authorizing State authorities to deal with State banks in this way, national banks will find themselves helpless as competitors, because State banks will open their doors for new deposits under liquid conditions where there can not be any risk to depositors, which would be an inducement to depositors in national banks to withdraw deposits and put them in State banks.

Unfortunately, you would not only bring about demoralization resulting from the withdrawal of deposits in national banks but it would result in transfering them to State banks where they could not be used. They would be locked up idle and in hoarding. That is the situation we are trying to remedy. That, in short, is the evil which this resolution is intended to prevent.

The Committee on Banking and Currency took this resolution under consideration, held hearings, and made a most thorough inquiry into the entire situation. The Committee concluded that it was a very helpful thing to do in the situation that exists in the State of Michigan and that may exist elsewhere.

The resolution has the endorsement of the Comptroller of the Currency, the Governor of the Federal Reserve Board, and the Secretary of the Treasury; and it was adopted by unanimous vote in the Senate.

We provide that it shall operate solely as an emergency measure by limiting the exercise of the authority conferred to a period of six months, with the right of the President of the United States to extend the powers for an additional six months.

We have amended the resolution so as to throw absolute safeguards against conferring any power on the Comptroller of the Currency to extend branch banking either by national banks or by member banks of the Federal Reserve system. and against the consolidation of banks except within the scope and powers that exist under present banking laws. That, in short, is what the resolution provides.

We think we should anticipate difficulties and try to shield ourselves against any dangers that may arise. The new administration about to be inaugurated will be confronted with unusual problems. We should not refuse to confer upon the new administration any reasonable authority to meet those problems and solve possible difficulties.

We think that the powers given the Comptroller of the Currency in the new administration under this resolution constitute a safeguard or weapon of defense with which to fight off further unhappy developments which all of us would like to avoid.

Mr. PETTENGILL. Mr. Speaker, will the gentleman yield?

Mr. STEAGALL. Yes.

Mr. PETTENGILL. Under the impairment-of-contracts clause of the Federal Constitution, has the gentleman an opinion he cares to express as to the constitutionality of these various provisions.

Mr. STEAGALL. We made inquiry into that question, and our advices are that this legislation is remedial and that it will stand the test of the courts. It is equivalent to conferring the power upon the new President of the United States, because it can only be exercised with the approval of the Secretary of the Treasury and can only be extended upon the order of the President of the United

We hope the House will not hesitate to pass the resolution and give the new administration this additional power, which the present administration considers desirable. Under existing law a small number of deposits are sometimes able to defeat constructive plans to prevent receiverships, and save banking institutions of great value and capable of continued service to communities involved.

Mr. LaGUARDIA. Mr. Speaker, will the gentleman yield? Mr. STEAGALL. Yes. Mr. LaGUARDIA. Conceding the unfortunate necessity of

this measure, is there any indication that we may pass at this session of Congress the Steagall bank deposit guaranty law, which is now in the Senate, that will at least restore some actual, real confidence to the American people, instead of dumping money into insolvent banks?

Mr. STEAGALL. I want to thank the able and distinguished gentleman from New York for his indorsement of the measure which I had the honor to introduce. As the

ing the wisdom and the necessity of legislation to protect bank deposits in the United States, as provided in the bill passed by the House during the present Congress, but we can not control the action of the other branch of the legislative department of the Government. There is nothing we can do but wait until the fire spreads far enough for Members of that body to wake up and see the necessity for insuring deposits.

Mr. LaGUARDIA. But it is the only constructive measure we have had offered to restore confidence and get the

circulation of money.

Mr. STEAGALL. I will not say that it is the only one, but I think it is the most important single step that could be taken in the United States to afford relief from present unhappy conditions. I believe it is safe to say that the overwhelming sentiment in favor of such legislation will soon be felt sufficiently to bring success to that wholesome reform.

Mr. SUMMERS of Washington. Mr. Speaker, will the gentleman yield?

Mr. STEAGALL. Yes.

Mr. SUMMERS of Washington. If this is wise legislation, which I think it is, why is the period of its operation limited to six months, when it is in accord with the laws being enacted in the different States?

Mr. STEAGALL. We simply wanted to deal with it as an emergency matter in the hope that during the year we shall be able to pass necessary legislation to put the entire banking structure of the United States upon a sound basis, where it ought to be, and which it is the duty of the Congress of the United States to provide.

Mr. PETTENGILL rose.

Mr. STEAGALL. I regret very much, but I must save the remainder of my time for other members of the committee.

The SPEAKER pro tempore (Mr. PATTERSON). The gentleman from Pennsylvania is recognized for 20 minutes.

Mr. PETTENGILL. Mr. Speaker, will the gentleman from Pennsylvania yield?

Mr. McFADDEN. Yes.

Mr. PETTENGILL. To ask, at least for my own information, whether, if this is passed, a national bank automatically comes under the benefits of a State act or whether in respect to each individual national bank it will still require the O. K. of the Comptroller of the Currency.

Mr. McFADDEN. I understand it requires the approval

of the Comptroller of the Currency.

Mr. PETTENGILL. In each individual case?

Mr. McFADDEN. Yes.

Mr. STEAGALL. If the gentleman will permit, it not only requires the exercise of discretion on the part of the Comptroller of the Currency, but in each case it must be authorized by the Secretary of the Treasury, which is equivalent to saying that it has to be approved by the President of the United States.

Mr. McFADDEN. Yes; that is correct. Mr. Speaker, I realize the importance of the situation that calls for the enactment of legislation of this kind. I can not refrain, however, from pointing out once more that which I have frequently called to the attention of the House. On February 7, 1929, I called attention to the change of policy on the part of the Federal reserve. On July 3, 1930, I again called attention to the operations of the Federal reserve system and what it was leading to. On February 14, 1931, I called the attention of the House to the extent to which J. P. Morgan & Co., Kuhn, Loeb & Co., National City Co., Lee Higginson & Co., J. N. Seligman & Co., Speyer & Co., and their associates had taken from the American people and their banks, totaling \$7,714,712,430.

In 1931, on December 17, after having made a speech on the floor of this House, on the 15th, calling attention to what the Federal reserve system was leading this country into in its management and policy in the operation of the Federal reserve system by financing speculative activities of Wall Street and in financing foreign countries and figentleman knows, I am in full accord with his views respect- nancing foreign acceptances, thus taking the people's money

and credit out of the United States. In an effort to stop these practices I introduced a resolution asking for an investigation of the Federal reserve system. This proposal was fought by Eugene Meyer, the acting governor of the Federal Reserve Board, and the Treasury official. The powers that be in this House responding to this influence then pigeonholed that resolution in the Rules Committee and have taken no action thereon. Had these warnings been listened to, in my judgment, we would not be in the financial and economic predicament we are to-day. We are now witnessing the results of the control of the Federal reserve system by a group of bankers in New York and elsewhere known as and called international bankers. I have been repeatedly calling the attention of the House to the machinations of this particular group of international bankers. During the last session of Congress under the Johnson resolution, the Finance Committee at the other end of the Capitol proved the statements which I have made relative to this control, and confirmed the exploitation of the American people and their banking institutions through this group of international financiers, who have had a stranglehold on the operation of the Federal reserve system, and have been using it for their selfish purposes. During the past week likewise we have witnessed a fantasy in the presentation by a part of this same group of what they have been doing in New York City-I refer to the testimony of Charles E. Mitchell and other officers of the National City Bank before the Senate Banking Committee; and I repeat what I have said before, that these gentlemen to whom I have referred as international bankers of the type of Mr. Mitchell are largely responsible for the condition in which we find ourselves to-day. They have not only sold these foreign worthless securities to the people and banks of the United States, but in a like manner have they unloaded on them domestic worthless securities of their own concoction and have pushed up their own bank stocks to dizzy heights and sold them to innocent buyers, and have thus further exploited the conservative American investor. And now after all of this-are trying to avoid the fixing of responsibility for their misdeeds.

This bill deals with the remaining assets of our banks, and permits the national banks to freeze their total assets in the same manner that certain States now permit the assets to be frozen in their State banks.

In a situation like this we can not afford, when the United States is threatened, as it is to-day, to be dealing away other funds that belong to the United States. So I want to take the few minutes that remain to me to say a few words on this subject, because the debts that are owed us by foreign countries have much to do with the solvency of our banks.

Every Member of this body knows, or should know, that this day the United States stands upon the brink of economic and financial chaos. There can be no possible benefit in seeking to hide the truth under a false silence.

At this moment it is the duty of every sincere American to look first to the preservation of our common country and the welfare of all our people. More particularly does that obligation rest upon us who sit here clothed with the delegated authority of 120,000,000 people who have trusted us.

Our first duty is to conserve for the common good the assets of the United States. To dissipate, to cancel, or to give away any part of those assets is a crime which can never be justified in the eyes of God or the eyes of men. One of the largest assets standing upon the ledger of our Treasury is the collective obligation of many foreign nations to repay to us that small part of the moneys we taxed our people to loan to them in their extremity—that small part which we have agreed to accept, as they have agreed to pay, in lieu of the greater sum which was the price of their salvation in their hour of need.

This is our hour of need. It sets with but poor grace upon any man to urge now that the people of America should add to their distress by assuming the burdens of others who can bear those burdens better than we can now. Any man who urges or promotes such a course, be he American or

alien, does not come to us in friendship—more than that, if he be American, even in name, one must seek long to find for his conduct any other definition than that single, hateful word "treason."

The chairman of the committee has fully explained this bill to you. I do not see that it needs further explanation by me. It is stated as necessary. I dislike to think that at a time like this the Congress of the United States is called upon to pass such a bill as this, but we are told that it must be passed out of sheer necessity. [Applause.]

Mr. Speaker, I reserve the balance of my time.

Mr. STEAGALL. Mr. Speaker, I yield five minutes to the gentleman from Maryland [Mr. Goldsborough].

Mr. GOLDSBOROUGH. Mr. Speaker, we are confronted with a situation that is immediate and which requires immediate action. The State legislatures have passed and are passing laws giving extraordinary powers to their banking authorities to liquidate banks and to prevent runs on banks, to pay depositors in part, segregate deposits so that new depositors may be protected from the condition that the bank is in; and what this resolution does, and all this resolution does, is to permit the Comptroller of the Currency in a given case to apply State rules to a national bank, in whole or in part, provided he gets the consent of the Secretary of the Treasury. That is all there is in the resolution, except it is safeguarded further to the extent that there can be no extension beyond the terms of the existing law of branch banking by national banks or member banks.

Please understand that some of us on the Committee on Banking and Currency who feel that this legislation is absolutely necessary believe that if legislation passed by this House and sent to the Senate a year ago had been passed we would never be confronted by the necessity for this bill,

If the Steagall bill for the guarantee of bank deposits passed the Senate to-day and became a law the closing of banks in this country would stop immediately. [Applause.] If the Senate believes that that legislation is not legitimate, permanent legislation, they could pass it as emergency legislation for a limited time, which would stop the failure of all banks in the United States instantly. If the passage of this resolution is followed by the passage of deposit insurance legislation by the Senate, the Comptroller of the Currency will never have to use the powers given to him by this resolution.

Your committee has spent many sleepless nights in the last 10 days over this resolution. Your committee has deferred action until it could get a detailed expression from the Comptroller of the Currency, the Governor of the Federal Reserve Board, and yesterday the Secretary of the Treasury.

I hope that this resolution will receive the unanimous indorsement of the House, and I hope that during this session of Congress the Senate of the United States can be made to see that at this time the universal principle of insurance, which permeates all business, is necessary to protect the deposits of the people in the banks of this country. [Applause.]

The SPEAKER pro tempore. The time of the gentleman from Maryland has expired.

Mr. McFADDEN. Mr. Speaker, I yield five minutes to the gentleman from Mississippi [Mr. Busby].

Joint resolution authorizing the Comptroller of the Currency to exercise with respect to national banking associations powers which State officials may have with respect to State banks, savings banks, and/or trust companies under State laws.

Mr. BUSBY. Mr. Speaker, to begin with, I want to state that I am against this resolution. Bank security is absolutely related to property and commodity values in the country where banks operate, because banks take liens on property to secure loans. What I say here will have nothing to do with the stability or instability of the banking situation in this country. We have pursued such a course in failing to maintain prices of commodities, of lands, of homes, of farms, of securities, of everything else that man desires to own and possess, until the banking situation in this country has been undermined, and the banks stand face to face with the fact that they are absolutely broke, from

Maine to California. It has been the policy of the Secretary of the Treasury and the Federal Reserve Board, which has been interlinked very closely with the type of financial generalship that has been exposed by the Senate investigating committee in the last few days. While men have posed as great wiseacres and monetary barons, they have robbed the

people consistently and designedly done so.

That is our trouble to-day, and not the fact that what I say or what you say on the floor of this House may be carried by the newspapers. What I ordinarily say is sniffed at by the newspaper reporters, but for two years I and others have called your attention to this encroaching condition which we were powerless to meet and which we individually could not help, and when we appealed to the leaders in the administration and in the legislative bodies, we were turned aside with indifference, because they seemed to know nothing whatever to do. If this country collapses it will not be because of the action of the masses of the people primarily, because they have been long suffering. They have endured much. Starvation, hunger, privation, loss of homes, every other crime that could be committed against them, but, in the words of Disraeli, history has talked too much about leaders and not enough about peoples. The forces that move the world are not lodged in the breast of a single man. The forces that move the world slumber in the beings of the multitude like seeds in the furrow, until they are quickened by the sun and rain of time. Then the earth quivers and there is a great earthquake, and out of that comes the names of men who were representative of the era. Leaders do not make the era. Eras make leaders, and they are designated as the spokesmen for that era. I know that the fundamentals involved are undermining the situation.

CIRCULATING MEDIUM THE TROUBLE

What is the trouble? The circulating medium of this country is one-tenth coined and issued currency, and nine-tenths are bank credits. Banks are natural inflationists, and in ordinary times they carry us to the heights by inflating and following up by taking security on property to secure loans at inflated valuations.

We have in this country \$5,500,000,000 in currency and \$45,000,000,000 in bank deposits. In France they have \$3,275,000,000 of currency and only \$1,575,000,000 of bank deposits. They have two times as much coined and issued currency as bank deposits. We have one-tenth as much.

Their security is twenty times that of ours.

We are too top-heavy with the type of activity that has been exposed by the Senate investigating committee this past week. We can not endure unless we reorganize the system and kick that type of leader, the thieves in high finance, the wolves that feed on the masses of the people, out of control and take charge of the situation for the people of the United States. [Applause.]

Measures like this one proposed to-day are not going to save us. Michigan's banks are all closed. Two hundred and five banks in Maryland are closed to-day. Others are sitting on the edge and are ready to tumble off. There is

nothing for them to do but to tumble.

Why? Because Ogden Mills has been at the head of the Treasury, Eugene Meyer has been governor of the Federal Reserve Board. They and their type of financial thinkers are responsible for what we have in failure, ruin, starvation, unemployment. They refuse to conduct the Nation's financial affairs for the people but only for the rich and special interests, while the country collapses and falls into ruin.

Mr. McFADDEN. Mr. Speaker, I yield one minute to the gentleman from Michigan [Mr. Hooper].

Mr. HOOPER. Mr. Speaker, this is a grant of extraordinary power, but it is amply warranted under existing circumstances. When reduced to its simplest terms, it permits the Comptroller of the Currency to match powers with the chief banking office of a State when that State, in an exigency, has conferred extraordinary powers upon that official. It is and must be regarded here as an emergency measure specifically advocated and passed to cope with the pressing situation in Michigan. Legislation in Michigan is granting unusual power to the State Banking Commission.

This legislation will confer similar powers upon our National Banking Commissioner, the Comptroller of the Currency.

This legislation is absolutely necessary and absolutely imperative, as you will see from the report. It passed the other body unanimously.

It is not legislation intended to be permanent. It does away with any chance that branch banking may be controlled by orders of the comptroller. It changes the period of one year, as the Senate passed the bill, to one of six months, with the President having the power, in his discretion, to extend the period for another half year.

The power is extraordinary, but so are the circumstances which make it needful to invoke that power. I hope the bill

may be passed.

[Here the gavel fell.]

Mr. STEAGALL. Mr. Speaker, I yield the remainder of my time to the gentleman from South Carolina [Mr. Stevenson].

Mr. STEVENSON. Mr. Speaker, with a great deal of what my friend, the gentleman from Mississippi has said, I am in entire agreement; but he and I reach different conclusions on this situation.

He says he is against the resolution.

I am for it, not because it appeals to me as legislation which should be in effect for all time but because conditions at the present time require something to be done which will stabilize matters wherever the banking situation has become chaotic, as it has in the State of Michigan and as it is becoming in other States.

The whole theory of this proposition is that banks that are solvent, and a majority of those whose doors are open now are solvent, may be broken and unable to help themselves if everybody undertakes to draw his money. The gentleman from Mississippi just said we had forty-odd billions of dollars of bank deposits, and only \$6,000,000,000 in round numbers of actual cash. In other words, there are seven times as many deposits as there is cash. If everybody wants to draw their cash the same day, there is only going to be one-seventh of a dollar apiece. That is all there is to it, and this money is not all in the banks by any means.

So when a condition such as has impended in Michigan for the last few days occurs in a State the proposition is that the proper officers of the State will take charge of State banks, and the Comptroller of the Currency will take charge of national banks in that State. The assets of the bank will be appraised and the slow assets will be separated from the liquid assets. When that is done they will determine what per cent of the assets of the bank is slow and what per cent is liquid, then freeze that percentage of the deposits representing the slow assets, set them to one side to be liquidated, the depositor to get his money as the slow assets are liquidated, and the balance of his deposits will be left free for him to use as if nothing had happened to the bank.

The comptroller can not do that at the present time. If insolvency impends in a given situation he has to close the banks and appoint a receiver and the depositors have to wait for three months at least before they can withdraw even a portion of their funds. The other plan keeps the bank open, allows people to make deposits and check against them, but does not allow the bank to loan out those deposits. In other words, it keeps them absolutely liquid. It keeps all the assets that are liquid in the bank when the separation is made all subject to the demands of the depositors whose money it is. It prevents the destitute condition many people find themselves in with all their money in the bank when the bank shuts down and they are not allowed to draw anything for at least 3 months, and more often it is 6 or 8 months.

That is all there is to this proposition. This action is taken only when the State takes similar action. It is limited to six months. It is under the control of the Secretary of the Treasury. We have to do something to remedy the situation, for the country is facing great difficulty.

[Here the gavel fell.]

Mr. McFADDEN. Mr. Speaker, I yield two minutes to the gentleman from Maine [Mr. Beedy].

Mr. BEEDY. Mr. Speaker, this is no time for a Member of this House who takes his responsibility seriously to rise in his place and overstate the situation which obtains to-day. There is nothing new in the present situation over and above that which has obtained for months.

A majority of the banks of this country to-day are absolutely solvent. The pending measure is designed to protect these banks in a situation such as recently culminated in the State of Michigan. The purpose of the measure is to protect the depositors themselves in all banks.

Let me give you just a glimpse of the sound situation which obtains. In the 12 reserve banks of the Federal reserve system to-day there is \$1,500,000,000 of excess gold reserves. These banks can not issue currency without a demand. But to-morrow morning, if there were a demand for the currency, they could issue on this excess reserve, \$3,750,000,000 of Federal reserve notes in addition to the \$2,738,000,000 of Federal reserve notes issued and outstanding January 1.

Mr. KELLER. Why do they not do it?

Mr. BEEDY. There is no demand for additional currency. Those familiar with the situation know we have more currency in this country to-day than we had at the peak of 1929. We have \$136,000,000 more of the world's monetary gold to-day than we had at the peak of 1929. There are \$900,000,000 more of Federal reserve notes issued and outstanding to-day than was the case at the peak of high prices and prosperity in September, 1929.

The member banks of the Federal reserve system to-day have excess reserves of \$500,000,000 on which they could loan to-morrow \$7,000,000,000 of bank credit without borrowing a dollar from the reserve banks. There is no lack of potential bank credit or of currency itself. There is a lack of public confidence. When that confidence is restored our banking difficulties will have disappeared. [Applause.]

[Here the gavel fell.]

Mr. McFADDEN. Mr. Speaker, I yield five minutes to the gentleman from Massachusetts [Mr. Luce].

Mr. LUCE. Mr. Speaker, of necessity, by reason of the volume of work that confronts Congress, it finds itself inevitably placing large confidence in its committees.

The Committee on Banking and Currency is considering this year, and will consider in the Congress to come, the most important and serious questions ever confronting the American Congress, except possibly in time of war. It is of importance that the House shall understand the situation in the Committee on Banking and Currency as illustrated by its conduct in the last seven days. It has been my lot to be a member of legislative assemblies for the greater part of the last 34 years, and never in all that experience have I seen a period when, as in this committee, lawmakers have sunk all partisanship, have forgotten all dreams of personal benefit, have devoted themselves more earnestly and more solemnly to the great questions they have had to decide.

In the years since I have been here I have again and again watched Members of the House avoid consideration of banking problems. They are intricate; they are difficult to understand; the phraseology and terminology of banking are not known to most of the Members. And so, perhaps more than in the case of any other committee of the House, it devolves upon this committee to take its work seriously and prayerfully; and I want to assure the House that in the matter of the pending bill, as I am confident will be the case in respect of all the bills that will be considered by this committee within the next 24 months, you may be sure error of judgment will not have been due to lack of honest and earnest attempt to exercise such wisdom as that with which we may have been endowed.

To-day the committee brings to the House one of the most serious questions ever coming on this floor. After consideration that has been accompanied by sleepless nights, consideration that has resulted in changes of opinion, we come here now almost unanimously telling you this thing ought to be done.

In the same breath I want to assure you, and through you assure the people of the country, that all declarations sug-

gesting our banks as a whole to be unsound are not warranted by the facts.

The great bulk of the banking capital of the country at this moment remains intact. It is well protected. By this bill it will be better protected. No depositor may have a single qualm of anxiety by reason of anything we are here doing.

In the last year the banks have had access to a thousand million dollars or more by reason of the purchase of Government securities from them by the Federal reserve system. And what have they done with this money?

Criticism is made because they have not put it out. They could not put it out. Business men were not willing to borrow it. Therefore, it has remained as a strengthening factor in the situation. To-day the banks are that much safer through the addition to their cash resources.

[Here the gavel fell.]

The SPEAKER. All time has expired.

The question is on agreeing to the committee amendments.

The question was taken; and on a division (demanded by Mr. Bussy) there were—ayes 184, noes 4.

So the committee amendments were agreed to.

The Senate joint resolution was ordered to be read a third time and was read the third time.

The SPEAKER. The question is on agreeing to the joint resolution.

The question was taken; and on a division (demanded by Mr. Bussy) there were—ayes 241, noes 4.

So the Senate joint resolution was agreed to.

On motion of Mr. Steagall, a motion to reconsider the vote by which the bill was passed was laid on the table.

HON. WILLIAM F. KOPP AND HON. ROYAL C. JOHNSON

Mr. CONNERY. Mr. Speaker, I ask unanimous consent to address the House for five minutes,

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. CONNERY. Mr. Speaker, in these days when there seems to be a concerted effort on the part of certain interests in the country to discredit the Congress by constant criticism of its membership, it is refreshing for those of us who have been here for any length of time to realize that there are certain compensations which make up in great part for the feelings of anger which are aroused in us when we are unjustly assailed. The greatest of these compensations is the close personal friendships which develop between the Members of this House regardless of their party affiliations. I am asking the indulgence of the House to-day while I pay my humble tribute to two men who are about to leave us at the end of this session.

It has been my honor and privilege to serve on the Committee on Labor for the past 10 years—ever since I came to Congress. During those 10 years the Hon. WILLIAM F. Kopp, of Iowa, [applause] was my close personal friend and associate. Mr. Kopp served for six of those years as chairman of the Committee on Labor, until he was succeeded by the equally distinguished gentleman from California, the Hon. RICHARD J. WELCH. Mr. KOPP left the chairmanship of the Committee on Labor to become chairman of the Committee on Pensions, but remained on the Committee on Labor as ranking Republican member. His fine legal mind has been especially valuable to the committee on questions of constitutionality, and his warm humane nature made him see the problems of labor from the viewpoint of the poor and downtrodden. Coming from a farming State he had a wide knowledge of the need of cooperation between the farmer and the industrial worker and always realized the fact that neither could be prosperous without the other. It would be difficult for me to express adequately my admiration for the high ability, statesmanship, and fine personal character of my friend the gentleman from Iowa [Mr. Kopp]. In the future deliberations of that committee it will seem strange not to hear the calm, even tones of the gentleman from Iowa when he propounded intellectual questions and gave sound judicial opinions. I am sure that I voice the sentiments of every

member of that committee in expressing regret that he will | not serve during the next session.

The Committee on World War Veterans' Legislation was organized during my first term in this House. It was a source of great gratification to me when I was chosen to serve on that committee. The Republican chairman for the first eight years after its inception was the distinguished gentleman from South Dakota, the Hon. ROYAL C. JOHNSON. [Applause.] The name of ROYAL JOHNSON was a name well known to me from the days immediately following the World War. It was he whom I visualized as the champion of veterans in Congress. So when I became a member of the Veterans' Committee I looked him over with keen interest to see what manner of man he might be. I soon found out that he approximated exactly the ideas which I had formulated in regard to him.

I tried my best to make his life miserable in committee by constantly assailing the Republican administration's attitude toward veteran legislation. We seldom agreed in our votes, either in the committee or on the floor of the House, yet there is not a Member of this House for whom I have a higher regard or with whom the tie of close friendship is more binding than that which I feel toward my friend and buddy, the Hon. ROYAL C. JOHNSON. He has a very notable background. He was born in Cherokee, Iowa, October 3, 1882. When 1 year old he decided to take up his residence in South Dakota, so he removed to Highmore, S. Dak. He attended the public schools in that State, matriculated at Yankton Academy and South Dakota University. He received a law degree from the university and in 1906 became deputy State's attorney of Hyde County, State's attorney, and then attorney general of the State. Elected to the Sixty-fourth Congress, he was one of the few Members of the House who voted against war, which, in the light of his Army service which followed, may seem paradoxical yet, in the final analysis, is entirely logical, for the reason that the best fighting man is he who loves peace the most. When the United States entered the war he resigned from Congress to enlist in the Regular Army on January 4, 1918, and was assigned to Company K, Three hundred and thirteenth Infantry. After he attended the third officers' training camp at Camp Meade he was made a sergeant in Company K of the Three hundred and thirteenth Infantry, April 23, 1918; became a second lieutenant June 1, 1918; assigned to Company D, Three hundred and thirteenth Infantry; embarked for France with the Seventy-ninth Division, July 6, 1918; promoted to first lieutenant in September of that year as a member of Company D of the same outfit. With his division he took part in some of the bloodiest battles on the western front and distinguished himself by heroism in action. He was awarded a distinguished-service cross and the croix de guerre. Here is how the record of the War Department tells the story:

DISTINGUISHED-SERVICE CROSS—CROIX DE GUERRE

ROYAL C. JOHNSON, first lieutenant, Three hundred and thirteenth Infantry, for extraordinary heroism in action at Montfaucon, France, September 26-27, 1918. He constantly exposed himself to the enemy fire during the action at Montfaucon, setting example to his men by his fearlessness. When severely wounded by shell fire, he assisted two wounded men of his company to the r and refused to occupy space in the ambulance until these men had been provided for.

Returning from France, he again took his place in Congress, being reelected to the Sixty-fifth Congress and every succeeding Congress. Despite the demand of his friends and constituents, he decided that he would not be a candidate for reelection to the Seventy-third Congress. In addition to physical courage, Royal Johnson has moral courage to a high degree. There have been times when, whether right or wrong in his beliefs, he has not seen eye to eye with the veteran organizations. At these times he has never hesitated, even when he felt that it would harm him politically, to speak only and publicly for what he believed to be right. He has an unusually kind and genial disposition. To him the word "friend" means "friend," and he would go almost any distance to prove his friendship. Time does not permit me to say all I would like to say about ROYAL JOHNson. As chairman of the Committee on World War Veter-

ans' Legislation, in eight years he has done wonders for the disabled veterans of the country. Ever modest, he has not taken due credit for what he has done. I hope and believe that the veterans of the United States will keep ever in their hearts a warm spot for a distinguished soldier, a brainy statesman, and a loyal friend.

In looking into the careers of men, especially in public office, it is not amiss to state that the very foundations of these careers are often laid by the wise choice which they make in the selection of their life partners in marriage. There is not a Member of this House who can not realize how much it has meant to WILLIAM F. KOPP and ROYAL C. Johnson to have the inspiring influence of such gracious and charming wives as Mrs. Kopp and Mrs. Johnson, who by their tact and characters have done so much to dignify the careers of their husbands.

In conclusion, may I say to these two dear friends and distinguished colleagues, "If I were a Demosthenes I would extoll you to the skies and raise you up among the stars of the firmament: if I were a Cicero, I would attempt to cajole you into believing that you are what you are not; if I were a Webster I would endeavor to arouse you by the fire of my oratory; but being none of these I will say simply and sincerely, may health, success, and happiness surround you ad multos annos." [Applause.]

Mr. OLIVER of Alabama and Mr. BUSBY rose.

Mr. BUSBY. Mr. Speaker, I make the point of order a quorum is not present.

The SPEAKER (after counting). Two hundred and eleven Members present, not a quorum.

Mr. RAINEY. Mr. Speaker, I move a call of the House. A call of the House was ordered.

The clerk called the roll when the following Members failed to answer to their names:

[Roll No. 168]

Abernethy	Cullen	Hull, William E.	Pratt, Harcourt J.
Aldrich	Davenport	Igoe	Pratt, Ruth
Bacon	Davis, Pa.	James	Purnell
Baldrige	De Priest	Jeffers	Rainey
Beam	Dickstein	Johnson, Ill.	Ransley
Beck	Dieterich	Johnson, Wash.	Rudd
Beedy	Douglas, Ariz.	Kelly, Pa.	Schafer
Boehne	Douglass, Mass.	Kennedy, Md.	Seger
Boland	Doutrich	Kinzer	Simmons
Boylan	Drane	Knutson	Sirovich
Brand, Ga.	Driver	Kurtz	Smith, Idaho
Britten	Englebright	Lambertson	Smith, W. Va.
Brunner	Fiesinger	Lamneck	Somers, N. Y.
Cable	Fish	Lankford, Va.	Stokes
Campbell, Iowa	Fishburne	Lehlbach	Sullivan, N. Y.
Carley	Free	Lewis	Sullivan, Pa.
Cary	Freeman	Lindsay	Sumners, Tex.
Chase	Fulbright	McMillan	Sweeney
Chiperfield	Gambrill	Manlove	Tierney
Christgau	Gavagan	Montague	Tinkham
Clark, N. C.	Golder	Mouser	Treadway
Clarke, N. Y.	Haines	Nelson, Wis.	Williams, Mo.
Cole, Iowa	Hall, Miss.	Norton, N. J.	Williams, Tex.
Collier	Hancock, N. C.	Oliver, N. Y.	Wingo
Condon	Harlan	Owen	Wolfenden
Connolly	Hart	Palmisano	Wolverton
Cooke	Hogg, W. Va.	Peavey	Wyant
Corning	Hopkins	Person	Yates
Crowther	Hornor	Prall	
		The state of the s	

The SPEAKER. Three hundred and ten Members have answered to their names; a quorum is present.

On motion of Mr. BANKHEAD, further proceedings under the call were dispensed with.

QUESTION OF PRIVILEGE OF THE HOUSE

Mr. McFADDEN. Mr. Speaker-

The SPEAKER. For what purpose does the gentleman from Pennsylvania rise?

Mr. McFADDEN. A question of constitutional privilege. The SPEAKER. The gentleman will state it.

Mr. McFADDEN. Mr. Speaker, I rise to a question of constitutional privilege, the privilege of the whole House when its rights are invaded, and offer the following

The SPEAKER. The Clerk will report the resolution. The Clerk read as follows:

House Resolution 399

Whereas on February 15, 1933, the Washington Star, in an article concerning the war debts, published the following statement in

regard to the lobbying activities of the British Ambassador, Sir Ronald Lindsay, intimating that he had been able corruptly to influence Members of the House of Representatives in the interests

of Great Britain:
"Sir Ronald Lindsay realized that on the one hand he had to deal here with a Government which had no longer any authority deal here with a Government which had no longer any authority from the country and on the other hand that every day public sentiment was changing from friendly to hostile toward Great Britain. All this, he thought, was due to a misunderstanding of America's problems on the part of the British cabinet. The public statements Chamberlain was making were a clear illustration of the lack of comprehension of the situation in America by a majority of the British Government.

"Lindsay decided to make a comprehensive survey of the situation himself. This was a difficult and delicate task for a foreign ambassador who is supposed to deal exclusively with the State Department. He talked the situation over with Secretary Stimson and obtained the latter's approval to deal direct with the legislative body of the United States and eventually with the Pres lent elect himself.

elect himself.

"Lindsay did good reporter's work. He talked to almost every Member of Congress who had any definite opinions on the debt question and whose voice was likely to influence the coming debates. After having gained a comprehensive picture of the attitude of Congress, he managed to obtain an invitation from the President elect to come and visit him at Warm Springs on the

eve of his departure to London to present his complete report.

"Roosevelt and Lindsay talked together for hours and, according to reliable reports, they surveyed not only the debt question but also the question of the Geneva conference and the Far Eastern conflict. He obtained a clear picture of the future foreign policies

of the incoming administration."

of the incoming administration."

Whereas the Government of the United States has never lost its authority, as falsely realized by Sir Ronald Lindsay, and the House of Representatives has never lost its authority; and

Whereas Sir Ronald Lindsay, ambassador of Great Britain to the United States, has rendered himself obnoxious by publicly invading the Capitol of the United States and attempting to influence legislators in the interests of Great Britain; and

Whereas the said Sir Ronald Lindsay is conducting an extensive propaganda in the United States for the cancellation of the war debt owed to the United States by Great Britain, to the end that England may dishonor her signature without incurring too much the contempt of the world, and whereas the United States has had enough and to spare of British propaganda; and

has had enough and to spare of British propaganda; and
Whereas Sir Ronald Lindsay, ambassador of Great Britain, is
required by law to confine his communications to the Secretary

required by law to confine his communications to the Secretary of State, and whereas it is a gross violation of United States rights for him to issue statements to the press in an attempt to defeat the measures of the United States Government, and whereas he has been guilty of such violations of United States rights and has given offense to the people of the United States; and Whereas there is no authority in the United States which can confer upon a foreign functionary the right to interview any person other than the Secretary of State connected with the Government, and whereas the Secretary of State and his principal, the Executive, have no power to permit a foreign functionary to interfere with the Government of the United States by interviewing Members of Congress, and whereas it is an insinuation against Members of Congress to assert that they willingly permitted themselves to be interviewed by the British sinution against Members of Congress to assert that they willingly permitted themselves to be interviewed by the British
ambassador in his violation of their right to freedom from
molestation on the part of foreign functionaries, and whereas
the said unlawful molestation of Members of Congress by the
said Sir Ronald Lindsay and his attempt corruptly to influence
them to defeat the measures of the United States Government in

the interests of Great Britain constitutes an invasion of the rights and privileges of the House of Representatives; and
Whereas the Logan Act, section 5, title 18, United States Code—section 5, Criminal Code—makes it a crime for a private citizen of the United States to have intercourse with a foreign function of the United States to have intercourse with a foreign functionary unless that private citizen has been duly authorized by the Government to have such intercourse, and whereas neither the Secretary of State nor the Executive has power to permit intercourse between a private citizen of the United States and a foreign functionary in regard to matters which have been or which may be the subject of legislation by Congress, when such matters affect the revenue of the United States; and

Whereas the lobbying activities of the said British Ambassador, Sir Ronald Lindsay, carried on in the halls of the Capitol, at the British Embassy, in the houses of citizens of the United States, in the offices of predatory international bankers, on shipboard, on trains, and elsewhere, have for their purpose the taking from the United States Treasury of assets which it is the sworn duty

on trains, and eisewhere, have for their purpose the taking from the United States Treasury of assets which it is the sworn duty of this Government to protect by every means within its power, not stopping short of war if need be, and whereas the said Lindsay's lobbying activities likewise have for their purpose the defeat of measures enacted into law by the Government of the United States to insure the repayment of moneys advanced to Great Fatisian on her written promise to repay them; and whereas Great Britain on her written promise to repay them; and whereas the lobbying activities of Sir Ronald Lindsay likewise have for their object the overthrow of the Government of the United States and its reorganization as a part of the British Empire:

Therefore, be it

Resolved, That it is the sense of the House of Representatives
that its rights and privileges have been invaded by Sir Ronald
Lindsay, British Ambassador to the United States, in his molestation of Members of Congress and private citizens in the interests

of Great Britain, and by his subversive activities against the Government of the United States and his attempts to defeat the measures of the United States Government, and that his lobbying activities and utterances assail the honor and dignity of the House of Representatives and constitute an attack upon the integrity of its legislative proceedings, and that a copy of this resolution be sent to the President of the United States, the Secretary of State, and the Department of Justice.

Mr. SNELL (interrupting the reading of the resolution). Mr. Speaker, a point of order. I would like to know how this matter got before the House.

The SPEAKER. The gentleman from Pennsylvania rose and said he had a question of constitutional privilege and sent the resolution to the desk to be read. Up to the present time no constitutional privilege has been recited in the resolution, but the reading of the resolution has not been completed.

Mr. O'CONNOR. Mr. Speaker, I make the point of order that in such an event the Member who rises should indicate in what manner it is a constitutional privilege. We might be reading a thing of this sort for three days before we came to the point as to what was a question of constitutional privilege. The gentleman can indicate whether it is an attack on the House or what not.

The SPEAKER. The Chair will direct the Clerk to read the resolution itself, which will determine whether or not there is stated a question of constitutional privilege.

Mr. McFADDEN. Mr. Speaker, may I add that the rights of the House have been invaded by attempts on the part of a foreign functionary to influence legislators and to defeat certain measures of the Government of the United States, and this is involved in the resolution.

The SPEAKER. The Clerk will report the resolution.

The Clerk read the resolution as shown above.

Mr. SNELL. Mr. Speaker, I make the point of order that a general statement, either in a newspaper or otherwise, made outside of the House is not a definite charge involving the constitutional rights of the House or an individual Member thereof. There is nothing definite in this statement.

The SPEAKER. So far as set out in the resolution or in the matter read from the preamble, nothing has been recited that reflects on the dignity or the integrity of the House of Representatives. A mere report that some ambassador is undertaking to bring pressure to bear on some executive or other body is not sufficient to cast a reflection upon the House of Representatives, and the Chair holds that the gentleman from Pennsylvania does not state a question of privilege of the House.

Mr. McFADDEN. Mr. Speaker, a point of order.
The SPEAKER. The gentleman will state it.
Mr. McFADDEN. My point of order is that the resolu-

tion has not been completely read. It is a matter of record and knowledge to every Member of this body, as well as the other body, that the British Ambassador even went so far as to appear on the floor of the United States Senate.

The SPEAKER. That does not affect the proceedings of the House of Representatives.

Mr. SNELL. Not at all.

The SPEAKER. And in no way reflects on the House of Representatives, either with respect to its dignity or integrity of proceedings.

Mr. SNELL. That is a matter to be taken up over in the United States Senate, if they want it taken up.

The SPEAKER. The Chair holds that the gentleman from Pennsylvania does not state a question of the privileges of the House of Representatives.

APPROPRIATIONS FOR DEPARTMENTS OF STATE AND JUSTICE AND THE JUDICIARY AND FOR THE DEPARTMENTS OF COMMERCE AND T.ABOR

Mr. OLIVER of Alabama. Mr. Speaker, I call up the conference report on the bill (H. R. 14363) making appropriations for the Departments of State and Justice, and for the Judiciary, and for the Departments of Commerce and Labor, for the fiscal year ending June 30, 1934, and for other purposes, and I ask unanimous consent that the statement may be read in lieu of the report.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 14363) making appropriations for the Departments of State and Justice, and for the judiciary, and for the Departments of Commerce and Labor for the fiscal year ending June 30, 1934, and for other purposes, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 4, 12, 15, 17, and 18.

That the House recede from its disagreement to the amendments of the Senate numbered 2, 3, 5, 7, 8, 9, 10, and 16, and agree to the same.

Amendment numbered 6: That the House recede from its disagreement to the amendment of the Senate numbered 6. and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by such amendment insert the following: "convention relating to liquor traffic in Africa, \$55; in all, \$575,486"; and the Senate agree to the same.

Amendment numbered 19: That the House recede from its disagreement to the amendment of the Senate numbered 19, and agree to the same with an amendment as follows: Restore the matter stricken out by such amendment, and in the matter so restored strike out the sum "\$13,195" and insert in lieu thereof the sum: "\$8,500"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 1, 11, 13, and 14.

W. B. OLIVER. ANTHONY J. GRIFFIN, CLARENCE CANNON, THOMAS L. BLANTON, MILTON W. SHREVE, GEO. HOLDEN TINKHAM, Managers on the part of the House.

FREDERICK HALE, HENRY W. KEYES, GEO. H. MOSES, KENNETH MCKELLAR, CARL HAVDEN

Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 14363) making appropriations for the Departments of State and Justice and for the judiciary, and for the Departments of Commerce and Labor for the fiscal year ending June 30, 1934, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

On No. 2: Makes a technical correction in the text of the appropriation for contingent expenses, State Department, as proposed by the Senate.

On No. 3: Reappropriates and makes available for the fiscal year 1934, as proposed by the Senate, the unexpended balance of the appropriation for the fiscal year 1933 for collecting and editing official papers of Territories of the United States.

On No. 4: Strikes out certain technical language, inserted by the Senate, appearing in the paragraph for contingent expenses, Foreign Service, State Department.

On No. 5: Makes a technical correction in the text of the paragraph for contributions, quotas, etc., under the State Department, as proposed by the Senate.

On No. 6: Inserts the appropriation for the international obligation, "Convention Relating to Liquor Traffic in Africa, \$55," as proposed by the Senate, and strikes out the provisions for the other international obligations inserted by the Senate.

On No. 7: Reappropriates and makes available for the fiscal year 1934, as proposed by the Senate, the unexpended balance of the appropriation for the fiscal year 1933 for the International Boundary Commission, United States and

On No. 8: Concurs in the Senate amendment increasing the appropriation under the International Joint Commission, United States and Great Britain; from \$58,000 to \$77,-000 to provide appropriations for the sulphur-fumes investigation in the State of Washington.

On No. 9: Provides, as proposed by the Senate, for expenses of an international radiotelegraphic conference during the fiscal year 1934 by making available the unexpended balance of the appropriation for the fiscal year 1933 for the international radiotelegraph conference, Madrid, Spain.

On No. 10: Modifies the limitation inserted by the House providing that none of the appropriation for the enforcement of prohibition shall be used for the purchase of intoxicating liquor by defining such liquor as that consumed by the investigator or anyone with him, as proposed by the

On No. 12: Restores the House language, stricken out by the Senate, authorizing the Court of Claims to charge and collect certain fees for copies of its decisions.

On No. 15: Strikes out the appropriation, inserted by the Senate, for the regulation of interstate transportation of black bass.

On No. 16: Corrects a total as proposed by the Senate.

On Nos. 17 and 18: Restores the appropriation of \$344,-000, as proposed by the House for the Children's Bureau in lieu of the appropriation of \$308,550 as proposed by the Senate, and makes a corresponding adjustment in the amount available for personal services in the District of Columbia.

On No. 19: Restores the appropriation for the Housing Corporation, stricken out by the Senate, but reduces the amount from \$13,195 to \$8,500.

The committee of conference report in disagreement the following amendments:

On No. 1: Fixing the salary of the Under Secretary of State at \$10,000.

On No. 11: Permitting the payment of rewards by the Director of Prohibition for information of major violations of the law.

On No. 13: Striking out the proviso inserted by the House, prohibiting the use of funds appropriated under the head of Prison industries working capital fund" for procurement and/or installation of machinery for manufacture of metal furniture and/or metal office equipment in any Federal penal or correctional institution.

On No. 14: Providing for covering into the Treasury \$400,000 of the prison industries working-capital fund, and preventing the use of any of the fund for purchase of yarn from private industry for manufacture of cotton duck.

> W. B. OLIVER. ANTHONY J. GRIFFIN, CLARENCE CANNON, MILTON W. SHREVE, GEO. HOLDEN TINKHAM. Managers on the part of the House.

The conference report was agreed to.

The SPEAKER. The Clerk will read the first amendment in disagreement.

The Clerk read as follows:

Amendment No. 1: Page 2, line 4, after the word "State" insert

Mr. OLIVER of Alabama. Mr. Speaker, I move that the House recede and concur in the amendment.

Mr. SNELL. Will the gentleman yield for a question?
Mr. OLIVER of Alabama. Yes.

Mr. SNELL. I do not understand why it is necessary to do this. I supposed we had an Undersecretary of State who

do this. I supposed we had an Undersecretary of State who is drawing practically that salary.

Mr. OLIVER of Alabama. The salary has never been fixed by substantive law, and the Senate inserted this amount. It is the same salary that has been paid for the last four years.

The question was taken, and the motion was agreed to.
The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 11: Page 26, line 16, after the word "evidence" insert "except that the Director of Prohibition may authorize the payments of rewards for information of major violations of law."

Mr. OLIVER of Alabama. Mr. Speaker, I move to recede and concur in the Senate amendment.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 13: Page 36, line 8, strike out the following language: "Provided, That no part of this appropriation shall be used for the procurement and/or installation in any Federal correctional or penal institution of machinery for the manufacture of metal furniture and/or metal office equipment."

Mr. OLIVER of Alabama. Mr. Speaker, I move that the House recede and concur in Amendment No. 13.

Mr. SNELL. We would like some time on this.

Mr. OLIVER of Alabama. I now yield five minutes to the gentleman from Ohio [Mr. Cooper].

Mr. COOPER of Ohio. Mr. Speaker, during the consideration of the Department of Justice appropriation bill in the House I offered an amendment which provided that no part of the prison industrial working capital fund could be used for the installation of machinery for the manufacture of metal office equipment in any Federal penal institution. The amendment was adopted by a teller vote of 99 to 34, and the bill was messaged to the Senate.

The Appropriations Committee of the Senate decided to strike out the Cooper amendment. That brought the question to the Senate floor, and the chairman of the Appropriations Committee of the Senate offered an amendment reversing the action of the House, and with 30 minutes' debate on the same the Cooper amendment was retained in the bill.

About two hours later, when there were only 10 or a dozen Senators on the floor, a Senator rose, and after recognition, moved to reconsider the vote taken earlier in the day, and the Senate reversed its previous vote and struck out the House amendment.

There is involved in this amendment the question as to whether or not the Federal Government is going to embark on the policy of equipping the Federal penal institutions with high-powered machinery for the purpose of manufacturing metal office equipment. I believe it is important that work should be provided for prisoners, but the installation of this machinery is not going to solve the work problem for prisoners.

I doubt if there is any industry in our country to-day that is more highly specialized and mechanized than that of the manufacture of metal office furniture. Mr. Bates, director of Federal prisons, stated before the Senate committee that he not only intends to install machinery for the pressing of the metal to make filing cabinets, but that he is going to install an air-pressure machine for finishing and spraying. He also stated that he is going to employ only 150 to 200 prisoners out of a total population of 1,400, but he has never yet stated that he is not going to expand this industry if we once let him get started. To-day we have millions of law-abiding American citizens unemployed, and this is no time for the Federal Government to embark upon a policy of this kind. We are facing a national emergency of depression and unemployment. I want to read to the

House what the report of the Shannon committee who have investigated the Government in business says on this question:

While it is a recognized problem to determine the most practical use for prison labor, our first thought and effort should be directed toward those who have not transgressed the laws of society. With the army of unemployed seeking every honorable channel through which they may provide for their dependents, a justifiable spirit of resentment arises when they realize these convicts, provided for by the taxpayers' money, are competing with them for the sinews of life and happiness, and in instances at the loss of the taxpayer.

Mr. Speaker and Members of the House, I know it will be said here to-day that when I was chairman of a prisoninvestigating committee in 1928 I did help to write a report which recommended that prisoners be given work at all times if it was possible to do so. I still hold to that, but, as I said a moment ago, to-day we are facing a national emergency, and the question which this Congress is considering to-day is this. Are we going to go on record and permit the Federal Government at this time to embark upon a policy which will take work away from legitimate industry and free labor, by the installation of machinery in our penal institutions, operated by prison labor? No one can stand on this floor here and say that if this machinery is established at the Lewisburg Penitentiary—not hand labor, but all machinery—it is not going to come into serious competition with legitimate industry and free labor, who are paying the taxes to maintain our penal institutions, house and feed the criminals confined therein. As far as I am concerned I stand here to-day in defense of the lawabiding working man who to-day is walking the streets looking for a job, and I shall not cast my vote to give the criminal work at the expense of the American taxpayers and to the detriment of millions of law-abiding American citizens and honest working men and women who are to-day unemployed and crying for a chance to make an honest living. [Applause.]

Mr. OLIVER of Alabama. Mr. Speaker, I yield five minutes to the gentleman from New York [Mr. Reed].

Mr. REED of New York. Mr. Speaker and ladies and gentlemen of the House, first I wish to thank the chairman of the committee, Mr. Oliver, for granting me these few minutes. I appreciate it because I have a large number of men who work in metal furniture industries in my district, who are now out of employment. They are honest, thrifty, law-abiding, home-owning citizens. These men are obliged to-day, because of conditions and lack of employment in their industries, to go into the ditches and do any kind of work, the hardest kind of work, working long hours, trying to save their homes and help their people.

What are we going to do here? What did our neighboring country to the north of us do? Not long ago Russia dangled before the unemployed of Canada this proposition. They offered to buy \$10,000,000 worth of agricultural machinery. That would have put several thousand Canadians to work, making agricultural machinery, but Russia imposed the condition that Canada must take part of the pay in Russian coal. That proposition was presented to Mr. Bennett on February 25, 1931, and within two days thereafter it was submitted and acted upon by order in council. Canada immediately put a ban upon Russian coal, asbestos, furs and a long list of articles, and the reason given for putting the ban on the importations from Russia was because the goods were produced by conscript labor. Are we going to Russianize this country? If you put high speed machinery into the prisons you are taking men who have violated the law, who are housed and fed and clothed at public expense, and putting them behind machines with a soft job, multiplying their numerical strength, their man power many times. You can take 2,000 prisoners in our prisons and with high-speed machinery have them produce with that machinery the equivalent of what 10,000 men could do by hand putting the product of high-speed machinery into the commerce of the country while our honest, law-abiding laborers are walking the streets.

Mr. STAFFORD. And is not this proposal a direct invita- ! tion to extravagance in that it will allow all the department heads to replace their wooden furniture with steel furniture?

Mr. REED of New York. There is no question about that. Mr. STAFFORD. It is the most extravagant proposal ever before Congress.

Mr. REED of New York. And if there ever was a time when the Congress of the United States should be absolutely just to the laboring man it is now. They have not indulged in riots, they have been patient under the most difficult conditions and they deserve all credit. This is a direct blow at free labor, it is a plan to Russianize the country, to follow communism in our legislation, and I am opposed to this program. [Applause.]

Mr. OLIVER of Alabama. Mr. Speaker, I yield three minutes to the gentleman from Pennsylvania [Mr. RICH].

Mr. RICH. Mr. Speaker, I am going to quote to you the words of Sanford Bates, or, in other words, those which he has approved, that were adopted by the Shannon committee:

(1) That, especially in times of industrial depression, the de-lopment of prison industries proceed with conservation and velopment of extreme caution.

(2) That emphasis be placed not upon mass production, but upon industries sufficient only to keep prisoners busy.(3) That the prisons refrain from the overdevelopment of any

one industry.

That emphasis be put first upon industries which are to be to the greatest extent noncompetitive, and that prison labor be used in public works of low priority, such as the building of roads, trails, improvements at Army posts, and other outdoor public works for which no appropriation is or can be made; that emphasis be put upon prisoner training rather than production; and, finally, to the fullest extent possible, consistent with the proper administration of these important institutions, that their routine and discipline be so devised that the activities of the inmates be such as to compete as little as possible with private industries outside, which, after all, should merit the first consideration of Congress.

Now, gentlemen, to-day as far as the manufacture of commodities is concerned, we have forgotten that the most important thing this Congress can do is to give employment to men and women in this country who desire to earn a livelihood. When we put in production machinery for convicts, who have been convicted of crimes and placed in penal institutions, and thereby take from free labor the privilege of earning a livelihood, making it necessary for them to accept a dole, I say it is a hundred times more important that the people who are incarcerated in prisons be handed a dole and by that method we are not taking from them anything which they should not have. However, when we go out to-day to a man who is in distress who wants to earn a livelihood for himself and his family and say, "We have no work for you, but we are going to give you a dole in order that you may live," we, as Congress, are not doing the right thing. Whenever we do not have time to discuss questions like this before the House of Representatives but we can bring up questions that contaminate the American citizenship, it is time we gave consideration to some of these matters that will give employment to our people.

We have two important questions to consider:

First. Do you want to give jobs to free labor in preference to convicts?

Second. Is it not better to feed the convicts and allow them to remain idle, than to give a dole to the honest American citizen who wants a job to earn his livelihood?

The SPEAKER. The time of the gentleman from Pennsylvania [Mr. Rich] has expired.

Mr. OLIVER of Alabama. Mr. Speaker, if the House will carefully weigh the facts in connection with this matter, they will find no ground for the complaint that gentlemen have urged against the action of the Senate, and which the House conferees have moved to recede from and concur in.

Answering the statement that it denies work to free labor on the outside, permit me to say that the gentleman from Ohio [Mr. Cooper] for whom I entertain a very high regard, was chairman of a special investigating committee in 1929, which visited all Federal prisons, and afterwards submitted a report which was the basis for the legislation we are now

seeking to apply in a very conservative and absolutely fair way to all industries alike. The committee, with the gentleman from Ohio [Mr. Cooper] as its chairman, submitted a unanimous report. The gentleman from Ohio gave hearty approval to the legislation as reported by the Judiciary Committee, and which we are now seeking to apply exactly as Congress directed it should be. In other words, we are trying to provide employment for Federal prisoners in a limited way at the new prison just completed in Pennsylvania, in a way that is absolutely equitable and fair to the metal industry, and in accordance with the act approved May 27, 1930, which requires that prison industries should be established at our Federal prisons, but that such industries should be spread out, so that the burden would not fall heavily on any one, but be shared by all. Products manufactured or produced in the prisons are sold only to the Federal Government, and only in quantities to partially supply the needs.

Vice president of the American Federation of Labor, Mr. W. C. Roberts, appeared before that committee and gave his endorsement to the bill in the form reported by the committee. There was no real opposition to the legislation so reported in either the House or Senate. Prior to the committee's report on which the legislation was based what had been happening in the Federal prisons? You had established machinery at the Leavenworth Penitentiary for the purpose of making shoes, brooms, and brushes. You had established a foundry and brick plant at Chillicothe prison in Ohio; you had established machinery at the Atlanta prison for the purpose of making textiles, cotton bags, and other articles of like kind, and the gentleman from Ohio, who was the chairman of the special committee, visited all of these prisons and was thoroughly familiar with the legislation under which these industries had been established at such prisons, and saw these industries at work at the prisons named in 1929. After seeing these industries at work in the prisons, producing manufactured products by machinery, the gentleman from Ohio [Mr. COOPER] submitted a unanimous report favoring the continuance of such industries and extensions in other fields, so as to avoid discrimination against or in favor of any industries, and he and his committee then became the proponent of the legislation to which I have referred, and which it is now sought in a thoroughly fair and equitable way to apply in establishing at the new penitentiary in Pennsylvania a small metal industry which will produce less than one-tenth of the Government demands.

Mr. COOPER of Ohio. Will the gentleman yield? I know the gentleman wishes to be fair.

Mr. OLIVER of Alabama. I yield.

Mr. COOPER of Ohio. Of course, the gentleman made the report after investigation of the Federal prisons, but there was not anything in that report about establishing high-speed machinery in the Federal penal institutions. Furthermore, as I said to-day, our country is facing a national crisis such as we have never known before.

Mr. OLIVER of Alabama. There will not be installed in the penitentiary recently completed in Pennsylvania, known as the Northeastern, any high-power or high-speed machinery, and if the gentleman had only read the hearings on this matter he would not have made that statement. There will not be installed any automatic machinery, nor any machinery that can be classed as a labor-saving device. Why do I say so? The Director of Prisons has stated to the committees of the House and Senate that it is not his purpose to install any such machinery or devices. You can depend upon the Attorney General and the Director of Prisons not to permit it to be done. What will be installed? Only such machinery as is absolutely necessary to make the kind of metal furniture which the Government will accept, and which will meet Government requirements. They can not bend by hand a piece of steel plate. Likewise, they can not perforate steel by hand. They will install machinery, but neither high speed nor high power, largely to care for work such as I have referred to. One hundred and fifty men working at such machinery, which will cost only \$25,000,

will produce annually only \$40,000 worth of metal furniture, for the Government, when its needs require more than \$1,000,000 annually, of which sum more than \$400,000 will be spent for the character of metal furniture to be produced at the new Pennsylvania penitentiary. No metal furniture is or will be made in any other penitentiary.

Mr. COCHRAN of Missouri. What is the value of the metal furniture manufactured in the United States?

Mr. OLIVER of Alabama. Sixty-four million dollars' worth of metal furniture is made in the United States annually, and more than \$8,000,000 worth of the very type it is planned to make only \$40,000 of at the Northeastern Penitentiary in Pennsylvania. Yet the Government purchases annually of this kind of furniture over \$400,000 worth. Thus we would only permit the penitentiary to supply less than one-tenth of what the Government will be called on to purchase in 1934.

Mr. EATON of Colorado. Mr. Speaker, will the gentleman yield?

Mr. OLIVER of Alabama. Yes. Mr. EATON of Colorado. I wish to correct the gentleman's statement. The cost of the machinery is \$25,000, and with that they will make \$40,000 worth of products.

Mr. OLIVER of Alabama. Yes; \$40,000 worth of products. Mr. EATON of Colorado. Sixty-five thousand dollars is all that is involved in the matter.

Mr. OLIVER of Alabama. Yes.

I now yield to the gentleman from Pennsylvania [Mr.

Mr. RICH. I do not agree with the gentleman that \$40,000-

Mr. OLIVER of Alabama. I yielded for a question.

Mr. RICH. Does the gentleman think we ought to add one dollar to our national debt at this time, that we should add to the burden of our taxpayers?

Mr. OLIVER of Alabama. Please let me emphasize we are not adding a single dollar in the way of taxes, but on the other hand we are taking from the toil of the men in prison \$400,000 which prison labor has produced, carried as a prison industry revolving fund, turning that amount back into the Treasury by the terms of this very bill. Instead of adding it to the taxes of the people, we are, in this pending bill, returning to the people a substantial amount from prison labor, and if Congress will permit the law of May, 1930, to continue to function, substantial returns will continue to be paid by prison labor to the Federal Treasury.

In addition to this, every month there goes out from these Federal prisons, and will continue to go out, if existing law is not interfered with, checks to dependent members of the prisoners' families.

In other words, the Director of Prisons selects prisoners to work on these machines, as far as possible, who have dependents, and he deducts from their small earnings reasonable sums to be sent every month to dependent families from whom the prisoners are separated. At the same time the director is carrying out the purpose that the gentleman from Ohio has often given hearty approval to, as well as the Federation of Labor, that you must not let your prisoners be idle; that you must find work for them, and you must distribute that work so that it will not be a burden on any single industry but be borne by widely diversified industries.

Mr. MEAD. Mr. Speaker, will the gentleman yield?

Mr. OLIVER of Alabama. Yes.

Mr. MEAD. If I recall correctly, the House, by an overwhelming vote-I believe the vote was 99 to 33-banned machine labor.

Mr. OLIVER of Alabama. I yielded for a question.

Mr. MEAD. Is the gentleman familiar with the action taken by the Senate on this matter?

Mr. OLIVER of Alabama. Yes. The Senate committee heard a representative of the metal industry, and heard the Director of Prisons. After hearing these men the committee made a unanimous report to strike out the amendment of the gentleman from Ohio.

Mr. COOPER of Ohio. The gentleman is wrong there.

Mr. OLIVER of Alabama. That is my understanding.

That is the way it appears in the report. The Senate committee reported the bill to the Senate with the Cooper amendment stricken out and after holding hearings at which the representative of the metal industries testified.

Mr. MEAD. But the House by an overwhelming vote

adopted the Cooper amendment.

Mr. MAPES. Supplementing the question of the gentleman from New York, may I ask the gentleman from Alabama if there was anyone of the House conferees who tried to sustain the position of the House in the conference?

Mr. OLIVER of Alabama. Well, I will say this to the gentleman: I stated, I think, to the gentleman from New York, and certainly to the gentleman from Ohio [Mr. Cooper], before the conference was asked for, that this matter would be brought back to the House and the House given an opportunity to pass on it.

Mr. MAPES. That is not a very direct answer to my question.

Mr. OLIVER of Alabama. The gentleman from Ohio [Mr. Cooper] came to me, and I stated to him that before any action was taken on this item the conferees would bring it back to the House and yield time to those favoring it, as I have done to-day, so that they might discuss it before the

Mr. MEAD. The House expressed itself on this proposition very definitely.

Mr. OLIVER of Alabama. I do not think the gentleman from Ohio or the gentleman from New York are complaining of any unfairness on the part of the chairman of the subcommittee in this regard.

Mr. RAMSPECK. Mr. Speaker, will the gentleman yield? Mr. OLIVER of Alabama. Yes.

Mr. RAMSPECK. Is it not true that the textile mill in the Atlanta prison was approved by the gentleman from

Mr. OLIVER of Alabama. Absolutely; and in addition to that, in this committee report he recommended that out of the funds that had accumulated from the work of prisoners at the Atlanta prison in the textile mill another building be constructed and additional machinery be installed for the purpose of increasing the output of the textile prison plant.

Mr. RAMSPECK. And is not that a more highly specialized or mechanized industry than the new work that is proposed?

Mr. OLIVER of Alabama. Absolutely so.

Mr. RAMSPECK. If this work of making metal furniture is to be prohibited, will we not have to abolish the mill at Atlanta?

Mr. OLIVER of Alabama. That would have to be done in order to be consistent; and the same thing applies to Leavenworth, where shoes, brushes, and brooms are made and to the other prison industries. The shoe industry has been very fair. They recognized that the Director of Prisons did not want to manufacture any undue quantity of shoes, although no limitation was placed on production by the original act. They were permitted by the old law to supply all the needs of the Government, but the Director of Prisons held this down to a reasonable percentage, as the gentleman from Missouri knows, and refused to take some contracts that he could have secured from the Government.

Mr. COCHRAN of Missouri. Several hundred thousand dollars' worth.

Mr. OLIVER of Alabama. Yes. Several hundred thousand dollars' worth during the present fiscal year.

Mr. EATON of Colorado. By reason of the textile work at the Atlanta Penitentiary the canvas-making industry of the States west of the Mississippi River has been entirely disrupted to the extent that you can not obtain the canvas goods on account of the work done at the Atlanta Penitentiary.

Mr. REED of New York. Mr. Speaker, will the gentleman yield for a question?

Mr. OLIVER of Alabama. For a brief question.

Mr. REED of New York. As I understand it, the gentleman is advocating as a future policy of the Government the use of high-speed machinery by prison labor.

Mr. OLIVER of Alabama. Evidently the gentleman was not listening when I made my statement relative to that matter. I think the House was; and I shall not repeat it further than to say for the benefit of the gentleman from New York that no high-speed or high-powered machinery, no automatic machinery such as private business uses, will be installed in the Northeastern Penitentiary. Nor will any labor-saving devices be installed there.

Mr. Bates, the Director of the Bureau of Prisons, stated to the Senate committee in the presence of a representative of the metal industry, that he would only produce \$40,000 worth of finished products with the \$25,000 worth of machinery he planned to purchase, and that such machinery would not be high-speed nor automatic machinery. nor labor-saving devices.

The representative of the metal industry later said to the committee that under a survey he had made of the metal industry which was producing annually more than \$8,000,000 worth of the very type of metallic cases that the Northeastern Penitentiary planned to make, that such private industry only employed 1,350 men therefor on part time. The hearings further disclose that private industry uses high-speed, automatic machinery, and that such machinery would cost \$75,000 instead of \$25,000, such as is planned to be installed at the Northeastern Penitentiary. From this you will conclude that 1,350 men working part time can produce annually more than \$8,000,000 worth of metal file cases with high-speed, automatic machinery, whereas 150 prisoners at the Northeastern Penitentiary will annually produce only \$40,000 worth of such metal file cases, with the character of machinery to be installed at the Northeastern Prison.

Quite a difference. Thirteen hundred and fifty men with high-speed machinery, such as private industry employs, with automatic conveyors and feeders cut down largely the number of laborers.

In Federal prisons they propose to install only such machinery as is absolutely necessary to do the things that must be done vet can not be done by hand in order to meet Government specifications. It takes 150 men a whole year to make \$40,000 worth at the prison, whereas 1,350 men in private industry can make, with high-powered machinery, more than \$8,000,000 worth a year. These are the facts appearing in the Senate hearings.

Mr. COOPER of Ohio. Will the gentleman yield?

Mr. OLIVER of Alabama. I yield.

Mr. COOPER of Ohio. Does the gentleman from Alabama deny they are going to put in machinery at the Lewisburg Penitentiary to press the metal out of which these filing cabinets are made? Does he deny that they are going to put a compressed-air machine in the penitentiary for paint sprayings? Does he deny that Mr. Bates has already made arrangements to employ a superintendent to run this institution?

Mr. OLIVER of Alabama. I simply say to the gentleman that they will not purchase and they will not use any highspeed machinery nor any automatic conveyors nor special labor-saving devices. Every piece of machinery that they will install is necessary to bend steel plates, to perforate the same, and that is what it will be used for, so the director of prisons states. They will not feed these prison machines by automatic conveyors, as industry in the gentleman's district is doing, and as industry in the district of the gentleman from Michigan is doing, but they will feed prison machines

Likewise, they will bring together the several parts by hand and not by high-powered machinery that brings them together and perforates them very quickly. In Federal prisons hand labor will be used to the utmost. This accounts for the fact that 150 men will be required to make \$40,000 worth of metal furniture, whereas 1,350 men under the system that private industry employs can make more

than \$8,000,000 in a year. The metal industry, it must be remembered, makes many more products than what it is planned to produce at the new prison. The total metal industry in 1932 produced more than \$64,000,000 worth of products.

Mr. REED of New York. Will the gentleman yield?

Mr. OLIVER of Alabama. I yield. Mr. REED of New York. As I understand, then, the gentleman proposes to take the taxpayers' money and feed and clothe and house violators of the law, give them an easy job, and put them in competition with the machines that Mr. Bates has testified he is going to put in and drive private labor out of work.

Mr. OLIVER of Alabama. Again, I say, if there be injustice in this, the gentleman's questions should be directed at the distinguished gentleman on his right, who was the real proponent of the legislation in 1930, which legislation the Federation of Labor then approved.

Mr. DYER. Will the gentleman yield?

Mr. OLIVER of Alabama. I yield.

Mr. DYER. In other words, what the gentleman says is that Congress established a policy by legislation, and now the committee, of which the gentleman is chairman, is trying to carry into effect the policy that the Congress has established. Is not that correct?

Mr. OLIVER of Alabama. Absolutely so. Mr. RICH and Mr. REED of New York rose. Mr. OLIVER of Alabama. I can not yield further.

I am glad the gentleman from Missouri [Mr. DYER] interrupted me to make that statement. The gentleman was acting chairman of the Judiciary Committee at the time the legislation was passed, which the Department of Justice is endeavoring to carry out.

Mr. RICH. Will the gentleman yield?

Mr. OLIVER of Alabama. Yes.

Mr. RICH. Representatives of the cotton-duck industry came before the Shannon committee and protested against the high-speed machinery you are using in the Atlanta Penitentiary. And does the gentleman know that in the Atlanta Penitentiary you now have extra buildings ready to be equipped with more machines which are contemplated to be purchased, but because of the activity of the Shannon committee they have deferred the purchase of this machinery up to this time? Is it to be the policy of Federal penitentiaries to go ahead and do this kind of work? If we are going to stop it, now is the time to stop it and not wait until we have all these people employed in this line of

Mr. RAMSPECK. Will the gentleman yield?

Mr. OLIVER of Alabama. Yes.

Mr. RAMSPECK. Does not the gentleman from Pennsylvania [Mr. Rich] think we ought to do this by general legislation? This amendment applies only to a penitentiary in Pennsylvania and does not give any relief to the duck manufacturers in the South or in Massachusetts.

Mr. RICH. Will the gentleman yield? Mr. OLIVER of Alabama. Not just now.

Mr. COCHRAN of Missouri. Will the gentleman yield?

Mr. OLIVER of Alabama. Yes.

Mr. COCHRAN of Missouri. Has any suggestion come to the gentleman from Alabama as to what method should be used to care for the hardened criminals who must be kept at work in the penitentiaries?

Mr. OLIVER of Alabama. None whatever. The only practical suggestions that the committee handling this appropriation has had are found in the legislation that Congress passed in 1930 based on the unanimous report of the special committee headed by the gentleman from Ohio [Mr. COOPER] and we have tried to interpret the act of May 27, 1930, in the light of the committee's report, to which the Federation of Labor gave approval, and so far as we know, no protest has been filed as to this item except by the metal industry.

Mr. WELCH. Will the gentleman yield?

Mr. OLIVER of Alabama. I am glad to yield to the gentleman.

Mr. WELCH. The gentleman has stressed the position of the American Federation of Labor-

Mr. OLIVER of Alabama. I yield only for a question.

Mr. WELCH. What year was it that the American Federation approved this policy?

Mr. OLIVER of Alabama. In 1930, when the legislation was passed. It was approved by the President on May 27, 1930.

Mr. WELCH. How many idle men were walking the streets of the United States in 1930?

Mr. OLIVER of Alabama. There were a good many, I understand.

Mr. WELCH. How many?

Mr. OLIVER of Alabama. I do not know.

Mr. BLANTON. Ten million.

Mr. WELCH. There were not 10,000,000 and there were not 3,000,000 at that time. At the time the American Federation of Labor approved this policy, which was in 1929 and not in 1930, there were not 2,000,000 idle men in this country. To-day there are 12,000,000 and I insist on asking this question of the gentleman-

Mr. OLIVER of Alabama. I do not yield further, Mr. Chairman.

Mr. WELCH. The American Federation of Labor does not approve the policy at this time or the argument made by the gentleman from Alabama on this floor to-day.

Mr. OLIVER of Alabama. There has come to us no protest from any source, other than the metal industry, against this item, and it so happens that gentlemen who are specially interested in the matter have a factory of this kind in their districts. Theirs is a perfectly natural human protest. Why did the Congress say, in effect—"We will not undertake to write into the law that the Judiciary Committee reported what fields shall be entered, but will simply say, 'Find employment for the prisoners and distribute this employment over many fields, sparing none and discriminate neither for nor against any industry, but let all bear their just part of the burden'"?

If you follow the advice of the gentleman from Ohio and the gentleman from New York who have industries that the just, fair, and equitable application of this law seems now to pinch, you will discriminate in favor of the metal industry and against others, in whose fields of activity the gentleman from Ohio and Congress have said it is right to install machinery in Federal prisons to provide employment for prisoners. This would be unfair, and I feel that if you can get the facts before this Congress they will not consciously do anything unfair either to an individual or to an industry, but unfortunately comparatively few Members are present when many matters are discussed.

Mr. LAGUARDIA. Will the gentleman yield?

Mr. OLIVER of Alabama. I yield to the gentleman from New York.

Mr. LAGUARDIA. Is there not confusion here between two questions-one the treatment of inmates of penal institutions and the other the competition of convict labor with free labor? And when the compensation of convict labor with free labor comes into consideration, then the treatment of inmates of penal institutions must give way and, regardless of the policy of Congress at the time it was established, we are confronted with an economic situation at this time which compels us to change the policy. [Applause.]

Mr. OLIVER of Alabama. Now, I want to read what Congressman Cooper of Ohio, chairman of the committee, who signed the committee report, on which the act of May 27, 1930, is based:

The committee believes that every effort should be made to provide increased opportunity for employment of Federal pris-

It is the committee's judgment that immediate steps should be taken to establish additional shops in the penitentiaries and other Federal penal institutions to make additional goods and articles which could be utilized by the United States Government. There is no doubt but that there is an ample market in the Federal Government for a sufficient quantity and variety of goods to keep all Federal prisoners employed.

That is what Mr. Cooper said, that is what the act provides, and that is what we are endeavoring to carry out.

Now, I want in conclusion to summarize what I have said. Here you find, before the committee made its report in 1930. we had established at the Atlanta penitentiary a textile industry where machinery was being used. The gentleman from Ohio saw it in operation and recommended that out of the earnings of prison labor should be built an extension of that plant and additional machinery should be installed.

Likewise he saw that we were making shoes in Leavenworth and also brushes and brooms and other articles used by the Government, covering a varied field, so that no one industry would bear more than its fair share and in the light of these facts, his committee submitted to Congress a unanimous report which led to the passage of the prison industry act of May 27, 1930, which act the Director of Prisons is seeking now to administer and carry out, according to its letter and spirit in a fair, just, and equitable way.

Here is what I want to leave with you-do not treat other industries unfairly under the legislation which Congress approved and which the Federation of Labor approved. and against which no protest has been filed as to this bill, except by the metal industry. They will sell the Government \$400,000 of metal cases in the fiscal year 1934. Why should it be unfair to let the new Federal prison manufacture and sell to the Government \$40,000 of such cases? I think we should concur in the Senate amendment.

Mr. Speaker, I move the previous question.

Mr. MEAD. Mr. Speaker, I desire to submit a request for unanimous consent. I ask unanimous consent to be permitted to proceed for two minutes to discuss this subject, because of the fact that the chairman of this subcommittee has not yielded any time to Members on the Democratic side in opposition to the viewpoint that he takes.

The SPEAKER pro tempore (Mr. BANKHEAD). The gentleman from Alabama is in control of the time.

Mr. MEAD. I think it is manifestly unfair to yield all the time to Members on the Republican side.

Mr. OLIVER of Alabama. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the motion of the gentleman from Alabama to recede and concur.

The question was taken; and on a division (demanded by Mr. OLIVER of Alabama) there were-ayes 37, noes 131.

Mr. BLANTON. Mr. Speaker, I make the point of order that there is no quorum present, and I object to the vote for that reason.

The SPEAKER pro tempore. The gentleman from Texas makes the point of order that there is no quorum present. The Chair will count. [After counting.] Two hundred and two Members present, not a quorum. This is an automatic call. The Doorkeeper will close the doors, and the Sergeant at Arms will bring in absentees.

The question is on the motion to recede and concur. The Clerk will call the roll.

The question was taken; and there were-yeas 46, nays 262, not voting 118, as follows:

[Roll No. 169]

	YE	AS-46	
Abernethy Allgood Bankhead Barton Blanton Buchanan Busby Byrns Carden Castellow Cochran, Mo. Cooper, Tenn.	Crowe Dayis, Tenn. Dominick Doughton Doxey Dyer Elizey Fulmer Gibson Gilbert Goldsborough Griffin	Hare Hill, Ala. Huddleston Kerr Larsen Loofbourow Luce McReynolds Mobley Nelson, Wis. Oliver, Ala. Patterson YS—262	Ramspeck Rankin Steagall Stevenson Tarver Tinkham Warren Weeks Wood, Ind. Wright
	NA	15-202	
Adkins Allen Almon	Bachmann Baldrige Barbour	Bowman Briggs Britten	Carter, Calif. Carter, Wyo. Cartwright

Chindblom Christopherson Clancy

	N.	AYS-262	
Adkins Allen Almon Amlie Andresen Andrew, Mass. Andrews, N. Y. Arentz Auf der Heide Ayres	Bachmann Baldrige Barbour Beedy Biddle Black Bland Boehne Bohn Boileau	Bowman Briggs Britten Browning Brumm Buckbee Burch Burdick Burtness Cable	Carter, Calif. Carter, Wyo. Cartwright Cavichla Chapman Chase Chindblom Christopherso Clancy Cochran, Pa.
Bacharach	Bolton	Canfield	Collier

McSwain Collins Hardy Hartley Maas Magrady Schafer Schneider Colton Connery Hastings Cooper, Ohio Hess Hill, Wash. Major Maloney Seiberling Shannon Coyle Crall Hoch Manlove Shott Hogg, Ind. Holaday Hollister Mapes Martin, Mass. Shreve Sinclair Cross Crosser Crowther Martin, Oreg. Smith, Va. May Mead Michener Snell Crump Holmes Snow Sparks Culkin Hooper Curry Hope Spence Stafford Stalker Darrow Davenport Horr Houston, Del. Millard Delaney De Priest DeRouen Howard Hull, Morton D. Milligan Mitchell Stewart Strong, Kans. Jacobsen Montet Montet Moore, Ky. Moore, Ohio Morehead Murphy Nelson, Me. Nelson, Mo. James Jenkins Dickinson Strong, Pa. Stull Dowell Johnson, Mo. Johnson, Okla. Johnson, S. Dak. Summers, Wash. Drewry Driver Sutphin Swank Eagle Eaton, Colo. Johnson, Tex. Jones Swanson Swick Niedringhaus Swing Taber Taylor, Tenn. Eaton, N. J. Englebright Nolan Norton, Nebr. Kading Kahn Erk Eslick O'Connor Keller Temple Thomason Kelly, Ill. Overton Kemp Kennedy, N. Y. Ketcham Estep Palmisano Evans, Calif. Evans, Mont. Parker, Ga. Parker, N. Y. Thurston Timberlake Finley Fitzpatrick Kleberg Kniffin Parks Parsons Treadway Turpin Underhill Kopp Kunz Flannagan Partridge Underwood Vinson, Ga. Patman Kvale Peavey Perkins Foss LaGuardia Lambertson Lambeth Vinson, Ky. French Wason Person Pettengill Gambrill Watson Weaver Welch Pittenger Lankford, Ga. Gasque Polk Purnell Ragon Ramseyer Rayburn West Gifford Gilchrist Lichtenwalner Lonergan Gillen Whitley Whittington Glover Reed, N. Y. Reid, III. Wigglesworth Williamson Goss Lovette Granfield McClintic, Okla. Reilly Green Wilson McClintock, Ohio Rich McCormack Robinson Gregory Griswold Withrow Wolcott Guyer McDuffle Rogers, Mass. Rogers, N. H. Woodruff McFadden McGugin Woodrum Hall, Ill. Hall, N. Dak. Hancock, N. Y. Romjue Sanders, N. Y. Sanders, Tex. Yon McKeown McLeod

NOT VOTING-118

Ransley Aldrich Cox Cullen Hornor Hull, William E. Arnold Rudd Bacon Beam Davis, Pa. Dickstein Sabath Schuetz Beck Johnson, Ill. Johnson, Wash. Seger Selvig Dieterich Bloom Disney Douglas, Ariz. Shallenberger Boland Kelly, Pa. Boylan Brand, Ga. Brand, Ohio Douglass, Mass. Doutrich Kennedy, Md. Simmons Kinzer Sirovich Smith, Idaho Smith, W. Va. Somers, N. Y. Stokes Drane Fernandez Knutson Brunner Bulwinkle Kurtz Fiesinger Fish Fishburne Lamneck Campbell, Iowa Campbell, Pa. Lankford, Va. Sullivan, N. Y. Larrabee Cannon Carley Lehlbach Sullivan, Pa. Sumners, Tex. Freeman Lewis Cary Celler Fulbright Fuller Lindsay Sweeney Taylor, Colo. Lozier McMillan Chavez Chiperfield Christgau Gavagan Golder Thatcher Mansfield Tierney Greenwood Haines Hall, Miss. Montague Williams, Mo. Clague Clark, N. C. Clarke, N. Y. Cole, Iowa Cole, Md. Mouser Norton, N. J. Williams, Tex. Wingo Wolfenden Hancock, N. C. Oliver, N. Y. Harlan Owen Wolverton Pou Prall Hart Wood, Ga. Condon Haugen Pratt, Harcourt J. Yates Pratt, Ruth Rainey Hawley Hogg, W. Va. Hopkins Connolly Cooke

So the motion to recede and concur was rejected. The Clerk announced the following pairs:

Mr. Pou (for) with Mr. Wolfenden (against).

General pairs until further notice:

Mr. Corning with Mr. Kurtz. Mr. Hancock of North Carolina with Mr. Ransley.

Mr. Hancock of North Carolina with Mr. Ransl Mr. Arnold with Mr. Free. Mr. Larrabee with Mr. Connolly. Mr. McMillan with Mr. Aldrich. Mr. Celler with Mr. Johnson of Washington. Mr. Mansfield with Mr. Kelly of Pennsylvania. Mr. Rainey with Mr. Bacon. Mr. Condon with Mrs. Pratt.

Mr. Fuller with Mr. Clague. Mr. Schuetz with Mr. Seger. Mr. Prall with Mr. Fish.

Mr. Fuller with Mr. Seger.
Mr. Prall with Mr. Fish.
Mr. Taylor of Colorado with Mr. Golder.
Mr. Jeffers with Mr. Clarke of New York.
Mr. Fernandez with Mr. Stokes.
Mr. Douglass of Massachusetts with Mr. Campbell of Pennsylvania.
Mrs. Norton with Mr. Beck.
Mr. Cullen with Mr. Kinzer.
Mr. Bloom with Mr. Knutson.
Mr. Douglas of Arizona with Mr. Campbell of Iowa,
Mr. Lozier with Mr. Pratt.
Mr. Polk with Mr. Christgau.
Mr. Cox with Mr. Haugen.
Mr. Cox with Mr. Haugen.
Mr. Cox with Mr. Brand of Ohio.
Mr. Boylan with Mr. Brand of Ohio.
Mr. Boland with Mr. Mouser.
Mr. Flesinger with Mr. Chiperfield.
Mr. Rudd with Mr. Doutrich.
Mr. Bulwinkle with Mr. Tratcher.
Mr. Sabath with Mr. Hogg of West Virginia.
Mr. Greenwood with Mr. Hopkins.
Mr. Greenwood with Mr. Hopkins.
Mr. Williams of Missourl with Mr. Davis of Pennsylvania.
Mr. Sumners of Texas with Mr. Hawley.
Mr. Haines with Mr. Cooke.
Mr. Beam with Mr. Cooke.
Mr. Beam with Mr. Cooke.
Mr. Carley with Mr. Lankford of Virginia.
Mr. Oliver of New York with Mr. Selvig.
Mr. Jindsay with Mr. Sumith of Idaho.
Mr. Wood of Georgia with Mr. Cole of Iowa.
Mr. Cary with Mr. Sullivan of Pennsylvania.
Mr. Hart with Mr. Silvina of Pennsylvania.
Mr. Hart with Mr. Silvivieh.
Mr. Shallenberger with Mr. Montague.
Mr. Campreell is unavoidably absent. If he were here he

Mr. GILCHRIST. Mr. Speaker, the gentleman from Iowa [Mr. CAMPBELL] is unavoidably absent. If he were here he would vote "no."

The result of the vote was announced as above recorded. The doors were opened.

The SPEAKER pro tempore. This vote is tantamount to a motion to further insist on the disagreement of the House to the Senate amendment. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 14, page 36, in line 12, insert: "Provided, That \$400,000 of the prison industries working capital fund shall, on or before June 30, 1933, be covered into the Treasury of the United States to the credit of 'Miscellaneous receipts': Provided further, That no part of the prison industries working capital fund, during the fiscal year ending June 30, 1934, shall be used for the purchase of yarn from private industry for the manufacture of cotton duck."

Mr. OLIVER of Alabama. Mr. Speaker, I move that the House recede and concur in the Senate amendment.

The motion was agreed to.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate, by Mr. Craven, its principal clerk, announced that the Senate had passed without amendment bills of the House of the following titles:

H. R. 194. An act to amend section 6 of the national chapter of the Great Council of the United States of the Improved Order of Red Men:

H. R. 2872. An act for the relief of the Dongji Investment Co. (Ltd.):

H. R. 3036. An act for the relief of Florence Mahoney;

H. R. 3607. An act for the relief of Dr. M. M. Brayshaw;

H. R. 3727. An act for the relief of Mary Elizabeth Fox; H. R. 3905. An act for the relief of Maj. L. D. Worsham;

H. R. 8216. An act for the relief of the First National Bank of Junction City, Ark.;

H. R. 8800. An act for the relief of Laura J. Clarke;

H. R. 9336. An act for the relief of Emily Addison;

H. R. 9476. An act for the relief of the Merchants & Farmers Bank, Junction City, Ark.;

H. R. 10641. An act to amend section 122 of the Judicial Code:

H. R. 12977. An act to amend section 808 of Title VIII of the revenue act of 1926, as amended by section 443 of the revenue act of 1928;

H. R. 14392. An act to authorize the payment of taxes and assessments on family dwelling houses in the District of Columbia in quarterly installments, and for other purposes; and

H. R. 14657. An act to extend the times for commencing and completing the construction of a railroad bridge and/or a toll bridge across the water between the mainland at or near Cedar Point and Dauphin Island, Ala.

The message also announced that the Senate had agreed to the amendments of the House to the joint resolution (S. J. Res. 256) entitled "Joint resolution authorizing the Comptroller of the Currency to exercise with respect to national banking associations powers which State officials may have with respect to State banks, savings banks, and/or trust companies under State laws."

The message also announced that the Senate had passed the following resolution:

Resolved, That the Senate reconsider its vote disagreeing to the amendment of the House to the joint resolution (S. J. Res. 223) entitled "Joint resolution establishing the United States Georgia Bicentennial Commission, and for other purposes," and agree to said amendment.

AMENDING RADIO ACT OF 1927

Mr. DAVIS of Tennessee. Mr. Speaker, I call up the conference report upon the bill (H. R. 7716) to amend the radio act of 1927, approved February 23, 1927, as amended (U. S. C., supp. V, title 47, ch. 4), and for other purposes, and ask unanimous consent that the statement be read in lieu of the report.

The SPEAKER pro tempore. The gentleman from Tennessee calls up a conference report and asks unanimous consent that the statement be read in lieu of the report. Is there objection?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 7716) to amend the radio act of 1927, approved February 23, 1927, as amended (U. S. C., Supp. V, title 47, ch. 4), and for other purposes, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 27 and 28.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, 3, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 21, and 24, and agree to the same.

Amendment numbered 4: That the House recede from its disagreement to the amendment of the Senate numbered 4, and agree to the same with an amendment as follows: After the word "commission" in line 20 insert the following: "an application for a construction permit or license for a new station, a transfer of a license from one licensee to another, the revocation of a construction permit or license"; and the Senate agree to the same.

Amendment numbered 16: That the House recede from its disagreement to the amendment of the Senate numbered 16, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following substitute:

"Section 9 of the radio act of 1927, as amended by the act of March 28, 1928, Public Law No. 195, Seventieth Congress, is hereby amended by adding at the end of section 9 the following: 'Provided further, That the commission may also grant applications for additional licenses for stations not exceeding 100 watts of power if the commission finds that such stations will serve the public convenience, interest, or necessity, and that their operation will not interfere with the fair and efficient radio service of stations licensed under the provisions of this section.'"

And the Senate agree to the same.

Amendment numbered 17: That the House recede from its disagreement to the amendment of the Senate numbered

17, and agree to the same with an amendment as follows: In lieu of the matter stricken out by said amendment insert the following:

"Sec. 8. Section 12 of the radio act of 1927 (U. S. C., Supp. V, title 47, sec. 92) is amended by striking out the whole of said section and inserting in lieu thereof the following:

"'The station license required hereby shall not be granted to or held by,

"'(a) Any alien or the representative of any alien;

"'(b) Any foreign government or the representative thereof;

"'(c) Any company, corporation, or association, organized under the laws of any foreign government;

"'(d) Any controlling or holding company, corporation, or association, of which any officer or more than one-fifth of the directors are aliens, or of which more than one-fifth of the capital stock may be voted by aliens, their representatives, or by a foreign government or representative thereof, or by any company, corporation, or association organized under the laws of a foreign country;

"'(e) Any corporation or association controlled by, or subsidiary to a corporation or association, of which any officer or more than one-fifth of the directors are aliens, or of which more than one-fifth of the capital stock may be voted by aliens, their representatives, or by a foreign government or representative thereof, or by any company, corporation, or association organized under the laws of a foreign country';

"Provided, however, That nothing herein shall prevent the licensing of radio apparatus on board any vessel, aircraft, or other mobile station of the United States when the installation and use of such apparatus is required by act of Congress or any treaty to which the United States is a party.

"The station license required hereby, the frequencies or wave length or length authorized to be used by the licensee, and the rights therein granted shall not be transferred, assigned, or in any manner either voluntarily or involuntarily disposed of, or indirectly by transfer of control of any company, corporation, or association holding such license, to any person, firm, company, association, or corporation, unless the commission shall, after a hearing, decide that said transfer is in the public interest, and shall give its consent in writing."

And the Senate agree to the same.

Amendment numbered 18: That the House recede from its disagreement to the amendment of the Senate numbered 18, and agree to same with an amendment as follows: After the word "commission" in line 7 insert the following: "for each and every day during which such offense occurs"; and the Senate agree to the same.

Amendment numbered 19: That the House recede from its disagreement to the amendment of the Senate numbered 19, and agree to same with an amendment as follows: After the word "revocation" in line 13, strike out "modification, or suspension" and insert in lieu thereof "or fine"; and the Senate agree to the same.

Amendment numbered 20: That the House recede from its disagreement to the amendment of the Senate numbered 20, and agree to the same with an amendment as follows: After the word "revocation" in line 16, strike out the comma and "modification, or suspension" and insert after the word "issued" in line 17 "or a fine or fines imposed"; and the Senate agree to the same.

Amendment numbered 22: That the House recede from its disagreement to the amendment of the Senate numbered 22, and agree to same with an amendment as follows: In line 17, page 16, strike out "district court" and insert in lieu "Circuit Court of Appeals"; in line 2, page 17, after the words "if supported by," insert "substantial"; in line 18, page 16, strike out "district" and insert in lieu "circuit"; in line 10, page 17, strike out "district" and insert "such"; and the Senate agree to the same.

Amendment numbered 23: That the House recede from its disagreement to the amendment of the Senate numbered 23,

and agree to the same with an amendment as follows: In line 12 strike out "district courts" and insert in lieu "the Circuit Courts of Appeals"; and the Senate agree to the same.

Amendment numbered 25: That the House recede from its disagreement to the amendment of the Senate numbered 25, and agree to the same with an amendment as follows: In lieu of the matter stricken out by said amendment insert the following:

"Sec. 13. No person shall broadcast by means of any radio station for which a license is required by any law of the United States, and no person, firm, or corporation operating any such station shall knowingly permit the broadcasting of, any advertisement of or information concerning any lottery, gift enterprise, or similar scheme, offering prizes dependent in whole or in part upon lot or chance, or any list of the prizes drawn or awarded by means of any such lottery, gift enterprise, or scheme, whether said list contains any part or all of such prizes. Any person, firm, or corporation violating any provision of this section shall, upon conviction thereof, be fined not more than \$1,000 or imprisoned not more than one year, or both, for each and every day during which such offense occurs."

And the Senate agree to the same.

Amendment numbered 26: That the House recede from its disagreement to the amendment of the Senate numbered 26, and agree to the same with an amendment as follows: In lines 11 and 12, page 19, strike out "or by a governmental agency," and after the words "public questions," in line 17, page 19, insert a new sentence, as follows: "Furthermore, it shall be considered in the public interest for a licensee, so far as possible, to permit equal opportunity for the presentation of both sides of public questions."; and the Senate agree to the same.

Amendment numbered 29: Insert a new section, as fol-

"Sec. 15. All fines collected by the Federal Radio Commission under the provisions of the radio act of February 23, 1927, approved May 19, 1932, and amendments thereto, shall be covered into the Treasury of the United States the first of each month."

And the Senate and the House agree to the same.

EWIN L. DAVIS,
S. O. BLAND,
F. R. LEHLBACH,
Managers on the part of the House.

JAMES COUZENS,
S. D. FESS.
OTIS F. GLENN,
E. D. SMITH,
C. C. DILL,
Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 7716) to amend the radio act of 1927, approved February 23, 1927, as amended (U. S. C., Supp. V, title 47, ch. 4), and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

On No. 1: Changes eastern Samoa to American Samoa, because of change in name.

On No. 2: Inserts the words "or members," so that any member or members of the commission, when duly designated by the commission for such purpose may hold hearings etc.

On Nos. 3, 4, 5, 6, 7, 8, 9, 11, 12, 13, and 14: Eliminates the provisions in the House bill authorizing any examiner or other officer or employee, when duly designated by the commission for such purpose, to hold hearings, without limitation, and in lieu empowers the commission to authorize examiners to hold hearings in certain restricted instances, and also provides "that in all cases heard by an examiner,

the commission shall grant oral arguments on request of either party."

On No. 10: Provides that all opinions or memorandum opinions filed by the commission in support of its decisions shall be entered of record and such record shall be public upon request of any party interested.

On No. 15: Changes Eastern Samoa to American Samoa, because of change in name.

On No. 16: Amends section 9 of the radio act of 1927, as amended by the act of March 28, 1928, by adding at the end of section 9 the following: "Provided further, That the commission may also grant applications for additional licenses for stations not exceeding 100 watts of power, if the commission finds that such stations will serve the public convenience, interest, or necessity, and that their operation will not interfere with the fair and efficient radio service of stations licensed under the provisions of this section." The chief change made in the Senate amendment is to substitute 100 watts of power for 250 watts.

The purpose of this amendment is to permit the commission to license local stations in areas which, on account of the topography, distances from existing broadcasting stations, or other conditions, are without adequate radio service, provided such stations would serve the public convenience, interest, and necessity and their operation will not interfere with the fair and efficient radio service of stations licensed under the provisions of the section as amended.

On No. 17: Amends the bill so as to permit a station license to be granted to or held by a company of which not more than one-fifth of the directors are aliens. It also broadens the present law so as to make the inhibition against licenses being granted to or held by aliens, or a company, corporation, or association of which any officer or more than one-fifth of the directors are aliens, or of which more than one-fifth of the capital stock may be voted by aliens, also apply to any controlling, holding, or subsidiary company, corporation, or association.

On No. 18: Eliminates the provision that a station license may be modified or suspended and in lieu provides that the station owner may be fined not to exceed \$1,000 by the commission for each and every day during which such offense occurs.

On Nos. 19 and 20: Make the necessary changes to conform to the amendment embraced in amendment No. 18. No. 20 also substitutes "fifteen days" for a "reasonable opportunity" with respect to time allowed to show cause why a revocation should not be issued or fine imposed.

On No. 21: Conforming to amendments Nos. 22 and 23, revocations and fines are excepted from the provision that the jurisdiction of the Court of Appeals of the District of Columbia under this section to review any decision or order of the commission shall be exclusive.

On No. 22: The Senate amendment provided that "any licensee may at his option, in lieu of appealing to the Court of Appeals of the District of Columbia, appeal from any order of the commission revoking a station license or fining a station owner to the district court of the United States for the district in which the transmitting apparatus of the station license is operated." The conferees substituted the circuit court of appeals for the district court in this connection.

On No. 23: The Senate amendment provided that the jurisdiction of the Court of Appeals of the District of Columbia and of district courts of the United States to review any order of the commission revoking a station license or fining a station owner shall be exclusive.

Conforming to the preceding amendment, the circuit courts of appeals were substituted for district courts.

On No. 24: Changes Eastern Samoa to American Samoa because of change of name.

On No. 25: The amendment agreed upon is substantially the same as section 13 of the bill, involving some changes in phraseology.

This section forbids the broadcasting of any advertisement of or information concerning any lottery, gift enterprise, or similar scheme offering prizes dependent in whole or in part upon lot or chance. On No. 26: This amendment broadens section 18 of the radio act of 1927, generally referred to as the "political section," designed to insure equality of treatment to candidates for public office, those speaking in support of or in opposition to any candidate for public office, or in the presentation of views on public questions.

On No. 27: This Senate amendment provided:

"No person, firm, company, or corporation shall be permitted to locate or maintain a radio broadcast studio or other place or apparatus from which or whereby sound waves or mechanical reproduction thereof are converted into electrical energy and transmitted or delivered to a radio station in a foreign country for the purpose of being broadcast from a radio station there, and thereby transmitted back into the United States without first obtaining permission from the Federal Radio Commission upon proper application therefor," etc.

This amendment was eliminated in conference.

On No. 28: This Senate amendment proposed the repeal of the amendment to subparagraph (c) of section 5 of the radio act of February 23, 1927, approved May 19, 1932, which restricts the issuance of radio licenses to American citizens. The Senate receded and this amendment was eliminated in conference.

On No. 29: In view of the fact that amendments Nos. 18, 19, and 20 provide for the collection of fines by the Federal Radio Commission without any direction as to what should be done with funds thus collected, amendment No. 29 provides that all fines collected by the commission shall be paid into the Treasury of the United States the first of each month.

EWIN L. DAVIS,
S. O. BLAND,
F. R. LEHLBACH,
Managers on the part of the House.

The SPEAKER pro tempore. The question is on agreeing to the conference report.

Mr. ARENTZ. Mr. Speaker, will the gentleman yield? Mr. DAVIS of Tennessee. Yes.

Mr. ARENTZ. Mr. Speaker, it has been the policy of the Radio Commission heretofore, when application is made for a station for which a license has been already issued, to hold a hearing upon the application in Washington, even though the license has been issued to the holder thereof for a number of years. For instance, assume that it is in Las Vegas, Nev. A man in Los Angeles, we will say, applies to that same station. Instead of the commission saying no, it is already licensed and there is no opening and you can not have the station, a hearing is called, bringing the licensee from Las Vegas to Washington to protect the interest that has been given him by the Radio Commission.

Mr. DAVIS of Tennessee. This bill authorizes the com-

Mr. DAVIS of Tennessee. This bill authorizes the commissioners, or any commissioner, or an examiner designated by them, to hold hearings anywhere in the country and it provides that when a hearing is held before an examiner either side may ask for a hearing before the commission and it shall be granted.

Mr. ARENTZ. Without cause? For instance, suppose there is no reason for changing the licensee?

Mr. DAVIS of Tennessee. It can not be known that there is no reason for not changing the licensee. We can not preclude citizens from making applications for licenses. No licensee acquires any vested rights.

Mr. ARENTZ. I can not quite get the gentleman's point of view. If a man has served the public well, if nothing has been done at the station in the eyes of the commission which would lead it to forfeit his rights, why should the fact that another man wants the station and makes application for it compel the original licensee to hire attorneys or attorney to defend his rights here in Washington?

Mr. RAMSPECK. Does not the law require them to give a hearing?

Mr. DAVIS of Tennessee. They grant a full hearing if there is any occasion for it. However, this has no relation to the conference report.

I will answer the question which the gentleman has propounded, or rather the statement which the gentleman has made. This bill expands the right of hearings, and, as I have explained, it authorizes hearings to be held anywhere. It broadens the provisions with respect to hearings, to insure fairness and equality and fair consideration. The same is true with respect to appeals.

Now, this is a unanimous report of the conferees. This bill passed the House unanimously more than a year ago. The Senate adopted some amendments about which there was considerable controversy and to which there was considerable objection, but upon those amendments the Senate has receded, and I know of no objection to the conference report or the bill, from any source. We have reached a unanimous agreement with respect to the amendments that were agreed to.

Mr. COCHRAN of Missouri. Will the gentleman yield? Mr. DAVIS of Tennessee. I yield.

Mr. COCHRAN of Missouri. I am very much interested in that section which prohibits advertising of lottery schemes over the radio. It appears to me the new language is even stronger than the language carried in the original House bill. Is that true?

Mr. DAVIS of Tennessee. I think that is probably true. The conferees considered that the change in phraseology was desirable and clarifying, and on the whole in better shape than when it passed the House.

Mr. CLANCY. Will the gentleman yield?

Mr. DAVIS of Tennessee. I yield.

Mr. CLANCY. Section 15, known as Senate amendment No. 27, is stricken from this bill. That language undoubtedly refers to radio stations established in foreign countries and having, just across the border in the United States, connections or studios which allow them to have broadcasts made, originating in the United States and sent to the station in Canada or Mexico and then broadcast.

To be more specific, that covers a radio station in Windsor, Ontario, known as CKOK, which has a studio in Detroit. I notice this amendment is stricken out in conference. Can the gentleman tell us why that was stricken out?

Mr. DAVIS of Tennessee. In the first place, there was a great deal of objection to it. In the second place, we did not consider it workable or enforceable. In the third place, the North American Radio Conference has been called to meet in Mexico City probably early in April, in which conference it will be sought to settle the differences between Canada, the United States, Mexico, and Cuba. There has been considerable confusion, and this is one of the features involved. We think it would be very unwise, on the eve of that conference, to undertake to deal with the situation in a half-baked, ineffective way, and which would undoubtedly irritate both Canada and Mexico. We think the matter can be and should be handled in that conference.

Mr. CLANCY. Will the gentleman state how many stations like CKOK there are on the Mexican border and how many on the Canadian border, and if there are any in Cuba?

Mr. DAVIS of Tennessee. I know of no illegal stations in Canada, because Canada has nine wave lengths, and so far as I know, they are all operating on the Canadian wave lengths. Mexico has never been allocated any wave lengths for broadcasting, and that is one thing this North American conference will be called upon to determine. Those stations that are operating in Mexico are presumably doing so with the consent of the Mexican Government, but they are not operating upon any wave lengths that have been allocated to them by international agreement or by the international radio conference.

Mr. CLANCY. Can the gentleman tell us with reference to stations on the Mexican border, what and where those stations are?

Mr. DAVIS of Tennessee. I think there are some stations in Mexico that could be termed entirely legitimate. There are also some along the border between Mexico and the United States, and some of them are causing a great

deal of interference and trouble. The gentleman understands I am not in sympathy with that situation, but it is simply a question of how it can be and should be dealt with.

Mr. CLANCY. What I would like to get, and I think the House would also like to obtain, is some more specific information. For instance, is there a Mexican station at Juarez, Mexico, which has a studio or an outlet in El Paso, Tex., just as there is a Canadian station in Windsor which has an office in Detroit? Is there that situation on the Mexican border?

Mr. DAVIS of Tennessee. That may be, but I want to state that one of the strongest objections that came from Canada, as well as from citizens of the United States, was that a number of those Canadian stations received their programs from the United States chain systems, and they state this would absolutely prevent them from receiving those programs from the United States, if it was necessary to obtain the consent of the Radio Commission every time. They protested. The American stations and chains protested that that would simply destroy this service that was desired in Canada and in this country.

Mr. CLANCY. But may I ask the gentleman if he knows of any such stations? For instance, is there a joint international station at Buffalo? Is there one at Ogdensburg or other points or is there only one station of this sort, and that on the Detroit River?

Mr. DAVIS of Tennessee. I have heard of no complaint at all about any Canadian station except the one of which the gentleman speaks, and we were reliably informed that the trouble there grows out of a controversy between the parties who sold the station and the parties who bought the station, and that there is a fight between them: that it is a local, personal proposition, and after looking into it we did not think we ought to undertake to deal with that situation, and at the same time affect the entire international situation.

Mr. CLANCY. There is the Brinkley station at Del Rio, Tex., and Vera Cuna, Mexico, known as Station XER. With regard to Cuba, has Habana got a station?

Mr. DAVIS of Tennessee. Yes; they have stations.

Mr. CLANCY. Which interferes with any American station or has an outlet in Florida?

Mr. DAVIS of Tennessee. I do not know of any interference from them. I have not heard of it.

Mr. STAFFORD. Will the gentleman yield?

Mr. DAVIS of Tennessee. I yield.

Mr. STAFFORD. To those Members who will be using the radio in their candidacies two years from now, I know it will be interesting to notice the agreement of the conferees on Senate amendment No. 26, which bans for all time the right of these broadcasting stations and particularly those controlled by newspapers, from holding up Members of Congress for higher rates than are charged to advertisers furnishing the regular programs.

Those candidates who have had any experience at all in broadcasting in political campaigns and paying for it out of their own pockets, know what excessive rates they have to pay. At least I can testify that we have been held up for the payment of twice the commercial rates.

I wish to compliment the distinguished conferees for agreeing to the Senate amendment whereby Members of Congress and other political candidates will not in the future be held up when they use radio broadcasting.

Mr. DAVIS of Tennessee. I may state in response to the gentleman from Wisconsin, if he will pardon a personal reference, that I drafted the political equality section in our present radio law. As I drafted it, as the committee reported it, and as it passed the House it was pretty much in the form of the present Senate amendment. In other words, when it was introduced it was considerably broader than when it was finally passed by the Senate. It is very gratifying to me that others have come to the viewpoint I took several years ago.

Mr. STAFFORD. The country will praise the gentleman

of treatment not only to individuals but to all sections of the country.

Mr. DAVIS of Tennessee. Mr. Speaker, I move the previous question on the adoption or rejection of the conference

The previous question was ordered.

The SPEAKER pro tempore. The question is on the conference report.

The conference report was agreed to.

A motion to reconsider was laid on the table.

SECOND DEFICIENCY BILL

Mr. BUCHANAN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 14769) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1933, and prior fiscal years, to provide supplemental appropriations for the fiscal years ending June 30, 1933, and June 30, 1934, and for other purposes.

Pending that, I ask unanimous consent that general debate be limited to an hour and a half, to be equally divided and controlled between the gentleman from Indiana [Mr.

Wood and myself.

Mr. STAFFORD. Mr. Speaker, reserving the right to object, may I inquire whether it is the purpose of the gentleman from Texas to have other than general debate this afternoon? This is Saturday afternoon. We met at

Mr. BUCHANAN. I may state to my colleague that it is very important to get this legislation passed as quickly as possible. I do not want to rush it too much so that it will not be given proper consideration, but it must be recalled that this bill has to go to the Senate, to the Senate Committee to be investigated by them, reported by them to the Senate itself; then a conference committee must be appointed to consider it, and we are going to have trouble with the conference report.

Mr. STAFFORD. In prior sessions this bill is usually not presented until two or three days before the last day of the

Mr. BUCHANAN. That is usual.

Mr. STAFFORD. As it is, we are several days ahead of schedule. I wish to compliment the distinguished gentleman from Texas and the distinguished chairman of the Committee on Appropriations for having advanced the appropriation bills to this stage.

Mr. O'CONNOR. Mr. Speaker, reserving the right to object, does the gentleman from Texas mean that general

debate will be confined to the bill?

Mr. BUCHANAN. No. Mr. STAFFORD. I hope there will be nothing but general debate this afternoon.

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, it is understood that we will not start to read this bill this afternoon?

Mr. BUCHANAN. No; I have reached no such understanding.

Mr. MARTIN of Massachusetts. Will the gentleman tell us what he intends to do?

Mr. BUCHANAN. I had thought that if the time allotted for general debate is not taken up and we have time to read part of the bill we might do it. I do not know of any controversial matter in it. There might be one item of a controversial nature, but that is all.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

The SPEAKER pro tempore. The question is on the motion of the gentleman from Texas that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the second deficiency bill.

The motion was agreed to.

Accordingly, the House resolved itself into the Committee of the Whole House on the state of the Union for the confor his efforts in enacting radio legislation that gives equality | sideration of the bill (H. R. 14769) making appropriations session.

to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1933, and prior fiscal years, to provide supplemental appropriations for the fiscal years ending June 30, 1933, and June 30, 1934, and for other purposes, with Mr. RAMSPECK in the chair.

The Clerk read the title of the bill.

Mr. BUCHANAN. Mr. Chairman, I ask unanimous consent that the first reading of the bill be dispensed with.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. BUCHANAN. Mr. Chairman, I yield five minutes to the gentleman from Tennessee, Mr. BYRNES.

Mr. BYRNS. Mr. Chairman, I would like to emphasize what the gentleman from Texas, Mr. Buchanan, said a moment ago about the passage of this bill. It is comparatively short. There is nothing controversial in it. It will not take very long to read. The bill carries about \$2,745,000, as I recall, in addition to the tax refund item. I hope it will be possible to get the bill through to-night, because it ought to get over to the Senate to enable that body to pass on it and be certain that it becomes law before the end of the

I have asked for this very short time because this is the last bill to be reported by the Committee on Appropriations at this session. I thought it well, therefore, to refer to the record which has been made by the Committee on Appropriations, and also by the House, at this session with reference to appropriation bills.

I think the House has reason to take very great pride in what it has accomplished in the way of reducing appropriations in these various bills, because, as you know, they were gone over before they came here, first by the department, then by the Director of the Budget, and then sent here for our consideration. As these bills, 11 in number, have been reported to the House by the Committee on Appropriations they carried a reduction under the estimates of \$77,657,-262.69.

The House in the consideration of those bills which have passed—and it has passed all of them except this bill—added \$3,196,203 to them as reported by the committee.

The net result of the action of the House upon these bills as they have passed this body and gone to the Senate, was a reduction of \$74,461,059.69 under the estimates of the President.

I think, as I said a moment ago, Mr. Chairman, that this is a matter in which every Member of the House can take a just pride. In my opinion, this is a considerable accomplishment in the interest of economy.

I said some time ago in a conference, when I was asked as to what, in my opinion, Congress would do with reference to the appropriations, that I could only speak for the Committee on Appropriations, but I felt that the House of Representatives, which was economically minded, would follow the recommendations of its committee; and that it has done to a remarkable extent. I said then that I felt satisfied we would undoubtedly reduce the estimates as reported by the committee in the sum of \$75,000,000, and I am happy to say that that prediction has been more than fulfilled, because we have reduced by \$2,657,000 more than I estimated at that time.

[Here the gavel fell.]

Mr. BYRNS. Mr. Chairman, I ask unanimous consent to extend my remarks by publishing a statement showing the amounts reported in each bill and the reductions made therein.

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

The matter referred to follows:

Comparison of appropriation bills as reported to the House with the Budget estimates

Pirst deficiency (vetoed): Budget estimatesBill	\$43, 706, 708. 99 31, 421, 520. 5
Reduction	12, 285, 188. 43

Treasury and Post Office: Budget estimates Bill	\$994, 328, 901. 00 961, 416, 597. 00
Reduction	32, 912, 304. 00
	52,022,00
War Department:	050 500 445 00
Budget estimatesBill	352, 530, 145, 00 345, 833, 532, 00
Reduction	6, 696, 613. 00
Interior Department:	
Budget estimates	46, 083, 929.00
Bill	43, 172, 904. 00
Reduction	2, 911, 025. 00
Agriculture:	
Budget estimates	108, 061, 793. 00
Bill	100, 228, 077. 00
Reduction	7, 833, 716. 00
Independent offices:	
Budget estimates	1,004,548,301,00
Bill	1, 002, 890, 779. 00
Reduction	1, 657, 522. 00
Four departments (State, Justice, Commerce, Labor):	
Budget estimates	108, 566, 781, 60
Bill	103, 282, 039. 00
Reduction	5, 284, 742. 60
Legislative bill:	
Budget estimates	21, 348, 908, 00
Bill	16, 588, 878. 00
Reduction	4, 760, 030. 00
District of Columbia:	
Budget estimates	37, 420, 770.00
Bill	34, 451, 565. 00
Reduction	2, 969, 205. 00
Navy Department:	
Budget estimates	308, 669, 562, 00
Bill	308, 669, 562. 00
Second deficiency (exclusive of tax refunds in-	
cluded in first deficiency above):	
Budget estimates	3, 092, 494, 75
Bill	2, 745, 578. 08
Reduction	346, 916. 67
Total reduction	77, 657, 262. 69
Deduct net amount added by House to bills which have passed House	3, 196, 203. 00
Total net decrease below estimates	74, 461, 059. 69
Total net decrease below commutes	11, 101, 009. 09

Mr. BUCHANAN. Mr. Chairman, I yield four minutes to the gentleman from Alabama [Mr. Allgood].

Mr. ALLGOOD. Mr. Chairman, I send a resolution to the desk and ask unanimous consent that the Clerk may read it in my time.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

There was no objection.

The Clerk read as follows:

Whereas an attack has been made on the life of the President

elect, Hon. Franklin D. Roosevelt; and
Whereas injury to the person of the President elect was possibly averted by the prompt action of Mrs. W. F. Cross, of Miami,

sibly averted by the prompt action of Mrs. W. F. Cross, of Miami, Fla.; and

Whereas subsequently a package of mail containing explosive material designed as an attack on the life of the President elect was discovered as being addressed to the President elect: Now, therefore, be it

Resolved, That the House of Representatives express its thanks and grateful appreciation to Mrs. W. F. Cross, of Miami, Fla., for her efforts in preventing possible danger to the President elect; and be it further

Resolved, That the House of Representatives calls upon all true, loyal, and patriotic citizens of the United States who are present at the inaugural ceremonies of the President elect, Hon. Franklin D. Roosevelt, and the Vice President elect, Hon. John Nance Garner, to be conservers of the peace and the public safety.

Mr. ALLGOOD. Mr. Chairman, I ask unanimous consent to revise and extend my remarks and include that resolution in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. WOOD of Indiana. Mr. Chairman, I yield 15 minutes to the gentleman from Washington [Mr. Horn].

Mr. HORR. Mr. Chairman, the President elect has selected his new cabinet to assist him when he takes up his duties on March 4. We all wish the incoming administration the greatest of success, and if good wishes could be turned into accomplishments no one would be happier than myself-and I am sure I also speak for my colleagues of my own party.

In the selection of the new cabinet the President elect has indeed made provisions for the forgotten men.

Along these lines may I read a little dissertation from our foremost humorist and foremost Democrat and who, as I also understand, at one time was suggested as a candidate for the Presidency of the United States on the Democratic ticket? May I read into the RECORD at this time his ideas and thoughts on the selection and qualifications of the members of the Cabinet of the President elect?

Will Rogers says:

BEVERLY HILLS, CALIF., February 24 .- Say, that list of new Cabinet members sent everybody scurrying through Who's Who, the World Almanac, and the United States fingerprint department files trying to find out who they were.

The forgotten man has been found. And there were nine of 'em

and a woman.

So we open March 4 with the "unknown Cabinet." The rogues' gallery photographs show us that three of 'em escaped from the Senate. That's like going to the old folks' home to get an athlete. But I believe they are going to be all right. They all have their reputations to make, which is better than feeling that they

have reputations already made.

[Laughter.]

I shall smile through my tears when the new Secretary of State takes office and exerts his influence in putting into effect the policy of tariff reductions. I shall try to "Buy American" in spite of the fact that I know there will soon be no American goods to buy. No protection for our timber, our pulp, our fish, our wages, or our industry!

I shall believe in and hope for a bigger and better Navy even though the new Secretary of the Navy was a delegate to the Geneva Disarmament Conference. I shall feel assured that an inferior Navy will be kept on the Pacific to protect the State that I shall occupy for the next two years as a private citizen.

I fear for the peace of mind of the new Secretary of the Treasury, Mr. Woodin. How similar is his career and the career of the former Secretary of the Treasury under the present administration, Mr. Mellon. And will the gentleman from Texas [Mr. Parman] make a distinction between aluminum and sugar. Will the gentleman again introduce his famous H. R. 1-the soldiers' bonus, and has he in advance a promise of support from the new Treasury head?

I am sure the gentleman from Texas is sincere in his advocacy of the payment of the bonus and that the introduction of the bill to pay the bonus was not for the purpose of embarrassing the Republican administration. I presume that the "bonus" will be H. R. 1 in the new Congress and that the new secretary will approve, and that the day of the bonus marchers is over. Otherwise breakers are ahead. May I respectfully point out this barrier to the new Secretary of the Treasury so that he also may escape the pitfalls that almost proved destructive to Mr. Mellon.

Mr. SCHAFER. Will the gentleman yield?

Mr. HORR. In just a moment.

The Democratic National Committee's report on campaign contributions shows Mr. Woodin gave \$40,000 to the 1932 campaign. Mr. Farley's statement that those who gave will get is certainly proven in this instance.

The report of Mr. Walker, Democratic national treasurer, to the Clerk of the House of Representatives, on contributions to the 1932 campaign, shows that Mr. Woodin, the

new Secretary of the Treasury, made the following contributions on the dates listed:

Aug. Aug. Sept. Sept.	27, 31, 9, 21,	1932	\$3,000 2,000 5,000 10,000 5,000
Sept.	30,	1932	15,000

I yield now to the gentleman from Wisconsin.

Mr. SCHAFER. Does not the gentleman believe that the great American sugar interests, agricultural and manufacturing, will be placed at a disadvantage under this new Cabinet set-up with Woodin the new Secretary of the Treasury interested in Cuban industries; with Roper, the new Secretary of Commerce, a former star lobbyist for seven or eight Cuban sugar companies; and now the new Attorney General becoming interested in Cuban sugar plan-

Mr. HORR. I admit that without doubt it is certainly going to be a sweet question. [Laughter.]

Mr. SCHAFER. And perhaps we may be paying 29 or 30 cents a pound for sugar, the way we did under the last Democratic administration

Mr. HORR. I admit that the gentleman is correct.

My desire is that no entangling alliance either at home or abroad shall embarrass the new President. Having this in mind may I refer to the lady who will be the first of her sex in the history of our country to head the great Department of Labor. This appointment is a wonderful gesture to the sex we all love. A tribute to the mothers, the wives, the sweethearts of the Nation.

The American Federation of Labor, the organization most vitally affected by the appointment, is not so well pleased. But the American Federation of Labor is becoming accustomed to disappointments. That organization has taken it on the chin before and will do it again. Chivalry is not dead and the workers will lift their hats to the lady Secretary from New York.

Desiring as we all do that everything should be avoided that would cause embarrassment to the incoming administration, may we be pardoned if we point out at least one pitfall that lies in the pathway of the newly elected Secretary

The press accounts designate the new Secretary of Labor by the name of Miss Frances Perkins. In the same article it is stated that the lady Secretary is the wife of Paul C. Wilson. Having in mind a former incident, when a woman employed in Government service married, and the question of the use of her maiden name or the name of her husband arose in the payment of salary due her from the Government, the Comptroller General held in a decision, set forth in United States Comptroller General Decisions 4. July-September, 1924, at page 165 (A. 4176) entitled "Pay Roll Signatures-Married Women Employees," and I quote from the decision, as follows:

Comptroller General McCarl to the Secretary of the Interior,

August 8, 1924:

By your reference date July 17, 1924, decision is requested whether a woman employee who has married and continues in the service may be carried on the pay roll under her maiden name or whether the surname of her husband must be shown on the pay roll.

It appears that an employee of St. Elizabeths Hospital, Dr. Marjorie M. Jarvis, notified the superintendent that she was to be married to a Mr. Hutson on May 24, 1924, and that she was so married. Accordingly the employee's name was changed on the pay roll from Jarvis to Hutson. The employee has since refused to sign her married name on the pay roll and her attorney has notified the superintendent that the employee desires to retain her maiden name.

In volume 21, American and English Encyclopedia of Law, 312, the following rule is laid down: "Married women—By custom a woman at marriage loses her own surname and acquires that of her husband." In volume 29, Encyclopedia 264, on the subject of husband and wife, it is stated that "at marriage the wife takes the husband's surname." the husband's surname.

The following quotation is taken from volume 1, pages 66 and 67 of Schouler's work on Domestic Relations:

"Marriage at our law does not change the man's name, but it confers his surname upon the woman. Until a decree of divorce giving a married woman leave to resume her maiden name goes into full effect, or widowhood is succeeded by a new marriage and another husband, she goes by her former husband's

In discussing the same subject Schouler says this is the law of England and America and it would appear a wife can only obtain another name by separation. The foregoing rules of law are sustained by the following authorities: Carroll v. State, 53 Nebr. 431.

And he goes on to note any number of decisions.

"In the Ohio and Texas cases, supra, the courts expressly held that 'the law confers upon a wife the surname of her husband

upon marriage.

"It is the universal rule of practice in the courts of this country that on granting a decree of divorce, the court may by decree restore the maiden name of the wife. This is also the law of the District of Columbia. Section 979 of the District Code reads as

follows:

"Maiden name of wife restored. In granting a decree from the bond of marriage the court may restore to the wife her maiden or

"It is apparent from this language that the law presumes the name of the woman is changed to that of the husband on contracting the marital relation, and the court has the option under section 979, on granting a decree of divorce, to either restore the maiden name or the name of a deceased husband. She must have

lost her maiden name, otherwise it could not be restored.

"It is true our law has been liberalized by the passage of the so-called married women's acts in most of the States of the Union, but these acts have to do largely with the property rights of the wife. At common law the husband not only became liable for the support of his wife but took title to her property as a sort of compensation for the marital responsibility. While the married woman's acts recognized the wife in the married state as a femme sole, capable of suing and being sued, and these acts in some States give her the right to alienate her individual property without being joined by her husband, yet the old rule of marital unity is still preserved. All law writers agree that marriage is a civil contract, and most law writers agree that it is more than a mere contract. So far as the legal status of a man and wife is concerned their relation is contractual, but marriage is an institution contemplating homes and families. Each family is a unit in the body politic, and it can hardly be imagined of husbands, wives, and children composing the same family bearing different names."

I might state at this point that this opinion is an opinion which was not written, I anticipate, with the thought that some time it would become applicable to as distinguished a personage as a Cabinet officer of the United States Govern-

The law in this country that the wife takes the surname of the husband is as well settled as that the domicile of the wife merges in the domicile of the husband. A wife might reside apart from her husband, but so long as she remains his lawful wife she has but one legal domicile, and that is the domicile of the husband. So it is with the name. She may have an assumed name, but she has but one legal name. The separate legal entity of the wife is not so generally recognized as to accept the maiden name rather than the surname of the husband. It is to-day the main distinction between a single woman and a married woman and such fact tion between a single woman and a married woman, and such fact has in the past appeared upon the pay rolls. There appears no valid reason why it should not so continue, and the pay roll should state the fact accordingly.

Mr. O'CONNOR. Will the gentleman yield?

Mr. HORR. Right away.

Mr. O'CONNOR. Of course, I do not know whether the gentleman is familiar with the law of the State of New York or not.

Mr. HORR. We are talking about the United States. refuse to discuss any State law with anybody, because we have Representatives here from all 48 States and I have not time for 48 discussions.

Mr. O'CONNOR. I am prefacing my question by saying this lady has been a very distinguished chairwoman of the Labor Department of the State of New York, probably the biggest office in the country next to this Cabinet position. Under the laws of the State of New York any person, whether married or single, may adopt any name he or she chooses. That is the situation there. I do not know what the situation is in Washington, but what I am eager to hear is whether or not there is any objection to this appointment.

Mr. HORR. I have no objection, and I have nothing to do, much to my discomfiture, with the appointment of anybody in this next administration. I will say in all kindness to the lady I am only pointing out the pitfalls into which she may fall. I wish her all the luck and success in the world.

Mr. O'CONNOR. The gentleman must know that the lady has a family including several children.

Mr. HORR. I might say, if I wished to be critical, that your Democratic Economy Committee of this House brought out the fact that married women who have husbands who are employed should not be holding Government jobs. [Applause.]

Mr. SCHAFER. Will the gentleman yield?

Mr. HORR. I yield.

Mr. SCHAFER. Is not the gentleman too critical of this newly selected Democratic Secretary of Labor? Perhaps, it may be necessary to have Mr. Wilson, the new secretary's husband, take "Mr." Dolly Gann's place at all social functions. [Laughter.]

Mr. HORR. And the thought occurs to me with respect to the Presidential procession at White House functions, whether the lady will be on the right or on the left of her husband. [Laughter.]

Mr. AMLIE. Will the gentleman yield?
Mr. HORR. Yes.
Mr. AMLIE. I notice the gentleman used the pronunciation "martial union"-I presume the gentleman is married.

Mr. HORR. That is probably an interpretation that could be better understood by the gentleman from Wisconsin [Mr. AMLIE] if I mispronounced the word. His failure to catch the pronunciation shows that his mind was on marital conflict. [Laughter.]

I am sure that the lady from New York, the new Secretary of Labor, will appreciate my solicitous and painstaking delving into authorities on matters of pay roll-one of the most important prerogatives of office. I wish her all the success in the world in her new undertaking, and I hope my little journeys into pay-roll requirements will be helpful to her in her new undertakings.

The decision quoted is in the words of Comptroller General McCarl in 1924 and at present the Comptroller General of the United States. I presume that if the law applied to an employee of St. Elizabeths Hospital, a governmental institution, the same law will apply to the new Secretary of

Mr. BLACK. Will the gentleman yield?
Mr. HORR. Yes.
Mr. BLACK. I want to suggest to the gentleman that the Republicans will not have such technical difficulties with pay rolls after March 4.

Mr. HORR. That is something about which we are very much in agreement. If that is all the gentleman has to ask me it is not a matter of news to the Republicans that we will soon be off the pay roll.

Mr. SCHAFER. Will the gentleman yield?

Mr. HORR. Yes.

Mr. SCHAFER. The Republicans have not made it a practice in the administration of any Government unit to follow the principles and policies enunciated in an article in a recent issue of Collier's entitled "The Tammany Take."

Mr. HORR. That is something upon which I am not an authority. I will let the gentleman from New York [Mr. BLACK] have two minutes of my time to answer that, if he

Mr. PARKS. Will the gentleman yield?

Mr. HORR. Yes; I see I have started something. Mr. PARKS. The gentleman speaks about Tammany running things. If Tammany should have charge of this Government for the next 12 years, does the gentleman think it could possibly make as poor a job out of it as the Republican Party has made of it in the last 12 years? [Laughter.]

Mr. HORR. I can say this much to the gentleman from the South, and I congratulate you, as I did the other day.

You from the South are now in possession of 30 chairmanships and Tammany has only 6. I would suggest that if you feel that way you from the South divide up your chairmanships that you took in the last elections from my country, the West, and share them with Tammany, and then we will see what happens to this country. [Laughter.]

God help the country if Tammany would run the Federal Government in the same manner that a recent article in Collier's, entitled "The Tammany Take," charges that Tammany runs New York City. My friend from Arkansas [Mr. Parks] must remember that Democracy includes Tammany as well as the gentlemen from the South. [Applause.]

Mr. BLACK. You can have your two minutes back.

[Laughter.]

Mr. HORR. In this Government of ours the theory of law is that justice is blind and that all laws apply equally to the high and low, the rich and poor alike. Of course, no distinction in its application between individuals is con-

templated under our theory of democracy.

Really and truly, friends on the other side, I am hoping that in these new Cabinet selections you have selected men who will carry on successfully the affairs of Government. I do not think you know whether they will, and I do not think anybody knows whether they can; but if untried and new timber is what is necessary in the conduct of government, you have certainly produced a new type of statesmen and stateswomen.

Remember, your campaign was a campaign of promises. You Democrats promised, if returned to power, to change conditions, and as a patriotic citizen of this great United States I hope you will be able to deliver. I want to say this much to you: Your promises are of record. You promised to make a 25 per cent reduction in cost of Government and at the same time made promises that called for expenditures many times the promised saving. I sincerely hope you will do it, although I know, and you know, you can not do it. [Applause.]

Mr. HASTINGS. Mr. Chairman, I yield 15 minutes to the gentleman from Kentucky [Mr. Gilbert].

Mr. WOOD of Indiana. Mr. Chairman, I yield five minutes to the gentleman from Kentucky.

Mr. GILBERT. Mr. Chairman, as chairman of the House Committee on the Library, I feel it my responsibility to call attention to a situation existing in the Library of Congress. This is not made in opposition but supplementary to an able address made on the floor of the Senate, February 10, by my learned friend, Senator Fess, of Ohio, chairman of the Senate Committee on the Library.

He spoke of the Library's service to Congress, of the facilities it gave to researchers and writers and of its contributions to knowledge, but made no reference to the Law Library which is probably that department of the Library with which all branches of the Government are in most intimate contact, except to refer briefly to its invaluable guides to the law of foreign countries.

The Library is "The Library of Congress" and Congress is a law-making body. Senator Fess is a profound scholar. However, he is not a lawyer and has not that special interest in legal literature which the study and practice of this profession develops.

The law is the greatest of the professions. Law must first establish peace and order before progress in the arts and sciences is possible. Its ever present benefits cause us to be oblivious of their presence. The medical profession is a great profession but many men go through the years without consulting a doctor. But throughout every one of those years and every day and hour they are advised, aided, and protected by law and after their death the law protects their remains until time has effaced all evidence of where they lie. Thus, every nation has been great in proportion to the greatness of its lawyers. The Jewish nation was unimportant until the coming of Moses, its great lawgiver. Rome, inferior to Athens in culture and learning, has contributed more to the world's progress through its capacity for government. "The last of the Cæsars has fallen," says Roscoe Pound, "but the thought of the juris-consults of the days of the first Cæsar is still law in half the world." Napoleon predicted his civil code would live long after his 40 victories would be forgotten. England, but a small island in the sea, has dominated the thought and action of the world for centuries through the ability of her statesmen. Among all the glories of America, its greatest achievement is the work of

its lawyers and statesmen, the Constitution of the United States.

Although I join with Senator Fess in his appreciation of the other branches of the Library of Congress, I assert and regret the subordination of the law branch to other activities less important and less in keeping with its purposes.

Perhaps even many of us lawyers do not appreciate the importance of the law library to the Congress. So little is known about the law library that in 1932 when the Senate was discussing the appropriations for the purchase of books for the law library it was not realized that it consisted of anything more than that branch at the Capitol familiarly known as the Supreme Court library, and as a result of this misunderstanding the appropriations were cut from an already reduced appropriation of \$40,000 to \$25,000.

In fact, the law library at the Capitol forms a small though very essential part of the total law collections, whose importance is strikingly attested to by an enactment which provides that—

The law library shall be kept open every day so long as either House of Congress is in session.

So long as a light glows in the dome of the Capitol, so long is the law library open to meet the legislative need of Congress. But essential as this library is, it could not stand alone, for if a problem calls for extensive research, it is to the main branch of the law library that the Capitol must turn as an ultimate reservoir.

Fortunately the error of 1932 has been corrected and an annual appropriation of \$50,000 has been restored to the law library. In moving the amendment, Senator Reed stated:

The amount ought to be \$75,000, and that has been strenuously urged by the American Bar Association and by other groups of lawyers, the Federal Bar Association, and the American Patent Law Association. Some of the justices of the Supreme Court have urged that we make the amount much higher. The Budget estimate, however, was held down to \$50,000, but for some reason not explained the committee cut it down further \$20,000. That is only about one-half of what is required to keep up a law library in a first-class university.

Charles Wickliffe, a former distinguished Member of this House from Kentucky, later Governor of the Commonwealth. and Postmaster General of the United States, who may be called the father of the law library, foresaw the impropriety of keeping the law material as an integral part of the general collections. Accordingly he introduced a resolution in 1826, followed by others in 1828 and 1830 providing that the Committee on the Library be instructed to inquire into the expediency of separating the law books from the other books in the library. His perseverance was finally rewarded by the act of July 14, 1832, which created the law library within the orbit of the Library of Congress. Unfortunately, this partial emancipation was not sufficient, and the law library has suffered the comparative neglect which is the fate of all law libraries which are not totally autonomous. In his notable address, Senator Fess states:

We may be aware that the collection of music—one of the three largest in the world—is known to every musicologist, both here and abroad * * we might be surprised to learn that the collection of Slavic literature in the Library is the most important outside of Russia, and that the 150,000 volumes of Chinese books constitute the most important such assemblage outside of China.

In his speech, which has been published as a document, mention was also made by the Senator of other features as well in which the Library of Congress excelled. But of the law collections the learned Senator sayeth not. I would fail in my duty, therefore, as chairman of the House committee, if I did not say a word in its behalf and make known some of its needs to the Members of Congress, who, although more than half of them are lawyers and although they derive constant benefit from its collections, seem indifferent to its development on a par with general literature, manuscripts, maps, music, Chinese, Russian, fine arts, and other sections of the Library. Like the able Senator from Ohio, I am proud of our primacy in these fields of learning and culture, but by all means let the law library have parity with them.

I am informed that the United States Government possesses the greatest medical library in the world, a library of over 900,000 volumes and pamphlets, which is under the control of the Surgeon General of the Army. I state the fact with pride. All honor to the medical profession of the Army, which has the acumen to assemble the world's finest library for the study and research of medicine. But why has not the Congress, in its own library, through all these hundred years, been able to gather a law library comparable

I again quote Senator FESS:

I am constrained to believe that the workings of the Library are not generally appreciated. I know they are not by the public, and I think they are not fully appreciated even by those who are intimate with the Library—Members of Congress.

If this is true of the Library of Congress in general, what should be said about the law library? The Members of this House use its books constantly, expect it to render speedy service in supplying information during a House debate, and call on it for extensive researches in widely diversified fields. For example, the Members of Congress have requested the law library to investigate and report on Russian laws in Alaska, liquor legislation abroad, the nationality laws of various foreign countries, and so forth and so forth. Besides, Congress profits indirectly from the law library through the wide use that is made of it by the legislative reference service of the Library, the Brookings Institution, and all other research agencies, which supply the Members with important factual studies of current social and economic problems. It appears from the list of questions answered by the legislative reference service, reported in the recent hearings, that more than one third of them involve points of law. Nevertheless the annual appropriation for this department of the Library until recent years has been little more than would be expended by a successful law firm in New York or Chicago. In fact, Justice Stone of the Supreme Court, came twice before the Appropriations Subcommittee to tell this committee the quite obvious fact that the Government could not function without a first rate law library and that law books cost money.

Lest my fellow Members think that despite this neglect the law library has not suffered impairment and that we can still continue to neglect it let me give them a few facts and figures. The law library as it now stands, consists of some 275,000 volumes of which some 60,000 English and American reports and other books are kept in the Capitol branch of the law library, known as the Law Library of Congress and the Supreme Court and in the conference room, for the immediate use of these two bodies. In the congressional building, I am told, are housed collections duplicating those in the Capitol, and also the foreign, the rare law books, including American colonial laws and early English law, a collection of the Supreme Court records and briefs, and a large amount of miscellaneous law matter such as bar association reports, texts not normally called for at the Capitol, and so forth. While a law library of 275,000 volumes may seem large, it should be considered that probably 100,000 of these volumes are duplicates, the numerous calls of the Library from the Members and justices requiring it to carry many extra copies of reports, statutes, and text

The truth is that the law library is lacking a considerable number of important law reports, statutes, treaties, and session laws, and is surpassed in many fields by several law libraries here and abroad. At the recent hearings the law librarian, John T. Vance, pointed out that some 75,000 volumes of primary sources were lacking, resulting in large gaps in essential material. It is on the face of it inconsistent that the Government of the United States, with its great practical needs in the field of legislation and jurisprudence, should have a smaller library to draw from than the faculty and law students at Harvard University, which has a library of 435,000 volumes. Rather it should approximate the ideal of a perfect law library drawn by one of the benchers of the Middle Temple, who said of that old law library:

It contained (or ought to contain) the laws of all the ages, and of all countries, and the laws which governed them, the legum leges. Next, the most important, it showed the application of those laws in the thousands and tens of thousands of adjudged cases, reported from all the courts and accumulated and recorded in the law library. All good and evil—quinquid agunt homines, spes, timor, ira, voluptas—all men's proceedings were preserved there, with all their actions, deeds, and wills, there you are all with all their actions, deeds, and wills, there you are all

That Dr. Herbert Putnam, the Librarian of Congress, is in harmony with this view can not be doubted, for at one of the recent hearings he stated:

We ought to have as fine a collection of law, every branch of law, as exists anywhere.

The national bar associations, I am glad to say, have at last manifested great interest in the law library, and have shown a desire to cooperate with Congress in building it up to the position it requires as the national research law library. In pursuance of a resolution favoring the expansion of the law library, President Clarence E. Martin, of the American Bar Association, recently appointed a committee to inquire into means looking to that end, composed of James O. Murdock, of the Department of State; William L. Frierson, former Solicitor General of the United States; Roscoe Pound, dean of the Harvard Law School: Charles Warren. author of The Supreme Court in United States History, and George W. Wickersham, former Attorney General. The Federal Bar Association and the American Patent Law Association have likewise appointed similar committees composed of prominent attorneys.

Preceded by Justice Stone, whose appearances before the subcommittee has been referred to already, representatives from these organizations made statements before the legislative appropriations subcommittee giving concrete examples from their own experience of the need for an adequate law library. At the hearings Justice Stone reiterated his views expressed in 1930 before the same committee when he said:

You have here in Washington greater demands for a law library now, and looking to the future, than in any other place. You have the Supreme Court and the other courts of the Dis-You have the Supreme Court and the other courts of the District; you have the great departments of the Government; you have both Houses of Congress; you have the diplomatic service. These call for constant practical use of the law library. Therefore, you ought to build it up for them. But I see increasingly coming to this city various organizations created for the purposes of legal scholarship and research. * * * They are typical of many other institutions which will come to Washington in the future which will require a really great law library. There are other fields of historical, social, and economic research which are not primarily legal at all and yet have sooner or later to do with the law, because all the problems of past history, of social and economic significance, ultimately find expression in the law in one form or other.

sion in the law in one form or other.

To stress the practical utility of old and scarce material, Justice Stone gave, during the course of the same hearings, illustration from his own experience showing the use to which such volumes are put. I am quoting the learned justice:

Unless you are familiar with what people do who are engaged in legal research and study from the point of view of the historical, analytical jurisprudence, it might seem very fantastic to you that one should ever want a law book 100 or 200 years old. But I have lately had two personal experiences, which I use by But I have lately had two personal experiences, which I use by way of illustration, showing how even in the workaday life of a justice of the Supreme Court we need out-of-the-way material.

The able justice then referred to the case of Hudson v. United States (272 U.S. 451). In that case the decision turned on the effect to be given a plea of nolle contendere. In reaching their decision the Supreme Court had to have recourse to a case translated by him from the old English yearbooks. In his other illustration Justice Stone showed how he had had to examine numerous treatises on medieval Danish and French law in the case of Neilson v. Johnson (279 U. S. 47) to get at the proper interpretation of a treaty. Had he desired the justice could undoubtedly have cited other cases. One that comes to mind is the case of the Paquete Habana (175 U. S. 677), where the Supreme Court upheld the right of fishermen to pursue their peaceful calling without molestation in time of war. To arrive at this result countless venerable authorities were examined and

cited from Cleirac's Us et Coutumes de la Mer to Bynker-shoek's Quæstiones Juris Publicæ.

The corresponding need for modern foreign law and legislation was pointed out by Mr. Murdock and Mr. William R. Vallance, solicitors of the State Department, and Mr. Karl Fenning, of the Washington bar, who respectively represented the American and the Federal Bar Associations and the American Patent Law Association at this year's hearings. Mr. Murdock gave this illustration:

In the recent arbitration of a \$3,000,000 claim of the Swedish Government against the United States, which was successfully defended, it became necessary to examine the entire war-time shipping legislation of Sweden. The Swedish laws were not to be found in the United States. It was necessary to go to the expense of cabling to Sweden for them. The laws finally reached Washington, only in time to be hurriedly examined. If the case had turned on a question of Swedish law, the legal sources in this country would have been inadequate. A \$3,000,000 case might have been lost for lack of legal tools with which to defend it.

Among the illustrations given by Mr. Vallance the following may be quoted:

* * there was a case in the Court of Claims where a Czech claimant filed suit. The question came up as to whether an American, suing the Czechoslovak Government, would be permitted to prosecute a claim in the courts of Czechoslovakia. That is a reciprocity provision that is in the Court of Claims act. We telegraphed to our legation in Prague and had them purchase the necessary books on this subject and send them over here.

Mr. Fenning said:

There is a vast literature relating to industrial property in such countries as Italy, France, Germany, and England. To be on a par with those countries, at least, we should have a place where we can read what they have said and to know what they mean when they make a proposal at an international convention. We do not have that at the present time.

Were these illustrations given by theorists one might be able to discount them. But they are not. They were given by a justice of the Supreme Court and by practical lawyers defending the United States Government who have had practical need for rare and foreign material within recent times.

Furthermore, although not brought out at the hearings, it should be noted that the Federal courts take judicial cognizance of the laws of certain foreign countries whose possessions once lay in the present territory of the American empire. Thus the Supreme Court has had to examine Mexican law in determining the validity of certain titles to land in territory formerly under Mexican jurisdiction (Crespin v. United States, 168 U.S. 208; Fremont v. United States, 17 How. 541), Spanish law in cases coming up from Puerto Rico and Louisiana (Municipality of Ponce v. Roman Catholic Apostolic Church in Puerto Rico, 210 U. S. 296; United States v. Turner et al., 11 How. 663), and Panamanian law-actually Colombian law-in an accident case that was taken to the Supreme Court from the Canal Zone. And it is possible that the laws of Russia and possibly Holland may arise like wraiths to plague the stolid structure of the common law, for although the superior court of the city of New York has held that the Dutch never had title to New Netherland, it is by no means certain that a higher court would follow this interpretation.

Besides that the civil law still lingers in the present jurisprudence of some of our States. In Louisiana which furnishes the most notable example, the system of law has its roots in French and Spanish as well as Anglo-Saxon sources. It is trite to mention that difficult questions of foreign law can not be resolved correctly without the aid of an adequate library. As observed by Story in a letter to Edward Everett, one of the most active members of the Library Committee of his day:

It would be a sad dishonor of a national library not to contain the works of Cujacius, Vinnius, Heineccius, Brissonius, Voet, etc. They are often useful for reference, and sometimes indispensable for a common-law lawyer. How could one be sure of some nice doctrines in the civil law of Louisiana without possessing and consulting them? What is to become of the laws of Florida without them?

Even Marshall, who relied on his own great mind as well as on judicial precedents for the formulation of his incomparable decisions, found that he was helpless without books in the field of foreign law. In Soulard v. United States (4 Peters 511), he said:

If the duty of deciding on these various titles [Spanish land titles] is transferred by the Government to the judicial department, the laws and principles on which they depend ought to be supplied. The edicts of the preceding governments in relation to the ceded territory; the powers given to the governors, whether expressed in their commissions or in special instruction; and the deputy governors and other inferior officers who may have been authorized to allow the inception of title, are all material to a correct decision of the cases now before the courts, and which may come before it. We can not doubt the disposition of the government to furnish this information if it be attainable. We are far from being confident that it is attainable but have determined to hold the cases which have been argued under advisement until the next term, in the hope that in the meantime we may be relieved from the necessity of deciding conjecturally on interests of great importance.

More recently the Third Circuit Court of Appeals, in a case characterized as of—

importance * * * to residents of the Virgin Islands-

was led to complain that the question was complicated by—the necessity of searching for the law in force before the acquisition of the islands by the United States and finding it in human repositories—the memory of one-time Danish subjects—rather than upon statute books. (Thornberg v. Jorgensen et al., 60 Fed. (2d) 471.)

Surely we are too far advanced in our national life to have to depend on the short memory of man for the solution of some of our knottiest law problems, particularly when these foreign legal sources can be supplied.

The above examples illustrate the need of the executive, and particularly the judicial, branches of the Government for adequate collections of foreign and domestic law.

But it is not to be presumed that the Congress will not derive a practical profit from a complete law library to which they could turn when need be. In a recent article in the New York Times entitled "What's Wrong With Congress," Senator Tydings said:

To pass upon the larger questions now, more than ever, requires some substantial measure of familiarity with the problems and conditions of other countries as with one's own. To consider currency legislation requires a knowledge of India's gold-standard venture, the debasing of silver in Belgium, Great Britain, and France, and how this has affected not only our own currency and trade but those of China, Mexico, and South America. So it is with other questions. Research into such matters, not normally important enough to require such consideration, now must be made, for without such examination the solution will be of no avail.

And inasmuch as such research must, in a large measure, consist in the examination of foreign juridical sources their rôle in legislation becomes clear as the result of the cogent statement of Senator Tydings.

I think that I have made it clear that the Congress and the coordinate branches of the Government have an immediate and an imperative use for a complete law collection. The law library should be provided not only with a reference collection but with one that will anticipate the problems of to-morrow. It is true that some of its needs may, in time, be filled by the generosity of private contributors. As Senator FESS pointed out, the establishment of the Library of Congress trust-fund board opened the vehicle for such gifts, and already more than a million dollars have been donated to the Library of Congress for the purchase of books, and the development of its facilities for research. Unfortunately, while other branches of the library have been profiting from material gifts, the law library has been overlooked. The recent active interest shown by the national bar associations in the law library may remedy this situation. But, in any event, any contribution that may be forthcoming will not relieve the Government of its plain duty to provide adequately for the law library.

And so I repeat that Senator FESS in honoring the library has honored himself, and I share with him the laudable pride he takes in the Library of Congress—one of America's noblest institutions-but let us not longer neglect that department which deals with the law, which-

as it relates to the conduct of man is a moral science of great sublimity; as its object is individual and national happiness, it is, of all others, the most important; as it respects the moral actions of men, and of nations, it is infinitely varied; and as it concerns all our rights and obligations either derived from or due to God, our neighbor, our country, or ourselves, it must necessarily be a science of vast extent.

[Applause.]

Mr. WOOD. Mr. Chairman, I yield five minutes to the gentleman from Washington [Mr. SUMMERS].

Mr. SUMMERS of Washington. Mr. Chairman, when shall we again see the 2-cent postage stamp—not the 5-cent cigar nor the mug of beer, but our good old friend, the 2-cent stamp of former days? That is the question before the country to-day.

I am opposed to canceling foreign debts. I am in favor of higher prices for farm products and lower interest rates and against mortgage foreclosures while this world-wide depression lasts. But at this moment I want to cut firstclass postage rates.

In the Federal tax bill of last year an attempt was made to raise revenue by raising first-class-letter postage rates from 2 cents to 3 cents per letter. This was one of many inequities in that bill.

That was illogical. First-class mail was already more than paying its way. Why increase the rate 50 per cent? At that time I believed it an unjust tax on the public and that it would not' increase revenues. I, therefore, voted against the increase. I voted against the 3-cent postage stamp. I did not believe it fair to the casual letter writer. I regarded it as a burdensome and unfair tax on commerce and business.

Time and experience have long since demonstrated it was a mistake to increase first-class postage.

Mr. ALLEN. Will the gentleman yield? Mr. SUMMERS of Washington. I yield.

Mr. ALLEN. I want to ask if the gentleman in his investigation has not found that all classes of people are opposed to this 3-cent postage—that it is not confined to the small user, but also to the large user—that it is unnecessary, that it is a nuisance to people all over the country.

Mr. SUMMERS of Washington. I think it is an unnecessary tax on all the people; they are opposed to it and it has not produced postal revenue. Business has found ways of billing its customers direct. Thus postal receipts have decreased instead of increased. Legitimate postal revenues have been driven to other channels.

From the opening days of this session in the interest of better business I have sought relief from the burdensome 3-cent postage stamp.

On December 5, Mr. Kurtz, of Pennsylvania, and Mr. MEAD, chairman of the Post Office Committee of the House, introduced bills "To restore the 2-cent rate of postage on firstclass mail matter." These bills were referred to the Ways and Means Committee.

I have repeatedly urged the proponents of these bills and the chairman of the Ways and Means Committee to action. The gentlemen who introduced these bills and all of us want action, but the bills lie dormant in the committee, smothered, while business resents an unjust tax and the department suffers a loss of revenue.

Mr. LANKFORD of Georgia. Will the gentleman yield? Mr. SUMMERS of Washington. I yield.

Mr. LANKFORD of Georgia. I am in thorough accord with the gentleman on this matter. I voted against this increase of postage and regret that it was ever made. Does the gentleman show in his remarks which classes of mail have produced an increase in revenue and which have produced a loss?

Mr. SUMMERS of Washington. I do not wish to discuss that now, but first-class mail has always produced a

Mr. SWICK. Will the gentleman yield? Mr. SUMMERS of Washington. Yes.

Mr. SWICK. Since the inauguration of the 3-cent stamp has not the Post Office Department lost in revenue?

Mr. SUMMERS of Washington. There is some disagreement in regard to that, but every postmaster that I can learn of over the United States agrees that it has decreased revenue instead of increasing it. There has been a decrease in the first-class mail revenue since the 3-cent postage went into effect.

Mr. SWICK. Is it not a fact that when we increased the postage on post cards from 1 to 2 cents that there was a loss in revenue?

Mr. SUMMERS of Washington. That is a fact.

Why can not we get action on this bill?

Why the delay? Can it be possible the Democratic Ways and Means Committee in charge of the bill plays politics with a business problem so simple of remedy? Must business be thus penalized by politics when action could be had any hour?

When will the Ways and Means Committee, which raised the postage a year ago, give the Congress an opportunity to restore the 2-cent postage stamp? Big problems must be settled, but small problems that affect the people must also have attention.

I implore the aid of every member of both parties to join to-day in an effort to cut postage rates-not at some later date, but now. [Applause.]

Mr. BUCHANAN. Mr. Chairman, I yield five minutes to the gentleman from Oklahoma [Mr. McCLINTIC].

Mr. McCLINTIC of Oklahoma. Mr. Chairman, I have as much respect for the Chief Executive as any other citizen of the Nation, yet when he or any other person ruthlessly runs roughshod over the rules and regulations of any department I think it is my public duty to call it to the attention of the body of which I am a member and to the Nation. Some time ago I called attention to the fact that many thousands of employees had been blanketed into Civil Service positions, which enables them to hold those places for life. This kind of discrimination promotes inefficiency. It lowers the morale, and it shows that a person who does it without any respect for efficiency does not have the interest of the public at heart.

Mr. LaGUARDIA. Has such a thing been done?

Mr. McCLINTIC of Oklahoma. Mr. Chairman, I ask the Clerk to read the President's recent Executive order in my

The CHAIRMAN. Without objection the Clerk will read. There was no objection and the Clerk read as follows:

EXECUTIVE ORDER

Appointment of Special Investigators in the Immigration Service,
Department of Labor

The following-named persons may be appointed special investigators in the Immigration Service, Department of Labor, without regard to the requirements of the civil-service rules:

Wallace D. Bassford, Ervin F. Brown, W. Woodruff Chisum, Carlo deVio, Abraham Dickstein, Edward S. Doak, William L. Ford, J. Theodore George, James Hoover, Thomas A. Lewis, James H. O'Connor, Mabel Rewman, Harry L. Tetlow, and John W. Williams. This order is issued upon the recommendation of the Secretary of Labor, who advises that these officials have been in the Depart.

of Labor, who advises that these officials have been in the Department of Labor for varying periods of time and have each rendered such highly meritorious service, often under most trying and difficult circumstances, in the performance of their duties as to warrant this action.

HERBERT HOOVER.

THE WHITE HOUSE, February 16, 1933.

Mr. LAGUARDIA. Does that cover them into the civil service?

Mr. McCLINTIC of Oklahoma. Yes.

Mr. LaGUARDIA. Or do they come in under the general provisions of the \$200,000 for inspectors under the alien contract labor law?

Mr. McCLINTIC of Oklahoma. This order gives them a civil-service status so that it is not necessary for them to take civil-service examination in the future, as I understand it. They would not need the order, if that were not so. If we are going to have a Civil Service Commission, the President and all others ought to abide by its rules and regulations. Either the President of the United States is not in sympathy with this department of the Government, or he wants to take care of certain individuals whom he feels might not qualify if they were required to take an examination.

I am advised that between five and ten thousand of the best positions of this Government have been given to certain individuals by covering them into office with a blanket order, thus enabling them to hold such appointments for life. In this particular order the political chicanery that has been used is noticeable, as the name of a Democrat has been placed at the head of the list. It is true that he is a most excellent person; however, I am advised that his service in this department only covers a period of one year and no doubt he received this consideration for the purpose of softening the criticism that would come to the President if all were affiliated with his party. Anyhow, there are thousands of efficient men and women who have had their morale impaired by such a procedure, as they would be entitled to be promoted to fill certain positions if it were not for this kind of indefensible practice on the part of the Chief Executive. In order that my colleagues may have some idea as to the character of positions that have been given to certain persons by this very bad practice, I call attention to a list that has been furnished to me covering the attorneys that have been blanketed into fine jobs by Executive order on the part of the President. There are thousands of others in this same class.

Name and station	Salary
Abbaticchio, Raymond J	\$3,800
Arnold, Davis G	7,000
Barnes, John WBarry, James F	4,600
Barry, James F	3,300
Beall, W. R.	3, 200
Blake, William J	5, 000
Brady, James T	6, 500
Brewer, William C	2,900
Connelly, Mary M	4,800
Dawson, Claude L	5, 600
De Birny, Armand W	3, 200
Eggleston, Thomas LEnglehart, Otto T	4,600
Englehart, Otto T	3,800
Fleharty, W. W.	3, 400
Gorgas, R. H	2,800
Fleharty, W. WGorgas, R. HGould, W. R	3,300
Guilv. Baviess L	5, 600
Hayes, James DHinderliter, Annabel	6, 500
Hinderliter, Annabel	4,800
Holcombe, George A	4, 800
Hughes, George PHummer, Hiram W	6, 400
Hummer, Hiram W	2, 900
Ihle, Charles W	4,000
Jones, H. L.	3,800
Julius, J. L	2,600
Kelly, Francis J	3,800
Kremer, Paul	3,500
Lanier, A. S.	3, 200
Lawlor, Lawrence A	5, 600
Lipshitch, M. S	3,800
Lytle, William	3, 200
Martin, Benjamin Y	3, 200
Mason, Hollie L	4,000
McGerr, Helen	2,600
McMinimy, G. O	3, 500
Mehl, C. H	4, 600
MOCK, John	4,600
Mock, John Morell, W. N. Pappenfort, J. C.	5,600
Pappeniort, J. C	4,600
Pickett, Wilbur C	5,600
Presmont, Arthur N	3,800
Pritchard, Robert F	3,300
O'Brien, Joseph	3,800
Richardson, Daniel J	8,000
Robsion, J. M.	4, 600
Pothrock T H	4, 600
Rothrock, J. HSaunders, D	3, 200
Schuyler, C. E	4, 800
Soudal Hamy	6 200
Cham Charles O	6 000
Seydel, HarryShaw, Charles OSmith, William Wolff (resigned)	- 0,000
reeters, V. M.	9 000
Purpor U S	3,800
Furner, H. S.	4,600
Walker, Carl M.	4, 600
Wallace, John F	3, 800
Washburn, D. W	4,600
Lynch, George H.	4,600
Poldouf V A Ditteburgh Do	6,000
Parlow Alfred F Claveland Obje	3,800
Baldauf, V. A., Pittsburgh, Pa Barlow, Alfred E., Cleveland, Ohio Burns, James B., San Francisco, Calif	3,000
Cabler Cleveland, Little Rock, Ark	4,400

Name and station	Salary
Cromer, Earle G. H., Hines, Ill	\$3,800
Cunningham, Ray J., St. Louis, Mo	3, 200
Delamore, Francis E., Little Rock, Ark	3, 200
Dinsmore, Robert R., Jackson, Miss.	4,000
Dinsmore, Robert R., Jackson, Miss	4,000
Glassner, William, Milwaukee, Wis	3, 800
Godwin, John L., Richmond, Va	4,000
Gross, J. P., Phoenix, Ariz	3, 800
Guinn, Charles R., San Antonio, Tex	3,800
Gustin, Dustin, Seattle, WashHaltigan, J. E., Wichita, Kans	3, 200
Hammond, James M., Phoenix, Ariz	3, 800
Hession, William J., Boston, Mass.	4, 900
Hale, Mathew T., New York	4,000
Hicks, John B., Cincinnati, Ohio	3, 300
Hill. Madison, Los Angeles, Calif	3, 200
Hodgson, H. K., Washington, D. C.	3, 200
Howe, Clarence K., Milwaukee, Wis	3, 200
Hughes, George E., Dallas, Tex	3, 200
Hydrick, Onan A., Columbia, S. C.	4,600
Irion, Edwin C., Buffalo, N. Y.	3, 300
Jones, Charles S., Detroit, Mich	4,000
Jones, Horace T., Washington, D. C.	4, 200
Kenny, Vincent J., Lyons, N. J.	3. 200
Krichelt, Frederick W., Washington, D. C.	3,800
Luetjen, Henry J., Des Moines, Iowa Maughmer, F. H., St. Louis, Mo	3, 300
McCutchen, Henry G., Birmingham, Ala	3, 200
McIntosh, Freal H., Indianapolis, Ind.	3,800
McLachlen, John M., New York	2,600
Metzger, W. L., Cincinnati, Ohio	4, 600
Meyer, Jacob, New York	4,000
Meyer, Jacob, New York Morrissey, Chester, Lyons, N. J	3,800
Moseley, Emmette L., St. Louis, Mo	2,800
Mulligan, B. B., Providence, R. I	3,800
Neergaard, John H., Seattle, Wash	3,300
Nixon, J. M., Nashville, Tenn	3,800
Northrup, Alfred S., Hines, Ill.	3, 200
Patterson, Homer S., Seattle, Wash	2,600
Payne, Joseph H., Louisville, Ky	3, 300
Peters, William R., Nashville, Tenn	3,300
Pool, H. R., Hines, Ill_ Pope, Lester E., Seattle, Wash	4, 800
Purteet, Bryan, St. Louis, Mo	3, 800
Quigley, Q. A., Boise, Idaho	3, 200
Quinn, Thomas C., Boston, Mass	4,000
Ragsdale, Edward S., Little Rock, Ark	3,800
Regan, Timothy P., Charlotte, N. C.	3, 200
Rosier, David H., Columbia, S. C.	3, 200
Rydalch, William H., Portland, Oreg	3, 200
San, Joseph H., New York	4,600
Scotney, John A., Sioux Falls, S. Dak	3, 200
Scott, Walter H. E., Detroit, Mich.	3, 200
Schwolsky, Meyer, Newington, Conn	4,000
Seed, Oscar, St. Louis, Mo	3, 200
Sime John G Nachville Tonn	3,300
Sims, John G., Nashville, Tenn Songer, H. L., Kansas City, Mo	3,300
Sowards, L. N., Richmond, Va.	3, 200
Sowards, L. N., Richmond, Va Steele, F. W., Charleston, W. Va	3, 200
Swann, David V., Charleston, W. Va.	2,600
Thomson, Alfred S., Buffalo, N. Y.	4, 200
Tillman, Lewis, Nashville, Tenn	4,800
Toomey, Richard A., Denver, Colo	4,000
Trisler, Charles W., Denver, Colo	3,300
Veit, Henry C., Los Angeles, Calif	3,800
Wagoner, Frederick H., Lincoln, Nebr	
Walsh, Thomas E., Louisville, Ky Walker, Metta D., Portland, Oreg	3,800
Wallerstein, H. A., Atlanta, Ga	2, 900 4, 600
Welch, Francis J., Portland, Me	3, 300
Welch, George N., Manchester, N. H.	3,300
Whalen, Anthony J., San Francisco, Calif	3,300
White, Dorsey B., Jacksonville, Fla	2,600
White, Dorsey B., Jacksonville, Fla	3,300
Willcox, James, Columbia, S. C. Williams, Clark M., Cleveland, Ohio	3,800
Williams, Clark M., Cleveland, Ohio	3,300
Williamson, Thomas, Oklahoma City, Okla	4,800
Willis, Virgil, Kansas City, Mo	4,000
Uchren, Robert M., Minneapolis, Minn	3, 200
Zumwinkle, Lyle, Washington, D. C	3,000
I do not believe that the citizens of this country as	prove

I do not believe that the citizens of this country approve any such conduct, and I hope when the next administration comes into power that an order will be put into effect requiring every person who has been covered into the civil service by a blanket order to take an examination, and to qualify under the rules and regulations of the Civil Service Commission. If it does not do that, then we can not hope to have harmony, efficiency, or happiness in the departments. You gentlemen would be surprised at the number of employees who have come to me and said, "Here is a bunch of lawyers, or a bunch of employees, who have been put into key positions over those who are well qualified, just

because they happen to be the political friend of some particular individual." I am not speaking for any party, I am pleading for efficiency, and I sincerely hope something can be done to remedy this evil in the future. [Applause.]

Mr. BUCHANAN. Mr. Chairman, I yield now to the Commissioner from the Philippine Islands [Mr. GUEVARA].

Mr. GUEVARA. Mr. Chairman, it is with profound regret that I rise now to bid good-by to a man to whom the Filipino people are eternally bound by gratitude. I refer, Mr. Chairman, to the gentleman from South Carolina [Mr. HARE], chairman of the Committee on Insular Affairs. In delivering these farewell remarks, I am positive that I express the sentiment of my distinguished colleague, Commissioner Osias, who, I know, cordially indorses every word I am about to utter.

In a short while Mr. HARE's congressional service will be ended. He has voluntarily retired to private life, leaving behind him glorious achievements for himself and for his

It is very pleasant to recall those days of the Sixty-ninth Congress, when he was first elected to represent the second district of South Carolina. Unpretentious, but strong in his convictions, he foresaw that the Philippine question would be solved by the United States sooner or later and wished fervently that when that day came he might still represent his patriotic district in the Congress at Washington. His wishes were to voice the sentiments of his constituents in honoring America's pledge, and he was determined to contribute his share in the task of preventing anyone ever questioning America's honor. Then, as now, when the whole world seemed to be distrustful of pledges made by powerful nations, these predictions of the gentleman from South Carolina were an inspiration to me and presaged a new lease on life for the Filipino people.

Eight years have elapsed since then. With a clear understanding, which was never perverted by passion nor corrupted by theory, he set out to undertake the task of finding a solution which would honor America and do justice to the Filipino people. Such a task necessarily required most of his time. Through study and through information furnished by the Resident Commissioners of the Philippine Islands to the United States, he learned much of the Filipino people, their ideals and their aspirations, but he needed to know them better. He wanted to know more intimately their idiosyncracies, their civilization, and their progress, and this, of course, called for concentrated study. His first step in the furtherance of this determination was to become a member of the Committee on Insular Affairs. These were troubled days. Bills and more bills were introduced in the House to increase the power of the executive branch of the government of the Philippines, and Mr. HARE, jointly with the illustrious gentleman from Texas, my distinguished friend, Mr. Guinn Williams, fought them to the utmost, firmly convinced that such measures were wholly un-American and against the principles upon which the Government of the United States was founded. I do not believe that I disclose any secret when I say now that the late Representative from the sixteenth district of Pennsylvania, Mr. Kiess, who was chairman of the Committee on Insular Affairs, was equally reluctant in his innermost mind to lay before his committee the bills thus introduced. The untiring efforts of the gentleman from South Carolina and the gentleman from Texas [Mr. WIL-LIAMS] finally were successful, and the Filipinos are deeply grateful to them for the parliamentary failure of those bills.

In the congressional fight in which Mr. HARE and Mr. WILLIAMS were engaged in those days of difficulties certain conditions were developing in the Philippines as the result of the dual authority arising from the very political system established therein. With a chief executive appointed by the President of the United States and a legislature whose membership was elected by the people, in the natural course of human affairs the situation was certain to be a source of conflict and antagonism between these two branches of the Philippine government. The situation thus created was not new in the history of mankind. The colonial history of he said publicly that his self-imposed mission was to become

England is full of examples of this nature. It seemed as days went by that the trend of America's national policy was to follow the path of England. This, however, could not succeed, for patriotic Americans and firm believers in American traditions and principles could not tolerate the idea that this Nation should embark on such a political enterprise. Frequently their voices were heard in the forum of both Houses of Congress or in the tribune of public opinion. Their patriotic pleas often filled newspaper columns of the United States in defense of what they considered the right of the Filipino people to handle their own domestic affairs.

I am relating these events, not for the purpose of embittering the memories of the past, but to emphasize the great service Mr. Hare has rendered to his own country as well as to the people of the Philippines. And the gentleman from Texas [Mr. WILLIAMS] deserves the same credit and the same gratitude of the Filipinos.

Recent events of transcendent portent brought to the Filipinos the dawn of a new day. The gentleman from South Carolina, chairman of the Committee on Insular Affairs, and its membership were all men of high qualifications and gifted with the spirit of real Americanism. Every one of them loves America, her traditions and principles, with profound devotion. No one of them believes in the imperial destiny of the United States. They all believe that no man or nation is big enough or good enough to rule another people without its consent. With a membership so constituted it was not difficult to forecast the probable attitude, at least of the Committee on Insular Affairs, as to the destiny of the Philippines.

A few days after the convening of the Seventy-second Congress a bill was introduced by the gentleman from South Carolina [Mr. HARE] entitled "An act to enable the people of the Philippine Islands to adopt a constitution and form a government for the Philippine Islands, to provide for the independence of the same, and for other purposes." Extensive hearings were held and very seldom, we can safely affirm, was any question so exhaustively considered by any committee of any parliament of the world as that of the bill introduced by the gentleman from South Carolina. The bill called for an intensive consideration, for in it were involved many conflicting interests, domestic as well as international. Any false step might shatter everything which had been done in the last 34 years, and many interests would suffer tremendous damages, which would disgrace both the United States and the Philippine Islands. All points of view were freely expressed in the hearings, and after a conscientious consideration of all the questions involved, the Committee on Insular Affairs came to the conclusion that it would report the bill with the recommendation that it be passed.

The leadership of this House, moved also by principles of highest statesmanship, supported cordially the measure and passed the bill with an unprecedented majority. Mr. HARE thought that his duty to the United States as well as to the Philippines had not ended with the approval of his bill by the House of Representatives. He wished to be sure that such measure if enacted into law would be of service to the best interests of both countries and peoples. With his own eyes he wanted to see the people and the conditions prevailing in the Philippines. He wished to grasp completely the international situation in that part of the world. While a firm believer in American ideals, he had a real conception of his responsibilities as a representative of the American people concerning the welfare and national dignity of his country and of the Philippines.

He therefore set out on a romantic political adventure and made a journey to the Far East including the Philippines. He visited China and Japan. He saw the ruins of Shanghai and the devastating effects of human misery. When he arrived in the Philippines, the 13,000,000 inhabitants greeted him with adoration. While he was traversing a flower-strewn road, he became aware of sordid voices of condemnation of his patriotic work. This served only to increase his determination to carry out his plan, and informed rather than to inform, and that he was studying the question with a judicial mind as an American citizen interested in the honor of his country and in the welfare of the Philippines. After his investigation was completed, he returned to the United States more than ever convinced that he had done the "right thing at the right time."

At this juncture, permit me to say that I agree with the

poet who said:

That man is great, and he alone, Who serves a greatness not his own, For neither praise nor pelf; Content to know and be unknown, Whole in himself.

It is unnecessary for me to say that the Senate of the United States adopted the same attitude and policy taken by this House, and before long the world had witnessed the passage of the Hare bill and finally its enactment into law. The justice and high motives of the bill, which is now a law, are evidenced by the fact that the Filipino people were given the opportunity to say the last word as to their future. America wisely placed upon the shoulders of the Filipino people all the responsibilities of the new situation to be created in the Philippines. America wants to instill in their minds that they must have a government which they deserve. America wants the Filipinos to organize their nation under the guidance of a constitution of their own making. America also wants the Filipinos freely to write into their fundamental charter their own conception of government and liberty. To this end, she gave them all the essentials of a modern democracy.

There are no words in any language that can properly express the gratitude of the Filipino people to the gentleman from South Carolina, and particularly to the members of this body for their generous action in recognizing and proclaiming the right of the Filipino people to determine their

own destiny.

While this action now constitutes one of the most glorious chapters in the history of America, I have every reason to hope that the Filipino people will do their part toward the consummation of this humane policy of the United States.

Now, Mr. Chairman, may I assure the gentleman from South Carolina [Mr. Hare] that he has the warmest place in the heart of every Filipino. The present and future generations of the Filipino people will hail him as the hero of their freedom and liberty. Nothing will make them so happy as to have him in their midst. His kind and constructive help always will be looked upon by the Filipino people as an inspiration to them, and as a guide in their future conduct. I thank you. [Applause.]

Mr. BUCHANAN. Mr. Chairman, I yield five minutes to

the gentleman from Texas [Mr. THOMASON].

Mr. THOMASON. Mr. Chairman, I have watched with considerable interest the progress of the bill paying to the families of Emilio Cortez Rubio and Manuel Gomez \$15,000 each. Those were Mexican boys, as will be recalled, who were students in this country and killed in the city of Ardmore, Okla., about a year or a year and a half ago while en route home. That bill passed the Senate the day before yesterday. Press reports indicated that was a most unnecessary tragedy in Oklahoma. I am happy in the thought that our Government has done the magnanimous thing and made reparation as far as possible. I am taking advantage of this opportunity to express the hope that the Mexican Government will now feel as kindly toward American nationals who may happen to be in that country. We are on friendly terms with Mexico and I hope will continue to be. I have lived in the city of El Paso for many years. I lived there at the time the Santa Ysabel massacre occurred, when nine prominent American engineers were brutally assassinated in the Republic of Mexico, and nothing whatever was ever done about it. I could recall many other instances where like crimes have been committed in that country, but I desire to briefly call attention to a case now pending there about which I have some personal knowledge.

In 1924 some Mexicans from Juarez, Mexico, came into of this country. We let it go as poetic license, and I am sure our city of El Paso, went to the offices of the Southern the Members who uttered those optimistic statements did it

Pacific Railroad, committed a holdup there during the noon hour, taking several thousand dollars, and killed William H. Meers, a prominent officer of that city. He was brutally murdered. The Mexicans made their escape back into Mexico. The man who committed the crime was Villareal by name. For some two or three years afterward he hung around the city of Juarez, but the Mexican Government refused to grant extradition and allow him to be brought back for trial. Meers had a devoted young son, Jeff Meers, who worshipped his father, and who swore vengeance for that crime. He is a fine young man, of good family, law abiding, and never in trouble before.

On June 18, 1930, while young Jeff Meers was in the city of Juarez he killed a man named Visconte, whom he honestly and sincerely believed to be the man who had assassinated his father. It was a case of mistaken identity. The next day Jeff Meers was taken to the city of Chihuahua and placed in jail, and he is still there. It was a sad case. Meers admitted his mistake and was willing to accept reasonable punishment. His punishment was not assessed but held in abeyance. The next day after the Ardmore trial, which was June 27, 1931, when William Guess was promptly acquitted for the murder of the Mexican boys, the court in the city of Chihuahua met and imposed the death penalty on this fine young man, Jeff Meers. I know him well and know him to be a fine young American citizen. I know his wife and baby, who are now in my city. He has now been in the Chihuahua penitentiary nearly three years, part of the time incommunicado. He deserved punishment, but I claim he has already suffered enough. I understand his sentence has been reduced, but he ought to be released. The Mexican Government immediately retaliated after the Ardmore trial. They ought now to show their spirit of justice and reciprocity.

I have many times asked our State Department to intervene in his behalf. They have made some effort in that direction. I fear, however, that they have not taken the active interest in his behalf that they have shown in the payment of this money to the families of these Mexican boys.

We have heard much during the debate on this bill about the cordial relations that should exist between the two countries. I am in hearty accord with that sentiment. We have shown our friendship and our desire to do the right and just thing. Let them now show their friendship to us. Jeff Meers is a fine man, devoted to his country, as he was to his father. He has more than paid his debt to the Mexican Government. I hope our State Department will now use its great influence in seeing to it that justice is done to an American citizen in Mexico, the same as this Congress has so magnanimously done to Mexican citizens who suffered in our country. [Applause.]

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. BUCHANAN. Mr. Chairman, I have no further requests for time.

The Clerk read as follows:

The three foregoing sums to be disbursed by the Sergeant at Arms of the House.

Mr. LaGUARDIA. Mr. Chairman, I move to strike out the last word. I will only take a few minutes, Mr. Chairman. For the last few years the American public has been lulled into a state of indifference by continued and repeated promises that the crisis was over and normal conditions were just around the corner. Many of us of the House have exercised a great deal of restraint in speaking frankly of the existing conditions. I take this opportunity to state that some of us are commencing to doubt whether this continued restraint and silence is an honest policy for us to pursue, or whether it is not our duty to frankly tell the American people of the impending danger.

Considerable poetic license was taken on the floor of the House to-day in talking about the sound financial condition of this country. We let it go as poetic license, and I am sure the Members who uttered those optimistic statements did it

with the hope and intention, hoping against hope, that what | they were saying might materialize.

The situation is so serious, Mr. Chairman, that we are on the threshold of our very future existence, and we might as well know it. Not even in a state of war, whether foreign or domestic, was this country confronted with the dangers we are now facing and which may materialize within the next few weeks.

I believe that every Member of Congress should be willing to subordinate his personal and political interest at this time and all join forces to do everything which may be necessary within the next few days and before this Congress adjourns. I believe that the newly appointed Secretary of the Treasury should select his assistants, move into Washington, move into the Treasury office so as to cooperate with the present officials and have the situation well in hand by the time he takes office. I believe that President-elect Roosevelt should put everything else aside, should move to Washington and be on the spot and in constant touch and contact with the situation, and with President Hoover, for the remaining few days of his administration. Things are happening so rapidly that many matters can not be delayed. I say this in view of what has taken place to-day, so that some of our colleagues may be apprised of the actual situation. We, as legislators, have responsibilities, and we can not be lulled into inaction by optimistic statements that are not justified by the facts.

I simply wanted to take this time to express this thought so that every Member may be on the alert and ready to take up legislation in morning, afternoon, and night sessions, if necessary, because the situation calls for action, and immediate action. [Applause.]

The CHAIRMAN. The time of the gentleman from New York [Mr. LaGuardia] has expired.

Mr. BLACK. Mr. Chairman, I rise in opposition to the amendment.

I ask unanimous consent to speak out of order, Mr. Chairman.

The CHAIRMAN. Is there objection to the request of the gentleman from New York [Mr. Black]?

There was no objection.

Mr. BLACK. A short while ago in the general debate the gentleman from Washington [Mr. Horr] suggested that I take two minutes of his time to answer the statement made by the gentleman from Wisconsin [Mr. Schafer] concerning an article on Tammany Hall, written in one of our leading fiction magazines. The article itself justified the title "Fiction Magazine."

I did not get the two minutes from the gentleman, so I am forced now to intrude on the House.

It was rather a tribute to the selections of the President elect as to Cabinet officers that the only suggestion from the Republican critics that one might take amiss came from the gentleman from Washington to the effect that the lady the President has in mind for the position of Secretary of Labor is known by a name made famous in the war in this country for industrial reform. I refer to Frances Perkins.

I was in the Legislature of New York as far back as 1911. I saw the fight there through the years for decent working conditions for the men and women in industry, for safeguards against industrial accidents, for decent hours, for decent money; and the crusader in all of this fight was Frances Perkins.

Frances Perkins, by her work and the heart and the brain she gave to this noble cause, is entitled to have the name Frances Perkins respected by everybody in this country, particularly those connected with industry. [Applause.]

Mr. HORR. Mr. Chairman, will the gentleman yield? Mr. BLACK. Not just now.

The war for industrial reform was a savage and relentless war on the part of the conservative reactionary interests in this country who were then represented by the Republican Party in the State of New York, excepting our good friend, Major Laguardia, who was not in the legislature. On the side of Frances Perkins, and on the side of industrial reform at all stages in this great war were the members from Tam-

many Hall in the New York State Legislature. Such men as Alfred E. Smith, ROBERT WAGNER, James J. Walker, and James A. Foley. Talk about "Tammany Take" in this Fiction Magazine, let us speak generally about "Tammany give."

I ask the Members of this House to judge Tammany Hall—and I am not from Tammany Hall—to judge Tammany Hall by the men from Tammany Hall they meet here in this House. I doubt if there is a delegation in this House more respected for their effort and sincerity than the delegation from Tammany Hall in this Congress. As well in Albany were the men of Tammany Hall always in the forefront of the fight for liberal government.

I now say that there is not a group in this country, any place in this country, be it an official group or an unofficial group, that had more to do with the victorious liberal fight that we saw here consummated the other day in the vote on repeal than the Members from Tammany Hall. Day in and day out during the dark days of prohibition, the un-American days of prohibition, the Members of Tammany Hall, when there were only three or four other votes sometimes in their favor, never quit once. They knew their cause was a just cause and they have convinced the American people of it.

I say of Frances Perkins that her name as Secretary of Labor will easily compare favorably with the name of the present Secretary of Labor and his immediate predecessor, Hon. James J. Davis. [Applause.]

[Here the gavel fell.]

Mr. HORR. Mr. Chairman, I ask unanimous consent that the gentleman may have one additional minute in order to answer a question.

Mr. DYER and Mr. MILLARD objected.

The Clerk read as follows:

For stationery allowance for Stanley H. Kunz, fiscal year 1932, \$83.33.

Mr. BUCHANAN. Mr. Chairman, I offer an amendment. The Clerk read as follows:

Amendment offered by Mr. Buchanan: On page 3, after line 14, insert:

"JOINT COMMITTEE ON PRINTING

"Congressional Directory: For expense in compiling, preparing, and indexing the Congressional Directory for the first session of the Seventy-third Congress, \$800, one half to be disbursed by the Secretary of the Senate and the other half to be disbursed by the Clerk of the House."

The amendment was agreed to. The Clerk read as follows:

JUDGMENTS

For the payment of final judgments, including costs, rendered against the District of Columbia, as set forth in House Document No. 551, Seventy-second Congress, \$77,983.73, together with the further sum to pay the interest at not exceeding 4 per cent per annum on such judgments, as provided by law, from the date the same became due until the date of payment.

Mr. GOSS. Mr. Chairman, I move to strike out the last word in order to ask the gentleman a question about the rate of 4 per cent on these judgments. Is this affected in any way by the vote here the other day in connection with the interest charge of 4 per cent in one instance and 6 per cent in the other?

Mr. BUCHANAN. No; this is matured interest. The pro forma amendment was withdrawn.

The Clerk read as follows:

BUREAU OF IMMIGRATION

Salaries and expenses: For an additional amount for salaries and expenses, Bureau of Immigration, Department of Labor, including the same objects specified under this head in the act making appropriations for the Department of Labor for the fiscal year 1933, \$450,000, for use only for or in connection with the deportation of aliens.

Mr. GOSS. Mr. Chairman, I move to strike out the last word. We come to a point in the bill now where we are appropriating \$450,000 to the Department of Labor for deporting aliens, and it was only a few days ago here on the floor when we had up the question of the border patrol. We cut down on the border patrol to such an extent that possibly many of these aliens came in, and now we are

appropriating an additional \$450,000 to possibly deport these same aliens. Can the gentleman give us any information on that subject?

Mr. BUCHANAN. I can not give the gentleman any information about deporting the same aliens.

Mr. GOSS. Not the same ones necessarily, but the same question is involved here.

Mr. BUCHANAN. This appropriation is necessary if the Department of Labor is to continue to deport aliens who are already here illegally or are indigent, because the law requires it.

Mr. GOSS. In one instance we cut down on the border patrol by this furlough or what not, so we only get about 20 per cent protection up there on the border. We economize and cut down in one instance and now we find it necessary to spend \$450,000 additional in a deficiency bill to deport aliens that have come in because of lack of proper border-patrol facilities.

I hope the gentleman will bear this in mind, as a member of the Appropriations Committee, next year when this question of the border patrol comes up.

Mr. BUCHANAN. I will bear the gentleman's suggestion in mind, but this appropriation is necessary for the balance of this fiscal year to carry out the regular program of deportation under which we will deport between 24,000 and 25,000 aliens.

I also call the gentleman's attention to the fact that it is real economy for the Department of Labor to have the money and be ready to deport these aliens promptly and not have to keep them in detention where they have to feed and take care of them.

Mr. GOSS. I am not objecting to the appropriation. I am inviting attention to the fact that this amount would not be necessary if we properly patrolled the borders.

Mr. BUCHANAN. That may be true.

The pro forma amendment was withdrawn.

The Clerk read as follows:

OFFICE OF THE SUPERVISING ARCHITECT

Rent of temporary quarters, public buildings: For an additional amount for rent of temporary quarters, public buildings, including the same objects specified under this head in the act making appropriations for the Treasury Department for the fiscal year 1933, \$165,000.

Mr. RICH. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, in reference to the language in lines 11 to 16, on page 20, appropriating \$165,000 additional for the Treasury Department for temporary quarters for the architect's office, I would like to ask the gentleman a question.

About a month or so ago, in one of the bills we appropriated \$90,000 for additional quarters and at that time the gentleman from Tennessee [Mr. Byrns] stated that this amount was for additional quarters already secured and that they did not intend to increase the facilities of the architect's office. Now you come along and want \$165,000 more and I would like to have an explanation of this.

Mr. BUCHANAN. I think the gentleman is laboring under a misapprehension. The \$90,000 that the gentleman refers to was exclusively for additional quarters in the District of Columbia. This item of \$165,000 is for rent of quarters mainly for postal purposes all over the country where public buildings are being constructed.

Mr. RICH. In the cities where they have demands for these offices, do they use the post office and other public buildings that they now have?

Mr. BUCHANAN. This is used in connection with the construction of Federal buildings, where they have to move out of the old building in order to put up a new building on the same lot. Of course, when they move out they have to rent quarters elsewhere.

Mr. RICH. If they are securing the services of architects in these local communities, why does the architect's office here in Washington require \$165,000 additional?

Mr. BUCHANAN. This has nothing to do with the architect. For example, we are putting up a new post office, we will say in Boston. The gentleman will understand that

when we are putting up a new building on the same site as the old building, the old one is torn down, and they have to rent temporary quarters.

Mr. RICH. But this is for the Supervising Architect—that is what it says.

Mr. BUCHANAN. It is under the direction of the Supervising Architect.

The Clerk read as follows:

Boston, Mass., parcel-post building, etc.: For acquisition of land belonging to the Boston Terminal Co., fronting on Dorchester Avenue, and construction of a building, and for raising the level of Dorchester Avenue to such extent as may be necessary to provide proper grade for loading-platform facilities, etc., under an estimated total cost of \$3,700,000, in lieu of \$2,700,000 as provided by the act of July 21, 1932 (47 Stat. 718), as modified by the act approved June 30, 1932 (47 Stat. 412): Provided, That the Secretary of the Treasury may accept title subject to reservations by the grantors for light and air and the right to use for railroad purposes the space below such plane or planes as may be agreed upon: Provided further, That the limit of cost herein fixed shall not be reduced by the operation of section 320 of the legislative appropriation act, approved June 30, 1932 (47 Stat. 412).

Mr. RICH. Mr. Chairman, I move to strike out the last word. Here is an increase of a million dollars for a post office in Boston. Why are we continually putting these sums in the deficiency bills? If they had been judicially superintended in the first place, it would not be necessary. Why are we continually increasing these appropriations for buildings?

Mr. BUCHANAN. It is because they were not accurate in the first place. Beginning in 1926, we have passed several lump-sum authorizations for public buildings. At that time the Treasury and Post Office Departments made a survey of the entire country as to where these buildings should be built and estimated the space required and the cost. But it was necessarily an estimate. Now, when the emergency relief act was passed it authorized the Secretary of the Treasury and Postmaster General to select the places named in the survey under an appropriation in that act of \$160,000,000. So they selected, among others, this building at Boston. When they selected it they found the figures of space and cost were underestimated, and these are the first accurate figures that Congress has had.

The pro forma amendment was withdrawn.

The Clerk read as follows:

For the payment of the claims of British nationals in the following amounts awarded them by the Commission for Adjustment of British Claims in full satisfaction of all their claims for the use of their inventions by the United States under the arrangement or agreement entered into prior to November 12, 1918, and approved by the Secretary of War in accordance with the authority contained in section 3 of the act approved March 2, 1919 (40 Stat. 1273): Thomas Graham and Sir E. H. Tennyson d'Eyncourt, \$22,500; Commander A. L. Gwynne, \$37,000; Gwynne and Taylor, \$22,500; Colonel Henry Newton, \$100,000; Robert A. Sturgeon, \$17,500; Thornycroft & Co., \$50,000; Read Admiral Cecil V. Usborne, \$6,000; in all, \$255,000.

Mr. EATON of Colorado. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

On page 26, between lines 3 and 4, insert a new paragraph as follows:

"For continuation of buildings heretofore authorized for the Fitzsimons General Hospital for which plans have already been commenced, \$135,000."

Mr. BUCHANAN. I reserve a point of order on the amendment.

Mr. EATON of Colorado. What is the point of order? Mr. BUCHANAN. It is not authorized by law.

Mr. EATON of Colorado. On the contrary it has been authorized by law, and an appropriation heretofore made but withdrawn.

The authorization was in an emergency bill passed last July. The gentleman will find a direct reference to it on page 26 of the War Department appropriation bill. The authorization has heretofore been made and work has already been commenced on the plans, and the money heretofore appropriated.

Mr. BUCHANAN. I have not seen the War Department appropriation bill.

Mr. EATON of Colorado. I gave the gentleman a copy of that bill a few moments ago.

Mr. BUCHANAN. Is it of this year?

Mr. EATON of Colorado. Yes; this year.

Mr. GOSS. It is not germane to this section of the bill. Mr. EATON of Colorado. Oh, yes; this is the place in the bill where it comes.

Mr. GOSS. This is for claims of British nationals, page

Mr. EATON of Colorado. That is the general subject. The subject is the War Department, military activities, and then comes the United States Military Academy, in the regular order in which the different subjects were put into the bill. This subject comes in between the claims of British nationals and the United States Military Academy. A title could be put upon it if you want to do it. The title would be "Barracks and Quarters and Other Utilities."

Mr. GOSS. Mr. Chairman, I make the point of order that it is not germane to this place in the bill.

The CHAIRMAN. Does the gentleman from Texas desire to be heard on the point of order?

Mr. BUCHANAN. No; I do not care to be heard.

The CHAIRMAN. The Chair overrules the point of order. Mr. EATON of Colorado. Mr. Chairman, I very seriously tried to get consideration on the floor of the House of this \$135,000 that was inadvertently included in an amount of \$1,000,000 which was taken over from enterprises that had heretofore been authorized and in which no progress had been made. In this enterprise progress had been made to the extent of \$1,200 to \$1,500. When the matter was first presented on the floor of the House when the War Department appropriation bill was here, the chairman of the subcommittee said it was too bad, that it was like old dog Tray, it had gotten into bad company. The result was it was included in the million dollars that had been appropriated for a gymnasium and riding hall which were taken away and reappropriated for barracks. I ask your favorable consideration to restore this amount and make the appropriation so that the work may continue.

Mr. BUCHANAN. Mr. Chairman, I rise in opposition to this amendment. In the first place, this project was authorized and then appropriated for in the War Department appropriation act. The War Department appropriation bill at this session unauthorized it, so to speak, because it took the money away. An estimate has never come to us from the Budget or anywhere else for this bill. We can not afford, for the accommodation of one Member or several Members to vary from the rule of the committee. Such a project must come through the Budget to Congress; otherwise we would have no orderly procedure. I ask the House to vote down the amendment. It is not a deficiency item and has no place in this bill.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Colorado.

The amendment was rejected.

Mr. WOOD of Indiana. Mr. Chairman, I offer the following amendment which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. Wood of Indiana: Page 26, after line 3, insert a new paragraph as follows:
"Quartermaster Corps, barracks and quarters: For an addiduartermaster Corps, barracks and quarters: For an additional amount for the construction of a sewage-disposal plant at Fort Slocum, N. Y., including septic tanks, selecting chambers, ejector pumps, and the installation of chlorating apparatus, together with such collecting mains and intercepting sewers as may be necessary, fiscal years 1933 and 1934, \$25,000."

Mr. EATON of Colorado. Mr. Chairman, I make the point of order against that.

Mr. GOSS. I reserve the point of order in order to ask the gentleman from Indiana a question. A bill has come before the Committee on Military Affairs in this Congress as I recall deeding portions of Fort Slocum to the City of New York for a park.

Mr. MILLARD. Mr. Chairman, what the gentleman refers to happens to be in my district. It is not Fort Slocum, but Fort Schuyler.

Mr. EATON of Colorado. I make the point of order that there is no authorization for the amount.

Mr. WOOD of Indiana. Mr. Chairman, there is authorization for the amount. This item was duly budgeted to the committee. When the hearings were had, there was confusion with reference to whether it was Fort Slocum or Fort Schuyler to which it applied.

As the gentleman from New York has already stated, this applies to Fort Slocum and not to Fort Schuyler. Fort Slocum is the property of the United States, an active fortification. There are about 2,000 men there, and it was the sense of the committee that the item should be allowed until some one suggested it was to apply to Fort Schuyler instead of Fort Slocum.

Mr. EATON of Colorado. I submit the gentleman has not stated an authorization for this amount or any place where it may be found.

Mr. BUCHANAN. This is a regular Government fort, belonging to the United States. Some 2,000 people are there, all in service except the families of the men. Certainly, if we have a going institution, maintained by the War Department, we have a right under the rules to take care of the sewage. There can be no question about the point of

While I am on my feet, Mr. Chairman, I want to state to the Members that if we had not been advised, as we thought reliably, that this fort was scheduled for abandonment by the War Department, we would have voted this appropriation, because the sewage is an actual menace to the health of that community. Every other city connected with or close to it has taken care of its sewage, and it is only right that the Government should provide for proper disposal.

Mr. FITZPATRICK. Will the gentleman yield?

Mr. BUCHANAN. I yield.

Mr. FITZPATRICK. They are not going to abandon it, but they are transferring the men from Fort Schuyler to Fort Slocum.

Mr. BUCHANAN. Certainly. We made a mistake in the committee, and I am free to acknowledge it, and the item ought to be allowed.

Mr. LaGUARDIA. Will the gentleman yield?
Mr. BUCHANAN. I yield.
Mr. LaGUARDIA. The city of New York and the bay of New York are under orders now to change their sewage disposal by reason of the sanitary conditions, and this is a part of that adjustment.

Mr. MILLARD. Will the gentleman yield?

Mr. BUCHANAN. Yes. I yield.

Mr. MILLARD. This was commenced by an order from the State board of health, saying that it was in a disgraceful and insanitary condition. There is a beach operated by the Park Commission of Westchester County, where six or seven hundred thousand people bathe every year. I wish to take this opportunity to thank the committee for consenting to this amendment.

The CHAIRMAN (Mr. RAMSPECK). The Chair overrules the point of order.

The question is on the amendment offered by the gentleman from Indiana, Mr. Wood.

The amendment was agreed to.

The Clerk read as follows:

Total, audited claims, section 4, \$28,441.44, together with such additional sum due to increases in rates of exchange as may be necessary to pay claims in the foreign currency as specified in certain of the settlements of the General Accounting Office.

Mr. COCHRAN of Missouri. I offer an amendment. The Clerk read as follows:

Amendment by Mr. Cochran of Missouri: On page 32 after line

Amendment by Mr. Cochan of Massacra of page 3 and a new section:

"Sec. 5. No claim for increase of compensation under the act of May 12, 1917 (40 Stat. 40, 74); section 6 of the act of July 3, 1918 (40 Stat. 814); section 7 of the act of March 1, 1919 (40 Stat. 1267), or any similar act providing for increased or additional compensation of a state of a state of a state of the Government. sation to certain classes of civilian employees of the Government for the fiscal years 1918 to 1924, inclusive, shall be allowed or considered unless filed in the General Accounting Office before

July 1, 1933, and no such claim heretofore settled shall be reviewed or reconsidered by the General Accounting Office pursuant to any application or request received in said office after June 30, 1933."

Mr. BUCHANAN. Mr. Chairman, I reserve a point of order on the amendment.

Mr. COCHRAN of Missouri. Mr. Chairman, I concede the point of order, but I have offered the amendment solely for this purpose. The General Accounting Office called our attention to this amendment, and I ask unanimous consent to be permitted at this point to place a statement in the Record showing the amount it is costing the Government to look up these claims that are now being filed, with a view to calling it to the attention of another body to see if they will make a day certain when these claims will be totaled.

Mr. BUCHANAN. I reserve a point of order on the amendment, Mr. Chairman.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri [Mr. Cochran] that he be allowed to extend his remarks in the Record at this point, as indicated?

There was no objection.

Mr. COCHRAN of Missouri. Mr. Chairman, with reference to the proposed amendment barring claims for increased compensation, the payment of which, during the period July 1, 1917, to June 30, 1924, was authorized by the act of May 12, 1917 (40 Stat. 40, 74); section 6 of the act of July 3, 1918 (40 Stat. 814); and section 7 of the act of March 1, 1919 (40 Stat. 1267), and similar acts, which provided that all civilian employees of the Government of the United States who received a total compensation at a stated rate, to wit: \$1,800 per annum, or less, for the fiscal year 1918, and \$2,500 per annum, or less, for subsequent fiscal years, 1919 to 1924, inclusive, should receive additional compensation, I submit the following:

It is estimated that 1,500 claims for increase of compensation were received in the General Accounting Office during the year ended January 31, 1933. Of this number it is estimated 500 represented claims for services rendered in the Philippine Islands, usually by Filipinos, and 1,000 represented claims on account of services rendered at posts, camps, or activities of the Army, principally at Camp McClellan and Muscle Shoals. Of the 1,000 claims thus received and settled covering the services performed in the United States it is estimated that less than 5 per cent resulted in allowances. Frequently such allowances as were made were trivial. It is estimated that of the 500 claims received and settled covering services rendered in the Philippine Islands, that not in excess of 40 per cent resulted in allowances, such allowances ranging in amount from more or less trivial sums to sums which might be deemed considerable. In this connection attention is invited to House Document 510, Seventysecond Congress, second session, pages 29 to 32, inclusive, listing claims for increase of compensation allowed and certified for appropriation. Other and similar documents list the prior claims settled and allowed. All allowed claims of this character of necessity must be certified for appropriation.

It is estimated that these claims are now being received in the General Accounting Office at the rate of 100 per month; however, it has been noted that the receipts of this character of claims fluctuate considerably. The receipts at times run along evenly for several months and then, due to certain causes, they suddenly swell. This was particularly true of the situation at Camp McClellan, Ala. For quite a period of time the receipt of claims for services rendered at that camp were very nominal, then suddenly the office became flooded with claims from that camp with the receipt of approximately 300 per month. There is no way of telling if the receipts of this character of claims will be suddenly swelled on account of some other activity where services were performed during the war.

The handling of these claims involves a considerable amount of work and expense. In all claims involving services rendered in the Philippine Islands and in practically all cases covering services rendered at Muscle Shoals the administrative reports must be based on the records stored

at those places, necessitating reference of all such cases to those places.

I think it may be safely stated that not exceeding 3 per cent of all the claims received from now on will be such as to warrant an allowance of any amount. In other words of all the claims received it is safe to say that 97 per cent will be disallowed and there is just as much work in connection with the development and disallowance of a claim as there is in connection with a claim which is allowed.

The second amendment follows:

No claim for arrears of pay or allowances growing out of or based on service in the Army, Navy, Marine Corps, or Coast Guard, which accrued during the World War from April 6, 1917, to July 2, 1921, except for services in the Regular Army, Navy, Marine Corps, or Coast Guard, shall be received or considered unless filed in the General Accounting Office on or before December 31, 1933.

I present this draft to bar the filing of a claim for arrears of pay or allowances growing out of or based on services in the Army, Navy, Marine Corps, or Coast Guard, which accrued during the World War from April 6, 1917, to July 2, 1921, that are not filed in the General Accounting Office on or before December 31, 1933. This draft does not include claims for members of the Regular Army, Navy, Marine Corps, or Coast Guard. It appears to me that a claim not filed within 12 years should be barred. The General Accounting Office has been receiving thousands of such claims each year, but only a small per cent of them are allowed. However, it requires as much work to handle a disallowed claim as it does a claim wherein something is found due.

There is an inordinate amount of work and expense required in handling this class of claims. The claim must be received and recorded, the records searched to determine whether a similar claim has been previously filed by applicant, or whether as a matter of fact he had been before the office with a claim of any nature theretofore. If prior claim is found relating to the same items, the claimant is advised relative to the action previously taken in connection therewith. If it develops the claim is new, it must then be jacketed, recorded, given appropriate reference number, acknowledged, and transmitted to the preliminary development unit to be examined, the nature of the claim determined, and then a call made upon the proper department for a complete record of the claimant's military service for the purposes of identification and as a basis for examination of his pay records filed in the General Accounting Office. Also, a call must be made upon the United States Veterans' Administration for information relating to allotments and insurance. Upon receipt of the report from the proper department containing a record of the claimant's service, the pay records of the General Accounting Office, showing all payments made to him during the period of his services, must be examined and a transcript made of each and every payment so received. After all this necessary preliminary work has been accomplished, the case is transmitted to the claims division for examination and settlement. If there is anything found due, the settlement is prepared in the claims division and transmitted to the bookkeeping division of the General Accounting Office, where a certificate is written and transmitted to the bookkeeping division of the Treasury Department for payment. If the claim is disallowed, the settlement is written up accordingly, signed, and transmitted to the claimant.

The Congress heretofore having placed a limitation upon Civil War and Spanish-American War claims, it would appear to be in line with economy to now bar certain claims arising out of the World War.

PROCEDURE FOLLOWED IN THE DEVELOPMENT AND SETTLEMENT OF A SERVICE CLAIM

The following is a hypothetical case:

A soldier who served during the period of the World War, April 6, 1917, to November 11, 1918, claims that he failed to receive the \$60 war-service bonus, act of February 24, 1919 (40 Stat. 1151); that he was sentenced to forfeitures of pay by military courts-martial which were not justified; that in addition excess deductions over and above the amounts of

the forfeitures were made from his pay, and that an allotment which he authorized to be paid from his pay to an allottee of his own designation was not received by said allottee.

The claim is received in the records division of the General Accounting Office, where the records are searched to determine whether a similar claim had been previously filed by applicant or whether, as a matter of fact, he had been before this office with a claim of any nature theretofore. If prior claim is found relating to the same items, the claimant is advised by the records division relative to the action previously taken in connection therewith. If it appears from the tenor of his present claim that he is cognizant of the fact that the matter has been previously acted upon and is dissatisfied with such action, the papers are transmitted to the Comptroller General for review. If, however, it is found that the claim is new, it is jacketed, recorded (carded), given an appropriate reference number, acknowledged, and transmitted to the preliminary development unit of the records division, where it is examined, the nature of the claim determined, and the following calls made:

War Department: (1) For a complete record of the soldier's military service for purposes of identification and as a basis for the examination of his pay records filed in the General Accounting Office; (2) for a report relative to any allotment of his pay which he may have made while in the military service, and claims made, and/or paid, including \$60 bonus payments.

United States Veterans' Administration: (1) For information relative to any Government war-risk insurance which he may have carried during his service, and (2) for any war-risk allotment of pay which he may have made.

If replies are not received within a specified time, correspondence is had with the various offices named until satisfactory information has been received.

Upon receipt of the report from the War Department containing a record of the claimant's military service, the pay records of the General Accounting Office, showing all payments made to the claimant during the period of his service are examined, and a transcript made of each and every payment received by him.

When all necessary preliminary information has been received, the case is transmitted to the miscellaneous settling section, claims division, where the report from the War Department containing the soldier's military history is examined to determine whether or not his service is such as entitles him to the \$60 war-service gratuity and whether the soldier was, in fact, fined by military courts-martial. The transcript of pay is checked to determine what deductions, if any, were made from pay for an allotment, as claimed. The report of the United States Veterans' Administration is examined to determine if the payments made were in accordance with the deductions from pay; likewise the report of the War Department relative to any allotments which may have been paid through that agency. If it appears that the soldier's service was such as would entitle him to the war-service gratuity, and it appears that no previous payment thereof has been made, his account is credited with this item. If it appears that the court-martial fines which may have been assessed against him were legally imposed and properly deducted from his pay, no credit is allowed therefor, but if it appears that the court-martial fines were improperly deducted from his pay, his account is credited with the amounts so improperly deducted. If it appears that the allotment deductions from pay are not in accordance with the payments as made, resulting in a balance due the soldier, this item is credited to his account. If, after complete examination of all items of the claim, it is determined that an amount is due, a statement of settlement is prepared showing the amount due on the allowable items, and the other items are disallowed, giving the reasons therefor. If none of the claimed items are found to be allowable, a certificate of settlement, termed a disallowance certificate, is prepared showing in full the reasons why payment can not be made.

After this action by the miscellaneous settling section is taken, the claim is forwarded to the settlements review unit where the proposed settlement, and the evidence on which it is based, is reviewed. If the proposed settlement is approved and involves an allowance, it is transmitted to the bookkeeping division of this office, where a certificate is written and transmitted to the bookkeeping division of the Treasury for payment. If the claim is wholly disallowed, the settlement (disallowance certificate) is signed and transmitted to claimant.

Mr. BUCHANAN. Mr. Chairman, I make the point of order against the amendment.

The CHAIRMAN (Mr. RAMSPECK). The Chair sustains the point of order.

Mr. RICH. Mr. Chairman, I move to strike out the last word. I would like to ask the chairman of the subcommittee just one question: Do the increases that have been made in the Boston post office of \$1,000,000, the St. Louis post office of \$1,075,000, the St. Paul post office \$650,000 for additional post-office building, include facilities for restaurants and cafeterias?

Mr. BUCHANAN. It includes the complete building.

Mr. RICH. Does that include a recommendation, the same as was made last year, for \$50,000 each for these cafeterias?

Mr. BUCHANAN. The gentleman understands there is nothing in this bill that controls or governs that in any way. We have just made the authorization for the construction of the buildings on the plans that they have adopted. They can not put cafeteria equipment in without authority to do so.

Mr. RICH. They have the rooms and everything, but the money is not authorized?

Mr. BUCHANAN. They may not have the rooms. I do not know about the plans of all these buildings.

Mr. RICH. Do they authorize funds for that particular purpose in those buildings?

Mr. BUCHANAN. There is nothing for equipment in this bill. This is for construction.

The Clerk concluded the reading of the bill.

Mr. BUCHANAN. Mr. Chairman, I move that the committee do now rise and report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

The motion was agreed to.

Accordingly, the Speaker having resumed the chair, Mr. RAMSPECK, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee having had under consideration the bill H. R. 14769, the second deficiency act, fiscal year 1933, directed him to report the same back with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

The SPEAKER. Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

On motion of Mr. Buchanan, a motion to reconsider the vote by which the bill was passed was laid on the table.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate, by Mr. Craven, its principal clerk, announced that the Senate had passed without amendment bills of the House of the following titles:

H.R. 2601. An act for the relief of William Mathew Squires;

H. R. 5367. An act for the relief of Jerry V. Crane;

H. R. 6270. An act for the relief of Alexander F. Sawhill; H. R. 7432. An act to authorize the Interstate Commerce

Commission to delegate certain of its powers;

H. R. 10749. An act to authorize acceptance of proposed donation of property in Maxwell, Nebr., for Federal building purposes:

H. R. 11980. An act authorizing the President to make a posthumous award of a distinguished-flying cross to Glenn H. Curtiss, deceased, and to present the same to Lua Curtiss, mother of the said Glenn H. Curtiss, deceased;

H. R. 12769. An act to provide an additional authorization for the acquisition of land in the vicinity of Camp Bullis,

Tex.;

H. R. 13026. An act to amend chapter 231 of the act of May 22, 1896 (29 Stat. 133, sec. 546, title 34, U. S. C.);

H. R. 14321. An act to authorize the Secretary of the Treasury in his discretion to acquire a new site in Huntsville, Ala., and to construct a building thereon for the accommodation of the courts, post office, and other Government offices:

H.R. 14460. An act to extend the times for commencing and completing the construction of a bridge across the Mississippi River at or near Baton Rouge, La.;

H. R. 14480. An act to extend the times for commencing and completing the reconstruction of a railroad bridge across the Little River at or near Morris Ferry, Ark.;

H.R. 14489. An act relating to the construction of a Federal building at Mangum, Okla.;

H. R. 14500. An act to extend the time for completing the construction of a bridge across the Missouri River at or near Kansas City, Kans.;

H. R. 14584. An act granting the consent of Congress to the Board of County Commissioners of Allegheny County, Pa., to construct, maintain, and operate a bridge across the Allegheny River between the city of Pittsburgh and the township of O'Hara and the borough of Sharpsburg, Pa.;

H.R. 14586. An act to extend the times for commencing and completing the construction of a bridge across the

Missouri River at or near Culbertson, Mont .;

H. R. 14589. An act to extend the times for commencing and completing the construction of a bridge across the Mississippi River at or near Tenth Street in Bettendorf, Iowa;

H. R. 14601. An act to extend the times for commencing and completing the construction of a bridge across the Mississippi River between New Orleans and Gretna, La., and

H. R. 14602. An act to revive and reenact the act entitled "An act granting the consent of Congress to the Highway Department of the State of Alabama to construct a bridge across Elk River between Lauderdale and Limestone Counties, Ala.," approved February 16, 1928.

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the

House is requested:

S. 5625. An act authorizing an appropriation to provide for the completion of the George Rogers Clark Memorial at Vincennes, Ind.

STATE OF IDAHO

Mr. McSWAIN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table, House Joint Resolution 138, for the relief of the State of Idaho, and for other purposes, and disagree to the Senate amendments.

The Clerk read the title of the joint resolution.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

The Senate amendments were disagreed to.

FARM-MORTGAGE RELIEF

Mr. WOODRUM. Mr. Speaker, I ask unanimous consent that the gentleman from Virginia [Mr. Flood] be permitted to extend his own remarks in the Record.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. FLOOD. Mr. Speaker, ladies and gentlemen of the House, I regret that it now seems this session will end without the passage of legislation relieving the farm-mortgage situation. In conjunction with a number of the Members of the House, I have given considerable thought to this question. This is a matter of vital importance not only to the farmers but to the Nation as a whole.

More than half of the farms of the country are mortgaged and more than half the owners of these farms are unable to pay the interest on their loans. Farms are being sold by forced sales on a market with little or no demand. As a result, both the mortgagor and the mortgagee are losing, and the price of land is being rapidly depressed to unheard of levels. The farmers are losing their farms to purchasers who do not want them and have no profitable use to make of them, but who are forced to buy to protect their loans.

The situation has become so acute in some of the Western States that farmers are banding themselves together in open defiance of the law to prevent the sale of their lands and property, and so pitiful is their situation that their action is rather praised than criticized by the press and people of the country. Surely no better evidence should be needed to convince Congress of the urgent need of immediate relief.

Not only are the owners of these farms suffering acutely but the very foundation of our most conservative investment is crumbling. I refer to the billions of dollars invested by insurance companies and trust funds in mortgages and mortgage bonds. Nothing could be more calamitous to the Nation than the failure of the great insurance companies and the distress and loss of confidence which would follow in the wake of such failure.

The last Congress made an appropriation which enabled the Federal land banks to extend payments to their members. When the present Congress convened, we were besieged with requests to give similar help to the joint-stock land banks. It was apparent that such help could not in justice be given to privately owned and controlled institutions. The help we should give to relieve the farm-mortgage situation should apply to all classes of farm mortgages, whether the mortgagee be a Federal land bank, a joint-stock land bank, a private banking institution, or an individual. Furthermore, this help should be given directly to the mortgager and not the mortgagee.

Congress should make a substantial appropriation designating some existing agency and authorizing it to refinance farm mortgages at a low rate of interest on a long-term loan. The act should either provide for a guaranty of the bonds to be issued by the agency or for an appropriation sufficient to guarantee them, thus permitting the bonds to be sold at a low rate of interest which could be passed on to the borrower. The farmer should be given the benefit of any reduction in the mortgage at the time that it is taken over from the original mortgagee. For instance, suppose the mortgage was originally for \$10,000, that the representative of the Government agency believed the property was at the time of his inspection security for only \$7,500, and that the mortgagee was willing to let the Government agency take it over at that amount, the farmer would be given the benefit of the difference, and would execute his mortgage to the agency established by the Government for only \$7,500 and pay on this loan interest at a rate much lower than he is now required to pay, the loan to be made for a sufficient length of time with amortization payments in small amounts each year.

DIRECT VOTE ON PROHIBITION REPEAL

The Constitution of the United States provides two methods, and only two, by which a resolution passed by Congress and submitted to the States for ratification may be ratified, to-wit, by the legislatures or conventions of the several States.

Undoubtedly there is a desire on the part of the American people to cast a direct vote on the resolution submitting the repeal of the eighteenth amendment to the several States. There is a method by which this direct vote could be given to the people and yet be constitutional.

Congress has provided in its resolution submitting the eighteenth amendment to the States that it shall be passed upon by conventions in those States. There is a mooted question as to whether Congress may further provide for calling such conventions and fixing the time, place, and mode of electing the delegates or whether this authority should be exercised by the legislatures of the several States.

this question, because the plan I have to suggest would apply to either mode of procedure.

The plan I have in mind is either by an act of Congress or an act of the legislature to provide for nominating conventions to be held in some designated political units of the State. The act might provide that political units holding nominating conventions should be the congressional districts of the State, or it might adopt smaller units-senatorial districts or districts which elect the members to the lower branch of the State legislature.

Whatever unit is adopted as a nominating unit would be directed to elect in its convention or mass meeting 2 nominees, 1 of whom would be for the repeal of the eighteenth amendment and 1 of whom would be opposed to the repeal of that amendment. The act would further provide that the names of these nominees be certified by the secretary of the nominating convention or mass meeting to the proper State election official and that such officials should direct the election officials of the State to prepare a ballot on which all of the names of the nominees favoring repeal of the eighteenth amendment be placed under a caption for repeal of that amendment and all the nominees opposed to the repeal of the eighteenth amendment be placed under a caption against repeal of that amendment. It will be seen that upon the ticket would then appear the names of 2 blocks of nominees of equal number, 1 block opposed to repeal and 1

An election would be provided for by the same act of Congress or the legislature, providing that all qualified voters would be permitted to vote, and further providing that said voters would, by either scratching the caption or the names of a sufficient number of nominees, elect delegates to a State convention. It is perfectly apparent that either one or the other set of nominees would be elected; and although there would be no legal manner by which these delegates could be compelled to vote either for or against repeal, nevertheless the question would be decided by the people at the election of the delegates and the convention when held would be a mere matter of formality, comparable to counting votes of the Electoral College for President.

Still another method of permitting the people to vote directly on repeal of the eighteenth amendment would be to change the foregoing plan as follows: Provide that after the nominations had been made by nominating conventions, as outlined above, the ticket in the political unit of the State selected should only carry the names of the nominees from that unit who would be elected, of course, by the qualified voters of that political unit.

This method would give a greater degree of discretion to the different political units of the State, and delegates to a convention would be elected, all of whom would not hold the same views on repeal of the eighteenth amendment. It may be assumed that under this plan the rural districts would possibly elect delegates opposed to repeal and city delegates who would be for repeal; but the people would still be expressing themselves by popular vote rather than be represented by delegates elected in mass meetings, who, in many instances, would not be truly representative of the people in that political unit. The support of the first or second plan outlined above would depend somewhat upon the view of whether, in passing upon a constitutional amendment, the vote should be so taken as to express the will of the State as a whole or to express the will of the political subdivisions of the State. Much might be said in support of both of these views, but suffice it to say that either method would insure the people the right to express themselves by direct ballot.

ARMS EMBARGO

A joint house resolution has been reported from the Foreign Affairs Committee of the House authorizing the President, acting in conjunction with such other arms-producing countries as he may think necessary, to declare an embargo on arms and munitions of war to any American country engaged in war or preparing for war. This is House Joint

It is not necessary, however, to enter into a discussion of | Resolution 580, and will, if adopted by Congress, go a long way in both stopping and preventing wars in the Central and South American countries. It is an extension of the authority the President now has to declare an embargo in case of internal strife in such countries.

The major arms-producing nations of the world are Great Britain, France, Sweden, Japan, and the United States. There are in all about 11 countries which produce arms. Nations at war, or preparing for war, must depend upon one or more of these producing nations to furnish the necessary arms. If this supply could be cut off in such an emergency, the war would of necessity stop, and, for that matter, never begin. The resolution should immediately be adopted and should be extended as soon as practicable to include all nations at war or preparing for war. It is one of the most constructive pieces of legislation ever suggested to insure peace in the Western Hemisphere.

THOMAS JEFFERSON AND PUBLIC EDUCATION

Mr. MILLIGAN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by incorporating a statement made by the superintendent of schools of my

Mr. RICH. Reserving the right to object, what is the length of this statement?

Mr. MILLIGAN. Only a couple of short pages.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. MILLIGAN. Mr. Speaker, the principles of public education advocated by Thomas Jefferson have, in my opinion, been the salvation of our Nation. Our public-school system has been within the reach of the humblest citizen.

Under permission of February 25, 1933, to extend my remarks in the RECORD, I wish to incorporate an article on this subject entitled "Thomas Jefferson and Public Education," written by the Hon. Charles A. Lee, State superintendent of schools for the State of Missouri.

The article is as follows:

THOMAS JEFFERSON AND PUBLIC EDUCATION

Thomas Jefferson was perhaps our first American statesman to ake "education by the State" a fundamental doctrine of our make "education by the State" a fundamental doctrine of our political belief. The old system of education was founded upon the premise that "education was primarily for the benefit of the individual." Accepting that doctrine we could not term individual." Accepting that doctrine, we could not tax everybody to secure funds to educate the masses. The new conception of education, which was proclaimed by Jefferson, is that all the people will tax themselves for the purpose of securing funds to educate all the children in order that the welfare of all may be preserved and perpetuated. This conception really means that the leaders of a democratic government should always consider first the problem of providing adequate educational facilities for all its

the problem of providing adequate educational facilities for all its citizens because the general welfare and perpetuity of the Nation depends upon the education of all its citizens.

With Jefferson liberty was a passion. It was the fundamental thought of his life. In all his writing and planning, "liberty for all "was his big objective. He advocated and worked for a system of education for all the children so that liberty might be gained, safeguarded, and preserved. Dealing with this thought in his autobiography we find the following sentence, "And the people, by the bill for a general education, would be qualified to understand their rights, to maintain them, and to exercise with intelligence their parts in self-government." And in a letter to Mr. Wythe, dated August 13, 1786, he wrote: "I think by far the most important bill in our whole code is that for the diffusion of knowlportant of in our whole code is that for the diffusion of knowledge among the people. No other sure foundation can be devised for the preservation of freedom and happiness." Jefferson, in proclaiming the new conception of public education, was indeed the builder of a state on a sure and lasting foundation.

Jefferson's program of education included: First, a system of

elementary schools all over the State within reach of all the chilelementary schools an over the State within reach of all the cinderen. Such schools were to be free and were to provide competent instruction in reading, writing, common arithmetic, and general geography. Second, a college within a day's ride of each home where would be taught ancient and modern languages, higher arithmetic, geography, and history. These institutions were to be maintained at public expense and students from among the near who should enthess of judgment and correct disposithe poor, who showed aptness of judgment and correct disposi-tion, were to be selected. Third, a university in which should be taught all the sciences in their higher degree. It was not until toward the end of his life that he saw the realization of the third part of his program.

If the maintenance and perpetuity of our Nation depend upon an educated electorate as taught by Jefferson, why should we not, during this critical period, do everything possible to see that public education is carried on in an efficient manner? Let us

again emphasize the fact that the future of our Nation depends upon the education of all its citizens. Yes, it will cost money to provide adequate educational facilities for all the children; but, in the words of Jefferson, "the tax which will be paid for this purpose is not more than the thousandth part of what will be paid if we leave the people in ignorance."

In view of the fact that the new conception of public education, which makes it the duty of the State to provide adequate educational facilities for all its youth, was first proclaimed by Jefferson, may I suggest that each school district in this State, by appropriate exercises, honor this great statesman on the anniversary of his birth, Thursday, April 13, next. again emphasize the fact that the future of our Nation depends |

GRAZING ON THE FOREST RESERVES

Mr. TAYLOR of Colorado. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the subject of grazing fees in the national forests.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

Mr. TAYLOR of Colorado. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following statement made by myself before the subcommittee of the Committee on Agriculture, January 27 and February 1, 1933:

Mr. TAYLOR. Mr. Chairman and gentlemen, I thank you very much for the courtesy of letting me come before you this morning. My congressional district is the western half of Colorado, 24 large counties. I have lived in that district nearly 52 years. We have 14 national forests in Colorado, containing over 13,000,000 acres of public land, and about 10,000,000 acres of those forest reserves are in my congressional district, and there are also about 6,000,000 acres of public domain outside of the forest reserves in my district.

6,000,000 acres of public domain outside of the forest reserves in my district.

I lived there many years before there were any forest reserves, and I have been an honorary member of some of our stockmen's associations for many years.

I have not come here to make any complaints against the Forest Service. As a matter of fact, I have been trying very hard to put several hundred thousands of acres of that public domain in my district into the forest reserve, for the purpose of systematizing, regulating, allotting, and apportioning the use of the public domain.

We have had many sheep and cattle wars and conflicts in former years in that country and a great deal of overgrazing.

On the public domain, outside of the forest reserve, there is absolutely no supervision, control, or regulation whatever. There is no charge; the grazing is free, and anybody who can get it

Consequently we have many migratory, roving, nomadic herds of sheep on those public lands. The owners of them usually hire a Basque, or a Mexican, or a Greek, to herd the sheep, and he and the dog go out with them.

and the dog go out with them.

They pay practically no attention to the rights of other people. They destroy the range for local residents, tramp out our side-hill roads, pay little or no taxes, and are a nuisance to the country. We want some systematized regulation of the use of those public lands, and for that reason I have been trying to have parts of it put into the forest reserve.

The stockmen are perfectly willing to pay a reasonable fee for a definite tract of land and for protection in its use if they know definitely that they can have a renewal of the right from year to year. It stabilizes the industry, which is not at all stabilized on the open public domain.

So the Forest Service is doing a great deal of good in that way and in many other ways. But I think that allotment and control of the range is the greatest item of benefits.

But, gentlemen, the conditions of the stock business now are entirely different from what they have ever been before at any time. It is absurd to talk about a 10-year program when we are going through times like this. It is a condition and not a theory that confronts us.

When sheep were worth \$15 or \$18 a head, and now they are

that confronts us.

When sheep were worth \$15 or \$18 a head, and now they are down as low as a dollar or two a head, it is absolutely impossible for stockmen to pay much for their feed.

This is not a criticism of these officials from the Forest Service; it is simply a question as to whether or not we are going to permit these stockmen to continue in business.

Our cattlemen and sheepmen are nearly all broke, and the banks who have tried to finance them are broke. There are several counties in my district which have no banks left.

The stockmen are in a desperate condition, and they can not

are the stockmen are in a desperate condition, and they can not pay the fees they paid during good times.

Secretary Hyde says it is only a trifling amount, merely an insignificant item. That is almost insulting to our people. These fees are not a trifling sum to the stockmen. It is a part of their capital investment at this time and they are going broke all over the West.

There is approximately a million dollars involved. If it were paid they say practically one-third of it would go back to the States, part of it for roads and part of it for schools, and that those counties seriously need those fees for our schools. Well,

permit me to say those officials need not shed any crocodile tears over our schools or roads.

I represent the roads and schools of those 24 counties of west-ern Colorado the same as I represent the cattlemen and sheepmen. We are not only willing but very anxious to take a cut on those fees and save the stock industry of our State. That is practically what it amounts to.

It affects you Members of the House from back in the Central States. You buy these feeders from us and you do not want us put out of business. We are making an appeal to you not only

put out of business. We are making an appeal to you not only for fairness but for our existence.

Let me take up the arguments that have been repeatedly made by Secretary Hyde. These are the regular stock arguments that are made every time this question of grazing fees comes up.

They have usually about seven stock arguments each time they raise the fees and the same number they use against any reduction of fees. I will take them up in their regular order as they appear in Secretary Hyde's letter of December 16, 1932, to Senator ROBERT D. CAREY. The leader, the main objection No. 1, is—

"The fees charged for national forest range are materially below the prices paid by stockmen for private land comparable to forest range."

The absurdity of that is that there absolutely is no "private

below the prices paid by stockmen for private land comparable to forest range."

The absurdity of that is that there absolutely is no "private land comparable to forest range." in our country for our millions of sheep and cattle to graze on in the summer time. There is not enough privately owned land in Colorado available for the grazing of cattle and sheep in the summer time to take care of 5 per cent of the stock that graze in our State every summer. In fact, practically speaking, we do not have privately owned lands in Colorado for range stock to graze on during the summer time. Private lands that have an irrigation water right are used for farming purposes, and if they have no water right they would not be worth much for pasturage purposes.

But let me tell you the difference. Supposing we admit for the sake of the argument that there was some possibility of having privately owned, fenced, and watered grazing land. If we had any lands of that kind, they would be worth fully three times as much as the forest reserve is, and I will tell you why.

The forest reserves are mostly in the higher altitudes, in rough, wide-open, broken, mountainous, and usually timbered or brushy country. Much of it is also above timber line—that means over 2 miles high.

country. Mu 2 miles high.

First. By actual experiment the number of calves produced by cows within the inclosures is 25 per cent more than on the forest reserves. No matter how many bulls are furnished there are always a large per cent of the cows that are barren among cattle grazed in forest reserves. That loss of calf crop is a very large

and serious loss.

Second. The predatory wild animals in our country destroy an enormous number of calves, sheep, and many grown cattle every year. The loss from predatory wild animals is always enormous in the forest reserves; that does not occur in pastures.

The national forests are the natural breeding grounds of wild animals. The mountain lions, the gray wolves, the coyotes, the bear, and the wildcats, called "bobcats," all have their breeding grounds in the forest reserve of our country. They multiply and thrive upon the cattle and sheep unmolested. They are not killed off or much interferred with.

In the report Secretary Hyde made to this committee on March 29, 1930, he stated that the losses to stockmen by predatory wild animals on the forest reserve amounted to from twenty to thirty million dollars a year. You will find that report in the hearings before this Committee on Agriculture of April 29 and 30 and May 1, 1930, on H. R. 9599.

before this Committee on Agriculture of April 29 and 30 and May 1, 1930, on H. R. 9599.

Mr. ADKINS. What does that bill provide for?

Mr. TAYLOR of Colorado. It was a bill by Congressman Leavitr asking for an appropriation or authorization for the extermination of these predatory wild animals, and your committee refused to favor the bill.

When the stock are in an inclosure, or in a pasture, these wild animals do not go in there. There is comparatively little loss of this kind on the privately owned lands.

Third. In many of the forest reserves there is an enormous amount of poison weed and the loss of stock from that cause is simply appalling. While that same loss occurs out on the public domain to a certain extent, there is very little loss of that kind in private pastures.

private pastures.

Fourth. There is always a large number of stock lost somehow every year on the forest reserve. They are out where there is no-body to protect them. Some are stolen, some killed for meat, some die for lack of any attention that would be saved in an inclosure. They just are not found in the fall round-up. Practically speaking, none of those losses occurs in pastures or on inclosed privately owned land.

I am referring to these four different kinds of losses to show you the differences between turning cattle and sheep out on the wild mountainous forest reserves and turning them into a privately owned and fenced pasture.

Practically all of those losses do not occur when the stock are in an inclosure.

in an inclosure.

The Secretary's second objection to any reduction of fees for

this year is—
"Compliance with the request for a 50 per cent reduction would deprive the Treasury of approximately \$1,000,000."
Well, what of it? Congress is "depriving" the Federal Treasury of a great many billions of dollars for relief operations of a thou-

sand different kinds, and there is mighty little of it that ever comes to the stockmen of the West. Theoretically, we can get some; but practically very few are getting any. It goes to the big banks and big railroads and big insurance companies and other big instructions, while the little fellows are being foreclosed on and ruined. on and ruined.

on and ruined.

I feel that Uncle Sam can well afford to forego collecting this million dollars during these tragically desperate times and thereby preserve from ruination this great livestock industry throughout that country and thereby benefit not only the stockmen but every human being in the United States.

The Secretary's third objection is—

"A reduction in national-forest receipts means a reduction in the amount that goes to the counties for road and school purposes."

My answer is the schools and roads would both be greatly benefited by the adoption of my bill and the reduction of these

fees. In those counties that would get the most of those fees the growing of cattle and sheep is their principal industry. At this time that industry is threatened with disaster.

Local school taxes assessed against livestock produce a revenue for school purposes far in excess of that derived from forest fees, and anything that benefits the livestock industry would greatly benefit our schools. There are about 14,000,000 acres of forest reserve in Colorado and about eight or ten million acres outside the forest reserve, and I represent the most of it, and I speak for those people.

orest reserve, and I represent the most of it, and I speak for those people.

The Secretary's fourth objection is—
"The department has endeavored to establish a stable grazing fee over a 10-year period which would not be subject to fluctuations due to economic changes."

There is nothing that is not subject to "fluctuation" during the days that we are going through now. How can he or anybody fix a hard and fast rule for 10 years that covers this appalling period of desperate destitution and utter financial ruin everywhere? Whether the Secretary realizes these conditions or not period of desperate destitution and utter financial ruin every-where? Whether the Secretary realizes these conditions or not, Congress should and does every day; and we have got to legislate for the welfare of these conditions as they are now and not try to enforce any stabilized rule that was adopted before the panic and say that we shall hew to that line and demand our pound of flesh and crush those bankrunt stockmen to get these fees

and say that we shall hew to that line and demand our pound of flesh and crush those bankrupt stockmen to get these fees.

The Secretary's fifth objection is—

"It is granted that livestock producers, as all others, are in a distressed financial condition, but the department can not assume the responsibility of financial relief."

In other words, the Department of Agriculture did not cause this "distressed financial condition," therefore the Secretary will not grant any relief. I submit that is a "fine" argument for a Cabinet official to make to 26,000 stockmen—permittees—and their families and creditors. families and creditors.

He says further:

"That is a province of the Reconstruction Finance Corporation and other financial institutions set up by the Federal Govern-

ment."
That is a typical sample of bureaucratic passing the buck.
I have not the record here, but I would bet something that there is not one out of a hundred of these stockmen that ever had or ever can get any relief from that Reconstruction Finance Corporation for this year's grazing fees.
The Secretary's sixth objection is—
"The relief requested, if granted, would benefit only a small percentage of the producers affected."
The forest-reserve stockmen of the West are from a thousand to fifteen hundred miles from the markets.
The freight rates are about the highest of any place on God's green earth.

green earth.

When we ship to Chicago, or even to Kansas City or Omaha, we pay a freight rate that in many cases practically takes not only all the profits but the stock itself and leaves the owner nothing.

the profits but the stock itself and leaves the owner nothing. But because relief can not be given to all stockmen is no reason why these people should have none.

The great mass of stockmen throughout the United States are near the markets and know nothing about the ruinous handicap of freight rates and losses in long shipping.

The main range of the Rocky Mountains, the backbone of this continent, runs north and south through the center of Colorado. The western half of my State slopes to the Pacific Ocean and the eastern half slopes to the Atlantic. I represent 20 counties on the Pacific slope and 4 counties on the Atlantic slope, about one-half of the State. We have only one railroad running through Colorado east and west, and the stockmen must patronize that road that has an absolute monopoly, and I will not go into any details but will say that you gentlemen whose constituents live near a market and have competitive railroad facilities do not realize what a and have competitive railroad facilities do not realize what a blessing you have.

THE FOREST-RESERVE SITUATION IN CONGRESS

I would like to digress a moment to call the attention of the committee to a situation that confronts us western Members of Congress, who represent the 12 Western States, that contain practically all of the remaining public domain and the forest reserves. On the 1st day of last July there were 173,318,246 acres of public domain remaining throughout the entire United States, and on the same date there were 140,016,409 acres in the 148 national forest reserves throughout the United States. When I came to Congress in March, 1909, Mr. Hawler, of Oregon, and Mr. Howell, of Utah, were members of this Committee on Agriculture, and they were ere members of this Committee on Agriculture, and they were

the only Members from the West upon the committee. Mr. Howell remained on the committee for one or two terms, when he was retired to private life. Mr. Hawley remained on the committee until about 1917, when he went onto the Ways and Means Committee. And from that day to this, for the past 15 years, I do not recall that any State in which there is a forest reserve, throughout the entire West, has ever had on this great committee of 21 members (the third most important committee in the House) any Member whatever in either party from any one of those States. During all of these years about one-third of the entire membership of the Senate Committee on Agriculture have been Senators from those Western States. The members of this Agricultural Committee of the House, during all of the past 24 years, have been high-class men and it is a wonderful committee.

But, with all due respect, I trust you will all realize that it is exceedingly difficult to explain as intricate a matter as the forest reserves and the use of them by the stockmen presents to men who have no personal knowledge and whose constituents have no direct interest in these forest reserves. There are a hundred angles to the matter of the use of the forest reserves that nobody who does not live in that country and have personal knowledge of the conditions and the people can ever fully appreciate. Not only on account of the forest reserves, but on account of the agricultural interests and problems that are peculiar to the arid West and to the conditions involved in irrigating our lands, the people of the West can never understand why (and they have always resented the fact) that they have no individual representation on this committee.

I certainly do hope that when the committees of the Seventy-third Congress are organized, that each party may have at least one man upon this committee from some one of those 12 great Western States.

The Secretary's seventh and last objection is—

"The Payment of grazing fees to the Federal Government should the only Members from the West upon the committee. Mr. Howell

The Secretary's seventh and last objection is—
"The payment of grazing fees to the Federal Government should be considered in the same light as the payment of similar charges to private individuals."

Even if we put it on that basis, the stockmen are entitled to and have got to have a moratorium on these grazing fees, but much further and more favorable consideration than that if that industry is to survive and if the American people are to continue to eat beef and mutton at a reasonable figure.

If the universal bankruptcy bill becomes a law, I fear nearly all

beef and mutton at a reasonable figure.

If the universal bankruptcy bill becomes a law, I fear nearly all the surviving cattle and sheep men will have to avail themselves of its provisions. But all we are asking for is that we be given merely what the Secretary calls this "trifling amount of relief."

Instead of utterly ignoring existing conditions and compelling these stockmen to pay the high rates that are the culmination of all these 25 per cent annual increases during the several years of good times and high prices, beginning over a period which began the year before the slump came, I appeal to the common sense and honest judgment of you gentlemen on this committee that that position of the Secretary of Agriculture is not only utterly unfair and unjust but it is an unwarranted disregard of the imperative necessities of those stockmen.

The Secretary also says, "While it is expected that the users of national forest range will meet their obligations." What right has he to expect those people to comply with an unconscionable or ruinous obligation that was imposed upon them several years ago during flush times? Congress should not tolerate that kind of an attitude. Uncle Sam is not dealing that way with a lot of other much less deserving people.

He goes on to say, "Assurance has been given that no deserving applicant will be refused a permit next year because of his inability to pay the amount due." Those stockmen can not pay taxes, feed bills, and borrow money to keep going on that kind of visionary, mythical, and hypothetical promises. The range stock business of the West can not be stabilized on "assurance" of sympathetic consideration. That attitude is no foundation for the stock business. My impression is that the present and past letters and objections of the Secretary are not at all encouraging of favorable consideration.

If he really contemplates "extension of credits," this would be

of favorable consideration.

If he really contemplates "extension of credits," this would be a good time to do so.

The concluding sentence of the Secretary's letter of December 16, from which I have been quoting, is—

"A full consideration of these and other facts, which I shall be glad to present on request, should enable Congress to indicate its desires."

He invites Congress to indicate its desires. In pursuance of that statement I am very earnestly asking you gentlemen of the Agricultural Committee to indicate your judgment as to whether or not the stockmen of the West are entitled to this relief; and if so, I appeal to you to so indicate to Secretary Hyde.

That is the reason I introduced this House Resolution No. 305

on December 5, the opening day of this session of Congress, and which reads as follows:

"Resolved, That the Secretary of Agriculture is requested to fix the fees to be charged during the year 1933 for the grazing of cattle and sheep on land within the boundaries of national forests at not more than 50 per cent of the fees charged during the year 1921." year 1931."

One of the basic and most serious features about this entire One of the basic and most serious features about this entire matter is that the present scale of charges by the Government for grazing on the national forests was based on the highest price levels ever known long before the commencement of this depression, and it was expressly stated at that time that those price levels were fixed "under conditions now existing." That was in 1927. In his decision and order of January 25, 1927, for enforcement of said scale of charges, the Secretary of Agriculture did give assurance that these charges would be revised for the 10-year period beginning in 1935, "should there be a material change in conditions existing now which affect the elements entering into an equitable determination of fair compensation for grazing on retional forests."

national forests."

The Secretary has recognized the very great change that already has come about by granting a temporary reduction for the year 1932, and there is no reason or occasion for waiting until 1935 to bring into effect "the method proposed by Mr. Casement of relating grazing fees to the current market value of livestock," for the reason that it is apparent to all that revolutionary change

is already upon us.

for the reason that it is apparent to all that revolutionary change is already upon us.

In view of that situation, and for those reasons, the stockmen now have a perfect right and are thoroughly justified and warranted in appealing to the Secretary of Agriculture; and if he refuses to recognize their rights, they are eminently justified in appealing to Congress to consider the present situation in connection with the terms of the decision of 1927, and to have inaugurated such steps as may be needed to permit within this year the announcement of a new scale of grazing fees in accordance with conditions as they are and with the original policy of the Government as announced in 1905.

Of course, all of we Members of Congress are thoroughly, and I might say almost painfully, cognizant of the fact that all of these Washington bureaus, including the Forest Service, grew like a mushroom during the heyday of flush times, and now it is looked upon here in Washington as almost cold-blooded murder to try to in any way reduce the personnel, the salaries, the activities, or the appropriations in any way for those bureaus as they were flourishing in their heyday of prosperity prior to the slump in October, 1929. Notwithstanding this very serious condition, the Federal Government itself is dealing with the stockmen of the West in this matter, and those stockmen are on the verge of ruination, and we are appealing for their very existence; and the continuance of that industry, which has been built up by 50 years of hard work, is of vital importance to the entire West, and of very great importance to our entire country.

And we feel that there is no comparison whatever between the grazing upon the open mountainous forest reserves and on private land. We gave the reasons to the committee very fully

the grazing upon the open mountainous forest reserves and on private land. We gave the reasons to the committee very fully the other day. Now, so far as trying to enforce a yardstick set up in 1927 for a period of 10 years, in view of economic changing conditions, such as we have at the present time, why, that is utterly beyond reason. There is not a business in the United States but what has had to take that condition into consideration at the present time, and to make very great reductions

accordingly.

accordingly.

Mr. Adrins. But do you not think it is a proper yardstick, or one could be established, when we learn from these gentlemen that there are a lot of people who are ready to take this forest grazing over at the proposed fees?

Mr. Taylor. Let me tell you about that: The people who would take the place and supplant the local taxpaying, old residents who have built up that country, about 90 per cent of them would come from outside of the State or from some other place. They would not be the permanent home citizens who pay the taxes and maintain our schools. The fee that we get from this source for our school system is of small concern compared with the welfare of the stock industry. It would be the ruination of our substantial resident taxpayers, voting citizens of the State. That would be the effect of supplanting these people by competitive bidding. We had at one time about 15,000 sheep in my district that came from Oregon. We emphatically resent being driven out of the country we have settled and built up because of the present business conditions under which these people are unable to pay their taxes and are unable to meet these high good-time grazing fees. The stockmen absolutely can not pay the high fees now that they could and did pay during good times and high prices of beef and mutton.

Mr. Chairman, as a member of the House Appropriations Combeef and mutton.

Mr. Chairman, as a member of the House Appropriations Com-

Mr. Chairman, as a member of the House Appropriations Committee, it is our duty in making our appropriations to keep a vigilant check on the receipts and expenditures of the departments, bureaus, and various activities of the Government, and I think it would be informative to the committee to have a few figures that I have rather hastily compiled concerning the Forest Service. There may possibly be some minor discrepancies, but I am confident they are substantially correct, as follows:

Expenditures and appropriations

	Expendi- tures, 1932	Appropria- tions, 1933 ¹	House bill 1934 ²
Total expenditure, appropriation, or estimate Above figures include:	\$35, 341, 630	\$32, 042, 470	\$16, 358, 439
For protection from fire, insects, and tree diseases. For construction and maintenance of im-	7, 234, 173	4, 183, 173	3, 060, 000
provements, telephone lines, etc.; roads, trails.	18, 743, 923	20, 291, 640	5, 879, 484

¹ Legislative furlough deductions not included in these figures. First 2 figures include \$1,000,000 fire deficiency appropriation which is included in deficiency bill recently vetoed by President.
² Legislative furlough deduction not included in these figures. No estimate for fire-fighting deficiency included for 1934.

Receipts

	1930	1931	1932	One-half year 1933
Use of timber	\$4, 389, 893 1, 942, 914 418, 746	\$2, 607, 618 1, 960, 642 425, 060	\$1, 049, 108 829, 960 415, 180	\$427, 097 549, 307 106, 891
Total	6, 751, 553	4, 993, 320	2, 294, 248	1, 083, 295
Disposition: To States To Forest Service for road construction To Arizona and New Mexico. To miscellaneous receipts	1, 677, 559 671, 024 41, 316 4, 361, 654	1, 240, 609 496, 244 30, 884 3, 225, 583	568, 257 227, 303 21, 221 1, 477, 467	
Total	6, 751, 553	4, 993, 320	2, 294, 248	

Permanent personnel

	1932		1933 estimate		1934 estimate	
	Num- ber	Salaries paid	Num- ber	Salaries	Num- ber	Salaries
FieldWashington	2, 578 199	\$6, 274, 340 500, 702	2, 528 197	\$5, 633, 803 453, 640	2, 382 197	\$5, 312, 555 453, 640
Total	2,777	6, 775, 042	2,725	6, 087, 443	2, 579	5, 766, 195

Grazing receipts on the national forests, by States and amounts returned to States, fiscal year 1932

[Source: U. S. Forest Service]

State	National forest graz- ing re- ceipts	Amounts returned to States (25 per cent)	Road and trail fund (10 per cent)	Balance returned to general fund Federal Treasury
Colorado	\$156, 658, 35	\$39, 164, 59	\$15, 665, 83	\$101, 829, 93
Idaho	107, 342, 82	26, 835, 70	10, 734, 28	69, 772, 84
Wyoming		23, 394, 06	9, 357, 62	60, 824, 56
Utah		20, 510, 30	8, 204, 12	53, 326, 77
Arizona	80, 295, 95	1 26, 017. 82	2 7, 237. 08	47, 041, 05
California	72, 011, 43	18, 002, 86	7, 201. 14	46, 807, 43
Oregon	69, 980, 34	17, 495, 08	6, 998. 03	45, 487, 23
Montana	57, 364, 92	14, 341. 23	5, 736. 49	37, 287. 20
New Mexico	49, 822, 35	1 12, 608. 79	2 4, 961. 81	32, 251. 75
Nevada	40, 093. 73	10, 023, 43	4, 009. 37	26, 060, 93
Washington	7, 928. 37	1, 982, 09	792.84	5, 153. 44
South Dakota	5, 446, 63	1, 361. 66	544. 66	3, 540. 31
Nebraska	4, 277. 19	1,069.30	427. 72	2, 780. 17
Florida	908, 38 620, 92	227. 09 155, 23	90.84	590. 45 403. 60
ArkansasVirginia		99, 11	39. 64	257, 68
Oklahoma	333. 92	83, 48	33, 39	217.05
West Virginia	321, 42	80. 35	32. 14	208. 93
North Carolina	166, 00	41. 50	16, 60	107. 90
New Hampshire	148, 15	37.04	14.81	96.30
Tennessee	85, 28	21. 32	8, 53	55, 43
Georgia		15, 08	6.03	39, 20
Pennsylvania		10.00	4.00	26. 01
South Carolina	15, 21	3. 80	1.52	9. 89
Alabama		3.64	1.45	9. 46
Maine	10.03	2. 51	1.00	6. 52
Total	829, 960. 12	213, 587. 06	82, 183. 03	534, 190. 03

1 Includes \$7,925.11 paid to Arizona and \$204.27 paid to New Mexico under act of June 20, 1910.

10 per cent based upon receipts after deducting amounts paid to Arizona and New Mexico under act of June 20, 1910.

Mexico under act of June 20, 1910.

I have a great many resolutions, letters, and telegrams from stockgrowers' associations, boards of county commissioners, chambers of commerce, and other representative bodies of our citizens, very earnestly urging the passage of this resolution. I will not insert them in the record because I have endeavored in my remarks to give the substance of their expressions. But I feel I should mention a very able set of resolutions by the Western Slope Cattle Growers' Association of Colorado, the Colorado Wool Growers' Association, the Western Colorado Cattle Growers' Association, and resolutions by the Grand Mesa Livestock Association; also resolutions by the Rio Blanco Farmers and Stockgrowers' Association. I have here a copy of a forceful and unanswerable statement of this situation in the form of a letter from Dr. I. L. Gotthelf, of Saguache, Colo., to Senator Robert D. Carry. I also have telegrams from the chambers of commerce of both Montezuma and Dolores Counties, Colo., and a great many others.

Mr. Hope. Mr. Taylor, your resolution merely requests that the

Mr. Hope. Mr. Taylor, your resolution merely requests that the Secretary of Agriculture fix the fees to be charged during the year 1933 at not more than 50 per cent of that charged in 1931. Is it your idea that this will meet the situation? Will the Secretary do that?

Mr. Taylor. Mr. Hope, he says in this letter—
"A full consideration of these and other facts which I shall be glad to present on request should enable Congress to indicate its desire."

Now, my resolution does not force him to do so, but by this letter he is saying to you that he is inviting Congress to indicate its desire in the matter. In other words, he apparently desires to have you gentlemen to assume the responsibility of walving these fees to this extent for this year. That is my impression and I am asking the approval of this resolution in order to get an expression of the will of Congress.

My resolution requests the Secretary to fix the fees at not more than 50 per cent, during the year 1933, of those charged during the year 1931.

Mr. Hope. I wanted your opinion as to make the secretary to the second control of the second control of the year 1931.

the year 1931

Mr. Hope. I wanted your opinion as to whether you think that would be sufficient to take care of the situation or whether you think some other action should be taken?

Mr. Taylor. Oh, yes; I am confident the Senate will pass Senator Carey's resolution like mine, and I think that if the House of Representatives should pass my resolution that Mr. Hyde will grant this relief. I think that he will then feel that he has the backing of those responsible for the Budget, since the Budget must come to Congress. We hold the purse strings. I feel that he will do that. And I think that I can say this, without fear of contradiction, that I believe that the President of the United States will not, in the slightest way, oppose this, out of consideration of the stock-raising interests of the West. I feel that if Congress expresses an opinion that the stockmen are entitled to the same waiver of 50 per cent that they had last year, when conditions were not as bad as they are now, I believe that the President will approve it.

approve it.
Mr. Flannagan. What time in the year can the cattle and sheep

Mr. Flannadan. What time in the year can the cattle and sheep men graze this land?

Mr. Tayloz. Oh, that all depends on the altitude of the range. They start in the lower altitudes early in the spring. The lowest altitude in my district is over 4,000 feet, and it ranges from that elevation on up to over 14,000 feet. As everybody knows, Colorado is by actual geological survey by far the highest State in the Union. Colorado is the crest of this continent. There is a chain of crystal peaks 300 miles long extending through the center of the Centenniel State from Wyoming to New Mexico. the Centennial State from Wyoming to New Mexico.

In the entire United States there are only 64 mountain peaks over 14,000 feet high. One in the State of Washington, 13 in the State of California, and 50 in the State of Colorado; and about 45 of those are in my district. I have the distinction of representing the top of the world; my congressional district is the highest district in the United States. The snow gradually melts off in the spring, starting in April and on until in the summer.

Mr. FLANNAGAN. Beginning in your lowest altitude, about when

does grazing start?

Mr. Taylor, Oh, in the lower altitudes they begin in March—on the lower lands, the public domains, outside of the forest reserve. But they do not enter the forest reserves until usually around the 1st of May. These gentlemen from the Forestry Service can give the exact data on that. The stock gradually graze up, getting farther and farther upward, and they do not get to the highest altitudes until about June. The grazing season is usually from May to September. It is a summer-time season.

The sheep go up higher than the cattle. A large part of this land is above timber line. Timber, as you know, in this section does not grow above about 11,000 feet; sheep go up above that some; cattle seldom graze above timber line, because the flies and gnats are terrible up there during the summer—worse than they are down lower. But sheep can go up and graze over that land above timber line. If that high and very rocky land were not grazed it would go to waste. The grazing of the forest reserves prevents fires which would cause the destruction of these forests televist the timber line.

prevents fires which would cause the destruction of these forests below the timber line. It is therefore a benefit for the whole country to have this grass eaten out in all the forests of the West, both in the timber and above the timber line, and that is done with sheep and cattle every year.

Now, gentlemen, if there are any other questions the members of the committee or the representatives from the forest reserve desire to ask me concerning the practical operation or commonsense view of this matter, I shall be glad to answer you, because I know those stockmen and their problems. I have lived among them all my life. My father was a cattleman all his life, and I was a cowboy during my boyhood days.

was a cowboy during my boyhood days.

There are a lot of nonresident sheepmen who would be glad to come in there and take over the land and put 5,000 head of sheep on it with one herder, or 10,000 sheep under one man—people who would come in from some of the other States that would come in there and pay no taxes and eat us out of house and home. They there and pay no taxes and eat us out of house and home. They can afford to pay more for that land than the local people that pay the taxes to support the local government, school system, and build up the country, our bona fide residents. So in that way, if you want to commercialize it, if you want to drive out the citizens who have built up that country, drive them out of business and let the nonresidents come in there and pay nothing and have no responsibility, because, no matter where they go, they pay nothing; they pay no taxes there and they pay none elsewhere; it is possible for them to pay a higher fee. But these people do not offer to pay more than the local people. They are the kind of people that will come in there and take the land away from the local people who are developing the country, paying high taxes to maintain their schools, and they can not afford to pay more.

If during the heyday of our flush times in 1927 and before the slump of October, 1929, you had adopted a definite scale of living and a scale of expenses and determined the number of employees and a scale of expenses and determined the number of employees and the amount that you were going to spend during each year, all of that 10-year period, you would now have to cut down all that expense and personnel, would you not? This scale of forest-reserve fees was fixed back in the good times; and this bureau, like every other bureau, has grown like a mushroom, and they have built up an enormous personnel and are spending many millions of dollars each year, and they decline to make any reduction whatever.

When that scale of fees was made, the language was expressly put in there that these grazing fees were subject to adjustment according to conditions prevailing and prices of stock, and officials have no right now to repudiate that agreement or deny that provision specifically authorizing this scale down. Neither the Secretary nor this committee can in justice or good faith ignore that adjustment provision.

I would like permission to revise and to correct my remarks.

Mr. Doxey. Yes.

Mr. Taylor. I do not care to take up the time of the committee Mr. Taylos. I do not care to take up the time of the committee any more. In view of the stubborn opposition to this resolution, I feel warranted in saying that the Forest Service activities have been enormously increased and enlarged in recent years. When that bureau was established it was promised to be self-sustaining, but since that time it has developed marvelously and is now spending every year many millions of dollars, and it seems to the stockmen and to me that it has become top-heavy both with employees and expenses. The stockmen feel that in these desperate times that bureau should be willing to make a very substantial ployees and expenses. The stockmen real that in these desperate times that bureau should be willing to make a very substantial reduction in both its expenses and operating machinery.

On the 30th day of January of this year the total Federal pay roll of our Government was as follows:

Number of persons: Civilians _ 731,000 Military Total ____ 1,023,000 Total Federal pay roll:

Total Federal pay roll..... __ 1,316,000,000 fast as possible.

fast as possible.

Congress is now, and has for a long time, been spending about \$6,000,000 a day more than our receipts. That condition is rapidly leading to national bankruptcy, financial ruination, and economic collapse. One of the main causes of this appalling destitution and ruinous calamity is the enormous increase in the cost of our Government. The overhead expenses of our Government are out of all proportion to our country's present tragic condition. If Congress does not promptly reduce the cost of our Government, and as near as possible balance the Budget, our present so-called depression will, I fear, soon turn into a disastrous panic, and no one can even prophesy the horrible consequences that may follow. It does seem to me that when we have an opportunity, as we do here now, to afford a very important relief and encouragement to the great range-stock industry of the West, if we refuse them this absolutely necessary relief we are inviting ruinous disaster and not rendering our full duty to a great, patriotic, industrious, and red-blooded class of our American citizens.

LEAVE OF ABSENCE

By unanimous consent leave of absence was granted as follows:

To Mr. Jeffers, for to-day, on account of illness.

To Mrs. Pratt, for two days, on account of death in family.

To Mr. Brummer, for to-day, on account of illness.

To Mr. Gavagan, indefinitely, on account of illness.

To Mr. Lewis, for three days, on account of illness.

To Mr. WILLIAMS of Missouri, indefinitely, on account of

To Mr. Seger (at the request of Mr. Dominick) for to-day, on account of illness.

SENATE BILL REFERRED

A bill of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 5684. An act to authorize the Comptroller General to allow claim of district No. 13, Choctaw County, Okla., for payment of tuition for Indian pupils; to the Committee on Indian Affairs.

ENROLLED BILLS SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled bills and a joint resolution of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 194. An act to amend section 6 of the national charter of the Great Council of the United States of the Improved Order of Red Men:

H. R. 2872. An act for the relief of the Dongji Investment Co. (Ltd.);

H. R. 3036. An act for the relief of Florence Mahoney;

H. R. 3607. An act for the relief of Dr. M. M. Brayshaw;

H. R. 3727. An act for the relief of Mary Elizabeth Fox;

H. R. 3905. An act for the relief of Maj. L. D. Worsham;

H. R. 7121. An act to repeal obsolete statutes, and to improve the United States Code;

H.R. 7548. An act granting six months' pay to Ruth McCarn:

H. R. 8216. An act for the relief of the First National Bank of Junction City, Ark.;

H. R. 8800. An act for the relief of Laura J. Clarke;

H.R. 9336. An act for the relief of Emily Addison;

H. R. 9476. An act for the relief of the Merchants & Farmers Bank, Junction City, Ark.;

H. R. 10086. An act to amend the act of February 14, 1920, authorizing and directing the collection of fees for work done for the benefit of Indians;

H. R. 10641. An act to amend section 122 of the Judicial Code:

H. R. 11735. An act to permanently set aside certain lands in Utah as an addition to the Navajo Indian Reservation, and for other purposes;

H. R. 13655. An act to amend the act of May 10, 1928, entitled "An act to provide for the times and places for holding court for the eastern district of North Carolina" (45 Stat. 495):

H. R. 14392. An act to authorize the payment of taxes and assessments on family dwelling houses in the District of Columbia in quarterly installments, and for other purposes;

H. R. 14411. An act to extend the times for commencing and completing the construction of a bridge across the Rio Grande at Boca Chica, Tex.;

H.R. 14657. An act to extend the times for commencing and completing the construction of a railroad bridge and/or a toll bridge across the water between the mainland at or near Cedar Point and Dauphin Island, Ala.; and

H. J. Res. 583. Joint resolution to provide for a change of site of the Federal building to be constructed at Binghamton, N. V.

The SPEAKER announced his signature to enrolled bills and joint resolutions of the Senate of the following titles:

S. 88. An act to authorize the Postmaster General to investigate the conditions of the lease of the post-office garage in Boston, Mass., and to readjust the terms thereof;

S. 466. An act for the relief of the Allegheny Forging Co.; S. 4327. An act for the relief of Lizzie Pittman;

S. J. Res. 223. Joint resolution establishing the United States Georgia Bicentennial Commission, and for other purposes; and

S. J. Res. 256. Joint resolution authorizing the Comptroller of the Currency to exercise with respect to National Banking Associations powers which State officials may have with respect to State banks, savings banks, and/or trust companies under State laws.

JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, a joint resolution of the House of the following title:

H. J. Res. 583. Joint resolution to provide for a change of site of the Federal building to be constructed at Binghamton, N. Y.

ADJOURNMENT

Mr. SANDLIN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 15 minutes p. m.) the House adjourned until Monday, February 27, 1933, at 11 o'clock a. m.

EXECUTIVE COMMUNICATIONS, ETC.

948. Under clause 2 of Rule XXIV, a letter from the Secretary of the Treasury, transmitting draft of legislation placing the Forest Service Building site and the improvements thereon at Ogden, Utah, under the jurisdiction of the Department of Agriculture, when the building is completed and ready for occupancy, was taken from the Speaker's table, referred to the Committee on Public Buildings and Grounds, and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII.

Mr. PALMISANO: Committee on the District of Columbia. H. R. 13997. A bill to provide revenue for the District of Columbia by the taxation of certain nonintoxicating liquor, and for other purposes; with amendment (Rept. No. 2152). Referred to the Committee of the Whole House on the state of the Union.

Mr. STEVENSON: Committee on Printing. S. J. Res. 238. A joint resolution relating to leave with pay for employees of the Government Printing Office; with amendment (Rept. No. 2153). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. SWANK: Committee on Claims. H. R. 2811. A bill for the relief of C. W. Moonery; with amendment (Rept. No. 2134). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. H.R. 12891. A bill for the relief of Ellen Grant; with amendment (Rept. No. 2135). Referred to the Committee of the Whole House.

Mr. PITTENGER: Committee on Claims. H. R. 13668. A bill for the relief of Laurence R. Lennon; with amendment (Rept. No. 2136). Referred to the Committee of the Whole House.

Mr. PITTENGER: Committee on Claims. H. R. 13767. A bill for the relief of Hunter B. Glasscock; without amendment (Rept. No. 2137). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H. R. 14113. A bill for the relief of A. H. Powell; without amendment (Rept. No. 2138). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. H.R. 14540. A bill for the relief of St. Anthony's Hospital at Michigan City, Ind.; Dr. Russell A. Gilmore; Emily Molzen, nurse; and the Hummer Mortuary; with amendment (Rept. No. 2139). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. S. 610. An act for the relief of the Anderson-Tully Co.; without amendment (Rept. No. 2140). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. S. 1067. An act for the relief of Agnes M. Angle; without amendment (Rept. No. 2141); referred to the Committee of the Whole House.

Mr. RAMSPECK: Committee on Claims. S. 1463. An act for the relief of William Powell; without amendment (Rept. No. 2142). Referred to the Committee of the Whole House.

Mr. BRUMM: Committee on Claims. S. 2203. An act for the relief of John Pearce Cann; without amendment (Rept. No. 2143). Referred to the Committee of the Whole House. Mr. GUYER: Committee on Claims. S. 2508. An act for the relief of Maj. O. S. McCleary, United States Army, retired; without amendment (Rept. No. 2144). Referred to the Committee of the Whole House.

Mr. GUYER: Committee on Claims. S. 2862. An act for the relief of W. H. Hendrickson; without amendment (Rept. No. 2145). Referred to the Committee of the Whole House.

Mr. RAMSPECK: Committee on Claims. S. 3831. An act for the relief of William A. Lester; without amendment (Rept. No. 2146). Referred to the Committee of the Whole House.

Mr. RAMSPECK: Committee on Claims. S. 3832. An act for the relief of Zetta Lester; without amendment (Rept. No. 2147). Referred to the Committee of the Whole House.

Mr. SWANK: Committee on Claims. S. 4230. An act for the relief of Betty McBride; without amendment (Rept. No. 2148). Referred to the Committee of the Whole House.

Mr. CLARK of North Carolina: Committee on Claims. S. 4909. An act for the relief of A. Y. Martin; without amendment (Rept. No. 2149). Referred to the Committee of the Whole House.

Mr. BRUMM: Committee on Claims. S. 4930. An act for the relief of Avery G. Constant; without amendment (Rept. No. 2150). Referred to the Committee of the Whole House.

Mr. GUYER: Committee on Claims. S. 5207. An act for the relief of Rose Gillespie, Joseph Anton Dietz, and Manuel M. Wiseman, as trustee of the estate of Louis Wiseman, deceased; without amendment (Rept. No. 2151). Referred to the Committee of the Whole House.

Mr. PETTENGILL: Committee on Military Affairs. S. J. Res. 195. A joint resolution granting permission to Hugh S. Cumming, Surgeon General of the United States Public Health Service; John D. Long, Medical Director United States Public Health Service; and Clifford R. Eskey, surgeon, United States Public Helath Service, to accept and wear certain decorations bestowed upon them by the Governments of Ecuador, Chile, and Cuba; without amendment (Rept. No. 2154). Referred to the Committee of the Whole House.

CHANGE OF REFERENCE

Under clause 2 of Rule XXII, the Committee on Appropriations was discharged from the consideration of joint resolution (S. J. Res. 238) relating to leave with pay for employees of the Government Printing Office, and the same was referred to the Committee on Printing.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of Rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. JAMES: A bill (H. R. 14777) to amend section 1466 of the Revised Statutes relating to relative rank between officers of the Navy and Army; to the Committee on Military Affairs.

By Mr. COLTON (by request): A bill (H. R. 14778) for the promotion of commerce, the provision of revenue, and the reduction of the public debt; to the Committee on Ways and Means.

By Mr. MAAS: A bill (H. R. 14779) to provide that pilots employed by companies carrying mail by aircraft shall be organized as an aviation reserve, and for other purposes; to the Committee on Military Affairs.

By Mr. COCHRAN of Missouri: A bill (H. R. 14780) to extend the time for completing the construction of the approaches of the municipal bridge across the Mississippi River at St. Louis, Mo.; to the Committee on Interstate and Foreign Commerce.

By Mr. GARBER: Joint resolution (H. J. Res. 611) to suspend the making of certain loans by the Reconstruction Finance Corporation as authorized by section 5 of the Reconstruction Finance Corporation act and by section 201 of the emergency relief and construction act of 1932; to the Committee on Banking and Currency.

By Mr. MEAD: Joint resolution (H. J. Res. 612) to provide for further investigation of certain public-utility corporations engaged in interstate commerce; to the Committee on Rules.

By Mr. McFADDEN: Resolution (H. Res. 399) protesting against the activities of Sir Ronald Lindsay; to the Committee on the Judiciary.

By Mr. McKEOWN: Resolution (H. Res. 400) authorizing the Committee on the Judiciary to investigate the subject of bail-bond forfeitures; to the Committee on Rules.

MEMORIALS

Under clause 3 of Rule XXII, memorials were presented and referred as follows:

By Mr. KERR: Memorial of the Legislature of the State of North Carolina memorializing Congress to refrain from a further invasion of sources of taxation heretofore enjoyed by the States, and to balance the Budget without further increase in the tax levies; to the Committee on Ways and Means.

Memorial of the Legislature of the State of Illinois memorializing Congress to provide for the financing for the extension of mortgages held by Federal land banks; to the Committee on Banking and Currency.

Memorial of the council of Charleston, W. Va., memorializing Congress to enact H. J. Res. 191; to the Committee on the Post Office and Post Roads.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

10682. By Mr. AMLIE: Memorial of Polish White Eagle Society of Kenosha, Wis., protesting against the enactment of a sales tax; to the Committee on Ways and Means.

10683. By Mr. BIDDLE: Petition of members of Everett Post, No. 8, of the American Legion, Everett; Capt. F. B. McClenahan Post, No. 287, Milroy, and Standing Stone Post, No. 1754, of Huntingdon, Pa., protesting against any change in legislation affecting the veterans as proposed by the Economy League and the United States Chamber of Commerce, and favoring immediate payment in full of adjusted-service certificates, and passage of the widows' and orphans' pension bill; to the Committee on World War Veterans' Legislation.

10684. Also, petition of World War veterans of Mount Union and vicinity, Huntingdon County, Pa., protesting against any change in legislation affecting the veterans of the World War as outlined by the Economy League and the United States Chamber of Commerce, and favoring immediate cash payment of the adjusted-service certificates and passage of the widows' and orphans' pension bill; to the Committee on World War Veterans' Legislation.

10685. By Mr. BOHN: Petition of Michigan Association of Municipal, County, and Public Utility Foresters urging the Federal Government to immediately expand its forestry activities in Michigan; to the Committee on Agriculture.

10686. By Mr. BRUMM: Petition of Local Union, No. 920, United Mine Workers of America; to the Committee on Labor.

10687. By Mr. CRAIL: Petition of several members of the Woman's Christian Temperance Union of San Francisco, Calif., urging favorable action on the stop-alien representative amendment to the United States Constitution; to the Committee on Census.

10688. By Mr. CULLEN: Petition of Colonial Council of St. Thomas and St. John urging Congress to take favorable action at the earliest possible moment in the matter of placing this municipality under the Navy Department as heretofore, but on a permanent basis to afford the necessary security for developments and investments in the municipality; to the Committee on Naval Affairs.

10689. By Mr. FRENCH: Petition of the Idaho State Legislature, urging the Congress of the United States to enact Senate 1197, a bill which provides that existing farm indebtedness shall be refinanced by the Government on the amortization plan; to the Committee on Banking and Currency.

10690. By Mr. GARBER: Petition of the Chamber of Commerce of Kansas City, Mo., urging enactment of the O'Connor bill or similar bill placing an excise tax on furs; to the Committee on Ways and Means.

10691. By Mr. GIBSON: Petition of Mrs. Mabel Davis, president Woman's Christian Temperance Union of Johnson, Vt., opposing all legislation intended to nullify, weaken, or repeal the eighteenth amendment and the Volstead Act; to the Committee on the Judiciary.

10692. By Mr. KVALE: Petition of Farmers' Cooperative Creamery, Hector, Minn., urging enactment of S. 5562; to the Committee on Banking and Currency.

10693. Also, petition of Gilbert W. Nordmann Chapter, No. 6, Disabled American Veterans, Duluth, Minn., opposing the Taber amendment; to the Committee on Appropriations.

10694. Also, petition of Minneapolis Central Labor Union, Minneapolis, Minn., urging enactment of S. 5562; to the Committee on Banking and Currency.

10695. Also, petition of Farmers' Cooperative Creamery, Hector, Minn., urging that Congress establish a fixed price on all farm products; to the Committee on Agriculture.

10696. Also, petition of Minnesota State Federation of Labor, urging enactment of S. 5263; to the Committee on Banking and Currency.

10697. Also, petition of 35 residents of Roseland, Minn., urging enactment of the stop-alien representation amendment; to the Committee on Immigration and Naturalization.

10698. Also, petition of United Spanish War Veterans, John G. McEwen Camp, No. 6, Duluth, Minn., protesting against enactment of Taber amendment to War Department appropriation bill; to the Committee on Appropriations.

10699. Also, petition of Veterans of Foreign Wars, Post No. 137, Duluth, Minn., protesting against enactment of Taber amendment to War Department appropriation bill; to the Committee on Appropriations.

10700. Also, petition of Kiwanis Club, Duluth, Minn., protesting against enactment of Taber amendment to War Department appropriation bill; to the Committee on Appropriations.

10701. Also, petition of Reno Lake Study Club, Glenwood, Minn., urging enactment of bill 1079 and Senate Resolution 170; to the Committee on Interstate and Foreign Commerce.

10702. By Mr. MILLARD: Resolution adopted by the Council of the City of New Rochelle, N. Y., urging Congress to adopt House Joint Resolution 191 and Senate Joint Resolution 105; to the Committee on the Post Office and Post Roads.

10703. By Mr. PARKER of Georgia: Resolution adopted by the board of directors of the Real Estate Taxpayers Association of Savannah, Ga., advocating measures to raise revenue; to the Committee on Ways and Means.

10704. By Mr. SWICK: Petition of City Council of Beaver Falls, Beaver County, Pa., urging the issuance of special series of stamps to honor the one hundred and fiftieth anniversary of the naturalization of Brig. Gen. Thaddeus Kosciuszko, a hero of the Revolutionary War, in honor of his service in the Continental Army for the cause of American independence; to the Committee on the Post Office and Post Roads.

10705. By Mr. SWING: Petition signed by 46 residents of Oakland, Calif., in behalf of the stop-alien representation amendment to the United States Constitution to cut out the 6,280,000 aliens in this country and count only American citizens when making future apportionments for congressional districts; to the Committee on the Judiciary.

10706. By Mr. THOMASON: Petition of the Legislature of the State of Texas, protesting discontinuance of the air mail route from San Antonio to Big Spring, Tex.; to the Committee on the Post Office and Post Roads.

SENATE

Monday, February 27, 1933

(Legislative day of Saturday, February 25, 1933)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

THE JOURNAL

Mr. FESS. Mr. President, I ask unanimous consent for the approval of the Journal for the calendar day Saturday, February 25, 1933.

The VICE PRESIDENT. Without objection, that order will be made.

CALL OF THE ROLL

Mr. FESS. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll, The legislative clerk called the roll, and the following Senators answered to their names:

Ashurst Copeland Kendrick Robinson, Ind. Costigan Couzens Russel Schall Keyes King Bailey Bankhead La Follette Lewis Logan Long McGill Dale Dickinson Schuyler Sheppard Shortridge Barbour Barkley Dill Bingham Fess Fletcher Smoot Frazier George McKellar McNary Metcalf Stelwer Stephens Blaine Borah Bratton Glass Swanson Brookhart Broussard Moses Thomas, Idaho Thomas, Okia. Goldsborough Gore Grammer Hale Norbeck Norris Townsend Trammell Bulkley Bulow Harrison Hastings Nye Oddie Tydings Vandenberg Byrnes Capper Caraway Hayden Hebert Hull Patterson Walcott Walsh, Mass. Watson Carey Pittman Clark Connally Reed Reynolds Robinson, Ark. Johnson Wheeler Kean

Mr. FESS. I wish to announce that the senior Senator from West Virginia [Mr. Hatfield] is absent on account of illness. I ask that this announcement may stand for the day.

Mr. NORRIS. I desire to announce that my colleague the junior Senator from Nebraska [Mr. Howell] is necessarily detained because of illness. I will let this announcement stand for the day.

The VICE PRESIDENT. Eighty-eight Senators have answered to their names. A quorum is present.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Haltigan, one of its clerks, announced that the House had disagreed to the amendments of the Senate to the joint resolution (H. J. Res. 138) for the relief of the State of Idaho.

The message also announced that the House had passed a bill (H. R. 14769) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1933, and prior fiscal years, to provide supplemental appropriations for the fiscal years ending June 30, 1933, and June 30, 1934, and for other purposes, in which it requested the concurrence of the Senate.

ENROLLED BILLS SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

H.R. 194. An act to amend section 6 of the national charter of the Great Council of the United States of the Improved Order of Red Men;

H. R. 2872. An act for the relief of the Dongji Investment Co. (Ltd.);

H. R. 3036. An act for the relief of Florence Mahoney;

H. R. 3607. An act for the relief of Dr. M. M. Brayshaw;

H.R. 3727. An act for the relief of Mary Elizabeth Fox;

H.R. 3905. An act for the relief of Maj. L. D. Worsham;

H. R. 7121. An act to repeal obsolete statutes and to improve the United States Code; McCarn:

H. R. 8216. An act for the relief of the First National Bank of Junction City, Ark.;

H. R. 8800. An act for the relief of Laura J. Clarke;

H. R. 9336. An act for the relief of Emily Addison;

H. R. 9476. An act for the relief of the Merchants & Farmers Bank, Junction City, Ark.;

H. R. 10086. An act to amend the act of February 14, 1920. authorizing and directing the collection of fees for work done for the benefit of Indians;

H. R. 10641. An act to amend section 122 of the Judicial

H. R. 11735. An act to permanently set aside certain lands in Utah as an addition to the Navajo Indian Reservation, and for other purposes;

H. R. 13655. An act to amend the act of May 10, 1928, entitled "An act to provide for the times and places for holding court for the eastern district of North Carolina" (45 Stat. 495);

H. R. 14392. An act to authorize the payment of taxes and assessments on family dwelling houses in the District of Columbia in quarterly installments, and for other purposes;

H. R. 14411. An act to extend the times for commencing and completing the construction of a bridge across the Rio Grande at Boca Chica, Tex.;

H. R. 14460. An act to extend the times for commencing and completing the construction of a bridge across the Mississippi River at or near Baton Rouge, La.;

H. R. 14480. An act to extend the times for commencing and completing the reconstruction of a railroad bridge across the Little River at or near Morris Ferry, Ark.;

H. R. 14500. An act to extend the time for completing the construction of a bridge across the Missouri River at or near Kansas City, Kans.;

H. R. 14562. An act making appropriations for the legislative branch of the Government for the fiscal year ending June 30, 1934, and for other purposes;

H. R. 14584. An act granting the consent of Congress to the Board of County Commissioners of Allegheny County, Pa., to construct, maintain, and operate a bridge across the Allegheny River between the city of Pittsburgh and the township of O'Hara and the borough of Sharpsburg, Pa.;

H. R. 14586. An act to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Culbertson, Mont.;

H. R. 14589. An act to extend the times for commencing and completing the construction of a bridge across the Mississippi River at or near Tenth Street in Bettendorf, Iowa;

H. R. 14601. An act to extend the times for commencing and completing the construction of a bridge across the Mississippi River between New Orleans and Gretna, La.;

H. R. 14602. An act to revive and reenact the act entitled "An act granting the consent of Congress to the Highway Department of the State of Alabama to construct a bridge across Elk River between Lauderdale and Limestone Counties, Ala.," approved February 16, 1928; and

H. R. 14657. An act to extend the times for commencing and completing the construction of a railroad bridge and/or a toll bridge across the water between the mainland at or near Cedar Point and Dauphin Island, Ala.

FUNCTIONS OF FEDERAL OIL CONSERVATION BOARD (S. DOC. NO. 191)

The VICE PRESIDENT laid before the Senate a letter from the secretary of the Federal Oil Conservation Board, transmitting, in response to the resolution (S. Res. 351) calling for reports from the heads of departments and independent establishments of the Government of their various functions (agreed to February 8, 1933), information relative to the Federal Oil Conservation Board, which was ordered to lie on the table and to be printed.

DISPOSITION OF USELESS PAPERS IN THE UNITED STATES GOVERNMENT PRINTING OFFICE

The VICE PRESIDENT laid before the Senate a letter

H.R. 7548. An act granting six months' pay to Ruth | list of old and obsolete records on the files of the Government Printing Office which are not needed in the conduct of business and have no permanent value or historical interest, and asking for action looking to their disposition, which were referred to a Joint Select Committee on the Disposition of Useless Papers.

> The VICE PRESIDENT appointed Mr. SHIPSTEAD and Mr. FLETCHER members of the committee on the part of the

CLAIMS AGAINST THE DISTRICT OF COLUMBIA (S. DOC. NO. 197)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, transmitting an estimate of appropriation submitted by the Commissioners of the District of Columbia to pay claims which have been settled by them under the provisions of law, amounting to \$415.26, and requiring an appropriation for their payment, which, with the accompanying papers, was referred to the Committee on Appropriations and ordered to be printed.

NATIONAL ADVISORY COMMITTEE FOR AERONAUTICS (S. DOC. NO. 195)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, transmitting a deficiency estimate of appropriation for the fiscal years 1929 and 1930 for the National Advisory Committee for Aeronautics, to pay a claim settled by the Comptroller General chargeable to an appropriation which is exhausted, amounting to \$605.12, which, with the accompanying papers. was referred to the Committee on Appropriations and ordered to be printed.

JUDGMENTS RENDERED BY THE COURT OF CLAIMS (S. DOC. NO. 201)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, transmitting, pursuant to law, lists of judgments rendered by the Court of Claims and requiring an appropriation for their payment. amounting to \$38,504.85, which, with the accompanying papers, was referred to the Committee on Appropriations and ordered to be printed.

CLAIMS ALLOWED BY GENERAL ACCOUNTING OFFICE (S. DOC. NO.

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, transmitting, pursuant to law, schedules covering certain claims allowed by the General Accounting Office, as shown by certificates of settlement, etc., amounting to \$30,658.32, which, with the accompanying papers, was referred to the Committee on Appropriations and ordered to be printed.

JUDGMENTS RENDERED AGAINST THE GOVERNMENT BY DISTRICT COURTS (S. DOC. NO. 200)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, transmitting, pursuant to law, records of judgments rendered against the Government by United States district courts, as submitted by the Attorney General through the Secretary of the Treasury, amounting to \$114,764.03, which, with the accompanying papers, was referred to the Committee on Appropriations and ordered to be printed.

JUDGMENT RENDERED AGAINST THE GOVERNMENT BY DISTRICT COURT FOR THE MIDDLE DISTRICT OF ALABAMA (S. DOC. NO. 202)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, transmitting, pursuant to law, record of a judgment rendered against the Government by the United States District Court for the Middle District of Alabama, in a special case, as submitted by the Attorney General through the Secretary of the Treasury (under the War Department) amounting to \$4,000, which, with the accompanying papers, was referred to the Committee on Appropriations and ordered to be printed.

RELIEF TO RESIDENTS OF THE DISTRICT OF COLUMBIA (S. DOC. NO. 196)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, transmitfrom the Public Printer, transmitting, pursuant to law, a | ting a supplemental estimate of appropriation amounting to \$300,000, fiscal year 1933, for the purpose of furnishing relief to the residents of District of Columbia who are unemployed or otherwise in distress because of the existing emergency, which, with the accompanying paper, was referred to the Committee on Appropriations and ordered to be printed.

DAMAGES TO PRIVATELY OWNED PROPERTY (S. DOC. NO. 199)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, transmitting, pursuant to law, estimates of appropriations submitted by the several executive departments to pay claims for damages to privately owned property, amounting to \$1,652.84, which, with the accompanying papers, was referred to the Committee on Appropriations and ordered to be printed.

SUPPLEMENTAL ESTIMATES FOR DEPARTMENT OF STATE (S. DOC. NO. 194)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, transmitting, pursuant to law, supplemental estimates of appropriations for the Department of State, fiscal year 1933, amounting to \$30,055, which, with the accompanying papers, was referred to the Committee on Appropriations and ordered to be printed.

DEFICIENCY ESTIMATES FOR DEPARTMENT OF JUSTICE (S. DOC. NO. 193)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, transmitting deficiency estimates of appropriations for the Department of Justice, fiscal years 1931 and 1932, amounting to \$1,947.55, which, with the accompanying papers, was referred to the Committee on Appropriations and ordered to be printed.

SUPPLEMENTAL ESTIMATES FOR DEPARTMENT OF THE INTERIOR (S. DOC. NO. 192)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, transmitting, pursuant to law, estimates of appropriations for the Department of the Interior, fiscal year 1933 (under the Indian Office), amounting to \$84,357, which, with the accompanying papers, was referred to the Committee on Appropriations and ordered to be printed.

CLAIMS ALLOWED BY GENERAL ACCOUNTING OFFICE (S. DOC. NO. 203)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, transmitting, pursuant to law, schedules of claims amounting to \$90,323.01, allowed by the General Accounting Office as covered by certificates of settlement, etc., which, with the accompanying papers, was referred to the Committee on Appropriations and ordered to be printed.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate the following joint memorial of the Legislature of the State of Colorado, which was referred to the Committee on Agriculture and Forestry:

Senate Joint Memorial 2 (by Senators King, Headlee, and Wheeler)

Whereas there is a tremendous indebtedness in the form of farm mortgages against a large per cent of the farm lands of the United States, which mortgages are now held by Federal land banks, commercial banks, insurance companies, and individuals;

whereas, by reason of the unparalleled depression now existing not only in State but in national and even in world affairs, resulting in a very large proportion of said mortgages as now existing being in default as to principal, interest, and taxes, by reason of the fact that the price of agricultural products has for years been below the cost of production, resulting in the inability of the farmers of the United States to meet the interest and/or principal payments; and

Whereas, unless immediate relief is given, thousands and hundreds of thousands of additional farmers will lose their farm homes and millions more will be forced into our cities and villages, thereby increasing the already too large an army of unemployed and precipitating a condition that threatens the very life of this Nation; and,

Whereas there is no adequate way of refinancing existing agricultural indebtedness, and the legislatures of many States have memorialized Congress to pass the Frazier bill (S. 1197) or some similar measure without delay, which proposed legislation provides

that existing farm indebtedness shall be refinanced by the Gov-ernment of the United States; and

Whereas, by said refinancing, not only will the farmers be spared their homes but there will be released frozen assets in the hands of banks, insurance companies, and individuals, and thereby

spared their homes but there will be released frozen assets in the hands of banks, insurance companies, and individuals, and thereby funds made available for the refinancing of industry and other purposes: Now, therefore, be it

*Resolved in the Senate of the Twenty-ninth General Assembly of the State of Colorado (the House of Representatives concurring therein). That we indorse and approve the enactment by the Federal Congress of any legislation along the lines of Frazier bill (S. 1197), or any other similar or improved bills providing for the refinancing of existing outstanding farm mortgages over a period of 50 years at a very low rate of interest not exceeding the borrowing ability of the Government, including interest and amortization, to be done through a central land bank by the issuance of Government bonds secured by said farm mortgages liberally appraised and by the issuance of currency against said bonds by the Federal reserve bank, so that the proper refinancing of present outstanding farm mortgages can be accomplished at the earliest moment possible. Be it further

Resolved, That the United States Senators and Members of the House of Representatives representing the State of Colorado in Congress are hereby earnestly requested and urged to exert their efforts to secure the passage of such legislation; be it further

Resolved, That engrossed copies of this memorial be sent to the President of the United States, the President of the Senate, and Speaker of the House of Representatives of the State of Colorado in Congress.

in Congress

The VICE PRESIDENT also laid before the Senate the following joint resolution of the Legislature of the State of Illinois, which was referred to the Committee on Banking and Currency:

STATE OF ILLINOIS,

OFFICE OF THE SECRETARY OF STATE.

To all to whom these presents shall come, greeting:

I, Edward J. Hughes, secretary of state of the State of Illinois, do hereby certify that the following and hereto attached is a true

photostatic copy of Senate Joint Resolution No. 14, the original of which is now on file and a matter of record in this office.

In testimony whereof I hereto set my hand and cause to be affixed the great seal of the State of Illinois.

Done at the city of Springfield this 23d day of February, A. D.

1933.

[SEAL.]

EDWARD J. HUGHES. Secretary of State.

Senate Joint Resolution 14

Whereas the continuous ruinous price levels of basic farm commodities have precipitated a crisis in the agricultural industry; and Whereas the national welfare demands that some adjustment be made or relief furnished to enable owners of farms to retain

Whereas the national welfare demands that some adjustment be made or relief furnished to enable owners of farms to retain equities in their property which on the basis of existing false market values will be wiped out at foreclosure sales; and Whereas the Congress of the United States at its present session is devoting itself to formulating legislation that will serve to restore a reasonable parity between the prices of basic farm commodities and the production costs thereof, and pending the adjustment of such price and cost levels to a point where the agricultural industry is able to finance itself it is imperative that Congress provide means by which the farmers may retain and operate their farms: Now, therefore, be it

*Resolved** by the senate of the fifty-eighth general assembly (the house of representatives concurring herein). That the General Assembly of Illinois, in view of the existing emergency, respectfully importunes Congress at its present session to enact legislation to effectuate the following proposals and to appropriate such funds as may be necessary for that purpose:

1. Provide for the appointment of local conciliators to effect compositions and extensions, and to stay foreclosure and other legal proceedings while conciliation negotiations are pending.

2. Provide financing for the extension of mortgages held by Federal land banks and joint-stock land banks, and to provide a means for the reduction of interest rates on such mortgages.

3. Provide additional funds for the Federal land-bank and loan-association systems to protect mortgagors in the liquidation of banks and to finance the making of new loans; and be it further Resolved, That copies of this resolution be sent to the President of the Senate and Speaker of the House of Representatives of the present Congress, the Secretary of Agriculture, and to each Congressman and Senator from Illinois.

Adopted by the senate February 15, 1933.

THOMAS F. Donovan,

THOMAS F. DONOVAN,

President of the Senate.
A. E. EDEN, Secretary of the Senate.

Concurred in by the house of representatives February 16, 1933. ARTHUR ROE,

Speaker of the House of Representatives. Chas. P. Carey, Clerk of the House of Representatives.

The VICE PRESIDENT also laid before the Senate the following joint memorial of the Legislature of the State of New Mexico, which was referred to the Committee on Banking and Currency:

House Joint Memorial 4 (introduced by Willis Ford)

A memorial to Congress to allow home owners to borrow directly from the Government upon a plan similar to the Federal land loan act

Whereas under present conditions all industries and all property owners are being encouraged, except the home owner, for whom little or no relief is being provided; and Whereas because of such conditions, people, rather than attempt

to have and own their homes, are turning away from the indi-vidual homes and living in apartments, hotels, tenements, and other rented property; and

whereas it is essential to the public welfare and vital to our American civilization that the building and owning of individual homes be encouraged among our people. Now, therefore, be it *Resolved*, That the Legislature of the State of New Mexico does hereby memorialize the Congress of the United States to pass such legislation as will allow the individual to borrow directly from the Government of the United States, through such agencies as may be established, for the purpose of building, buying, or improving the home, under a plan similar to that allowed farmers under the provisions of the Federal farm loan act; and be it further *Resolved*, That a copy of this memorial be sent to our Senators and Representative in Congress and to presiding officers of both Houses of the United States Congress.

ALAN N. WHITE Speaker of the House of Representatives.

GEORGE W. ARMIJO, Chief Clerk of the House of Representatives. Taylor E. Julien, President of the Senate pro tempore.

Attest:

F. E. MCCULLOCH. Chief Clerk of the Senate.

Approved by me this 21st day of February, 1933.

ARTHUR SELIGMAN, Governor.

The VICE PRESIDENT also laid before the Senate a resolution adopted by the Ririe Grain Growers (Inc.), Ririe, Idaho, favoring the prompt passage of Senate bill 1197, known as the Frazier farm relief bill, and also the adoption of the farm-allotment plan or some other plan or measure of relief, which was referred to the Committee on Agriculture and Forestry.

He also laid before the Senate a telegram in the nature of a petition from the Brown Manufacturing Co., Houston, Tex., praying for the passage of the bill (H. R. 14359) to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, and acts amendatory thereof and supplementary thereto, which was ordered to lie on the table.

He also laid before the Senate resolutions adopted by the Common Council of the City of Whiting, Ind.; the Common Council of the City of Dearborn, Mich.; the Common Council of the City of Lakewood, Ohio; the Council of the City of New Rochelle, N. Y.; the Common Council of the City of Monessen, Pa.; the Council of the City of Charleston, S. C.; the Common Council of the City of Charleston, W. Va.; and the Board of Aldermen of the City of Beverly, Mass., favoring the passage of legislation authorizing the issuance of a special series of postage stamps of the denomination of 3 cents commemorative of the one hundred and fiftieth anniversary of the naturalization as an American citizen and appointment as brevet brigadier general of the Continental Army of Thaddeus Kosciusko, which were referred to the Committee on Post Offices and Post Roads.

He also laid before the Senate several petitions, a telegram in the nature of a petition from F. D. Edwards, of Abbeville, and four telegrams in the nature of petitions from citizens, all in the State of Louisiana, praying for a continuance of the investigation of the Louisiana senatorial election of 1932 and the necessary allotment of money therefor by the special committee of the Senate to investigate campaign expenditures of the various presidential, vice presidential, and senatorial candidates in 1932, which were referred to the Committee to Audit and Control the Contingent Expenses of the Senate.

He also laid before the Senate a letter from Lee Franklin, of Jennings, La., relative to the handling of unemploymentrelief funds (supplied by the Reconstruction Finance Corporation) by the executive department of the State of Louisiana through the highway commission, and favoring an investigation thereof along with the investigation of the Louisiana senatorial election of 1932, which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate.

He also laid before the Senate letters in the nature of memorials from Z. B. Broussard, attorney at law, of Abbeville, and J. U. Frazier, deputy sheriff and member Democratic executive committee, of Farmerville; a telegram in the nature of a memorial from Dr. E. F. Salerno, of New Orleans; and also 13 telegrams in the nature of memorials from sundry other citizens, all in the State of Louisiana, remonstrating against a continuance of the investigation of the Louisiana senatorial election of 1932 and the spending of additional money therefor by the special committee of the Senate to investigate campaign expenditures of the various presidential, vice presidential, and senatorial candidates in 1932, which were referred to the Committee to Audit and Control the Contingent Expenses of the Senate.

Mr. REED presented a resolution adopted by the Council of the City of Monessen, Pa., praying for the passage of legislation authorizing the issuance of a special series of postage stamps of the denomination of 3 cents commemorative of the one hundred and fiftieth anniversary of the naturalization as an American citizen and appointment as brevet brigadier general of the Continental Army on October 13, 1873, of Thaddeus Kosciusko, which was referred to the Committee on Post Offices and Post Roads.

Mr. DILL presented the following joint memorial of the Legislature of the State of Washington, which was ordered to lie on the table:

House Joint Memorial 11, relating to Federal relief for George Charles Walther

To the honorable the Senate of the United States

Your memorialists, the Senate and House of Representatives of the State of Washington in legislative session assembled, most respectfully present and petition your honorable body as follows:

Whereas George Charles Walther, a citizen of Portland, Oreg., was accidentally shot by a Federal prohibition enforcement officer in 1923 and received injuries which have made him a cripple for life; and

Whereas the said George Charles Walther was a law-abiding citizen, who had no part in the criminal activities which resulted in the raid, but was merely an innocent bystander; and

Whereas a bill has been introduced in the United States Congress, and has passed the House of Representatives, to provide the said George Charles Walther with a pension of \$100 per month for life, and the said bill is now before the Senate of the United

for life, and the said bill is now before the Senate of the United States of America: Now, therefore,
Your memorialists petition and memorialize the Senate of the United States of America, now in session in Washington, D. C., to take immediate action to approve the measure which will grant a pension of \$100 per month for life to the said George Charles Walther, and thereby provide him with the means of livelihood of which he was deprived by the action of a Government agent.

Passed the house February 17, 1933.

GEO. F. YANTIS, Speaker of the House.

Passed the senate February 18, 1933.

the RECORD, as follows:

President of the Senate.

O. H. OLSON, Chief Clerk.

This is a true and correct copy as adopted by the Legislature of the State of Washington.

Mr. COPELAND presented a resolution adopted by the West Walworth (N. Y.) Dairymen's League Cooperative Association (Inc.), which was referred to the Committee on Post Offices and Post Roads and ordered to be printed in

Whereas it has been brought to the attention of West Walworth Dairymen's League Cooperative Association (Inc.), in meeting regularly assembled this 28th day of January, 1933, that consideration is being given to reduction of rural mail delivery service; and

Whereas West Walworth Dairymen's League Cooperative Association (Inc.), represented by the undersigned committee, are op-

posed to any reduction of such service which would mean a further decline in the standard of living of rural people: Be it Resolved, That we urge you to use your influence to curb this or any legislation that will tend to further lower the standard of living of rural people.

WARNER D. ESLEY. FRANK A. WELKER, ARTHUR BRADLEY, Committee.

WEST WALWORTH, N. Y., February 16, 1933.

BIMETALLISM, THE GOLD STANDARD, AND DEPRECIATED CURRENCIES

Mr. WHEELER presented a letter written by W. I. Wright. of Butte, Mont., which was referred to the Committee on Banking and Currency and ordered to be printed in the RECORD. as follows:

BUTTE, MONT., February 18, 1933.

To the CHICAGO JOURNAL OF COMMERCE:

To the CHICAGO JOURNAL OF COMMERCE:

Many articles have appeared, and are still appearing, in our magazines and financial papers that convincingly demonstrate how with the rest of the world off the gold standard the depreciated foreign currencies are playing havoc with our trade.

In the December 3 issue of the Saturday Evening Post an article by Samuel G. Blythe detailed how, by reason of depreciated currencies, foreign nations can import their wares and products and undersell us, and, conversely, although not brought out by Mr. Blythe, other writers show how the same set of facts prevent the everytation of our products in competition with the degree.

Mr. Blythe, other writers show how the same set of facts prevent the exportation of our products in competition with the depre-ciated currencies of our competitors. Incidentally, Mr. Blythe's article is refutation of the recent campaign argument that our troubles are the result of our tariff wall, for does he not prove that 60 per cent of these imported articles are tariff free?

The writer is amazed at the frankness with which it is admitted that the gold standard—or rather the lack of it among our neighbors—is working to our disadvantage. Such rank heresy would never have found its way into the columns of our financial journals in 1896.

nals in 1896.

The great difference, however, between now and 1896 is that we have become a creditor Nation; then it was to the financial interest of the great creditor nations, particularly England, to maintain the gold standard, while now, conditions being reversed, it is to their advantage to abandon it. In 1896 the great argument against bimetalism was that it would cheapen our money, and that we could or should not adopt or rather restore bimetallism without the consent of the rest of the world. Bryan's great plea was to restore the status quo of silver before its surreptitious demonetization in 1873, "without the aid or consent of any nation on earth." Our present plea seems to be, "we must maintain the gold standard despite the fact that the rest of the world has abandoned it." abandoned it."

the gold standard despite the fact that the rest of the world has abandoned it."

Despite the fact that gold is at a terrific premium (evidenced both by "depreciated" currencies in relation to the gold standard and low commodity prices) and that this premium is leaving us high and dry, so far as exports are concerned, and at the same time open on every frontier to "depreciated-currency" imports, seemingly the only remedy open to our business men infected with the gold fetish is to try and induce the rest of the world to get back onto the gold wagon. Like the new recruit, they insist that every man in the company is out of step but your Uncle Sam, and many seem to be willing, and some even contend, that it is necessary to cancel foreign debts owed to our Government in a desperate effort to save the gold standard from utter collapse. They brag about our immense gold reserve and yet, despite the fact that we have the greater part of the world supply, if 10 per cent of our bank deposits were demanded in gold, it would exhaust the entire stock of gold in our reserve banks. If hoarders had demanded gold instead of currency last year, we would have been forced off the gold standard notwithstanding Senator Glass, in what Governor Roosevelt called his "fine phillipic," practically called President Hoover a liar when the latter let the cat out of the bag as to how near we were to that predicament.

But, fortunately, the great majority of the people don't know what a gold coin looks like, and if you would try to pass a \$10 or \$20 gold piece on the ordinary business man, he'd shy away from it. Try it and see. Hence, the gold standard is like a deuce in the hole—its perfectly good so long as the bluff isn't called. An insolvent bank could run on indefinitely if depositors didn't call for their money.

But while there seems to be a propaganda to cancel debts owed

call for their money.

But while there seems to be a propaganda to cancel debts owed to the Government the idea of canceling any debts owed by our Government seems to be overlooked, so let's try this:

To all who deem it necessary to economic rehabilitation to have those debts canceled; to those who believe cancellation will in-crease their own business or earning power, let's give them the chance to demonstrate it.

Our Government owes some \$21,000,000,000 in different forms of securities, viz, bonds, Liberty issues, Treasury notes of varying dates of maturity, etc., principally held by interests advocating cancellation of foreign debts.

Let the Government Printing Office (or even give the job to the Journal of Commerce in exchange for a canceled bond) get out a printed form something like this:

.. 1933. SECRETARY OF THE TREASURY, Washington, D. C .: Inclosed find (1) ____ on the amount owed by it to the United States.

Then let's work up a mass psychology for cancellation just as we did when we raised the money to give to those "furriners" by selling Liberty bonds. Organize corps of 4-minute speakers; get all the best singers and crooners, including Al Smith, the burden of whose song will be "Cancel, boys, cancel; cancel till it hurts!"

Use the radio (give Walter Lippman this job) to reach the few holders of bonds living "out in the sticks."

Get this campaign under way while there is plenty of help in the Government offices to take care of the expected deluge of bonds for cancellation, for under the new deal we expect there will be only a few Government complexes left on the pay well.

be only a few Government employees left on the pay roll.

Let the speakers stress the point that unless we cancel some of our Liberty bonds Senator Wheeler will surely get his silver bill

through Congress.

There's nothing to lose in this campaign, for every bond sent in for cancellation pleases everybody—the donor, the foreigner, the taxpayer, even the politician—for it will help balance the Budget without his help, and every bond canceled will strengthen the gold standard! Get busy. Yours truly,

Yours truly.

W. I. WRIGHT.

FINANCIAL SATURNALIA

Mr. WHEELER. Mr. President, I send to the desk an editorial from the St. Louis Star and Times entitled "Financial Saturnalia" and ask unanimous consent that the clerk read it. I want to say that it expresses my views, and I concur in it.

The PRESIDING OFFICER (Mr. PATTERSON in the chair). Is there objection to the unanimous-consent request of the Senator from Montana? The Chair hears none, and the editorial will be read.

The legislative clerk read as follows:

FINANCIAL SATURNALIA

Charles E. Mitchell's testimony before the Senate Banking Committee, supplemented by that of his associates, condemns the whole superstructure of American finance as concentrated in Wall Street. Mr. Mitchell, chairman of the board of the National City Bank of New York, should not be looked upon as an individual, revealing an individual record. He should be looked upon as the dominant type of American financial overlord. He is one of those upon whom the United States has relied for guidance, for ethical standards. He is one of the handful for whom our laws are written, by whom our institutions are molded. He is an owner of America.

of America.

What Mr. Mitchell has done others have done.

If he dodged his 1929 income tax by a fictitious loss of \$2,800,000,

others have evaded on billions.

If he unloaded \$31,000,000 worth of worthless Cuban sugar loans made by his bank onto the stockholders of its investment affiliate,

made by his bank onto the stockholders of its investment affiliate, he merely adopted the standards of American superfinance.

If he pulled \$3,400,000 in bonuses out of the profits of the National City Co. unknown to its stockholders, he did no more than follow the custom of those who have the power to pull bonuses.

If his company floated and sold to the public every sort of security for which there was a public demand, with the executives secretly taking 20 per cent of the excess profits, he was a true follower of the American code.

If the funds left by depositors for safe-keeping were used to play the stock market in gigantic pool operations, with short selling of the bank's own stock, the confession of error is but an aftermath of discovery.

the bank's own stock, the confession of error is but an aftermath of discovery.

If when the crash came \$2,400,000 of bank funds were loaned to bank officers without interest and largely without security to protect their Wall Street speculations, and later were charged off or bailed out as a loss, it shocks nobody in Wall Street.

And if poor devils of bank clerks who contracted to buy bank stock on the installment plan are still being forced to pay \$200 a share after the stock has lost 80 per cent of its market value, that, too, is part of the American picture.

Not Mr. Mitchell, not the National City Bank alone, could practice this sort of finance on a scale sufficient to land the United States in the ditch, but in combination with others they have done so. They built the speculative pyramid whose crash brought

Describe here the nature of the security, whether Liberty bonds, etc., or attach a detailed list giving series and numbers.

² Insert here the government preferred—England, France, Italy, etc.—giving first, second, and third choice.

business down. That is the least they did. The real indictment is that their ethics, their leadership, their vision has been so warped and sordid that in three years of national travail it has offered the country nothing—absolutely nothing—toward recovery.

The financial morals revealed by Mr. Mitchell's testimony, broadened into the general economic life of America, have given us the doctrine that dividends are more sacred than a living wage, that

the cost of deflation must be heaped on the weakest, that no concerted action in behalf of all shall restrict the profits of those at the top, and that wealth confers no obligation upon its holder to

serve the country.

There is the weakness of America—wealth without responsibility,

There is the weakness of America—wealth without responsibility, wealth without duty, wealth without a heartbeat.

Since that is the situation, let us accept it. But how? Shall we, in Christian humility, turn the other pocket to Mr. Mitchell? Or shall we resort to the Mosaic law, an eye for an eye, a tooth for a tooth, an income-tax penalty for an income-tax evasion?

Senator Walsh, who is to be Attorney General in the Roosevelt Cabinet, has his first job cut out for him. It is to find the point, if he can, where chicancery within the banking law ended and criminality began. In a more personal field, Mr. Walsh's job is to collect an income tax on \$2,800,000 from Charles E. Mitchell, and then do the same with thousands of others who have created our Treasury deficit by slippery systems of establishing fictitious our Treasury deficit by slippery systems of establishing fictitious

Mr. Mitchell, during the 1929 panic, set up a loss of \$2,800,000 by selling 18,300 shares of bank stock to a relative. Then he bought it back. He suffered no loss whatever. Is the income-tax Then he law to be turned upside down by any such jugglery as that?

law to be turned upside down by any such jugglery as that? With a \$2,000,000,000 deficit in the Treasury are we going to allow the wealthiest people in America to go tax free by the device of selling securities to relatives and then buying them back?

First soak the public and get the dough; then hang on and dodge the Government. That is the motto not merely of Mr. Mitchell, the eminent banker, but of the entire financial dictatorship set up over the economic life of America by the Wall Street

oligarchy.

The holders of such a doctrine recognize no restraint except force. If they were capable of regeneration from within, three such years as the Nation has gone through would have taught them humility. It has taught them nothing.

We talk of imitating the British or Canadian banking system to get rid of bank failures. What would branch banking do for this country with the National City Bank of New York at the head of one of the systems? It is not the British and Canadian bank system, but British and Canadian banking ethics, that prevent failures in England and Canada. We need to remold American banks and American business, but far more than that we need to remold American bankers and business men.

Capitalism, it is said every day and on every hand, is on trial for its life. It is being tried, in the last analysis, in a court of morals. If it is doomed to destruction, the doom is being pronounced from within. If it is to be saved, it can be saved only by recognizing that power is not a license to prey but a call to

recognizing that power is not a license to prey but a call to

recognizing that power is not a needed to play but a can be responsibility.

Laws, and the white light of publicity, may drive the money changers out of the temple. Only in spiritual exaltation can they be replaced to the country's good.

REPORTS OF COMMITTEES

Mr. BINGHAM, from the Committee on Appropriations, to which was referred the bill (H. R. 14643) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1934, and for other purposes, reported it with amendments and submitted a report (No. 1318) thereon.

Mr. GOLDSBOROUGH, from the Committee on Naval Affairs, to which was referred the bill (H. R. 2907) for the relief of Walter Sam Young, reported it with an amendment and submitted a report (No. 1320) thereon.

PRESCRIPTION OF MEDICINAL LIQUORS

Mr. BLAINE. From the Committee on the Judiciary I report back favorably with amendments the bill (H. R. 14395) relating to the prescribing of medicinal liquors, and I submit a report (No. 1317) thereon.

While I am directed by the Judiciary Committee to report the bill with amendments, I reserve the right to resist the adoption of the amendments.

The PRESIDING OFFICER (Mr. Patterson in the chair). The report will be placed on the calendar.

BRIDGE ACROSS LITTLE RIVER, ARK.

Mr. VANDENBERG. Mr. President, I ask unanimous consent, from the Committee on Commerce, to report a routine bridge bill, which ought to be passed immediately if there is to be action in the House of Representatives at the present session.

The PRESIDING OFFICER. Is there objection? Chair hears none, and the report will be received.

Mr. VANDENBERG. From the Committee on Commerce I report favorably with an amendment the bill (S. 5571) to extend the times for commencing and completing the reconstruction of a railroad bridge across Little River, in the State of Arkansas, at or near Morris Ferry, by the Texarkana & Fort Smith Railway Co., and I submit a report (No. 1319) thereon. I ask for the immediate consideration of the bill.

There being no objection, the Senate proceeded to consider the bill. The amendment of the Committee on Commerce was, in line 9, after the word "from." to strike out "the date of approval hereof" and to insert in lieu thereof "June 23, 1933," so as to make the bill read:

Be it enacted, etc., That the times for commencing and completing the reconstruction of a bridge across the Little River at or near Morris Ferry, Ark., authorized to be reconstructed, maintained, and operated by the Texarkana & Fort Smith Railway Co., its successors and assigns, by an act of Congress, approved June 23, 1930, are hereby extended one and three years, respectively, from June 23, 1933.

SEC. 2. The right to alter, amend, or repeal this act is hereby expressly reserved.

expressly reserved.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

CELEBRATION OF THE FOUNDING OF ROANOKE COLONY

Mr. FESS. Mr. President, from the Committee on the Library I desire to report favorably without amendment Senate Joint Resolution 241, to enable the United States Roanoke Colony Commission to carry out and give effect to certain plans for the comprehensive observance of the three hundred and fiftieth anniversary of the birth of Englishspeaking civilization in America.

I ask for the immediate consideration of the joint reso-

lution.

Mr. LA FOLLETTE. Let the resolution be reported. Mr. ROBINSON of Arkansas. Mr. President, I can make a statement respecting the joint resolution which I think will serve the purpose of the Senator from Wisconsin.

A joint commission of the two Houses was appointed to make arrangements for the celebration of the establishment of the first English colony in America and the birth of the first white child born in America. That was at Roanoke Island, State of North Carolina. The historical incidents connected with the establishment of the first English colony are very interesting, but I will not go into them now.

The commission met, visited the scene of the colony, and made its report, recommending the appropriation of \$50,000 for the appropriate celebration of the anniversary of the establishment of the first English colony at Roanoke Island. The joint resolution authorizes the appropriation of that amount of money.

The joint resolution is unanimously recommended by the Committee on the Library, and should be passed during the present session, in order to enable the commission to go forward with the preparations.

I ask unanimous consent for the present consideration of the joint resolution.

Mr. McNARY. Mr. President, does it carry an appropria-

Mr. ROBINSON of Arkansas. No; but it authorizes an appropriation, as I have stated.

The PRESIDING OFFICER. Is there objection to the consideration of the joint resolution?

There being no objection, the Senate proceeded to consider the joint resolution, which was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Resolved, etc., That the six commissioners of the United States Roanoke Colony Commission (hereinafter referred to as the commission) appointed pursuant to House Concurrent Resolution 26, passed June 27, 1932, shall continue to serve as commissioners whether or not they will be Members of the Congress. Any vacancy occurring in the membership of such commission may be

filled in the same manner as the original appointment was made under such concurrent resolution.

filled in the same manner as the original appointment was made under such concurrent resolution.

SEC. 2. The commission, in order to provide for the proper celebration in 1934 of the three hundred and fiftieth anniversary of the landing on Roanoke Island, N. C., of the first English-speaking colonists to settle in America, is authorized and directed to—

(a) Prepare, print, and distribute to public libraries, public schools, universities, and colleges, material containing such historical data as the commission may deem necessary to acquaint the public with the nature and significance of the celebration;

(b) To conduct a nation-wide campaign of educational activities in the form of suitable celebrations, and especially of essay, declamatory, and oratorical contests in the public schools, with appropriate programs of celebrations in connection therewith and to encourage and promote local celebrations in all towns, cities, and villages throughout the United States;

(c) Provide for appropriate ceremonies on the site of Fort Raleigh which marks the spot where the first colonists landed on Roanoke Island, July 4, 1584, and that suitable markers shall be dedicated in order that the public may have an opportunity to learn through this means the deep historic significance of the place and the occasion;

(d) If the commission deems it advisable, invite the participation of other regions in the selebration, and arrange for such

(d) If the commission deems it advisable, invite the participation of other nations in the celebration, and arrange for such participation with the government of such nations;

participation with the government of such nations;

(e) Accept contributions of money and material for expenditure or use in the various activities of the commission; and

(f) Do all things it deems necessary and appropriate to carry out the plans prepared by such commission under House Concurrent Resolution 26, passed June 27, 1932.

SEC. 3. The commission is authorized to employ and fix the compensation of, without regard to the civil service laws and the classification act of 1923, as amended, a director, an executive secretary, and such assistants as may be needed for stenographic, clerical, and expert service within the appropriation authorized by this joint resolution.

this joint resolution.

SEC. 4. In carrying out the provisions of this joint resolution the commission is authorized to procure advice and assistance from any governmental agency, including the services of technical and other personnel in the executive departments and independent establishments, and to procure advice and assistance from and to cooperate with individuals and agencies, public or private.

SEC. 5. The President of the United States is authorized to invite, by proclamation, the governments and people of the several States, Territories, the District of Columbia, and possessions of the United States to participate and cooperate in commemorating, throughout the year 1934, the founding of the first English settlement in America.

SEC. 6. The commission is authorized to rent suitable offices in

settlement in America.

Sec. 6. The commission is authorized to rent suitable offices in the District of Columbia. The commissioners and employees of the commission shall be allowed actual traveling, subsistence, and other expenses incurred in the discharge of their duties.

Sec. 7. There is authorized to be appropriated the sum of \$50,000, to be available until expended, to cover all expenses of the commission in connection with the celebration, including compensation for personal services, traveling expenses, furniture and equipment, supplies, printing and binding, and rent of offices in the District of Columbia, notwithstanding the provisions of any other act relating to the expenditure of public moneys. All expenses of the commission shall be paid by the disbursing officer of the commission upon vouchers approved by the chairman, or such person as may be designated by him to approve vouchers: Provided, That nothing contained in this section shall be construed to waive the submission of accounts and vouchers to the General Accounting Office for audit.

Bills were introduced, read the first time, and by unanimous consent, the second time, and referred as follows:

By Mr. McNARY:

A bill (S. 5694) for the relief of Withycombe Post, No. 11, American Legion, Corvallis, Oreg.; to the Committee on

By Mr. WAGNER:

A bill (S. 5695) to provide compensation for disability or death resulting from injury to employees in interstate commerce, and for other purposes; to the Committee on Interstate Commerce.

HOUSE BILL REFERRED

The bill (H. R. 14769) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1933, and prior fiscal years, to provide supplemental appropriations for the fiscal years ending June 30, 1933, and June 30, 1934, and for other purposes, was read twice by its title and referred to the Committee on Appropriations.

INVESTIGATION OF CAMPAIGN EXPENDITURES-LIMIT OF COST

Mr. CAREY submitted the following resolution (S. Res. 374), which was referred to the Special Committee to In-

vestigate Campaign Expenditures of the various presidential, vice presidential, and senatorial candidates in 1932:

Resolved, That the limit of expenditures under Senate Reso-Resolved, That the limit of expenditures under Senate Resolution No. 174, Seventy-second Congress, agreed to July 11, 1932, as continued in force by Senate Resolution No. 324, Seventy-second Congress, agreed to January 13, 1933, is hereby increased by \$25,000, and the committee acting pursuant to the authority contained in such resolutions is authorized to employ counsel at a rate of compensation not in excess of such rate as may be approved by the Committee to Audit and Control the Contingent Expenses of the Senate.

INDEPENDENT OFFICES APPROPRIATIONS-CONFERENCE REPORT (S. DOC. NO. 190)

Mr. SMOOT submitted the following report, which was ordered to lie on the table and to be printed:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 14458) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices for the fiscal year ending June 30, 1934, and for other purposes, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendment numbered 4. That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, 3, 5, 6, 8, and 10, and agree to the same.

Amendment numbered 7: That the House recede from its disagreement to the amendment of the Senate numbered 7, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: "\$780,000, of which \$280,000 shall be available for the completion of the public-utilities investigations undertaken pursuant to Senate Resolution No. 83, Seventieth Congress"; and the Senate agree to the same.

Amendment numbered 9: That the House recede from its disagreement to the amendment of the Senate numbered 9, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$800,000"; and the Senate agree to the same.

Amendment numbered 11: That the House recede from its disagreement to the amendment of the Senate numbered 11, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$1,003,159,779"; and the Senate agree to the same.

> REED SMOOT, FREDERICK HALE, HENRY W. KEYES, CARTER GLASS. ROYAL S. COPELAND, Managers on the part of the Senate.

C. A. WOODRUM, JOHN J. BOYLAN, JOHN W. SUMMERS, Managers on the part of the House.

RELIEF OF THE STATE OF IDAHO

The PRESIDING OFFICER laid before the Senate the action of the House of Representatives disagreeing to the amendments of the Senate to the joint resolution (H. J. Res. 138) for the relief of the State of Idaho.

Mr. REED. Mr. President, last June, to a small bill for the relief of the State of Idaho, the Senate added an amendment providing for the repair of a steam plant at Carlisle Barracks, Pa. Subsequent to that action a relief bill was passed which contained the Carlisle Barracks item. Consequently, it becomes unnecessary and unwise to pass it a second time. Therefore, I move that the Senate recede from its amendments.

The PRESIDING OFFICER. The question is on the motion of the Senator from Pennsylvania.

The motion was agreed to.

BRIDGE ACROSS THE RIO GRANDE, TEX.

The PRESIDING OFFICER (Mr. Dickinson in the chair) laid before the Senate the amendment of the House to the bill (S. 5445) to extend the time for the construction of a bridge across the Rio Grande at or near Rio Grande City, Tex., which was to amend the title so as to read: "An act to extend the times for commencing and completing the construction of a bridge across the Rio Grande at or near Rio Grande City, Tex."

Mr. CONNALLY. I move that the Senate concur in the amendment of the House to the title of the bill.

The motion was agreed to.

WHY EUROPEANS GET DISTORTED PICTURE OF UNITED STATES

Mr. JOHNSON. Mr. President, I ask unanimous consent to have printed in the RECORD an article appearing in the Chicago Sunday Tribune of January 8, 1933, entitled "Why Europeans Get Distorted Picture of United States." It is a most interesting demonstration of the propaganda that is utilized in foreign countries by certain agencies to the detriment of the best interests of the United States.

The VICE PRESIDENT. Without objection, leave is granted.

The article is as follows:

[From the Chicago Sunday Tribune, January 8, 1933] WHY EUROPEANS GET DISTORTED PICTURE OF UNITED STATES—NEWS PROPAGANDA CHAIN IS REVEALED

By Edmond Taylor

Paris, December 28 (by mail).—A striking example of how American news with a distorted propaganda angle is disseminated throughout Europe from London through interlocking news-trading agreements between the British news agency, Reuter's, and the various official continental agencies appears in the French

Virtually every large newspaper, both morning and afternoon, in this country has given prominent position to a short news item on the new American Budget, revealing that "43 per cent of the projected Government expenses will be used for military purposes.'

NONMILITARY COSTS

Study of the figures given in the French news dispatch reveals that the 43 per cent for military purposes includes such nonmilitary expenses as bonuses, pensions, upkeep of veterans' hospitals, and the like, although the dispatch carefully refrains from saying this. It simply mentions the sum of \$628,517,319—the combined War and Navy budgets—for "military upkeep and development," and omits to say that the rest of the 43 per cent—\$869,885,000—is entirely for the Veterans' Administration.

The article as presented is a striking bit of propaganda, calculated to make even a well-informed European reader believe that his own military expenses are far less than those of the United States, and that Uncle Sam as a leading exponent of disarmament is the world's champion hypocrite. Needless to say, debt revision is subtly introduced into the picture.

But that is every-day stuff. The kick this time is less in the nature of the propaganda than in the manner of its distribution. Study of the figures given in the French news dispatch reveals

DOCTOR UP DISPATCH

The news dispatch cited above has had several metamorphoses in the French press. It first appears in morning papers—notably the Matin—as a 2-paragraph item, with the credit line of the Havas agency and a Washington date line. This, according to newspaper practice all over the world, means that the message was sent direct from the Washington bureau of the official Havas

was sent direct from the Washington bureau of the official Havas agency to Paris, and published in the papers which subscribe to this service. But wait and see!

In the afternoon papers the same item appeared with new trimmings. This time it appeared under a London date line and quoted an editorial on the subject in this morning's London Daily Express which brings out the appropriate edifying comments the Havas correspondent did not have space to make.

The semiofficial Temps was one of the many afternoon papers to run the Daily Express story, and it published it on the front page—usually devoted to the most important political developments—under the head "The Respective Armaments of England and the United States." Then followed a condensed translation of the Daily Express editorial, entitled "The Mote and the Beam."

(It is recalled that the Daily Express recently ran a campaign charging distortion of English news in the American papers.)

COMPARES MILITARY COSTS

The Express article compared the American military expenses, finding that Great Britain spends only 13½ per cent of its budget on national defense, while America spends 43 per cent. [Obviously the British figures do not include veterans' expenses.] It pointed out America's more favorable strategic position and its compactness as against the far-flung British Empire.

It wound up with a sly dig at President Hoover's policy of linking disarmament with debt revision. All this was translated in

the French messages.

These messages, while not credited, are unmistakably from the Havas Bureau in London, as they are worded identically in dif-

ferent newspapers. Thus the French reader is not only treated to a shining example of "Uncle Shylock's" hypocrisy but likewise gets it contrasted with the noble and misunderstood position of John Bull.

HOW NEWS IS TREATED

But the most interesting feature of the case is not in the vinegary editorial propaganda of the Daily Express being reproduced in France but in the modest and seemingly objective little

duced in France but in the modest and seemingly objective little news dispatch which ran in the earlier editions.

In the same edition of the Daily Express with the famous editorial was a news dispatch from the Washington Reuter Bureau, on which it was based. In order to compare this with the similar dispatch sent by Havas, supposedly from Washington, a literal translation of the French message follows:

"Forty-three per cent of the expenses which the Government of the United States expects to make [literally foresees] for the fiscal year of 1934 will be used for military purposes; the Budget of \$4,248,169,731 drawn up by President Hoover includes, as a matter of fact, an expenditure of \$1,628,517,319 for military upkeep and development.

"The largest expense for the rest of the Budget is devoted to the public debt, which absorbs 33 per cent."

From this translation it can be seen that with the exception of the third paragraph of the British message, removed from the

the third paragraph of the British message, removed from the French one for lack of space, the two messages are identical. The French one is merely a smoothed-out translation of the other. It did not come at all from the Washington bureau of Havas. It came from the Havas London bureau and was a direct translation

came from the Havas London bureau and was a direct translation of the message Reuter received from its own [British] correspondent in Washington, although the item was presented in France as coming directly from a French correspondent in America.

The reason for this is that Reuter and Havas exchange news, just as Reuter exchanges with all official European agencies and with the Associated Press. Since Havas' budget is limited, while Reuter maintains a high bureau in America it is cheener for the Reuter maintains a big bureau in America, it is cheaper for the Havas correspondent in London to translate and send routine items from America—and sometimes items that aren't routine—over a leased wire to Paris than for the Havas correspondent to send the news direct.

GETS FLAVORED DISPATCH

Often this is frankly indicated by putting the dispatch under a

London date line and quoting Reuter.

As Havas has a news monopoly in France—the smaller and likewise subsidized Radio agency is not a competitor—the arms propaganda story above went all throughout France and into French colonies. Doubtless it went all over Europe as well, for Reuter also trades with the Stefani in Italy, Wolf in Germany, and other agencies. agencies.

There is much more than a mere exchange of news, however. Incredible as it may seem, Reuter has close financial connections with Havas. In fact, Havas is considered by many to be a subsidiary of Reuter despite the fact that the French Government heavily subsidizes Havas and uses it as the official medium of

French governmental propaganda.

Why the French Government should allow the British foreign office to place its propaganda in a French official agency is a

Havas is more than an agency. It is a great newspaper trust, involving advertising and news services, distribution and actual publication. It is run as a commercial venture and receives a subsidy from the Government to handle the Government's publicity "account" along with other interests. Unless French interests are compromised, the Government need not object to Havas running a little British propaganda along with French running a little British propaganda along with French.

A PROPAGANDA CHAIN

Thus a highly interesting propaganda chain is established with Thus a highly interesting propaganda chain is established with London as its center. Reuter, a British concern under the influence of Downing Street, feeds American news to Havas, official distributor of all news in France. Havas feeds the French papers, And just as Reuter has financial as well as news connections with Havas, so Havas not only serves French papers but actually controls or participates in the financial control of a number of them—notably the Matin and the Intransigeant.

That is the explanation of why cock-eyed pictures of America and legends like "Uncle Shylock" spring up "spontaneously" in the European mind

the European mind.

EXAMPLE OF HOW EUROPE DISTORTS UNITED STATES NEWS

Dispatches appearing in London and Paris newspapers concerning the American Budget and military expenses indicate manner in which propaganda chain of European news agencies operates.

No. 1 is a photostatic copy of editorial appearing in the London

No. 2 is a story the Paris Journal published under a London date line, quoting the London Express.

No. 3 is a Havas (French) news agency dispatch purporting to come from Washington, D. C., but which came from the Havas London bureau instead.

No. 4 is the dispatch carried by the London Express from the Washington bureau of Reuter's agency (British).

No. 5 is the London Express story as it appeared in the Paris

No. 6 is an article in the Paris Liberté under a London date line which also refers to the London Express editorial.

THE MOTE-AND THE BEAM

The estimates for America's next Budget were issued in Washington vesterday.

The total sum, in British values, is approximately £850,000,000. The total sum of the last British budget was £766,000,000. The Americans propose to spend on their fighting services

£325,000,000.

is proposing to spend on her fighting services Britain £105,000,000.

America's nearest neighbor of a comparable power with herself is 3,000 miles away from her.

Britain's nearest neighbor of a comparable power with herself is within gun range of her.

America is a single unit of territory.

Britain's Empire is a chain of territories stretching round the

America can grow all the food she needs and provide herself with almost all the raw materials.

Britain imports seven-eighths of her food and depends upon the outer world, including her own distant possessions, for most of her raw materials.

The Americans spend 43 per cent of their Budget on insuring

The Americans spend 43 per cent of their Budget on Insuring their national defense.

Britain spends 13¼ per cent.

When we asked for a remission of a debt incurred in our common defense against our mutual enemy, the Americans were advised against it by their leaders in these terms: "If America lets Britain off any of the debt she owes, the British people will go and spend it on armaments."

LES DÉPENSES MILITAIRES DES ÉTATS-UNIS

LONDRES, 28 décembre.—Dans un article intitulé "La Paille et la Poutre," le Daily Express établit une comparaison entre le budget de la Grande-Bretagne et celui des Etats-Unis et fait ressortir que si l'Angleterre consacre 13¼ pour cent de ses dépenses totales aux besoins de sa défense nationale, les Etats-Unis consacrent à ce

besoins de sa défense nationale, les Etats-Unis consacrent à ce même chapitre 43 pour cent de leurs recettes fiscales.

En devises britanniques, dit le Daily Express, les évaluations budgétaires publiées hier à Washington représentent 850,000,000 de livres, tandis que le dernier budget de l'Angleterre se montait à 766,000,000 de livres. Or, le budget américain prévoit une dépense de 325,000,000 de livres pour l'armée et la marine alors que la Grande-Bretagne ne consacre que 105,000,000 à sa défense.

Et cependant, observe le Daily Express, le voisin le plus proche des Etats-Unis se trouve à 3,000 milles. L'Amérique forme un bloc compact; elle peut produire tous les produits alimentaires qui lui sont nécessaires ainsi que toutes les matières premières dont elle a besoin.

(3)

LE PROJET DE BUDGET DES ÉTATS-UNIS-43% DES DÉPENSES SONT AFFECTÉES À LA DÉFENSE NATIONALE

Washington, 27 décembre (Dép. Havas).—Quarante-trois pour cent des dépenses que le gouvernement des États-Unis prévoit pour l'année fiscale de 1934 seront affectées à des buts militaires: le budget de \$4,248,169,731, établi par le président Hoover, comprend en effet un débours de un milliard \$628,517,319 pour l'entretien et le développement de l'armée.

La plus forte dépense du reste du budget est consacrée à la dette publique qui absorbe 33%.

(4)

UNITED STATES WAR BUDGET-£325,000,000 FOR ARMY, NAVY, AND AIR FORCE

Washington, Tuesday, December 27.—Out of the £850,000,000 which the United States Government expects to spend in the next fiscal year, 43 per cent will be used for military purposes.

The Budget which President Hoover has drawn up includes an

expenditure of £325,000,000 for military upkeep and development. This sum provides for the general national defense, £105,000,000; military construction, £442,000; aircraft construction, £3,000,000; naval construction, £8,600,000, besides other sums.

For the rest of the Budget the next largest expense is 33 per cent

for the public debt. (Reuter.)

LES ARMEMENTS RESPECTIFS DE L'ANGLETERRE ET DES ÉTATS-UNIS

Dans un article intitulé "La paille et la poutre," le Daily Ex-Dans un article intitulé "La paille et la poutre," le Daily Express établit aujourd'hui une comparaison entre le budget de la Grande-Bretagne et celui des Etats-Unis, et fait ressortir que si l'Angleterre consacre 13¼ pour cent de ses dépenses totales aux besoins de sa défense nationale, les Etats-Unis consacrent à ce même objet 43 pour cent de leurs recettes fiscales.

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Et, cependant, le voisin le plus proche des Etats-Unis se trouve à 3,000 milles. L'Amérique forme un bloc compact; elle peut produire tous les produits alimentaires qui lui sont nécessaires, ainsi que toutes les matières premières dont elle a besoin. Au contraire, la Grande-Bretagne a des voisins très proches; elle a à defendre ses voies de communication afin d'assurer son ravitaillement et son approvisionnement en matières brutes.

LE BUDGET AMÉRICAIN ET LE DÉSARMEMENT

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Par contre, la Grande-Bretagne a des voisins très proches. Elle a à défendre ses voies de communications, afin d'assurer son ravitaillement et son approvisionnement en matières brutes.

Pourtant, conclut ce journal, quand nous demandons aux Etats-Unis d'annuler une dette contractée pour notre défense commune contre un ennemi commun, les chefs américains s'insurgent contre une telle requête sous pretexte que "si l'Amérique diminuait la dette britannique, le peuple anglais consacrerait les sommes dont il bénéficierait à ses armements."

LINCOLN. THE HARMONIZER

Mr. COPELAND. Mr. President, I ask unanimous consent to have printed in the RECORD an address delivered over the radio by an eminent lawyer of my city, Emanuel Hertz, on the 12th of February on Lincoln, the Harmonizer.

To venture at this day upon pointing to a new phase of the Emancipator is to court condemnation from those who pose as the ultimate judges of what may be uttered without their consent. They have held undisputed sway so long, with no one to expose their methods, that few outside of their limited circle are safe from censure. They decidedly favor the debunker; Washington has been the victim of one, Lincoln of another, Beecher of a third, and so we might go on. It is to be regretted that Washington has found no one to expose these unmerited assaults. It is different with Lincoln. When in the course of the years some one attempted such work—men and women who saw and heard Lincoln—unceremoniously anathematized the offender and hurled the facts at him and drove him from the platform when he was attempting to do his sinister work in the open. When these boll-weevil critics make one of their unwarranted attacks Lincoln students generally come to the rescue and state the facts these boll-weevil critics make one of their unwarranted attacks Lincoln students generally come to the rescue and state the facts or offer in evidence a document, or speech, or letter, which disposes of the author and the charge. These faultfinders never examine either the old or the new evidence upon which the true estimate of Lincoln as a man or as a lawyer or as a statesman is to be made. They see Lincoln through Lamon's estimate, which he never believed but which was written for him by Lincoln's enemy. They quote Rhodes, the historian of a period, who touches upon some high spots in Lincoln's Presidency, but who never made a thorough study of Lincoln. But not one of these has done more than look at the surface of the events in which he played his part. They especially love to vilify anyone who dares to praise Lincoln. But what else can one do who is honest in his appraisals? Little do they know that the greatest men of the last 75 years, the world over, spoke in highest praise of Lincoln's accomplishments in law, in statecraft, in literature, in debate, and in forensic achievement. in forensic achievement.

in forensic achievement.

The list of these commentators begins with John Hay, to whom Lincoln was the greatest figure since Christ, and Victor Hugo, and ends with Elihu Root and Calvin Coolidge. In between appear the names of Garfield, Roosevelt, and Woodrow Wilson, together with Beaconsfield, John Bright, Lloyd George, Viscount Curzon, Lyman Abbott, Horace Greeley, John D. Long, Charles Evans Hughes, Frank S. Black, Henry Ward Beecher, Robert G. Ingersoll, Henry Watterson, Edwin Markham, Walt Whitman, Ralph Waldo Emerson, William Cullen Bryant, and James Russell Lowell, and hundreds of others—the ablest of governors, Senators, leaders in Congress, educators, journalists, and preachers of all denominations who knew Lincoln. And what about the avalanche of testimony from his Vice Presidents, the members of his great Cabinet, the members of the judiciary of his day, his fellow lawyers, his generals, his private secretaries?

This is what Emerson says, in part:

"His mind mastered the problem of the day; and, as the prob-

This is what Emerson says, in part:

"His mind mastered the problem of the day; and, as the problem grew, so did his comprehension of it. Rarely was a man so fitted for the event. In the midst of fears and jealousies, in the babel of counsels and parties, this man wrought incessantly with all his might and all his honesty, laboring to find what the people wanted, and how to obtain that."

Here is part of the tribute of Bishop Charles H. Fowler, of the Methodist Church:

"Lincoln had the faith of Abraham, the leadership of Moses, the courage of Leonidas, the contentment of Cincinnatus, the statesmanship of Pericles, the massive intellectual force of St. Paul, the political sagacity of Richelieu, the integrity of Cromwell, and the patriotism of Washington."

Horace Greeley, a great editor in his day, says:

"He was not a born king of men, ruling by the resistless might of his natural superiority, but a child of the people, who made himself a great persuader, therefore a leader, by dint of firm resolve, and patient effort, and dogged perseverance."

Charles A. Dana, of the New York Sun, who saw much of Lincoln resolve.

coln, says:

"He was the least faulty in his conclusions of any man that I have ever known. He never stepped too soon, and he never stepped too late."

Bishop Newman says:

"Here is one more honored than any other man while living, more revered when dying, and destined to be loved to the last syllable of recorded time."

Frank S. Black, so much like Lincoln, says:

"How long the names of men will last no human foresight can discover, but I believe that even against the havoc and confusion in which so many names go down, the fame of Lincoln will stand as immovable and as long as the pyramids against the rustle of as immovable and as long as the pyramids against the rustle of

Egyptian winds."

These sentiments, these appraisals of genuine and unbiased observers, and hundreds of similar ones are available, the army of debunkers have never seen, and have never heard. Their utterances, therefore, are valueless because the truth is not in them. And so we will, after this lengthy but necessary introduction, proceed to discuss Lincoln as a harmonizer, as a force of spreading good will not only among all the sections of the country but also among the different religious denominations as they existed in his day

To the Methodists in convention assembled in Baltimore he

"Nobly sustained as the Government has been by all the churches, I would utter nothing which might, in the least, appear invidious against any. Yet, without this, it may fairly be said that the Methodist Episcopal Church, not less devoted than the rest, is, by the greater number, the most important of all. It is no fault in others that the Methodist Church sends more soldiers to the field, more nurses to the hospital, and more prayers to Heaven than any. God bless the Methodist Church—bless all the churches—and blessed be God, who, in this, our great trial, giveth

us the churches

churches—and blessed be God, who, in this, our great trial, giveth us the churches."

To the Catholic sisters in three different States he extended a protecting strong arm, guarding their property, assisting and helping them in their great work of charity on the battlefield, and consulting freely and frequently with the leader of the Catholic hierarchy. He was very much at home in pew 89 in Plymouth Church, where Beecher spoke and pleaded for universal freedom. He quotes the sentiments of Theodore Parker and prays with bishop, Catholic priest, or rabbi, as he was at one with all, Rupert Hughes to the contrary notwithstanding; his conclusion that Lincoln, as well as Washington, had no religion and quoted religious formulæ for political purposes is unwarranted and without the slightest foundation. "By the help of an All-Wise Providence, I shall endeavor to do my duty, and I shall expect the continuance of your prayers for a right solution of our national difficulties and the restoration of our country to peace and prosperity," or "Take all of this Book," speaking of the Bible, "upon reason what you can and the balance on faith, and you will live and die a happier man," were not spoken for political effect.

Lincoln is at his best when he rights a great wrong, and equally sound and just in the setting forth of his reasons in each case. Whether it be the setting aside of Stanton's order to dismiss a patriotic soldier in the Army or when he vacates a harsh and unjust order made by Grant and denounces the idea of condemning a whole people for the sins of a few or when he protests against the maltreatment of Faris-El-Hakin, an agent in the employ of the American Missionary Society in Egypt, in those days when the victim of persecution was almost inaccessible, yet in all

ploy of the American Missionary Society in Egypt, in those days when the victim of persecution was almost inaccessible, yet in all these cases Lincoln is heard and heeded in his efforts for a better these cases Lincoln is heard and heeded in his efforts for a better understanding among the adherents of the different religions. To those who are acquainted with his words and his deeds the religiosity of the man is so apparent that anyone who cares to examine the facts must become convinced; even the perversely blind must hear and understand.

Way back in 1858, when the outlook was as dismal as it ever was in this sad man's life, he finds comfort in the following thought.

"I have never professed an indifference to the honors of official station; and were I to do so now I should only make myself ridiculous. Yet I have never failed—do not now fail—to remember that in the Republican cause there is a higher aim than that of mere office. I have not allowed myself to forget that the abolition of the slave trade by Great Britain was agitated a hundred years before it was a final success; that the measure had its open fire-eating opponents, its stealthy 'don't care' opponents, its dollar-and-cent opponents, its inferior-race opponents, its Negro equality opponents, and its religion and good-order opponents; that all these opponents got offices and their adversaries got none. But I have also remembered that though they blazed like tallow candles for a century, at last they flickered in the socket, died out, candles for a century, at last they flickered in the socket, died out, stank in the dark for a brief season, and were remembered no more—even by the smell. Schoolboys know that Wilberforce and Granville Sharpe helped that cause forward, but who can now name a single man who labored to retard it? Remembering these things, I can not but regard it as possible that the higher object of this contest may not be completely attained within the term of my natural life; but I can not doubt either that it will come

in due time. Even in this view I am proud, in my passing speck of time, to contribute an humble mite to that glorious consum-

mation which my own poor eyes may not last to see."

How keen his disappointment at his repeated failures must have been, we have but to read one statement which just came

to light:

"Twenty-two years ago Judge Douglas and I first became acquainted. We were both young then, he a trifle younger than I. Even then we were both ambitious; I, perhaps, quite as much so as he. With me the race of ambition has been a failure, a flat failure; with him it has been one of splendid success. His name fills the Nation and is not unknown even in foreign lands. I affect no contempt for the high eminence he has reached. So reached, that the oppressed of my species might have shared with me in the elevation, I would rather stand on that eminence than wear the richest crown that ever pressed a monarch's brow."

me in the elevation, I would rather stand on that eminence than wear the richest crown that ever pressed a monarch's brow."

His courage and fearlessness fitted him for his task.

"Slavery is wrong," he said in a speech at Cincinnati, in the free State of Ohio but in the immediate neighborhood of the slave State of Kentucky and to a mixed audience from both States. He was hissed for the words, and continued:

"Your hisses will not blow down the walls of justice. Slavery is wrong; the denial of that truth has brought on the angry conflict of brother with brother; it has kindled the fires of civil war in houses; it has raised the portents that overhang the future of our Nation. And be you sure that no compromise, no political arrangement with slavery, will ever last which does not deal with it as a great wrong."

But he has now suffered his last defeat at the hands of Douglas.

deal with it as a great wrong."

But he has now suffered his last defeat at the hands of Douglas. He captivates the Nation from the stage of Cooper Institute, where he announced that all men must be free and equal before the law or our land of promise could not endure. He is nominated and elected to the Presidency. He bids his neighbors farewell and journeys to Washington and starts on the road to fame. And then came his great first inaugural address—an appeal for a better understanding among all sections and all classes. And then the Emancipation Proclamation, which made all men free, and upon that deed he invoked the considerate judgment of mankind and the gracious favor of Almighty God—and the chains of 4,000,000 slaves fell broken on that day.

And finally the benediction upon the great deliverance of his people—the second inaugural—the humble litany of a contrite heart.

heart.

Toward the end of his Presidency—the epic of America, yet to be appropriately told in poetry and song—when the giant was weary and tired and his features bore the signs of triumph in humility through suffering, his whole life passed before him as in a dream; he reflected in retrospect upon that life—though not long in years, yet crowded with epoch-making adventures as were few others—and concluded that his main life motif was to plant a rose where a thistle grew; and those days were well spent when he had pardoned an unfortunate, comforted a widow, protected an orphan, freed a race, and cemented the broken and warring fragments into a perpetual Union—the last great hone.

spent when he had pardoned an unfortunate, comforted a widow, protected an orphan, freed a race, and cemented the broken and warring fragments into a perpetual Union—the last great hope of the millions of the common people, whom he loved and for whom he offered up the final, the supreme sacrifice—the most precious life of the nineteenth century.

Lincoln the harmonizer indeed! Of what other man in public life in any country may it be justly said what is admitted by the universal chorus of the leaders of the people everywhere? Dr. Sun Yat Sen carried back to China the Gettysburg address, and the Manchu dynasty crumbled. "Thanks to Lincoln," says Prof. William Hung, "we have in China the beginnings of a republic." The voice in the wilderness on the estate of Yasnaya Polyana, Tolstoy, groups him with the Nazarene. We find him enshrined in the workingman's hut on the Volga and in the chancellors' study in the University of Jerusalem. The leader of 20,000 tradeunionists in India pays tribute to Lincoln, and says: "It was he who inspired me to take up the work for my people." Czechoslovakia was founded and is governed by a worthy disciple of Lincoln. Italy has taken Lincoln to her heart, and he is the hero of young Italy. France inscribed a medal to Lincoln, "Dedicated by the French democracy to Lincoln, honest man, who reestablished the Union, saved the Republic without veiling the Statue of Liberty." From the days of Emilio Castelar to President Zamora, of the new Republic of Spain, the same adoration as expressed by the former is put into practice by the latter. England claims him as her own among her famous sons facing Westminster Abbey. Germany's gifted sons, beginning with Carl Schurz and Doctor Canisius and Governor Koerner, have planted the seed of Lincoln's ideals in their own country. South America and South Africa as well were swept by the spirit of the Emancipator. And so the Great Harmonizer wins the hearts of all the races of the world, and will continue to win them in all future ages. By the time 2,000 ages. By the time 2,000 years have elapsed the giant figure may become to the world a symbol of the divine, and to our own coming generations he will for all time remain America's symbol of immortality.

BETTER BUSINESS BUREAU OF NEW YORK CITY AND INVESTIGATION OF BETTER BUSINESS BUREAUS AND NEW YORK STOCK EXCHANGE

Mr. BROOKHART. Mr. President, I ask leave to have published in the RECORD three pamphlets entitled "The Growth of the Better Business Bureau of New York City,"
"A Protective Institution and its Origin," and "Before the

Banking and Currency Committee of the United States Senate, in re Investigation of the Better Business Bureaus and New York Stock Exchanges."

There being no objection, the matter referred to was ordered to be printed in the RECORD, and it is as follows:

THE GROWTH OF THE BETTER BUSINESS BUREAU OF NEW YORK CITY By James C. Auchincloss

This is certainly a great honor. I can not express my appreciation of this invitation to speak to you men of business. I realize my limitations and I hope you will bear with me and not expect too much. I wish I could do my subject justice, because it is a work you are all interested in and because it concerns business generally.

When I first became connected with the Better Business Bureau of New York City, little did I realize that it would now such as

When I first became connected with the Better Business Bureau of New York City, little did I realize that it would play such a part in the business life of our city. The scope of its work has grown enormously, and I believe soundly, and the results have justified the efforts expended in its development. This growth and this effectiveness could not have been possible without the support and encouragement of the business men of the city. This desire on their part to drive the rascal and crook out of their business has indeed been an inspiration to those of us who have had a voluntary connection with this work. And we have rehad a voluntary connection with this work. And we have re-ceived further inspiration in the devotion and the unselfish attitude of the staff of employees who have given always their best without thought of reward or favor. The rewards of this work are theirs, and they richly deserve them.

A FACT-FINDING ORGANIZATION

I would like to sketch briefly the life of the Better Business Bureau of New York to you. While it has been in existence for only a few years, its history is full of romance and entertainment as well as hard work, disappointments, and problems. These problems are not all solved yet. Indeed, I like to think of the Better Business Bureau of New York as only just started in its work. We have worked slowly to build a foundation, and now want to raise a superstructure which will embrace all fields of legitimate business.

legitimate business.

As you doubtless know, the Better Business Bureau of New York is a fact-finding organization. It does not give opinions, but is ready to give facts to the public about business organizations or business men. It serves newspapers and banks and brokers, realestate firms and merchants, and any member of the public. It endeavors to protect the public by pointing out to advertisers extravagant and impossible claims, and thereby build up good will and confidence. It has a shopping service which reports to stores the inaccurate description of articles for sale, and inci-dentally gives a report to the store on the general aptitude of the sales person with whom it comes in contact. Its policy in seeking correction is to take up any criticism direct with the management, and it does not abandon persuasive measures except as a last resort. In the course of its work there have accumulated in its files thousands of names of individuals and corporations, in its files thousands of names of individuals and corporations, and frequently facts sought by responsible people or organizations are readily obtainable therefrom. It cooperates in the fullest degree with the public authorities, and I am happy to state that it has enjoyed the greatest cooperation from public officers, such as the attorney general of the State of New York and the United States district attorney. And the bureau is not organized for profit. None of its officers or directors receives a cent for his services in any form, shape, or manner.

And this is how it all started in New York: About eight years ago some of us down in the financial district decided that the grooks in the securities business were bringing disrepute to that

ago some of us down in the financial district decided that the crooks in the securities business were bringing disrepute to that business, and something should be done to clean up the situation. It was also clear that a great deal of the public's money was being secured by the stock swindler and get-rick-quick rascal, and if this money could be turned into legitimate channels it would not only accrue to the benefit of our business but also to the general prosperity of the country. Mr. David F. Houston, then president of the Bell Telephone Securities Co. (Inc.), now president of the Mutual Life Insurance Co.; Mr. Lewis E. Pierson, then president of the Irving Trust Co., now chairman of its board; Mr. James Gilbert White, partner of J. G. White & Co.; Mr. J. Pulleyn, president of the Emigrant Industrial Savings Bank, and others, met and discussed the situation and studied the better business bureau movements already actively established in other cities. The better business bureaus were then under the control and sponsorship of the advertising federation; now they are quite independent organizations.

independent organizations.

IN FIFTY-TWO CITIES

There are 52 bureaus organized in the United States and Canada, operating in 25 different States, Provinces, and the District of Columbia. While each bureau is quite independent and a separate organization, yet the bureaus exchange information and co-

rate organization, yet the bureaus exchange information and cooperate with each other in every way possible.

It was arranged to establish a better-business bureau in New York, and Mr. H. J. Kenner, the first better-business bureau manager in the country, was secured from Minneapolis to start things going. The value of Mr. Kenner's leadership can not be overestimated. Without his courage, his wisdom and his patient, constructive effort, the bureau would have surely gone on the rocks in its first year. Funds were hard to secure. It was something new to New York, and had to prove its worth. We citizens of this town are a hard-boiled lot, and want to be shown before

digging down into our pockets to support something new. And then again many business men were skeptical as to just how such an organization would affect their business. The clouds were thick and the gloom was deep, but Mr. Kenner stuck to it and at great personal sacrifice led us through the darkness into the light. Why, for months he and his lieutenants kept the thing alive great personal sacrifice led us through the darkness into the light. Why, for months he and his lieutenants kept the thing alive without receiving a cent of salary! He proved beyond the question of a doubt that the better-business bureau idea was a practical one and with proper and adequate support could be made effective. The board of governors of the New York Stock Exchange were impressed and proved their faith in the work by appropriating \$100,000 to put the bureau on its feet and give it a chance to demonstrate its worth to the business world. Out of this appropriation actually \$64,000 was paid by the exchange to the bureau. No secret has ever been made about this, and the exchange views with pride the part it was permitted to play in this work. A No secret has ever been made about this, and the exchange views with pride the part it was permitted to play in this work. A committee of bankers and brokers was then established, made up of such men as Mr. Gates McGarragh, then president of the Mechanics & Metals Bank, now president of the Bank of International Settlements; Mr. Thomas W. Lamont of J. P. Morgan & Co.; the late Seymour Cromwell, president of the Stock Exchange; Mr. Clarence Dillon, of Dillon, Read & Co.; Mr. Mortimer Schiff of Kuhn, Loeb & Co.; Mr. A. A. Tilney, then president of the Bankers' Trust Co., and others. Under the auspices of this committee, funds were solicited from the banks, trust companies, brokers, and banking houses in this city. That was the start of the Better Business Bureau of New York, and ever since that time the activities of the investment or financial department of the bureau have been financed by subscriptions from the banks and brokerage been financed by subscriptions from the banks and brokerage houses in this city. Our budget for that department is about \$70,000. We have paid all our bills and do not owe a cent. And, furthermore, we pay no commissions to anyone to collect money.

MERCHANTS COOPERATE

A few years after the establishment of the financial department, the merchandise department was organized. The work of this department, under the guidance of specially trained executives, deals mainly with the problems of merchants and the retail stores in the city. The bureau endeavors to aid these merchants by eliminating inaccurate advertising and unfair business tactics, and on many occasions the work of the bureau and the stand it has taken in certain situations has been supported and indorsed

by the Federal Trade Commission.

The bureau tries to be fair and plays no favorites or politics. If there is cause to criticize the actions of our subscribers we do not hesitate to do so. This is always done in a friendly spirit, without malice, and frank discussion of the matter is invited. From time to time the bureau issues bulletins on various matters. Without question the bulletins have proved most effective in correcting a mistake that might have otherwise gone unheeded, resulting in a continuation of misrepresentation at the expense of the public. Generally when an inaccuracy is pointed out to a merchant a correction follows, and the bureau is thanked therefor, but on a few occasions some of our subscribers have withdrawn from the bureau. This is a pity, because we want to be an aid to the merchants in building up public trust and good will. This is difficult when merchants refuse to cooperate in the elimination of false advertising matter and inaccurate statements concerning the merchandise they offer for sale. I am happy to say, however, that the majority of the larger merchants in the city support the bureau and indorse its work. This is true also of the newspapers, who rely on us to a degree and are generous not only

newspapers, who rely on us to a degree and are generous not only in their financial support but also in their news columns.

It is inevitable in the activities of the bureau that sometimes someone sets up a howl and claims all sorts of unrighteous actions on the part of the bureau. On every one of these occasions that has come to my attention, the howler has had an ax to grind or some dirty linen to conceal. We have been sued on more than

one occasion, and never yet have we lost a suit.

If time would permit, I could tell you of many cases where the bureau has been active in preventing fraud and even in recovering losses for the victim.

THOUSANDS OF CASES

The day's work in the bureau's office brings all sorts of The day's work in the bureau's office brings all sorts of humanity in review. Widows, preachers, shysters, swindlers, business men—all sorts in all walks of life daily come to our attention. We try to help the worthy and make it hard for the crooks in every way possible. The monthly average of cases handled is 3,158, or 125 cases a day. We have a small staff, 18 in the financial and 18 in the merchandise section—36 in all. They work hard all day, and sometimes well into the night, at very moderate pay and no overtime. They are devoted to their work, and their loyalty is a great source of pride and inspiration.

In times like these, when we have experienced such depression and unsettlement in business, there is always present a great deal of discontent—a sort of feeling of dissatisfaction with the powers that be—and that dissatisfaction is reflected in the public's attitude toward organizations that are trying to maintain

lic's attitude toward organizations that are trying to maintain an even balance and do something constructive for the body

Perhaps in the face of discouragement and hard times this is quite a natural feeling, but it puts those who have to bear the brunt of the criticism to a test as to their real character and the soundness of their efforts. In the midst of such a state of affairs it would indeed be unusual if the better-business bureau did not receive its share of criticism. As a matter of fact, if it were not criticized, it would tend to prove that the organization was of such an impotent character that it did not merit attention. The bureau has its critics, and the criticism comes from sources which are logical and to be expected. The rascal whose record and reputation is anything but savory, acting under the guise of a constructionist, has the opportunity to raise his objections and cry out that the bureau, through its relentless war waged against people of his type, will not permit him to make an honest living.

INCREASED VIGILANCE NECESSARY

The bureau to-day is being put to a greater test than ever before to aid in preventing the activities of the swindler and safeguard the public in their investments. In these times some stock promoters or business organizations who under normal conditions may follow practices free from suspicion in their business dealings, are more apt to be tempted by expediency, and lapse into practices which may be questionable, to say the least. The public mind, after the serious stock losses which have been suffered in the past year, is ready to listen to the glib arguments of the high-pressure salesman who paints a picture of return to the high-pressure salesman who paints a picture of return to prosperity by a rapid short cut to fortune. We are only too ready to recoup our losses, and the adroit stock swindler capitalizes that human weakness.

that human weakness.

And in this city more than any other place in the United States the crooked stock promoter congregates and plies his trade. Thanks to the scrupulous care taken by the newspapers in accepting advertising, thanks to the past activities of the Assistant Attorney General, Mr. Watson Washburn, and the vigilance of Mr. Charles H. Tuttle when he was the United States attorney for the southern district of New York, these people have had a hard time of it. But this is no time to relax our vigilance or our efforts. If we are to drive out and keep out these people, if we are to protect the fair name of our business reputation, we must set an example to the rest of the country and let it be known that the business men of this city stand for honesty and fair dealing. fair dealing.

The bureau couldn't exist without the cooperation of such honored and honorable bodies as this. You have done the bureau a great honor in having me here with you to-day. In the name of the bureau, I thank you most sincerely.

A PROTECTIVE INSTITUTION AND ITS ORIGIN By E. H. H. Simmons

It is a very genuine pleasure for me to be present at this ninth annual meeting of the Better Business Bureau of New York City. Nine years is not a very long time, yet within that brief period the bureau has established a most impressive record of accomplishment in behalf of the American investing public. A common effort to suppress security swindling is no longer merely a pious wish or a temporary movement. Through the creation and growth of the better-business bureau, it has been crystallized into a permanent institution, without which the security business of to-day could not be conducted upon its present plane. It ness of to-day could not be conducted upon its present plane. It only remains for those of us who, like myself, have long watched the gratifying progress which the bureau has made, to congratulate its officers and administrators upon the courage and untiring energy which they have shown in the fight against fraud, and to lend such aid as we can in continuing, and if possible, intensifying this admirable work.

Since, as I have said, the bureau has become an established and indispensable institution in American business, it is interesting to recall the circumstances of its origin. The bureau was created in the troubled years which followed the conclusion of the great war. The vast Liberty loans had suddenly created millions of new security investors. But at the same time the shortages developed under war conditions led to a tremendous speculation in commodities and securities and a new crop of security promoters. American finance, as well as American business, had not moters. American finance, as well as American business, had not completed the necessary transformation from war-time conditions to those of peace. Bucketshops were not the furtive back-alley things they have since become, but in some cases were imposing concerns, which brazenly challenged the legitimate stockholder. The newly created class of small American security investors was, of course, directly menaced by these conditions. Thus, in addition to the unavoidable risks inherent in business, which at that time were naturally great, the inexperienced investor, with his small holdings of Liberty bonds, had also to avoid the often plausible and deceptive allurements of the fake security promoter and the bucketshop keeper. and the bucketshop keeper.

and the bucketshop keeper.

The potential dangers of this situation were clearly realized in the stock exchange as early as December, 1918—only a month after the armistice. (On January 3, 1919, the law committee of the New York Stock Exchange discussed the matter, and adopted a resolution calling for a publicity campaign by the exchange to warn the public against stock swindlers.) At the same time, Mr. H. G. S. Noble, then president of the New York Stock Exchange, addressed a letter to prominent representatives of various institutions in the financial district, directing their attention to the existing danger of security frauds, and calling a meeting at the Chamber of Commerce of the State of New York to discuss the defensive and preventive measures against them. At this meeting, held February 17, 1919, a standing committee was appointed which developed into the Business Men's Anti-Stock Swindling League, under the chairmanship of the late Myron T. Herrick. The efforts of this committee were directed

mainly toward education in the interest of sound investment and the avoidance of fradulent securities.

mainly toward education in the interest of sound investment and the avoidance of fradulent securities.

In effectively fighting the security swindler, sole dependence can not be placed upon purely educational methods, essential though they always are and will be. It is not enough to warn the intended victims—action must also be taken against the swindlers themselves. So the Business Men's Anti-Stock Swindling League discovered. In addition, the bear market of 1919–1921 introduced into the situation the dangerous factor of the bucketshop operations—a species of fraud which can only be checked by an expert and militant organization. In the 14 months' period which began August 23, 1921, there occurred a vast bucketshop debacle attended by the collapse of 166 so-called brokerage firms. If swindling on this tremendous scale was to be prevented in the future, it seemed obvious that new and more direct measures must be taken. Meanwhile, the problem of preserving the benefits of their customer-ownership campaigns became a matter of serious concern to several large American business corporations, and especially to the American Telephone & Telegraph Co. In consequence there followed an effort to organize more definitely against security swindling.

A series of conversations between Messrs, D. F. Houston, president of the Bell Telephone Securities Co., and R. T. H. Halsey and J. R. Westerfield, of the New York Stock Exchange staff, were followed by a number of dinner conferences given by Mr. Halsey to representatives of the institutions most deeply concerned with the virulent stage of the swindling evil which had developed. These dinner meetings, which eventually included the national vigilance committee of the Associated Advertising Clubs of the World, culminated on May 1, 1922, in a dinner given by Mr. Halsey at the University Club, attended by leading bankers, newspaper editors, and stock exchange members. At this meeting Mr. Seymour L. Cromwell, then president of the New York Stock Exchange, pledged the necessary fund

York City and its running expenses for the first year for a sum not to exceed \$100,000. This pledge was later formally ratified by the exchange and the bureau was incorporated.

The first officers of the bureau were: David F. Houston, president: H. J. Kenner, managing secretary; Stanley J. Quinn,

dent; H. J. Kenner, managing secretary; Stanley J. Quinn, treasurer.

The first advisory council members were: David F. Houston, chairman, president Bell Telephone Securities Co. (Inc.); R. T. H. Halsey, Tefft, Halsey & Co.; Lewis E. Pierson, chairman of board, Irving Bank-Columbia Trust Co.; John J. Pulleyn, president Emigrant Industrial Savings Bank; Gates W. McGarrah, chairman of board, The Mechanics & Metals National Bank; John H. Puelicher, president Marshall & Ilsley Bank, Milwaukee, Wis.; George W. Hodges, Remick, Hodges & Co.; Herbert S. Houston, publisher Our World; James Gilbert White, president J. G. White & Co. (Inc.); William H. Barr, president National Founders Association; H. D. Robbins, president H. D. Robbins & Co.; Russell R. Whitman, publisher New York Commercial; Julius H. Barnes, Barnes-Ames Co.; A. C. Pearson, treasurer United Publishers Corporation; Henry R. Hayes, vice president, Stone & Webster (Inc.).

It was, then, only after several false starts and many time-consuming conferences that the better business bureau was finally established. Yet, looking back upon what we may call the prenatal period of its existence, it seems apparent that this early period of trial and error in discovering effective fraud-fighting methods, gave the bureau itself much valuable experience at its very start, and enlisted in its behalf a support from many quarters which has been essential to its steady and successful growth. It also creaked the better business bureau in its work of fraud fight.

very start, and enlisted in its behalf a support from many quarters which has been essential to its steady and successful growth. It also enabled the better business bureau, in its work of fraud fighting, to represent the whole financial community rather than any single institution. Much ado has sometimes been made over the fact that the New York Stock Exchange has been all along a strong moral and financial supporter of the bureau. There has never been any secret about this situation, and actually it reflects credit both upon the bureau and upon the exchange. But even the slightest knowledge concerning the organization and work of the bureau should at once indicate how truly representative of the whole financial and business community the bureau is and always has been, and how completely in the actual interests of the American public its activities have consistently been.

III

Once organized, the better business bureau lost no time in getting to work. By the end of even the first year of its existence, it had under the capable and expert guidance of Mr. Kenner attained an enviable record of useful work thoroughly and vigor-ously done. Through the cooperation of industrial organizations many thousands of educational pamphlets dealing with fraudulent stock promotions were placed in the hands of the public. Pubstock promotions were placed in the hands of the public. Publicity concerning proven swindles was spread in the news columns of the press. Metropolitan newspapers gladly cooperated with the bureau in refusing the use of their advertising columns to doubtful promotions or shady characters. In addition, many investigations of doubtful promotions were conducted, and frequently the results were laid before the appropriate governmental officials—especially, of course, before the Post Office Department of the Federal Government, the attorney general of the State of New York, or the district attorney of New York. Time and again the ability of the bureau to nip frauds in the bud, before they had time to do very serious damage, was demonstrated. The results of the early work by the bureau were attested by Deputy Attorney General Wilbur W. Chambers, in a telegram to the bureau dated December 27, 1923, which read as follows:

"Have placed great dependence upon the better-business bureau for assistance in obtaining evidence relative to fraudulent securities cases. I have found its work of great value, its representatives reliable and very efficient, and its information trustworthy.

The subsequent history and achievements of the better-business bureau are too generally known to require recital by me. In the mercantile as well as in the financial field its work has gone steadily on, with results at once gratifying to its sponsors and very beneficial to the investing and consuming public. The bureau has surmounted the initial difficulties which inevitably face any such cooperative organization. It has made a real and permanent place cooperative organization. It has made a real and permanent place for itself in the mechanism of American business. It is no longer a mere project but an actuality with a definite record of accomplishment. It deserves the hearty support of the entire business community, not only for what it hopes to do but for what it has already done.

It is naturally in extensive speculative booms, when public optimism and also public credulity are at their height, that the greatest opportunities for swindling are afforded to the seller of fraudulent securities. Nevertheless, we all must recognize times of depression have their characteristic swindles, too. Strangely enough, it is often the investor who has already lost a large proportion of his money who is most reckless with his remaining funds, because he wishes by a lucky stroke to recoup his losses. But even if it is generally harder to sell either legitimate or illegitimate securities during a period of declining prices, at such times there is apt to reappear that other menace to sound finance—the bucket shop. It has, I think, been generally true in the past that bucket shops can flourish only when prices are constantly falling, since the bucket-shop keeper is, so to speak, regularly short of his customer's long stock. Certainly it was during 1920 and 1921 that the last extensive outbreak of bucketing occurred. It is also true that losses through security swindles are felt more severely in a depression than during a boom. Obviously the need for safeguarding the American security investor in all felt more severely in a depression than during a boom. Obviously the need for safeguarding the American security investor in all possible ways increases in proportion as his surplus funds diminish. In times of depression, no less than in times of prosperity, security frauds will be attempted and eternal vigilance must be the price of suppressing them. We need the bureau now as much or more than we needed it in 1928 and 1929.

The bureau is to be congratulated for pursuing its useful work so steadily and so intelligently during these recent trying months. It has countered the remarkable agility and completely realistic resourcefulness of security swindlers with methods equally flexible and equally without illusion. This is particularly gratifying, for it is during periods when public opinion is uncertain and bewildered concerning security values, that the security swindler is apt to reap his evil harvest.

Undoubtedly there has been entirely too much public hysteria recently, not only concerning stock prices but also concerning the outlook of business itself. Frequently the same persons who so loudly proclaimed a new era of unlimited prosperity two or three years ago are now equally convinced that the end of civilization is at hand, and that while time still remains we had better sell the whole country back to the Indians for what it will bring. The fight against security frauds as well as many other necessary corrective processes in American business itself would be considerably simplified if there were less of this sort of thing. For, after all, depressions are scarcely a new experience for this country. Even our own generation has managed to survive several of them. In fact, anyone who ever attended a Sunday school must have heard of Joseph's experience with the seven fat and seven lean years in ancient Egypt, and should realize that civilization has ever since that remote time been undergoing booms and depressions of one sort or another. None of us, of course, like depressions, and few, sort or another. None of us, of course, like depressions, and few, if any, of us, I think, were able to foresee the coming of this one. But now that it is here we should, after all, be able to recognize it as a quite unpleasant but by no means new or unfamiliar experience, from which we have survived in the past, and from which we will once again emerge in due course.

we will once again emerge in due course.

Unfortunately, however, credulity is not destroyed by depressions. With many people, disillusionment is only too apt to produce an intense and unreasonable craving for easy cures and magical remedies. The quest for wealth no less than for health has its medicine men, and in times of trouble occurs their greatest chance to attract attention. Few of these promoters of economic nostrums are actually frauds. Almost always they sincerely believe in their quite worthless remedies. And yet the energy wasted in pursuing, and sometimes in trying, such false cures, like the funds wasted through the activities of stock swindlers, is only too apt to deepen and intensify the depression.

the funds wasted through the activities of stock swindlers, is only too apt to deepen and intensify the depression.

The basic reasons for booms and depressions are only too inadequately understood, either by the public or the experts. Yet this fact need not unduly astonish us, for very few of the really important things in life are thoroughly understood by any of us. The truth about business cycles seems to be that they result from a very complicated series of stresses and strains which are more or less inevitable in civilized society. Just as what geologists call a "fault" will sometimes produce earthquakes and landslides, so in the economic world the equilibrium of business will occasionally be upset and disaster temporarily will ensue. Nevertheless, painful though panics and depressions may be, they are really curative processes, and herald the advent of firmer foundations upon which to create future periods of prosperity.

The reestablishment of equilibrium in the economic world, and the repair of damages wrought by unsettlement, however, are bound to take time if the work is to be lasting. But it is in these zero hours of industry and finance that future victory and triumph are being organized. Such periods of trial may injure faint hearts and shallow beliefs. But they also call forth from the great rank and file of our people those ancient and invaluable human qualities of courage, persistence, and faith which in the past have created everything of genuine value in the world.

OUR BUSINESS STANDARD

Brief and argument by Clark G. Hardeman

One hundred thousand dollars was raised 10 years ago (June, 1922) by the investment banker members of Wall Street, who in collaboration with members of the New York Stock Exchange, expected to use, and did use, the money for the purpose of putting over even a more gigantic control of our money and our industries and a more complete control and domination of our labor, and this banker-broker scheme of 1922 is slowly but surely seeping through to the public, through the facts that have been developed by this honorable committee of the United States Senate and the further facts that are ready to be laid before that committee under sworn facts that are ready to be laid before that committee under sworn evidence.

The billions of dollars of foreign bonds floated in the United States by these Wall Street bankers since 1922 and now estmated as being worth around 30 cents to nothing on the dollar—bonds that these bankers bought at 90 cents and unloaded on us for 100 cents on the dollar—is but the one side of the story and represents the bankers' big profiteering on their joint scheme of 1922 with the stock exchange members when these two big financial agencies raised the \$100,000 jack pot of 1922 and bought the better-business-bureau system, which system otherwise would have been their (the bankers and brokers) nemesis through a nation-wide distribution of data that would have prevented the exploitation of the wealth of the people of the United States, rather than what the better-business-bureau system has been since that time, to wit, a mere puppet of these brokers and bankers. The billions of dollars of foreign bonds floated in the United bankers.

THE BETTER-BUSINESS BUREAUS

You, automatically, may want to know something about these better-business bureaus and the necessity of these agencies being purchased body and soul by these bankers and brokers before they started on their pilgrimage of plunder of the then your wealth and mine, which wealth has now, in 1932, vanished into thin air or is laying dormant in the vaults of our financial wizards, the money barons of Wall Street, thus preventing industry from opening up and thereby making beggars of the labor of this great country. this great country.

First, let me call your specific attention to the fact that these

financial wizards always carry with them the dictum that we or-dinary citizens are not intelligent enough—plain dumb may be a better word—to see the real truth in any financial proposition, a better word—to see the real truth in any financial proposition, and, being plain dumb, we are the prize suckers of any continent, and hence any agency that otherwise would give fair warning to us must be placed where they could not talk; the almighty dollar seals many a tongue and that \$100,000 Wall Street money sealed the tongue of the better-business bureaus in so far as the bond and stock racket of these bankers and brokers were concerned.

The better-business-bureau system is the child of the vigilance committees of the advertising clubs of the world. "Truth in advertising" was not only their slopen but was in fact the policy

The better-business-bureau system is the child of the vigilance committees of the advertising clubs of the world. "Truth in advertising" was not only their slogan but was, in fact, the policy of these original vigilance committees for some 10 or more years of their early life. At the beginning of their existence—about 1912—and for a number of years, these vigilance committees performed nobly and well, and the public soon learned to rely upon statements given out by them and any advertisement approved by them, and the public naturally began to believe in advertising copy and to rely upon these agencies for truth. The public confidence being won by these advertising men, and none but advertisers and advertising medias were eligible to membership in those early days, the better-business bureau fell heir to one of the richest inheritances—confidence of the public—when the name of these vigilance committees was changed to read better-business of these vigilance committees was changed to read better-business bureaus. For several years after the change to that high-sounding title, better-business bureau, these bureaus functioned along the lines originally outlined and justly earned the reputation of honesty and truthfulness these bureaus had in 1922.

NEW YORK STOCK EXCHANGE BECOMES THE PATRON SAINT OF THE BETTER-BUSINESS BUREAU

On January 3, 1919, only a month or so after the armistice, the law committee of the New York Stock Exchange discussed the fact that American finance, as well as American business, had not completed the necessary transformation from war-time conditions to those of peace, and H. G. S. Noble, then president of the stock exchange, addressed a letter to prominent representatives of various institutions in the financial district, calling a meeting of the Chamber of Commerce of New York State, which was held February 17, 1919, and resulted in a standing committee being appointed whose efforts were directed mainly toward education in the interest of sound investments and the avoidance of fraudulent securities. (You know what that education costs you.)

You will better appreciate the significance of all that has followed if I quote from an address by E. H. H. Simmons, formerly president of the New York Stock Exchange, at an annual meeting of the better-business bureau on May 5, 1931, and in which

address he reviewed what took place between January and June,

address he reviewed what took place between January and June, 1922. Mr. Simmons said:

"A series of conversations between Messrs. D. F. Houston, president of the Bell Telephone Securities Co., and R. T. H. Halsey and J. R. Westerfield, of the New York Stock Exchange staff, were followed by a number of dinner conferences given by Mr. Halsey to representatives of the institutions most deeply concerned with the virulent stage of the swindling evil which had developed. These dinner meetings, which eventually included the national vigilance committee of the Associated Advertising Clubs of the World, culminated on May 1, 1922, in a dinner given by Mr. Halsey at the University Club, attended by leading bankers, newspaper editors, and stock exchange members. At this meeting Mr. Seymour L. Cromwell, then president of the New York Stock Exchange, pledged the necessary funds from the exchange to underwrite the formation of the Better Business Bureau of New York City and its running expenses for the first year, for a sum not to exceed \$100,000. This pledge was later formally ratified by the exchange, and the bureau was incorporated."

To-day you will find that James C. Auchincloss, a governor of the New York Stock Exchange and an active worker in organizing and raising the money for the better-business bureau, is the present president of the Better Business Bureau of New York City and that H. J. Kenner, formerly the eastern representative of the virilance committee of the Advertising Clubs of the World, is the

and that H. J. Kenner, formerly the eastern representative of the vigilance committee of the Advertising Clubs of the World, is the secretary and general manager of the same bureau.

You recall, no doubt, the evidence before this committee concerning Halsey, Stuart & Co. and their recent indictment for fraud in the sale of the Wardman bonds.

1921-1931

The condition of the United States in 1921 can not be better portrayed than was done by Mr. Herbert Claiborne Pell in the December, 1932, issue of Plain Talk. Mr. Pell said:

"In 1921, the Harding administration, hat in hand turned the United States Government over to the business interests. At that time we were the richest country in the world. There was a higher standard of living for all of our citizens; our manufacturing power was greater than that of any other pation in the high ing power was greater than that of any other nation in the his-

"Measured either absolutely or per capita, no State had ever approached the United States in economic wealth. Our position in the world, relative to other nations, had never been exceeded since the days of the Roman Empire.

"There was not a nation among our former allies or among our former enemies which did not look to us for inspiration, for

guidance, and for assistance. We were the most courted, the most popular, and the most important country in the world.

Since 1921 what has happened? You know how many millions the Wall Street bankers extracted from us through foreign bond sales. You also have a vague idea of the millions the Wall Street

sales. You also have a vague idea of the millions the wall street brokers extracted from us through their inflated stock sales.

Do you know that with the aid of the better-business bureaus—bought by them in 1922 for \$100,000—these bankers and brokers obtained, either by the passage of or an amendment to the blue sky laws in some forty-odd States, exemptions that prevent their prosecution for obtaining money under false pretense or fraud? Well, here is the exemption taken from section 7726, Missouri securities act, word for word:

"Securities exempt from provisions of this chapter: Except as hereinafter provided, the provisions of this chapter shall not apply to any security which is within any of the following classes of securities:

ply to any security which is within any of the following classes of securities:

"* * * (b) Any security issued or guaranteed by any foreign government with which the United States is at the time of the sale or offer of sale thereof maintaining diplomatic relations, or by any State, Province, or political subdivision thereof having the power of taxation or assessment, which security is recognized at the time it is offered for sale in this State as a valid obligation by such foreign government or by such State, Province, or political subdivision thereof issuing the same.

"* * * (f) Securities which at the time of the sale thereof are issued and fully listed upon duly organized stock exchanges to be approved by the commissioner, and securities senior to any security so listed or represented by subscription rights which have been so listed upon any of such exchanges, and evidences of indebtedness guaranteed by any company the common capital stock of which is so listed upon any of such exchanges."

These exemptions permitted all of those foreign bonds (now mostly worthless) and all of those infiated stocks to be sold to you by these bankers and brokers without fear of prosecution.

The puppet of Wall Street—better-business bureau—exposed not a single one of these gigantic swindles which to-day, in 1932, causes 12,000,000 honest citizens to be walking our streets begging for a crust of bread, but on the other hand these better-business bureaus gave impetus to the fleecing of the public by changing their sloggen "Truth in advertising" to read "Before you invest—

for a crust of bread, but on the other hand these better-business bureaus gave impetus to the fleecing of the public by changing their slogan "Truth in advertising" to read "Before you invest—Investigate"—"See your banker or broker or the better-business bureau"—"Buy only listed stocks."

The importance of this slogan change to the bankers and to these brokers who raised and paid the better-business bureau the \$100,000 in 1922 and who have annually contributed large sums to these bureaus for their same selfish purposes will be more readily understood if you read a statement issued by the St. Louis bureau in July, 1928, which is as follows:

" HALF MILLION INQUIRIES RECEIVED BY BUREAUS IN YEAR

"The vast influence of the national and more than 45 local better-business bureaus can be realized from figures just com-

piled which show that during the past year more than half a million inquiries on financial and merchandise subjects have been million inquiries on financial and merchandise subjects have been received by the various component parts of the bureau movement. How many millions of dollars have been saved naturally can not be computed. The St. Louis bureau has been handling about 1,100 inquiries per month. The bureaus have all urged the public to follow the "Before you invest—investigate" slogan. Evidently the public is following the advice."

And from the same source the following instructions:

"The investor was urged to remember that only a small proportion of financial institutions were questionable; that the way to differentiate was to get facts from a reliable source, such as a bank, an investment dealer, etc.—mentioning as an alternate source of information the Better Business Bureau of St. Louis.

These half million prospective investors in 1928 were directed by

These half million prospective investors in 1928 were directed by these bureaus to go and see their banker or broker, and you readily appreciate the fact that Mr. Broker, protected by the blue-sky exemption, put these half million suckers on their own books with their inflated "listed" stocks. Millions and millions of our dollars were thus diverted from the development of our legitimate indus-

were thus diverted from the development of our legitimate industries into a mere gambling den where only the sucker would lose. Small wonder it is that you see such men as Henry R. Hays, vice president of Stone-Webster & Blodgett (Inc.), and former president of the Investment Bankers Association, saying:

"The better-business bureau is a necessity to economic and social progress. * * * We have a common cause and I am proud to say that in a small way I am allied with you men who are the marine corns of the business world."

proud to say that in a small way I am allied with you men who are the marine corps of the business world."

Or that you hear Mr. E. H. H. Simmons, former president of the New York Stock Exchange, saying in 1931:

"A common effort to suppress security swindling is no longer merely a pious wish of a temporary movement. Through the creation and growth of the better-business bureau, it has been crystallized into a permanent institution, without which the security business of to-day could not be conducted upon its present plane."

Or as was said by a prominent State official, Deputy Attorney

Or as was said by a prominent State official, Deputy Attorney General Wilbur W. Chambers: "Have placed great dependence upon the better-business bureau

"Have placed great dependence upon the better-business bureau for assistance in obtaining evidence relative to fraudulent securities cases. I have found its work of great value, its representatives reliable and very efficient, and its information trustworthy."

Most certainly these bureaus can cite you to many minor fraudulent schemes that they have exposed and I pat them on their back for these limited good deeds just as I give Capone full credit for maintaining his "free soup" kitchen. Credit, however, for one or more good deeds does not justify either Capone or the bureaus in maintaining their rackets.

THE BUREAU RACKET

Having so thoroughly and completely secured control of the having so thoroughly and completely secured control of the investment dollars of our country, it was only the use of common intelligence for these financiers of Wall Street to divert their racket into every line of business activity. Bleeding the public through the sale of almost valueless foreign bonds and inflated stocks is directly tied by these bankers, brokers, and better-business bureaus to their attempt to dominate and control private industry, prevent the development of our natural resources and in a large measure act as a deterrent for speedy return of normal business

I will outline the evidence supporting the charges that the

I will outline the evidence supporting the charges that the better-business-bureau system—the puppet of the stock exchange and investment bankers—is the twentieth century star racket.

In a statement made by a former attorney general of New York on January 23, 1926, before the bar association of New York City, this gentleman, Mr. Ottinger, showed that the bureaus obtained two highly prized benefits as a result of their, the bureau's, preparing their own cases for the attorney general's office that the bureau wanted prosecuted, instead of the attorney general's office doing that work for which he and his own office force were paid. were paid.

It helped the bureaus to build up a record of performance, and obtain favorable newspaper publicity. And it helped the bureaus in their prosecution of some business industry who would refuse

of those who did contribute to it.

On June 25, 1932, Mr. Frank J. Meehan, an assistant attorney general of New York, frankly admitted to me that his office had to permit the work of preparing cases to be left with the better-business bureau for the reason that his office did not have suf-ficient money to make the investigations, and it naturally follows that the preparation of a case was entirely discretionary with the bureau and if this is so, it is readily apparent how great a weapon a bureau has to carry on its racket and force donations to its money chest. It will make interesting evidence if Mr. Meehan will appear and show from the records of his office the number of

A typical example of better-business bureau prosecution of a company who had for years refused to pay cash tribute to the bureau racket was seen in St. Louis in October, 1932, when George S. Langland, merchandise manager of the St. Louis bureau, caused the arrest of H. S. Goldberg and W. A. Leopold of the Lincoln home furnishers home furnishers.

home furnishers.

This concern being unable to get a favorable new lease from its landlord, and having been hard hit by the present depression, decided to close its doors. Large display advertisements were given the daily papers of St. Louis on September 8, 1932, stating among other things, the following:

"Sale starts Friday promptly at 9 a. m. 'Rain or shine.' Our entire stock of newest 1932 quality furniture, radios, stoves, rugs,

lamps, electric refrigerators, etc., will be sold. We must vacate by

midnight, September 30."

All goods that had not been disposed of on September 30 were

All goods that had not been disposed of on September 30 were being removed on October 1, and the removal continued without stopping until everything had been taken from their premises and were stored pending a sale in bulk.

The Better Business Bureau promptly grabbed at a straw and began prosecution for false advertising—the store had advertised it would vacate September 30. The store did not vacate until a week later, hence the bureau claimed the advertised statement was false, as shown by the following headline from the Better Business Bureau Bulletin of October 10, 1932, to wit:

"Going out of business" sale of Lincoln home furnishers widely advertised to terminate on September 30 continues into October. Newspapers and radio stations refuse advertising. State advertising law violated. Warrants charging fraudulent advertising issued at direction of Prosecuting Attorney Harry P. Rosecan."

What a glorious (?) chance for the Better Business Bureau to get revenge for the previous refusal of these men to contribute to their racket.

their racket.

Messrs. Goldberg and Leopold appeared ready for trial on November 25, 1932, before Hon. Edward E. Butler, judge, Court of Criminal Correction of the city of St. Louis, and were promptly found not guilty immediately the Better Business Bureau closed its prosecuting evidence. Remarks of the court, as quoted in the St. Louis Post-Dispatch of the same date, contain these pertinent statements:

statements:

"At the conclusion of testimony by witnesses for the Better Business Bureau, including its merchandising manager, George S. Langland, Judge Butler told Langland he thought the Better Business Bureau was 'going a little too far' in bringing these charges. Neither Goldberg nor Leopold was called to the stand.

"When Langland and other witnesses admitted the company of the stand of the company of the stand of the stand of the stand.

when Langland and other witnesses admitted the company had actually gone out of business October 11, Judge Butler said, 'I think these charges are an outrage. These people may not have been able to get out by September 30. If that is the kind of thing the Better Business Bureau is doing, it doesn't look good to me."

From such a condition as above stated, and the same condition applies in other cities policed by these bureaus, you can see how these bureaus have usurped the functions of our governmental agencies, how they force their way into our stores, factories, offices, and other industries and search and seize matter that is directly contrary to our Constitution, and search and seizure can not be done by our duly elected or appointed authorities without a done by our duly elected or appointed authorities without a warrant.

I quote from a statement by Mr. E. C. Reigel, of New York, which is a part of the evidence he has furnished the Banking and Currency Committee, as follows:

"In this brazen attempt of Wall Street to subvert government, the Government itself has offered no resistance. The defense of constitutional government has been made entirely by private citizens contributing to this effort. Formal charges and appeal to Government authorities has been of no avail. Not until the Senate investigating committee interested itself has there been one ear that would listen to the friends and upbuilders of civil government."

Mr. Reigel has supplied this committee with hundreds of pages of facts and I refer to them as fully supporting our position on this point. These facts are too voluminous to be quoted and a repetition is entirely unnecessary.

The exercise of regulatory or police power is an exclusive prerogative of government and when a better-business bureau attempts to take over these agencies of our Government it is an offense to society that transcends all evils which they profess to regulate. to regulate.

When these bureaus usurp these powers for their own predatory purposes it leaves them without any moral quality of justification.

Permitting private agencies to function as quasi-governmental agencies is contrary to the Constitution and is an opening wedge that may well lead to more serious breaches of and disrespect for our Bill of Rights.

for our Bill of Rights.

There is no justification for privateers, racketeers, or clans to enter the business of governmental regulations and the almighty dollar has not yet reached the place where it, or its controlled agency, is superior to the Constitution of these United States. In 1925 the battery manufacturers, aided and abetted by the National Better Business Bureau, to whom these battery manufacturers were paying regular tribute, opened its war guns on the battery solution manufacturers. The following quotation is from a circular issued by the National Battery Manufacturing Association headquarters, 17 West Forty-second Street, New York City: City:

" MARCH 8, 1926.

["Confidential Bulletin Vol. 1, No. 56]

"The following communication has been received from the National Better Business Bureau and will probably be of interest to you. Therefore, I am sending it out in bulletin form for your information and check.

"BATTERY SOLUTION ADVERTISERS

"Since February 11, 1925, we understand that the 26 concerns hereinafter named, who formerly advertised and sold battery solutions of one type or another, have gone out of business, or out of the battery-solution business. Should information as to renewed activities on the part of any of them come to your attention, you are requested to communicate promptly with us."

How much money was paid by these members of the National Battery Manufacturing Association to the national and local bet-ter-business bureaus to kill off this competition?

PAF MANUFACTURING CO., GREENVILLE, ILL.

PAF MANUFACTURING CO., GREENVILLE, ILL.

These self-proclaimed police powers are not always successful in killing competition for their contributors as was evident by the unsuccessful efforts of the better-business bureau to ruin the spark-plug business of the Paf Manufacturing Co. Attempt was made to prevent all national advertising of this spark-plug company by the National Better Business Bureau and when it failed in that effort it went before the Federal Trade Commission and had that august body issue one of its famous "show cause" orders why the commission should not enter a "Cease and desist order" and prevent the use of the mail to Paf Manufacturing Co. Mr. Greffoz, president of the Paf Manufacturing Co., licked these bureaus mercilessly before the Federal Trade Commission, who gave him a clean bill of health, and he is ready to produce his evidence before the Senate investigating committee. Incidentally, this company has been turning out some 70,000 spark plugs a week this year. week this year.

How much money was paid to these bureaus to try to kill that

FIRESTONE TIRE & RUBBER CO.

The Firestone Tire & Rubber Co. and Sears, Roebuck & Co., who The Firestone Tire & Rubber Co. and Sears, Roebuck & Co., who are known to all of us, were both members of and heavy contributors of cash to the national and local better-business bureaus and I am advised that Sears' donations exceeded Firestone by many thousands of dollars annually.

It is small wonder that when Sears attempted to have the advertising copy of Firestone refused by all advertising media, the better-business bureau did nothing about it, especially since Firestone had some specific charges to make about the false advertising of Sears, Roebuck.

quote from a Firestone bulletin issued in September, 1931:

"Not content with grossly misrepresenting facts in its retail tire advertising; not content with twisting and distorting the meaning of the code of ethics promulgated by the National Better Business Bureau for guidance of all tire manufacturers, distributors, and advertisers; not content with constant and persistent utors, and advertisers; not content with constant and persistent resort to sales and advertising tactics palpably disparaging to competition and misleading to the consuming public, Chicago's big catalogue and cut-price house, Sears, Roebuck & Co., now has gone farther and has actually been caught in the act of selling its tires fraudulently and under direct misrepresentation and false pretenses. * * We caught Sears, Roebuck with the goods on them. We bought a Sears, Roebuck tire under the false misrepresentation of that company's employees. We purchased a 29 by 5.50 Sears, Roebuck Super Allstate tire for \$13.35 upon the direct and repeated representations of Sears, Roebuck employees that said tire contained 7-ply construction with seven full plies extending from bead to bead, when in reality Sears, Roebuck & Co., does not have a tire of 7-ply construction in its whole bag of tricks. * * And Edward L, Greene, manager of the National Better Business Bureau doesn't do a thing about it except condone the Sears, Roebuck offenses through lack of action, yet he turns right around to use Sears, Roebuck as a nice fat ambush from beright around to use Sears, Roebuck as a nice fat ambush from behind which to do his shooting at legitimate tire manufacturers. It looks to us as if Chicago's big catalogue and cut-price houses have finally gotten Greene bluffed, or coaxed, around to the point where he and the National Better Business Bureau, instead of serving all he and the National Better Business Bureau, instead of serving all business impartially, have now become the tool of special interests. * * * We have in our possession the tire we bought from Sears, Roebuck in Camden. We have photographs of the cross section Sears, Roebuck said was 7 ply and the same as the tire they sold us (which was a 6-ply casing). We have the receipt for that tire. All this evidence is at Mr. Greene's disposal. We'll make sworn statements for him. We'll help him run the matter down. Here's a chance for him to push a real prosecution. How about it, Mr. Greene—are you game?"

Mr. Greene—general manager of the National Better Business

Mr. Greene—are you game?

Mr. Greene, general manager of the National Better Business Bureau, was not game. He failed and refused to do anything about it for he had too much money coming to his bureau from Sears, Roebuck & Co.

Mr. Reigel in his brief Predatory Practices of the Better Business Bureau, already on file with the Senate committee, cites the following cases which I believe warrant a repetition.

AMERICAN CIGAR CO.

"This corporation was a member of the National Better Business Bureau but withdrew when criticized by the bureau. It was attacked on two advertising campaigns, that of Lucky Strike cigarette and Cremo cigar.

"The Lucky Strike campaign roused the ire of candy and other sweets vendors and even Senator Smoor took an active interest in the Senate and before the Federal Trade Commission in denouncing the campaign 'Reach for a Lucky Instead of a Sweet.' The interests offended by the campaign were so many and powerful that the bureau was induced to act even against a mem-

powerful that the bureau was induced to act even against a member and after the withdrawal of the tobacco company, it was, of course, no loss to put out late bulletins on the Cremo Cigar spit campaign, at the behest of its tobacco subscribers alone. "Both campaigns were reported to the Federal Trade Commission by the National Better Business Bureau and the commission in its dutiful way cited the tobacco company but neither case came to a hearing until the company had run the campaigns their allotted period and were ready to drop them, and attorneys

readily entered into stipulation to discontinue the offensive |

phrases.
"The interesting phase of these bureau attacks was the demon-

"The interesting phase of these bureau attacks was the demonstration that it is absolutely impotent against a larger advertiser. It could only bellow and plead but no harm was done because the advertising appropriation of this advertiser is so large that no medium would strike it out no matter what the bureau said. A member of the bureau expressing the hopelessness of the attack said, 'We are like a yellow dog yelping at their heels.'

"Edward L. Greene, general manager of the National Better Business Bureau, confessed that mercenary motives rather than professed ethics are the secret of the bureau movement and that the bureaus are able only to stop the advertising of smaller advertisers when he said: 'The advertising appropriations of the American Tobacco Co. have perverted the judgment and character of the advertising industry. Advertising executives should ask themselves the question:

themselves the question;
"Could an advertiser with a nominal appropriation have pub lished the objectionable advertising incorporated in the 'Reach for a Lucky Instead of a Sweet' and the present 'spit-tip' Cremo cigar advertising, as carried on by the American Tobacco Co. and

its subsidiaries, and placed by Lord, Thomas & Logan?
"Following the specific bulletins the bureau put out a general denunciation entitled 'Advertising Practices' of the American Tobacco Co. cataloguing its various sins which undoubtedly would have been left unmentioned if the tobacco company had not be-

have been left unmentioned if the tobacco company had not become too successful and too offensive to other bureau members.

"After remarking the biased and distorted nature of the bureau's bulletin, an evil quite common to these alleged investigators, the American Tobacco Co. states in its answer to the Federal Trade Commission as follows:

"'The National Better Business Bureau is a self-constituted body and its name is self-chosen. The evidence which the bureau published in its bulletin, when examined, shows that its conclusions were based upon an obviously inadequate investigation which, though inadequate, was at least sufficient to prove that the bureau's criticism of the American Cigar Co.'s advertising was unwarranted and that the risk described in Cremo advertising did exist. Having made an inadequate investigation, the bureau failed to take proper cognizance of the evidence which it had collected, and based its unwarranted inferences upon a misinterpretation of such evidence.

"'The American Cigar Co. is neither a member of nor a con-

"'The American Cigar Co. is neither a member of nor a contributor to the National Better Business Bureau, although certain of its competitors are members and contributors. The American of its competitors are members and contributors. The American Cigar Co. holds definite views with regard to the part which the National Better Business Bureau has played in this controversy within the cigar-making industry, and as to the manner in which it has been used—or perhaps abused—the quasi-authoritative standing which it possesses because of its self-selected name and the good work which it does along certain lines. We will not assert those views here, as we realize that this is not the forum for their assertion. for their assertion.

BULOVA WATCH CO.

"This watchmaker was attacked by the National Better Business Bureau on the ground of 'questionable claims.' We do not know to what extent advertising was refused by advertising media as a result, but the concern must have felt itself hurt, for in a conference at the bureau's offices an earwitness reports

Mr. A. Bulova as saying:

"'We will spend a million dollars and I'll add an additional million from my personal fortune to wreck the bureau.'

"None of the offenses charged to the company are serious, but the widespread mailing of the bulletins which we have been informed was arranged for by the competitors no doubt hurt it considerably in the trade siderably in the trade.

In one of our bulletins, widely circulated and remaining un-

"In one of our bulletins, widely circulated and remaining unchallenged, we stated:

"'Knowing that the National Better Business Bureau is too pinched financially to pay out of its budget for sending out 25,000 bulletins to jewelers attacking on the flimsiest pretext a nonmember watchmaker, we consult the secret membership roll to see who in the line is in the racket, and we find Elgin, Gruen, Hamilton, Wadsworth, and Illinois, and we have no doubt that one or several of these paid for the dirty work.'

"Under 'frauds protected' we touch upon the practices of one of the above-mentioned bureau subscribers

of the above-mentioned bureau subscribers.

OLIVE STREET TERRACE REALTY CO.

"This case is interesting in that the subject was attacked for doing the identical thing that two competitors who were bureau

members also did.

"When the General Electric Co. announced plans to build a large plant to employ a large number of persons on the fringe of the corporate limits of the city of St. Louis this subdivider and two others bought land in the vicinity of the proposed plant and offered parcels for sale on the prospect of the natural increment that would follow the execution of the General Electric Co.'s plans. The above company was fortunate in securing property closer to the proposed plant than that of the two competitors, and this fact, together with a possibly more successful sale, may have excited the jealousy of the competitors, who invoked the services of their bureau, which by bulletins and private communication raised doubts as to the value of the subject's offering and in general did what it could to spoil prospects.

"While no actual misstatements or false representations were

While no actual misstatements or false representations were alleged, the innuendo might have been employed with equal force to the two bureau member competitors and, therefore, we regard

this as an ideal case to fllustrate the fact that bureau processes are nothing but covert competitive warfare whereby the competitor hires the bureau as a publicity gunman because he himself fears to do the shooting.

R. H. MACY & CO.

This large department store, doing more than double the "This large department store, doing more than double the amount of business of that of any other New York store has been the object of jealousy on the part of its competitors for many years. According to gossip, the New York Bureau for the first two years of its existence was purely an agent of the financial interests sought to align the department and specialty stores with it, as 'window dressing' to obscure its primary purpose of serving Wall Street. Col. Michael Friedsam, president of B. Altman & Co., was appealed to as leader of the movement and according to this gossip, the argument was used that if all the stores came in including Macys, they would, by some device of 'ethical standgossip, the argument was used that if all the stores came in, including Macys, they would, by some device of 'ethical standards' induce Macys to abandon their very effective slogan '6 per cent less than elsewhere.' Whether or not the movement was based upon such a conspiracy we do not know, but that it resulted in a conspiracy the facts prove. Macy's joined the bureaus with all the rest of the stores."

In due course, the bureau manager began writing to Macy's urging the abandonment of the slogan without success. We quote from his letter of December 19, 1925:

"We believe we should now make formal request of R. H. Macy & Co. that the statements 'Lowest in the city prices' and '6 per cent less than elsewhere' be eliminated in your future advertising on the grounds that such statements are by no means universally true and, therefore, are misleading to the public and unfair to your competitors."

your competitors.

your competitors."

Under the direction of Altman's merchandise manager, the bureau then began a secret survey to prove that Macy's did not undersell everybody, on everything. Two hundred and forty-four articles were shopped and the bureau's "survey" showed that on none of the articles were Macy's lower and on some they were higher. This was presented to Macy's, who by this time were convinced that the bureau was getting ready to either stigmatize them by dismissal or continue the controversy to work up sentiment against them. They resigned April 21, 1926. Whether or not their advertising claim is true, of course, no one knows but that a large part of the public believes it there is no doubt and that is what hurts. As usual, ethics has nothing whatever to do with the matter but, of course, it is the invariable justification

that is what hurts. As usual, ethics has nothing whatever to do with the matter but, of course, it is the invariable justification for the attack. The following from our publication, the Nation's Consumer, widely circulated, we believe, states the case correctly: "Macy's are the most successful liars in the retail advertising field. This peeves the other stores. Not that they object to Macy's lying, because they all take a try at it themselves in a more or less blundering way. It's the abuse of the privilege they object to, especially if it's done with a certain masterful éclat that the amateur can not command. Macy's hit upon one of the cutest and trickiest lies ever synthesized in bonehead logic. This is the formula: Since money costs 6 per cent per annum, a charge store must get 6 per cent more than a cash store and hence Macy's can sell 6 per cent under their competitors. Of course, the antidote for a lie is the truth, but since Macy's competitors have none of this antidote, it's a walk-away for the store of the shifty."

Upon the occasion of Macy's resignation, its president, Percy Straus, stated:

Straus, stated:

"By the very nature of its employment, this bureau will always be incompetently managed; the small salaries that it can afford be incompetently managed; the small salaries that it can afford will attract only men who can have no conception of large business organizations. Surely, sometimes such management, in its ignorance, will level captious criticism against some well-meaning business that will result in a series of well-founded suits that might endanger the personal fortunes of all of its officers and all of its directors and all of its contributors."

This case in the local field, as the American Cigar Co.'s in the national field, demonstrates that the bureau is absolutely unable to discipline a big concern. The newspapers did not report the

to discipline a big concern. The newspapers did not report the bureau's survey and did not make any effort to get Macy's to change their copy, and the bureau, we found, did not even dare to ask the newspapers to do so. Macy's are the largest advertisers in the local field, and American Tobacco Co. are the largest in the national field.

The merchants in the conspiracy found that in a big job like

The merchants in the conspiracy found that in a big job like this they could not remain obscured and expect the bureau of itself to influence the papers, so after several years of stewing they came out in the open last year and brought direct pressure to bear upon the newspapers with threats of discontinuing their advertising. This forced the newspapers to take notice of "truth in advertising," and Macy's have been compelled to alter their underselling claims but have not yet satisfied their competitors, and the newspapers are still working on Macy's to further satisfy the conspiracy and secure complete "public protection."

RALADAM AGAINST FEDERAL TRADE COMMISSION

This, so far as we know, is the only case wherein the extralegal processes of the better-business bureau in its relation with publishers and the Federal Trade Commission has been brought to judicial determination. After reciting the peculiar relationship between the bureau and the commission, the petition states:

"Par. 22. Respondent and said National Better Business Bureau incited and brought about the inclusion, in the respective bulletins aforesaid, of the respective statements just above quoted from the said bulletins, respectively, with the intent and purpose of thereby further threatening and intimidating publishers of newspapers throughout the United States, and so inducing them to

yield more compliantly and completely to the exercise of the censorship powers conferred upon said National Better Business Bureau by the resolution aforesaid, and frightening said publishers into declining to publish advertisements relating to petitioner's said Marmola prescription tablets. * * *

"Par. 35. The boycott of petitioner as an advertiser by publishers throughout the United States has become substantially comers throughout the United States has become substantially complete, due to the efforts of respondent and said National Better Business Bureau, the said local better-business bureaus, acting under and in furtherance of the aforesaid unlawful agreement, combination, and conspiracy in restraint of trade, and the aforesaid resolution. On September 30, 1929, Messrs. Woodward & Kelly, representing the respective publishers of the following newspapers, in soliciting and seeking to obtain advertisements for publication in said newspapers, respectively, to wit: The Chicago Dally News, the Cleveland Plain Dealer, the New York Herald Tribune, the Philadelphia Inquirer, and the Richmond Times-Dispatch, wrote to petitioner's said advertising agent, Kling-Gibson Co., aforesaid, a letter, as follows:

a letter, as follows: "'Re Raladam Co. "'Re Raladam Co. For some time I have been trying to get my papers to give these people the benefit of any doubt. However, I have not been successful, as all of the local better-business bureaus have done their work in scaring the papers from accepting this business. Therefore, much as I hate to do it, I will have to return your very kind contract. The Cleveland Plain Dealer returned this contract to you on September 24, saying they would not accept it. I have had correspondence with them since then, but have been unable to get them to accept it. P. S.—Just received a letter from Mr. E. I. Bacon, of the Philadelphia Inquirer,

as follows:

ceived a letter from Mr. E. I. Bacon, of the Philadelphia Inquirer, as follows:

"Will you be good enough to advise Kling-Gibson that there is nothing further we can add to what we have already told them in reference to the Marmola account? We do not believe it advisable to insert this advertisement until the matter has been finally disposed of by the Federal Trade Commission."

The court, in deciding favorably for the petitioner, aptly states the conspiracy in rendering his opinion which we quote, in part:

"The record here shows, without dispute or by implication which would hardly be denied, that the American Medical Association is engaged in a campaign against those proprietary remedies, which it believes ought to be used by the public either not at all or only under supervision. It has a bureau for that and other purposes, and the bureau employs a director. When it is thought that a particular advertisement should be stopped this director takes the matter up with the commission and with the association of better-business bureaus, which are scattered over the country. Thereupon, the commission, if it approves, files a complaint and eventually, if it is convinced of the truth of its complaint, makes the order to desist and refrain. The betterbusiness bureaus explain to their local newspapers and to the general periodicals that it would be wise to refuse this advertising. The chairman of the commission, in public addresses and in correspondence, advises the newspapers that they will be subject to prosecution by the commission as defendants, to be joined with the advertisers, if they do not desist from such publications; and the newspapers may suspect that if they do not comply with the advice of the better-business bureaus, their general advertising patronage from the membership of these bureaus will fall off. It appears that these methods of influence, carried on in this case before this cross suit for enforcement was commenced and while it has been pending, have destroyed a large part of petitioner's busine it has been pending, have destroyed a large part of petitioner's business through refusals to accept this advertisement, and only the injunction of this court is needed to make the elimination

The commission appealed the decision of the circuit court to the United States Supreme Court, which affirmed the lower court (51 Sup. Ct. Rept. 587), thus ending the commission's cease-and-desist order. The petitioner cited many instances of refusal to accept advertising due to intimidation of the publishers by the better-business-bureau commission threat.

"The Raladam Co.'s losses may well have exceeded \$1,000,000 as they advise us that their legal expenses alone exceeded \$150,000. This illustrates how the Better Business Bureau system may punish without trial or conviction and how impossible it is for a small concern to combat it."

HOWELL AND GRAVES

This company has exploited Muscle Shoals real estate on the prospect of increased values when the Government nitrate and power plant is either put into operation or leased by the Government. It was selling lots successfully in 1922 when the New York Better Business Bureau came into being. We have information that at that time the National Better Business Bureau had begun to cover this enterprise but that the manager of the new-born New York bureau asked that he be permitted to take the case as a means of putting his bureau on the map. The follow-ing are the moves in the attack by the bureau:

1. Got the attorney general after them. He found nothing

2. Got the district attorney after them. He also failed.
3. Got the police department to put in two detectives as salesmen. They found nothing.
4. Made a complaint to the Post Office Department which the company heard of and met immediately by taking a full statement direct to Washington as they feared the New York office, known to be closely connected by the New York bureau.
5. Brought action for false advertising. Case dismissed for lack of evidence.

6. Sent an "investigator" to Muscle Shoals to await a rain and photograph some undrained water to prove that property was not dry. Published a bulletin showing such photographs and also pointed out that "brick road" shown on the maps of the company was not even paved, not explaining, however, that "Brick Road" was not named by the company but was an old road so-called because it led to the town of Brick and that no one had represented it as paved.

The attack gained wide newspaper publicity and the bulletins were furnished to all savings banks where they were and still are used effectively to dissuade depositors from withdrawing money for investment in this property.

UNION DEPOSIT CO.

We quote in part a letter written to five directors of the Denver Better Business Bureau. It will be noted that this company was a charter member of the bureau, but later entered into an activity that is proscribed by the New York Stock Exchange, namely, dealing in investment trusts:

that is proscribed by the New York Stock Exchange, namely, dealing in investment trusts:

"For the past two years we have devoted our entire time to the development and sale of an investment trust sponsored by the Union Deposit Co. The Union Investment Trust, as our security is known, was developed along the most approved conservative lines. Its portfolio consists of the stocks and bonds of 30 of the most prominent corporations comprising the leadership in industry, commerce, and finance.

"Before the Harriman National Bank & Trust Co. of the City of New York, and the Metropolitan Trust Co., of Los Angeles, accepted our trusteeship, they made a rigid investigation of our organization, and of the investment trust which we proposed sponsoring. The trust indentures in both cases were drawn by the attorneys of those banks.

"We have been advised by many of the various State commissions, including those in Massachusetts, Kansas, California, and Texas, that in the two and one-half to five years in which we have been operating in those States, there is not a single record of complaint filed against this company or any of its sales representatives. This in contrast to many hundreds of complaints that have been filed against scores of other companies in a more or less competitive line of business.

"Duns, Bradstreets, and Moody Investors Service, and our banking connection in Denver, the American National Bank, always report most favorably upon our company.

"We believe that this mass of facts fully justifies us in asserting that we are worthy of the full and hearty support and cooperation of the better-business bureau, which, I am sorry to say, we have never secured. Almost from the very first we began to receive information of unfavorable reports issued by the Denver Better Business Bureau and through the local bureau, by other better-business bureaus in the communities in which we were operating. Where misstatements of facts were made, we endeavored to furnish the better-business bureau with correct inforbetter-business bureaus in the communities in which we were operating. Where misstatements of facts were made, we endeavored to furnish the better-business bureau with correct information, going so far as to send, first, an officer of our company to the offices of the better-business bureau, to thoroughly acquaint them with the operations of our business, and later, our auditor, Allen Redeker, certified public accountant, called upon the better-business bureau and went over the trust indenture with the Harriman National Bank & Trust Co. and other information in detail, in order that they might be fully acquainted with the security which we were selling.

"'From the very first there has existed a very evident antagonism on the part of the officers of the better-business bureau.

"From the very first there has existed a very evident antagonism on the part of the officers of the better-business bureau toward this organization. During the time that Mr. Berlin Boyd was the manager of the bureau, he lost no opportunity in furthering the interests of the building and loan association with which we came in direct competition during the years that we were selling our first-mortgage bond securities. I believe it is a very significant fact that Mr. Boyd is now associated with the Silver State Building & Loan Association.

"'No effort has ever been made on the part of the better business bureau to learn the facts. They have deliberately and consistently refused to recognize the facts when presented to them. Frankly, I very much doubt whether the clerks of the betterbusiness bureau have sufficient intelligence to digest the information contained in our trust indenture. The fact that the

business bureau have sufficient intelligence to digest the information contained in our trust indenture. The fact that the indenture was drawn by one of the best-known firms of attorneys in the city of New York, accepted by a financial institution as trustee, larger than any financial institution in Denver, and approved by the experts employed by various State commissions under which we operate, should certainly carry more weight than the opinion of a clerk earning a salary of a few hundred dollars per month from a better-business bureau.

"'The thing that hurts, perhaps more than any other, is the fact that on the letterhead of the Better Business Bureau the name of yourself and 10 or 11 others of our most prominent business men appear. This is equivalent, in the mind of the public generally, to a letter over your own signature, and creates far greater harm than such a letter would were it written merely over the signature of an employee of the better-business bureau.'

THE ARTLOOM CORPORATION

"This case is of special interest as showing the failure of legal remedies against a threatened action by the better-business bureaus.

"The Artloom Corporation found itself the victim of the 'trade-practice process,' and the Federal Trade Commission, at the instigation of the better-business bureau, examined its publicity and issued a cease-and-desist order against the use of the word

Wilton,' which did not conform to the use prescribed in the

trade practice conference definition.

"Knowing the force of such a decision in the hands of the better business bureau in prejudicing the trade and in causing publishers to refuse advertising, the Artloom Corporation sought to enjoin the National Better Business Bureau in the United States District Court, Southern District of New York, for bulletings this cases and decisions.

ing this cease and desist order.
"The court denied the injunction on the ground that it would restrain freedom of speech, a very logical decision, since counsel for the petitioners did not bring out the peculiar significance of a better business bureau bulletin, and that it, in fact, implies denial of freedom of speech, because the subject is denied the freedom

of the press thereby.

"Prior to the issuance of the Federal Trade Commission cease and desist order the Artloom Corporation had a taste of what the better business bureau system could do in restraining its the better business bureau system could do in restraining its business in the merchandising and advertising field merely on the claim of violation of the 'rules' of the trade practice conference, of which it was not a part, and, of course, it tried to foil the threatened thrust with the weapon of a cease and desist order, but failed because the courts do not understand the bureau system and its 'self-policing' methods.

RECEIVER'S REPORT

"A letter addressed by us to a Kansas City corporation reached the receiver of the corporation, which was then in bankruptcy. Under pledge of secrecy the receiver wrote us:

"Investigation of the records of the company hint at an arrangement whereby unjustifiably favorable reports were put out on behalf of the company from the Kansas City Better Business Bureau. I have noticed several checks of unusually large amounts which seem to have been paid to representatives of the Kansas City Better Business Bureau. Mr. — was president of the company and manager at the time of these transactions, and while he, no doubt, profited thereby, it is very likely that he looked upon these payments as blackmail and would be interested in helping in the program you are putting on. I suggest that you write him a letter and determine what his attitude might be."

BOSSHARDT STEEL CORPORATION

BOSSHARDT STEEL CORPORATION

"This corporation established a plant for the production of steel castings by an improved German process and were undertaking to interest capital. For no special reason the local better-business bureau began a whisper campaign which the company did not pay much attention to until a prospective investor from another city, contemplating an investment of \$50,000, did not keep his appointment to call. Upon calling him next day on long-distance phone, he stated that he had gone to Canton but had first got in touch with the better business bureau and was frightened off.

"The president and general manger stated to us that he at one time and another officer at another time were approached in the lobby of a local hotel and told that for \$500 the bureau would

INSTITUTE FOR PUBLIC SERVICE

"The above institution and its director, William H. Allen, were the real objectives in a sham attack upon a mining enterprise in which Mr. Allen is interested. We quote his statement, in part: "'I write on this letterhead because it was the character built

up in this work that the better-business bureau lent itself to besmirching. It was this work which made the attack on me 'good advertising' for the attackers. At the same time the business interest I represent was injured to the limit of false charges and insinuations to injure.

"Until August, 1930, I knew of the better-business bureau only as a name which implied disinterested public service and honest, careful investigation. Then out of a clear sky, with no warning, I found myself blazoned on every front page of New York newspapers and in telegraphic dispatches throughout the country, as well as cabled dispatches to Europe, as a 'civic worker' then

before the grand jury for a mine swindle.

"The story's plausibility was drawn from an alleged investigation by the better-business bureau because of alleged complaints

tion by the better-business bureau because of alleged complaints of first one woman and later by a second woman and a man."

Then follows a lengthy recitation of the facts, showing that the whole story and prosecution were pure fiction and that there was not even a spontaneous complaint. By the appearance of the story in the papers, Mr Allen was enabled to nip the synthetic prosecution in the bud by having it dismissed by the grand jury. The following paragraph shows how absolutely unfair are so-called "investigations" by the better-business bureau.

"Although our mine office and books are in the same building and on the same floor, less than 50 steps from the better-business bureau, it paid no visit to us, did not telephone us, did not write us, sent no reporter and no agent of the district attorney to us, apparently advised the complainant without suggesting that she come to us, write, or telephone us.

come to us, write, or telephone us.

"After the case was dismissed here, the better-business bureau wrote inquiries out in the neighborhood of the mine, with what other motive except to excite suspicion and do injury it is hard

other motive except to excite suspicion and do injury it is hard to comprehend, for, so far as the answers to the questions could have possible validity, the result could have been accomplished by consulting our files."

"Mr. Allen concludes: I am writing this fully with less feeling than the facts justify, because we weathered the storm and look forward to a productive season. As a citizen, however, I feel that such methods are just as safe as keeping rattlesnakes for pets." such methods are just as safe as keeping rattlesnakes for pets."

UNITED PLUMBING CO.

We have repeatedly observed the failure of lawyers to press litigation against the better-business bureaus and have remarked that it is the intimidation of counsel rather than favorable judicial determination that has made the bureau almost universally victorious in legal issues. The following statement of Attorney Horace B. Neff shows what an attorney is obliged to go through with the pundstokes to first.

with if he undertakes to fight:

"On Feb. 7, 1927, the better-business bureau printed an article in which they declared that the United Plumbing Co. was insolvent and that the company was in the hands of a Cleveland credit association for liquidation. This was absolutely false; it was another company not connected with the United Plumbing Co. which was being liquidated. Within a few days following the publication of this libel, the president of the plumbing company was called into the Union Trust Bank and told by Vice President Harold that he would have to withdraw his account as he had

Harold that he would have to withdraw his account as he had been attacked by the better-business bureau. Klein, on behalf of his company, sued the better-business bureau for \$300,000 for libel. That action was filed in February, 1927.

"The other banks refused to accept his account on the ground that he had been attacked by the better-business bureau, saying that they would be criticized by the bureau if they accepted his company's account; and his business was destroyed. The runners of the bureau went to his customers and threatened them that they would get the same dose if they continued to do business.

company's account; and his business was destroyed. The runners of the bureau went to his customers and threatened them that they would get the same dose if they continued to do business with the United Plumbing Co.

"The three newspapers of Cleveland, to wit, The Cleveland Press, the Cleveland News, and The Cleveland Plain Dealer, have agreed not to publish any libel suits against the better-business bureau. And, in addition, the combination of the banks, the better-business bureau, and the newspapers hold the judges of our local courts in the hollow of their hands, and the judges realize that to refuse to carry out the command of these organizations will deprive them of their bread and butter.

"Although I made every possible effort to bring the cases to trial, I found it impossible; the judges ran away from it. They violated every one of their rules of procedure regarding continuances. I believe that on one pretext or another that the cases have been passed, postponed, and continued over a hundred times.

"I cited in the two fellows who are doing their legal work, James C. Lind and Charles Arter, for contempt of court. They were both flagrantly guilty. The trial was before a judge named Frank Phillips. He whitewashed these two fellows and gave me a scathing lecture for having brought them in on charges. He had to protect his bread and butter.

"I then looked up the criminal statutes and found that the better-business bursely were all guilty of criminal libel and

"I then looked up the criminal statutes and found that the better-business bureaus were all guilty of criminal libel, and had Asa Shiverick, Dale Brown, and several others arrested. The penalty for this crime is two years in the penitentiary, with a fine

of \$1.000.

of \$1,000.

"On the day following their arrest, I was called up by the Hon. James C. Lind and threatened that unless I dismissed the warrants that he would have me disbarred by the Cleveland Bar Association. I was also advised by several other attorneys that they would get me by fair means or foul if I went ahead with the trial, but I disregarded their warnings. Lind also threatened the justice before whom the criminal cases were pending that he would have the county prosecutor kick him out of town if he did not dismiss the actions.

"I went to the prosecutor's office and demanded the right to

"I went to the prosecutor's office and demanded the right to go before the grand jury for an indictment and was refused. He is also at the mercy of this combination of banks, newspapers, and big business men. The justice was absolutely terrified, and I abandoned the prosecutions after he had made a decision in their favor in the trial of the first case.

"In order to prevent the civil case from coming to trial they got hold of a judge by the name of Eastman, a judge of the children's courts, and a judge of the court of insolvency. The United Plumbing Co. had been obliged to make an assignment for the benefit of creditors and one Gerald E. Doyle was named assignee. Eastman was the judge. The judge framed Doyle to deny his signature; at least the petition which I understood he signed disappeared and least the petition which I understood he signed disappeared, and he later swore that he had never signed it. He said he would rather resign as assignee than to sue the better-business bureau, and Lind and Arter then filed a defense setting up that my case should fail because it should have been brought in the name of Doyle,

"The better-business bureau then broke into feverish activity to get rid of me. They got the Cleveland Bar Association to prefer charges against me. The three leading newspapers have completely boycotted me and will not publish anything for me. The Cleveland Bar Association is run like the Government by the Cleveland Bar Association is run like the Government by the lawyers who represent big business. The bar association procured a judge named Carl V. Weygandt to railroad me out of my law practice. He was so energetic about it and his services were so satisfactory to them that they advanced him from a judge of the court of common pleas to a judge of the court of appeals. He cited me in for contempt; he refused to hear any of my witnesses; he refused to sign the record of my case so as to prevent me from getting an appeal. He took the witness stand and committed perjury against me."

JAMES P. SULLIVAN

This correspondent has been subjected to attack under the anti 'twister' campaign inspired by the insurance contributors of the bureaus. Recently, Calvin Coolidge, as an insurance-company official took the liberty to attack the 'twister' over the radio and as a result was sued by a man from St. Louis and promptly settled for \$2,500. Mr. Sullivan states the case so intelligently that we

for \$2,500. Mr. Sullivan states the case so intelligently that we quote:

"'Replying to your letter of August 26, I really have nothing definite against the better-business bureau. I believe that the aims and purposes of its founders were good and for the general benefit of the community; but, like many other good things, the bureau has, I believe, allowed itself and its activities to be prostituted to the purposes of self-seekers whose business often is a worse bane than those which the bureau was originated to combat.

"'There is an idea which has been built up in the mind of the public over the past 25 or 30 years by the selfish life-insurance interests of this country to the general effect that a man who takes out new insurance at his present age and then surrenders an old policy and recovers his cash equity is by that entire transaction a financial loser. The mathematical and actuarial realities regarding that transaction are that in the hands of a qualified expert who operates honestly the whole process can be gone through by who operates honestly the whole process can be gone through by any man with a financial profit to himself. The parties who lose by the transaction are the companies and the agents who are

by the transaction are the companies and the agents who are drawing renewal commissions on the old policy.

"'About 3 years ago I got into a controversy with the general agents of about 20 companies and with 3 home companies, all located in St. Louis, where I was operating as general agent of the Lincoln National Life Insurance Co. My opponents maintained that I was what is known as a "twister" in life insurance. I was merely telling the public the truth as I have stated it in the above second paragraph. In so telling the truth and proving it, I, of course, was writing a large line of new insurance in St. Louis on a more up-to-date and advantageous form of policy than any of my opponents were selling. They first tried to put me out of business by inducing the insurance commissioner of Missouri to cancel my license to sell insurance on the ground that I was "twisting" their policies. The insurance commissioner told them that he could do nothing unless they could prove that I was misrepresenting. They then tried to get evidence along that line and failed.

Then one of those general agents conceived the brilliant idea of having the whole crowd join the better-business bureau. Of course, the idea was that, with 20 of them going in, there would be considerable money added to the income of the St. Louis Better be considerable money added to the income of the St. Louis Better Business Bureau and it could, therefore, take some of its time to attend to my business. As soon as I found out, which was very shortly, that the bureau was looking into my affairs I served notice on them that my practices were an open book and that they had better be careful as I expected to hold them to a strict accounting for anything they might do or say or print. They then suggested a conference. I and two of my men went over to see them. The manager, I think his name was Reiff and I think he was Jewish, was plainly prejudiced against me. He had to admit them. The manager, I think his name was Relif and I think he was Jewish, was plainly prejudiced against me. He had to admit that my practices were entirely honest, but gave it as his opinion that I should not be allowed to operate, as, if I continued, so he said, I would pull down all the life insurance companies in the country. My answer was, of course, that if the truth alone were so very injurious to the life-insurance companies, then they must exist on a foundation of falsehood. I repeated my warning that I would sue the bureau, its officers, directors, and members on the least sign that they were interfering with my business.

I would sue the bureau, its officers, directors, and members on the least sign that they were interfering with my business.

"'So far as I was ever able to ascertain they heeded the warning, I know that verbally and surreptitiously they did what they could against me and to earn the fees which the self-seeking agent was paying them, but though I tried hard I was never able to get enough on them to base a suit. The \$25,000 damages which I was awarded for libel was against one of those general agents, the very one who conceived the idea of their all joining the better-business bureau.

"'From the above you can see that there is probably not any-

From the above you can see that there is probably not anything I can do to help you in your present campaign. You have my sympathy; and if there is or should later be anything I can give you or do for you to help the cause along, I will gladly do it. I say this because, while I believe that the aims and purposes as stated by the founders of the bureau are good and desirable, they will not work out in actual practice because of the frailties of human nature when given an opportunity to exercise secret power and authority. As they operate in practice I feel that the bureaus are absolutely against the American idea and in opposition to the bill of rights as contained in the Constitution of this country."

this country.'"

I would like to now quote an Associated Press article which appeared in the St. Louis Globe-Democrat:

"SWINDLING STOCK SALESMAN ASSAILED

"R. P. Clayberger, president of the National Better Business Bureau, to-day issued a warning against the modern high-pressure stock salesman who is making alarming inroads on the credulity of investors holding high-grade but inactive or nondividend-paying stock.

"Mr. Clayberger said that during the past week the bureau had discovered that legitimate stock taken from investors by the 'switch method' has been cleared through 'certain out-of-town

'switch method' has been cleared through 'certain out-of-town brokerage houses by accomplices of the swindlers who pass themselves off as the original investors.'"

This is a sample of the booster copy given out to the press to aid the better-business bureaus and on the face of the article you immediately say "Fine—splendid work, etc.," but what is behind this boost for the bureaus?

Let me call your attention to the fact that if a stock was "switched" that in every case the assignment of the stock

certificate had to be indorsed over by the original owner and that there is absolutely no need for the assignees to pass themselves off "as the original investors." That if there was no transfer of the stock certificate then there must have been a forgery. It is palpable on the face of the article to be nothing but betterbusiness bureau propaganda. Even if such statement was based on facts it probably involves a few dollars while some big swindle, such as the Insull affair, is getting ready, with the aid of the better-business bureau, to drag the public into their net on some other big swindle.

Incidentally, how much money did Insull and his companies pay over to these bureaus? The records will show these facts

in due course.

UNIVERSAL RESEARCH CO.

"This corporation publishes books and educational courses which are sold by the direct agent method. Their local representative was arrested in Lima, Ohio, on some trumped-up charge by the local better-business bureau, and when the president visited the city he was arrested on the charge of insulting a woman investigator of the bureau whom he had never met. He states that the bureau representative who appeared in the prosecution wore badges. Both cases were dismissed, but the publicity had the desired effect.

NATIONAL AUTOMOBILE ASSOCIATION OF NEBRASKA

"To understand the difficulties of independent automobile associations, it is essential to know that the American Automobile Association is a member of the National Better Business Bureau and it has a chain of local automobile associations affiliated with it, which in turn belong to local bureaus. This makes a national set-up to monopolize the automobile service of the country by most vicious methods. Another influence of bias is the fact that Theodore W. Noyes, of the Washington Star, is president of both the American Automobile Association and the Associated Press. We quote the following statement by Paul I. Manhart, acting secretary and attorney of the above association

Manhart, acting secretary and attorney of the distribution of the National Automobile Association of Nebraska, incorporated on or about April 21, 1929, opened up main offices in Omaha, Nebr., and from the very start have been harassed and persecuted in the courts and press, mainly sponsored by the American Automobile Association, with its various irresponsible local agencies working through the better-business bureau and chamber of commerce in some localities. Inclosed find newspaner climpings, letters, and pamphlets published by the American chamber of commerce in some localities. Inclosed find newspaper clippings, letters, and pamphlets published by the American Automobile Association, who have time and again and still do work through local officials. When we could get in court or find anyone responsible enough, we have invariably been exonerated. Mr. R. E. Brenner was forced to discontinue business, as well as Mr. Bart Milatzo, president and secretary, respectively, and our assets have been severely strained and we have been almost annihilated because of the unfair use of the mails and press to malign and libel us. The American Automobile Association seems. annihilated because of the unfair use of the mails and press to malign and libel us. The American Automobile Association seems to be of no financial responsibility locally, and we can find no one upon whom to fix liability. We hope to continue our business on what we can salvage on our membership, but we live in constant fear of adverse publicity promoted by the better-business bureau and the American Automobile Association. We have had our business and contract approved and passed on by the courts and competent attorneys, but we can not withstand such a vicious persecution such as above referred to, as our membership is built upon public confidence as a service association. Please preserve original evidence inclosed. We will appear to testify on any prosecutions or give further information on request."

The method used by these better-business bureaus in extracting money from those whom you see support them and who are the

The method used by these better-business bureaus in extracting money from those whom you see support them and who are the loudest in their praise and from those against whom they start attacks and suddenly desist is varied to meet the circumstances. You will in some instances, such as the \$100,000 raised by the bankers and brokers, see that these contributions are voluntarily raised and given these bureaus, or as was done by the Industrial Lenders Association in May, 1928, after a series of conferences between agents of the industrial lenders and agents of the St. Louis bureau when more than \$2.500 was pledged them.

Louis bureau, when more than \$2,500 was pledged them.

Or you will find that, as was done in the case of the Olive Street
Terrace Realty Co., that after the bureau had utterly failed in its
effort to blackjack that concern, suggestions coming to the person
attacked by "supposed" friends that he join and donate to these

bureaus and everything would be O. K.

Only in rare instances will you find where a bureau agent went to and directly demanded a contribution, with a threat of reprisal upon failure to donate, as was done by Daniel J. Sparr of the Denver Better Business Bureau to Samuel J. Albert, whom Sparr and his bureau later caused to be arrested for false representations in the sale of a 15-cent pair of men's garters. Albert was arrested after he refused to contribute \$200 to the Denver Better Business

But suffice it for me to say that whether you donate or do not donate is the true measure upon which attacks are daily being made against legitimate business industries, and all done under the cloak of powers illegally assumed and which are contrary to all written law.

There are so many other cases of like import as those already cited that I hardly feel it necessary to give a detailed statement of each. Only the names and methods used against the victim would be different, the facts in the main pointing direct to one purpose and that purpose being either to kill off competition for one who is paying the bureaus, or to force that business interest to come into the folds of these bureaus and pay a regular tribute in money to their money chest. I will, however, before I finish, set forth a list of names that are either victims, would-be victims, or who have evidence that would substantiate the evidence of those about whom I have talked.

I could, for instance, cite the conspiracy case evolved between the Rocky Mountain Motorist, the American Automobile Association agency in Colorado, and the Better Business Bureau of Denver against the National Automobile Association of Denver which resulted in the raiding of the National Auto office and the arrest of the officers of that corporation; the steps that followed which gave that business to the bureau and its agencies and the facts that developed when the Denver Better Business Bureau demanded a 50-50 split of the spoils.

I could cite the facts about the attempt of a bureau to organize

the dyeing and cleaning industry for the purpose of eliminating competition and raising prices and for which the bureau was to receive \$1,500, and the threat they used on prospective members to "make it so disagreeable for other cleaners that they would be glad to join."

I could cite the facts about Henry C. Thayer, president of the Better Business Bureau of Philadelphia, and his Standard Supply & Equipment Co., involving the promotion of some \$3,000,000; of Thayer's company, West & Co., which originated the stock issue of Bornot & Co., in a \$2,000,000 swindle. Certainly he was exempted from prosecution under the blue-sky laws for the stocks were "listed."

I could take you on to Pittsburgh and let you hear first hand from the publishers of the National Labor Journal, the oldest labor paper published in the United States, established in 1872, where you would learn of the exposures that Journal has unearthed regarding Hampton Beeson and his Pittsburg Better Business Bureau.

Business Bureau.

We would then go to Cincinnati and learn from the Procter & Gamble Co. the facts concerning the attack by the National Better Business Bureau of that company's advertisement "Be Fair to Your Stomach—Use Crisco."

I could then carry you to Chicago, where you would learn of the facts concerning Elmer F. Wieboldt, president of the Chicago Better Business Bureau, and of his being found guilty in the Federal court for a \$40,000 tax, commissioner bribe, and the inaction of his fellow bureau members who did not even ask for inaction of his fellow bureau members, who did not even ask for his resignation.

We would then drop down to St. Louis, and you could see We would then drop down to St. Louis, and you could see the evidence pertaining to the money raised by the Missouri Industrial Lenders Association under a resolution of May 10, 1928, to be given to the St. Louis Better Business Bureau in order that the St. Louis Bureau start a campaign against the Salary Account Buyers of St. Louis, which money the bureau received and started out to earn by carrying out the mandate of these industrial lenders, and which incidentally resulted in those conspirators having to pay \$20,000 in order to settle a case out of court.

And then I would ask your attention to the article of Hon. F. H. LAGUARDIA, Congressman from New York, which was read into the Congressional Record (p. 289. December 10, 1932) and

into the Congressional Record (p. 289, December 10, 1932) and you would then appreciate who these industrial lenders really are, and why it is essential for their continuance in business to financially support these better-business bureaus and have these bureaus, in turn, support their 42 per cent racket.

And then as Congressman LaGuardia says (p. 291):

"How the small-loan racket, extracting 42 per cent interest from

the sweat and worry of a poverty-stricken people, obtained a listing on the New York Stock Exchange is an interesting bit of public information which Richard Whitney, president of the institution, owes the country.

And it may be well right here to further quote Congressman LaGuardia, whose statements have been made from evidence before a House committee, of which he was chairman:

"When the time comes to purge the stock exchange I hope those who have the job in hand will drive this loan-mongering

those who have the job in hand will drive this loan-mongering crew not back to the curb but to the gutter, where they belong. • • • It is a public outrage that men and institutions who claim respectable standing in the business community should lend themselves to fostering a racket which stands unchallenged as the most notorious example of human greed."

Yes, those angels of the mercy (?), those public protectors (?), those usurpers of our governmental powers, self-styled and proclaimed better-business bureaus, not only lend themselves to fostering the racket of 42 per cent interest, but they take that blood money from this racket to foster and promote their own better-business bureau racket, and the better-business bureau racket started in 1922 when James C. Auchincloss, R. T. H. Halsey, and other stock-exchange members underwrote the first \$100,000 and other stock-exchange members underwrote the first \$100,000

for the first year expenses.

You are now fairly familiar with how these bureaus function You are now fairly familiar with how these bureaus function in attacking our various industries that do not pay cash tribute to them, and I have grazed the surface about those frauds and industries that pay them tribute for self-protection, such as the New York Stock Exchange, Investment Bankers Association, and the 42 per cent loan companies, but I have not yet reached bottom in the evidence against the better-business bureau racket. Those cases I have mentioned merely skim the surface, and you will find from the evidence in the cases I will merely give by name that the ire of the better-business bureau was raised against these people from similar conditions which I have already discussed. The names of these companies or individuals, are: Eastern Rabbitry, route 1, New Freedom, Pa.; Anchor Coal Co.,

4237 Park Avenue, St. Louis, Mo.; Fidelity Cash Procuring and Debt Adjustment Service, 317 Insurance Building, Washington, D. C.; The Whirldry Corporation, New Haven, Conn.; Thrift Acres, 738 Fourteenth Street, Denver, Colo.; Petone Products Co., 406 Market Street, St. Louis, Mo.; White Sewing Machine Co., Cleveland, Ohio; Toledo Business University, Toledo, Ohio; Bristol Cleaners (Inc.), 301 Park Building, Cleveland, Ohio; Adams, Meldrum & Anderson, Buffalo, N. Y.; Pioneer Reserve Corporation, 503 D. S. Morgan Building, Buffalo, N. Y.; Republic Sales Co., 6038 Delmar Boulevard, St. Louis, Mo.; R. G. Pearson, 3811 Shaw Boulevard, St. Louis, Mo.; Florence Lead & Silver Mines (Inc.), Chamber of Commerce Building, Boston, Mass.; Trescott Griffin & Co., 201 Devonshire Street, Boston, Mass.; William R. Griffin, Lowell, Mass.; Washington Business Bureau, Fourteenth Street and New York Avenue NW., Washington, D. C.; J. P. Collins, 100 Sumner Street, Boston, Mass.; National Beauty Syndicate, 127 North Dearborn Street, Chicago, Ill.; The Alladin Co., Bay City, Mich.; The AppleCole Co., Transportation Building, Detroit, Mich.; N. O. Shively & Co., 32 West Randolph Street, Chicago, Ill.; May & Malone, 37 South Wabash Avenue, Chicago, Ill.; P. A. Stark Piano Co., 228 South Wabash Avenue, Chicago, Ill.; Dr. J. W. Williams, 25 East Jackson Boulevard, Chicago, Ill.; North American Investment Bankers, Investment Building, Washington; London Option, Denver, Colo.; J. L. Foreman, 211 Enterprise Building, Denver, Colo.; Stauffer Petroleum Corporation, 627 Perrine Building, Kansas City, Mo.; Midland Finance Corporation, Finance Building, Kansas City, Mo.; Midland Finance Corporation, Waldheim Building, Kansas City, Mo.; Midland Finance Corporation, Waldheim Building, Kansas City, Mo.; Midland Finance Corporation, Waldheim Building, Kansas City, Mo.; Midland Finance Co., 4917 Delmar Boulevard, St. Louis; Universal Automobile Service Association, 520 North Grand Avenue, St. Louis; Specialty Syndicate, 550 Prospect Avenue, Hartford, mobile Service Association, 520 North Grand Avenue, St. Louis; Specialty Syndicate, 550 Prospect Avenue, Hartford, Conn.; R. A. McArthur, 734 Exchange Building, Oklahoma, City.

Let us now enter another field and review some of the crooked business that these bureaus protect.

FRAUDS PROTECTED BY BETTER BUSINESS BUREAU

Let me quote from the Milwaukee Journal, issue of October 5, 1930, covering the Wieboldt case previously mentioned:

"BRIBER-BUT NO CHASTE IS LOST-WIEBOLDT IS HEAD OF CHICAGO BETTER BUSINESS BUREAU

"With public attention centered on the spectacular doings of "With public attention centered on the spectacular doings of the Capones and Morans with their shootings and bombings, the really remarkable aspect of the Chicago menace to good govern-ment is largely lost sight of. It is the attitude of the big business men, the men with 'honest money' toward dishonesty when it appears within their own circle.

"In Chicago the 'secret six' is now practically forgotten and another military gentleman, Col. A. A. Sprague, heads another committee of some sort that is going to do all that the other promised

"But one thing no committee from the big business association attempts is to clean its own house. This is demonstrated in the case of Elmer F. Wieboldt, who with his brother, Harry Wieboldt, are millionaire owners of Wieboldt (Inc.), operators of four large

are millionaire owners of Wieboldt (Inc.), operators of four large department stores.

"Elmer F. Wieboldt is president of the Chicago Better Business Bureau, whose business it is to hunt down crooks in business; but both he and his brother on the witness stand in Federal court admitted paying bribes amounting to some \$40,000 to an agent of Eugene Oliver, a tax commissioner, for the purpose of having their taxes reduced. Elmer admitted signing one check, and also that he had discussed the whole affair with his brother and knew of the arrangements.

"This admission in court occurred in the early summer—and

"This admission in court occurred in the early summer—and Mr. Weiboldt is still president of the Chicago Better Business Bureau. This bureau was organized through the Chicago Association of Commerce and, although now operated separately, is still 'under its wing,' and the supporters largely belong to both

organizations.

organizations.

"This reporter sought Saturday to ascertain the attitude of officials of the great business organization in respect to Mr. Wieboldt's bribery and his continued head of an organization to run down crooks. Colonel Randolph was not at his office and could not be reached at his home, but Joseph R. Noel, millionaire president of the Noel State Bank, former president of the Chicago Association of Commerce, treasurer, director, and member of the executive committee of the Better Business Bureau, was interviewed. viewed.

"ONE OF OUR FINEST

"'Why do you attack Mr. Wieboldt?' Mr. Noel demanded. 'He is one of our finest young business men. Why don't you look up the records of the Better Business Bureau?'

"'I have looked up the court records and found where he admitted bribing an official to reduce his taxes,' replied the reporter. 'What I would like to know is whether your organization has taken any action in the matter. I am told he is still your president.'

"'Yes; he is still president,' said Noel. 'About that court matter, I really don't know anything. You hear so much, you know. No; I know of no action to demand Mr. Wieboldt's resignation. I don't know whether it would be right. He is a fine man.'

"'But he admitted participating in the bribery of an official.'

"Well, you mustn't always blame a man for things you don't know all about. We don't know all of the circumstances. Some-

times a man is placed in a position where he can't help himself. But what interest is this of yours? Are you part of that New York organization that is attacking the better-business bureaus?' "WHAT TO DO ABOUT IT

"'I have never heard of any such attack,' Mr. Noel was told.
"'My interest is simply that of any Wisconsin citizen who, told that he is a part of "Chicagoland," likes to get better acquainted with his rulers. One can't help but believe that the top of Chicago is a bit rotten, too.'
"'It is,' admitted Mr. Noel, 'but there are some things that can't be believed. And what can you are cutsider, do about 12.'

be helped. And what can you, an outsider, do about it?'
"'Let's admit,' Mr. Noel was answered, 'that my efforts resemble
those of a gnat gnawing at the hide of an elephant and that
they'll never be felt. But with the gangdom and big business of
Chicago beginning to claim us as their own, one feels that Wis-

consin citizens ought to know as much about you as possible.'
"'Well, I guess you are right,' said Mr. Noel, who really is a
pleasant gentleman on all subjects but that of Mr. Wieboldt and
his bribery and the failure of 'big business' to do anything

" MAYBE CAPONE IS PIKER

"So Mr. Wieboldt goes on—and so does the man he and his brother bribed, Mr. Oliver, the tax commissioner. The State of Illinois has never preferred charges of any sort against the Wieboldts for bribing the tax commissioner. The Government was interested only in false tax returns and so had no interest."

when the president of the Tulsa Better Business Bureau demanded that the manager of the bureau go further than merely wink his eye at his frauds and take an active part in promoting them, an issue arose with the result that the manager had to get out and the president continued. To investigate the frauds of officers of better business bureaus alone, without touching the activities of the members, would be a slumming expedition in itself. Senator Blanks, a member of this investigating committee, will readily recall his report for the Committee on the District of Columbia, dated February 17, 1931, wherein he condemned the practices of certain financial houses. I quote from Senator Blanks's report, as follows:

"Detailed investigation by the subcommittee has developed the

"Detailed investigation by the subcommittee has developed the fact that within the past six or seven years there have been issued in or sold from the District of Columbia so-called securities, largely

fact that within the past six or seven years there have been issued in or sold from the District of Columbia so-called securities, largely consisting of mortgage bonds or notes, in an amount approximately \$100,000,000, a very considerable proportion of which are of very dubious value, and in some cases utterly worthless.

"One of the issues was that involving the sale of bonds, debentures, etc., on so-called Wardman hotel and apartment properties in Washington, D. C. Four members of the Investment Bankers Association of America, namely, Halsey, Stuart & Co. (Inc.); Hambleton & Co.; A. B. Leach & Co. (Inc.); and Rogers Caldwell & Co. (Inc.); together with William R. Compton & Co., sponsored and participated in the public offering throughout the country of what they designated in their circular to be '\$11,000,000 first and refunding mortgage 6½ per cent serial gold bonds,' of the Wardman Real Estate Properties (Inc.). Even the printed description of this issue of bonds was \$16,000,000 and the security back of the bond issue was not a first mortgage on all of the property of the issuing corporation, but a second and possibly third mortgage as to some of the properties involved.

"Nevertheless, the investment bankers named, sponsored and sold widely, securities greatly in excess of the full value of the properties, as shown by assessment records; and in their circular described the bond issue as representing only 55 per cent of the

properties, as shown by assessment records; and in their circular described the bond issue as representing only 55 per cent of the valuation of the properties.

"The result of this issue to investors has been disastrous for the Wardman bonds that were sold by the sponsors of the issue in 1928 for \$100 are admitted by the Halsey, Stuart & Co. to have practically no market value at this time. They are being offered for sale by investors and brokers at as low as \$38 and \$45 for

for sale by investors and brokers at as low as \$38 and \$45 for \$100 bonds.

"Incidentally, it is to be noted that one of the sponsors of the issue, Halsey Stuart & Co., broadcasts over the radio investment advice by an employee designated as 'Old Counselor.' The same firm advertises widely in women's magazines, and states that:

"'Twenty per cent of the customers of Halsey, Stuart & Co. are women—some administering their husband's estates—others making their own way in the world—still others, careful housewives, managing the family finances.'

managing the family finances.'

"It should be noted that this company was advised of the hearings held by the subcommittee, in advance thereof, and given an opportunity to appear and be heard, which was not availed of.

"The second security issue of large amount to which the subcommittee gave particular attention was that sponsored and sold in 1928 by Halsey, Stuart & Co. (Inc.) and the American Bond & Mortgage Co. (Inc.), both members of the Investment Bankers Association of America, consisting of bonds of the Mayflower Hotel Co., Washington, D. C.

"It was proved at the hearing held by the subcommittee the

"It was proved at the hearing held by the subcommittee that the actual amounts paid for building the hotel (exclusive of land and furnishing) were \$3,861,742.17. The assessment at full value, including land, building, equipment, and furnishings, based in part on sworn tax return, was a total for the hotel property complete of \$5,232,120, less than half the lowest 'valuation' given in the Investment Bankers' circular. Against this valuation of \$5,232,120 bonds amounting to \$9,900,000 were issued. The first mortgage \$100 bonds less than three years after their issue are

publicly quoted at \$65, while the second mortgage \$100 bonds are quoted at \$25."

May I ask if you recognize the name "Halsey"? Do you recall that R. T. H. Halsey was the gentleman who held those many dinner conferences in New York which eventually let to the formation of the Better Business Bureau of New York City and the \$100,000 donation from the bankers and brokers to defray the first year expenses of the bureau?

Do you recall the failure and the cause of failure of William

R. Compton?

Do you recall the failure and high-financing methods of Rogers Caldwell Co. and the number of banks that went down with him?

Each of these were paying their cash tribute to the better-business bureau, and you can not find from any better business bureau before or since the huge failures a line of criticism or one word of warning to the public about the crookedness they were carrying on—money had sealed the tongues of these bureaus.

"BANK OF UNITED STATES"

The "Bank of United States," a name to conjure with, just as the name "better-business bureau" tricks us, defaulted to 400,000 depositors, and even after the conviction of the officers of that bank and every other fact connected with their high financing and crookedness was blazoned forth by the press, not one word did you see about the bank being a large cash contributor to the money box of the better-business bureau and not one word of warning of impending disaster emanated from a better business bureau.

The fallures of Prince & Whitely, Pinchon & Co., Pogue, Pond

business bureau.

The failures of Prince & Whitely, Pinchon & Co., Pogue, Pond & Vivian, Riley & Brook, Meyer Keysely Bank, West & Co., Lorenzo E. Anderson, F. H. Smith & Co., Harry Wardman, Swartzell, Rheem & Hensey Co., Miller & Co., C. V. Bobb, Guibord White & Co., F. E. Kingston & Co., Partos Realty Corporation, Woody & Co., Curtis & Sanger, Schuyler, Chadwick & Burnham, Palmer & Co., J. A. W. Inglehart & Co., Throckmorton & Co., J. M. Byrne & Co., Kuntze Bros., Mandesville, Brools & Chaffee, Forshay & Co., and Mark C. Steinberg & Co., involved the loss of hundreds of millions of dollars to investors; money that was taken from the development of our legitimate business industries, and put in the pockets of these high financing better-business bureau contributors and not one word of warning was issued against any of them by these bureaus.

You recall the slogan of S. W. Straus Co., reading "45 years without a loss to an investor" and if you go a bit deeper you will see that this company indorsed the better-business bureau

in the following words:
"We believe the bureau movement is entitled to the support

Paraphrased, this indorsement means "You boost me and I'll boost you," and following such thought it is small wonder that S. W. Straus & Co. was able to take many millions from our investors without a word of warning to the public from the better-business bureau; facts that they must have had if we believe the attorney general of New York, who admits having received "thousands of complaints against S. W. Straus & Co."

Geo. L. Miller & Co., with losses of millions of dollars to investors in their real estate bond sales, prevented the Better Business Bureau of New York City from circularizing an adverse report on Miller & Co. by giving a large cash subscription to the National Better Business Bureau.

BOSTON BETTER BUSINESS BUREAU

May I now quote from page 11 of the brief of Mr. E. C. Reigel on Frauds protected by the better-business bureau? Mr. Reigel says: "By permission we present part of a letter written to us under date of September 14, 1931, by William H. McMasters, Cambridge,

"Thank you for your letter of September 2, regarding the Boston Better Business Bureau, so-called.

"Thank you for your letter of September 2, regarding the Boston Better Business Bureau, so-called.

"My attacks upon the methods of this group of high-hat racketeers came as a result of their persistent defense of the United Founders Corporation and American Founders which two groups of investment trusts have milked the American public out of something like \$250,000,000 in the last few years. Although still listed on the New York curb, they are practically bankrupt. I have written to Attorney General Bennett of New York and advised him to investigate them but he probably has other cases ahead that interfere. (Author's note: The other cases ahead that interfere are probably B. B. B. cases against nonmembers.)

"John Richardson, of Ropes, Gray, Boyden & Perkins, our biggest law firm, is president and counsel of the Boston Better Business Bureau, and alst acts as counsel for the United Founders. They offered me \$5,000 to quit my attacks, but I went right ahead with them—filing a bill in the Massachusetts Legislature to investigate them. The bill was killed in committee, as it meant a public hearing at which I would have gone the limit. It was at another hearing that I assalled the bureau and showed its connection with the United Founders outfit. At that hearing the manager came up with the intention of doing a job on me, but quit cold after my address to the committee. You see, I have done so much newspaper work on a big scale that I can not be thrown off like some of the others who go after them. I wrote the Ponzi expose for the Boston Post, the biggest story that ever appeared in a Boston paper. Then I did a job on the Albany

baseball pool for the Herald a few years ago, putting that crew

of bandits into Atlanta, via the Federal courts.

"The bureau threatened to send out a story on me, personally, but I went over to their office and demanded a look at it. This was granted. I then told them that they could send it out at their peril. That I would see every director in their list and present the matter to the district attorney and if he did not act I would take it into the grand jury room personally.

"I have no personal grudge against them; but when I am engaged in slamming a band of highwaymen like the United Founders gang of investment thieves, I think it is just too bad to have a bureau that is supposed to represent only honest banking threaten me with all sorts of reprisals if I persist in exposing

threaten me with an sorts of representation of the neonle right and left. With unlimited money.

The United Founders is the biggest investment trust ever put out in Massachusetts, if not the country.

The neonle right and left. With unlimited money to represent the neonle right and left. vestment trust ever put out in Massachusetts, if not the country. They robbed the people right and left. With unlimited money they engaged John Richardson, among other lawyers, to represent them. Being tied up with Harris, Forbes Co., now merged with Chase National, Richardson, as president of the better-business bureau, naturally played to help out his clients. As I was the only one who was attacking the Founders and explaining their methods and letting the light in on their personnel, the bureau tried to stop me. But in my case they quit. What will happen to the Founders is a question; their money is running out, their stocks are all dropping, their foreign holdings are a total loss. Their expenses are eating their heart out, and they are not getting hold of any new money. The racket is hot."

The following statement is from J. Edward Donahue, of Boston, under date of May 18, 1931, as related by Mr. Reigel:

under date of May 18, 1931, as related by Mr. Reigel:

"The National City Co. sold in this State approximately two
million to two million and one-half dollars' worth of the convertible participating preferred stock and common stock of the Oliver Farm Equipment Co. that was not qualified to be sold. The prior preferred stock was qualified but the two former issues not

Sales have been made in Rhode Island, New Hampshire, and, I believe, Ohio, and the convertible participating preferred stock as well as the common were not qualified to be sold in any of

"The parties damaged in this State made a tender to the National City Co. of their stock and demanded back their money. This tender was made by the attorney representing them, Joseph B. Jacobs, 45 Milk Street, Boston, Mass.

"The National City Co. employed Ropes, Gray, Boyden & Perkins of Coursel bare in Boston and Shorman & Storling of 79 Well

The National City Co. employed Ropes, Gray, Boyden & Perkins as counsel here in Boston and Shearman & Sterling, of 79 Wall Street, the attorneys for the National City Co. of New York. B. Loring Young, a member of the firm of Ropes, Gray, Boyden & Perkins, was former speaker of the house here in Massachusetts and is very closely connected with those that administer the working of the blue sky law in this State. In fact, the National City crowd state that there was nothing that could be done; it was all fixed at the statebouse.

was all fixed at the statehouse.

"The attorney, Joseph B. Jacobs, as well as myself, did go to the statehouse here in Boston to the department of public utilities that has charge of the operation of the blue sky laws. They were hostile to us; did not want to receive the complaint; advised us to go to the attorney general's office—anywhere to get rid

Knowing something of the connection in politics between the attorney general's office and B. Loring Young, it was decided it would be better to go into criminal session of the municipal court

would be better to go into criminal session of the municipal court here in Boston and apply for a warrant for the National City Co." "Two weeks ago to-day the National City Co.'s counsel were notified that an application would be made for a warrant on Wednesday morning before Judge Donovan, and they could be

resent.

"This matter was brought before Judge Donovan, and it went to trial immediately on the facts—this was on Wednesday. B. Loring Young requested that the court give him until Friday to present his evidence, as he had to bring witnesses from New York. Wells, vice president of the National City Co. of New York, who was former vice president of the National City Co. of Boston, came over as well as Mr. Shepard of the law firm of Shearman & Sterling. Sterling.

"When Young came into court Friday he stated he had no defense—it was merely an oversight and wanted to be allowed to plead nolo, informing the court that if he found them guilty they plead nolo, informing the court that if he found them guilty they would probably lose their license, the place would be closed up, and 40 people would be thrown out of work. The court stated that if he wanted to plead nolo he would have to hear the evidence. After hearing the evidence he refused to allow them to plead nolo, found them guilty, and announced he would make disposition the following Monday morning, which he did—found them guilty on all 12 counts presented and fined them \$5,000.

"In the statehouse here in Boston, the National City Co. filed papers by Wells, vice president, under oath dated March 6, 1929, that no convertible participating stock or common stock was to be sold to the public; yet, on the witness stand, he stated he knew two days previous to the signing of this document that the issues were to be sold to the public. What a lacing this fellow Wells got from Judge Donovan; one I don't think he will forget in a minute. He is guilty of perjury.

"As for the Better Business Bureau of Boston, it is a joke. It is a little detective agency operated by boys who do not know the difference between black and white, their policy being to harass the little fellow all they can, stir up publicity to divert attention

away from those that contribute and operate the bureau's policy. The president of the Boston Better Business Bureau is a Mr. Richardson, a member of the law firm of Ropes, Gray, Boyden, & Perkins: still, his associate in the same law firm will defend and uphold such tactics by the National City, their principles being buried under the dollar sign.

"The Better Pusiness Bureau's activities in so for as the big

"The Better Business Bureau's activities in so far as the big fellow is concerned, wink their eye, and some of the shady trans-actions their members have been in is a shame to the community. actions their members have been in is a sname to the community. Alaska Gold and Carson Hill Mining, both listed on the stock exchange, caused losses of millions to security buyers. As best I can figure out, the National City Co. in some of their issues here have trimmed the public to the tune of \$30,000,000.

"The common stock of the Oliver Farm Equipment Co. cost the National City Co. \$10 or less per share. It was sold here at 44%

One of this brigand's telegraphic "flashes" to salesmen in the early part of 1929 when in spite of the then, as now, existing farm depression, it was inflating the Oliver stock, reads as follows:

"We are adding the convertible participating stock to our list immediately at \$67 per share until 10 o'clock to-morrow morning, New York time. To the extent of the number of shares we will New York time. To the extent of the number of shares we will allot your office in wire to follow shortly. Premiums 15 cents per

The stock is now quoted (September 21, 1932) at \$2. I quote from Mr. Reigel still further—

"The Henry L. Doherty Co. controls Cities Service Co., which in turn controls a number of gas and oil companies, pipe-line companies, and utilities. It is one of the largest stock-selling concerns in the country, its list of stockholders being over 400,000, second only to the American Telegraph & Telephone. Doherty is one of the pillars of the better-business bureau. He, in fact, financed the first attack by the bureau gaziert independent oil financed the first attack by the bureau against independent oil operators. He operates a crafty stock-selling scheme, whereby he defers delivery of the stock certificates a long time after payment, thus making it easier for him to maintain a fictitious market on thus making it easier for him to maintain a fictitious market on the New York Curb. By high-pressure selling he manages to keep sales far above the backwash of sales on the curb, which he is obliged to absorb. Everybody 'in the know' understands the game and it is, of course, a matter of full knowledge to the better-business bureau. We quote a letter sent to the National Better Business Bureau as early as December, 1930, by C. D. Neff, of Shreveport, La., and by him reproduced and circularized:

"'In regard to Cities Service, Standard Statistics' reports reveal that the earnings of Cities Service, after providing for dividends and interest on the underlying securities, if a reasonable deduction is made for depreciation, taxes, and insurance, does not provide the cash necessary to pay cash dividends on the common stock reported to be outstanding. This was based on the old rate of dividends, and the new rate would naturally create a greater differential."

"The I. T. I. O., a subsidiary of Cities Service, in its operation

"The I. T. I. O., a subsidiary of Cities Service, in its operation at Oklahoma City has pursued operating policies not founded upon sound economics or good oil-field practice, evidently the desire being to create the spectacular and get large newspaper notices over the country so that they could boost the sale of Cities Service common stock

"It is damn foolishness in a field where it costs \$60,000 to \$70,000 per well to drill wells, and their proration will not permit but about 200 barrels of oil to be moved for a company owning a solid block of leases throughout the entire field to drill anything but offset wells. Yet the I. T. I. O., a Cities Service subsidiary, has drilled hundreds of unnecessary wells and has spent millions of dollars unnecessarily in the Oklahoma City field to provide spectacular wells that Cities Service might boost the sale of its common stock.

"This is not a new move for Henry L. Doherty. At Eldorado, Kans., during that boom, while oil was selling for \$2.50 per barrel, when the Empire controlled thousands of acres solid, it was equally

when the Empire controlled thousands of acres solid, it was equally mismanaged, and, I am informed, millions of dollars were wasted in creating spectacular newspaper reports.

"The payment of monthly dividends by a giant concern supposed to be possessed of \$1,000,000,000 in assets, is rank foolishness, and creates a financial drain that in the course of a year's time amounts to practically as much cash as is paid out in dividends. If Cities Service's assets were as great as they claim them to be, it would not be necessary for Henry L. Doherty to carry on continuously a stock-selling campaign, paying large sales commissions and spending millions of dollars in printed matter. If his common stock is earning 6 per cent, and his assets are as he claims them to be, he could borrow all of the money he wants at 3 or 4 per cent.

at 3 or 4 per cent.

"The contract under which Henry L. Doherty Co. sold Cities Service stock during 1929 provided that regardless of whether a man paid for his stock in full or not he was not to get delivery a man paid for his stock in full or not he was not to get delivery for a period of 10 months. The stock salesmen selling Cities Service made sales upon the representations that Cities Service stock was to go to \$100 per share, so I am informed. They appealed to the avaricious instincts inherent in all men, and made their sales on a basis where the purchaser thought he could at any time sell his stock on the market and take a profit; but that little 'joker' of no delivery for 10 months was written in the contract. Hence, Henry L. Doherty Co. was able to wash and manipulate the market of Cities Service up to \$68 per share, or more, when a fair book value on the common stock, as given to me by several statistical bureaus and the stock and bond department of several banks, was less than \$10 per share.

"If such a system of stock-selling does not constitute a conspiracy to defraud, if it is not a misuse of the mails, then in the name of the Lord you better get busy and ask the President to pardon several hundred Texas oil promoters who were convicted and sent to the penitentiary on much less evidence.

"I know of one instance where one party inherited a few thousand dollars and collected a little life-insurance money and almost simultaneously with the receipt of the life-insurance check, a Cities Service salesman arrived and the old 'gag,' as explained above, was put across, and this party bought a large block of stock and was swindled out of every dollar of her patrimony.

"Tear up your questionnaire forms, take down the signs on

"Tear up your questionnaire forms, take down the signs on your doors and admit that you are a failure and that you do not conscientiously perform the functions that you represent you do, if you are unwilling to do battle for right and expose the crookedness and piracy that exists among the issues listed on the

big board.

"You and your associates are the 'sacred cows' that give the financial milk that keeps your damnable bureau in operation, when you have destroyed the independent merchant, when you have destroyed the independent oil producers and refiners, and have ravished the farmers, what other fields will you find then to conquer by false propaganda and sanctimonious hypocrisy? to conquer by false propaganda and sanctimonious hypocrisy?
"A more recent public statement is the following taken from

the Oklahoma City Oil Journal, November 14, 1931:

"FACES BANKRUPTCY

"I. T. I. O. and the Cities Service, which is a corporation within a corporation, all being controlled by the firm of Doherty & Co., New York City, is the biggest stock-selling swindle ever foisted upon the American investing public.

"At the time oil was discovered in the Oklahoma City field both the Cities Service and the I. T. I. O., with a total capitalization of about a billion dollars, were on the eve of having a bankruptcy proceedings filed against them. Discovery of the city gusher field is all that saved the entire firm from going onto the financial rocks.

"Being backed by the cleverest stock-selling swindlers, the Cities Service et al., immediately launched a 'paper' boom on the New York stock market, sending Cities Service stock up to as high as \$69 per share. Cities Service has been offered at \$6 recently, but has gone begging at \$3 per share in weeks past.

"SWINDLING WORKING GIRLS

"In nearly every big city of the country the Doherty firm renewed its stock-selling activities, working especially to secure stenographers, bookkeepers, and other working girls and young men to invest their small savings on the installment plan. Large forces of high-powered salesmen have been used in different

States, carrying out the organized plan to get money.

"In Oklahoma City the entire floor of a big office building has been used by the Cities Service and I. T. I. O. security sales

department.

"Of all the get-rich-quick promotions conducted through publicity stunts, the Cities Service and I. T. I. O. organizations put over the biggest money-raising campaign of any in history during

"WILD MARY SUDIK STUNT

"Estimates have been made by financiers that more than \$5,000,000 was collected on the stock market through a fake publicity boom when the 'Wild Mary' Sudik gusher was 'broken' loose by the I. T. I. O. The gusher ran 'wild' for several days and nights, sending oil for miles over the surrounding territory. When the State officials, however, threatened to name a receiver to take charge of the 'Wild Mary' for the purpose of shutting down the oil and gas waste it took the I. T. I. O. field workers only a few hours to harness the well

only a few hours to harness the well.

"No well in the Oklahoma City field secured as much free newspaper publicity as the 'Wild Mary' Sudik. No stock selling firm in history of oil secured as much 'sucker' money as the Cities Service-I. T. I. O. combination of swindlers.

"BETTER BUSINESS BUREAU INVOLVED

"Oklahoma City's better-business bureau, which has waged war on smaller operators in the city field, gave full and complete indorsement of the stock-selling methods of the Cities Service and I. T. I. O. This organization, which has preyed upon many legitimate firms that refused to donate blood money, even carried the advertisements of the Doherty firms, recommending the investments to all persons who had money to invest in Oklahoma City oil operations.

"Doherty has paid the hyreaus well for his involve metastic."

Doherty has paid the bureaus well for his 'public protection.' Our information is that his first subscription to the campaign against independent oil concerns was \$60,000; that he later helped against independent oil concerns was \$60,000; that he later helped the national bureau out of a hole by paying \$50,000 borrowed from the banks; that he pays an annual subscription to the national bureau of \$7,500, besides his subscription to various locals. He never deals in small figures, either in buying or selling."

It would require days to enumerate each and every one of the frauds perpetrated by better-business bureau members and to alwaying the facts concerning each case and I have made no

elucidate the facts concerning each case, and I have made no attempt to do more than summarize the facts in the cases cited attempt to do more than summarize the facts in the cases cited—
in fact, I have merely skimmed the surface in showing the subversion of business by these bureaus and how, through its usurpation of governmental authority, the small independent industrialist has been either blackmailed or made to feel the fangs
of this country's greatest racket.

For every fraud dollar obtained from the public by a nonmember of the better-business bureau and exposed by a better-busi-

ness bureau the public has been defrauded by more than a thousand dollars by bureau members, and the bureau chirped not a word.

To illustrate, let me cite the St. Louis Better Business Bureau and its activity in the sale of stock and bonds by brokers. Young Bros., a nonmember of the St. Louis bureau but a member of the Kansas City bureau, was given a merry ride by the St. Louis bureau, while Kansas City did nothing to thwart the Youngs. We credit the St. Louis bureau for bringing the Young Bros. manipulation to a head and preventing them from fleecing the public of more thousands; but what about the failure of the St.

public of more thousands; but what about the failure of the St. Louis bureau to take action in the Steinberg case, in the Rogers Caldwell's manipulations, in Lorenzo E. Anderson & Co., in W. R. Compton's, in Augustine & Co., and other companies who were contributing so handsomely to the St. Louis bureau?

Thousands were saved the public in the exposure of Young Bros., a nonmember of the St. Louis bureau, while millions were lost by the public through Steinberg's, Caldwell's, Anderson's, Compton's, and Augustine's stock and bond manipulations, protected by their St. Louis bureau with not a word of warning, and the St. Louis bureau had many complaints lodged against each.

POSTAL SERVICE SUBVERSION BY BETTER-BUSINESS BUREAUS

Ex-post-office inspectors, no matter why they are no longer in the service of the Government, find a ready haven for jobs with a better-business bureau.

Former United States Senator Jim Reed, of Missouri, so I am advised, was mainly instrumental in developing facts that caused W. C. Rosenbaum, ex-post-office inspector, to "voluntarily" resign at St. Louis, and we hear of him next as an important official of the Better Business Bureau of St. Louis in 1928, attempting to appear as counsel in cases where he claimed to be acting for a client who had never laid eyes on him before; and it is only a short time later that we learn that Rosenbaum is impersonating a Government officer by posing as "Post Office Inspector W. C. Rosenbaum."

Postmaster General Brown was given a photostatic copy of a letter from the man before whom he had posed as a post-office inspector, and was asked to investigate; * * * the charges pigeonholed.

were pigeonholed.

There is a bureau unit in St. Louis and also in Detroit each a separate and distinct legal entity unto itself. Each unit publishes a monthly propaganda sheet. The name of the Detroit bureau paper being called the Factfinder, which is mailed at Detroit at regular postage rates. The name of the St. Louis paper is called Bulletin and is mailed, under a permit from the Post Office Department as second-class mail matter, which we all know is much cheaper than third class, or regular postage rates.

In July, 1932, in order to save postage and in direct violation of the act of Congress, March 3, 1879, embodied in section 394, Postal Laws and Regulations; and the provisions of section 422 Postal Laws and Regulations, the St. Louis Better Business Bureau, mailed as second-class matter under its second-class permit,

reau, mailed as second-class matter under its second-class permit, copies of the June, 1932, Factfinder issued by the Detroit Better Business Bureau to several thousand subscribers and nonsubscribers of the St. Louis Better Business Bureau.

Complaint was duly lodged with the United States district at-

torney and the post-office inspector and subsequently found its way to the desk of Hon. F. A. Tilton, Third Assistant Postmaster General, whose letters to me shows a studied fear of even mentioning the name better-business bureau, much less of importance than the action such a violation demanded from our duly constituted law-enforcement officers. I quote the last letters that passed between me and Mr. Tilton:

MR. TILTON'S LETTER OF SEPTEMBER 14, 1932

"Receipt is acknowledged of your letter of the 2d instant, in

further regard to the publication mentioned therein.

"As stated in the letter from this office to you of the 20th ultimo, the irregularities mentioned in your letter of August 10, concerning the publication are being given proper attention. The instructions to the postmaster in regard to the matter are for his official use. It is contrary to the practice of the department to go into matters pertaining to a publisher's business with other than the publishers themselves."

MY ANSWER TO MR. TILTON DATED SEPTEMBER 19, 1932

"Your letter of September 14, your file C. D. No. 22558, with reference to the complaint filed by the writer with you and the United States attorney at St. Louis against the Better Business Bureau of St. Louis for violation of the second-class mail privilege in mailing as a supplement to the Bulletin of the St. Louis bureau the Factfinder, published by the Better Business Bureau of Detroit of Detroit.

"Your letter is entirely unsatisfactory and shows a studied effort of your department to protect this violator of our postal laws; your letter going so far as being actually afraid to put their name down in black and white and only refer to this better-business bureau as 'the publication,' which, in itself, conveys the thought that there is some tie-up between the bureaus and your department as has been openly charged and filed with the Investigating Committee of the Senate Banking and Currency Committee.

"You state that 'it is contrary to the practice' of your department to go into matter pertaining to a publisher's business, and I direct your attention to the specific fact that a violation of the law, whether statute law or postal regulations, is not the business of the publication, but the business of those of us citizens who constitute the Government of this country. Such a theory on

your part may be a dogma of your department, but it is not in conformity with the Constitution of this country.

"Having personally filed the complaint, with supporting evidence, in this case against the Better Business Bureau of St. Louis, and as a citizen of this country entitled to know what action the department has taken in complaints filed with it, I now respectfully insist that you advise me what action, if any, has been taken in the matter."

MR. TILTON'S REPLY DATED SEPTEMBER 26, 1932

"Receipt is acknowledged of your letter of the 19th instant in further regard to the publication mentioned therein.

"There is nothing before the department to sustain your allegation that the circulation of the publication does not conform to

the requirements of the law.

"Matters pertaining to the postage on mailings of a publisher or other person are taken up with the mailer and, as you have been advised, it is contrary to the practice of the department to go into matters pertaining to a mailer's business with others than the mailers themselves."

Only one conclusion can be logically drawn from the abovecited letters, and that conclusion is that violations by a better-business bureau of our postal regulations is not a matter of prosecution or publicity due to the subversion of the Post Office Department by these better-business bureaus, who make it a practice to hire ex-post-office inspectors.

A citation directed to the Postmaster General's office and

practice to hire ex-post-office inspectors.

A citation directed to the Postmaster General's office and ordering the production of the hundreds of complaints that have been lodged against these various better business bureaus and which have been pigeon-holed by these postal officials, will unearth a sordid story unequaled in the pages of history.

And these officials, you will recall, have to be supplied at Government's expense, with new and especially built Lincolns, so their silk hats will have ample space, which is to them, more important than the enforcement of the postal regulations.

LEGALITY OF BETTER-BUSINESS-BUREAU ACTS AND THE LIABILITY OF THEIR OFFICERS AND MEMBERS

All better-business bureaus obtain charters as educational institutions for the purpose of camouflaging the real reason for exist-ence; and none of them have any capital stock, for the reason that there would be something tangible for any injured person to recoup damages resulting from illegal acts of these various better

business-bureau units.

Not being chartered under the ordinary commercial business statutes, which require capital stock and tangible assets, an officer and a member of these better-business bureaus can not claim the same legal protection that a stockholder in a domestic corporation could claim for the illegal acts of officers and directors of such

domestic corporation.

It is well settled that where corporate form is used by individthe well settled that where corporate form is used by individuals for the purpose of evading the law—and, I may add, for the purpose of libeling, blackmailing, eliminating competition, and defeating justice, as is done daily by these better-business bureaus—that our courts will not permit these frauds and wrongs to go unpunished. One of our leading cases is aptly stated in the case of First National Bank of Chicago v. Trevein (50 Ohio St. 316), as follows:

Where the corporate form is used by individuals for the purpose of evading the law or for the perpetration of fraud, the courts will not permit the legal entity to be interposed so as to defeat

Or as was clearly stated in the Donovan v. Furtell case (216 III.

Or as was clearly stated in the Donovan v. Furten case (216 III, 629, 75 N. E. Rep. 334):

"A corporation is often organized to act as a cloak for frauds. Such cases as these are becoming common and the courts are becoming more inclined to ignore the corporate existence when necessary in order to circumvent the fraud."

And our Supreme Court supports this contention fully in the case of McCaskill & Co. v. United States (216 U. S. 504), in these

words:

"A growing tendency is therefore exhibited in the courts to look beyond the corporate form to the purpose of it and to the officers who are identified with that purpose."

It is my pleasure now to discuss these better-business bureau corporations from a legal standpoint, and I expect to show that they are strictly limited in their power and that the only power they have is that power specifically granted to them under their charter, i. e., the power to adopt by-laws and regulations governing their own members and to enforce those powers against their own members alone, and that they are without one single vestice of their own members and to enforce those powers against their own members alone, and that they are without one single vestige of power to control or regulate the conduct of any person not a member of a bureau unit; I expect to show that the very nature of their legal existence is but a cloak to cover up its frauds and wrongdoings and that each officer, agent, and member is individually liable for the torts committed by the corporate entity through the neglect of the members and officers to properly supervise the activities of their corporate agents.

POWERS OF CORPORATION

corporation, read in connection with the general laws applicable to it, is the measure of the powers of the corporation, and the general doctrine in this country is that the powers of a corporation organized under legislative statutes are such, and such only, as those statutes confer. It remains that a charter containing specific powers implies the exclusion of all others. Authority for these statements can be found in Thomas v. Railway Co. (101 U. S. 71); State v. Lincoln Trust Co. (144 Mo. 582) Mo. 562).

The rule is thus stated in another case as follows:

The rule is thus stated in another case as follows:

"A corporation is a mere operation of law, and has only such powers as are expressly granted by the State or are necessary to carry into effect the powers expressly granted." (Weyeth Hdw. Co. v. James Spencer Bateman, in 15 Utah 110; 47 Pacific 604.)

See also Booker v. Mayvill R. R. (119 Ky. 137); Baltimore, etc., R. R. v. United Elec. Co. (92 Md. 138); First Natl. Bank v. American Natl. Bank (173 Mo. 193); Sturdevant v. Farmers & Merchants Bank (69 Nebr. 220); Louisville Termis. v. Lellyet (114 Tenn. 368).

An enumeration of powers as granted by implication excludes all others not necessary or proper to carry those enumerations into effect. (Case v. Kelly, 133 U. S. 21.)

Elliott on Private Corporation, fifth edition, page 88, section 93, says:

93, says:

"The exercise by a private corporation of franchises or privileges not conferred by law may lead to forfeiture of charter."
(New Orleans, etc., v. Louisiana, 185 U. S. 336; State v. Delmar

Jockey Club, 200 Mo. 34.)

And the same authority, on page 134, section 131, says:

"Power in a legal sense signifies legal competence, capacity, or right. A corporation created by the sovereign power for particular purposes has such powers only as the State grants it. Unlike a natural person, it does not possess those general powers which are common to all."

In order that a corporation may enjoy and derive power by In order that a corporation may enjoy and derive power by implication, it must appear that such power is necessary to the enjoyment of the specially granted power, without which the latter would to a substantial degree fail. People v. Chicago Trust Co. (130 Ill. 268); Franklin County v. Lewiston (68 Me. 43); Herrick v. Humphrey Hdwe. Co. (73 Nebr. 809).

"A corporation is an artificial being, invisible, intangible, and existing only in contemplation of law. Being a mere creature of law it possesses only those properties which the charter of its creation confers upon it, either expressly or as incidental in its

law it possesses only those properties which the charter of its creation confers upon it, either expressly or as incidental in its very existence." Trustees of Dartmouth College v. Woodward (1819) (17 U. S. 518-636).

"If, for instance, the invisible, intangible essence of the air which we term 'a corporation' can level mountains, fill up valleys, lay down iron tracks, and run railroad cars on them, it can intend to do, is, and can act the reis as well viciously as virtuously." New York Central Railroad v. United States (1909) (212 U. S. 481-493).

It follows from the above citations that since better-business bureaus usually provide in their charters the power only to pro-

It follows from the above citations that since better-business bureaus usually provide in their charters the power only to promote and maintain fair and truthful advertising, that the usurpation by it of any power or pretended authority to regulate the conduct of any business, to cause the arrest of any violator of the law, or to otherwise assume the function of our civil and criminal courts, however justified that may be from a supposed "public-welfare" interest, is entirely without their charter rights and is proper ground for quo warranto proceedings to oust it from the State. from the State.

from the State.

That any ultra vires (beyond charter) acts of the corporation impose liabilities upon the directors for losses ensuing from such acts the following cases attest: Red Bud Realty Co. v. South (1902) (153 Ark. 380, 405); Hill v. Murphy (1922) (212 Mass. 1, 2); Greenfield Sav. Bk. v. Abercrombie (1912) (211 Mass. 252, 258); Gilbert v. Finch (1903, N. Y.) (173 N. Y. 455); Holmes v. Crane (1922) (191 App. Div. N. Y. 820; affirmed, 232 N. Y. 571). Directors ultra vires acts may be used as evidence of negligence. Stone v. Rottman (1904) (183 Mo. 552, 573, 582).

Directors are liable for the torts of the corporation, permitted by the directors' negligence, to be committed. Frontier Mill v. Roy White (1914) (25 Idaho 478, 490, 491); Cameron v. K. C. Com. Co. (1899) (22 Mont. 312, 318, 319).

Where there is knowledge, approval ratification, or a general

Where there is knowledge, approval ratification, or a general conspiracy, each participating director is liable, even though he did not personally engage in the transaction. Myerhoff v. Turslar (1912) (175 Ill. App. 29, 42–43); Edwards v. Finance Co. (1929) (196 N. C. 452, 463); Downey v. Finucane (1912) (205 N. Y. 251,

POWERS AND LIABILITIES OF DIRECTORS

The powers of a board of directors are, in an important sense. original and undelegated. They are derivative only in the sense of being received from the State in the act of incorporation. (Burrill v. Nahant Bank (1840), 43 Mass. 163–167; Hoyt v. Thomson's Executor (1859), 19 N. Y. 207–216; Manson v. Curtis (1918), 223 N. Y. 313–322; Leavitt v. Oxford & G. S. M. Co. (1883), 3 Utah 265-271.)

The affairs of a corporation are in the hands of its board of directors; the board consists of individuals, each of whom is "part of an elected body of officers constituting the executive agents of the corporation." (Manson v. Curtis (1918), 223 N. Y. 313-322, supra.)

The difference in nomenclature, i. e., trustees of charitable and educational institutions and directors of business enterprises, is not supported by either factual or legal differentiation. (Matter of Mount Sinai Hospital (1929), 250 N. Y. 103-107.)

Where the board of directors commits acts in violation of its duties, participating members are jointly and severally liable for their misdeeds. (Fisher v. Parr (1901), 92 Md. 245–273; Corey v. Independent Ice Co. (1907), 226 Mass. 391–393; German v. American Coffee Co. v. Diehl (N. Y. 1914), 86 Misc. 547; Fell v. Pitts, Appellant (1919), 263 Pa. 314–320; Sigwald v. City Bank (1909), 82 S. C. 382–387; Great M. & M. Co. v. Harris Estate (1901), Ill. Fed. 38-44.)

And this is so without regard to the degree of dereliction of which each director may be guilty. (Asphalt Const. Co. v. Bouker (N. Y. 1914), 150 App. Div. 691-694; Cooper v. Hill (1899), 94 Fed. 582-587, 588.)

It has been said that wrongdoing directors are joint tort feasors. (Braswell v. Morrow (1928), 195 N. S. 127, 130.)

Directors must use the same degree of care that is properly

feasors. (Braswell v. Morrow (1928), 195 N. S. 127, 130.)

Directors must use the same degree of care that is properly employed by an ordinary prudent business man under the same or similar circumstances in his own business. (Stone v. Rottman (1904), 183 Mo. 552-572; Besseliew v. Brown (1918), 177 N. C. 65, 67.)

Upon accepting a directorship the director gives an implied promise that he will attend to his duties with that degree of care which the situation demands and that he has a competent knowledge of the nature of their functions. (Dunn Admr. v. Kyle Executor etc. (1878), 77 Ky. 134, 140; Hun v. Carey (1880), 82 N. Y. 65-73; Warren v. Robinson (1899), 19 Utah 289, 303.)

A director's inattention to his duties is not excused by the fact that he receives no compensation for his work. (Bank v. Hill (1896), 148 Mo. 380-392; Williams v. McKay (1885), 40 N. J. Eq. 189-195; Michelson v. Pierce (1900), 107 Wis. 85-87; Virginia Carolina Chem. Co. v. Ehrich (1916), 230 Fed. 1005-1006.)

A director is not obliged to assume office in the first place, and he has an unqualified right to resign at any time, and his continuance as a director is evidence of the fact that he is willing to serve without compensation and clearly it would be unfair to permit him to avoid liability created by his own neglect of self-imposed duties where that neglect has caused damage to others. A director is chargeable not only with knowledge actually acquired by him in the course of his work, but a director is pre-

A director is chargeable not only with knowledge actually acquired by him in the course of his work, but a director is presumed to know everything concerning the corporation that he might have learned by exercising reasonable care and diligence and the making of proper inquiry consistent with the performand the making of proper inquiry consistent with the performance of his official functions. He may not urge ignorance of facts that he should have known as a defense to an action against him. (Marksberry v. First Natl. Bank (1922), 194 Ky. 401-411; Allen v. Neale (1909), 134 Ky. 690-697; Fisher v. Parr (1901), 92 Md. 245-271; Stone v. Rottman, supra (1904), 183 Mo. 552-573; McClure v. Wilson (1902), 70 App. Div. (N. Y.) 149; Williams v. Brady (1915), 221 Fed. 118) 221 Fed. 118.)

A director is bound and presumed to know any event of unusual importance, either at the time or soon thereafter. (Savings Bank v. Wulfekikler (1877), 19 Kans. 60, 64.)

A director can not blindly shut his eyes to what is transpiring

A director can not blindly shut his eyes to what is transpiring about him and shelter himself behind the claim of ignorance. As a director he was chargeable with such knowledge as he gained or as he might have learned by the exercise of reasonable care. (McClure v. Wilson (1902), 70 App. (N. Y.) 149–153.) The common-law liability for negligence is not excluded by statutory liabilities. (Great Western M. & M. Co. v. Harris Estate (1901), 11 Fed. 38, 42.)

(1901), 11 Fed. 38, 42.)

It is no defense for a director to such an action that he acted in good faith. (Anthony v. Jeffries (1916), 172 N. C. 378, 380.)

The duty of a director is to direct. He can not sit idly by and leave the affairs of the corporation to others and later seek to avoid liability upon the ground of lack of knowledge. (McClure v. Wilson (N. Y. 1902), 70 App. Div. 149; Besseliew v. Brown (1919), 177 N. C. 65, 68, 69; Bowerman v. Hamerr (1919), 250 U. S. 503-513.)

The position of director is not to be regarded as a nominal honor, permitting the choosing of a director for the mere use of his name. (Virginia-Carolina Chem. Co. v. Ehrich (1916), 230

Gross inattention to the affairs of the corporation is in and of itself actual negligence. (Cameron v. K. C. Com. Mo. (1899), 22 Mont. 312; McCormick v. King (1917), 241 Fed. 737-745; Bowerman v. Hammer (1919), 250 U. S. 504.)

Delegation of authority to others by the board does not relieve the board of the duty of proper supervision, and the possibility of inconvenience is something that the individual director should considered before accepting office. (Densimore v. Jackson (1928), 242 Mich. 192.)

Failure on the part of a director to attend meetings and give attention to the matters there considered is to be regarded as actionable negligence. (Becker v. Billings (1920), 220 Ill. App.

Directors are not excused from liability because they committed their duties to an executive committee, for if they saw fit to rely on the executive committee it was their own reliance and at their own risk, they may delegate the work but not the responsibility. Kanavaugh v. Commonwealth T. Co. (1909) (118 N. Y. Sup. 758–

Compare Barnes v. Andrews (1924) (298 Fed. 614-615); Rankin Cooper (1907) (149 Fed. 1010-1016). Mere reliance upon the statement of an officer is not the exercise

Mere reliance upon the statement of an officer is not the exercise of proper diligence. Barnes v. Andrews (1924) (298 Fed. 614-615). Directors are, in general, liable for all damages that are the natural and proximate result of their negligence. Bloom v. National L. & Sav. Co. (1897) (152 N. Y. 114-120, 121).

Where a director knowingly permits a violation of a statutory or charter provision of the corporation, he is liable. Bailey v. O'Neal (1909) (92 Ark. 327, 334); Brannin etc. v. Loving etc. (1884) (82 Ky. 370-375); Percy v. Millaudon (La. 1929) (8 Martin (N. S.) 68, 79, 80); Witters v. Soules (1887) (31 Fed. 1-3).

He is liable where he knows of and consents to the commission of an improper act. Reid v. Robinson (1923) (64 Calif. App. 46,

57); Halpin v. Mutual Brewing Co. (N. Y. App. 1897) (20 App.

Div. 583-589).

A director is liable for negligent supervision of the acts of the A director is liable for negligent supervision of the acts of the officers and agents of the corporation. Ford v. Taylor (1928) (176 Ark. 843-852); Lippitt v. Ashley (1915) (176 Conn. 457-464); Horn v. Silver Mining Co. (1889) (42 Minn. 196-199); Williams v. McKay (1885) (40 N. Y. Eq. 189-196); Warren v. Robinson (1889) (19 Utah 289, 298, 299); Va. Caro. Chem. Co. v. Ehrich (1916) (230 Fed. 1005-1006).

A director is liable, in general, for failing to prevent illegal acts of the officers and agents of the corporation where the everying of

A director is liable, in general, for failing to prevent illegal acts of the officers and agents of the corporation where the exercise of reasonable diligence would have resulted in such prevention. Frontier Mill v. Roy White Co. (1914) (25 Idaho 478-490); Paper Products v. Ignition Co. (1926) (236 Mich. 90-98); Paine v. Barnum (N. Y. 1880) (59 Hwo. Pr. 303-371); Warner v. Penoyer (1898) (91 Fed. 587, 593), (an executive case).

The fault is particularly gross negligence where directors have granted officers full control of the business and practically created the opportunity for improper acts. Bank of Des Arc v. Moody (1913) 110 Ark. 39, 41; Wart v. McKee (1910) 95 Ark. 124, 129 Baxter v. Coughlin (1897) 70 Minn. 1, 5; Braswell v. Morrow (1928) 195 N. C. 127, 130; Gores v. Day (1898) 99 Wis. 278, 279-280.

Directors are under a duty to investigate suspicious rumors; Bates v. Dressner (1915), 229 Fed. 772, 797.

Compare—Warner v. Pennoyer (1898) 91 Fed. 587-593.

Directors are under a duty to remove the officer upon notice of his improper acts. Bloom v. United Bene. Sav. Co. (N. Y. 1884) 81 Hun. 120; Northern Cod Fish Co. v. Siberg (1917) 96 Wash.

"FIGUREHEAD" DIRECTORS

Figurehead directors are chiefly elected that their names will give credit to the corporation but who take no really active part in its affairs.

held responsible for neglect of duty; that they are They are held responsible for neglect of duty; that they are directors only in a nominal sense will often be of importance in determining the real character of acts performed under cover of their names. Martin v. Webb. 110 U. S. 7, 3 Sup. Ct. 428; Old Dominion v. Lewiston, 210 U. S. 206, 28 Sup. Ct. 634; Bowerman v. Hammer, 250 U. S. 250, 39 Sup. Ct. 49; Crosicana Natl. Bk. v. Johnson, 251 U. S. 68, 40 S. P. 82; McEwen v. Kelley, 140 Ga. 720, 79 S. E. 777; Stone v. Rottman, 183 Mo. 552, 82 S. W. 76.

LIARILITY OF MEMBERS

That the better-business bureaus individually and collectively acting as the Affiliated Better Business Bureaus (Inc.) are conspiracies in restraint of trade and in violation of the Sherman and Clayton Acts and the antitrust acts of many States is now fully supported by evidence and all that is now necessary is that the administration stimulate their interest to effect conviction of all members. The most forceful analogy of this is the "Danbury hatters' case" because it was carried to the United States Supreme Court and hence is affirmed by our highest authority. Supreme Court and hence is affirmed by our highest authority.

A \$240,000 JUDGMENT

A \$240,000 JUDGMENT

I am going to suggest that you get the full record of the Danbury Hatters' case, from its beginning in 1903 to its ending in 1915, when the \$240,000 judgment in favor of D. E. Loewe & Co. against Martin Lawlor and 250 others, as individual members of the Hatters' Union was affirmed by the Supreme Court of the United States (235 U. S. 522).

The necessary facts to be stated for your benefit about that case are these: The suit was instituted, not against the Hatters' Union as an organization, but against Martin Lawlor and 250 other individual members who paid dues to the organization. On demurrer to the complaint, a writ of error was taken to the Federal circuit court of appeals, which in turn certified to the United States Supreme Court the question, "Whether such a case, if proven, would come under the clause of the Sherman Antitrust Act?" The unanimous decision of the court, delivered by Chief Justice Fuller, February 3, 1908, held that such cases came under Justice Fuller, February 3, 1908, held that such cases came under the statute as conspiracies in restraint of trade (208 U. S. 274). The suit was then tried in the United States circuit court and The suit was then tried in the United States circuit court and lasted from August 26 to October 11, the verdict awarding plaintiff Loewe \$80,000, which, when trebled, as provided under the Sherman Antitrust Act, amounted to \$240,000. An appeal to the United States Circuit Court of Appeals, Second District, was taken and the judgment of the lower court affirmed (209 Fed. 721). It was then taken to the United States Supreme Court, which also affirmed the judgment (235 U. S. 522).

The Hon. Walter G. Merritt, of counsel for Loewe, made these points:

bound by its constitution * * * they are responsible * * * even though under the constitution (of the organization) their officers were forbidden to do anything but lawful acts * * * they were paying their dues and they could be and were informed as to what was going on, for their officers published journals monthly * * telling what they had done, although they say they were campaign documents."

Stop and study those words

Stop and study those words. They fit these better-business bureaus like a glove, even to the publication of their bulletins, which informs all members of what is being done by the corporate entity.

And Judge Merritt continued-

"You may not like me; you need not speak to me. You may not like my store; you need not trade in it. You may not like my factory; you need not work in it. But you shall not organize

men against me to ruin my business. I have a right to conduct that business and you have no right to destroy it.

"Men have certain rights of life, liberty, reputation, property, and business. You can take my life; that is murder. You may say evil things about me; that is slander. You can put me in a room and chain me there; that deprives me of my liberty. And when you organize men against my business, that is boycott. To do these things is not only to turn against the laws of this country, but to turn against the eternal laws and the laws of Moses."

OUR CONSTITUTIONAL RIGHTS

When our forefathers fled from England to escape from political and religious tyranny, from Charles and James; to escape the per-secution and the restrictions which were imposed upon individual secution and the restrictions which were imposed upon individual liberty by combinations, and by threats of one kind and another, they came to this country and subsequently adopted the Constitution of these United States for a Government of the people, by the people, and for the people; and there has been no interruption of that governmental authority. It does not make any difference whether a man is rich or poor, whether he is classed as a capitalist or as an employee, we are all equal before the law, and you can not put any construction upon our Constitution that will grant it in one case and withhold it in another; no such construction on it that will give the so-called better-business bureau the right to obtain money from so-called "membership dues" the right to obtain money from so-called "membership dues" and use that money to exterminate, control, or regulate a business that may be in competition with its contributing members, for that is a heritage no corporation can have; it is the police for that is a heritage no corporation can have; it is the police power of our Government, and can not be conveyed to private enterprises.

I say that these unlawful acts of the bureaus come directly under the Sherman antitrust law and that it flagrantly violates these laws and our Constitution in its daily activities and that the decision of the United States Supreme Court means what it says in the Danbury Hatters' case. Every contributor to the bureau is liable to the same extent as were the contributors of the Hatters' Union to Loewe, and it is a matter of history that this \$240,000 judgment was collected by attachments on property and on the bank accounts of those defendants who contributed, and that these attachments extended from the New England States to California.

CONCLUSION

May I now call the attention of you gentlemen of the Banking and Currency Committee to the history of the United States, and why we have grown from a Nation of about 4,000,000 to a Nation

on July 4, 1776, the Declaration of Independence was signed by John Hancock and the 55 representatives of the then 13 States, and you gentlemen will recall the words of wisdom so strongly stated in the major portion of the second paragraph, reading as

"We hold these truths to be self-evident, that all men are created equal, that they are endowed by their Creator with certain unalienable rights, that among these are life, liberty, and the pursuit of happiness. That to secure these rights, governments are instituted among men, deriving their just powers from the consent of the governed. That whenever any form of government becomes destructive to these ends, it is the right of the people to alter or to abolish it and to institute new government, laying its foundation on such principles and organizing its powers in such form as to them shall seem most likely to effect their safety and happiness. Prudence, indeed, will dictate that governments long established should not be changed for light and transient causes, and accordingly all experience hath shown that mankind are more disposed to suffer while evils are sufferable, than to right themselves by abolishing the forms to which they are accustomed. But when a long train of abuses and usurpations, pursuing invariably the same object, evinces a design to reduce them under absolute despotism it is their right, it is their duty, to throw off such government and to provide new guards for their future security."

Our Constitution was subsequently drafted, ratified by the ments are instituted among men, deriving their just powers from

Our Constitution was subsequently drafted, ratified by the States, and went into effective operation on the first Wednesday (4th day) of March, 1789, and section 9, article 1, contains the entence

"No preference shall be given by any regulation of commerce." The fourth amendment of the Constitution says:
"The right of the people to be secure in their persons, houses,

papers, and effects, against unreasonable searches and seizures, shall not be violated, and no warrants shall issue but upon probable cause, supported by oath or affirmation, and particularly describing the place to be searched and the persons or things to be seized." be seized.

The fifth amendment reads, in part, as follows:
"No person shall be * * * deprived of life.

"No person shall be * * * deprived of life, liberty, or property without due process of law."
Section 1, Article XIV, says:

"All persons born or naturalized in the United States, and subject to the jurisdiction thereof, are citizens of the United States and of the State wherein they reside. No State shall make or enand of the State wherein they reside. No state shall make or enforce any law which shall abridge the privileges or immunities of citizens of the United States; nor shall any State deprive any person of life, liberty, or property without due process of law; nor deny to any person within its jurisdiction the equal protection of

Resting upon the foundation of these constitutional guaranties our Nation began to grow in wealth and power surpassing that of any other country of the world. No other nation has ever been

blessed by kind Providence as we have been prior to the present era. Our natural resources were developed and our industries hummed, our output of worldly goods increased to such volume that the very magnitude of it surpassed that of England, who had ruled the oceans for years. We successfully hurdled every war and we came out of each with honor and glory. We emerged finally as the largest creditor nation of the world, and no doubt that this condition is the direct cause of the licentious, lustful, and hitherto unrestrained scheme and racket that has been conducted by the bankers and brokers of Wall Street, aided and abetted by their paid servant and puppet—the better-business bureau system.

Prior to the unholy alliance made by these bankers, brokers, and better-business bureaus in 1922 our prosperity increased by leaps and bounds hardly to be depicted by mere words only. We were a Nation living, as a whole, on a plane never before enjoyed by any nation under the sun.

The subversion of our Government began in June, 1922, the bankers and brokers of Wall Street raised for, and paid to, the better-business bureau their first \$100,000 jack pot.

Since that historic period the bankers have fleeced us un-mercifully in the sale to us of foreign bonds of varied and dubious value, the brokers of Wall Street with their New York Stock Exchange have drained from us the remaining wealth of our coun-

try, and the two together now have that wealth locked in vaults while our industries remain idle for lack of capital, and labor is prevented from earning a living by the sweat of their brow.

The whelp of these bankers and brokers, self-styled under a conjured name—better-business bureau—have ursurped the police powers of our Nation, while they themselves are criminal violators of each and every one of our constitutional guarantics. lators of each and every one of our constitutional guaranties

which I have just quoted

These better-business bureaus are and have been attempting to dictate a preference in the regulation of commerce, in direct violation of section 9, Article I, through the illegal act of forcing industry to contribute to their racket or else suffer the humiliation of being publicly branded as crooks and the commerce of these nonmember industries to be directed into the lap of bureau contributors.

contributors.

These better-business bureaus violate the "search and seizure" immunities guaranteed us under the fourth article of our Constitution each and every time they invade any industry or business and forcibly take possession of or demand possession of any letter, contract, book, or other property of that industry or business of any citizen without a warrant such as prescribed in this section of our Constitution. It is but a step from such procedure when these bureau snoopers will be bodily kicked out, and a citizen has that right to resist by any force necessary, until we reach a stage of civil insurrection.

The guaranties of the equal protection of our laws as enumerated by the Declaration of Independence and by the fourteenth amendment of our Constitution are but a scrap of paper to these parasites of business; and life, liberty, and property are words of

parasites of business; and life, liberty, and property are words of no importance, since a better-business bureau, as presently con-ducted, is the law and Constitution unto itself; and with a strangle hold on our duly appointed and elected officials we will be helpless without proper protection which this honorable committee will safeguard to our citizens by proper recommendations to the Con-

gress and our law-enforcement officials.

I would like to quote the words of wisdom that fell from the lips of the late and lamented Theodore Roosevelt in June of 1912:

"It is the eternal struggle between two principles—right and wrong. They are the two principles that have stood face to face wrong. They are the two principles that have stood face to face from the beginning of time. The one is the common right of humanity, the other the divine right of kings. It is the same principle in whatever shape it envelops itself. It is the same spirit that says 'You toil and work and earn bread, and I will eat it.' No matter in what shape it comes, whether from the mouth of a king who bestrides the people of his own nation and who lives from the fruit of their labor, or from one race of men as an apology for enslaving another race, it is the same tyrannical principle

"Were Lincoln alive to-day, he would add that it is also the same principle which is now at stake when we fight on behalf of the many against the oppressor in modern industry, whether the abuse of special privilege be by a man whose wealth is great or little, whether by the multimillionaire owner of railways and mines and factories who forgets his duties to those who earn his bread while earning their own, or by the owner of a foul sweat-shop who coins dollars from the excessive and underpaid labor of haggard women.

"We who stand for the cause of progress are fighting to make this country a better place to live in for those who have been harshly treated by fate; and if we succeed, it will also be a better place for those who are well off.

"None of us can really prosper permanently if masses of our fellows are debased and degraded, if they are ground down and forced to live starved and sordid lives, so that their souls are crippled like their bodies and the fine edge of their every feeling is

blunted. We stand for the cause of the uplift of humanity and the "We stand for the cause of the uplift of humanity and the betterment of mankind. We are pledged to eternal war against wrong, whether by the few or the many, by a plutocracy or by a mob. We believe that this country will not be a permanently good place for any of us to live in, unless we make it a reasonably good place for all of us to live in."

Gentlemen, you can not sit idly by and permit the desecration of our constitutional rights by these usurpers of our governmental agencies if you heed the words of that great man, Theodore Roose-

velt; and it must be born in the Roosevelt blood for that family to fight so earnestly and seriously for the rights of life, liberty, and property as we will see by the following pertinent comment of our next President, the Hon. Franklin D. Roosevelt, in his following statement:

"One hoax was the unnecessary organization of many unnec "One hoax was the unnecessary organization of many unnecessary promotions in every part of the country. Some so-called 'private banking houses' and even some public banks brought about consolidations for the sole purpose of selling watered stock.

* * Many billions of dollars were spent by the public for handsomely engraved certificates representing but little else but a pathetic hope of wealth * * * another looting scheme of these 'private banking houses' was in foreign loans * * * these bankers sent their agents to scour two continents for borrowers. The bankers demanded and got exorbitant commissions and interest rates * * * the foreign 'investment' business became so general that even the best financial minds lost perspective: even general that even the best financial minds lost perspective; even supposedly reputable investment bankers cooperated with foreign interests to make suckers of American investors.

interests to make suckers of American investors.

"The National Government did not take the trouble to analyze the state and facts at its disposal. Our own Treasury Department and even our own Federal Reserve Board itself took not one single step to discourage the mounting orgy of speculation—until it was too late. Our present administration can not plead ignorance.

"The Government must protect its citizens against financial buccaneering. No Federal administration can prevent individuals from being suckers, but our Government has the right as well as the positive duty to dissect, for the benefit of the public, every new form of financial action."

I earnestly beseech that you gentlemen of the Banking and Cur-

new form of financial action."

I earnestly beseech that you gentlemen of the Banking and Currency Committee listen to the call of these two great Roosevelts; that you dissect, for the benefit of your constituents, for the benefit of all of our Nation, for the benefit of your own selves, this new form of financial racketeering which is being fostered on this great country by these agencies draped in sheep's clothing and parading as public benefactors for the sole purpose of crucifying business while furthering their own racket.

I respectfully submit the case of the people against these financial buccaneers to the best dictates of your own conscience.

POSTPONEMENT OF MORTGAGE FORECLOSURES

The Senate resumed the consideration of the bill (S. 5639) providing for loans or advances by the Reconstruction Finance Corporation for the purpose of securing the postponement of the foreclosure of certain mortgages for a period of two years, and for other purposes.

The VICE PRESIDENT. The question is on the amendment of the Senator from Idaho [Mr. Borah].

Mr. WALSH of Massachusetts. Mr. President, in connection with the pending bill I should like to have printed in the RECORD a letter from E. H. Thomson, president of the Federal Land Bank of Springfield, Mass., giving very useful information as to the situation of farm-mortgage loans in Massachusetts.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

> FEDERAL LAND BANK OF SPRINGFIELD, MASS., February 13, 1933.

Mr. L. B. BOSTON

Mr. L. B. BOSTON,
Director Division of Reclamation, Soil Survey, and Fairs,
Department of Agriculture, State House, Boston, Mass.
DEAR Mr. Boston: Your favor of February 10 with reference to
the farm-mortgage situation in Massachusetts is at hand.

Dark Mr. Boston: Your layor of rebruary 10 with reference to the farm-mortgage situation in Massachusetts is at hand.

I am pleased to furnish such information as would appear to have a bearing on the subject. From the last census we find there are 25,598 farms in the Commonwealth of Massachusetts. Of those operated by owners, 52.4 per cent report mortgage debt. The average amount of the mortgage debt per farm is \$3,089, and represents approximately 36 per cent of the value of the real estate. The average rate of interest paid by farmers on these mortgages is 6.14 per cent. The percentage representing mortgage debt is a little higher than in some of the other New England States, I do not know the reason for this.

The Federal Land Bank of Springfield, which was organized in 1917, and which operates through the medium of national farmioan associations, has made 2,341 loans in Massachusetts, in the amount of \$7,037,505, from organization to January 31, 1933. The average size of these loans is \$3,000 and the average rate which the farmers pay is 5.46 per cent.

These loans are all made on a long-term payment plan whereby a small sum is paid on the principal twice a year, together with interest on the unpaid balance. In other words, effort is made to fit the mortgage to the farm business in such a way that payments can be easily made. As long as a farmer keeps up his installments and his tayes and operators the form in a researchly good manner.

can be easily made. As long as a farmer keeps up his installments and his taxes and operates the farm in a reasonably good manner, his loan can not be called. This has been a very great factor this past year, when so many local savings banks and trust companies have felt the shrinkage in deposits and have been compelled to

call for payment of mortgages.

For the year 1932 the Federal Land Bank of Springfield made new mortgage loans in the Commonwealth of Massachusetts in the sum of \$445,500 to 125 farmers. All applications have been ac-

cepted and approved where the farmer offered reasonable security and could demonstrate good management and integrity of purpose.

I think I can safely say that the farm-mortgage proble relatively not acute in the Commonwealth of Massachusetts. problem is experience of the Federal Land Bank of Springfield with its mort-gage loans in Massachusetts has been favorable. The total losses of every description suffered on \$7,037,505 for the entire 15-year period is \$6,170.19, or slightly less than nine-hundredths of 1 per cent of the amount loaned. This very favorable showing is due to the stability of Massachusetts agriculture and to the financial integrity of its farm owners.

At the present time with the ruinously low prices for certain At the present time with the ruinously low prices for certain farm products, obviously some farmers must be given extension of time in which to meet their payments. It is the policy of this bank to consider each case individually and to work with the farmer in a constructive and sympathetic manner. I can say with confidence that no loan has been foreclosed where the farmer had the slightest chance of working out of his difficulties and where he was making an honest effort to succeed.

In a few instances the farms have been abandoned, the buildings have become badly dilapidated, or the farmer so hopelessly involved with other debts that foreclosure was necessary. These have been the exceptions. In such cases it has been the policy of the bank to endeavor to place the farms in the hands of deserving and competent owners who appreciate a farm home and who

I would also add that the good will and splendid cooperation from the department of agriculture of the Commonwealth of Massachusetts and other agencies interested in furthering the welfare of farmers have been of great help in carrying out a sound loaning program.

If there are any further data you may wish, or other questions, I shall be very glad to hear from you.
Yours very truly,

E. H. THOMSON, President.

Mr. FLETCHER. Mr. President, when we recessed on Saturday we had up for consideration the bill (S. 5639) providing for loans or advances by the Reconstruction Finance Corporation for the purpose of securing the postponement of the foreclosure of certain mortgages for a period of two years, and for other purposes. There was some demand at the time for an explanation of the bill. As chairman of the subcommittee which had to do with the measure, I was unable to get the floor to throw what light I could on the subject. Two or three or four Senators were on the floor at one time and all talking at once, so the matter went over until to-day. I take it the Senate would like a brief explanation of the developments and hearings with reference to the measure.

There were five or six more bills referred to the Committee on Banking and Currency. I was chairman of the subcommittee having to do with farm relief and agricultural finance, to which the bills were referred. We had a good many hearings, extending over many days. A number of bills were being considered and discussed. It became apparent that we would be unable to complete the hearings during the few days left in the session; and even if we did complete the hearings, that we were going to be unable to prepare a bill that would meet the views of most of those concerned and of the committee, get it before the full committee, and then reported by the full committee to the floor of the Senate, and then get it passed through the Senate.

The subcommittee then decided that we had better postpone further hearings on the broad general proposition looking to permanent legislation covering the whole field and take that matter up during the recess. We expect to continue the hearings on bills that are before us or on the subjects covered by those bills during the recess, with the hope that we shall be able to report a bill at the extra session which will provide for permanent legislation reorganizing or perhaps consolidating the agencies now in effect looking to farm relief and agricultural finance. It would take several days to complete those hearings, and then it would take some time to harmonize the differences and to get the legislation in shape to report to the full committee.

Five members were added to the subcommittee, making a subcommittee of 10 members, and we decided that for the present we had better devote ourselves to emergency legislation. Our only hope was that we might be able to get through the Senate some emergency measure which would give relief to the borrowers throughout the country, particularly with reference to farm loans. The bill introduced

by the Senator from Tennessee [Mr. Hull] laid the foundation for this emergency legislation. We took that measure up and considered it for some days, held hearings on it, and, finally, at the suggestion of various members of the committee and as a result of the hearings, there were some changes made in the bill, some modifications of it, and as changed and modified it was introduced by the Senator from Tennessee [Mr. Hull] and the Senator from Connecticut [Mr. Walcott]. That is the bill now before us, except that when the subcommittee reported the bill to the full committee there were certain amendments offered to it in the full committee, and to those amendments I will now refer.

The primary purpose of the legislation, as will be seen, is confined to the emergencies of the present day. We want, if we can, to stop foreclosures on farms throughout the country.

Mr. BROOKHART. Mr. President-

The VICE PRESIDENT. Does the Senator from Florida yield to the Senator from Iowa?

Mr. FLETCHER. I yield.

Mr. BROOKHART. Let me ask the Senator if the amendments proposed by the subcommittee and ratified by the full committee are contained in the reintroduced bill so that it does not show what the amendments were?

Mr. FLETCHER. The bill in its present form does not show the amendments.

Mr. BROOKHART. They are all included in the bill?

Mr. FLETCHER. I think there was a reprint of the bill as agreed to by the full committee.

Mr. BROOKHART. That is the way I find it.

Mr. FLETCHER. That is the way we have it now. But the bill contains certain provisions which were proposed in the full committee, not by the subcommittee, and which were not in the original bill. The bill does not know exactly what amendments were made by the full committee, but it embodies all those amendments, and the bill was reintroduced, I take it, and reprinted as the full committee finally agreed on it.

As I was saying, the primary purpose of the legislation is to provide practically for a moratorium on all these loans for two years, and then to provide for a reduction in interest rates on all taxes past due, all interest past due, and all installments past due, which now make these mortgages subject to foreclosure. It removes all danger of foreclosure for two years, and as to all these mortgages it reduces the rate of interest to 4 per cent on all taxes, interest, and installments which are past due.

The Senator from Idaho, as I understand, has offered an amendment to reduce that 4 per cent to 3½ per cent. Is not that correct?

Mr. BORAH. I offered an amendment on Saturday night reducing the rate to 3 per cent, but I am going to change that to $3\frac{1}{2}$ per cent.

Mr. FLETCHER. Very well. I will state that it developed in the hearings that the Reconstruction Finance Corporation was now paying the Treasury $3\frac{1}{2}$ per cent, and we thought they ought to have at least a margin of one-half of 1 per cent to cover the cost of administration. There will be considerable expense in connection with the administration of this bill, and this one-half of 1 per cent will not more than cover that cost of administration, it seems to me, and it will leave nothing to take care of any losses that may occur.

Mr. BORAH. Mr. President-

The VICE PRESIDENT. Does the Senator from Florida yield to the Senator from Idaho?

Mr. FLETCHER. I yield.

Mr. BORAH. I understand that the Reconstruction Finance Corporation are paying the Treasury 3 per cent, and are allowing themselves one-half of 1 per cent for the purpose of paying expenses?

Mr. FLETCHER. Yes.

Mr. BORAH. Therefore I thought that they were not entitled to make anything out of the transaction, and that the rate should be reduced to 3½ per cent. That would take

care of the interest they would have to pay and would provide also an amount with which to pay expenses of administration.

Mr. FLETCHER. I quite agree with the Senator that they ought not to make any profit, and we did not intend that they should, and they will not be able to; but the Senator is quite in error in supposing that they are only paying 3 per cent. The testimony before the committee by those in charge of such affairs was that they were now paying 3½ per cent to the Treasury for the money obtained.

Mr. KING. Mr. President, will the Senator yield?
The VICE PRESIDENT. Does the Senator from Florida
yield to the Senator from Utah?

Mr. FLETCHER. I yield.

Mr. KING. In view of the fact that the Government will be compelled to borrow large sums of money in the immediate future, on account of obligations amounting to several billion dollars maturing within 60 days, and \$8,000,000,000 maturing within perhaps six or eight months, I suggest to the Senator that it is quite possible, indeed, probable, that the Government will not be able to borrow money perhaps at 4 per cent in the course of a few months.

Mr. BORAH. Mr. President, I disagree with the Senator upon that proposition, for the experience of the last few months shows that the people are anxious to put their money in Government bonds at a very low rate of interest rather than to put it elsewhere, and instead of the interest rate likely going to 4 per cent or $4\frac{1}{2}$ per cent it is more likely to go down to $2\frac{1}{2}$ or 3 per cent. We have plenty of money it seems, but it is unwilling to invest except in Government bonds.

Mr. BLAINE. Mr. President, will the Senator yield? The VICE PRESIDENT. Does the Senator from Flore

ida yield to the Senator from Wisconsin?

Mr. FLETCHER. I yield.

Mr. BLAINE. May I call the attention of the Senator from Idaho to the fact that in the last few days out of the 11 issues of United States bonds, 5 of them are selling below par, and only 1 on those now selling below par had heretofore been selling below par?

Mr. BORAH. And I think I know a good reason for that, too.

Mr. KING. Mr. President-

The VICE PRESIDENT. Does the Senator from Florida yield to the Senator from Utah?

Mr. FLETCHER. I yield.

Mr. KING. I hope the Senator from Idaho is right, but I am rather inclined to think—in fact, I am rather certain—that in the future, with maturing obligations of billions of dollars, the Government will not be able to borrow money at the low rate suggested by the Senator from Idaho. It seems to me it might be safer, although I do not care to interfere with the structure of the bill in any way, to provide, as we have done with respect to loans to the shipping interests, that the rate shall not exceed one-half of 1 per cent or 1 per cent in excess of the rate at which the Government is able at the time to obtain the money.

Mr. FLETCHER. I think, Mr. President, it is thoroughly understood by the Reconstruction Finance Corporation and by the parties concerned that they are not expected to make any profit out of these transactions. The bill, therefore, provides that the rate of interest shall be not to exceed 4 per cent. If it develops that they can get the money at less than they are now paying, they are expected to make the interest charged the borrower conform to that arrangement, but the language is "not to exceed 4 per cent."

Mr. STEIWER. Mr. President-

The VICE PRESIDENT. Does the Senator from Florida yield to the Senator from Oregon?

Mr. FLETCHER. I yield.

Mr. STEIWER. I think the Senator from Florida is now putting his hand upon the real situation we ought to consider with respect to the interest rate. The bill does not pretend to fix the interest rate to be charged; it merely prescribes the maximum rate which may be charged.

Mr. FLETCHER. Precisely.

Mr. STEIWER. The question before us therefore is not what the interest rate ought to be; the question is, as the Senator has just stated, What ought the maximum rate to be?

Mr. FLETCHER. Yes.

Mr. STEIWER. In view of many considerations, some of which have already been suggested here this morning, when this matter was before the committee we thought the maximum rate might well be 4 per cent.

Mr. FLETCHER. Yes.

Mr. BORAH. Mr. President, would it not be better, instead of putting in a rate, to put in a specification that no rate shall be charged in excess of the actual amount which they pay the Government and the cost of administration?

Mr. FLETCHER. I have no objection to that; but, if it is intended to cover that, I am afraid such an amendment would make it too indefinite.

Mr. BORAH. I do not think it would make it indefinite, because they would know what it was. If it is correct to assume that in the near future the price of Government money is going up, 4 per cent might be as objectionable as 3 per cent. What I desire, Mr. President, and nothing more, is that they get this money at exactly the rate which the Government must pay for furnishing it, together with what is actually necessary for administering it; that is all.

Mr. FLETCHER. That we intended to accomplish, and we intended to make it definite and certain. So that there would be no discrimination and so that everybody would know exactly what rate of interest was to be charged by the Reconstruction Finance Corporation, and so as to make it certain that a rate should not be fixed that would mean a profit to the Reconstruction Finance Corporation, or an unnecessarily high rate, we made the figure not to exceed 4 per cent. Now, what does that mean?

Mr. LONG. Mr. President-

The VICE PRESIDENT. Does the Senator from Florida yield to the Senator from Louisiana?

Mr. FLETCHER. I will yield in a moment. What does that mean? It means, for instance, that whereas, under the farm loan act, a borrower is required to pay 8 per cent on all taxes past due, and that have to be taken care of by the mortgagee, on all interest past due, and all installments past due, this will save him 4 per cent. It means a saving to the borrower, under the Federal land-bank system, of a per cent on all these items of taxes, interest, and installments.

Mr. BORAH. I am certainly in favor of the principle for which the Senator is contending and which the bill covers; so far as that is concerned, I think it is all right. I was simply desirous of protecting that particular situation.

Mr. FLETCHER. Precisely; we are all in accord in desiring to make the interest rate as low as possible.

Mr. LONG. Mr. President-

Mr. FLETCHER. I now yield to the Senator from Louisiana.

Mr. LONG. Mr. President, in the case of the Wagner bill we provided that the interest rate should not exceed 1 per cent over the amount the Government had to pay for the money. We had it one-half of 1 per cent, and we made it 1 per cent. It seems to me that that would be a pretty fair thing to do in this case. It will cost the Government something to get the money and handle it and lend it out and get it back, and if we made it just the same as in the Wagner bill, which seemed to be pretty fair, 1 per cent above the amount the Government had to pay for the last sale of its bonds, I think it would cover the situation.

Mr. McKELLAR. Mr. President, will the Senator yield? The VICE PRESIDENT. Does the Senator from Florida yield to the Senator from Tennessee?

Mr. FLETCHER. I yield.

Mr. McKELLAR. Why would not the end desired be accomplished by inserting after the word "rate," in line 14, on page 2, the words "not exceeding the actual cost of the money to the Government and in no event exceeding 4 per cent"?

Mr. ROBINSON of Arkansas. That would not take care of the administration, and the rate should cover within reason the cost to the Government of administrative expenses.

Mr. McKELLAR. That would be included, as it seems to me, but it could be easily put in.

Mr. FLETCHER. Mr. President, I am willing-

Mr. BORAH. Why not insert, as suggested by the Senator from Louisiana, the provision which was inserted in the Wagner bill, so called, that the rate shall not exceed a certain amount according to the rate provided in last sale of Government bonds, and so forth?

Mr. FLETCHER. That might be workable. We discussed that to some extent, but the committee thought we ought to make the rate definite so that it would be thoroughly understood exactly what it would be, and that we ought to make it so low that it would not cover more than the cost to the Reconstruction Finance Corporation. This money for the Reconstruction Finance Corporation comes out of the Treasury, of course; whether or not the Treasury charges the Reconstruction Finance Corporation a little more than they pay on the bonds, I do not know; but I think likely the Treasury may make a small charge to the Reconstruction Finance Corporation. I think we would hamper the administration of the bill, if enacted, and would make it less clear and definite by an amendment of that kind. However, let the Senate be thinking about that while I go on to explain the other provisions of the bill.

Mr. BLAINE. Mr. President, will the Senator yield before he proceeds to do that?

The VICE PRESIDENT. Does the Senator from Florida yield to the Senator from Wisconsin?

Mr. FLETCHER. I yield.

Mr. BLAINE. I desire to ask the Senator a question. The Senator has been referring to a moratorium for two years. He does not intend by that expression to mean that a moratorium is granted to the mortgagor except indirectly through the mortgagee?

Mr. FLETCHER. Yes.

Mr. BLAINE. In other words, this bill introduces a new class of debtors; that is, people who to-day are not debtors but who as mortgagees will become a debtor class under the provisions of this proposed act. The Government will have back of that new debtor class the assignment of the mortgage to the Reconstruction Finance Corporation, and back of the mortgage, of course, is the farm, but, as a matter of fact, we are creating, prospectively at least, a new debtor class. Is not that correct?

Mr. FLETCHER. The situation is this: Suppose the Senator had a mortgage on a farm. That mortgage undoubtedly provides for the payment of all taxes by the mortgagor, the payment of all interest, and perhaps amortization. In individual cases perhaps no amortization is provided for; but as to Federal land banks and joint-stock land banks, 1 per cent per annum amortization is included.

The mortgage provides that in case of default the mortgagee may pay up the taxes, he may forego his interest, forego his installments, and charge interest on those to the mortgagor, or he has a right to foreclose his mortgage. What we are trying to accomplish here is to stop these foreclosures and make them impossible, because we propose to take care of those that are in default.

Mr. BLAINE. Mr. President, will the Senator yield at that point?

Mr. FLETCHER. Yes.

Mr. BLAINE. Is the mortgagee who has the mortgage going to make himself a debtor, even though he obtains the money at a low rate of interest, instead of liquidating his mortgage? Is it in the nature of things for a mortgagee to do it?

Mr. FLETCHER. Of course it remains to be seen how it will work out, but we are giving him the opportunity of avoiding foreclosure. We are taking care of items which he must take care of in the first instance, and then, in his foreclosure suit, embrace them in the amount of his claim against the mortgagor. He is being benefited. I see no

reason why he should not pledge his mortgage to the Reconstruction Finance Corporation to protect it in making these advances. In case eventually these items are not paid by the mortgagor, and foreclosure is necessary, the Reconstruction Finance Corporation will foreclose the mortgage with the right to pay itself the taxes, the interest, and the installments which it has advanced, and the remainder goes to the original mortgagee. So that the mortgagee does not lose anything by this transaction. He is benefited by the fact that somebody steps in and pays up these installments which he would have to pay as mortgagee eventually, in case the mortgagor could not pay; and then the mortgagor gets the benefit of the reduction of interest. He gets the benefit of postponement of any foreclosure proceedings. He has no dread of foreclosure, and there can be no foreclosure during these two years. That is the benefit to the mortgagor.

The mortgagee is benefited in respect to having these items on which the mortgagor is in default, as to taxes, interest, and installments, taken care of by the Reconstruction Finance Corporation; and, therefore, it is to his interest to protect the Reconstruction Finance Corporation in the advances which it makes.

I think it will work out all right. I think the mortgagees generally will be willing to assign their mortgages to the Reconstruction Finance Corporation to protect them in making these advances, which advances the mortgagee himself has eventually to make if he protects his security. In this instance the bill gives the mortgagor an opportunity to recoup and to go on with his payments after this extension of time is granted, and the mortgagor gets a reduction of practically 4 per cent on the interest that he would have to pay eventually to the mortgagee. So that it is an advantage all around, and I think there is no doubt about its working satisfactorily.

Another point: I do not remember whether the subcommittee reported this item or whether it was put in by the full committee. At any rate, it was decided, and it is provided in the bill, that these benefits ought not to be confined to the farmers alone; that the bill should be extended so as to protect people in the cities and towns owning small homes. By its terms, the application of the bill is limited to homes of a value not exceeding \$8,000. That is purely an arbitrary figure; but we thought we would take care of the small-home owner who is suffering, for the same reason that the farmers are suffering, danger of foreclosure taking his home away from him. So we have put in the bill a provision for taking care of loans to these small-home owners for a period of two years to take care of their taxes, their interest in default, and any other obligations that are necessarily involved; and the home owner gets that money at 4 per cent. So that we are trying to protect the small-home owner, and stop foreclosures of these small homes in the towns and cities, as well as taking care of the farmer's

That is an item in the bill that we finally concluded ought to be placed there, so as to create this moratorium in effect for two years to the small-home owner, and take care of these items of taxes, interest, and so forth, which might subject him to foreclosure.

Mr. GLASS. Mr. President-

The VICE PRESIDENT. Does the Senator from Florida yield to the Senator from Virginia?

Mr. FLETCHER. I yield.

Mr. GLASS. Does the Senator from Florida really imagine that we are proposing a moratorium for two years only?

Mr. FLETCHER. That is what the bill provides.

Mr. GLASS. I know that is what the bill provides; but, Mr. President, it seems to me that we are literally destroying—in fact, we have already destroyed—the mortgage-bond market. As I have already said, there is not a man outside of the lunatic asylum who has any money to loan who is going to loan it upon mortgages when governors and legislators and the Congress of the United States assume to declare moratoriums on indebtedness.

We are proceeding here upon the assumption that nobody will want to borrow money hereafter; that even thrifty and altogether worthy farmers who are entitled to credit are going to be estopped hereafter from ever borrowing any money; and that is just what is going to be the result of this.

While I am up, may I ask why the discrimination, why the limitation up to \$8,000? A man who owns a farm that is worth \$18,000, and operates it, employs more persons, has more tenants than a man who has a farm that is worth only \$8,000; why not assist him? Why confine the bill to this particular class of persons?

I could better illustrate the intent of my inquiry by citing

his fact:

I have in mind now an industrial concern which employs 526 men-men of modest means, with their little homes across the river, unable to own high-priced property in the town proper. That concern owes, I will say as an illustration, \$230,000 to a national bank. When the notes mature they have to be renewed, because they can not be paid. Why not help that corporation to keep these 526 heads of families employed? Why help joint-stock land banks, organized purely for profit, in which the Government has not one scintilla of pecuniary interest? Would these banks have paid the Government any part of their profits had they made profits? Why help them any more than help the debtors of national banks that are organized for profit? Why take a half billion dollars of the taxpayers' money out of the Treasury, where it is not at present, and use it for privileged socialism, if there be such a thing as privileged socialism? It is not even ordinary socialism; it is not even a common pot that may be dipped from by anybody; it is privileged socialism.

Mr. FLETCHER. Mr. President, of course the Senator makes quite an argument against the whole bill.

Mr. GLASS. Yes; I am against the whole bill.

Mr. FLETCHER. I do not know that I can follow his questions in detail; but the Senator starts out with a wrong impression. Perhaps I have been unhappy in stating the case; but the Senator seems to think that we are limiting these loans to farms of a value of \$8,000. Farm values have nothing to do with this limitation. This limitation of \$8,000 applies only to mortgages on homes occupied by their owners. The bill applies only to mortgages on such homes not exceeding \$8,000 in value. That is the \$8,000 limitation. The idea was that we would take care of the moderate-circumstanced people who are about to lose their homes through foreclosure. If we undertook to broaden the field beyond this valuation we would get into a considerable demand, for instance, on hotels and apartment houses, and all that sort of thing. We could not handle that; but we were intending to try to save the small-home owner of meager means to keep from having his home taken away from him under foreclosure.

That has nothing to do with the value of farms. That is not connected with farm loans at all. There is no limitation as to farms.

Mr. GLASS. Mr. President-

The VICE PRESIDENT. Does the Senator from Florida further yield to the Senator from Virginia?

Mr. FLETCHER. I do.

Mr. GLASS. I infer that the Senator does not consider a half billion dollars a very considerable sum.

Mr. FLETCHER. Oh, yes; it is a considerable sum.

Mr. GLASS. Why not save a man's home that is worth \$9,000?

Mr. FLETCHER. This is purely an arbitrary limit.

Mr. GLASS. Why not save a man's home that is worth \$10,000?

Mr. FLETCHER. The Senator can make it \$10,000 if he likes. I should not object to that; but the idea is that we must fix a limitation here, because otherwise we would reach out into hotels and apartment houses and business structures and all that sort of thing.

Mr. GLASS. Why not? Why are not they as much entitled to the taxpayers' money as anybody else?

Mr. FLETCHER. They are generally able to take care of themselves better than the small-home owner.

Mr. GLASS. Take care of themselves! Why, there is scarcely a hotel in Washington which is not under mortgage now and in the hands of a receiver.

Mr. FLETCHER. That may be true; and it is impossible for us to conceive of the Government going into that sort of business.

Mr. GLASS. It is impossible for me to conceive of the Government going into this sort of business.

Mr. FLETCHER. That may be the Senator's view. The committee thought we would be charged with discrimination if we confined these benefits entirely to farmers. They thought that in these industrial regions small-home owners were losing their homes and that they should be included in the bill

The Senator says, "Why go into this business at all?" He says a man can not borrow any money on his farm or his home now because we are destroying the loan market and the chances of getting accommodations elsewhere. Mr. President, it is already destroyed. No farmer can borrow any money on his farm. No home owner can borrow any money on his home. There is not a bank that will make any loans. None of these loan agencies are making any such loans. That is out of the question. We are trying to cure an existing situation as far as we can. It is purely an emergency proposition, as I have said. It lasts only for two years; but we are trying to prevent these foreclosures on farms and on small homes throughout the country so that the farmer will be able to go on and occupy his farm and make a living and support himself, and so that the small-home owner will be assured that his home is not going to be foreclosed against and taken away from him. That is the idea. It is purely an emergency measure.

Mr. GLASS. Mr. President, in my conception of the case, the Senator is vastly mistaken if he thinks it is going to continue but two years. He is going to make it impossible, for a long period of time, for anybody worthy of credit or otherwise to borrow any money from a bank or from anybody else if Congress reserves the right to declare moratoriums on such indebtedness.

Mr. FLETCHER. There is a great deal in what the Senator says. We are in perilous times, living under distressing conditions, but we have to realize that. It is not what we would like to have. It is what we are actually experiencing now. I have letters from all parts of the country—and I have no doubt other Senators have—complaining that the Reconstruction Finance Corporation and that the homeloan bank, which we set up to save homes—which has proven a perfect farce—are not willing to make loans to people.

Let us say that I have a property worth \$25,000, and that I owe \$2,500 on it. I can not get the money from a bank or a loan agency in the community, or anywhere else—from any financial institution. Am I to lose that home because I can not raise that \$2,500? I apply to the home-loan bank, and they say, "Your town defaulted on some of its bonds, or something, and we are not going to lend at this time." As a matter of fact, they are making loans only to building and loan associations. We provided for loans to building and loan associations in the original Reconstruction Finance Corporation act, and they have been making loans to them. But this home loan bank crowd are making loans only to building and loan associations. They have not up to date made a single individual loan. They have not saved a single home in this country from foreclosure.

Mr. BORAH. And never will.

Mr. FLETCHER. No, they never will, and I do not believe they intend to. They are controlled by people who are connected with building and loan associations. A majority of them are building and loan people, I am told. At any rate, they are confining their operations to taking over the assets of building and loan concerns, and they have not saved a single home from foreclosure, after opening up in September with a great blare of trumpets saying they were ready to do business, and to save homes.

Mr. SHORTRIDGE. Mr. President, will the Senator yield?

Mr. FLETCHER. I yield.

Mr. SHORTRIDGE. Perhaps I should assume that the committee has carefully considered the constitutional power of Congress to enact measures such as that before us. Would the bill make it mandatory on a mortgagee to submit to a reduction of interest and other claims he might have upon the mortgagor?

Mr. FLETCHER. I replied to that in answering one of the objections raised by the Senator from Virginia, as to whether we would deter people from making loans hereafter because of the danger of Congress intervening and declaring a moratorium. This bill is based upon the consent of the mortgagee. We do not attempt to compel him to do anything.

Mr. SHORTRIDGE. I wanted that clear in my mind.

Mr. FLETCHER. Of course, the Senator is right.

Mr. SHORTRIDGE. We would not have a right to modify an existing valid contract.

Mr. FLETCHER. Absolutely not. The mortgagee must join; he must agree and assign his mortgage, consent to the arrangement, the reduction of interest, and all that. It was so provided in the case of the joint-stock land banks. They can agree to a reduction of interest.

Mr. KING. Mr. President, will the Senator yield to me? Mr. FLETCHER. I yield.

Mr. KING. It is obvious that this bill is merely a makeshift, and whether it will accomplish any good is very questionable.

I understood the Senator to state at the outset of his observations that in the special session a comprehensive measure will be enacted dealing with this entire question. If we are to take over the obligations of the farmers and other real-estate owners, whose obligations to-day aggregate about \$35,000,000,000—speaking now of real estate generally, as well as farms—if we are to afford relief to all of the owners of property upon whose property there are mortgages and trust deeds and other obligations and liens, is it not unwise to make two or three or four bites at the cherry and to attempt in this sporadic plan to deal with the situation?

Moreover, while I am on the floor may I say, Mr. President, that I understood that this bill sought only to relieve persons on whose farms and homes the taxes were in default? If the mortgagees would agree not to foreclose for two years, the Government was to lend to the agencies set up here enough to pay the back taxes and the interest to date.

I find that the bill goes further than that. Five hundred million dollars are to be taken out of the Treasury, which is empty. We will have to go out and issue bonds and borrow the \$500,000,000. In addition to that, we are to lend \$100,000,000 to these joint-stock land banks, many of which have been improvidently managed, inefficiently conducted, and are in debt, are involved, which have issued bonds and are buying them in at 30 cents on the dollar and cancelling some of their outstanding obligations. I did not know we were to lend this organization \$100,000,000 so that it could go out and buy its bonds at par-that is probably a redeeming feature-or borrow money for the purpose of making other loans. I thought it was to be placed in the same category with other mortgagees, and that it would have advanced to it out of this \$500,000,000 such sums as were due to it on account of the taxes paid by it as a mortgagee and deferred interest, providing it would not foreclose its mortgage for a period of two years. But the proposal is to lift the joint-stock land bank into the same category with farm-loan banks, which, many say, are Government institu-

Does the Senator think that is wise? It seems to me that in a year or two, according to the views which prevail here, nearly every man in the United States will be a debtor to the Government. The United States will have a thousand or ten thousand or a hundred thousand suits in the courts foreclosing, suing to recover on debts due it, and we will have the unfortunate situation of landlord and tenant, the Government the landlord and the people of the United States the

tenants. We will have the people of the United States who are indebted to the Government arrayed against it. This sort of legislation, and many other bills which have been suggested, in my opinion, would create a schism, would drive a hot plowshare into our social system, and would arouse resentment on the part of millions of people against the Government.

Mr. BORAH. Mr. President-

The PRESIDING OFFICER (Mr. Dickinson in the chair). Does the Senator from Florida yield to the Senator from

Mr. FLETCHER. I yield.

Mr. BORAH. May I say to the Senator from Utah, in the time of the Senator from Florida, that I think his suggestion has come too late. We may be in a position where we are going to take over the farms, but we are already in a position where we are practically taking over the railroads, and will undoubtedly do so if we continue our present program. We will not only take over the railroads, but we will take over the insurance companies and we will take over the banks, and we will continue until we make the soviet government seem modest in its communistic program.

Mr. FLETCHER. Mr. President, I can not agree with these violent predictions. I do not see any such prospect ahead of us. I think we are moving along in rather dangerous waters, perhaps, going perhaps a little too far in paternalistic efforts, but I do not see any such prospect as

has been mentioned here.

The Government is not going to own the farms of this country. We want the farmers to stay on the farms, and they want to stay on them, and they will be able to stay on them. They are not able now to meet the presently due installments of interest and tax payments, and to keep up their payments, because they are getting nothing for their products. But that condition is not going to last. The people of this country and other countries have to have food. The farmers are the ones who produce the Nation's food, and the consumers will be willing to pay reasonable prices, and can pay reasonable prices.

Mr. LONG. Mr. President, will the Senator yield? Mr. FLETCHER. Let me finish this statement, and then I will answer all questions, but I can not get along logically if I yield to every interruption, and take sidetracks here and there.

The condition of this country is not so terrible as some people seem to think. Suppose there are 11,000,000 people unemployed now, or 12,000,000. That is only 10 per cent of the population. All the rest of the people are busy and only 10 per cent of the population are idle. Is that such a terrible condition as calls for revolution and revolutionary steps?

Mr. President, this country is rich, the people are industrious, the people are intelligent, the people are patriotic. They are not going to see the Government fall, they are not going to lose their property. They do not need to do it and they will not do it. They have some courage and some selfreliance, thank heaven, and they are going to exercise those

characteristics in the handling of their property.

Those who entertain the idea that the people of this country are all flabbergasted, all wild eyed, all going crazy and insane are entirely mistaken. Just brace up a little and help them. They are existing now. A certain emergency is upon them, caused by the fall in commodity prices, partly that, perhaps mainly that. As to the farmers, that is the cause. But what good does it do a farmer to own a fine farm and produce any amount of crops if he can not get anything for them? But that is not a lasting condition. The farmers are going to be able to get higher prices, because people have to have things to wear and things to eat, and the farmers are going to supply them. The farms of this country are the very foundation of all the strength and power and wealth of the country.

Mr. President, all this talk about the stock exchange and capital, speculation, and all that sort of thing, is merely on paper. The very sources of wealth are the soil, the mines, and the waters. Those are here; they are going to stay

here; they can not be taken away. All we need to do is to take care of a situation which arises in an emergency like this, when the producers are unable to meet certain obligations because of the low prices of their products, not because they are not working, not because they are not producing, but because they are not getting anything for their products. Prices will come back, and what we need to do is to tide the farmers over this emergency.

What we are trying to do by this legislation is to stop the foreclosures of mortgages, which are in default, very largely, though probably not over 50 per cent of them are in default, at that. Perhaps not that many of the farm mortgagors are in default in the payment of taxes and interest. Twentyseven per cent probably would be nearer correct. But that

is a big percentage, I admit.

We do not want to see these people deprived of their homes, their life savings, because some fellow who holds a mortgage takes advantage of the right of a mortgagee to forclose and sell the mortgagor out. If suit is instituted, a sale takes place, and the mortgagee is the only purchaser at the sale. No other purchaser appears. The mortgagee, in many instances, does not want the property, is willing to come in and cooperate to reduce the interest and give the mortgagor two years' breathing time in which to make good.

That is what we are trying to accomplish by this legislation; not to provide a permanent arrangement at all. We are not going into the loaning business as a permanent thing, but we are trying to help in an emergency like the present one. The Government has the credit which will enable it to do it, and we can do it without any great burden on the people of the country. We can help all home owners, on the farms as well as in the towns, to tide over this emergency. That is the object of the bill.

I ask to have inserted in the RECORD a statement by the general counsel of the Farm Loan Board regarding the payment of land-bank loans in farm-loan bonds.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

QUESTIONS REGARDING THE PAYMENT OF LAND-BANK LOANS IN FARM-LOAN BONDS

FEBRUARY 14, 1933.

Frequent inquiries have been directed to the Federal Farm Loan Bureau as to (1) whether under the provisions of the Federal farm loan act, as amended, a borrower from a Federal or joint-stock land bank has the right to require the land bank making the loan to accept its own unmatured bonds at par in full payment of his debt, and (2) whether it is within the power of Congress to require the banks of the farm-loan system to accept their unmatured bonds at par in payment of the mortgages taken from their respective borrowers. The same questions have been asked with respect to the tender of bonds in payment of loans made by joint-stock land banks which have been placed in the hands of a receiver by the Federal Farm Loan Board. Before taking up these questions in detail it will be helpful to consider the history of some of the pertinent provisions of the Federal form history of some of the pertinent provisions of the Federal farm

loan act.

At the close of the Sixty-third Congress a joint committee of the Senate and House was appointed to investigate the subject of rural credits and report back a bill for the consideration of the Sixty-fourth Congress. The committee carried out the instructions and the Federal farm loan act, as we know it is, in the main, tions and the Federal farm loan act, as we know it is, in the main, the bill which it reported. (Document 494, 64th Cong., 1st sess.) This report was referred to the Senate Banking and Currency Committee on February 16, 1916. The original bill with amendments was reported back to the Senate by Senator Hollis (S. 2986; Rept. No. 144). Section 12 of this bill read in part as follows:

"No Federal land bank organized under this act shall make loans except upon the following terms and conditions:

"First. Said loans shall be secured by duly recorded first mortgages on farm land within the land-bank district in which the bank shall be situated.

bank shall be situated.

"Second. Every such mortgage shall contain an agreement for the payment of a fixed number of semiannual installments sufficient to provide for an agreed rate of interest during the term and for the payment of the principal during and at the end of the term on what is known as the amortization plan.

"Third. Every such mortgage shall run for a period of at least

5 years and not exceeding 36 years.

"Fourth. Every mortgage loan made under this act, for whatever period, shall provide for its extinguishment, at the option of the borrower, in whole or in part at any date set for the payment of interest after five years from the date upon which said loan was made as follows: was made, as follows:

"(a) By the tender at their face value of farm-loan bonds issued by the land bank holding such mortgages, all unmatured coupons being attached to said bonds.

(b) By advance payments in cash in sums of \$100 or any multiple thereof. In such case the Federal land bank receiving such payments shall purchase for its own account, and credit at par upon the mortgage, farm-loan bonds in suitable amounts; said land bank may call, as may be necessary, farm-loan bonds in suitable amounts, and when such calls shall have become effective

land bank may call, as may be necessary, farm-loan bonds in suitable amounts, and when such calls shall have become effective shall credit such payments on such mortgage.

"Provided, That farm-loan bonds of any Federal land bank, tendered or purchased under the foregoing two paragraphs to extinguish the whole or any part of a mortgage loan, shall bear the rate of interest current on farm-loan bonds issued by such bank at the time such mortgage loan was made."

The foregoing provisions with respect to the payment of loans "by the tender at their face value of farm-loan bonds issued by the land bank holding such mortgages" were also made applicable to loans made by joint-stock land banks under the provisions of section 16 of the bill. These provisions of sections 12 and 16 were contained in bill S. 2986 as passed by the Senate. Later the bill was referred to the Committee on Banking and Currency of the House. When the bill was finally reported by the House committee the provisions with respect to the payment of loans by the tender of bonds at par had been eliminated. During the subsequent consideration of the bill by the House and by the conference committee appointed to consider the House amendments, these provisions were not reinstated. The farm loan act as finally approved did not contain any provision which would permit a house for the bond by the content of the bust takes to be the barrow which had been the bond by the loans and by the conference committee appointed to consider the House amendments, these provisions were not reinstated. The farm loan act as finally approved did not contain any provision which would permit a bond bear the bond by the loans are the loans are the loans are the loans the loans are the loans approved did not contain any provision which would permit a borrower from a Federal or joint-stock land bank to pay his loan by the tender of an equal face amount of bonds.

It is apparent from the legislative history of section 12 that the elimination of the provisions in question was due to design and not to oversight, and that at the time of the enactment of the present law the Congress decided that it was not advisable to permit borrowers to pay their loans in bonds. In this connection the Supreme Court of the United States has held that in construing an act of Congress amendments proposed and defeated may throw light on the construction of the act as finally passed, and may properly be taken into consideration. But passed, and may properly be taken into consideration.—Butt-field v. Stranahan (192 U. S. 470.)

field v. Stranahan (192 U. S. 470.)

Section 2 of the act, as finally passed, read in part as follows:

"Wherever the term 'first mortgage' is used in this act it shall be held to include such classes of first liens on farm lands as shall be approved by the Federal Farm Loan Board, and the credit instruments secured thereby." Furthermore, section 12 prescribes certain conditions and restrictions with respect to loans made by Federal land banks "based on first mortgages." These conditions and restrictions, with some exceptions, are applicable to loans of joint-stock land banks. One condition which is applicable to mortgages taken by both classes of institutions is as follows: "Every such mortgage shall contain an agreement providing for the repayment of the loan on an amortization plan by

viding for the repayment of the loan on an amortization plan by means of a fixed number of annual or semiannual installments.

Section 30 of the act provides in part that it shall be the duty of the Farm Loan Commissioner to examine the laws of every State of the Union and to inform the Farm Loan Board "as rapidly state of the Union and to inform the Farm Loan Board "as rapidly as may be whether in his judgment the laws of each State relating to the conveying and recording of land titles and the fore-closure of mortgages or other instruments securing loans, as well as providing homestead and other exemptions in granting the power to waive such exemption as respects first mortgages, are such as to insure the holder thereof adequate safeguards against loss in the event of default on loans secured by any approximation. loss in the event of default on loans secured by any such mort-

The mortgages taken by the Federal and joint-stock land banks from their borrowers under the foregoing provisions of the law constitute contracts between the borrowers and the banks. In view of the provisions of section 30, just above referred to, it is clear that the Congress intended that the status of these contracts as liens, the vested rights of the parties involved, the procedure to be followed in case of foreclosure, and the subsequent rights of the parties to such foreclosure proceedings, as well as the rights of the parties to such foreclosure proceedings, as well as the rights of other creditors, are fixed by the laws of the State in which the mortgaged property is situated. The mortgages taken by all of the banks of the system provide that the debts secured thereby shall be paid in lawful money. It is, of course, recognized universally that the party bound to make payment has no right to do so in any other medium than that expressed in his contract. That is, he must make payment in money if his contract so provides. Likewise the farm-loan bonds, which are secured in the main by these mortgages, provide that the holders thereof shall be paid in lawful money. "The party bound to make payment has no right to do so in any other medium than that expressed in the face of the instrument—that is, he must make payment in money." (Daniel on Negotiable Instruments, vol. 2, p. 1405. See also Julliard v. Greenman, 110 U. S. 421, 4 S. Ct. 122.)

Since under the terms of the mortgages accepted by them the

Since under the terms of the mortgages accepted by them the land banks have not agreed to accept farm-loan bonds in the payment of a loan and under the terms of their outstanding bonds the option as to payment and retirement prior to final maturity rests with the land bank which issues them, it is apparent that the banks of the farm-loan system are under no obligation nor can they be required to receive their own unmatured bonds or the bonds of other banks in payment, in whole or in part, of loans which they have made.

The answer to the second question, namely, whether the Congress by amending the farm loan act may require the banks to accept their own bonds at par in payment of mortgages held by them, would seem to be equally clear. It is true that section 35 of the farm loan act provides in part that "the right to amend,

alter, or repeal this act is hereby expressly reserved." also that the Congress of the United States is not included within the constitutional prohibition which prevents States from passing laws impairing the obligations of contracts. On the other hand, Congress is prohibited from depriving persons or corporations of property without due process of law. In this connection it has been pointed out that under the express authority conferred upon the banks of the farm-loan system they have entered into con-tracts with their borrowers. These contracts or mortgages have tracts with their borrowers. These contracts or mortgages have been made, subject to certain limitations and restrictions imposed by the act itself, pursuant to and in accordance with the laws of the States in which the mortgaged properties are situated. We have seen also that these mortgages provide that the debts secured thereby must be paid in lawful money. Therefore, since the rights of the bank, and in turn the rights of their respective bondholders, have vested in these obligations, it would not seem to be within the constitutional powers of Congress to deprive the individual banks or their security holders of their vested property insterests therein. This conclusion is based upon the principles laid down in the famous case of the Union Pacific Railway Co. laid down in the famous case of the Union Pacific Railway Co. v. United States (99 U. S. 700). Mr. Chief Justice Waite, who delivered the opinion of the majority of the court, said:

delivered the opinion of the majority of the court, said:

"The United States can not, any more than a State, interfere with private rights, except for legitimate governmental purposes. They are not included within the constitutional prohibition which prevents States from passing laws impairing the obligation of contracts; but, equally with the States, they are prohibited from depriving persons or corporations of property without due process of law. They can not legislate back to themselves, without making compensation, the lands they have given this corporation to aid in the construction of its railroad. Neither can they by legislation compel the corporation to discharge its obligations in respect to the subsidy bonds otherwise than according to the terms of the contract already made in that connection." (Italics ours.)

ours.)

In discussing the question regarding the power of Congress to alter or amend the charter, the Chief Justice made the following comments:

"That this power has a limit, no one can doubt. All agree that it can not be used to take away property already acquired under the operation of the charter, or to deprive the corporation of the fruits actually reduced to possession of contracts lawfully made;

"Giving full effect to the principles which have thus been authoritatively stated, we think it safe to say that whatever rules Congress might have prescribed in the original charter for the Congress might have prescribed in the original charter for the government of the corporation in the administration of its affairs, it retained the power to establish by amendment. In so doing it can not undo what has already been done, and it can not unmake contracts that have already been made, but it may provide for what shall be done in the future, and may direct what preparation shall be made for the due performance of contracts already entered into. It might originally have prohibited the borrowing of money on mortgage, or it might have said that no bonded debt should be created without ample provision by sinking fund to meet should be created without ample provision by sinking fund to meet it at maturity. Not having done so at first, it can not now by direct legislation vacate mortgages already made under the powers originally granted, nor release debts already contracted * * *." (Italics ours.)

The principles laid down by the court in the foregoing opinion have never been reversed. In fact, these principles have been re-peatedly affirmed in subsequent decisions. When the provisions of the farm loan act are considered in the light of these decisions, it seems clear that Congress can not by legislation "remake contracts that have already been made" and thereby compel the banks of the farm-loan system to permit their borrowers to discharge their obligations otherwise than according to the terms of those contracts, i. e., by the payment of the amounts due in lawful money

A contract to pay a certain sum in money without any stipulation as to the kind of money in which it shall be paid may always be satisfied by payment of that sum in any currency which is lawful money at the place and time in which payment is to be made. (Julliard v. Greenman, supra.) It will, of course, not be argued seriously that the Congress has the right to make the bonds of either Federal or joint-stock land banks "lawful money." In the circumstances it seems obvious that Congress may not by legislative enactment permit borrowers to discharge their obligations by payment of their loans in bonds.

In this connection my attention has been called to a requirement contained in bill S. 5591, which would provide, among other things, that the Reconstruction Finance Corporation would be authorized and directed to make loans to joint-stock land banks organized and doing business under the Federal farm loan act, subject to certain limitations and conditions, which would require that any joint-stock land bank obtaining a loan under the pro-visions of the proposed bill "(3) shall agree that the farm-loan bonds issued by the bank will be accepted at their face value in

payment of any indebtedness due the bank under the terms of the first mortgage held by the bank."

It is apparent from reading this requirement that the drafts-men of the amendment have undertaken to avoid the constitutional questions which have just been discussed. It is doubtful, however, whether the purpose has been accomplished. The farmloan bonds to which the amendment refers have been issued and sold in accordance with the express requirements of the Federal farm loan act. Under the procedure prescribed with respect to

the issuance of these securities the bank must deposit first mortgages or Government bonds with the farm-loan registrar at least equal in amount to the bonds issued. These bonds are required to recite on their face that they are secured by obligations of the United States Government, or by "first mortgages on farm lands" made in accordance with the provisions of the act. As previously made in accordance with the provisions of the act. As previously stated, the rights of the present bondholders have vested with respect to these mortgages, which provide that the amounts due thereunder shall be paid in lawful money. If it is agreed that it is beyond the power of the Congress to change or alter the provisions of these contracts by legislation, how can the banks be authorized to change them? The banks are not permitted at this time to substitute obligations payable in some other medium for the "money obligations" which they have deposited with the registrar. In other words, the bill would propose a condition that would be beyond the power of the banks to perform.

The answer will, of course, be made to this contention that the banks need not apply to the Reconstruction Finance Corporation for a loan unless they desire to comply with the provisions of the bill. It is undoubtedly true that the banks need not apply unless they care to do so. On the other hand, why provide for the making of loans that none of these institutions would be able to accept?

able to accept?

able to accept?

Under the general and incidental powers vested in the directors of Federal and joint-stock land banks by the provisions of the Federal farm loan act, the directors have the power at present to agree with an individual borrower to accept bonds at par in payment of his obligation; provided, of course, the bank believes, in the exercise of sound business judgment, that such action is necessary in order to protect the interests of the borrower, the bank, and its security holders. Such an arrangement in an individual case might be of real benefit to all parties concerned. On the other hand, under existing conditions it would not be possible for the banks to agree, in the absence of expressed approval on the part of all of their bondholders, to permit any and all of their borrowers to pay their loans in bonds. The effect of such an arrangement would result eventually in receivership for all of the joint-stock land banks. It would immediately convert their long-time obligations into demand obligations. It for all of the joint-stock land banks. It would immediately convert their long-time obligations into demand obligations. It would deprive them of the necessary funds with which to pay interest, and would benefit only a favored few of their borrowers. To those who are not familiar with the present situation, this statement requires further explanation.

Obviously the proponents of the amendment in question are

Obviously the proponents of the amendment in question are not seeking to precipitate further receiverships in these troublous times, but are earnestly endeavoring to provide some means of alleviating the load of indebtedness under which many farmers are now staggering. On the other hand, will the proposal afford even a small measure of relief for this unfortunate class of borrowers whose numbers are far too numerous?

At present most borrowers who are unable to meet the payments due under their mortgages would not be able to obtain sufficient funds with which to purchase the bonds required to pay off their loans. Many of these borrowers have junior liens on their farms and are otherwise indebted in amounts which they are unable to pay. Being unable to finance the purchase of the necessary bonds, they would be made the prey of money lenders and speculators, who would take advantage of the situation for the advancement of their own personal interests. With the bonds of some of the joint-stock land banks selling below 30, it is quite possible that speculation in these securities would follow the enactment of the proposed amendment. Bonds would be bought at low prices and traded to the farmer for an assignment of his mortgage or for a new lien on his farm at a substantial profit to the speculator. The loans would pass from the control of the banks and beyond the protection which some of the other provisions of the same bill might afford.

The more fortunate borrowers with good security would be able to obtain the necessary credit in the purchase of bonds, their loans would be retired, and the banks would be left with many defaulted mortgages in connection with which they would not be willing or able to enforce collection. The net result would be that the unfortunate borrower, the bank, and the security holders would suffer.

In addition, the effect of such an arrangement would be to

In addition, the effect of such an arrangement would be to disorganize almost completely the banks' financial programs. For example, to the extent that bonds are used in payment of loans, it would make the bonds equivalent to demand liabilities with the result that the banks would have to be prepared to handle their bonds both as time and as demand obligations. The bonds their bonds both as time and as demand obligations. The bonds carry definite maturity dates and the banks have to be prepared to pay them as they become due. There is little probability, however, that the bonds would be presented in the order of their maturities. As a matter of fact the late maturities would in all probability be presented before early maturities, since the discount, if any, would be greater on the longer-term obligations. Consequently, if payments were made largely in bonds and if the bonds presented included only a portion of the immediate maturities, the bank would be forced to rely entirely upon the sale of refunding issues in order to take up outstanding issues as they mature. In view of the fact that market conditions under which the borrowers would profit by payments on their loans through the surrender of bonds would be such as to make it difficult, if not impossible, to float new issues, any refunding would be a disastrously costly process. disastrously costly process

If borrowers are given the option of making payments on their loans with bonds, the banks would be unable to forecast with any degree of certainty the amount of cash to be received.

Moreover, as a practical matter, a bank would be practically prohibited from borrowing from the Reconstruction Finance Corporation, as is proposed in other sections of the same bill, since it could not depend upon cash collections with which to meet

its obligations to the corporation.

From the standpoint of the bulk of the banks' bondholders, From the standpoint of the bulk of the banks' bondholders, which include banks, savings institutions, insurance companies, trust companies handling the estates of widows, orphans, and persons under disability, small investors, and others, the most serious consequence of the proposal would be the elimination of the best loans deposited by the banks as collateral. As previously indicated, the borrowers in the best financial condition would be the first to take advantage of the opportunity to pay off their loans. Even the speculators would discriminate in their operations between the owners of good and poor farms. The mortgages on the good farms would undubtedly be taken up first. Finally the banks would find themselves with only the loans of those whose plight would be such that even the speculators would those whose plight would be such that even the speculators would pass them by.

In such circumstances receivership and forced liquidation for the banks would be the only alternative. In the event of receivership, however, although a somewhat

different situation would be presented, the borrowers would not be permitted to pay their loans in bonds. The receiverships that have occurred in the farm-loan system up to the present time have been concerned merely with joint-stock land banks, and, due to the cooperative features of the Federal land-bank system and the collective liability of these institutions for the bonds of each other, the possibility of receivership in the case of any one of the Federal land banks seems remote. When a joint-stock land bank is placed in the hands of a receiver its bondholders are entitled to share pro rata in the distribution of the proceeds derived from the liquidation of all of the hand's exects. There derived from the liquidation of all of the bank's assets. Therefore, to permit a bondholder, who is also a borrower, to offset the amount of his bonds against his indebtedness due under a mort-

fore, to permit a bondholder, who is also a borrower, to offset the amount of his bonds against his indebtedness due under a mortgage deposited with the registrar would to that extent violate the principle of pro rata distribution of pledged collateral. Accordingly receivers of joint-stock land banks have not accepted bonds or coupons of those banks in payment of indebtedness due the banks by their borrowers.

In light of the foregoing, it is apparent that the banks of the farm-loan system should not be required to accept bonds from all of their borrowers in payment of existing mortgages. As a matter of fact, the "book profits" which the banks have obtained during the last 12 months through the purchase and retirement of their own bonds have been used to offset losses and not to pay dividends. In the case of most of the joint-stock land banks they would not have been able to grant indulgence to their deserving borrowers had it not been for the provision of the act which permitted them to purchase and retire their own bonds. There are other proposals that have been incorporated in pending bills which seek in various ways to permit borrowers to pay their loans in farm-loan bonds. All of these proposals are subject to the same legal and practical objections, namely, that contracts can not be unmade without the consent of all parties interested, that mortgages "already made under powers originally granted" can not be vacated, and that the borrowers mostly in need of assistance would not be able to avail themselves of the privileges afforded by the legislation.

afforded by the legislation.

PEYTON R. EVANS, General Counsel.

Mr. SHORTRIDGE. Mr. President, will the Senator

Mr. FLETCHER. I yield.

Mr. SHORTRIDGE. Inasmuch as I must leave the Chamber, would it interrupt the Senator if I requested him to permit me to ask for unanimous consent in connection with the naval appropriation bill?

Mr. FLETCHER. I yield to the Senator.

NAVY DEPARTMENT APPROPRIATIONS

Mr. SHORTRIDGE. I ask unanimous consent that when the Senate convenes to-morrow the unfinished business shall be temporarily laid aside in order that we may take up and consider the Navy Department appropriation bill. I think I am warranted in assuring the Senate that the matter will be disposed of in a very short time.

The PRESIDING OFFICER. The Senator from California asks unanimous consent that when the Senate convenes to-morrow the unfinished business shall be temporarily laid aside and that the Senate shall proceed to the consideration of the Navy Department appropriation bill. Is there objection?

Mr. ROBINSON of Arkansas. Mr. President, I personally have no objection, but the junior Senator from Utah IMr. Kingl notified me that he would not consent to it and told the Senator from California so.

Mr. SHORTRIDGE. I think the Senator misunderstood my request. The Senator from Utah said he would consent to have the matter taken up to-morrow, but not to-day. My request is that the bill be taken up for consideration to-

Mr. ROBINSON of Arkansas. I do not think there is any necessity for now undertaking to fix an order of business for to-morrow. May I suggest to the Senator from California that we will take up the Navy Department appropriation bill when he is ready to do it, and there will be no difficulty about it.

Mr. SHORTRIDGE. I venture to ask for this consent agreement now because I must leave the Chamber, and the Senator from Florida has kindly yielded to me in order that I might suggest the unanimous-consent agreement. If there is objection to it I am through.

Mr. ROBINSON of Arkansas. If we should be within a few minutes of disposing of the measure now before the Senate. I should not want to lay it aside at that time.

Mr. BORAH. Mr. President, I would like to finish the consideration of the pending bill if we are going to finish it

Mr ROBINSON of Arkansas. Yes; so would I.

Mr. SHORTRIDGE. Then you can pass the appropria-

tion bill when you are ready to do so.

Mr. ROBINSON of Arkansas. Mr. President, the Senator from California ought not to make a remark like that. The bill came to the Senate on the 25th of February, just last Saturday. We are ready to take up appropriation bills at almost any time. We all concede them priority. But the Senator from California is asking now in advance that the Senate shall agree to take up a bill. I shall object to the request of the Senator from California.

Mr. SHORTRIDGE. If the Senator from Florida will pardon me further, I did not intend to be offensive or provoke any feeling on the part of the Senator from Arkansas.

Mr. ROBINSON of Arkansas. I think the last suggestion of the Senator was tending in that direction.

Mr. SHORTRIDGE. I was not asking that immediate consideration be given to the bill but was merely venturing to suggest a consent agreement to take up the bill tomorrow, which I thought would be agreeable to everybody. The PRESIDING OFFICER. Objection is heard. The

Senator from Florida will proceed.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Haltigan, one of its clerks, announced that the House further insisted upon its disagreement to the amendments of the Senate Nos. 2 to 13, inclusive, to the bill (H. R. 13520) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1934, and for other purposes; that the House insisted upon its amendments to the amendments of the Senate Nos. 1, 14, 15, and 16; that the House agreed to the further conference asked by the Senate on the disagreeing votes of the two Houses thereon; and that Mr. Byrns, Mr. Arnold, Mr. Lud-LOW, Mr. Wood of Indiana, and Mr. Thatcher were appointed managers on the part of the House at the further

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 13872) making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1934, and for other purposes; that the House had receded from its disagreement to the amendment of the Senate No. 14 to the said bill and concurred therein with an amendment, in which it requested the concurrence of the Senate; and that the House had receded from its disagreement to the amendment of the Senate No. 15 and concurred therein.

POSTPONEMENT OF MORTGAGE FORECLOSURES

The Senate resumed the consideration of the bill (S. 5639) providing for loans or advances by the Reconstruction Finance Corporation for the purpose of securing the postponement of the foreclosure of certain mortgages for a period of two years, and for other purposes.

Mr. FLETCHER. Mr. President, I should apologize for taking up so much time, but I think Senators will agree that it has been because of interruptions and not because of any extended remarks on my part.

I come now to the joint-stock land bank provision. It is proposed that \$100,000,000 shall be loaned on farms by the joint-stock land banks throughout the country. Many of them are in default in interest payments, in installment payments, and taxes-not half of them. I take it, but they are subject to foreclosure. If we foreclose a mortgage on a farm and it goes to sale and the mortgagee buys it in, that has the effect of fixing farm values, depressing and lowering them so that we can not put any value now at all on farm lands. No two appraisers would agree as to the value of a farm to-day. No earning power can be shown at present. The foreclosures are not only depriving the owners of their life savings, their property, their homes, but they are doing nobody any good, and they are doing the whole market and the whole situation great harm.

We propose to loan to the joint-stock land banks \$100,-000,000. We will then have the property appraised by appraisers appointed by the Farm Loan Board, not by the joint-stock land bank but by the Farm Loan Board, to appraise the value of the mortgages and loan 60 per cent of the value of those mortgages. They must reduce the interest to the borrowers to 4 per cent. Their obligation in the whole layout is that the borrower must get a reduction in his interest to 4 per cent and a postponement of at least two years against any foreclosure. No demand can be made on him for taxes or for interest or for installments or anything of that kind for at least two years. He is relieved of that fear and dread and the consequences of foreclosure for two years and he pays 4 per cent interest on the money. The bank must agree to that, the mortgagee must agree to it, the mortgagor of course is willing to agree to it, and great good can and will come from that sort of transaction to those who have borrowed money from the joint-stock land

A provision was inserted by the full committee, by a majority of only 1 vote, which is found on page 7, line 19, of the bill to the effect that the bank shall agree "that the farm-loan bonds issued by the bank will be accepted at their face value in payment of any indebtedness due the bank under the terms of a first mortgage held by the bank." Mind you, these bonds are not due now. The proposition is to take the unmatured bonds, get hold of them somehow, and turn them in on this debt. That means, of course, absolute liquidation of every joint-stock land bank. Most of them are in difficulties now. Some of them are not, but most of them are. To put that provision in the bill means receivership for the banks, foreclosure of their mortgages, ruin of the farm borrower, and ruin for everybody.

Mr. ROBINSON of Arkansas. Mr. President-

The PRESIDING OFFICER. Does the Senator from Florida yield to the Senator from Arkansas?

Mr. FLETCHER. I yield.

Mr. ROBINSON of Arkansas. How can the bank or any other institution borrow money at 4 per cent to suspend foreclosure and yet accept property or other consideration at 20 cents on the dollar in payment of liabilities due it? Inevitably it would not only put the banks into receivership, as the Senator has stated, but it would make them absolutely insolvent.

Mr. FLETCHER. That is quite true. Therefore I insist that the provision ought to be stricken from the bill; otherwise we might as well strike out all provisions in the bill with reference to joint-stock land banks. In the first place, farm borrowers do not hold the bonds. They are not held in lots of \$2,000 or \$3,000 by farmers at all. The farmer can not get in because a farmer, who can not pay his taxes and installments and interest, can not go out and buy bonds. It would not benefit the farmer at all to have a provision like that.

Mr. GORE. Mr. President-

The PRESIDING OFFICER. Does the Senator from Florida yield to the Senator from Oklahoma?

Mr. FLETCHER. I yield.

Mr. GORE. If the farmer has no bonds and can not get them to tender in payment of his debts, then what is the objection? They can not be tendered to anybody else but the joint-stock land bank. The Senator's argument kills itself. Why would speculators want the bonds, if the farmers could not buy them? Does the Senator from Florida object for that reason?

Mr. FLETCHER. But that does not benefit the borrower

Mr. GORE. It would not hurt the bank if the farmer does not ever tender the bonds in payment.

Mr. LONG. Mr. President, will the Senator from Florida allow me to make a statement with reference to that matter? Mr. FLETCHER. I yield the floor.

The PRESIDING OFFICER. The Senator from Louisiana

is recognized in his own right.

Mr. LONG. Mr. President, in answer to the statement of the Senator from Oklahoma, here is what we would do. I want the farmer to get all the money he can get. I want this bill passed in order to get some money to the farmer. We are not going to get any money to the farmer by such a provision as that which the Senator from Florida was just discussing. I have been trying to convince certain Senators of the logic of that statement. Let me take an illustration which I have been using to them.

If Pennsylvania Railroad bonds to-day are selling at 25 or 30 cents on the dollar, and if I owed them a freight bill of \$1,000, I could go out and buy \$1,000 of Pennsylvania Railroad bonds for \$300 and pay my freight bill of \$1,000. I could make \$700 on every \$1,000 shipment of freight I would make. Just see how ridiculous that is. To show how much more than ridiculous it is, if we go ahead and pass this bill, we will say that a man can borrow \$1,000 from the joint-stock land bank. He can then take \$350 of that money and walk out and buy \$1,000 of the bonds of the joint-stock land bank, due 40 years from to-day, and pay off that \$1,000 of indebtedness to the bank and have \$650 left in his pocket.

Mr. BORAH. Mr. President-

The PRESIDING OFFICER. Does the Senator from Louisiana yield to the Senator from Idaho.

Mr. LONG. Certainly.

Mr. BORAH. Suppose the bank is foreclosing the mortgage upon a farm that is good for \$20,000 and is mortgaged for \$20,000 and is selling the farm for \$3,000. May not the farmer go out, if he can, and recoup himself and buy bonds and offset the loss which he is making and which the bank is gaining?

Mr. LONG. That would be sound except for this reason. The Senator from Idaho is too good a lawyer to misunderstand my argument. His mentality along legal lines is superior to mine, and I am sure he will not misunderstand my argument. These bonds are not matured obligations. They are due 30 or 40 years from to-day. We have no right to set off a matured obligation with an unmatured obli-

Mr. BORAH. But the farm would be there 30 or 40 years from to-day, too.

Mr. LONG. I am not arguing that. The point I am making is that we can not argue the soundness of a proposition in that way. The proposition is that we would permit a man to walk in and borrow \$1,000 and then step outside and buy for \$350 a bond that does not mature for 40 years, and walk in and pay off that \$1,000 of indebtedness with \$350 worth of bonds, and have \$650 left. All we would do would be to call in the unmatured obligations and in that way destroy the bank.

Mr. SMITH. Mr. President, may I ask the Senator a

The PRESIDING OFFICER. Does the Senator from Louisiana yield to the Senator from South Carolina? Mr. LONG. I yield.

Mr. SMITH. The foreclosure takes place. The mortgage itself is to run for 40 years. The mortgage would be canceled. So far as the bonds outstanding against that mortgage are concerned, that much of the property is taken out of the security which would have run 40 years had the farmer been able to keep up his payments. The obligation is canceled and that much has passed out of the picture.

Mr. LONG. I will answer the Senator's statement. It is not a question. I think I can show the Senator how illogical that is. We have not taken up the security. The security is not due for 40 years. I could go into the farming business to-morrow and I would open up as many farms as I could, and borrow as many thousand dollars as I could. All I would have to do and all the farmer would have to do would be to borrow \$1,000 of new money and buy \$350 worth of bonds at the present market value of the bonds and walk back into the bank and take the \$1,000 worth of those bonds at their par value and pay off the mortgage and have \$650 left.

We are financing the railroads to-day just as we are proposing to finance the farmers. It is proposed now to loan the money to the farmers through the Reconstruction Finance Corporation just as we have been loaning money to the railroads through the Reconstruction Finance Corporation. If that is sound, why not help the balance of the citizens of the country by providing that a railroad borrowing money from the Reconstruction Finance Corporation must honor its own bonds when tendered in payment of a freight bill? That would mean that the Interstate Commerce Commission regulation that so much freight should cost so much money would not apply in reality because it would cost only one-fifth that amount of money.

Mr. BROOKHART. Mr. President-

The PRESIDING OFFICER. Does the Senator from Louisiana yield to the Senator from Iowa?

Mr. LONG. I yield.

Mr. BROOKHART. I want to call the Senator's attention to his own illustration that the farmer can borrow \$1,000 and then with \$350 of it buy enough bonds to pay off his mortgage. What are we proposing to do right here? We are proposing to lend to the joint-stock land banks out of the Treasury through the Reconstruction Finance Corporation \$100,000,000 with which they can go out and buy \$250,-000,000 or \$300,000,000 worth of their own bonds and stick the profits in their own pockets, and the farmers get no benefit. The Senator has the matter wrong end to.

Mr. LONG. Oh, no. If that is true, then the bill should be so amended as to prevent any such calamity or chicanery as that. If we have so framed the bill that we allow the joint-stock land bank to do that sort of thing, then we ought to amend it in that respect or else kill the whole bill. I am trying to give the farmer \$100,000,000. We are not going to give \$100,000,000 to the farmer under this bill. What we are going to do is to allow whoever wants to do the wrong thing to take \$350, and pay off \$1,000 of indebtedness, and take \$650 of Government money and put it in his pocket. That is not honest in my opinion, and that is not the way to run a bank.

Mr. BROOKHART. Evidently the Senator has not read the bill carefully. It does not lend a dollar to a farmer. It loans \$100,000,000 to the joint-stock land banks to go out and buy their own depreciated bonds, if they want to do so. They can use the whole \$100,000,000 to buy their own depreciated bonds and buy in \$250,000,000 or \$300,000,000 of their own bonds and then go ahead and foreclose the farmers anyway. No, Mr. President, the bill shall not pass in that form so far as I am concerned.

Mr. BARKLEY. Mr. President, I was simply saying that the primary object of this \$100,000,000 is not necessarily that it should be loaned to the farmer.

Mr. LONG. That is what it ought to be.

Mr. BARKLEY. The Senator will recall that when we passed the \$125,000,000 appropriation for the benefit of the land banks it was expected that the farmers would receive a considerable portion of that, not necessarilly of the money that we appropriated but by enabling the Federal

land banks to continue to function and by injecting a little more lifeblood into their veins. Just how much of it has reached the farmer is problematical, but it undoubtedly has enabled the land banks to ease the situation with reference to foreclosures. If the Senator will read the hearings, he will find that there are practically no foreclosures now being brought about by the farm-loan banks, and this \$125,000,000 helped to bring that situation about; and in some cases it has reached the farmer.

This provision for the loaning of \$100,000,000 by the Reconstruction Finance Corporation to the joint-stock land banks was not in this bill when it was originally introduced. It was incorporated after conferences with the Farm Loan Board and with some member of the board of the Reconstruction Finance Corporation who was asked to come here and talked with the committee in executive session about matters pertaining to this bill. Frankly, I will say that I am not enthusiastic about the inclusion of this loan to the joint-stock land banks; I was not enthusiastic about it when it was included, because, whatever one may think about the wisdom or lack of wisdom of organizing the joint-stock land banks originally, I think we are all prepared to admit that, in some form or other, they have got to go; they have either got to be consolidated with the land banks or they have got to be allowed to liquidate in an orderly manner.

Some of them are already in the hands of receivers; but it was represented to the committee—and that is largely the reason why this \$100,000,000 was included—that it would enable them to liquidate in an orderly fashion rather than to liquidate with great loss to themselves and to the bondholders and to the farmers. It is impossible to say how much of this \$100,000,000 will reach the farmers, however desirable it might be that all of it might reach them; but that is the reason why this \$100,000,000 was put in.

Mr. FLETCHER. Mr. President, may I suggest that the farmer is benefited as a borrower by the reduction of his interest rate to 4 per cent and an extension of the time for two years as against any possible foreclosure?

Mr. BARKLEY. Mr. President, the Senator from Louisiana will realize that the joint-stock land banks now hold about \$500,000,000 in mortgages against the farms of the United States. Many of those mortgages are defaulting, and many of the farms on which these mortgages are held are delinquent in taxes and delinquent in the payment of interest, and the interest is at a much higher rate than that provided in this bill. It is expected and hoped that the \$100,000,000 advanced to the joint-stock land banks will be justified in the benefit it will confer upon the farmers of a lower rate of interest, in withholding foreclosures, and in enabling the joint-stock land banks, if they must liquidate, to do it in an orderly way. That is the only basis upon which I voted for it in the committee or will vote for it here.

Mr. LONG. That is what I understood, namely, that this bill was going to reduce the interest rate from 8 per cent to 4 per cent, and that it was going to give a 2-year extension on mortgages which were falling due.

Mr. BARKLEY. Of course, the Senator will realize that this whole measure is intended to bridge over a catastrophic situation while we are attempting to frame permanent legislation for the refinancing of the American farm-mortgage situation.

Mr. LONG. Mr. President-

Mr. BARKLEY. If the Senator will bear with me for just a moment—when we started out to hold hearings in the Banking and Currency Committee based upon the Robinson bills, which were permanent in their character, we soon discovered that it would be impossible to pass any permanent legislation at this session; that any scheme of refinancing the farm mortgages at a lower rate of interest to work out over a long period of time would require the most intensive study, and would involve great controversy and great difficulty. It is not an easy thing to sit down and write a bill to refinance \$9,000,000,000 of American farm mortgages.

Mr. LONG. Ten billion dollars of them.

Mr. BARKLEY. We found that we could not do that at this session, but we felt that we ought to do something to relieve the immediate pressure of foreclosure, not only by the Federal land banks, not only by the joint-stock land banks, but by insurance companies and private loaning associations and private banks and by everybody else who holds these \$9,000,000,000 of mortgage debts against the farmers of the United States.

Mr. LOGAN. Mr. President-

Mr. BARKLEY. Just a minute. Let me finish the sentence.

Mr. LOGAN. Very well.

Mr. BARKLEY. Therefore we felt justified in providing a sort of voluntary moratorium for a period of two years on the theory that during those two years—and I hope much sooner—we may be able to frame permanent legislation dealing with the whole farm-mortgage problem in the United States. For that reason, I will say, we concluded to have a 2-year period for this emergency legislation.

Mr. LOGAN. Mr. President, will the Senator from Louisiana yield, in order that I may ask my colleague from Kentucky a question?

Mr. LONG. I should like first to make one more observation along the line the senior Senator from Kentucky has been discussing. As I look at the matter, it is a physical impossibility for the \$100,000,000 to do much good if a man can go in with \$350 and get a thousand dollars of the money. That is the point I am arguing now.

Mr. BARKLEY. I do not get the Senator's point very clearly as to how that may be done.

Mr. LONG. The point is this: As I understand, referring to the provision under discussion when we adjourned on Saturday, on page 7, in the last part of section 5, I think—

Mr. BARKLEY. That provision sets forth one of the conditions upon which the joint-stock land bank may obtain the loan.

Mr. LONG. Yes.

Mr. BARKLEY. Through the Reconstruction Finance Corporation.

Mr. LONG. That provision reads:

And (3) shall have agreed that the farm-loan bonds issued by the bank will be accepted at their face value in payment of any indebtedness at the bank under the terms of a first mortgage held by the bank.

What does that mean? I do not know whether the Senator from Kentucky voted for it in the committee or not, but what that means is this: The bonds of the joint-stock land bank are to-day selling for, I think, 35 cents on the dollar, are they not?

Mr. FLETCHER. On the average.

Mr. LONG. On the average. That means if a farmer should decide to borrow a thousand dollars he can borrow the thousand dollars, but before he borrows the thousand dollars he can take \$350 and buy a thousand dollars' worth of bonds, and he can slip over the piece of paper that cost him \$350 and get a thousand dollars of money that the Government has put there.

Mr. GEORGE. Let me remind the Senator from Louisiana that the proposed act provides that "the first mortgage on such lands with respect to which a loan or advance is applied for under this act" must have been "executed before January 1, 1931."

Mr. LONG. Then take an existing mortgage—it is just the same thing; it does not make any difference which way you put it—if he had already borrowed a thousand dollars he could pay it off with \$350. That is what he can do.

The Senator from Georgia, who has been a judge, understands the principle that one certainly can not take a matured obligation and match it with an unmatured obligation. I do not think the Senator from Georgia was here when I used as an illustration railroad bonds. To-day the bonds of the Central of Georgia Railway are selling for around 20 cents on the dollar, or perhaps a little more than that—

Mr. GEORGE. And the railroad is in the hands of a receiver.

Mr. LONG. We are loaning them money the same as we ! are loaning money to the joint-stock land banks through the Reconstruction Finance Corporation, and if the principle to which I have referred is good in law, a man who has a freight bill for a thousand dollars can buy a Central of Georgia Railway bond for \$200, pay off the thousand dollars, and not owe any more freight, and thereby save \$800.

Mr. GEORGE. Mr. President, I wish to remind the Senator that in a proper case he can do that in equity; in equity an unmatured claim can be set off if equitable grounds of set-off exist. The Senator is confusing the matter of freight and the outstanding bonds of the railroad company with the transactions of the land bank. The bond of the land bank is simply predicated upon the mortgage against the land of the several borrowers from the bank. When the bonds fall below par, if any debtor to the land bank is able to buy the bonds and carry them to maturity, of course, he will have an absolute right to set them off or the land bank will be compelled to pay the bonds in full or else suffer receivership. The proposal here is entirely equitable; it has substantially the equity in it that a court of equity would recognize when an unmatured obligation of the creditor is presented by the debtor. The mortgaged premises are generally if not universally purchased by the bank at its bid. The bank can go into the market and purchase and retire a proportionate part of the bonds issued against the mortgage, generally at a cost below its bid at the mortgage sale.

Mr. LONG. I ask the Senator why would it not be fairer for us to say we are going to let the farmer pay off these debts at 35 cents on the dollar than to let some of them do it at 35 cents and others at 50 cents and others at a dollar? In other words, if it is a fair principle, and we are going to let a number of men who owe a thousand dollars get off by the payment of \$350, would it not be fairer and more equitable and more reasonable and lawful for us simply to say that we are going to let them all lose at 35 cents on the dollar, for that is what will be the result if we adopt this principle.

Mr. GEORGE. I cannot say that, but I think the principle of the bill is entirely wrong. There were introduced here in the early part of the session bills providing for the refinancing of farm mortgages where there had been a voluntary scaling down of the principal. I think those bills are sound. They give every farm owner an opportunity and an equal chance to liquidate his fixed debt. Here we are simply putting at the top of the mortgage an additional principal, although the security is already inadequate to carry the principal amount now due. So, we are not making loans here to the farmers. I hope nobody will misunderstand it.

Mr. LONG. If we are not doing that, then we ought not to pass the bill.

Mr. GEORGE. We are making loans to mortgage companies, especially Federal land banks and joint-stock land banks, just as we have been making loans to the creditor class since we organized the Reconstruction Finance Corporation in the mere hope that the debtors would also share in the benefits.

Mr. BARKLEY. Mr. President, will the Senator yield? Mr. LONG. I yield to the Senator from Kentucky.

Mr. BARKLEY. I do not see how the Senator can contend that some speculator can go in and borrow a thousand dollars and then go buy a farm-

Mr. LONG. My attention has been called to the fact that it would have had to have been a prior debt, but the principle is the same.

Mr. BARKLEY. The Senator is referring to the third requirement to which the joint-stock land bank must agree before it gets this money. Let me call attention of Senators to this fact. In the first place, in order to get this money from the Reconstruction Finance Corporation, they must agree to reduce their rate of interest to the farmer to 4 per cent. That is the first agreement they must enter into.

Mr. LONG. And extend the mortgage.

Mr. BARKLEY. And they have to agree that they will not foreclose for a period of two years. That is the second

requirement. Now comes along the third requirement, that they shall agree that the farm-loan bonds issued by the bank will be accepted at their face value in payment of any indebtedness due the bank under the terms of the first mortgage.

In other words, a farmer who already has borrowed money prior to the 1st of January, 1931, which is more than two years ago, who can go out in the open market and buy these bonds at the market price, may turn them in at face value in payment of the debt he owes to the joint-stock land bank.

Mr. LONG. That is right.

Mr. BARKLEY. In other words, there is an element of equity and justice in it to this extent: The farmer's property has been devaluated by the depression probably by more than 50 per cent or 60 per cent, whatever it may be. There is no market for it now at all. Where a man who owns a farm borrowed money on it from the joint-stock land bank more than two years ago, and has been compelled to sit and see the value of that farm go down 65 per cent, I do not see anything unjust in allowing him to go out in the market and buy the bonds of the joint-stock land bank, based on his own property in part, and use them in payment of his debt.

Mr. LONG. Mr. President, here is just what the Senator is arguing: I am not going to argue against that as a fair principle in its real sense. If the Senator means to say that these farmers ought to be allowed to pay off these debts at 35 cents on the dollar, I will join him, and I will vote for that kind of a bill.

Mr. BARKLEY. Of course, that is a permanent remedy that we have not been able to work out yet; and I will say that I doubt seriously whether very many farmers will be able to take advantage even of this, because unless some miraculous way is found by which the farmer can get money he never will be able to buy any of these bonds, even at 25 cents on the dollar.

Mr. TYDINGS. Mr. President-

Mr. LONG. That being the case, the situation will be simply this: We will wreck the banks, and we will not do the farmer any good.

Mr. BARKLEY. There is some question about that. Mr. TYDINGS. Mr. President—

The PRESIDING OFFICER. The Senator from Louisiana has already yielded to the Senator from Kentucky.

Mr. BARKLEY. The question of wrecking the banks may be one of time and not of process. I think three of them are already in receivership, and others are hanging on the ragged edge, and it is generally conceded that some way will have to be found to help them over this rough place. Of course, the primary object of this bill is not to help the Federal land banks or the joint-stock land banks but to help the farmer over a rough place.

Mr. LONG. To extend his mortgage two years and to cut in half his interest.

Mr. BARKLEY. Yes.

Mr. LONG. Now, as I understand-and I hope the Senator from Florida will give me his attention—it is not possible to extend these mortgages for two years and to cut this interest in half unless there is an appropriation to the jointstock land banks to support them. If that is true, and if we are going to take the capital away from them, then the farmer is not going to get any benefit from it, because we will have wrecked the land banks and we will not have done the farmer, perhaps, any good at all.

Mr. FLETCHER. I think that is true.

Mr. TYDINGS. Mr. President-

The PRESIDING OFFICER. Does the Senator from Louisiana yield to the Senator from Maryland?

Mr. LONG. Yes, sir; I yield to the Senator from Mary-

Mr. TYDINGS. I should like to make the observation that by 1929 the national debt had gone down to approximately \$16,000,000,000. Since that time we have added \$5,000,000,000 to the national debt, making \$21,000,000,000. In addition to that the Reconstruction Finance Corporation has loaned \$3,500,000,000, and the security upon which the

loans were made has now depreciated in value so that it will be doubtful if the fund which is loaned can be recouped. Therefore, assuming-which is not the case-that half of that sum has been lost, and certainly it will be lost unless there is a turn of the tide, we will have used the national credit to the extent of \$25,000,000,000.

It should be perfectly apparent, it seems to me, that the one hope of survival is for us to keep the national credit in a position where it will not become impaired. How far can we go? Is \$30,000,000,000 the point where investors will be afraid to buy any more Government securities? Is thirtyfive billions the point? And when we have impaired the nation credit, what under God's sun will be left with which to rehabilitate the country?

I want to call to the attention of the Senate the fact that this bill carries \$500,000,000. It may be all right to expend it in the way that we have directed in this bill; but as long as we are approaching the vanishing point of national integrity in so far as money is concerned, we should take what credit is left and apply it to the very best possible advantage.

It is my observation that in this bill we are dealing with one phase only of the national chaos and that we will have to get away from the farm problem and the bank problem and the railroad problem and view this country as a whole if we are to take what remains and apply it so that we can save the day.

I do not believe that this legislation is well considered, though its intent and purpose is of the very highest and finest. I do not believe there is time now, in the closing days of this session, to pass any kind of a helpful measure for business recovery which will not in the end come home to plague us.

Instead of attacking the depression on a single front I think we will have to attack it on all fronts with what ammunition is left. Now, when the national credit has been used up to the extent of \$25,000,000,000, is it not time for us to take stock and find out how much credit we have left before the whole structure of national integrity topples from its pinnacle?

If we appropriate \$500,000,000 here, half a billion dollars, and another \$500,000,000 for something else, and another billion for something else, I can not help but feel that the day will soon come, and sooner than we expect, with the chaos in the country and in the world, when we will not be able to appropriate because we will not be able to sell the securities of the Republic with which to get the money to appropriate; and mark you, Senators, it is not just the farm problem. It is not just the railroad problem. What good will it be to put a prop under one branch of our business activities if another prop is going to give way and permit the whole structure to fall down?

I believe we have used the national credit unwisely in this emergency; that we should have cut salaries; that we should have cut veterans; that we should have cut national interest rates six months ago. We should have undertaken to call in national securities which are outstanding at 41/4 per cent, which we could have refinanced at 3 per cent, and the holders of those securities would have been no worse off in the long run.

I simply want to enter my protest against this and all similar legislation. I shall oppose these further extensions of national credit, believing that they are only postponing instead of hastening the day of economic recovery.

Mr. KING. Mr. President, will the Senator yield? Mr. LONG. I yield to the Senator from Utah.

Mr. KING. I want to say to the Senator from Maryland that my understanding is that this bill carries not \$500,-000,000 but \$600,000,000—\$100,000,000 in excess of what has been stated.

Mr. TYDINGS. That is true. Mr. BARKLEY. Yes; that is true.

Mr. GORE. Mr. President-

The PRESIDING OFFICER. Does the Senator from Louisiana yield to the Senator from Oklahoma?

Mr. LONG. Will the Senator let me finish my statement? Then I will yield the floor.

Mr. GORE. I simply want to protest against the Senator from Utah dragging trifles into this discussion-\$100,000,000. [Laughter.]

Mr. LONG. Let me get through with this statement and then I will yield the floor.

I want to say, in connection with what my friend from Maryland [Mr. Typings] has said and in connection with what my friend from Idaho [Mr. Borah] has said, that the Senator from Maryland has very appropriately said that we will have to get away from these separate problems and deal with the country as a whole. The Senator from Idaho has rather indicated this morning that we are on the way to beating the Soviet Government; and that is where we are headed for unless we do accept the sound advice of the Senator from Maryland and the Senator from Idaho, to this

We have loaned the railroads money, and we know they can not pay it back; we have loaned the farmers money. and we know they can not pay it back; we have loaned money to many other institutions, and we know they can not pay it back, until, as the Senator from Maryland now very appropriately says, we are reaching the vanishingpoint of our national integrity, at least financially speaking, and we are going to have to deal with the problem as a whole; and how are we going to deal with the problem as a whole? There is only one way to do it, and that is for Congress to get down and put into effect a system of inheritance and capital levy taxes to supply the Treasury and to decentralize wealth.

That is the only way in which it is ever going to be done. We are chipping around here, taking a chip off here and a whet off there, with too much to eat and the people starving to death, with too many houses and the people with no place to go, when the only sound, safe method by which it can be done is to decentralize the wealth of this country through an inheritance and capital-levy and income taxes, if necessary, bonded over such a period of time as will enable us to start a public-works program needed by this Government, and shorten the hours of industry, and if necessary of agriculture, to such an extent that we can solve the whole problem instead of a part of it.

If we do not do that we are going to take over the railroads, because they are going to default, and, in fact, they are already defaulting. If we do not do that we are going to take over the banks. We are going to take over the farms. We are going to have a perfect soviet system of government unless we will adopt the sound, sane, capitalistic structure of limiting these surplus fortunes from stagnating the whole country, and keep the wealth spread among the masses, where they can eat what is in the land, and wear what is in the land, and live in the houses that are empty now.

Mr. HASTINGS obtained the floor.

Mr. GEORGE. Mr. President, will the Senator from Delaware yield to me for the purpose of giving notice of two amendments to the bankruptcy bill?

Mr. HASTINGS. I yield.

Mr. GEORGE. I propose an amendment to the end of section 74 of the bankruptcy bill, H. R. 14359, to read as follows:

Involuntary proceedings under this section shall not be taken against a wage earner.

Then in section 75 of the same bill I propose an amendment on page 49, line 8, striking out the words "or creditor," and on page 50, line 20, striking out the words "or by any creditor of such farmer."

The whole purpose of the two amendments is to adhere to the policy that has existed since we had a bankruptcy act; that is to say, that a wage earner shall not be adjudged an involuntary bankrupt under the provisions of this act, and that the creditor of a farmer shall not have the privilege of putting him into involuntary bankruptcy under the provisions of the act.

Mr. McNARY. Mr. President-

The PRESIDING OFFICER. Does the Senator from Delaware yield to the Senator from Oregon?

Mr. HASTINGS. I yield.

Mr. McNARY. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll. The legislative clerk called the roll, and the following Senators answered to their names:

Copeland Kendrick Robinson, Ind. Ashurst Costigan Couzens Dale Keyes King La Follette Lewis Logan Russell Schall Austin Bailey Schuvler Bankhead Dickinson Dill Sheppard Shortridge Barbour Barkley Bingham Fess Fletcher Long McGill Smith Smoot Black Blaine Frazier McKellar Steiwer Borah George Glass McNary Metcalf Swanson Thomas, Idaho Thomas, Okla. Bratton Goldsborough Gore Brookhart Broussard Moses Neely Grammer Norbeck Bulkley Townsend Hale Harrison Norris Trammell Bulow Byrnes Capper Caraway Tydings Vandenberg Hastings Oddie Walcott Walsh, Mass. Hayden Patterson Carey Hebert Pittman Hull Reed Reynolds Watson Clark Connally Johnson Wheeler Coolidge Robinson, Ark. White

The PRESIDING OFFICER. Eighty-eight Senators having answered to their names, there is a quorum present.

Mr. GORE. Mr. President, I wish to make one or two observations in regard to the remarks of the Senator from Louisiana.

I offered, in the Committee on Banking and Currency, the proposal which has given rise to this controversy, the provision which would permit a farmer who owes a mortgage debt to a joint-stock land bank of \$1,000 to pay off his debt to the bank with a \$1,000 bond of the bank. I take the time of the Senate for a moment because I offered this amendment.

Mr. President, the Senator from Louisiana and I do not understand this amendment alike. If he understands it, I do not. If I understand it, he does not. Yet I am sure we are seeking to attain the same end. We both wish to protect the farmer to avert foreclosures, to save his farm, to save his home. They are having to pay their debts twice over, three times over, in some cases four times over, owing to the fall in farm prices. The farmer can not pay his debts with 3-cent hogs, 5-cent cotton, 10-cent corn, and 30-cent wheat. Debt is the storm center of this economic hurricane. It is leaving devastation, it is leaving wreckage in its trail. Debt is the burden that is breaking the backs of our people. That burden must be decreased or prices must be increased; one or the other, or both.

I will use an illustration which will show to the Senate what I had in mind when I offered this amendment.

Suppose the Senator from Louisiana owes me \$5,000, and I hold his note for \$5,000, secured by a mortgage on his farm or secured by a mortgage on his home. The mortgage is due on March 1. On that date the Senator from Louisiana reports to my office to pay the debt which he owes me, and he offers in payment of that debt my \$5,000 note, due on March 1, which he acquired from the Senator from Florida [Mr. Fletcher]. He comes into my office and tells me that his debt to me is due and that he desires to pay it. He lays on my desk my note for \$5,000, which he has acquired from the Senator from Florida, and says he wants me to accept my note in payment of his debt. I say, "No, Mr. Long; your note is secured by a mortgage on your home. I want money. I want money now. I want you to pay your debt according to its terms, and, if you do not make payment, I will foreclose this mortgage against you and take your home and turn you and your family out on the highway."

"Well," he says, "here is a \$5,000 note of yours, a bona fide note, which you agreed to pay on this day, and I want you to take it."

I say, "No; I want money. I do not want my note. My

ing to take it. I want money and not my own note of hand. I will go broke if I have to take my worthless paper in the payment of your honest debt secured by your home. Now, you dig up or I will foreclose."

That is what it comes to.

Mr. LONG. Mr. President, will the Senator yield to me?

Mr. GORE. I yield. Mr. LONG. The weak point in my friend's argument is this: This is not a note that is due. In the case the Senator is illustrating I agree with him thoroughly, but in this case one is a note due 40 years from to-day, and the other is a note due to-day.

Mr. GORE. Is there any reason why a farmer who has a note maturing on the installment plan covering 40 years should not, if he desires, liquidate his debt and lift the mortgage from his home?

Mr. LONG. I would like to answer the Senator on that. I am perfectly willing to have a universal system of that kind set up, but why not let me pay my freight bill to the Pennsylvania Railroad-

Mr. GORE. I think the Senator ought to be allowed to: but the case is not analogous. The analogy fails. The situation dealt with in this bill is where a joint-stock land bank, a private corporation, organized for profit, has received from the Government a privilege, the privilege of selling its bonds free of taxation, and they come here pleading that privilege as a basis for the consideration shown in this bill.

Mr. President, the transaction described in this bill does not quite comport with my old-fashioned sense of morality. The man who comes into court ought to come with clean hands. The man who seeks equity ought to do equity. When one of these private concerns holds a mortgage against a farmer's home, and the farmer tenders the bank's bond in payment of his debt, the bank ought to take it, and if it will not take it voluntarily, it ought to be made to take it. It ought not to be allowed to foreclose on homes when farmers could pay the banks in their own bonds.

Mr. President, I will cite a case which happened in Ellis County, Tex. A joint-stock land bank made a loan in that county on a farm. It appraised the farm for \$20,000. It lent the farmer \$10,000, 50 per cent of the appraised value. The farmer made default. That bank foreclosed the mortgage and took the farmer's home away from him. then sold the farm for \$5,000, broke the price of farm land in the community, and, with half of that \$5,000, it bought enough of its own bonds to wash out the original indebtedness which it had incurred based on the transaction, and had a net profit of \$2,500 out of the transaction. Is that fair? Is that honest? Is that just?

How can men stand up and say that a bank should not take its own obligations in discharge of its debts?

Mr. HASTINGS. Mr. President, the Senator from Georgia has offered two amendments to the bankruptcy bill, both of which are perfectly satisfactory, and I think ought to be accepted.

The PRESIDING OFFICER. The question is on agreeing to the first amendment offered by the Senator from Georgia.

Mr. JOHNSON. Mr. President, may I inquire what is before us? I thought we were acting upon another bill entirely, that it had been regularly presented, and that we were hearing various presentations upon both sides of that bill.

The PRESIDING OFFICER. The Chair was misinformed. No one has called for the regular order. As the Chair understands it, Senate bill 5639 is before the Senate until the regular order is demanded.

Mr. HASTINGS. I ask for the regular order.

The PRESIDING OFFICER. The Senator from Delaware demands the regular order.

MESSAGE FROM THE HOUSE

message from the House of Representatives by Mr. Haltigan, one of its clerks, announced that the House had passed without amendment the bill (S. 5417) to extend the operation of the act entitled "An act for the temporary relief of water users on irrigation projects constructed and note is worth only 12 cents on the dollar, and I am not will- operated under the reclamation law," approved April 1, 1932.

AMENDMENT TO BANKRUPTCY ACT

The Senate resumed the consideration of the bill (H. R. 14359) to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, and acts amendatory thereof and supplementary thereto.

Mr. JOHNSON. Mr. President, a parliamentary inquiry. The PRESIDING OFFICER. The Senator will state it.

Mr. JOHNSON. This bankruptcy bill now supersedes the bill which we have just been debating, and the bankruptcy bill is now before the Senate?

The PRESIDING OFFICER. That is correct.

Mr. LA FOLLETTE. I suggest the absence of a quorum. The PRESIDING OFFICER. The clerk will call the roll.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following
Senators answered to their names:

Ashurst Copeland Kendrick Robinson, Ind. Costigan Couzens Dale Keyes King La Follette Russell Schall Schuyler Austin Bailey Bankhead Barbour Barkley Lewis Logan Sheppard Shortridge Dickinson Dill Bingham Fess Long Smith Fletcher McGill McKellar Blaine Frazier Steiwer George Glass McNary Metcalf Swanson Bratton Thomas, Idaho Thomas, Okla. Goldsborough Moses Neely Brookhart Gore Broussard Bulkley Grammer Norbeck Townsend Hale Harrison Trammell Bulow Norris Tydings Vandenberg Nye Oddie Byrnes Capper Hastings Walcott Caraway Hayden Patterson Carey Hebert Walsh, Mass Pittman Hull Reed Clark Reynolds Robinson, Ark. Connally Johnson Wheeler White

The PRESIDING OFFICER. Eighty-eight Senators having answered to their names, a quorum is present.

Mr. GEORGE. Mr. President, I now formally offer the amendment which I presented to the Senate and which I understand was accepted, but perhaps before the bill was formally before the Senate. At the end of section 74, page 48 of the bill, I move that this additional subsection (p) be inserted.

(p) Involuntary proceedings under this section shall not be taken against a wage earner.

The PRESIDING OFFICER. The Senator from Georgia offers an amendment, which the clerk will report.

The LEGISLATIVE CLERK. On page 48, at the end of section 74, insert the following new subsection:

(p) Involuntary proceedings under this section shall not be taken against a wage earner.

Mr. HASTINGS. Mr. President, that is acceptable to me. Mr. BLAINE. Mr. President, there was so much confusion in the Chamber that I did not get the purport of the Senator's amendment. Will he state it again or explain it briefly?

Mr. GEORGE. Mr. President, the amendment excepts the wage earner from the form of involuntary bankruptcy provided in section 74. Wage earners have always been excepted from our bankruptcy acts; that is to say, they have been protected against involuntary bankruptcy proceedings, and of course for very good reasons. I offer the amendment, the purport of which is that no involuntary petition against a wage earner shall lie under section 74 of the amended bankruptcy act.

Mr. BLAINE. I invite the Senator's attention to the provision on pages 46-47, the last paragraph beginning in line 23:

No order of liquidation or adjudication shall be entered in any proceeding under this section instituted by a wage earner unless the wage earner consents.

I intend to offer an amendment to that paragraph to accomplish another purpose.

Mr. GEORGE. I offer the amendment at another place in the bill. I do not think the language read would prevent the institution of this form of involuntary bankruptcy against a wage earner as it now stands. The amendment which I have offered simply provides that no involuntary proceeding under section 74 shall be taken against a wage earner.

Mr. BLAINE. I myself have no objection to the Senator's amendment. I was merely anxious to ascertain whether it might preclude me from offering an amendment to the paragraph which I have just read.

Mr. GEORGE. I do not think so. I am not amending that paragraph at all. I do not think argument upon this amendment is at all necessary. Under the bill, as it stands, a creditor of a wage earner might file an involuntary proceeding against him and he would be compelled to defend It has always been the law in the United States, as I think, that wage earners were not subject to involuntary bankruptcy, that farmers were not, that husbandmen were not subject to involuntary proceedings in bankruptcy for good reason. The farmer's assets are not ordinarily cash assets. If a creditor might go into a bankruptcy court and ask for involuntary proceedings against his farmer-debtor, particularly at the season of the year when the farmer could not convert his assets into cash, the debtor would always be subject to the harassment and injury. It has generally been recognized that sound public policy would exclude, from the class of involuntary bankrupts, wage earners and farmers. The amendment I have first offered is with reference to wage earners and if that be accepted I shall offer one relating to farmers.

The PRESIDING OFFICER. The amendment offered by the Senator from Georgia was accepted by the Senator from Delaware. The question is on agreeing to the amendment of the Senator from Georgia to the amendment of the committee.

The amendment to the amendment was agreed to.

Mr. GEORGE. Mr. President, on page 49, in line 8, I offer an amendment to strike out the words "or creditors" and on page 50, in line 20, to strike out the words "or by any creditor of such farmer."

Mr. HASTINGS. Mr. President, those amendments are acceptable.

The PRESIDING OFFICER. Without objection, the amendments to the amendment are agreed to.

Mr. BLAINE. Mr. President, will the Senator from Delaware yield to me?

Mr. HASTINGS. I yield to the Senator from Wisconsin. Mr. BLAINE. I send to the clerk's desk an amendment which I offer and which I ask may be reported.

The PRESIDING OFFICER. The Senator from Wisconsin offers the following amendment, which the clerk will report.

The Legislative Clerk. On page 47, line 1, after the word "by," insert the words "or against," and in the same line, after the word "earner" where first used, insert "or a person engaged chiefly in farming or the tillage of the soil," and in the same line, after the word "earner," at the end of the line, insert "or any person engaged chiefly in farming or the tillage of the soil."

Mr. BLAINE. Mr. President, if I may offer a few words to suggest the purpose of the amendment, on last Saturday, as I recall, the Senator from Delaware [Mr. Hastings] struck out, on page 40, line 23, the words "excepting a farmer." The purpose was to permit a farmer to come voluntarily under this section, especially where there could not be procured 15 farmers in the county to organize for that purpose. The result is, after striking out those words, that the language on page 46, subsection (1), reads:

The court shall in addition adjudge the debtor a bankrupt if satisfied—

And so forth.

It has been the traditional policy of our Government to exclude farmers from involuntary bankruptcy proceedings. The Senator from Delaware has excepted wage earners, and I think, very properly, following the traditional policy, the farmer should be excepted.

Mr. HASTINGS. The amendments ought to be adopted.

The PRESIDING OFFICER. Without objection the! amendments offered by the Senator from Wisconsin to the amendment are agreed to.

Mr. NORRIS. Mr. President-

The PRESIDING OFFICER. Does the Senator from Delaware yield to the Senator from Nebraska?

Mr. HASTINGS. I yield.

Mr. NORRIS. I do not understand how the Senator from Delaware can retain the floor when the bill is subject to amendment. I want to get the floor in my own right to offer an amendment. I can not offer an amendment unless I obtain the floor.

Mr. HASTINGS. Mr. President, may I say to the Senator from Nebraska that I obtained the floor for the purpose of offering an amendment to the bill. I yielded to the Senator from Georgia [Mr. GEORGE] and to the Senator from Wisconsin [Mr. Blaine] for amendments which might be called perfecting amendments. I desire, if the Senator from Nebraska will permit me, to offer the amendment pertaining to the reorganization of railroads engaged in interstate commerce. That is the amendment I now desire to offer to the

Mr. NORRIS. I supposed that was the pending amendment. It is to that amendment that I desire to offer an amendment.

Mr. FLETCHER. Mr. President, I understand the amendment offered by the Senator from Delaware is the same provision as is contained in the bill as it passed the House?

Mr. HASTINGS. I may say to the Senator from Florida that on Friday I proposed the amendment and asked that it be printed and lie on the table. It has been printed and a copy can be obtained by the Senator from the clerks at the desk.

Mr. NORRIS. If agreeable to the Senator, he having offered his amendment, I will offer my amendment to his amendment and let it be pending.

Mr. HASTINGS. I have no objection to the Senator offering his amendment when I shall have offered my amendment.

Mr. McNARY. Mr. President, I think the Senator from Delaware should first present his amendment and have it reported and then let the Senator from Nebraska offer his amendment to that amendment.

The PRESIDING OFFICER. The clerk will first report the amendment offered by the Senator from Delaware and then the Senator from Nebraska may offer his amendment to the amendment of the Senator from Delaware. The clerk will report the amendment offered by the Senator from Delaware.

The LEGISLATIVE CLERK. On page 57, after line 10, insert the following new section:

SEC. — Reorganization of railroads engaged in interstate commerce: (a) Any railroad corporation may file a petition stating that the railroad corporation is insolvent or unable to meet its debts as they mature and that it desires to effect a plan of reorganization. The petition shall be filed with the court in whose territorial jurisdiction the railroad corporation, during the preceding six months or the greater portion thereof, has had its principal executive or operating office or with the court in whose jurisdiction the corporation has its domicile, and a copy of the petition shall at the same time be filed with the Interstate Commerce Commission hereinafter called the commission. The petition shall be accompanied by payment to the clerk of a filing fee of \$100, which shall be in addition to the fees required to be collected by the clerk under other sections of this act. Upon the filing of such a petition, the judge shall enter an order either approving it as properly filed under this section, if satisfied that such petition complies with this section and has been filed in good faith, or dismissing it. If the petition is so approved, the court in which such order approving the petition is entered shall, during the pendency of the proceedings under this section, have exclusive jurisdiction of the debtor and its property wherever located. The railroad corporation shall be referred to in the proceedings as a "debtor." Any corporation, the majority of the capital stock of which having power to vote for the election of directors is owned, either directly or indirectly through an intervening medium, by any railroad corporation filing a petition as a debtor under this section, or substantially all of whose properties are operated by such a debtor under lease or operating agreement may file, with the court in which such other debtor had filed such a petition, and in the proceeding upon such petition under this section, a petition stating that it is insolvent or unable to meet its debts as they mature and that it des -. Reorganization of railroads engaged in interstate com-

tion in connection with, or as a part of, the plan of reorganization of such other debtor; and thereupon such court shall have the same jurisdiction with respect to it, its property and its creditors and stockholders as the court has with respect to such other debtor. Creditors of any railroad corporation having claims or interests aggregating not less than 5 per cent of all the indebtedness of such railroad corporation as shown in the latest annual report which it has filed with the commission at the time when the petition is filed, may, if the railroad corporation has not filed a petition under this section, but subject to first having obtained the approval of the Interstate Commerce Commission, after hearing, upon notice to such railroad corporation, file with the court in which such railroad corporation might file a petition under the provisions of this section, a petition stating that such railroad corporation; is insolvent or unable to meet its debts as they mature and that such creditors propose that it shall effect a reorganization; upon such filing of such a petition copies thereof shall be filed with the commission and served by the petitioning creditors forthwith upon the railroad corporation; the railroad corporation shall, within 10 days after such service, answer such petition; if such answer shall admit the jurisdiction of the court, that the claims of the petitioning creditors constitute the amounts necessary to applied them to file guest partities are described. tion in connection with, or as a part of, the plan of reorganization claims of the petitioning creditors constitute the amounts necessary to entitle them to file such petition under this section, and that the railroad corporation is either insolvent or unable to meet that the railroad corporation is either insolvent or unable to meet its debts as they mature, the court shall, upon the filing of the recommendations of the commission in writing, enter an order approving the petition as properly filed under this section if satisfied that it complies with this section and has been filed in good faith, or disapprove it if not so satisfied; and if so approved the proceedings thereon shall continue with like effect as if the railroad corporation had itself filed a petition under this section; if such answer shall deny either the jurisdiction of the court or that the claims of the petitioning creditors constitute such necessary amounts or that the railroad corporation is insolvent or unable

such answer shall deny either the jurisdiction of the court or that the claims of the petitioning creditors constitute such necessary amounts or that the railroad corporation is insolvent or unable to meet its debts as they mature, the court shall summarily try the issues, and if after the filing of the recommendations of the commission in writing it shall find that the petition complies with this section, and has been filed in good faith, the court shall enter an order approving the petition as properly filed under this section, and the proceedings thereon shall continue with like effect as if the railroad corporation had itself filed a petition under this section; otherwise the court shall dismiss the petition.

(b) A plan of reorganization within the meaning of this section (1) shall include a proposal to modify or alter the rights of creditors generally, or of any class of them, secured or unsecured, either through the issuance of new securities of any character or otherwise; (2) may include, in addition, provisions modifying or altering the rights of stockholders generally, or of any class of them; (3) shall provide adequate means for the execution of the plan, which may, so far as may be consistent with the provisions of sections 1 and 5 of the interstate commerce act as amended, include the transfer or conveyance of all or any part of the property of the debtor to another corporation or to other corporations or the consolidation of the properties of the debtor with those of another railroad corporation, or the merger of the debtor with any other railroad corporation, or the merger of the debtor with any other railroad corporation and the issuance of securities of either the debtor or any such corporation or corporations, for cash, or in exchange for existing securities, or in satisfaction of claims or rights, or for other appropriate purposes; and (4) may deal with all or any part of the property of the debtor. The term "securities" shall include evidences of indebtedness, either secured or unsecured, bo ance and confirmation, all holders of claims, interests, or securities of whatever character against the debtor or its property, including claim for future rent, whether or not such claims, interests, or securities would otherwise constitute provable claims under this act.

(c) Upon approving the petition as properly filed the judge (c) Upon approving the petition as properly filed the judge (1) may temporarily appoint a trustee or trustees of the debtor's estate, who shall have all the title and, subject to the control of the judge and consistently with the provisions of this section, shall exercise all the powers of a trustee appointed pursuant to section 44 or any other section of this act, and, subject to the judge's control, shall have the power to operate the business of the railroad corporation; (2) shall fix the amount of the bond of such trustee or trustees and require the debtor, the trustee, or trustees to give such notice as the order may direct to creditors and stockholders and to cause publication thereof to be made at or trustees to give such notice as the order may direct to creditors and stockholders and to cause publication thereof to be made at least once a week for two successive weeks of a hearing to be held within 30 days after such appointment, at which hearing or any adjournment thereof the judge may make permanent such appointment, or may terminate it and may, in the manner herein provided for the appointment of trustees, appoint a substitute trustee or substitute trustees, and in the same manner may appoint an additional trustee or additional trustees, and shall fix the amount of the bond of the substitute or additional trustee or trustees; the trustee or trustees and their counsel shall receive such compensation as the judge may allow within a maximum approved by the commission; (3) may for cause shown, and with the approval of the commission, in accordance with section 20 (a) of the interstate commerce act as amended, authorize the trustee or trustees to issue certificates for cash, property, or other considerates. or trustees to issue certificates for cash, property, or other consideration approved by the judge, for such lawful purposes and upon

such terms and conditions and with such security and such pri-ority in payments over existing obligations, secured or unsecured, as might in an equity receivership be lawful; (4) shall require the debtor, at such time or times as the judge may direct and in lieu of the schedules required by section 7 of this act, to file such schedules and submit such other information as may be necessary to disclose the conduct of the debtor's affairs and the fairness of any proposed plan; (5) shall determine a reasonable time within which the claims and interests of creditors and stock-holders may be filed or evidenced and after which no such claim holders may be filed or evidenced and after which no such claim or interest may participate in any plan except on order for cause shown; the manner in which such claims and interests may be filed or evidenced and allowed, and, for the purposes of the plan and its acceptance, the division of creditors and stockholders into classes according to the nature of their respective claims and interests; (6) shall cause reasonable notice of such determination, or of the dismissal of the proceedings, or the allowance of fees or expenses, to be given creditors and stockholders by publication or otherwise; (7) if a plan of reorganization is not proposed or accepted, or, if proposed and accepted, is not confirmed, within such reasonable time as the judge may, upon cause shown and after considering any recommendation which has been filed by the commission, allow, may dismiss the proceeding; (8) may, within such maximum limits as are fixed by the commission, as elsewhere provided in subdivision (g) of this section, allow a reasonable compensation for the services rendered and reimbursement for the actual and necessary expenses incurred in connection with the proceeding and plan by officers, holders may be filed or evidenced and after which no such claim by the commission, as elsewhere provided in subdivision (g) of this section, allow a reasonable compensation for the services rendered and relimbursement for the actual and necessary expenses incurred in connection with the proceeding and plan by officers, parties in interest, reorganization managers, and committees or other representatives of creditors or stockholders, and by their attorneys or agents, and by such assistants as the commission with the approval of the judge may specially employ; and (9) may on his own motion or at the request of the commission refer any matters for consideration and report, either generally or upon specified issues, to one of several special masters who shall have been previously designated to act as special masters in any proceedings under this section by order of any circuit court of appeals and may allow such master a reasonable compensation for his services. The circuit court of appeals of each circuit shall designate three or more members of the bar as such special masters whom they deem qualified for such services, and shall from time to time revise such designations by changing the persons designated or reducing or adding to their number, as the public interest may require: Provided, however, That there shall always be three of such special masters qualified for appointment in each circuit who shall in their respective circuits hear any matter referred to them under this section by a judge of any district court. For all purposes of this section claims against a rallroad corporation which would have been entitled to priority over existing mortages if a receiver in equity of the property of the debtor had been appointed by a Federal court at the date of the filling of the petition hereunder shall be treated as a separate class of creditors. If in any case in which the issues have not already been tried under the provisions of subdivision (a) of this section any of the debtor's creditors shall, prior to the hearing provided for in subdivision (c), clause (2), of this sectio the amounts and character of their debts, claims, and securities, and the last known post-office address or place of business of each creditor or claimant, and (12) a list of the stockholders of the debtor, with the last known post-office address or place of business of each. The contents of such lists shall not constitute admissions by the debtor or the trustees in a proceeding under this section or otherwise. Such lists shall be open to the inspection of any creditor or stockholder of, or claimant against, the debtor, during reasonable business hours, upon application to the debtor or trustees, as the case may be. or trustees, as the case may be.

(d) Before creditors and stockholders of the debtor are asked

finally to accept any plan of reorganization, the Interstate Com-merce Commission shall after due notice hold a public hearing at which the debtor shall present its plan of reorganization and at which, also, such a plan may be presented by the trustee or trustees, or by or on behalf of creditors of the debtor, being not less than 10 per cent in amount of any class of creditors. Following such hearing, the commission shall render a report in which it shall recommend a plan of reorganization (which may which it shall recommend a plan of reorganization (which may be different from any which has been proposed) that will, in its opinion be equitable, will not discriminate unfairly in favor of any class of creditors or stockholders, will be financially advisable, will meet with the requirements of subdivision (g) of this section, and will be compatible with the public interest. In such report the commission shall state fully the reasons for its conclusions, and it may thereafter, upon petition for good cause shown, and upon further hearing if the commission shall deem necessary, modify any of its recommendations and conclusions in a supplemental

report stating the reasons for such modification. Thereafter the plan of reorganization recommended by the commission shall be submitted in such manner as the commission may direct to the creditors and stockholders of the debtor for acceptance or rejection, together with the report or reports of the commission thereon; and the commission shall at the same time afford an opportunity to accept or reject any other plan of reorganization

filed as in this subdivision (d) provided.

(e) A plan of reorganization shall not be recommended by the commission until it has been accepted in writing and such acceptance has been filed in the proceeding by or on behalf of creditors holding two-thirds in amount of the claims of each class whose claims or interests would be affected by the plan, and by or on behalf of stockholders of the debtor holding two-thirds of the stock of each class: *Provided*, *however*, That if adequate provision is made in the plan for the protection of the interests, claims, and liens of any class of creditors or stockholders in the manner and liens of any class of creditors or stockholders in the manner provided in clauses (5) and (6) of subdivision (g), of this section, then the acceptance of the plan by such class of creditor or stockholders shall not be requisite to the approval of the plan: And provided further, That the acceptance of stockholders shall not be requisite to the confirmation of the plan if (1) the judge shall have determined (a) that the corporation is insolvent, or (b) that the interests of stockholders will not be adversely affected by the plan, or (c) that the debtor has pursuant to authorized corporate action accepted the plan and its stockholders are bound the plan, or (c) that the debtor has pursuant to authorized corporate action accepted the plan, and its stockholders are bound by such acceptance. For the purposes of this section acceptance by a creditor or stockholder shall include acceptance in writing executed by him; or acceptance by his duly authorized attorney or committee acting under authority executed by him subsequent to the recommendation of the plan by the commission. Upon acceptance of the plan in accordance with the provisions of this subdivision (e) the commission may, without further proceedings, grant authority for the issue of any securities, assumption of obligations, transfer of any property, or consolidation or merger of properties, to the extent contemplated by the plan consistent with the purposes of the interstate commerce act as amended. If the United States of America is directly a creditor or stockholder, the Secretary of the Treasury is hereby authorized to accept or reject a plan in respect of the interests or claims of the United States.

States.

(f) If the plan recommended by the commission is accepted as provided in subdivision (e), the commission shall thereupon certify the plan to the court together with its approval thereof and that the same has been so accepted, together with a report of the proceedings before it and its conclusions thereon. If the plan accepted as provided in subdivision (e) differs from the plan recommended by the commission it shall, upon acceptance, be submitted to the commission, which shall hear all interested parties upon such notice and subject to such rules and regulations as it shall prescribe. If after such hearing the commission determines that the accepted plan in its opinion is equitable and will not discriminate unfairly in favor of any class of creditors or stockholders; will be financially advisable; will meet the requirements of subdivision (g) of this section; and will be compatible with the public interest; the commission shall thereupon certify the plan to the court, together with its approval thereof and that the same public interest; the commission shall thereupon certify the plan to the court, together with its approval thereof and that the same has been duly accepted, and together with a report of the proceedings before it and its findings and conclusions thereon. The commission shall also, after hearing if necessary, fix the maximum compensation which may be allowed by the court pursuant to clause (8) of subdivision (c) of this section. No plan of reorganization shall be confirmed in any proceeding under this section except upon the approval of the Interstate Commerce Commission except upon the approval of the Interstate Commerce Commission. certified to the court. If the commission shall decline to issue such a certificate it shall file in the proceeding its decision, specifying the particular grounds upon which it bases its disapproval of

such a certificate it shall file in the proceeding its decision, specifying the particular grounds upon which it bases its disapproval of the plan.

(g) Upon such approval by the commission, and after hearing such objections as may be made to the approved plan, the judge shall confirm the plan if satisfied that (1) the approved plan complies with the provisions of subdivision (b) of this section, is equitable and does not discriminate unfairly in favor of any class of creditors or stockholders; (2) all amounts to be paid by the debtor or by any corporation or corporations acquiring the debtor's assets, for services or expenses incident to the reorganization and cost of financing, have been fully disclosed and are reasonable, or are to be subject to the approval of the judge; (3) the offer of the plan and its acceptance are in good faith and have not been made or procured by any means or promises forbidden by this act; (4) the approved plan provides for the payment of all costs of administration and other allowances made by the court, except that compensation provided for in subdivision (c), clause (8), of this section may be paid in securities provided for in the plan if those entitled thereto will accept such payment and the court finds such compensation reasonable; (5) the approved plan provides, with respect to stockholders of any class the acceptance of which is requisite to the confirmation of the plan, and who would not become bound by the plan under the provision of subdivision (h) of this section, and of which more than one-third have not accepted the plan, adequate protection for the realization by them of the value of their equity, if any, in the property of the debtor dealt with by the plan expense of the payment in cash either of the value of their stock or, at the objecting stockholder's election, of the value of the securities, if any, allotted to such stock under the plan; (6) the plan provides with respect to any class of creditors the acceptance of which is requisite to the confirmation of the

not become bound by the plan under the provisions of subdivision (h) of this section, adequate protection for the realization by them of the value of their securities, liens, and claims, either (a) by the of the value of their securities, liens, and claims, either (a) by the sale of such property subject to their liens, if any, or (b) by the sale free of such liens at not less than a fair upset price, and the transfer of such liens to the proceeds of such sale, or (c) by appraisal and payment in cash of either the value of such liens and claims or, at the objecting creditors' election, the value of the securities allotted to such liens and claims under the plan. Section 57, clause (h), of this act shall be applicable to the appraisal of securities under this section, and the value of the unpaid balance shall be appraised as an unsecured claim; and (7) the debtor, and every other corporation issuing securities or acquiring property under the plan, is authorized by its charter or by applicable State or Federal laws, upon confirmation of the plan, to carry out the plan. In the case of a sale or appraisal under clause (5) or (6) of this subdivision (g) the court shall refer to the commission for its consideration and recommendation the amount to be fixed as the upset price and the appraisal of any securities. fixed as the upset price and the appraisal of any securities.

(g) Upon such confirmation the provisions or plan shall be binding upon (1) the corporation, (2) all stockholders if the judge shall have determined (a) that the corporation is insolvent, or (b) that the interests of stockholders will not be adversely affected by the plan, or (c) that the debtor has pursuant to authorized corporate action accepted the plan and its stockholders are bound by such acceptance, (3) all stockholders of each class of which two-thirds in amount shall have accepted the plan (4) all creditors whose claims are payable in cash in full plan, (4) all creditors whose claims are payable in cash in full under the plan, (5) all creditors entitled to priority under subdivision (c) of this section, whose claims are not payable in cash under the plan, (5) all creditors entitled to priority under subdivision (c) of this section, whose claims are not payable in cash in full under the plan, provided two-thirds in amount of such creditors shall have accepted the plan in writing filed in the proceeding, (6) all other unsecured creditors, provided two-thirds in amount of such creditors shall have accepted the plan in writing filed in the proceeding, and (7) all secured creditors of each class of which two-thirds in amount shall have accepted the plan. The confirmation of the plan shall discharge the debtor from its debts except as provided in the plan. Upon confirmation of the plan by the judge, the debtor, and other corporations affected by the plan, or organized or to be organized for the purpose of carrying out the plan, shall have full power and authority to put into effect and carry out the plan and the orders of the judge relative thereto, the laws of any State or the decision or order of any State authority to the contrary notwithstanding; and they shall be, and they are hereby, relieved from the operation of the antitust laws, as designated in section 1 of the act entitled "An act to supplement existing laws against unlawful restraints and monopolies, and for other purposes," approved October 15, 1914, and of all other restraints, prohibitions, or requirements by law, State or Federal, in so far as may be necessary to enable them to do any thing authorized or required by the plan or by any order made under and pursuant to the provisions of this section. In the event that the judge should disapprove the plan he shall file an opinion stating his reasons therefor.

(i) The provisions of section 721, 722, 723, 724, and 725 of the revenue act of 1932 shall not apply to the issuance, transfers, or exchange of securities or filing of conveyances to make effective any plan of reorganization confirmed under the provisions of this section.

(j) Upon the confirmation of the plan the property dealt

section.

(j) Upon the confirmation of the plan the property dealt with by the plan, when transferred and conveyed to the debtor or other corporation or corporations provided for by the plan, or if no trustee or trustees have been appointed when held by the debtor pursuant to the plan, shall, as the court may direct, be free and clear of all claims of the debtor, its stockholders and creditors, except such as may consistently with the provisions of the plan be reserved in the order confirming the plan or directing such transfer and conveyance, and the court may direct the trustee or trustees, or if there be no trustee or trustees the debtor, to make any such transfer and conveyance, and may direct the debtor to join in any such transfer or conveyance made by the trustee or trustees. Upon the termination of the proceeding a final decree shall be entered discharging the trustee or trustees, if any, making such provisions as may be equitable, and closing the case.

if any, making such provisions as may be equitable, and closing the case.

(k) If a receiver of all or any part of the property of a corporation has been appointed by a Federal or State court, whether before or after this amendatory act takes effect, the railroad corporation may nevertheless file a petition or answer under this section at any time thereafter, but if it does so and the petition is approved the trustee or trustees appointed under the provisions of this section shall be entitled forthwith to possession of such property, and the judge shall make such orders as he may deem equitable for the protection of obligations incurred by the receiver and for the payment of such reasonable administrative expenses and allowances in the prior proceeding as may be fixed by the court appointing said receiver. If a receiver has been appointed by a Federal or State court prior to the dismissal under subdivision (c), clause (7), of a proceeding under this section, the judge may include in the order of dismissal appropriate provisions directing the trustee to transfer possession of the debtor's property within the territorial jurisdiction of such court to the receiver so appointed, upon such terms as the judge may deem equitable for the protection of obligations incurred by the trustee and for the payment of administrative expenses and allowances in the proceeding hereunder. For the purposes of this section the words "Federal court" shall include the district

courts of the United States and of the Territories and possessions to which this act is or may hereafter be applicable, the Supreme Court of the District of Columbia, and the United States

of Alaska.

(1) In addition to the provisions of section 11 of this act for the staying of pending suits against the debtor, such suits shall be further stayed until after final decree the judge may, upon notice and for cause shown, enjoin or stay the commencement or continuance of any judicial proceeding to enforce any lien upon the estate until after final decree.

(m) A certified copy of an order confirming a plan of reorganization shall be evidence of the jurisdiction of the court, the regularity of the proceedings, and the fact that the order was made. A certified copy of an order directing the transfer and conveyance of the property dealt with by the plan as provided in subdivision (j) of this section shall be evidence of the transfer and conveyance of title accordingly, and if recorded shall impart the same notice that a deed if recorded would impart.

(n) In proceedings under this section 76 and consistent with the provisions thereof, the jurisdiction and powers of the court, the duties of the debtor and the rights and liabilities of creditors, and of all persons with respect to the debtor and his property, shall be the same as if a voluntary petition for adjudication

tors, and of all persons with respect to the debtor and his property, shall be the same as if a voluntary petition for adjudication had been filed and a decree of adjudication had been entered on the day when the debtor's petition was filed.

(o) The term "railroad corporation" as used in section 76 of this act means any common carrier by railroad engaged in the transportation of persons or property in interstate commerce, except a street, suburban, or interurban electric railway which is not operated as a part of a general railroad system of transportation. portation.

Mr. HASTINGS. Mr. President, I think it perhaps desirable that I should make some further explanation of the section pertaining to the reorganization of railroads engaged in interstate commerce. I particularly want to recite briefly a history of this amendment as it now appears in print, and as it has been offered by me.

In the general amendment to the bankruptcy act, as I have before stated, there was a provision for the reorganization of corporations. Subsequent to that there were included in it a provision covering railroads. As it was originally drawn, railroads were not included, because railroads are not included in the old bankruptcy act.

After railroads were written into the measure as prepared by the Department of Justice, there were only those matters referred to the Interstate Commerce Commission which properly belonged to the Interstate Commerce Commission under existing law.

When this matter was considered by the House, it was believed there that it was desirable to separate the corporate reorganization sections from the railroad sections, and to write a special section pertaining to corporations engaged in interstate commerce. There was excellent reason for doing that, in view of what the House wrote into that measure. As the House considered it in committee and passed it, they practically passed the power away from the Federal courts into the Interstate Commerce Commission, leaving almost nothing for the courts to do except to approve of that which had been done by the Interstate Commerce Commission.

After the bill had been voted out of the committee in the House, my recollection is, but before it passed the House, I took the bill, together with the measure which had been prepared by the Department of Justice, and submitted the whole question to the Interstate Commerce Commission, asking them to give to me, for the benefit of the Senate, their judgment regarding this legislation. They replied with a very long report, which was printed, with other criticisms and statements by other people relative to this subject, and is now a public document.

I want to call particular attention, however, to some of the things said by the Interstate Commerce Commission in that report. They state:

We shall first consider the advantages over present procedure which the two bills have in common.

Referring to that which had been passed by the House and that which had been proposed by the Senate:

As we see them, these advantages are as follows:

1. The word "receivership" is in ill repute and creates alarm among investors, but reorganizations can now seldom be accomplished except through receiverships. These bills would substitute a trusteeship, which would in practical effect be very like a receivership but would probably arouse less apprehension.

2. The expense of so-called ancillary receiverships in different States or parts of the country, which are now frequently necessary, would be avoided.

3. Creditors and stockholders would have a better opportunity to be heard in regard to appointments of the trustees than they now have to be heard with respect to the appointment of receivers, due to the provision for a temporary appointment to be followed, after 30 days and a hearing, by a permanent appointment.

4. The opportunity of creditors and stockholders to suggest and have considered a plan of reorganization different from that proposed by the reorganization managers would probably be somewhat better than at present, due to the fact that such an opportunity is provided for specifically in the bills.

5. Since the bills provide that the plan, when adopted, shall be 5. Since the bills provide that the plan, when adopted, shall be binding upon dissenting stockholders and unsecured creditors of any class which has accepted a plan (the House bill extends this to secured creditors also), it is possible that reorganization could be accomplished without sale of the property. Even if there were a class or classes of nonaccepting stockholders or creditors, a sale might be avoided if appraisal were adopted as the method of determining the cash value of their interests.

6. The effect of the bills would probably be to expedite reorganization, in comparison with the process under receivership, although this is not certain.

In that connection I may say that since that was written we have consulted with the Interstate Commerce Commission, and think that we have made it quite certain that it could be done very much more quickly.

- 7. Due to the specific authority given to the commission to fix at least a maximum for certain reorganization expenses, there would probably be a greater measure of control over these expenses than at present, although this is not certain, for reasons which are stated below.
- 8. The commission would have more specific authority than at present to consider the equity of the plan, so far as the various classes of creditors and stockholders are concerned.

Then, Mr. President, the chairman of the legislative committee of the Interstate Commerce Commission, Mr. Eastman, who signed the letter, proceeded to explain that, in his judgment, this bill does not cover all of the situations which are at the present time serious, and that it would be possible for the Congress by some legislation to go very much further than this and accomplish a great deal more.

Mr. FLETCHER. Mr. President, will the Senator yield? Mr. HASTINGS. I yield.

Mr. FLETCHER. The amendment offered by the Senator provides, on page 1, line 6:

The petition shall be filed with the court in whose territorial jurisdiction the railroad corporation, during the preceding six months or the greater portion thereof, has had its principal executive or operating office or with the court in whose jurisdiction the corporation has its domicile.

I wonder whether the Senator would be willing to add there this proviso:

Provided, That where any railroad, although engaged in inter-state commerce, lies wholly within one State, such proceeding shall be brought in the Federal district court within that State in which the railroad is located.

I can see no objection to that amendment. It seems to me, for instance, that a railroad operating entirely within a State might have an executive office in New York, and there might be a question of jurisdiction. The petition might be filed in New York when it really should be filed in the district court in the State where the railroad is located.

Mr. HASTINGS. Mr. President, if the Senator will permit me to proceed with my explanation, and will come back to that, if he desires to offer the amendment, I would like to discuss it.

Mr. FLETCHER. Very well.

Mr. HASTINGS. Mr. President, Mr. Eastman in his letter states:

thoroughgoing reform of reorganization procedure in the public interest would go to this root of the matter, and would entrust the working out of an equitable and effective reorganization from the beginning to some well informed, well equipped and disinterested branch of the public service, just as has been done to some considerable extent in the case of banks and insurance companies.

We should prefer to see an attempt made to deal more fundamentally with this matter, but we realize that the time is short, if anything is to be done at the present session, and that the need for action is urgent.

I particularly want to call the Senate's attention to this statement by Mr. Eastman, of the Interstate Commerce Commission, that in his judgment the need for action is urgent, and while this bill is not what he thinks it might well be if we had full time to consider it, he does think that some action is urgent, and, as I understand it, that we ought to accept this bill, with some suggestions he has made with respect to it.

Mr. Eastman said further:

We realize also that legislation of the more thoroughgoing character which we suggest would involve so radical a change in accustomed procedure that it would meet with the resistance all such changes encounter, and would probably entail long discussion.

He follows that by taking the House bill as a basis, and making such changes in it as seemed to him desirable.

After the receipt of that letter, the Department of Justice, taking the House bill as a basis, and taking this criticism of the Interstate Commerce Commission, have prepared the amendment which I have presented here to-day.

Mr. KING. Mr. President, will the Senator yield?

Mr. HASTINGS. I yield.

Mr. KING. Does Mr. Eastman speak for the entire commission, or is he expressing only his individual view with respect to the reorganization and the imperative necessity for some legislation at this session?

Mr. HASTINGS. The letter is signed by him as chairman of the legislative committee. He probably does not speak for the whole commission. From my reading of the letter I take it that what is said is the judgment of the legislative committee of the Interstate Commerce Commission.

Mr. KING. Consisting of how many?

Mr. HASTINGS. I am sorry, I can not tell the Senator. Mr. President, I would like for a moment to invite attention to the importance of the legislation and to state that in my judgment it is not a very radical departure from our present procedure in dealing with railroads. It is true that it is radical in that it brings the railroads under the bankruptcy act. Indeed, what we are endeavoring to do here in making these adjustments with debtors, with the individual, the farmer, the railroads, and the corporations, is all somewhat a departure from our general idea of a bankruptcy law.

As I have stated, it has been given a new chapter under the bankruptcy act, calling it chapter 8, where these four subjects are considered separately from the other sections of the bankruptcy law. It is a departure from bankruptcy law, but what it really amounts to is this, so far as the railroads and corporate reorganization sections are concerned. It is an enlargement upon the procedure relative to equity receiverships. It is an enlargement and it is believed to be a very much more workable scheme than the ordinary receivership. In that respect it is of great advantage to the corporation that may be involved. Being an advantage to the corporation, it is an advantage to those who are investors in the corporation and does not in any instance, so far as I know, in any way affect improperly or unfavorably the creditors of such corporations.

So far as I can see there are only two or three difficulties that might arise with respect to the section; I mean difficulties that might cause Members of the Senate to hesitate about voting for it. From my point of view, none of those differences of opinion is sufficient to warrant us in refusing to pass the bill.

As I view it, if the Interstate Commerce Commission are reasonably satisfied that the bill will be an effective measure for the reorganization of the railroads, for the benefit of the public as well as the investor, and if the executives of the railroads be satisfied that this is an important measure for them, the only possible thing left for us to consider is whether or not the public interests are in all respects protected

Mr. DILL. Mr. President-

The PRESIDING OFFICER (Mr. Patterson in the chair). Does the Senator from Delaware yield to the Senator from Washington?

Mr. HASTINGS. I vield.

Mr. DILL. Right in that connection I would like to call attention to the phrase on page 2 of the Senator's amendment, line 19:

Any corporation, the majority of the capital stock of which having power to vote for the election of directors is owned—

And so forth. Why has this right been confined to the capital stock that has a right to vote for directors?

Mr. HASTINGS. Did the Senator finish reading the entire provision? It applies to holding companies. The purpose is to permit holding companies of railroads that control to participate in the reorganization.

Mr. DILL. But it does more than that, it seems to me. It confines it to a majority of the capital stock having power to vote for the election of directors. These corporations or holding companies are so organized that they control all the holding power and the ordinary stockholder does not have anything to say about it. It impresses me the result of this would be to take away the right of the stockholder who has his money invested in the company.

Mr. HASTINGS. Let me discuss it for a moment by reading the entire provision in that regard.

Any corporation, the majority of the capital stock of which having power to vote for the election of directors is owned, either directly or indirectly, through an intervening medium, by any railroad corporation filing a petition as a debtor under this section, or substantially all of whose properties are operated by such a debtor under lease or operating agreement may file, with the court in which such other debtor had filed such a petition, and in the proceeding upon such petition under this section, a petition stating that it is insolvent or unable to meet its debts as they mature and that it desires to effect a plan of reorganization in connection with, or as a part of, the plan of reorganization of such other debtor.

By "majority vote" they merely bring the corporation into court with authority to be dealt with as any other property of a railroad corporation is dealt with. It is one of the few provisions in the section that has not been seriously discussed with me, and I have not had as much criticism of it as I have of other sections.

Mr. DILL. It may be a perfectly sound provision, but reading it through—and that is all I have been able to do with the amendment—I was anxious to know just what the effect would be and just how far it would interfere with the rights of the ordinary stockholder.

Mr. HASTINGS. As I understand it, it merely permits a corporation that controls by a holding company or by a railroad, to be considered as a part of the plan.

Mr. President, as I said a moment ago, it seemed to me the only thing left for us seriously to consider is whether or not the public interests are properly protected under the bill. I am quite certain, with all the authority we have given to the Interstate Commerce Commission, whose duty it is, of course, to see to it that the public interests are protected, that we have gone as far as it is possible to go in that direction. It seems to me it is not possible for any person to complain that under the terms of the bill the public interests are not being properly taken care of.

There is one thing about which I concede there may be a very great difference of opinion. Under this section we have provided that two-thirds of any class of creditors might bind the other one-third without the consent of that one-third. I can readily understand how it might be questionable whether we ought to permit—even after hearing before the court and after the court finds it equitable—the two-thirds of any class to bind the one-third that may be objecting. On the other hand, we must bear in mind always that there are a few persons in every corporation who take the opportunity of objecting for the very purpose of forcing those in charge of reorganizing the corporation to give to them a greater share of the assets than would normally come to that particular class.

The many persons to whom I have talked with respect to it believe that we will be thoroughly justified in adopting the provision in the bill and in the way the House passed it, except that we have made a distinction, as I recollect it, between the secured creditor and the unsecured creditor in that regard.

But may I point out to the Senate that, regardless of how we deal with respect to that provision, it is a great deal better to enact the legislation, leaving the one-third with their rights coming into the reorganization if they want to or declining if they want to, and insisting upon being paid in cash for whatever their one-third interest might be valued. It is a great deal more important to pass the bill with this amendment than it is to refuse to pass it at all. All the information I can get with respect to the railroad situation convinces me that it is particularly serious at this time. Pretty nearly \$300,000,000 has been loaned and has not been repaid to the Reconstruction Finance Corporation by the railroads of the country. Most of us believe that it is necessary to do that in order to keep the railroads operating and believe it is necessary to keep them out of receivership in order to prevent financial institutions which hold their securities from going into bankruptcy or something else happening to them.

In addition to that, Mr. President, there is coming due this very year nearly \$300,000,000 of bonds of railroads and equipment notes of railroads. Under normal conditions that would not be distressing to the railroads. It would in no sense be distressing to the country. It would be a normal thing and in normal times could be taken care of easily by the investing public. But that is not true now. It may be true, indeed I know that it is true, that many of the railroads must be placed in a position where they can negotiate with their investors in order to protect themselves from receiverships.

Whatever we may say with respect to receiverships, however we may dislike receiverships, there is no corporation anywhere that is so greatly handicapped under a receivership as is a railroad corporation. They have their property scattered in various parts of the country. It becomes necessary to have ancillary receivers appointed. Somebody has to operate the property. It is undoubtedly done at great expense. That is not the worst of it. It is done in most instances with great inefficiency, if I may express it that way. In other words, it is inefficiently done under receivership and of necessity that is true. That is no criticism necessarily of the receiver or the man who is trying to run it.

Under this plan it is believed that in a very short while the railroads could present their plans to the Interstate Commerce Commission. The Interstate Commerce Commission are familiar with the railroads. They know all the phases of the railroad problems. They could help the railroads to arrange a plan. They would send out notices to every creditor and to all the stockholders. They would all have an opportunity to come before the commission and be heard. If they agree upon the plan which the Interstate Commerce Commission finds equitable and that it ought to be accepted, then it is submitted to the creditors of the corporation.

Then there is another place where they can be heard and that is before the court. The plan is taken to the court after it is approved by the Interstate Commerce Commission. If, after the Interstate Commerce Commission having approved it, the judge who is considering it finds it equitable and in the public interest, then he approves it, and, without that railroad ever being in the hands of a receiver, it has adjusted its affairs with its investors; it has taken, it may be bonds having interest maturing every three months and changed them into merely income bonds—that is, bonds to which can be applied and paid on account any money with which the corporation may be credited—but it does not mean that the corporation can be put in the hands of a receiver by any person who holds one of its bonds upon which interest has not been paid.

We must remember that in dealing with these corporations it is not necessary to have even three creditors complain, as in ordinary bankruptcy cases, before there is trouble. All that is necessary is to have one creditor make application. An application may be made by one creditor to a court in chancery in the State of Delaware and to courts of equity in most of the other States for a receiver upon the ground that the corporation is not able to pay its

bring that about.

debts as they mature. Then it is immediately in trouble. If the allegation is true, if they can not meet their obligations as they mature, then there is nothing the court can do but grant the request and put the corporation in the hands of a receiver. Having once gotten them into the hands of a receiver, consider the great difficulty in getting the various interests of that corporation together and to agree upon any plan of reorganization. In most instances, if not in all, it becomes necessary actually to sell the property of the corporation before any reorganization can be effected, and that is done in various ways. If there be bondholders, then bondholders' committees are organized, and much difficulty is encountered. An effort is made to interest the bondholders. The poor bondholder is written to, but he does not know whether to trust his bond with a committee, whether or not to trust it to the committee. He is at a great disadvantage and tries to find out what it is all about—when there is going to be a reorganization and when something is going to happen for his relief. If we could have enacted into law a measure such as this, he would know instantly what the plan is; he would know whether he is prepared to vote for it or to vote against it; he would know whether he wants to join in with the proposed plan or whether he does not want to join in it. As I see this proposed legislation, it is a step forward that does not involve governmental expense of any kind; but, on the other hand, I think it will save a lot of money to many investors throughout the country.

It may be said that it will take a lot of water out of the various railroads and other corporations. Well, we had just as well have it out, if it is no good to anybody; and having it in there does not help the situation. I think the sooner the railroads and other corporations reorganize and get upon a firm foundation, so that everybody who holds one of their obligations will know it is worth a hundred cents on the dollar, the better it will be; and it seems to me we will do a great service for this country if we can

My friend from New Mexico [Mr. Bratton] has, very properly, I admit, criticized this proposed legislation because of the inability of the committee carefully to consider it; but I beg of him and other Senators who may agree with him not to hesitate to pass this measure upon that ground, because, after all, the Congress will come back in a little while, and it will be very much easier then to correct any mistakes we may make than it would be to pass this bill in its original form, leaving out this provision, and undertake to pass it subsequently.

The bill has passed the House. All we have to do is to pass it through the Senate, submit it to conference, and do the best we can there to reach an agreement with respect to it. If we make mistakes, as we are likely to do, it will be easy enough to correct those mistakes during another Congress that is coming on shortly, if you please, if those mistakes seen sufficiently important to warrant consideration at that time. I am satisfied, however, that there are in this proposal no very serious mistakes such as would do great injury.

It has been suggested to me that it is unreasonable for me to expect Members of the Senate to agree on this amendment when I have given so much more time to it than they have given to it; and it is said that they ought to have the same opportunity as I have had with respect to it. However, I point out to them that all the conferences I have had, and all the study I have given to this bill have been for the purpose of improving it. Those who first complained about it, with one or two exceptions-perhaps that is limiting the number too greatly, there may have been more than that, but there were very few, and I can not recall anydid insist that this proposed legislation was important and that we ought to get through the best bill that we could agree upon; and all the difficulties I have had have been with those persons who believed that if I adopted some suggestions made by them the bill as a whole would be improved.

Mr. BRATTON and Mr. KING addressed the Chair. The PRESIDING OFFICER. Does the Senator from Delaware yield; and if so, to whom? Mr. HASTINGS. I yield first to the Senator from New Mexico.

Mr. BRATTON. Mr. President, permit me to invite the Senator's attention to page 13, line 4, the language there reading as follows:

Upon acceptance of the plan in accordance with the provisions of this subdivision (e) the commission may, without further proceedings, grant authority for the issue of any securities, assumption of obligations, transfer of any property, or consolidation or merger of properties, to the extent contemplated by the plan consistent with the purposes of the interstate commerce act, as amended.

Then, if the Senator will turn to page 14, line 20, I ask him to note the language, reading:

(g) Upon such approval by the commission, and after hearing such objections as may be made to the approved plan, the judge shall confirm the plan if satisfied—

Of certain things which are set forth.

Let me inquire of the Senator what would be the status of securities issued immediately after the commission should act in the event the judge thereafter should refuse to confirm the proposed plan? As to securities issued following approval of the commission but before action of the judge, assuming that the judge refused to confirm the proposed plan, what would be the status of those securities thus put into circulation?

Mr. HASTINGS. Mr. President, my understanding is that there would be no authority for the issuing of securities merely because the Interstate Commerce Commission had acted upon the plan, but that it would be necessary to wait until the plan had been approved by the judge. May I explain to the Senator from New Mexico that that rather awkward expression in that particular place was put in for this purpose: The hope was-I do not know who made the suggestion; I am not sure that the Interstate Commerce Commission itself did not make it—that by the use of this language time could be saved in the matter of reorganizations; that when the commission had approved the plan as a whole they might at the same time approve the issuance of securities. My own judgment is that that does not give to the railroad corporation any authority to do anything under the plan until after it has been approved by the judge.

Mr. BRATTON. But permit me to call the Senator's attention to the language reading as follows:

The commission may, without further proceedings, grant authority for the issue of any securities, assumption of obligations, transfer of any property, or consolidation or merger of properties, to the extent contemplated by the plan consistent with the purposes of the interstate commerce act as amended.

Does not the Senator think that that language authorizes the sale of such securities prior to confirmation by the judge?

Mr. HASTINGS. The Senator must bear in mind always that, while all this is going on, the whole property of the railroad is in the hands of a trustee, and nothing can be done in the way of issuing new securities until that trustee has been discharged and the property returned to the railroad. There is one exception, of course, to that and that is in the case of the issuance of trustees' certificates which are provided for in another place. However, after the plan is approved by the Interstate Commerce Commission nothing can be done with it, so far as the railroad is concerned, because the railroad has not any authority over its own property at that time, it still being in the hands of a trustee.

Mr. BRATTON. If that be true, why should the commission grant authority at all?

Mr. HASTINGS. Because it becomes necessary under the existing law for the Interstate Commerce Commission to give to the railroads authority to issue certain securities, and the purpose of this language was to provide that they might do it all at one time.

Mr. BRATTON. That is quite true, but now we are creating a new system for the administration of the affairs of railroad companies during the process of reorganization. During that period, as the Senator has well said, the corporation is under the control of the judge. That being true, the judge supervising the reorganization, and having the

final word in the premises, namely his decree of confirmation, why is it necessary to have the commission act at all?

Mr. HASTINGS. Mr. President, I will be very frank with the Senator and say that if I were writing this provision and using only my own judgment I should not have given the Interstate Commerce Commission the authority which this section grants. But there is this to be said in defense of the position of those who insist that the Interstate Commerce Commission ought to have the authority: The Interstate Commerce Commission is the one commission of the Government that practically has control of the railroads; it knows or ought to know, and I believe does know, more about the railroads than any other agency of the Government. It knows more about their financial condition than any other person or body. It is urged that in many instances applications made to a court might be made to a judge who has had no experience whatever in railroad matters, but who would be dependent entirely upon interested railroad officials in determining what he should do and whether the plan was a good plan or whether it was not a good plan. I was finally convinced, in order that the public might be made safe always and that other persons interested in the railroad might be made safe, that it was perhaps, after all, a wise thing to submit the plan to the Interstate Commerce Commission and let it work out with the various investors the best plan possible and submit it to the investors before they should be asked to confirm it. So I became convinced after a while that this plan was, perhaps, better than to leave it with the judge, as I had originally intended.

Mr. BRATTON. Mr. President, I agree perfectly with the Senator that the Interstate Commerce Commission should have a voice in these proceedings for the very reason the Senator has so well expressed. With that in mind, I wonder why the Senator in this amendment did not carry forward the provision contained in the House text or, indeed, the language found in his former draft, to confine the appointment of a trustee or trustees to a roster for such purpose proposed by the Interstate Commerce Commission.

In the present draft the Senator has abandoned that; he takes away from the Interstate Commerce Commission any voice in the selection of a trustee or trustees during reorganization. I wonder what moved the Senator to do that. Does he mind telling us?

Mr. HASTINGS. I would not if I knew, but I am not certain that I know. As I have stated before, a representative of the group in New York that were endeavoring to help devise some scheme that would assist the railroads, a representative of the President elect, Solicitor General Thacher, and the Interstate Commerce Commission conferred time and time again with respect to this, and out of it all came the striking out of this particular provision.

So far as I am concerned, I do not think it is of very great importance; and while I might not be willing to accept an amendment, I certainly would not oppose anybody who insisted that that ought to go in. I do not think it is important enough even to consider very long, as I see it.

Mr. FLETCHER and Mr. BYRNES addressed the Chair. The PRESIDING OFFICER. Does the Senator from Delaware yield; and if so, to whom?

Mr. BRATTON. The Senator has answered the question I desired to ask him, whether he opposed an amendment to that effect.

Mr. FLETCHER. Mr. President, will the Senator yield to me? I have to go to a committee meeting.

Mr. HASTINGS. I yield to the Senator from Florida.

Mr. FLETCHER. I call attention to the amendment I suggested, and I believe the Senator will have no objection to it. In line 6, on page 2, if the Senator will follow me, I propose to strike out the period and insert a semicolon and this language:

Provided, That where any railroad, although engaged in interstate commerce, lies wholly within one State, such proceeding shall be brought in the Federal district court within the State in which the railroad is located.

I can see no objection to that, and I offer that amendment. Mr. HASTINGS. May I call the attention of the Senator to the fact that this section applies only to the reorganization of railroads engaged in interstate commerce.

Mr. FLETCHER. I know that.

Mr. HASTINGS. For the moment I was thinking that a railroad that operated in one State only could not be engaged in interstate commerce, but, of course, that is not true.

Mr. FLETCHER. I am supposing that it is. It may be engaged in interstate commerce.

Mr. HASTINGS. I do not think I have any objection to that amendment.

Mr. FLETCHER. I offer that amendment.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Florida to the amendment of the Senator from Delaware.

The amendment to the amendment was agreed to.

Mr. BYRNES. Mr. President, if I may have the attention of the Senator from Delaware, I desire to express the opinion that the suggestion of the Senator from New Mexico [Mr. Bratton] should be agreed to. I think the provision of the House is infinitely better than that contained in the amendment of the Senator from Delaware; and inasmuch as he expresses the view that the matter is not one of great importance, I hope he will concur with the Senator from New Mexico in accepting the House provision.

Mr. HASTINGS. Mr. President, the original suggestion came from the House; and I think the Solicitor General and myself modified that somewhat by suggesting the panel. Since the Senator from New Mexico asked me the question, I am not certain that I am correct in saying that I think the Interstate Commerce Commission wanted to avoid the naming of any such panel. That may not be correct; but certainly that is not a very serious matter in this bill, and if the Senator—particularly the Senator who served with me on the subcommittee—wants to propose that as an amendment, I shall be glad to accept it.

Mr. BRATTON. At a later time I shall offer that amendment.

The PRESIDING OFFICER. The question is on the amendment of the Senator from Delaware, as amended.

Mr. BRATTON. Mr. President, I send forward an amendment to appear on page 21, line 16, following the period, and ask that it be read.

The PRESIDING OFFICER. The amendment to the amendment will be stated.

The LEGISLATIVE CLERK. On page 21, at the end of line 16, it is proposed to add the following:

Or which does not derive more than 50 per cent of its operating revenues from the transportation of freight in standard steam railroad freight equipment. Railroad or railway corporations excluded from the provisions of this section shall be subject to the provisions of section 75 of this act.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from New Mexico to the amendment of the Senator from Delaware.

Mr. BRATTON. Let me state briefly the purpose of this amendment, and I think the Senator from Delaware will accept it.

In connection with the definition of the term "railroad corporation," this amendment is designed to include an electric railway independently owned and not operated as a part of a general system of transportation whose principal revenue is from the transportation of freight, if such an electric railway has physical connections with steam railroads, exchanges standard freight equipment with them, and transports freight in standard steam freight equipment. It merely includes an electric railway of that kind, and brings it under the provisions of the bill.

I hope the Senator from Delaware will accept the amendment.

Mr. HASTINGS. Mr. President, I had intended to write into the section relative to corporate reorganization some provision which would accomplish, I think, the same result. I have some memoranda on it, and when it came to the corporate section I proposed to offer an amendment. I had not considered whether it was desirable or necessary to have

it in this section also; but the Senator from New Mexico undoubtedly has given careful consideration to it, and I am content to accept the amendment.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from New Mexico to the amendment of the Senator from Delaware.

The amendment to the amendment was agreed to.

Mr. LA FOLLETTE. Mr. President, I have a number of amendments that I should like to offer. Unfortunately, I have not been able to have them printed; but I shall direct the attention of the Senator from Delaware to them.

The first amendment that I should like to offer is on page 2, line 2, after the word "office," where I propose to strike out the words "or with the court in whose jurisdiction the corporation has its domicile."

My purpose in offering the amendment is that it seems to me, under all the circumstances, the situation is well enough taken care of if the jurisdiction is given to courts, as provided in the preceding language—

In whose territorial jurisdiction the railroad corporation, during the preceding six months or the greater portion thereof, has had its principal executive or operating office.

To permit the exercise of the jurisdiction of a court where the corporation has its domicile may not have any relation to the territory in which the railroad corporation actually conducts its business. As is well known, many corporations organize for purposes of incorporation in States where the laws concerning incorporation are more satisfactory than elsewhere to those who are undertaking the organization of the corporation; and it seems to me that there is a much greater likelihood that the principal executive or operating office of the corporation will be located in territorial jurisdictions which have relation to the actual transportation business and the territory served in which the corporation is operating.

I do not know whether the amendment I have offered will meet the approval of the author of the main amendment or not, but I consider it to be rather an important provision. Otherwise, if the language remains in the amendment as first suggested, we may find that a great many of the proceedings provided for in the amendment will occur in the States where the corporations have their domicile and will be perhaps thousands of miles away from the territory in which they are operating and from the communities in which they have their principal operating offices.

Mr. HASTINGS. Mr. President-

The PRESIDING OFFICER. Does the Senator from Wisconsin yield to the Senator from Delaware?

Mr. LA FOLLETTE. I yield to the Senator.

Mr. HASTINGS. May I say to the Senator from Wisconsin that what he has in mind with respect to States that are incorporating companies to operate in other places does not ordinarily apply to railroads. I do not know of any instances in which the railroads do not have to have some authority in their own State in that respect; and a great many people insist that this is quite important, for the reason that it follows the old bankruptcy law. I do not believe it is the same language, but the effect of it is the same as that of the old bankruptcy act.

One purpose that makes it important, as I see it, is that a question of jurisdiction might arise under this general description here of the corporation having its principal executive or operating office in a certain jurisdiction "during the preceding six months or the greater portion thereof." It might very well be asked, What are considered its principal or operating offices? It is always true, however, when that question arises, and there is some doubt about it, that there is a place where we know the court has jurisdictionnamely, the place of domicile. I said that I had received a great deal of correspondence about it from a great many people who are very much interested in it, but I might qualify that by saying that I do not remember definitely whether that was with respect to the railroad section or the corporate section. I was thinking it applied to both, but it may not have applied particularly to the railroad section.

Mr. LA FOLLETTE. Mr. President, I will say to the Senator that an example I had in mind was the proposed

merger of the Great Northern and the Northern Pacific. Of course, it did not go through, but I understand the proposal was to incorporate the new company in one of the Eastern States, a thousand or more miles away from the territory in which those two railroads are now operating. With that suggestion in mind, it seemed to me that we would have a much better situation if the words which I have suggested should be stricken out, so that any proceedings under this measure would have to be taken in the court which would have jurisdiction over the particular territory in which the chief operating office of the railroad was located, and thus we would be certain of bringing it nearer to the territory in which the corporation was conducting its operations.

Mr. LEWIS. Mr. President, will the Senator yield to me? Mr. LA FOLLETTE. I yield.

Mr. LEWIS. I would like to ask the Senator from Wisconsin a question, and I would be glad to have the attention of the Senator from Delaware. Under this bill is it assumed that the courts can take jurisdiction to enforce bankruptcy upon a railroad in any part of the country where any part of the railroad runs? Take, for instance, the Illinois Central Railroad, which is exceedingly interested. This morning I am in receipt of a telegram indicating their desires, and something of their needs. They are the lessors or owners of the Central of Georgia Railway. May I ask the able Senator whether, under this bill, a proceeding could be initiated by the Illinois Central in a court in Georgia because it was the owner of a company in Georgia, looking to relief of bankruptcy, instead of proceeding at the city of Chicago, the home of the charter? What is the Senator's idea; or has he had a chance to consider it?

Mr. LA FOLLETTE. Mr. President, my understanding of the matter now under discussion is that there would be two courts which would have jurisdiction of the proceedings contemplated by this amendment, either the court which has jurisdiction over the area in which the principal offices of the corporation are located, or the court which has jurisdiction over the territory of the State in which the corporation had been incorporated.

Mr. LEWIS. Mr. President, may I ask the Senator from Delaware [Mr. Hastings] who has given such considerate attention to many phases of this bill—and upon this subject he and I have conferred—this question: Is it the opinion of the Senator from Delaware that a proceeding looking to bankruptcy for a railroad could be taken any place where any part of the railroad track or its properties existed, in any State in which it might have a branch?

Mr. HASTINGS. By no means. The bill as it passed the House provided:

The petition shall be filed with the court in whose territorial jurisdiction the railroad corporation, during the preceding six months or the greater portion thereof, has had its principal executive or operating office.

That was the language of the House, and we have proposed these words, "or with the court in whose jurisdiction the corporation has its domicile."

Mr. LEWIS. May I ask, what is it the Senator from Wisconsin fears?

Mr. LA FOLLETTE. I seek to strike out the words "or with the court in whose jurisdiction the corporation has its domicile."

Mr. LONG. That clause ought to be stricken out.

Mr. LA FOLLETTE. For the reason, I will state to the Senator. Perhaps I mentioned one example which brought the matter to my attention. The Great Northern and the Northern Pacific Railroads, operating west of the Twin Cities to the coast, were recently contemplating a merger of those two corporations. It did not go through, but in the newspapers they discussed, and it was generally understood, that they would incorporate in Delaware. Under the terms of this amendment, assuming that that had been done, there would be two courts which could have jurisdiction of proceedings contemplated by the amendment, as I understand it, one the Federal court which has jurisdiction in the territory of the Twin Cities, in which the operating office is

of Delaware, where the corporation would have its domicile.

I have another instance in mind. The Louisiana & Arkansas Railroad, operating in those two States, is incorporated in the State of Delaware. It seems to me that the closer these proceedings can be brought to the territory in which the railroad is actually conducting its business, the better it will be from all points of view.

Mr. LEWIS. Mr. President, may I take the liberty to offer an additional illustration? I ask the Senator from Wisconsin to assume, as I am sure he knows, that the Illinois Central, one of the constituents of my State, has a branch running to Memphis, Tenn., and does maintain now its principal office in Chicago. Does the Senator assume that the words "territorial jurisdiction," within the meaning of the statute, would give jurisdiction to courts at Memphis, Tenn., as well as those in Chicago?

Mr. LA FOLLETTE. No; I do not understand that to be the case. Let us take the Illinois Central as an example. The only court which would have jurisdiction would be the court which has jurisdiction over the territory in which the Illinois Central has its home office, or the court which has jurisdiction over the territory in which the Illinois Central is incorporated and has its domicile. As I understand it, the Illinois Central is incorporated in the State of Illinois. So in that particular instance it would only be an Illinois Federal district court which would have jurisdiction over any proceedings contemplated by this amendment concerning the Illinois Central Railroad. But I did mention several instances where there would be different courts, having different jurisdictions, because the principal operating office of the company would be located in one territory and the domicile or the incorporation would be in another.

Mr. LEWIS. Mr. President, may I ask the Senator whether the views he is expressing are incorporated in the bill or incorporated in an amendment he tenders to the bill?

Mr. LA FOLLETTE. I seek to make the pending amendment read just as the bill read when it passed the House, by striking out the words which have been added in the amendment now pending, as follows, "or the court within whose jurisdiction the corporation has its domicile," so that it would read:

The petition shall be filed with the court in whose territorial jurisdiction the railroad corporation, during the preceding six months or the greater portion thereof, has had its principal executive or operating office.

Mr. LEWIS. Mr. President, may I ask the Senator from Delaware this question? What objection does the Senator from Delaware tender to this suggestion of the Senator from Wisconsin?

Mr. HASTINGS. Mr. President, I am not certain that there is any very great objection to it. I might say, in reference to the incorporating of railroads in Delaware, that I did not know that the railroads had taken or could very well take advantage of the incorporation law of Delaware. Everything else is incorporated there, and the law does provide for the incorporation of railroads, but I never knew that it was a practical thing to take advantage of it, or that any railroad ever had. I am evidently wrong with respect to that.

I call the attention of the Senator from Wisconsin to this fact: He seeks to strike out certain words, as he well stated, to make the bill agree with the bill as it passed the House, which would prevent us from doing anything with the matter in conference if it seemed to be important to do something with it. I should like to have the language left as it is in my amendment, and then have an opportunity to confer with House Members, and to feel free to agree with the House on it, unless there seem some very good reason for leaving it out.

Mr. LA FOLLETTE. Mr. President, I have already conferred with Representative LaGuardia concerning it and I discussed the matter at some length with him. He saw no reason why this provision should remain in the bill. As I have already stated, the Senate knows the reasons which prompted me to offer the amendment. I think it would be | it fix a sliding scale?

located, and the court which has jurisdiction of the State | a great mistake if we were to find that these receiverships were taking place a thousand or more miles away from the territory in which the railroads operate.

> The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Wisconsin to the amendment of the Senator from Delaware [Mr. HASTINGS].

The amendment to the amendment was agreed to.

Mr. BRATTON. Mr. President, I offer an amendment. On page 6, line 12, after the word "trustees," to insert the words "recommended by the Interstate Commerce Commission."

Mr. KING. Let the amendment be stated.

The PRESIDING OFFICER. The clerk will state the amendment for the information of the Senate.

The LEGISLATIVE CLERK. On page 6, line 12, after the word "trustees," the Senator from New Mexico proposes to insert the words "recommended by the Interstate Commerce Commission," so that it will read:

Upon approving the petition as properly filed, the judge (1) may temporarily appoint a trustee or Interstate Commerce Commission. trustee or trustees recommended by the

Mr. HASTINGS. Mr. President, I got the impression from what the Senator from New Mexico said a little while ago when he mentioned this subject that he preferred the provision for a panel as it was written in one of the committee prints.

Mr. BRATTON. I prefer the House text. If that can not be had, then I would prefer the panel suggestion to the text now contained in the amendment. My first choice is the House text, which this amendment carries forward.

Mr. KING. Mr. President, will the Senator from New Mexico yield?

Mr. BRATTON. I yield.

Mr. KING. As I understand the amendment just stated by the Senator, there is no obligation upon the court to appoint or name as trustee or trustees a person or persons designated by the Interstate Commerce Commission. It is merely discretionary. Suppose the Interstate Commerce Commission declined to appoint a trustee. Could the court then name one? In the contingency of the failure of the Interstate Commerce Commission to make a recommendation, or if the Interstate Commerce Commission made a recommendation and the court declined to follow the recommendation, then what would happen?

Mr. BRATTON. Then, of course, it would be the duty of the Interstate Commerce Commission to make another suggestion. I think we must assume that the Interstate Commerce Commission would do its duty and would make a suggestion.

Mr. McKELLAR. Mr. President, will the Senator yield? Mr. BRATTON. I yield.

Mr. McKELLAR. Would it not be rather cumbersome to undertake to secure a majority of the votes of the Interstate Commerce Commission in making these appointments? I think there are 12 members of the commission, and the question of a quorum might arise, or a question as to the validity of an appointment might even arise. Why would it not be better to leave it in the hands of the judge?

Mr. BRATTON. Because the Interstate Commerce Commission is the tribunal of experts who devote themselves to railroad matters, and if this measure is enacted into law, I have doubt that they will make up for themselves for future use a panel from which they could readily submit names to the judge.

Mr. McKELLAR. Mr. President, may I ask the Senator another question?

Mr. BRATTON. Certainly.

Mr. McKELLAR. What about compensation for these employees? Would they serve at the compensation now fixed by law for the men on the panel suggested by the Senator?

Mr. BRATTON. The bill provides for the compensation of trustees

Mr. McKELLAR. I had not gone into that feature. Does

shall be agreed upon by the commission before it is allowed.

The PRESIDING OFFICER. The question is on the amendment of the Senator from New Mexico to the amendment of the Senator from Delaware.

Mr. HASTINGS. Mr. President, would the Senator from New Mexico be willing to provide for a panel and then in conference see whether or not it is more desirable to accept that than the House plan?

Mr. BRATTON. Yes; I am willing to do that.

Mr. HASTINGS. I am willing to accept the amendment then.

Mr. BRATTON. I withdraw the amendment just offered and in lieu thereof I offer the following: On page 6, line 12, after the word "appoint," I move to insert the words "from a panel of standing trustees qualified for such service to be selected and designated in advance by the commission."

The PRESIDING OFFICER. The Chair understands the Senator from Delaware to accept the amendment?

Mr. HASTINGS. Yes; I accept the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from New Mexico to the amendment of the Senator from Delaware.

The amendment to the amendment was agreed to.

Mr. LA FOLLETTE. Mr. President, I have a few other amendments. If the Senator from New Mexico has concluded I shall offer them. Some of them are textual in character and I think the Senator from Delaware will be willing to accept them. They may not be necessary. I would invite the Senator's attention to page 2, line 13, after the word "it." I suggest to the Senator that there be inserted at that point the words "if not so satisfied," so as to read "or dismissing it if not so satisfied." The Senator will find that on page 4, line 12, those words do appear and I thought perhaps they should be inserted also at this point.

Mr. HASTINGS. I have no objection.

The PRESIDING OFFICER. The question is on the amendment of the Senator from Wisconsin to the amendment of the Senator from Delaware.

The amendment to the amendment was agreed to.

Mr. LA FOLLETTE. On the same page, page 2, line 16, after the word "section," I move to insert "and for the purposes thereof." The object of the amendment, I will say to the Senator from Delaware and to other Senators, is to provide that the exclusive jurisdiction which the court is to exercise over the property of the debtor shall be confined purely to the purposes of this section, and it will prevent the raising of any question as to whether the Interstate Commerce Commission have jurisdiction over other matters which they now have under existing law in a case where a railroad corporation is operating through a receiver or trustee.

Mr. HASTINGS. Will the Senator state his proposed amendment again?

Mr. LA FOLLETTE. On page 2, line 16, after the word "section," insert "and for the purposes thereof," so as to

If the petition is so approved, the court in which such order approving the petition is entered shall, during the pendency of the proceedings under this section, and for the purposes thereof, exclusive jurisdiction of the debtor and its property wherever

Mr. HASTINGS. I can see no objection to the amendment. I am willing to accept it.

The PRESIDING OFFICER. The question is on the amendment of the Senator from Wisconsin to the amendment of the Senator from Delaware.

The amendment to the amendment was agreed to.

Mr. LA FOLLETTE. On page 3, line 18, I ask the Senator whether the word "the" should not be stricken out and the word "a" be inserted, so as to read "file with a court" instead of "file with the court."

Mr. ROBINSON of Arkansas. Mr. President, I rather believe the language employed in the bill is preferable to the substitution of the indefinite article. The object manifestly

Mr. BRATTON. It provides that their compensation is to require the filing with the particular court in which the railroad corporation would have the right to file its petition.

Mr. HASTINGS. There is but one court.

Mr. LA FOLLETTE. On the other hand, it occurred to me that they might have their right to file a petition in more than one court.

Mr. ROBINSON of Arkansas. Not since the Senator's amendment has been agreed to limiting the filing of the petition to the jurisdiction within which the principal operating office is located.

Mr. LA FOLLETTE. The only point I had in mind is that the language is "executive or operating office," and they are not always in the same place. But it is not important. I shall not press the amendment.

Mr. President, on page 6, line 17, after the word "control," I propose to insert the words "and the jurisdiction of the commission," so that it would read:

Upon approving the petition as properly filed the judge (1) may Upon approving the petition as properly filed the judge (1) may temporarily appoint a trustee or trustees of the debtor's estate, who shall have all the title and, subject to the control of the judge and consistently with the provisions of this section, shall exercise all the powers of a trustee appointed pursuant to section 44 or any other section of this act, and, subject to the judge's control and the jurisdiction of the commission, shall have the power to operate the business of the railroad corporation.

Mr. HASTINGS. Mr. President, I think the Senator's amendment would involve a very grave question. There is a situation which we have consistently tried to avoid in preparing the amendment; that is, that any conflict or possible conflict which might arise between the two authorities, one the judge and the other the commission, should be avoided. I think we would undoubtedly be in great difficulty if we should give the judge control and the Interstate Commerce Commission control. Certainly, it ought to be in one or the other and not in both.

Mr. ROBINSON of Arkansas. Mr. President, may I interrupt the Senator?

The PRESIDING OFFICER. Does the Senator from Wisconsin yield to the Senator from Arkansas?

Mr. LA FOLLETTE. Certainly.

Mr. ROBINSON of Arkansas. It occurs to me the purpose of the amendment proposed by the Senator from Wisconsin is to reserve to the commission the jurisdiction it now has.

Mr. LA FOLLETTE. Yes; under the interstate commerce

Mr. ROBINSON of Arkansas. Yes; under the interstate commerce act with respect to rates and regulations of that character.

Mr. HASTINGS. I am sorry I did not understand the Senator's purpose.

Mr. LA FOLLETTE. If the language is unfortunate, I would be glad to have the benefit of the Senator's suggestion.

Mr. ROBINSON of Arkansas. I suggest that it read, "and the jurisdiction of the Interstate Commerce Commission as provided by the interstate commerce act as amended."

Mr. LA FOLLETTE. I accept the modification suggested by the Senator from Arkansas.

Mr. HASTINGS. Now, will the Senator from Wisconsin be good enough to state the amendment as modified?

Mr. LA FOLLETTE. It would then read:

And subject to the judge's control and the jurisdiction of the commission as provided in the interstate commerce act as amended, shall have the power to conduct the business of the railroad corporation.

Mr. HASTINGS. That is perfectly satisfactory to me. The PRESIDING OFFICER. The question is on the amendment of the Senator from Wisconsin to the amendment of the Senator from Delaware.

The amendment to the amendment was agreed to.

Mr. LA FOLLETTE. On page 8, line 16, a typographical error occurs to which I wish to invite the attention of the Senator from Delaware. The letter in parentheses instead of "(g)" should be "(f)", so as to read: "as elsewhere provided in subdivision (f)." If the Senator will turn to subsection (f) on page 14, line 10, he will see that the paragraph referred to is not the paragraph which should be

Mr. HASTINGS. The subdivision (g) referred to is on page 14.

Mr. BRATTON. Mr. President, will the Senator from Wisconsin yield just at this point?

The PRESIDING OFFICER. Does the Senator from Wisconsin yield to the Senator from New Mexico?

Mr. LA FOLLETTE. I yield.

Mr. BRATTON. Permit me to call the attention of the Senator from Delaware to the fact that there are two subdivisions which are denominated "(g)". One appears on page 14, line 20, and the other appears on page 17, line 1. Ought not that letter to be "(h)"?

Mr. LA FOLLETTE. That is correct, but let us get the other one straightened out first.

Mr. BRATTON. I thought perhaps that led to the confusion.

Mr. LA FOLLETTE. No. I was going to draw attention to the one to which the Senator from New Mexico has referred when I had disposed of the other one.

If the Senator from Delaware will note, on page 8, line 14-

(8) May, within such maximum limits as are fixed by the commission, as elsewhere provided in subdivision (g) of this section.

Now, if the Senator will turn to page 13 he will see that in line 15 that section begins with the letter "(f)," and if he will turn over to page 14, where that is continued as "(f)," he will find these words in line 10:

The commission shall also, after hearing, if necessary, fix the maximum compensation which may be allowed—

And so forth. So it seems perfectly obvious that the language on page 8 refers to section "(f)" and not to section "(g)," because it says:

May, within such maximum limits as are fixed by the commission, as elsewhere provided in subdivision.

And the text of the amendment now is "(g)," but I am convinced it should be "(f)."

Mr. HASTINGS. The Senator is correct. It ought to be "(f)."

The PRESIDING OFFICER. Without objection, the amendment of the Senator from Wisconsin to the amendment of the Senator from Delaware is agreed to.

Mr. LA FOLLETTE. Mr. President, may I ask the Senator from Delaware for his interpretation of the language to be found on page 8, beginning in line 14, as follows:

May, within such maximum limits as are fixed by the commission, as elsewhere provided in subdivision (f) of this section, allow a reasonable compensation for the services rendered and reimbursement for the actual and necessary expenses incurred in connection with the proceeding and plan by officers, parties in interest, reorganization managers, and committees, or other rep-resentatives of creditors or stockholders, and by their attorneys or agents-

Now may I ask the Senator do the words "and by their attorneys or agents" refer to all the different groups and parties mentioned in the preceding language or does it refer only to "committees or other representatives of creditors or stockholders"?

The reason why I draw the Senator's attention to this language is that in the bill as it passed the House and in the committee print No. 2 which the Senator introduced in the Senate it read:

And the attorneys or agents of any of the foregoing.

Now that language has been changed in this new amend-

the words "attorneys or agents" insert "of any of the foregoing."

Mr. HASTINGS. I remember distinctly, I may say in reply to the Senator, of there being some criticism of either the House bill or some one of the drafts I had made; but I can not remember exactly what it was.

Mr. LA FOLLETTE. I am sure the Senator wants to grant reasonable fees to be fixed for the services of attorneys or agents who represent any of the groups that are mentioned.

Mr. HASTINGS. Does not that language do just that?

Mr. LA FOLLETTE. Perhaps it does; but I wanted to make certain of it, because in making a comparison of the Senator's bill, committee print No. 2, and this amendment I saw the language had been changed; and knowing that the Interstate Commerce Commission, through its legislative committee, had suggested the language that was in the Senator's committee print No. 2, I wondered if the Senator would have any objection to reincorporating it in this amendment?

Mr. FESS. Mr. President, will the Senator yield to me? The PRESIDING OFFICER. Does the Senator from Wisconsin yield to the Senator from Ohio?

Mr. LA FOLLETTE. I yield.

Mr. FESS. The punctuation there would seem to make the words "attorneys or agents" apply as the Senator has indicated, but his suggestion to insert the words "of any of the foregoing" would remove all possibility of doubt.

Mr. LA FOLLETTE. That is what I felt. I offer the amendment, Mr. President, to strike out the words "by their" and to insert the word "the," and after "agents" to insert the words "of any of the foregoing."

Mr. HASTINGS. That is satisfactory to me, Mr Presi-

dent.

The PRESIDING OFFICER. The question is on the amendment of the Senator from Wisconsin to the amendment of the Senator from Delaware.

The amendment to the amendment was agreed to.

The PRESIDING OFFICER. The question recurs on the amendment of the Senator from Delaware.

Mr. BRATTON. I offer the following amendment: On page 18, line 3, to strike out all after the semicolon and down to and including line 11:

And they shall be, and they are hereby, relieved from the operation of the antitrust laws, as designated in section 1 of the act entitled "An act to supplement existing laws against unlawful restraints and monopolies, and for other purposes," approved October 15, 1914, and of all other restraints, prohibitions, or re-requirements by law, State or Federal, in so far as may be necessary to enable them to do anything authorized or required by the plan or by any order made under and pursuant to the provisions of this section. of this section.

Mr. BLACK. Mr. President, will the Senator from New Mexico yield?

The PRESIDING OFFICER. Does the Senator from New Mexico yield to the Senator from Alabama?

Mr. BRATTON. I yield.

PROPOSED OCEAN MAIL CONTRACT WITH INTERNATIONAL MERCAN-TILE MARINE CO.

Mr. BLACK. I send to the desk a resolution and ask that it may be read. It is very important that it be acted on immediately, if it can be done. I can not believe there will be any objection to it.

The PRESIDING OFFICER. Without objection, the resolution will be read.

The legislative clerk read the resolution (S. Res. 375), as

ment to read—
And by their attorneys or agents.

It seems to me that the language in the Senator's original bill, committee print No. 2, and the bill as it passed the other House was more explicit and included all of the various parties in interest mentioned in the proceeding language. Unless the Senator has some very good reason for not doing so, I would suggest to him that he strike out the words "by their" and insert the word "the," and after

Whereas it is understood this new line is to be operated by the International Mercantile Marine Co. (Inc.), which already receives large subsidies from the Government while at the same time operating foreign-flag lines competing with American lines; and

Whereas it appears that there has not been and will not be sufficient time to fully investigate the economic necessity of such line or the propriety of granting a mail contract on March 1 next, and as the matter of ocean mail contracts is to be generally investigated by a committee of the Senate; and
Whereas the Merchant Fleet Corporation reported on February

6, 1933, that this steamship service is not justified: Now, therefore,

be it

Resolved, That the Postmaster General be requested to postpone the awarding of the said mail contract until the matter can be more fully investigated and the soundness of the proposition more completely determined from the standpoint of the Government's interest and all the facts and circumstances involved.

Mr. BLACK. Mr. President, this is a matter of vital importance. There is at present being considered the signing of a contract, day after to-morrow, for a subsidy of \$10,000,-000. I have on my desk evidence to the effect that the statement has been made in the hearings that it is necessary to get it through while the present administration is in power or it can not go through.

Mr. FLETCHER. Mr. President, I rise to a point of order. Is this resolution offered and unanimous consent asked for

its present consideration?

Mr. BLACK. I expect to ask for its present consideration, but I have not done so as yet.

The PRESIDING OFFICER. The Senator from Alabama submitted the resolution which was read.

Mr. FLETCHER. I want to see the resolution. I just came into the Chamber and heard only a part of it. I ask to have it go over. I object to its consideration now.

Mr. BLACK. I have not made a request as yet for its consideration, and I have not yet yielded the floor for the purpose of having any objection made.

The PRESIDING OFFICER. The Senator from New

Mexico [Mr. Bratton] has the floor.

Mr. BLACK. The Senator from New Mexico yielded to me. Mr. President, I can not believe that there is a Senator in this Chamber who will object to this resolution when the facts are presented.

Mr. BORAH. Mr. President-

Mr. BLACK. I yield to the Senator from Idaho. Mr. BORAH. I just came into the Chamber while the resolution was being read. Will the Senator state briefly the object of the resolution?

Mr. BLACK. The resolution calls attention to certain facts which I can establish by information on my desk. It requests the Postmaster General not to take action with reference to signing a contract for a \$10,000,000 subsidy to the International Mercantile Marine Co. for a steamship service between Philadelphia-Baltimore, and Liverpool-Manchester.

I should like to give the Senate the facts. I have here before me the hearings before the United States Shipping Board, and I also have a copy of a report made by the Merchant Fleet Corporation. I would not bring this matter up now were it not for the fact that I have called up the Postmaster General's office, and have been informed that it is their intention to go ahead and sign this contract when the bids come in day after to-morrow.

Mr. ROBINSON of Arkansas. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Arkansas?

Mr. BLACK. I yield.

Mr. ROBINSON of Arkansas. It is a rather remarkable circumstance that contracts of this character are to be made on the 1st day of March, when there is to be a change in the control of the department on the 4th of March. May I ask the Senator from Alabama whether he has any intimation from the Post Office Department if the Senate makes the request, that it will be complied with?

Mr. BLACK. I have no information to that effect, but I will say to the Senator that if the Senate shall make the request, it will certainly give notice to any contractor who

may sign the contract that there is a question as to its authenticity and as to the right of the Postmaster General to execute it. Now I wish to call attention-

Mr. ROBINSON of Arkansas. I wish to say that I am in hearty sympathy with the purpose of the Senator from Alabama. I do not wish any misunderstanding about that.

Mr. BLACK. I understand the Senator's position.

Mr. FLETCHER. Mr. President, I do not say that I am opposed to it, but I did not hear the entire resolution read: it is a very important matter, and I do not know how far it might reach.

Mr. BLACK. It is extremely important.

Mr. FLETCHER. Therefore, I want to look at it so that I may know how to vote on it.

Mr. BLACK. I am not asking the Senator to vote now. I should like to explain the matter.

Mr. FLETCHER. I should like to ask the Senator a question. The contract he refers to, and the only contract he refers to, is to be made with the International Mercantile Marine?

Mr. BLACK. It is to be made with a company called the Philadelphia Mail Steamship Co., which, according to my information, is a part of the International Mercantile Marine, on the board of directors of which appear J. P. Morgan and others.

Mr. FLETCHER. That is the only contract to which the Senator refers?

Mr. BLACK. That is the only one now.

Mr. FLETCHER. How many ships does it involve?

Mr. BLACK. I will give the Senator the facts in just a

Mr. President, I would not bring this up were it not for the very significant fact, stated by the Senator from Arkansas, that here is a proposal to sign a contract on the 1st day of March, and if I did not have in my possession the hearings showing that it is the deliberate purpose to attempt to execute the contract during the life of the outgoing administration

Mr. President, I have before me the hearing before the United States Shipping Board in re Philadelphia Mail Steamship Co., Washington, D. C., Friday, February 3, 1933. I will read first from page 43 of those hearings:

Commissioner Cone. We have got very little time left under this, too. You have put the deadline on us of this administration. is some job you have given us.

Mr. HORAN

That is the attorney for the company-

The Postmaster General has got to advertise this week-

And it was done

and that is why I had the courage to call you on the telephone. If it was not for the importance of it I would not have done it.

Now let us see what was the next statement made by Mr. Keating, one of the other attorneys for the company seeking this \$10,000,000 of Government money at the end of this administration (p. 46):

We say this is a perfectly sound project, and the only difficulty with it that I can see is that we are awfully pressed for time-

This was February 3, 1933. Why should they be pressed for time over a \$10,000,000 subsidy?-

If it is not done this week, the possibility is that it may never

Why was that? That was because the attorney for the company that wants this subsidy knew that they had to advertise it that week. If they did not, there would be no chance to have action by the present Postmaster General. He says:

Sometimes when you really recognize that there is a real project it is surprising how fast people can work.

And it is. It is a little surprising how fast they worked in connection with this.

Let me read another paragraph from the hearings. I read from Mr. Horan again.

Mr. FLETCHER. Mr. President, may I ask the Senator what hearings these are? I did not catch that.

Mr. BLACK. This was a hearing before the United States | before 12 o'clock day after to-morrow this contract will Shipping Board with reference to the application of the Philadelphia Mail Steamship Co. for a subsidy.

Mr. FLETCHER. What date was it?

Mr. BLACK. February 3, 1933. I read from page 49:

We must see daylight in the possibilities of the line, and we believe that with the plan as we have laid it out, with the capital we have, the backing we have, if we are given what we are asking for we will make a success of this line.

Now, listen to this:

If we don't, we are done. We don't really hope much from the next administration.

Mr. Horan says:

Well, the Postmaster General says he must know this week, so he can advertise it, or it will be too late.

Too late for what? Is the Government going to cease functioning? Too late to get the \$10,000,000 subsidy from the present administration.

Let me read again. I am reading from Commissioner Cone (p. 56):

Now, to speed up and accomplish all this before this particular administration goes out of office is giving us a first-class job, and you want to take that away from here in the back of your heads.

Now let me call attention to the closing statement with reference to the necessity for action. I read again a statement from the chairman of the Shipping Board, made at the same hearing (p. 57):

The Charman. Mr. Huntley must realize that we are not alone in this proposition. We have got to get up a proposition that will be acceptable to the Comptroller General or he will tell us to carry out the contract we have already got.

As a matter of fact, I might interject here that they already have contracts for these lines, and the Fleet Corporation has reported that this line is not justified by the conditions.

Continuing:

We have got to get something that will appease him-

That is, the Comptroller General-

convince him that we are doing this in the interest of the Government. We can't just throw something over at him, because he will simply say, "Nothing doing, boys."

Mr. Huntley. I understand that is unfortunately true.

The CHAIRMAN. We have got to handle this thing very carefully.

Let us see how carefully it has been handled. First, let me read the statement of the president of the Merchant Fleet Corporation with reference to this, on February 6, which was after the hearing occurred to which I have called attention:

From this tabulation-

Says the Fleet Corporation-

it will be noted that the establishment of a direct Philadelphia-Liverpool-Manchester service is not justified.

But in spite of that fact they proceeded to advertise for bids; and, according to my information, they advertised so that it was impossible for any company on earth except one to get the contract. That one is a part of the International Mercantile Marine.

In order that you may know something about who that is, let me give you the names of the directors:

Vincent Astor, Harry Bronner, J. M. Franklin, P. A. S. Franklin, W. Hanes, Basil Harris, J. P. Morgan, J. W. Platten, Kermit Roosevelt, C. H. Sabin-

Who, by the way, according to my information, is the president of the Guaranty Trust Co., Mr. Morgan's bank-Charles Steele, C. A. Stone, Donald Symington, Elisha Walker.

And there appears here a letter from Mr. Atterbury requesting quick action.

So we have this situation, and that is the reason why I have brought up the matter this afternoon. If it goes over for one day, it goes until to-morrow. If the resolution were to be offered to-morrow and have to go over until the next day, the bids would be opened at 12 o'clock, and I desire to state frankly that in my judgment, from the way this matter has proceeded, if something is not done morrow at 12 o'clock. Therefore, it will be necessary to

be signed.

Mr. KING. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Utah?

Mr. BLACK. I yield to the Senator.

Mr. KING. The Senator will recall that a few days ago. when we were discussing the \$19,000,000 subsidy appropriation, and the attention of the Senate was brought to the fact that the Postmaster General contemplated executing a number of contracts for so-called extensions, a resolution was offered and an amendment to the bill requesting him to desist from letting those extension contracts; but he proceeded immediately and let those extension contracts, and they are now in existence, and if they are valid, of course, the Government will have to pay the penalty.

Mr. BLACK. It is my judgment that if a contract should be made with these people on this basis, the probability is that the courts would strike it down. There is too much evidence of haste. Why should the statement be made repeatedly that something must be done during this administration, or it can not be done? Why the haste in advertising and sending out notices, according to information given to me, by telegram instead of by letter, in order that the contract might be properly advertised? What is the reason for this rush?

Mr. McKELLAR. Mr. President, will the Senator yield? The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Tennessee?

Mr. BLACK. I yield to the Senator.

Mr. McKELLAR. My recollection is that when the Postmaster General was before the Committee on Appropriations he stated that no more of these contracts would be let before the new administration takes office. It comes to me as a very great surprise that this enormous contract. providing for a subsidy of \$1,000,000 a year for 10 years, is brought in here at the last moment; and, under the circumstances, I do not see how in the name of Heaven any Senator can object to the adoption of the resolution of the Senator from Alabama. It ought to be done, and it ought to be done at once.

Here is a line from Philadelphia to Liverpool. We have all the mail facilities that are necessary. This very line. or its parent line, the International Mercantile Marine, already has so-called contracts with the Government. I doubt if they are valid contracts; but I do not see how any Senator can object to the passage of this resolution, and its passage immediately.

Mr. BLACK. Of course, if the letting of a contract is postponed, that does not destroy the chance of these people to present their petition properly. If they have the right basis for their request, it will be granted; but here is a situation where they state in the hearing that it is necessary for them to get action before this administration ends, before these people go out of office.

So, Mr. President, I ask unanimous consent for the immediate consideration of the resolution.

The PRESIDING OFFICER. The Senator from Alabama asks unanimous consent for the immediate consideration of the resolution offered by him. Is there objection?

Mr. McNARY. Yes, Mr. President. A number of Senators are absent from the Chamber, and I have been requested by one or two who desire to look into the matter that they be afforded that opportunity. At the present time, therefore, I shall object.

Mr. BLACK. Mr. President, I desire to ask the Senator from Oregon if it is his intention to have the Senate adjourn this afternoon.

Mr. McNARY. Mr. President, that depends entirely upon the progress made with the unfinished business. Should we complete its consideration I shall move to adjourn until 11 o'clock to-morrow.

Mr. BLACK. I ask the Senator by reason of the fact that bids for this contract are to be opened day after toattempt to get action to-morrow. I understand that the Senator from Oregon has not investigated the matter dealt with by the resolution and it may be possible that he will not object to it to-morrow.

Mr. McNARY. I make no promises in that line. The proposition is an important one; and, in common with others, I desire to read the resolution and study it. Tomorrow the Senator will have his opportunity. He can ask unanimous consent for the consideration of the resolution, of course, at any time; or, if there is an adjournment, we will have routine morning business, and the resolution will come up automatically if it goes to the desk to-night.

Mr. BLACK. That is the reason why I asked the Senator

if he contemplated an adjournment.

Mr. KING. Mr. President, I suggest to the able Senator from Alabama that in the interest of securing the objective he has in mind he have a complaint all ready, prepared and signed, to obtain an injunction to restrain the execution of any contract that may be entered into.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Haltigan, one of its clerks, announced that the House had passed without amendment the bill (S. 2654) to allow credit in connection with homestead entries to widows of persons who served in certain Indian wars.

ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

H.R. 2601. An act for the relief of William Mathew

Squires;

H. R. 5367. An act for the relief of Jerry V. Crane;

H. R. 6270. An act for the relief of Alexander F. Sawhill;

H.R. 7432. An act to authorize the Interstate Commerce Commission to delegate certain of its powers;

H.R. 10749. An act to authorize acceptance of proposed donation of property in Maxwell, Nebr., for Federal building purposes:

H. R. 11980. An act authorizing the President to make a posthumous award of a distinguished-flying cross to Glenn H. Curtiss, deceased, and to present the same to Lua Curtiss, mother of the said Glenn H. Curtiss, deceased;

 $\rm H.\ R.\ 12769.$ An act to provide an additional authorization for the acquisition of land in the vicinity of Camp Bullis,

Tex.;

H. R. 12977. An act to amend section 808 of Title VIII of the revenue act of 1926, as amended by section 443 of the revenue act of 1928;

H. R. 13026. An act to amend chapter 231 of the act of May 22, 1896 (29 Stat. 133, sec. 546, title 34, U. S. C.);

H. R. 13750. An act to regulate the bringing of actions for damages against the District of Columbia, and for other purposes;

H. R. 13960. An act to amend the description of land described in section 1 of the act approved February 14, 1931, entitled "An act to authorize the President of the United States to establish the Canyon De Chelly National Monument within the Navajo Indian Reservation, Ariz.;

H. R. 14204. An act to amend section 653 of the Code of Law for the District of Columbia;

H. R. 14321. An act to authorize the Secretary of the Treasury in his discretion to acquire a new site in Huntsville, Ala., and to construct a building thereon for the accommodation of the courts, post office, and other Government offices;

H. R. 14363. An act making appropriations for the Departments of State and Justice and for the judiciary, and for the Departments of Commerce and Labor, for the fiscal year ending June 30, 1934, and for other purposes;

H. R. 14461. An act to provide for placing the jurisdiction, custody, and control of the Washington City post office in the Secretary of the Treasury; and

H. R. 14489. An act relating to the construction of a Federal building at Mangum, Okla.

AMENDMENT OF BANKRUPTCY ACT

The Senate resumed the consideration of the bill (H. R. 14359) to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, and acts amendatory thereof and supplementary thereto.

Mr. BRATTON. Mr. President, it will be observed that the language which my amendment proposes to strike from the bill would repeal the antitrust laws, so far as the reorganization process authorized in the bill is concerned. The language is as follows:

And they shall be, and they are hereby, relieved from the operation of the antitrust laws, as designated in section 1 of the act entitled "An act to supplement existing laws against unlawful restraints and monopolies, and for other purposes," approved October 15, 1914, and of all other restraints, prohibitions, or requirements by law, State or Federal, in so far as may be necessary to enable them to do anything authorized or required by the plan or by any order made under and pursuant to the provisions of this section.

Mr. President, this is not confined to ordinary consolidation proceedings. This is a comprehensive system of reorganization, which might involve several lines. It might involve a number of separate entities; it might involve consolidations, mergers, extensions, parallel lines, and other conceivable situations with respect to railroads.

It is proposed here completely to suspend and repeal the antitrust laws in so far as a proceeding under this act is concerned, thus permitting the court to proceed with a free hand, authorizing the Interstate Commerce Commission to perform its functions with a free hand, so far as the antitrust laws are concerned.

It seems to me, Mr. President, that there is much danger in the proposal. I may be wrong, but I believe this measure would operate, whether intended so or not, to bring about a gigantic monopolistic control of the railroads of this country. The repeal of the antitrust laws, their complete suspension, their annihilation, so far as the reorganization process is concerned, would contribute to that end, would further that object, would support that attainment.

Mr. CONNALLY. Mr. President, will the Senator yield? Mr. BRATTON. I yield.

Mr. CONNALLY. What is the Senator's idea as to the effect upon State regulatory bodies and State laws which seek to control the railroads? Of course, if the courts took jurisdiction over all of the property, the courts could not collect judgments against railways during the pendency of a proceeding, except in the method provided in receiverships. I am not familiar with the amendment. I have been absent for several days on account of illness.

Mr. HASTINGS. Mr. President, will the Senator from New Mexico yield?

Mr. BRATTON. I yield.

Mr. HASTINGS. The Senator from New Mexico has shown me the amendment he proposes, and I have carefully considered it. I have just heard his statement relative to his fear with respect to the possibility of the operation of this law, namely, that it might result in the creation of a great monopoly among the railroads.

That is so far from any object that we have, and I am so anxious, as is the Senator from New Mexico, to avoid there being a possibility of doing that under the bill, that I am very much inclined to accept his proposed amendment. I want to say that this language was written in the amendment following the language in the existing interstate commerce law relative to consolidation of railroads, and it was approved with some suggestions by the Interstate Commerce Commission. But it is not essential that it be written into law in order to carry out its main purpose. For that reason I am very glad to accept the Senator's amendment.

Mr. BRATTON. Then I shall desist from further discussion of the amendment.

The PRESIDING OFFICER (Mr. Patterson in the chair). The question is on the amendment of the Senator from New Mexico to the amendment of the Senator from Delaware.

Mr. GEORGE. Mr. President, I ask that the amendment be reported.

The PRESIDING OFFICER. The clerk will report the amendment for the information of the Senate.

The LEGISLATIVE CLERK. The Senator from New Mexico proposes, on page 18 of the amendment of the Senator from Delaware, in line 3, to strike out the following:

And they shall be, and they are hereby, relieved from the operation of the antitrust laws, as designated in section 1 of the act entitled "An act to supplement existing laws against unlawful restraints and monopolies, and for other purposes," approved October 15, 1914, and of all other restraints, prohibitions, or requirements by law, State or Federal, in so far as may be necessary to enable them to do anything authorized or required by the plan or by any order made under and pursuant to the provisions of this section. In the event that the judge should disapprove the plan, he shall file an opinion stating his reasons therefor.

enable them to do anything authorized or required by the plan or by any order made under and pursuant to the provisions of this section. In the event that the judge should disapprove the plan, he shall file an opinion stating his reasons therefor.

(i) The provisions of sections 721, 722, 723, 724, and 725 of the revenue act of 1932 shall not apply to the issuance, transfers, or exchange of securities or filing of conveyances to make effective any plan of reorganization confirmed under the provisions of this section

The PRESIDING OFFICER. The question is on the amendment of the Senator from New Mexico to the amendment of the Senator from Delaware.

The amendment to the amendment was agreed to.

Mr. NORRIS. Mr. President, I offer the amendment which I send to the desk. This is an amendment to the amendment offered by the Senator from Delaware.

The PRESIDING OFFICER. The amendment offered by the Senator from Nebraska to the amendment of the Senator from Delaware will be stated.

The CHIEF CLERK. On page 21, after line 10, add the following:

No judge or trustee acting under this act shall change the wages or working conditions of railroad employees, except in the manner prescribed in the railroad labor act, or as set forth in the memorandum of agreement entered into in Chicago, III., on January 31, 1932, between the executives of 21 standard labor organizations and the Committee of Nine authorized to represent class 1 railroads.

No judge or trustee acting under this act shall deny or in any way question the right of employees on the property under his jurisdiction to join the labor organization of their choice, and it shall be unlawful for any judge or trustee to interfere in any way with the organization of employees, or to use the funds of the railroad under his jurisdiction, in maintaining so-called company unions, or to influence or coerce employees in an effort to induce them to join or remain members of such company unions.

No judge or trustee acting under this act shall require any person seeking employment on the property under his jurisdiction to sign the so-called yellow-dog contract, or any agreement promising to join or to refuse to join a labor organization; and if such yellow-dog contract has been enforced on the property prior to the property coming under the jurisdiction of said judge or trustee, then the said judge or trustee, as soon as the matter is called to his attention, shall notify the employees by an appropriate order that said yellow-dog contract has been discarded, and is no longer binding on them in any way.

Mr. HASTINGS. Mr. President, I desire to offer a substitute for the Senator's amendment to my amendment.

The PRESIDING OFFICER. The clerk will report the proposed substitute of the Senator from Delaware.

The CHIEF CLERK. In lieu of the amendment proposed by the Senator from Nebraska, the Senator from Delaware proposes to insert the following:

All existing laws relating to railroads or railways engaged in interstate commerce shall be applicable to any trustee appointed and operating a railroad or railway pursuant to this section.

The PRESIDING OFFICER. The question is on the substitute of the Senator from Delaware for the amendment of the Senator from Nebraska.

Mr. NORRIS. Mr. President, in the amendment which I offered there is absolutely nothing that conflicts in any way with the law which we enacted at the last session of Congress known as the anti-injunction law. The substitute offered by the Senator from Delaware would not, in my judgment, meet all the contingencies that might arise. For instance, I have in my possession now a yellow-dog contract which one of the leading railroads of the United States, so I am informed—of course, I have no personal knowledge of it—requires at the present time must be signed by anyone seeking employment on that railroad, one that we thought

we had outlawed and which we did outlaw in all injunction proceedings.

I want to call attention to the fact that a railroad going into the hands of a receiver will be in the control of the court through the receiver and that existing laws do not necessarily apply to them. They are outside of the law as I understand it. Even if there were, as there is, a railroad labor act on the statute books, if would not necessarily have any application to a railroad in the hands of a receiver. The Senator's substitute might reach some of that condition.

But something over a year ago the railroads of the United States and the representatives of the railway labor unions had an extended meeting in the city of Chicago lasting, as I remember it, a week or 10 days, from which there resulted an agreement which was referred to in the amendment I have offered, by which the railroad men agreed to a reduction in pay of 10 per cent and certain other provisions in regard to the discharge of men, and so forth. That is a matter of record, a matter under which the railroads have been operating and are operating right now.

My amendment would provide that any agreement made at that time should be carried into effect and should be respected by a receiver operating a railroad thrown into the hands of a receiver.

Mr. KING. Mr. President-

The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from Utah?

Mr. NORRIS. I yield.

Mr. KING. I can understand that where a railroad is thrown into the hands of a receiver and it operates through subsidiary organizations a number of other roads, a consolidation might be effected by order of the judge or the commission, and that would necessitate perhaps dismissing a large number of men on one road and employing additional men on another road. Would the Senator's amendment interfere with legitimate orders that might be issued by the court for the purpose of effecting economies and proper consolidation of the systems?

Mr. NORRIS. No; it would not, but if a dispute should arise about wages or about working conditions, it would be the duty of the judge having the case in his court, where the receiver reported to him and was subject to his orders, to settle that dispute or have it settled in accordance with the railway labor act or in accordance with the agreement under which the railroads are operating now and have been operating for nearly a year.

Another thing, Mr. President, not touched by the substitute of the Senator from Delaware is that the amendment which I have offered gives to the railroad men the right to organize and to belong to organizations of their own choosing. It is intended to prevent the operation in these cases of the so-called company union. I went all over that matter in the discussion of the anti-injunction bill in the last session of Congress. This is simply applying those principles to railroads in the hands of receivers.

In addition to that it is made clear that any person seeking employment shall not be required, before he can get the employment, to sign a yellow-dog contract. I do not want to go over that question again, because I discussed it at length in connection with the anti-injunction measure which we passed last year and which would have no application, of course, to a railroad in the hands of a receiver. But I do want to call the attention of the Senate to what that yellow-dog contract means. It has more force now than it has ever had in the history of the United States, in my opinion.

The men now holding jobs regard them as something sacred in these depressing times. When the receiver of a railroad would say, "Sign on the dotted line," everyone would sign. He would feel that it was a death warrant. It would in effect be taking away from him his liberty, making it impossible for him to organize with his fellows or to go with any other man on the railroad to ask for redress. No matter how great the grievance might be he could not do that. In other words, it would be made possible for the receiver to fix the terms, the wages, the hours

of labor, the conditions of labor, and everything else, and the employee could only protest alone. He would not dare to join and could not join with any of his fellows if he signed that kind of contract.

The amendment provides also that in the case of a railroad whose men have signed such a contract and it is in existence, it shall be nullified and the court or the receiver shall by proper order notify the men that the yellow-dog contract is null and inoperative.

It permits rather than compels men to join a so-called company union, to join whatever union they want to that they shall be free men, and that they shall not have that freedom taken away from them by any action of the receiver or by any order of the court. That is not completely covered by the substitute offered by the Senator from Delaware; and it seems to me, since there is not anything new in the amendment that I have offered, as it only applies to receivers the laws that now apply to corporations employing labor, that there ought to be no question about its adoption and the rejection of the substitute.

The PRESIDING OFFICER. The question is on the amendment in the nature of a substitute proposed by the Senator from Delaware [Mr. Hastings] for the amendment of the Senator from Nebraska [Mr. Norris].

Mr. HASTINGS. Mr. President, my attention was called a few days ago by some persons representing the labor organizations to the fact that in railroad receiverships the Board of Meditation can not have any control over the employees and the disputes of employees with the receiver of a railroad corporation. I had intended during the consideration of this amendment to frame some amendment that would take care of that situation. The Senator from Nebraska told me that he had in mind making some similar suggestion.

The fear I have, and the only objection I have to the amendment of the Senator from Nebraska, is that I do not know, from a hasty examination of it, whether it launches out into some new field or whether it does not.

What I sought to do by the amendment in the nature of a substitute was to make this thing certain, and if I have not done so by the substitute I shall be glad to have any suggestion made that would do it. I think it is proper and important that under this proposed act a trustee operating a railroad should be in exactly the same position with respect to employees so far as Federal laws are concerned as the railroad itself would be, and I thought by this short substitute to make all the laws pertaining to railroads and railways engaged in interstate commerce—whether they be laws pertaining to labor or other laws—applicable to this situation. My understanding is that that is all the Senator from Nebraska desires to do?

Mr. NORRIS. That is all, I will say to the Senator; I have not incorporated anything new in the amendment. If there is something new in it, I am not aware of the fact; but, for instance, let me call the Senator's attention now to the fact that his substitute would not make it unlawful for a receiver to compel anyone applying for work to sign a yellow-dog contract.

Mr. HASTINGS. May I inquire, Did not the anti-injunction act which we passed last year prohibit that sort of contract being made?

Mr. NORRIS. No. The Senator will remember that the Judiciary Committee were in much difficulty to avoid a constitutional objection that might be serious to that bill. What we did in the bill was to take jurisdiction away from the court to enforce such a contract. We outlawed it; but the real thing which we did was to take away from any court jurisdiction to enforce any contract of that kind.

Mr. HASTINGS. Does not the amendment now proposed by the Senator from Nebraska prohibit the receiver from making such a contract?

Mr. NORRIS. Yes, sir; it does.

Mr. HASTINGS. And in that sense it is different from existing law? Is not that correct?

Mr. NORRIS. Probably it is.

Mr. HASTINGS. I can not conceive of a receiver making such a contract.

Mr. NORRIS. It not only prohibits, I will say to the Senator, the receiver from requiring anybody to sign that kind of contract, but if a contract of that kind shall have been signed it orders the receiver to tell the men who do so that it is of no force.

This is a little different, if the Senator will permit me, from passing a new law on the subject. We are providing here for a means of handling a railroad by a receiver. That receiver is the instrumentality, we might say, of the Government of the United States; he is the servant, at least, of the court; and the court is the instrumentality, perhaps, of the Government of the United States. We simply say that while the laws do not apply when the railroad is in the hands of a receiver, it being under the jurisdiction of the court, yet we say to the court, "You shall not make any rule like this; you shall not make any rule like that or make any requirement of this kind." That is all we do.

Mr. HASTINGS. As I see it, if the Senator should insist upon his amendment, or that particular portion of it, and it should be adopted, it would certainly take us into an entirely new field of legislation which was not originally intended by this bill. I hope the Senator will agree to accept my substitute for his amendment.

Mr. NORRIS. I could not do that. I hope the Senator will consent to withdraw his substitute and accept my amendment.

Mr. HASTINGS. I can not do that, because I think the amendment takes us into an entirely different and new field, involving the discussion at least of a constitutional question and many other things. I should like my substitute to be adopted.

The PRESIDING OFFICER. The question is on the amendment in the nature of a substitute offered by the Senator from Delaware for the amendment of the Senator from Nebraska. [Putting the question.] The "noes" have it, and the amendment to the amendment is rejected. The question recurs upon the amendment of the Senator from Nebraska to the amendment.

Mr. HASTINGS. Mr. President, I call for a division.

Mr. NORRIS. I think the Senator is too late to ask for a division. The result has been announced by the Chair.

Mr. HASTINGS. What was the announcement?

The PRESIDING OFFICER. That the amendment in the nature of a substitute was rejected. The question recurs on the amendment offered by the Senator from Nebraska to the amendment of the Senator from Delaware.

Mr. HASTINGS. Mr. President, this is a very important amendment. Do I understand the Chair holds that I did not ask for a division soon enough?

The PRESIDING OFFICER. The Senator did not ask for a division until after the Chair had announced the decision and, as the Chair understands it, was then too late to ask for a division.

Mr. HASTINGS. Well, Mr. President, I ask unanimous consent that the vote whereby my amendment in the nature of a substitute for the amendment of the Senator from Nebraska was rejected may be reconsidered and that we may at least have a division upon it.

The PRESIDING OFFICER. Is there objection to the request for unanimous consent preferred by the Senator from Delaware? The Chair hears no objection, and it is so ordered. The question is on the amendment offered by the Senator from Delaware [Mr. Hastings] in the nature of a substitute for the amendment of the Senator from Nebraska [Mr. Norris].

Mr. HASTINGS. I suggest the absence of a quorum.
The PRESIDING OFFICER. The clerk will call the roll.
The Chief Clerk called the roll, and the following Senators answered to their names:

Ashurst	
Austin	
Bailey	
Bankhead	
Barbour	
Barkley	
Bingham	
Black	
Blaine	

nen names
Borah
Bratton
Brookhart
Broussard
Bulkley
Bulow
Byrnes
Capper
Caraway

Carey Clark Connally Coolidge Copeland Costigan Couzens Dale Dickinson

Dill Fess Fletcher Frazier George Glass Goldsborough Gore Grammer Hale Harrison Logan Pittman Reed Reynolds Robinson, Ark. Swanson Thomas, Idaho Thomas, Okla. Long McGill McKellar Hastings Hayden McNary Metcalf Hebert Robinson, Ind. Townsend Trammell Johnson Tydings Vandenberg Moses Schall Neely Schuyler Kendrick Norbeck Sheppard Shortridge Walcott Keyes Walsh, Mass. Watson Norris King Smith Nye Oddie La Follette Smoot Wheeler Patterson Steiwer

The VICE PRESIDENT. Eighty-eight Senators have answered to their names. A quorum is present. The question is on the amendment in the nature of a substitute offered by the Senator from Delaware [Mr. Hastings] to the amendment of the Senator from Nebraska [Mr. Norris].

Mr. NORRIS. Mr. President, let me say in the first place that I am not to blame for this delay. Neither are any of us who are in favor of this amendment to blame for this delay. We were willing, without a roll call, to take the vote of the Senate.

After the vote was taken on the substitute offered by the i3enator from Delaware, the Chair declared that the vote was lost and the substitute rejected. After that was done the Senator from Delaware asked for a division. The Chair held that he had asked for a division too late; that the matter had already been decided. I do not need to argue that to the Senate. They realize that.

I had no desire, however, to take any technical advantage of the Senator from Delaware; and he then asked unanimous consent that he might have a vote by a division. I did not object. Nobody else objected, and when he had the opportunity then to take the vote by a rising vote, instead of doing it and going on with the business of the Senate he suggested the absence of a quorum, and that is the reason why the rest of you are here. That having been done, all this effort that I supposed was made in good faith to try to hurry things along has been overthrown by the fact that after we had first agreed that he should have the vote by a rising vote of the Senate, he declined that and suggested the absence of a quorum.

Now, Mr. President, I propose to debate this matter at more length; and I am going to ask for a roll call, not only on the substitute but perhaps on the main amendment as well.

Mr. President, there is not anything new in the amendment I have offered. We argued here for a week or more on the sol-called yellow-dog contract. We took away from the United States courts the jurisdiction to enforce them. That bill passed the Senate. I think, with only four votes against it after the Committee on the Judiciary had had it under consideration for more than three years, with such delays taking place in the committee as are taking place now in the Senate by the action of the Senator from Delaware in first asking for unanimous consent, making his objection too late, and then, when nobody objected to unanimous consent, and he had his own way about it, he was not satisfied, and insisted on making the point of no quorum.

All that this amendment seeks to do, Mr. President, is to put the real principles that were involved in the so-called anti-injunction bill in force on a railroad that has gone into the hands of a receiver; and the point is made by the Senator from Delaware that this amendment is unconstitutional.

Mr. President, I take it that when a railroad goes into the hands of a receiver and is operated by the court, which is an instrumentality of the Government, that court could employ or not employ—and we as being above the court, could direct the court to employ or not to employ—any kind of people that we desire to include in or exclude from the instruction. It would not be unconstitutional for us to say to the judge, "In operating this railroad you will issue an order that none except able-bodied men shall be employed; that before anybody is employed he shall pass a physical examination; that his eyes shall be examined; that an educational test shall be required." The question of the Constitution does not enter into it. We are simply instructing

the receiver who has charge of a railroad as to some of the things that he must do and some of the things that he must not permit to be done.

Mr. ROBINSON of Arkansas. Mr. President, will the Senator from Nebraska yield?

The PRESIDING OFFICER (Mr. Fess in the chair). Does the Senator from Nebraska yield to the Senator from Arkansas?

Mr. NORRIS. Yes; I yield.

Mr. ROBINSON of Arkansas. I should like to ask the Senator why the substitute does not ban the so-called yellow-dog contract, since we passed a law outlawing that contract?

Mr. NORRIS. The main way in which we outlawed it, I will say to the Senator from Arkansas, was to take away from the Federal courts jurisdiction to enforce it. That was the real thing that happened in the so-called anti-injunction bill.

Mr. ROBINSON of Arkansas. Will the Senator permit another question?

Mr. NORRIS. Yes.

Mr. ROBINSON of Arkansas. The substitute provides that-

All existing laws relating to railroads or railways engaged in interstate commerce shall be applicable to any trustee appointed and operating a railroad or railway pursuant to this section.

I do not see that there is any material difference between the amendment of the Senator from Nebraska and that of the Senator from Delaware except that the latter is more general, and makes all laws that are now in force applicable to the operation of a railroad under a trustee. I may be wrong about it.

Mr. NORRIS. In my opinion, Mr. President, unless we put something in here dealing with the matter, the laws that we have on the statute books would not necessarily apply. I do not believe that the anti-injunction law now would apply in the case of hiring a man, for instance.

Suppose I come along to a railroad that is in the hands of a receiver, and the receiver says, "Here is a contract that you must sign." When I look at that contract, I find that it takes away all my liberty; it deprives me from joining a union of my own choice; or, if I am a member of a union, it compels me to get out of that union. I do not think there is anything in the substitute offered by the Senator from Delaware that would prohibit that from being done if it were enacted into law.

Mr. REED. Mr. President, will the Senator permit a question?

The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from Pennsylvania?

Mr. NORRIS. Yes.

Mr. REED. If we were to add, at the end of the substitute, the words "including the act of" such and such a date, and then giving its title, would not that make it conclusive?

Mr. NORRIS. No; in my judgment it would not.

The Senator must remember that this act that we passed is not an act that would have application unless an effort were made to enforce this kind of contract. The jurisdiction would be taken away from the court to enforce such a contract; but there is not anything to prevent the receiver from requiring an applicant for a job on a railroad to sign that very contract.

Mr. President, Senators talk about this anti-injunction law being a law. It does not have any application to this kind of case. I have in my possession right now a real yellow-dog contract that I am told by those who brought it to me and gave it to me is required to be signed by all applicants for employment on one of the largest railroads in the United States at the present time. I do not think the substitute of the Senator from Delaware would have any application to it. I am satisfied, and I think anybody else who will read it will be satisfied, that the amendment which I have offered does apply to it, and would prohibit such a thing.

Here is the contract:

The undersigned applicant for employment by the Great Northern Railway Co. as --, or at present employed-

There is a blank to put in how he is employed-

in consideration of the granting or the continuance of such employment, hereby states and represents to the Great Northern Railway Co. that he is not a member or affiliated with the Inter-national Association of Mechanics, the International Brotherhood of Boilermakers, Iron Shipbuilders and Helpers of America, the International Brotherhood of Blacksmiths and Helpers, the Amal-International Brotherhood of Blacksmiths and Helpers, the Amalgamated Sheet Metal Workers' International Alliance, the International Brotherhood of Electric Workers, or other brotherhood of railway carriers of America, and agrees that during the entire period of such employment he will not apply for membership in or become a member of or affiliate with or lend any support, financial or otherwise, to any of said organizations. Upon the failure of the undersigned to comply with the foregoing agreement in every respect it is agreed that this may be treated by the Great Northern Railway Co. as a resignation from its employment, and that such employment shall immediately cease.

That is the kind of yellow-dog contract that applicants for employment in the coal mines, where the difficulty arose more often than at any other place, were required to sign.

Mr. ROBINSON of Arkansas. Mr. President—
The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from Arkansas?

Mr. NORRIS. Yes.

Mr. ROBINSON of Arkansas. If we were to modify the language of the substitute so as to provide:

All existing law, including the anti-injunction act-

Inserting the date of it-

relating to railroads-

And so forth.

If those words were inserted, would not that cover the object and include all that is in the Senator's amendment?

Mr. NORRIS. Mr. President, the only difference is that the express term yellow-dog contract is not used. Several Senators have spoken to me and said that they do not like the amendment because I have put in it the words "yellowdog contract."

I have defined the yellow-dog contract in the amendment. I have no objection to taking out those words; but why is everybody afraid of this amendment? Why are we afraid to direct the receiver of any railroad in the hands of a receiver to comply with the instructions that are in the amendment I have offered? What is the danger in it? What is the evil about it? If we do not want the yellowdog contract enforced, for God's sake, why have we not the courage to say so? Why is this substitute so holy, and why are we importuned and caused to believe, if possible, that it means the same thing? If it does, why offer it? Why put it in the way? Why is it here? If we have something that expresses our ideas, why do we try to put it in more general language and probably leave a loophole that will make it illegal?

Mr. President, if it will ease the consciences of Senators, I am perfectly willing to strike out that obnoxious term and to let the definition I have in the amendment stand. "Yellow-dog contract" is a well-understood term. You will find it in the opinions of the Supreme Court of the United States, I think. You will find it in the briefs of the lawyers in dozens of cases. You will find it a thousand times in the hearings before the Judiciary Committee. Everybody knows what it means. It is a contract that takes away human liberty. It is a contract that compels men to sign away their human rights in order to support their families. This is a time when it would be peculiarly effective, when men would sign almost anything to obtain a job, and this amendment is to protect those men from that kind of evil.

That kind of contract, when enforced, simply means that the man who signed it is a slave. That is what it comes down to, and the books are full of cases of that kind. Men have gone to jail for violating that kind of contract when it was backed up by a sacred injunction from a Federal judge.

Let me read. I think there is no objection to the first paragraph in the amendment. The second one reads as follows:

No judge or trustee acting under this act shall deny or in any way question the right of employees on the property under his jurisdiction to join the labor organization of their choice, and it shall be unlawful for any judge, trustee, or receiver to interfere in any way with the organizations of employees or to use the funds of the railroad under his jurisdiction in maintaining so-called company unions.

Does anyone want that stricken out? That is another term that is well known all over the country, "company unions." That is one of the evils that follow, and logically follow, the signing of a yellow-dog contract. After the employees have agreed not to sign or, if they do belong, to get out of any of these organizations organized by the wilful act of the men who made them, then the next step is to form a company union. The company handles it, the company controls it, and the men who are in it are not free.

I thought we were over that, and that there was no use going over it again, so the yellow-dog contract does not appear there. I think this is the only place where it appears.

No judge, trustee, or receiver acting under this act shall require any person seeking employment on the property under his jurisdic-tion to sign—

I will strike out, if Senators are sensitive about it, the words "the so-called yellow-dog contract," so that it will read:

Shall require any person seeking employment on the property under his jurisdiction to sign any contract or any agreement promising to join or to refuse to join a labor organization; and if such contract-

Striking out "yellow dog" again-

has been enforced on the property prior to the property coming under the jurisdiction of said judge, trustee, or receiver, then the said judge, trustee, or receiver as soon as the matter is called to his attention shall notify the employees by an appropriate order that said-

Striking out "yellow dog" again-

contract has been discarded and is no longer binding on them in any way.

Mr. ROBINSON of Arkansas. That is satisfactory to me. Mr. NORRIS. What does the Senator from Delaware say

Mr. HASTINGS. Mr. President, I would not hesitate at all to prevent an officer of the court from entering into what the Senator calls a yellow-dog contract with reference to the employees of a railroad. This provision, however, would evade any contract which may have been made between the railroad and its employees. I do not know whether that is particularly objectionable. I do not know how much trouble that would get anybody into.

If the Senator would confine himself to prohibiting an officer of the court from entering into this contract, which all agree nobody ought to be permitted to enter into, I would not object. But, as I read the amendment in the first instance, it seemed to me very objectionable from many points

Mr. NORRIS. Mr. President, if the Senator will permit an interruption, he will remember that he said to me, while the roll was being called, that this particular language I have eliminated, "yellow dog," was the objectionable feature. As I understood him, that was the only objection he had to it. What other objection has the Senator?

Mr. HASTINGS. I must confess that when an amendment was proposed to this bill with several lines in it, calling something a yellow-dog contract, it seemed to me it was the kind of thing we ought not to accept. It is true that I do not know what the yellow-dog contract is, and as I think the matter over, I see no particular objection to prohibiting an officer of a court from entering into such a contract, if the Senator would be satisfied with that modification.

The PRESIDING OFFICER. The question is on the substitute as modified by the suggestion of the Senator from Arkansas.

Mr. WHEELER. Mr. President, has any committee passed upon this proposed amendment of the Senator from Delaware? Has it been before any committee, and has any committee held any hearings on it or passed upon it?

Mr. HASTINGS. Mr. President, I can not say there have been any hearings upon this section as it now appears here in the form of an amendment. There were hearings, and extended hearings, upon the general subject during the whole months of May and June of last year, and the record of those hearings is subject to the inspection of any Senator who wants to see it.

Mr. WHEELER. Mr. President, we are about to pass upon an amendment affecting the whole question of the reorganization of the railroads of the country, adding it to a measure without any committee of the Senate having given it any consideration or passed upon it in any way, shape, or form.

Mr. REED. Mr. President, will the Senator yield?

Mr. WHEELER. I yield.

Mr. REED. At the present moment the question is on the amendment dealing with the so-called yellow-dog contracts. Should we not settle that matter before taking up the broader question raised by the Senator from Montana?

Mr. WHEELER. I think that is possibly true, but I had just come into the Chamber, and I did not know the other matter was before the Senate.

I merely wanted to say that I think it is a very poor way to legislate to come in and offer an amendment which deals with the complete reorganization of the railroads, and deals with it in this manner, without the amendment having ever been considered by a committee of the Senate. I, for one, will not vote for legislation under these circumstances, although I might otherwise be in favor of it, provided some committee had given it some thought and we had had some chance to give it serious consideration.

Mr. ROBINSON of Arkansas. Mr. President, will the Senator yield?

Mr. WHEELER. I yield.

Mr. ROBINSON of Arkansas. A committee of the House of Representatives did give the subject prolonged consideration, and reported, and there was passed a provision very similar to that which is presented by the Senator from Del-

I hope the Senator from Delaware will accept the amendment of the Senator from Nebraska as modified.

Mr. HASTINGS. Mr. President, I was about to suggest that we have the amendment as modified reported at the desk.

The PRESIDING OFFICER. Does the Senator refer to the substitute?

Mr. HASTINGS. I refer to the amendment offered by the Senator from Nebraska as modified.

The PRESIDING OFFICER. Does the Senator withdraw his substitute?

Mr. HASTINGS. Yes.

The PRESIDING OFFICER. The clerk will report the amendment offered by the Senator from Nebraska [Mr. Norris], as modified, for the information of the Senate.

The LEGISLATIVE CLERK. On page 21, after line 10, the Senator from Nebraska proposes to add the following:

No judge or trustee acting under this act shall change the wages or working conditions of railroad employees, except in the manner prescribed in the railroad labor act, or as set forth in the memorandum of agreement entered into in Chicago, Ill., on January 31, 1932, between the executives of 21 standard labor organizations and the committee of 9 authorized to represent class 1 railroads.

No judge or trustee acting under this act shall deny or in any way question the right of employees on the property under his jurisdiction to join the labor organization of their choice, and it shall be unlawful for any judge, trustee, or receiver to interfere in any way with the organizations of employees, or use the funds of the railroad under his jurisdiction in maintaining so-called company unions, or to influence or coerce employees in an effort to induce them to join or remain members of such

company unions.

company unions.

No judge, trustee, or receiver acting under this act shall require any person seeking employment on the property under his jurisdiction to sign any contract or agreement promising to join or to refuse to join a labor organization; and if such contract has been enforced on the property prior to the property coming under the jurisdiction of said judge, trustee, or receiver, then the said judge, trustee, or receiver, as soon as the matter is called to his attention, shall notify the employees by an appropriate order that said contract has been discarded, and is no longer binding on them in any way. them in any way.

Mr. REED. Mr. President, I have just been examining the act of March 23, 1932, the anti-injunction measure, as it was called, and I find that it does differ from the amendment offered by the Senator from Nebraska in this respect: Whereas the anti-injunction measure declared the so-called yellow-dog contract to be against public policy, and took away any jurisdiction at law or in equity to enforce it, the amendment now offered goes farther and outlaws any agreement to join what is called a company union. I do not think the Senate should adopt the amendment without realizing that it does differ in that respect from the language of the act we passed last year outlawing certain contracts. There is that difference, then, between the substitute offered by the Senator from Delaware and the modified amendment offered by the Senator from Nebraska.

I personally have not any strong desire to support the company unions, and I have never liked the so-called yellowdog contract, but I did not want to vote for the amendment without stating the fact that there is this difference. The amendmen now offered goes that much farther than does

the present law.

The PRESIDING OFFICER. The question is on agreeing to the substitute offered by the Senator from Delaware.

Mr. HASTINGS. Mr. President, I think many Senators are very much interested in this legislation and are anxious to get through with it, so that they may proceed to something else, and in view of many requests I shall withdraw my proposed substitute and accept the amendment offered by the Senator from Nebraska.

The PRESIDING OFFICER. The proposed substitute is withdrawn, and the question is on agreeing to the amendment offered by the Senator from Nebraska [Mr. Norris].

The amendment to the amendment was agreed to.

Mr. LA FOLLETTE. Mr. President, I have a few more amendments which I desire to offer, after consultation with the chairman of the legislative committee of the Interstate Commerce Commission.

On page 10, line 7, after the word "the" the second time it occurs, I move to insert the word "permanent," so that it will read "Any creditor or stockholder shall be heard on the question of the permanent appointment," and so forth.

The PRESIDING OFFICER. The question is on agreeing to the amendment to the amendment.

The amendment to the amendment was agreed to.

Mr. LA FOLLETTE. On page 10, line 8, after the word proposed," I offer to insert the word "recommendation," so it will read "the proposed recommendation, approval," and so forth.

The PRESIDING OFFICER. The question is on the amendment of the Senator from Wisconsin to the amendment of the Senator from Delaware.

The amendment to the amendment was agreed to.

Mr. LA FOLLETTE. After the word "approval," in the same line, I move to insert the word "confirmation."

The PRESIDING OFFICER. Without objection, the amendment to the amendment is agreed to.

Mr. LA FOLLETTE. On page 12, line 1, I propose to strike out the word "shall" and insert the word "may."
The PRESIDING OFFICER. Without objection, t

amendment is agreed to.

Mr. LA FOLLETTE. On the same page, line 4, I propose to strike out the word "recommended" and insert in lieu thereof the words "finally approved," so it will read "A plan of reorganization shall not be finally approved by the commission," and so forth.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

Mr. LA FOLLETTE. On page 14, line 11, after the word "compensation," I propose to insert the words "and reimbursement."

The PRESIDING OFFICER. The question is on the amendment of the Senator from Wisconsin to the amendment of the Senator from Delaware.

The amendment to the amendment was agreed to.

Mr. LA FOLLETTE. I now offer the following amendment which I send to the desk.

amendment offered by the Senator from Wisconsin to the amendment of the Senator from Delaware.

The LEGISLATIVE CLERK. On page 14, line 13, strike out the period and insert a colon and the following:

Provided, That unless good and sufficient reasons appear therefor no allowance for fees or compensation shall be made to officers of corporations who have acted as managers or in any capacity in connection with the reorganization when such corporation had an interest in the matter.

Mr. LA FOLLETTE. Mr. President, the language appeared in the bill introduced by the Senator from Delaware, commonly referred to as committee print No. 2, but it has been eliminated from the amendment which he now offers. The purpose of the proviso is to prevent an investment house or a bank which owns securities of a corporation seeking to come under the provisions of the bill from collecting fees or compensation for work or activities in connection with the reorganization where they were acting not only for themselves but for other security holders who might have designated them as their agents. I have consulted with the Senator from Delaware, and he explained to me that the proviso was eliminated on his original committee print No. 2 upon the suggestion that it would work hardship in certain cases.

I may state that as I understand it the proviso I now offer was also in the bill as it passed the House. Mr. LA-Guardia, the Representative from New York, who gave a great deal of time and attention to the railroad-reorganization section contained in the bill as it passed the House, is very certain that the proviso is important and that it will prevent the collection of excessive fees or compensation where the work is really being done in the interest of an investment house or a bank that owns the stock, but where it may be alleged or claimed that they are operating for the protection of the interests of others.

The PRESIDING OFFICER. The question is on the amendment of the Senator from Wisconsin to the amendment of the Senator from Delaware.

The amendment to the amendment was agreed to.

Mr. LA FOLLETTE. On page 15, line 11, after the word "compensation," I move to insert the words "or reimbursement." This simply makes the language conform to another amendment which was adopted on page 14.

The PRESIDING OFFICER. Without objection, the amendment to the amendment is agreed to.

Mr. LA FOLLETTE. On page 16, line 23, I propose to strike out the word "recommendation" and insert the word "determination," so it will read:

The court shall refer to the commission for its consideration and determination the amount to be fixed as the upset price and the appraisal of any securities.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Wisconsin to the amendment of the Senator from Delaware.

The amendment to the amendment was agreed to.

Mr. LA FOLLETTE. On page 17, line 1, the letter in parenthesis is evidently a typographical error. It now reads "(g)," and it should read "(h)." Therefore I move to strike out "(g)" and insert "(h)."

The PRESIDING OFFICER. Without objection, the amendment to the amendment is agreed to.

Mr. LA FOLLETTE. There is another typographical error in the same line. I move to strike out the word "or" and insert the words "of the," so as to read "upon such confirmation the provisions of the plans shall be binding upon the corporation."

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

Mr. LA FOLLETTE. On page 17, line 24, after the word "shall," I move to insert the words "subject to the jurisdiction of the commission."

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

Mr. LA FOLLETTE. On page 19, line 23, after the word "receiver" and before the period, I move to insert the plies only to employees.

The PRESIDING OFFICER. The clerk will report the | words "within maximum limits approved by the commission."

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Wisconsin to the amendment of the Senator from Delaware.

The amendment to the amendment was agreed to.

Mr. BRATTON. Mr. President, may I have the further attention of the Senator from Delaware? On page 21, line 11, after the words "as used in," I move to strike out the words "section 76 of," so as to make it read:

The term "railroad corporation" as used in this act means any common carrier by railroad-

And so forth.

Mr. HASTINGS. I am agreeable to that.

The PRESIDING OFFICER. Without objection, the amendment to the amendment is agreed to.

Mr. BLACK. Mr. President, I offer the amendment which I send to the desk.

The PRESIDING OFFICER. The clerk will report the amendment for the information of the Senate.

The LEGISLATIVE CLERK. On page 21 of the amendment of the Senator from Delaware, after line 16, insert the following new paragraph:

(p) In proceedings under this section, claims for personal injuries to employees of a railroad corporation and claims of personal representatives of deceased employees of a railroad corporation arising under State or Federal laws shall be preferred claims against the assets of such railroad corporation, in receivership or reorganization as herein provided, such claims to be subordinate only to costs of administration of such receivership or reorganization.

Mr. BLACK. Mr. President, I do not know what will be the attitude of the Senator from Delaware toward the amendment. I am perfectly willing to explain it if it is desired that I do so.

Mr. HASTINGS. Does the Senator propound a question to me? I am opposed to the amendment as I understand it.

Mr. BLACK. Then I will explain it very briefly. Under the law as it now is, if a railroad company should go into the hands of a receiver and it happens that six months ago a trusted employee of that railroad who had been in its employ for many years had been killed and a suit should be brought and judgment obtained by his widow, the receiver would not be compelled to pay the claim as a preferred claim. As a matter of fact, it has been my experience that receivers are not compelled to pay such claims at all. This method has been used by railroads frequently for the purpose of defeating just claims of the widows of their former employees, and just claims of employees who have been injured or mangled while working for the railroad company.

The amendment is very simple in its effect. It simply provides that if a railroad company goes into the hands of a receiver, the widow of the deceased employee, or an injured employee, shall have the right to recover such damages as the court may award and the judgment shall be paid as a preferred claim. If the amendment does not become the law and there is a wholesale receivership throughout the country for the railroads, many injured employees will be wholly and completely deprived of the damages to which they are justly entitled.

Mr. CLARK. Mr. President-

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Missouri?

Mr. BLACK. I yield.

Mr. CLARK. Is there any reason why this provision should apply to injured or killed employees of a railroad company any more than to other persons injured or killed by a railroad company?

Mr. BLACK. I do not know that there is. There has grown up in the country a rather settled idea that employees who have given of their time and their efforts for the benefit of their employers shall have a right to recover for personal injuries received. The amendment offered apMr. BROOKHART. Mr. President-

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Iowa?

Mr. BLACK. I yield.

Mr. BROOKHART. Will not the Senator modify his amendment to include those referred to by the Senator from Missouri?

Mr. BLACK. I desire to state to the Senator that in so far as I am personally concerned I would have no objection to an amendment offered to my amendment which would bring about that object. I did not know just what would be the reaction of the Senate to an amendment that went

Mr. BROOKHART. It seems to me they stand on the same basis. I think the Senator is right in his suggestion that such claims ought to be paid.

Mr. BLACK. That in brief is the object of the amendment. It would provide that employees injured by railroads or the widows of employees killed by railroads should recover such judgments as they could obtain and those judgments should be treated as preferred claims against the assets of the railroads. Why should they not be preferred over and above the mortgage holders or the bondholders?

Mr. HASTINGS. Mr. President, I can scarcely concede the acceptance of such an amendment to the bill. Of course, the purpose of the bill is to put the trustee in the same position that the railroad itself was in before the trustee was appointed. We sought in every way we could to make all laws that are applicable to railroads applicable to the trustee, which does not always happen, but in this legislation we are satisfied that it is important to provide that it shall be applicable. But I can not concede the wisdom of making a special class of persons who shall benefit and have priority in the payment of claims merely because a trustee has been appointed for the railroad. If it should be applicable in the case of a trustee, it ought to be applicable to railroads in general and to corporations in general. It does not seem to me it is worth while arguing the matter; it is so far from the general object of the bill that it ought to be rejected.

Mr. BLACK. Mr. President, will the Senator yield?

Mr. HASTINGS. I yield.

Mr. BLACK. As I understand the law, there are now favored groups, and this amendment should be adopted for this reason: A person who is injured does not have a provable claim; in other words, the ordinary creditor has a provable claim, but the person injured by a tort action does not

Mr. HASTINGS. The Senator is mistaken with respect to that; that is not correct. The definition here of a creditor and a debtor includes everybody who has a claim against the debtor, and it applies to tort actions and contracts and every kind of action.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Alabama to the amendment.

Mr. LEWIS. Mr. President, may I ask the Senator from Alabama and the Senator from Tennessee to give me their consideration for a second of time? I am not familiar with the particular amendment tendered by the Senator from Alabama [Mr. Black] but lawyers sitting in this body who have had to do with litigation generally, may I say such as myself, who are acquainted particularly with what may be called personal-injury litigation, will recall the history of the decisions of the court which should now seriously be considered. Beginning with the Huidekoper cases, the court held that it required six months and made an order leading up to the case of Kneeland against Trust Company, in One hundred and thirty-sixth United States Reports, that personal-injury judgments that had been recovered and were existing within six months previous to the receivership would be recognized but those previous to six months were treated for recovery as against the Railroad Trust mortgage, as wholly valueless as of possible collection against the trust mortgage under protection of receivership.

Subsequent to the Kneeland case, the Supreme Court of the United States considered these previous cases and declined to obey the 6-month rule and follow either one of the decisions of the past, and the court held anew that the trust mortgage took precedence to all liens or judgments. They held that no lien of judgments or of even the contractor who had built portions of a road, notwithstanding a contractor's lien created and permitted by the laws of the State wherein that road was built, could take precedence over the lien of the mortgage known as the trust deed.

For that reason may I be so bold as to say to eminent Senators who brought this question up that it is very necessary, as I view it, that some expression should be written in the bill at this particular time to meet the situation as declared by the court? If it is the purpose to allow those who have been injured to enjoy the benefit of a judgment granted in their favor, something should be put in the measure that will protect them, because the opinions of the Supreme Court to which I have alluded make it utterly impossible for them to collect against the lien of the trust deed. On the other hand, if it is the purpose to give the trust deed its precedence and allow the judgment to be collected only from such sum as may be the residue or excess over that which the trust deeds call for, that should be made clear. But unless some expression shall be made in the bill, I apologize for being so bold as to suggest that the Supreme Court of the United States have made it absolutely impossible for an injured person, with a judgment or without a judgment, to recover a penny as against the trust deed.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Alabama to the amendment. [Putting the question.] By the sound the noes seem to have it.

Mr. BLACK. I call for the yeas and nays.

The yeas and nays were ordered, and the Chief Clerk proceeded to call the roll.

Mr. LEWIS (when his name was called). I have a general pair with the senior Senator from West Virginia [Mr. HATFIELD]. I do not know how he would vote on this question. I am informed that I may transfer that pair to the Senator from Tennessee [Mr. HULL]. I make that transfer, and will vote. I vote "yea."

The roll call was concluded.

Mr. SMITH (after having voted in the affirmative). have a general pair with the Senator from Indiana [Mr. Warson]. In his absence, I transfer that pair to the Senator from Mississippi [Mr. HARRISON], and let my vote stand.

Mr. ROBINSON of Indiana (after having voted in the affirmative). I have a general pair with the junior Senator from Mississippi [Mr. Stephens]. I transfer that pair to the senior Senator from Minnesota [Mr. Shipstead], and will let my vote stand.

Mr. FESS. I desire to announce the following general

The Senator from Nebraska [Mr. Howell] with the Senator from Wyoming [Mr. KENDRICK];

The Senator from California [Mr. SHORTRIDGE] with the Senator from Montana [Mr. Walsh];

The Senator from Pennsylvania [Mr. Davis] with the Senator from Kentucky [Mr. Logan];

The Senator from Illinois [Mr. GLENN] with the Senator from Virginia [Mr. Swanson];

The Senator from Wisconsin [Mr. BLAINE] with the Senator from Arizona [Mr. HAYDEN];

The Senator from Maine [Mr. WHITE] with the Senator from Arizona [Mr. ASHURST]: and

The Senator from Vermont [Mr. Dale] with the Senator from Florida [Mr. FLETCHER].

I also desire to announce the necessary absence of the Senator from West Virginia [Mr. HATFIELD] on account of illness.

Mr. NORRIS. I desire to announce the necessary absence of my colleague [Mr. Howell] on account of illness.

Mr. WHEELER (after having voted in the affirmative). transfer my pair with the Senator from Idaho [Mr. Thomas] to the Senator from Florida [Mr. Fletcher], and will let my | any character was permitted to file a voluntary petition vote stand.

The result was announced—yeas 43, nays 26, as follows:

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Bankhead Barkley Black Bratton Brookhart Broussard Bulkley Bulow Byrnes Capper Caraway	Clark Connally Coolidge Copeland Costigan Dill Frazier George Glass Gore King	La Follette Lewis McGill McKellar Neely Norris Nye Pittman Reynolds Robinson, Ark. Robinson, Ind.	Russell Schall Sheppard Smith Thomas, Okla. Trammell Tydings Wagner Walsh, Mass. Wheeler
	NA	YS-26	
Austin Bailey Barbour Bingham Carey Couzens Dickinson	Fess Goldsborough Grammer Hale Hastings Hebert Kean	Keyes McNary Metcalf Moses Oddie Patterson Reed	Schuyler Steiwer Townsend Vandenberg Walcott
	NOT V	OTING-27	
Ashurst Blaine Borah Cutting Dale Davis Fletcher	Glenn Harrison Hatfield Hayden Howell Hull Johnson	Kendrick Logan Long Norbeck Shipstead Shortridge Smoot	Stephens Swanson Thomas, Idaho Walsh, Mont. Watson White

So the amendment of Mr. Black to the amendment was

The PRESIDING OFFICER. The question now is on the amendment of the Senator from Delaware [Mr. HASTINGS], as amended.

Mr. BRATTON. I call for the yeas and nays.

The yeas and nays were ordered.

Mr. DILL. Mr. President, before the vote is taken on this amendment as amended, I desire to explain why I shall vote

I believe that an amendment that has such far-reaching consequences as this amendment has, and will result in such broad reorganization of the railroads as this probably will, ought not to be adopted with the cursory consideration that has been given to it in the rough-and-tumble debate here on the floor of the Senate. I think it should have had the careful consideration of the Judiciary Committee, in order that we might know more fully just what the effects of it will be.

I am in favor of the principle of the legislation. I think some such legislation ought to be enacted; but I think that a few weeks' delay, such as would be necessary for the special session to take up this matter, could well be endured, rather than to pass legislation so far-reaching with so little consideration.

For that reason I shall vote against the amendment, and if it is adopted I shall vote against the bill.

Mr. GEORGE. Mr. President, I am unable to support this amendment; and I desire to say briefly that in my opinion the amendment ought to have been submitted not only to the Judiciary Committee but to the Committee on Interstate Commerce. I dare say no more important piece of legislation has been before the Congress at any time in recent years.

Mr. President, the theory of the bankruptcy law was originally for the protection of the debtor, and it was open only to the individual debtor. Since Henry VIII the bankruptcy courts of the English-speaking people have confined the benefit of the acts largely to the individual debtor.

There is a moral restraint upon the individual who seeks to discharge his debts through any form of bankruptcy. There is no moral restraint upon a corporation, private or public.

In the course of the development of bankruptcy law as we know it, corporations were permitted to be adjudicated bankrupts in an involuntary petition brought against them. At first the involuntary proceeding was confined to trading corporations, to commercial corporations, to corporations that were engaged in ordinary business transactions. It was not until comparatively recent years that a corporation of protect the carriers of the country. I am willing to do all

under the bankruptcy laws of the United States, and then the right to file was restricted to a commercial or trading corporation in a very strict sense.

Never in the history of our country has a public corporation or a quasi public corporation been permitted to discharge through a bankruptcy court its obligations-its obligations, if you please, not to private creditors but to the public, because a quasi-public or public corporation owes obligations to the public as well as to its immediate creditors. For the first time in the history of this country we are permitting a public or quasi-public corporation to come into a court of bankruptcy and discharge itself from its obligations to creditors; and I do not hesitate to say from its obligations to the public, because that is the object of this legislation.

I know very well that it may be said that we are living in a distressed time. So we are; but, Mr. President, there is no reason now, there never can be a reason, why we should depart from constitutional restraints when we are called upon to give power to the Executive, or from well-considered public policy when we are called upon to give aid to business enterprises, whether handled by individuals or by corpora-

I have no prejudice whatever against corporations, public or private, and I am not urging objection to this amendment through any hostile feeling whatsoever to corporate enterprises; but when it is remembered that a corporation comes into being clothed with special protection of the law; when its incorporators, its stockholders, have no liability or limited liability, personal to themselves; when all that they risk is simply what they pay into the corporate enterprise itself; when they are shielded and protected by the law from individual liability; and when, as in the case of a railway company, a quasi-public corporation, they are clothed with extraordinary powers and are protected by extraordinary immunities; then it does seem to me that there is no ground of sound public policy upon which that sort of corporation could come into a court of bankruptcy and relieve itself of its obligations, public and private, to its creditors and to the public alike.

The railways are not going to pass away even if there are receiverships. The physical properties will remain. The franchise rights will remain. The duty and obligation to operate will remain.

It may be said that these railways owe the banks and owe the savings banks and owe the trust companies and owe the insurance companies, and so they may; and I would go as far as anyone to protect them. Indeed, I have gone beyond my judgment since December a year ago, when I yielded to the plea, openly expressed and privately whispered, that if we did not create the Reconstruction Finance Corporation to finance the railroads, to finance the mortgage companies, and to finance the banks, the capitalistic system itself stood in immediate danger of collapse. Senators here voted for that measure when their judgment was against it, in the hope that the emergency we then faced in its acute form was temporary, and that somehow or other we might be able to come through that temporary embarrassment by resort to this extraordinary piece of legislation which places so great a strain upon the credit structure of the country.

Mr. COSTIGAN. Mr. President-

The PRESIDING OFFICER. Does the Senator from Georgia yield to the Senator from Colorado?

Mr. GEORGE. I yield to the Senator.

Mr. COSTIGAN. May I ask the able Senator from Georgia whether it is not also true that under the substitute as now before us reorganization of the railroads is likely to be controlled by banking creditors rather than in the public interest under such expert supervision as that of the Interstate Commerce Commission?

Mr. GEORGE. Mr. President, I may say to the able Senator from Colorado that I fear precisely what he indicates in his question. I am willing to do all that I can do to

country; but I do not think the Congress of the United States is called upon to leave out of consideration every sound public policy when we are asked to legislate under these conditions, and, on the one hand, to give to the President of the United States without question extraordinary powers that have no recognition under our system. Why? Because we are in trouble. Are we going to get out of trouble by running counter not alone to the spirit but to all the well-established constitutional barriers and sound public policy long established by the English-speaking people, to say nothing of our history here in the United States? Are we going to get out of trouble by saving the railroads at any cost? Is it not time that someone said that all we have done has been to make a futile effort, through the exhaustion of the credit of all of the taxpayers of America, to sustain a particular creditor class?

I wish to sustain them; I voted to sustain them; but are we never going to stop? Are we never going to ask the question, Who is to benefit from the legislation? Who is to benefit from this extraordinary legislation that somehow, under the fear of impending crisis and collapse, we are constantly invited to consider and to pass?

We tried to help the banks, and we did help the banks in every way that we knew; and in the present emergency we must continue to help the banks wherever a spot appears that can possibly be reached by any reasonable cost-indeed, by any extraordinary hazard, even to the credit of the country itself, because the credit of the country is involved. We tried to help the insurance companies and the savings banks, who may own many railway securities. We have done our best to help them. Now, we propose to reorganize the railways of the country not through courts of equity administered upon equitable principles but under a debtor's respite law; a law that, so far as it stands upon sound public policy-and it does-is based upon the idea that the individual citizen himself is entitled to seek relief through that process of the law.

Is this reorganization in the public interest? Then put it under the Interstate Commerce Commission, and let the Interstate Commerce Commission reorganize the railways. They know more about it than the bankruptcy courts; or, if it must be administered through the courts, put it into the courts of equity, which through long years have learned how to supervise the reorganization of railway corporations.

If this bill becomes law, it is easily imaginable that these Federal bankruptcy courts will actually have in their control and management very nearly all of the business now carried on in the United States. If we adopt this amendment, and the pending companion amendment dealing with all the corporations, and permit these corporations, public and private, to come in under the shelter of the bankruptcy courts, you will have pretty nearly all the business in the country carried on under and through this tribunal or instrumentality.

Mr. President, if this bill had gone before the Committee on the Judiciary, and had had careful consideration, not upon its technical provisions so much but upon the broader questions involved, some of which I have indicated, and had it gone to the Committee on Interstate Commerce-and I think it should have gone to both committees-I would feel, in this emergency, like going along, if it were possible to continue to approve this kind of legislation. But it has had no consideration by the Committee on the Judiciary, and my inquiry reveals that it has had no consideration by the Committee on Interstate Commerce; that it has come upon the floor with some consideration-and I presume mature consideration-from a committee in the other House, but the Senate is without the benefit of advice from that committee.

Mr. NORRIS. Mr. President, will the Senator yield? Mr. GEORGE. I yield. Mr. NORRIS. The Senator just reminded me, when he referred to the consideration given to the bill by the House, that neither the Judiciary Committee of the House nor the House itself has had before it the pending amendment. The

that I can do to protect the financial institutions of the | House has given consideration to the bill as it passed the House.

> Mr. GEORGE. I think the chairman of the Committee on the Judiciary is correct, but I thought that a similar provision, or one somewhat similar, was in the bill as it passed the House. I may be mistaken about that.

> Mr. NORRIS. It may be that the provisions are very

Mr. GEORGE. I understand they are similar. Perhaps they are not identical. Upon that point I am not informed. I do know that no committee of the Senate has considered carefully this railroad provision of the bill, or the provision which deals with other corporations, and it seems to me that it is a matter of most serious importance. I know that we are called upon here to depart from well-established principles if we open the door of the voluntary bankruptcy court to public corporations or quasi-public corporations.

On the desk is an amendment to this bill, though I do not know that it will be pressed, offered by a distinguished Member of this body, a Senator for whom I have the warmest regard, proposing to discharge municipal corporations from their private and public responsibility through a Federal bankruptcy court.

Mr. President, for the reasons I have given I can not support this measure. If the time comes when our carriers must be reorganized, I shall vote for their reorganization under the most liberal terms conceivable, but I do not want to see the carriers of the country reorganized in the interest of the creditor classes alone, for which we have legislated for many months, so far as actual results are concerned, whatever purpose, whatever intent, we may have had and did have.

The time has arrived when we must stop traveling in this direction, I shall therefore vote against the measure.

Mr. COUZENS. Mr. President. I dislike to take up the time of the Senate at this late hour, but some things have been said about lack of consideration in connection with this legislation.

It is true that the Committee on the Judiciary did not take cognizance of the amendment in a formal way. It is true that the Committee on Interstate Commerce did not take formal action regarding the amendment. But the Senator from Delaware, who is a member both of the Committee on the Judiciary and the Committee on Interstate Commerce, worked on the legislation for weeks in cooperation with members of the Interstate Commerce Committee, and in cooperation with members of the Interstate Commerce Commission, and for weeks conferences were held between Members of the House and Members of the Senate. and members of both the Judiciary Committee and the Committee on Interstate Commerce, and while it may be said that the conferences were informal in character, consideration has been given to the legislation.

The Senate will recall that some time ago I offered a resolution asking that further loans to railroads by the Reconstruction Finance Corporation be discontinued. Hundreds of millions of dollars had already been advanced to the railroads by the Reconstruction Finance Corporation, to prevent default and to prevent the excessive cost of receiverships.

When my resolution was offered it went to the Committee on Banking and Currency, and the chairman, the Senator from South Dakota [Mr. Norbeck], appointed a subcommittee, of which I was chairman. We held many hearings, in which the Interstate Commerce Commissioners appeared and in which the railroads were represented, and when anybody who wanted to appear had an opportunity to do so.

As a result of the introduction of that resolution both the Interstate Commerce Commission and the Reconstruction Finance Corporation have withheld further loans to the railroads. Their reason for withholding further loans to railroads-and I understand that now applications are pending for loans to the extent of about a hundred million dollars—was their anticipation of the enactment of just such legislation as that now before us.

It is quite clear that unless legislation of this character is enacted at this session of Congress, hundreds of millions of dollars of Government money will be poured into the railroads under existing law, because no one has yet attempted to bring about the repeal of the Reconstruction Finance Corporation act, nor has any definite action been taken to stop further pouring of public and taxpayers' money into the railroads.

Mr. President, this measure was evolved in the public interest. It was not evolved in the interest of the creditors. It was evolved for the purpose of maintaining adequate transportation with a proper capital structure. It was evolved for the purpose of cutting down and trimming down the capital structure, so that the railroads might exist without further borrowings from the Government.

I am not in a position to debate this question with the learned Senator from Georgia, who is a lawyer, and a former judge, and is able to go back to Henry VIII, and discuss the bankruptcy law and the technique of this problem; but I am speaking of it from a practical business man's point of view. Unless something is done at this session of Congress, hundreds of millions of dollars of Government money will be jeopardized by having it poured into the railroads, which should not have it, and yet it will all be done under color of law.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. COUZENS. I yield. Mr. CONNALLY. Is it the Senator's understanding that one of the purposes of this legislation is to scale down the capital structure, and squeeze a lot of the water out of the railroads?

Mr. COUZENS. I could not answer that by saying "yes" or "no." It is for the purpose of scaling down the capital structure. I do not like to use the word "water."

Mr. CONNALLY. "Wind" will do just as well.

Mr. COUZENS. There is sometimes a misunderstanding as to what is meant when we say "watered stock." intention is to scale down a lot of the fixed charges.

Mr. CONNALLY. I do not use the term in an offensive sense; but everybody knows that the present capital structure of the railroads is such that they can not earn dividends and pay their debts.

Mr. COUZENS. Not only that, but they can not pay the interest on their maturing bonds, and just as soon as there is a default, a receiver is put in charge. That is just what we want to stop.

Mr. CONNALLY. This is a measure for modified receivership, is it not?

Mr. COUZENS. This is a plan to take out of the Wall Street bankers the power to reorganize the railroads, which they have had heretofore. Every time there has been a default on the part of a railroad, the Wall Street bankers have taken charge of the reorganization, and in the case of the Chicago, Milwaukee & St. Paul, they collected nine or ten million dollars in fees for the reorganization.

Mr. President, this legislation would prevent that sort of thing, and would put the control in the combined hands of the Interstate Commerce Commission and the courts.

Mr. CONNALLY. Mr. President, the Senator says that unless this measure shall be enacted we will pour several hundred million dollars more into the railroads. I assume the Senator means that the Reconstruction Finance Corporation will have to do that in order to keep them out of receiverships.

Mr. COUZENS. That is true.

Mr. CONNALLY. Does the Senator approve of that? Why not let them go into receiverships, and why not let them be reorganized? Why not scale down the capital structure? I for one shall not vote to lend the railroads money until they do what the Senator says we want them

Mr. COUZENS. Unless this bill shall be enacted into law, under the present law the Reconstruction Finance Corporation would not only be permitted, but really required, to lend to the individual railroads which have not the money to pay the interest on their maturing bonds.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. COUZENS. I yield. Mr. TYDINGS. The Senator says that if this bill shall be enacted into law, the Reconstruction Finance Corporation can not make further loans to railroads.

Mr. COUZENS. The Senator misunderstood me. I said they would not be required to.

Mr. TYDINGS. As I understand it, of course if a road takes advantage of the provisions of the bill, the Reconstruction Finance Corporation will not lend the road any more money. But there is nothing to stop the Reconstruction Finance Corporation from lending to railroads now, which railroads may eventually avail themselves of the provisions of the pending bill.

I am in sympathy with what the Senator says, and it occurred to me that if we are to adopt this amendment, we ought immediately to stop further loans to the railroads, because it seems to me that the two policies are not in consonance.

I am afraid that many of the railroads which may not take advantage of the amendment will, in the interim, borrow from the Reconstruction Finance Corporation, and eventually come in and take advantage of the provisions of this amendment. In my judgment, if we are to adopt this policy, the loan policy should be stopped immediately.

Mr. COUZENS. The Senator from Maryland and I are not in disagreement. In other words, nearly a month ago I offered a resolution to accomplish the very purpose the Senator suggests; and, as a result of the introduction of that resolution, extensive hearings were held and developed the very thing I am now discussing, and with which the Senator from Maryland is in accord.

Mr. President, unless we do enact this legislation, there will be no excuse either for the Interstate Commerce Commission to approve or the Reconstruction Finance Corporation to make further loans to railroads.

Mr. TYDINGS. Mr. President, may I ask the Senator whether there is any provision of which he knows which would stop further loans to railroads, even though this amendment were adopted?

Mr. COUZENS. The Interstate Commerce Commission. with its knowledge of the value of the railroads and the outstanding securities and the earnings, can then say to the railroads, "Your capital structure is too high. Come under this act, and do not go to the Reconstruction Finance Corporation for more Government money." But if this measure is not passed, there will be no refuge except the Reconstruction Finance Corporation. I object to the Reconstruction Finance Corporation being a refuge with Government money for railroads which are over-capitalized.

Mr. LEWIS. Mr. President, will the Senator yield to me? Mr. COUZENS. I yield.

Mr. LEWIS. Might I ask the Senator from Michigan if it is his understanding, and does he comprehend, that under this bankruptcy measure the railroads will have the privilege of an individual, to be released from their indebtedness after having disclosed their assets in the ordinary proceeding of bankruptcy? If so, will they not have the right to be exempted, and to be released of the indebtedness they owe the Reconstruction Finance Corporation, the hundred million dollars to which the Senator from Michigan has correctly alluded? Would this bankruptcy provision enable them to escape their liabilities to the Federal Government as a creditor, exactly as they escape the liability to the New York banks or any other private creditors which hold their notes?

Mr. COUZENS. I do not believe that the New York banks-and when I speak of the New York banks I am talking about the big commercial banks and investment bankers—own any debts of the railroads. What I am saying is that in the judgment of the Reconstruction Finance Corporation they have obtained adequate security. Adequacy is always a question of judgment. The adequacy to-day may be successfully denied, but if we have any improvement in industry and the market value of the securities increases, the adequacy would be sustained.

Mr. LEWIS. But does the Senator realize that under this | provision, giving exemptions or privileges to the railroads under the bankruptcy act as applied to individuals and business houses, they would have the same privilege to be exempt from their debtor, the United States, known as the Reconstruction Finance Corporation, for that \$300,000,000 as they would against any other debt, whether for rails or

Mr. COUZENS. It would depend upon the specific security that the Reconstruction Finance Corporation have. The Reconstruction Finance Corporation, in the document I have here, have listed the security they hold for these loans. It runs somewhere about \$300,000,000. The security is assumed to be considerably in excess of the loans at the time made, but based on the existing market price it is lower in many cases than the face of the loan. When the reorganization comes about it will depend whether these securities are first mortgages, consolidated mortgages, or second mortgages that the Reconstruction Finance Corporation hold. It is obvious that a first mortgage under any of the provisions of the bill would be a prior lien against consolidated mortgages and junior mortgages. I could not say how the Reconstruction Finance Corporation would come out with respect to any specific loan, but certainly they are better off under this bill as it is now proposed than they would be if we let the railroads borrow more money and get further into debt to the Government.

Mr. LEWIS. Does not the Senator from Michigan recognize that when the railroads are put into bankruptcy those liens, those securities which were given the Government for their loans, do not stand out by law as a first lien to take precedence of all others? When thrown into bankruptcy they are all thrown, figuratively speaking, into the hopper, and the court only allows such application of the debts as the securities under the law provide.

Mr. COUZENS. I think the Senator is not quite correct in that assumption because it will depend on whether it is a first mortgage, second mortgage, or what grade of mortgage it is. If it is a first mortgage, it will certainly have a better standing in court than a junior mortgage would have.

Mr. ROBINSON of Arkansas. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Michigan yield to the Senator from Arkansas?

Mr. COUZENS. Certainly.

Mr. ROBINSON of Arkansas. I think the Senator from Illinois well understands that without consent of the parties in interest the bankruptcy court does not change the priority of the lien.

Mr. COUZENS. Certainly not.

Mr. ROBINSON of Arkansas. It does not impair the lien. Mr. COUZENS. No. If in the case of the loans to railroads the Reconstruction Finance Corporation have secured first mortgages, they certainly have a greater lien upon the adjustment than would a junior or consolidated mortgage.

Mr. ROBINSON of Arkansas. Is it not the Senator's opinion that the Government, having made loans to certain railroads, would realize more on its loans through this process of reorganization than could be expected through a process of reorganization conducted by a court of equity?

Mr. COUZENS. There is no question about it, because before they can get to that place they will borrow more money and default on their interest and securities and get into the hands of investment bankers in New York, which would take all the cream off of the reorganization in the way of expense and set-up.

Mr. LEWIS. It has been misapprehended as to my position. I am in favor of the enjoyment by the railroads of the privileges that are granted other debtors, but I want to invite the attention of the able Senator from Michigan. Under the provisions of the particular bankruptcy bill does he not realize-or am I in error, as my able friend from Arkansas intimates—that the liens or securities which have been given to the Federal Government to secure the loans

only 10 per cent of their value by the courts or by the bankruptcy proceedings?

Mr. COUZENS. As I said to the Senator, it depends upon the classification of the securities. If they hold receiver's certificates that were issued after the bonds were in default, then the receiver's certificates constitute a prior lien to the

Mr. LEWIS. So the Senator appreciates that the securities given to the Government for the loans which have been obtained will under this bill still stand as a priority in the house of the Government?

Mr. COUZENS. Only in some cases. I would have to analyze each loan, because one loan may not have the same kind of collateral as other loans may have. One loan may be secured by first-mortgage bonds, another one by secondmortgage bonds, and another one by receiver certificates. I could not classify in one statement what the result to the Government would be under this particular measure.

Mr. ROBINSON of Arkansas. Mr. President, I shall vote for the pending amendment and within just a few moments will give some of the reasons which impel me to support it. The Senator from Michigan [Mr. Couzens] has made a very illuminating and informative statement. With the main points in his statement I am in entire accord.

The advantages of railroad reorganization under the pending bill are very clear and easily disclosed. When I say "advantages" I mean to every interest which may properly be considered. Many railroads are operating at a loss. Many of them are in such financial condition that unless some system of reorganization be provided they will either be driven into the courts or compelled to resort to the courts.

One of the advantages of this plan is that it provides a uniform system for the reorganization of such railroads as may be insolvent. Without this legislation we will have just as many different plans of reorganization as there are railroads thrown into courts of equity. That of itself might or might not be a great disadvantage. Nevertheless it seems to me that it is preferable to provide a method which is uniform, so as to assure similar if not identical treatment for the creditors and stockholders of the various railroads that may find it necessary to take advantage of the act.

Another advantage is to be found in the diminished costs which will be incurred under this plan. We all know that under the system which has heretofore prevailed the costs of railway reorganizations have been enormous and in many instances excessive. Lacking any uniform procedure, prolonged litigation usually occurs and many of the assets which ought to go to the satisfaction of the claims of creditors have been absorbed in costs and attorneys' fees.

The third reason for the legislation is that it tends to promote prompt action respecting railroad reorganizations that are necessary.

Reference has been made to the fact that the Interstate Commerce Commission is the tribunal intrusted with the regulation of railways engaged in interstate commerce. I point out to my good friend the Senator from Georgia IMr. Georgel, who criticized the amendment and who objected to it, that no reorganization can occur under the bill without the express approval of the Interstate Commerce Commission. So that we will have the advantage of the advice, the recommendation, and a decision of the Interstate Commerce Commission respecting almost every important step which it is necessary to take in connection with the reorganization of a railroad.

It is far preferable to resort to an arrangement of this character than to leave the railroads with their present capitalization to go on struggling indefinitely, attempting to obtain money on the basis of Government credit, only to find some of them, at least, in the end compelled to pass through expensive receiverships. I should have preferred that the Judiciary Committee of the Senate might have the opportunity of deliberating over the amendment. But, as explained by the Senator from Michigan, the subject has been studied at length by a committee at the other end which the railroads have obtained can be held to be worth of the Capitol and by a committee of this body, and it has

the Senate.

I am going to make a suggestion now to the Senator from Delaware [Mr. Hastings]. Only four more legislative days of the present session remain. In my judgment, it will not be practicable, indeed it will be almost impossible, to give to the corporate reorganization provisions the consideration which we have given to the railroad features of the bill. It will be necessary, in my judgment, for the section dealing with corporate reorganizations generally to go over. I am going to suggest and urge upon the Senator from Delaware that when the railroad provisions have been disposed of we proceed, if possible, to final action on the measure, leaving the remaining section to be treated as the Congress may hereafter find necessary. I believe it would be unfortunate and would result in harm if the Senate should fail to incorporate the railroad reorganization section.

Mr. BARKLEY. Mr. President, will the Senator from Arkansas yield?

Mr. ROBINSON of Arkansas. Certainly.

Mr. BARKLEY. Would it not be possible for the conferees, under the parliamentary situation, in view of the provisions in the House bill, to work out a provision includ-

ing corporate reorganizations?

Mr. ROBINSON of Arkansas. It would be possible, Mr. President; but I think I should be frank with the Senator from Kentucky and state that, considering the very short time that is to elapse before the end of the present session, I doubt whether it is practical to do that. It is entirely true that the section relating to corporations generally will technically be in conference; but I think the Senator from Delaware will agree with me that if we pass over the subject here it is not likely that the corporate reorganization section can be included.

Mr. KING. Mr. President, will the Senator from Arkansas vield?

Mr. ROBINSON of Arkansas. I yield.

Mr. KING, I should regret exceedingly if the intimation of the Senator from Kentucky should be carried into effect. We have had too much legislation by conferees; and if the provision which the Senator thinks should be deleted from this bill should be added to it by the conferees, I am sure it would defeat the entire bill.

Mr. ROBINSON of Arkansas. I have concluded what I desire to say, Mr. President.

Mr. HASTINGS. Mr. President, I rise only to reply to the last suggestion made by the Senator from Arkansas [Mr. ROBINSON]. I agree with him, unless the Senate can take sufficient time to consider the corporate reorganization section, that no effort ought to be made to include it in the bill in conference. I think it is too important to undertake to get it done in that way.

With the section pertaining to the individual debtor agreed upon, the section with reference to the farmer agreed upon. and if the section pertaining to railroads which I have offered in the form of an amendment should be agreed upon, I feel that a great deal will have been accomplished by this bankruptcy measure. I should certainly regret to do anything that would tend to prevent the enactment of this bill with those three sections in it. But. Mr. President, I am greatly embarrassed because of the many pleas that have been made to me with regard to the corporate reorganization section, the many Senators who have urged upon me the importance of adopting such a section, and the responsibility I have taken upon myself to agree to introduce the section. 'I would be put, it seems to me, in an exceedingly embarrassing position if I should agree to the suggestion of the Senator from

I know that, with his experience and with his interest in this bill generally, his advice is probably good, and I hesitate not immediately to adopt it. I should like in some way to get the opinion of the Senate on the question. I do not quite know how to do that.

Mr. ROBINSON of Arkansas. I can suggest a way by which that may be done. After we have disposed of the railroad section, if the Senator persists in his attitude, and fixed by the commission.

been the subject of intense consideration by Members of | offers the amendment relating to corporations generally, I may ask the floor to move to commit that amendment to the Committee on the Judiciary, and if that motion should carry it would end the matter; and I believe that it would

> Mr. HASTINGS. I should be content with that expression of the Senate.

Mr. ROBINSON of Arkansas. Very well. Let us vote.

Mr. WALSH of Massachusetts. Mr. President, I have been impressed with what the Senator from Arkansas said about the reduction in expenses which the plan proposed by this amendment would bring about. He asserted what is well known, that the present system of receiverships is a most expensive one and has resulted in a great waste and dissipation of the assets of debtor corporations. He also asserted that the expenses incident to reorganizations under this amendment can be greatly reduced. I should like to inquire either of the Senator from Arkansas or the Senator from Delaware what provisions there are in this bill that give any assurance that the same high fees and the same general waste of assets will not prevail that have existed in connection with bankruptcy cases in the past?

Let me say in this connection that I have on my desk a table, taken from Senate Document No. 65, showing for a period of 10 years the creditors' rate of return from the assets of debtors. In the year 1923 the creditors received a return from the assets of debtors of 7.7 per cent; in 1924, 6.3 per cent; in 1925, 7.1 per cent; in 1926, 6.2 per cent; in 1927, 6.4 per cent; in 1928, 6.3 per cent; in 1929, 5.4 per cent; in 1930, 7.4 per cent; in 1931, 5.1 per cent. That is a shocking indictment of the manner in which our present bankruptcy laws are administered, resulting practically in the complete dissipation of the assets of the debtor, giving the creditor almost nothing, while referee and attorney and appraisers' fees absorb all the debtor's assets.

Mr. ROBINSON of Arkansas. Mr. President, I can answer the Senator, I think, to his entire satisfaction. He has asked what assurance can be given that the expenses of railroad reorganizations will be reduced under this bill.

Mr. WALSH of Massachusetts. And the fees of trustees and of masters. I notice the bill provides for temporary trustees and for masters of various kinds.

Mr. ROBINSON of Arkansas. The answer is twofold: First, that the process has been simplified and made uniform. That of itself will tend to reduce the expenses usually incurred.

Mr. WALSH of Massachusetts. I think that is true.

Mr. ROBINSON of Arkansas. In the next place, certain items of expense are expressly limited; and, in the third place, practically all fees allowable under the bill must be approved or recommended by the Interstate Commerce Commission. That will not only strengthen the idea of uniformity, so far as it ought to be strengthened, and prevent the allowance of extravagant or exorbitant costs and fees, but it will make sure that a body that knows exactly what service has been performed shall pass upon the compensation for the service.

Mr. WALSH of Massachusetts. Will the judges of the district courts have anything to do with the compensation paid to the trustees and masters referred to in the proposed legislation?

Mr. ROBINSON of Arkansas. The district courts in which the petitions may be lodged will make the allowance, but there must be a recommendation by the Interstate Commerce Commission, and I think the language inserted by the Senator from Wisconsin made it the duty of the commission to decide the matter.

Mr. WALSH of Massachusetts. Has the amendment of the Senator from Wisconsin been adopted?

Mr. LA FOLLETTE. Mr. President, the amendment to which the Senator refers provides, I understand, that the maximum limit shall be set by the Interstate Commerce Commission and within that maximum limit the district judge may fix the commissions.

Mr. CLARK. But the court can not go above the amount

Mr. LA FOLLETTE. That is correct. I said "within the maximum limit."

Mr. ROBINSON of Arkansas. The Senator is correct. The Interstate Commerce Commission ascertains that will be the maximum amount to be allowed, and the court within that limit may make the allowance.

Mr. LEWIS. Mr. President-

Mr. LA FOLLETTE. I yield to the Senator from Illinois. Mr. LEWIS. Mr. President, by courtesy of the Senator from Wisconsin, let me ask the Senator from Arkansas a question. I want to confess to the Senator from Arkansas that I am greatly disturbed and shrinking somewhat in cowardice as against the charge that I can see coming, that we have passed a measure, when we shall have passed this bill, which I am favoring, that will have taken the security which the railroad companies gave to the Government for the money of the people which they borrowed from the Government and by bankruptcy proceedings and will have enabled the railroads completely to take their securities out of the control of the Government and allow them to be handled and manipulated through the bankruptcy court to the loss of the Government, which relied upon such securities as a lien to secure the money of the people which was loaned to the railroads. I ask my able friend from Arkansas what is there in this bill that can protect us against that accusation?

Mr. ROBINSON of Arkansas. Mr. President, courts of bankruptcy, as I said a few minutes ago, do not abdicate liens; they do not disregard the liens that exist, nor do they deprive the creditor of the security that he possesses. What the courts do is to give him the benefit of his security. If the security is not worth anything, of course, the Government would not realize anything, but the Government would realize more in a proceeding of this nature than it would realize in a court of equity, and, in most instances, much

Mr. GEORGE. Mr. President-

The PRESIDING OFFICER. Does the Senator from Wisconsin yield to the Senator from Georgia?

Mr. LA FOLLETTE. I yield.

Mr. GEORGE. I merely want to say that the criticism the distinguished Senator from Illinois makes is undoubtedly correct. It does not make any difference how we may reason about it, two-thirds of the creditors of every class have it in their power to enter into an agreement and submit it to the bankruptcy court, and, if approved, the debts of that class are settled upon the terms agreed upon by the two-thirds. Everybody knows that the Government will represent approximately—I should say, in all instances—less than one-third of the particular claims falling in that particular class.

Mr. KING. Mr. President, will the Senator yield?

The PRESIDING OFFICER. The Senator from Wisconsin has the floor.

Mr. KING. Mr. President, I merely wish to ask the Senator a question.

Mr. LA FOLLETTE. Mr. President, I desire to make a brief statement; then I shall be pleased to yield the floor.

I do not wish the fact that I have offered this amendment during the course of the consideration of the pending bill this afternoon to create a false impression of my attitude concerning the particular amendment of the Senator from Delaware. The amendment offered by the Senator from Delaware is not the one which I would approve had I been drawing an amendment to accomplish the end which the Senator seeks to achieve.

I personally favor the plan suggested in the letter of Commissioner Eastman to the Senator from Delaware, proposing the creation of a division of reorganization in the Interstate Commerce Commission, to be equipped with the proper staff and competent assistants to eliminate altogether the courts from reorganization proceeding and providing that they shall be under the control of such a division of the Interstate Commerce Commission from the outset. I think, however, every Senator here will recognize that in the closing hours of this Congress it is not possible to secure the enactment of such a radical departure from the customary procedure.

As I view it, the choice in this matter is between the amendment offered by the Senator from Delaware and permitting the impending receiverships of railroads to take place under existing law. The question that Senators must decide here is whether they prefer to let the impending receiverships take place under the existing law, or whether they believe that the amendment offered by the Senator from Delaware is a sufficient step in advance; whether they believe that the amendment will protect the public interest, and therefore believe that it will be better to adopt it than to permit the receiverships that are impending to take place under the existing law.

There can be no question but that legislation could be passed at the special session of Congress, and perhaps a more drastic and far-reaching provision be enacted at that time; but, as has been intimated here on the floor of the Senate, we all know that we are confronted with eventualities concerning certain railroad corporations in the near future. Therefore it seems to me that Senators, in weighing their decision as to how they will vote upon this amendment, should take into consideration the fact that unless action is taken in connection with this amendment, the impending receiverships will take place under the existing law.

We only have to go back as far as the receivership in the Milwaukee case to recognize that there is crying need for legislation upon this subject. It might be argued that, if receiverships take place under the existing law, some effort might be made to draw them into new legislation enacted at the special session, as in fact inducements are offered in the pending amendment to bring receiverships now in existence under its terms. The fact remains, however, that unless some action is taken there is grave doubt as to whether receiverships may not take place between now and the time when legislation could be passed at the special session; and, if so, those receiverships would be in the usual procedure of the equity courts.

So far as I am personally concerned, I feel that legislation upon this subject should be enacted at the present short session of Congress. I take that position with a great deal of hesitation, because I share the feeling of the Senator from Georgia [Mr. George] that legislation of this importance should have had the careful scrutiny of the Committee on the Judiciary and the Committee on Interstate Commerce. I am confronted with the necessity of a choice, however; and in view of the fact that certain efforts are made in this legislation to protect the public interest in the impending receiverships, I would rather take the legislation that is offered now, and take my chances upon securing more drastic and more far-reaching legislation at the special session of Congress.

Before resuming my seat, Mr. President, may I say that I hope the Senator from Arkansas [Mr. Robinson] will follow the procedure he has suggested concerning the amendment on corporations to be offered later by the Senator from Delaware [Mr. Hastings]. If he makes the motion to commit that amendment to the Committee on the Judiciary, I hope it will carry. I express the further hope that those interested in this legislation will recognize that that action by the Senate is an indication that we do not propose to legislate on that subject at the short session; and I hope the conferees will take that into consideration.

Mr. GORE. Mr. President, I merely wish to ask the Senator from Wisconsin whether, as I interpreted his statement, he thinks that we are bound to choose between going into court in a bankruptcy proceeding and going into court in a receivership proceeding; that we can not stand still.

Mr. LA FOLLETTE. Mr. President, I do not believe I am committing any indiscretion in stating the information I have, because I think it is common knowledge. It is that there are several railroads which are very likely to go into receivership before any legislation could possibly be enacted at the special session of Congress, if it is called, as it is expected to be, about the middle of April. So the statement I made, and what I intended to say, was that we must choose between permitting those railroads that may have to go into receivership between now and the time legislation could be

passed at the special session to go into receivership under existing law, or enacting this legislation and providing for those proceedings to take place as set forth in this amendment.

Mr. GORE. The status quo can not be preserved, then, or will not preserve itself?

Mr. LA FOLLETTE. I will say to the Senator from Oklahoma that that is my information concerning several of the railroads

Mr. NORRIS. Mr. President, I think most of the Senators are in a good deal of doubt as to how they should vote on this amendment. In the course of my remarks, which I think will be quite brief, I desire to make a suggestion that to me seems to be the best solution we can make.

In the first place, let me say that if these railroads which Senators say are about to go into the hands of receivers should go into the hands of receivers under the existing law immediately upon our adjournment, assuming that we do not pass this bill, I have no fear that the unconscionable things that have happened in the past will happen in those cases.

I am satisfied that the debate that has taken place in the Senate and the action that took place in the last session of Congress in refusing to confirm one of the judges who allowed perhaps the most unreasonable and unconscionable fees that have ever been allowed in a receivership case will be sufficient to prevent the courts of this country from repeating the many evils that have happened in the past. So I do not share the fear that some Senators have that we are going to have a repetition in any receivership case of the Chicago, Milwaukee & St. Paul receivership case.

Mr. KING. Mr. President, will the Senator yield?
The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from Utah?

Mr. NORRIS. I yield.

Mr. KING. The Senator might supplement that statement by referring to the action of the House a day or two ago in impeaching a judge because of granting excessive commissions and exhibiting favoritism in receivership cases.

Mr. NORRIS. I thank the Senator for calling my attention to that; and Senators will remember that at the last session of Congress—

Mr. COUZENS. Mr. President-

Mr. NORRIS. I yield to the Senator from Michigan.

Mr. COUZENS. May I point out to the Senator one thing that I think has been overlooked by both the Senator from Wisconsin and the Senator from Nebraska? It may be that these railroads will not go into receivership. It may be that they will bleed the Federal Treasury. So I do not think there is necessarily an alternative of going into receivership under the old law.

Mr. NORRIS. I am not so fearful that the Reconstruction Finance Corporation is going to be in any particular hurry to loan a lot more money to railroads that ought to be in the hands of receivers.

Mr. COUZENS. But they are doing it.

Mr. NORRIS. Furthermore, I do not share the belief of some Senators that there is going to be such a rush of receiverships in railroad cases immediately when we adjourn, especially if we take the action I am going to suggest.

Mr. President, I do not dispute or belittle anything that has been said by any of the Senators on either side of this question as to the terrible predicament that the railroads and the country are in; but I want to state before I make my suggestion that a part of this bill ought to go to the Interstate Commerce Committee. It never ought to have gone to the Judiciary Committee. The railroad provision of this bill has no business before the Judiciary Committee. It never ought to have been referred there. There ought to be separate bills. There ought to be one bill that has nothing to do with any subject except the common carriers of the country.

Since this bill has been under discussion I have had suggestions made from some of the most eminent authorities on the question, in which they outline what they think ought to be done. I have heard from the Senator from

Wisconsin the opinion of Mr. Eastman; and I have great respect for Mr. Eastman's opinion. I do not believe there is a Senator here who has a greater respect for him than I have. If I had to pass blindly into something where I could not see the other side, as seems to be the case with the question presented now, I should be willing almost always to follow the opinion of Mr. Eastman on a question pertaining to the railroads.

He has an idea, and I think it is a splendid idea—I think we ought to do it—that there ought to be, in the Interstate Commerce Commission, a section that has to do with the reorganization or refinancing of railroads that are in financial difficulties. I should like to put it all in their hands, rather than to go through the expensive method of re-

ceiverships in the courts.

We can not legislate intelligently on this subject without having it considered by a proper committee, and without taking the proper evidence of men, some of whom have made a life study of this question. We are doing this without giving any consideration to anything of that kind. We are passing on an amendment that never has been referred to any committee. We are building this bill on the floor of the Senate; and I will take some chances on getting a better bill, rather than to get now a bill that is unsatisfactory to everybody, and that very few Senators know very much about. I will take some chances on getting it before the Interstate Commerce Committee, where it can be properly considered, and where a real bill can be evolved.

If we pass this bill containing this amendment, the probabilities are that we will have no such opportunity. There will be no such legislation. We will start with what we have done now, with all the infirmities of the legislation.

Mr. President, it seems to me we could do this:

We could pass a simple Senate resolution directing the Committee on Interstate Commerce to proceed during the recess of Congress, immediately upon our adjournment, to have hearings on the subject of railroad reorganization with a view of bringing in here, perhaps on the very first day of the special session, a well-considered, well-defined plan upon which we could operate. There will be an interval of only a month or six weeks. I am not informed as to just how long it will be, but only a few weeks; about long enough for the Interstate Commerce Committee to go to work during the interim when Congress is not in session, and bring in here and have ready for our consideration a bill outlining a complete system, one that we will want to put in force and have remain on the statute books permanently. If we do not do something of that kind, we are probably going to take this half-baked proposition and enact it into law, and will regret it the balance of our lives.

It would take only a Senate resolution to do that. I do not suppose anybody would object to the passage of a Senate resolution directing the Interstate Commerce Committee of this body to proceed during the vacation—this is a continuing body, and that has been done often in the past—and bring in here at the special session a bill that will at least have been considered by those who are best qualified in the Senate to deal with the matter and by all the experts outside of the Senate. That investigation would be under the control of the Senator from Michigan.

Mr. COUZENS. Mr. President, my term will expire on March 4.

Mr. NORRIS. What March 4?

Mr. COUZENS. Next March 4.

Mr. NORRIS. The Senator means as chairman of the committee. The probabilities are that the Senator from Michigan will be the chairman of the subcommittee which would hold the hearings. I have no doubt but that that would be the fact.

At least, Mr. President, we would put the matter into the hands of a committee which would be better qualified than any other committee of the Senate to handle the subject. There has so far been no opportunity to study it. That committee could call in as many members of the Interstate Commerce Commission as it saw fit to. They could get experts from over the country who would be glad to come

here and who have no interest whatever except to help frame a really good bill. It seems to me, therefore, that we are justified in voting down this amendment.

Mr. ROBINSON of Indiana. Mr. President, does the Senator mean to say that this complicated and involved amendment of 21 pages has never been before any committee for consideration?

Mr. NORRIS. Never; it was offered on the floor of the Senate by the Senator from Delaware.

Mr. WALSH of Massachusetts. Mr. President, I share the views many Senators entertain in regard to this measure, namely, one of great doubt and uncertainty. It is very regrettable that there has not been fuller consideration given by a committee or committees of the Senate. But we have to vote, and I am going to state the reasons for my vote.

I am going to vote in favor of the pending amendment for this reason, that the member of the Interstate Commerce Commission who I think is the ablest man on the commission, who I think has championed more than any other member the public interest, thinks this amendment provides a better, more direct, and less expensive way of working out the railroad problem than the existing cumbersome and expensive receivership reorganization law. In view of the emergency and the importance of simple and direct methods of reorganization, I shall vote for this amendment, though I wish more extensive study had been given the entire subject.

Mr. CONNALLY. Mr. President, I want to take a few minutes to give some of the reasons why I shall vote against the amendment.

I share the views of the Senator from Nebraska, the chairman of the Committee on the Judiciary, to which this bill was originally referred. He said that the amendment had not even been considered by that committee. It has not been considered by the Committee on Interstate Commerce, which has exclusive jurisdiction with respect to railroad matters.

My own view is that the railroads are going to have to scale down their capital structures. I think they ought to scale them down. I think that unless they do scale them down, they will have to go into bankruptcy, or into receiverships.

This is a measure too complex, too intricate, too important, for me to vote upon it largely in the dark. If the Committee on the Judiciary, after examining the amendment, declined to act on it—and that committee ought to know more about it than the rest of the Senate—if the Senate here now, in the last three days of its session, under tremendous pressure, in a mere brainstorm, passes this legislation because it thinks something must be done, but does not know quite what it is, I can not get my own consent to vote for the amendment, even for the reason the Senator from Massachusetts ascribes, when he says he is willing to take the judgment of one member of the Interstate Commerce Commission.

Mr. NORRIS. Mr. President, will the Senator yield to me?

Mr. CONNALLY. I yield.

Mr. NORRIS. I would like to suggest to the Senator that I believe the same member of the Interstate Commerce Commission to whom the Senator from Massachusetts referred has suggested that what he would like to see would be a new division in the Interstate Commerce Commission having charge of matters of this kind.

Mr. WALSH of Massachusetts. I think that may be true. Mr. NORRIS. Something this measure does not provide for.

Mr. WALSH of Massachusetts. But he does think, in view of the emergency, this machinery is simpler and more direct, and would serve the public interest better, than the present method of handling receiverships.

Mr. CONNALLY. Mr. President, if the Senator from Nebraska is correct, and the Senator from Massachusetts is correct—and I assume they both are—if we are going into this subject at all, why not do the thing which is best? Why do the halfway thing? It simply accentuates what

the Senator from Nebraska and the other members of the Committee on the Judiciary have said, that the matter has not had proper consideration. In other words, they have considered it briefly, they know something ought to be done, they know one of the patient's legs ought to be cut off, but they do not know which one, and they will just cut off one in order to be doing something.

I have in mind the Senator from New Mexico [Mr. Bratton], who is a member of the Committee on the Judiciary, to which the bill was referred, and I have for his views the highest respect. The Senator from New Mexico, I understand, takes the view that this amendment has not had proper consideration by any committee of the Senate. The Senator from Washington [Mr. Dill], another member of the committee, I understand entertains the same view. If members of the Committee on the Judiciary itself, a committee which has considered this amendment, are of the opinion that it has not had sufficient consideration, why should the Senate vote for it, when we admit that the Senate has not had the time or the opportunity to consider the measure?

Mr. LONG. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. LONG. Does the Senator from Texas find anything in what we are proposing to do that is not better than what we have?

Mr. CONNALLY. I will say to the Senator from Louisiana that I have not had opportunity—and I am sure he has not—to examine this amendment in all of its aspects. We have been in the present depression three years, and if what we have now has been wrong so long, why has not the Committee on the Judiciary, and why have not the proponents of this bill, why have not those who are so insistent now that the Senate shall pass this measure without examination, in the last few days, been working on such a plan as the pending one, and proposing it to the Congress?

Mr. LONG. Mr. President, will the Senator yield for another question? He has not answered the last one. The Senator has not disputed the last question.

Mr. CONNALLY. I yield to the Senator.

Mr. LONG. I ask the Senator if we did not reject the action of the Committee on Finance for an amendment offered by the Senator from Texas in connection with the last income tax bill we considered, after all the Finance Committee had done, and is not the law better than what we had from the Finance Committee?

Mr. CONNALLY. I thank the Senator for his compliment; but I do not really get the relevancy of what the Finance Committee did last year has to do with what the Senate is about to do now.

Mr. President, for the reasons I have stated, I do not expect to support the amendment. I am not adverse to legislation providing for the reorganization of the railroads. I think they will have to be reorganized. But when the time comes to reorganize them I want the plan of reorganization to be so well considered that minority stockholders will have protection, that the unfunded creditors of the railroads shall have their day in court, that the public interest may be protected, and that the reorganization shall not be conducted purely in the interest of the owners of the railroads. I conceive this bill to be primarily intended for the benefit of the owners of the railroads and the operators of the railroads. The bondholders and stockholders are in most cases the same. A man has so much stock and so many bonds.

I am not opposed to a proper measure for the reorganization of the railroads; but I can not get my own consent to vote on a measure of this magnitude without more study and more discussion and more consideration than the committee of the Senate and the Senate itself have seen fit to give it.

Mr. BRATTON. Mr. President, I shall not detain the Senate long, but permit me to say briefly the conclusion I have reached with respect to this amendment.

I was a member of the subcommittee of the Committee on the Judiciary to which the House bill was referred.

That subcommittee, consisting of three members, gave the legislation no consideration. The distinguished Senator from Delaware, the chairman of the subcommittee, devoted himself to it energetically and industriously, for which I commend him; but the fact is that it is now proposed to pass a comprehensive measure, of far-reaching consequences, dealing with the capital structure and the indebtedness of the railway transportation systems of the country, with one Member of this body understanding it, the other 95 Members having at best a superficial comprehension of its contents, its operative effect, and its consequences.

Mr. President, it is urged upon us that the emergency requires action under these circumstances. I do not concur in that view. Strange it is that this measure was not urged until the closing days of this session of Congress were upon us. Then we were told that we were faced with an emergency which required legislation on this important subject.

We are familiar with the mistakes that have been made in the past in enacting legislation in the rush and the pellmell of the closing days of the session. We can make some tremendous mistakes here. Most of the legislation we have enacted during this crisis, aye, the vast majority of it, has been for the benefit of the creditor class of the country. Now we are called upon, with one Member of the Senate understanding what we are doing and 95 of us not fully understanding it, to vote this proposal up or down.

Mr. President, the Committee on the Judiciary by an affirmative vote more than a week ago indicated that it felt that it did not have the time to go into the legislation and report it to the Senate with that deliberation which it deserved. By a majority vote the members of that committee indicated that they felt that the responsibiliy was too great and the time was too short. Now it is proposed, in the very last week of the session, with no study by either the Committee on the Judiciary or the Committee on Interstate Commerce, to rush through a measure which those who advocate it imply will be availed of immediately by many railway corporations, because they say that we can not wait until the extra session of Congress convenes, probably in April. They imply that the provisions of this measure will soon be invoked by numerous railroad corporations. Yet we are asked to pass the measure and give them the benefit of it now, and let the public take the consequences, with only one Member of the Senate understanding what we are

Mr. President, the responsibility is too great. When a Member of this body does not understand a proposal thoroughly he should vote against it. I propose to vote against this amendment; and, should it be adopted, then I shall vote against the passage of the bill. I would prefer to have the whole subject matter deferred for a month or so, in order that the Senate might proceed with the deliberation, with the calmness, and with the caution, which the magnitude and the consequences of the legislation not only require, but, in my judgment, demand of this body.

Mr. SMITH. Mr. President, I am going to take but just a moment of the Senate's time. This proposition is most astounding to me. Those of us who are members of the Committee on Interstate Commerce have some knowledge of the tremendous investment in railroad properties. There is not a more complicated problem before the American people than the question of railroad transportation. It is now involved not only by virtue of the depression, through the shrinkage of the business, but it is faced with competition that threatens almost the destruction of the roads, from the internal-combustion engine, the hard-surfaced roads, trucks, automobiles, and auto busses. Now the problem before us is, what will we do with the railroads in the face of this modern competition?

We have not had the proposal referred to the Committee on Interstate Commerce of the Senate, nor have we had any hearings by or the advice of the Interstate Commerce Commission, nor have we heard the railroad owners, nor have we heard the bondholders and stockholders; but out of a clear sky we are asked to consider and pass within an

hour or two a measure involving the transportation of all the United States, which affects more vitally every man, woman, and child in America than possibly any other problem that may come before us.

We have been studying the question of competition that has brought about perhaps the major part of the shrinkage in revenue of the railroads. It is not the depression alone. Had the railroads of the country not been in sharp competition with the new methods of transportation, they would not have been here to-day fighting for this kind of legislation. They would be living as are the telegraph and telephone companies and others that have not had the same kind of sharp competition.

This is not an emergency problem. It is a problem involving a radical readjustment of transportation both in speed, distance, and tonnage. I beg the Senate to take into consideration the fact that it is not the depression alone. It is the competition of modern progress expressed in this new method of transportation that has to be adjusted. We have got to find a place for the railroads, for the trucks, for the busses, and for the automobiles in the transportation system of our country, and we can not solve that problem by resort to a bankruptcy court. We have to take this matter in its fundamental aspect and with the most mature deliberation find a system by which both may live, if both can live.

I want to enter my protest here this evening against coming in, during the last hour of the consideration of the measure, with a proposal that is to reorganize the entire railroad system. Does it take into consideration the causes that brought about the unfortunate condition in which they find themselves? There is not a word in the bill about it.

Mr. CONNALLY. Mr. President-

The PRESIDING OFFICER. Does the Senator from South Carolina yield to the Senator from Texas?

Mr. SMITH. I yield.

Mr. CONNALLY. Is there anything in the measure which guarantees that the railroads will scale down their capital structure?

Mr. SMITH. Not a line.

Mr. CONNALLY. They offer that as a pretext for getting the measure through, but some provision ought to be made in the bill somewhere that the railroads shall be revalued and their capital structure scaled down to where they can live.

Mr. SMITH. When the reorganization comes and the revaluation comes it must be based upon the earning capacity of the properties. The earning capacity of the railroads to-day, as I have said and now repeat, is not predicated upon the depression alone. It has a minor part. It is the competition that has cut into their earnings. When we start the reorganization we must take into consideration this competition and ascertain what is the value of the property in the light of the competition.

I have sat here and listened in vain to learn who it is that has given thought to this question. We have had it before the Interstate Commerce Committee in the form of other measures. There we have been trying to devise means by which we can so regulate their competitors as to give the railroads a chance to rehabilitate themselves or at least make an earning in accordance with the property investment. Yet here we are just about to vote, as the Senator from New Mexico [Mr. Bratton] said, on a bill about which nobody seems to know anything.

Mr. LONG. Mr. President—

The PRESIDING OFFICER. Does the Senator from South Carolina yield to the Senator from Louisiana?

Mr. SMITH. Certainly.

Mr. LONG. What is there about this bill that is not better than what we have?

Mr. SMITH. What is there about the bill that is as bad as anything else we could get?

Mr. LONG. I am just asking the Senator with all the knowledge which I confess I do not possess if there is a thing about this bill that is not better than what we have to-day, what is it?

Mr. SMITH. I do not consider that this bill will remedy the situation at all.

Mr. LONG. That is not the question. Is it not better than what we have now?

Mr. SMITH. No.

Mr. LONG. Why not? Mr. SMITH. For the simple reason that this bill does not in my opinion touch or come anywhere near touching the solution of the problem which has brought about the present condition of the railroads.

Mr. LONG. I admit that, but the fact is that it is better by far, because it reduces expenses, simplifies the process, avoids receivership, lessens the time involved, causes less calamity, and, while it is not the solution which both the Senator and I would want, it is much better than what we have to-day.

Mr. SMITH. Mr. President, this is an invitation to all the railroads to come into bankruptcy courts. If we do not enact this legislation, we may have but one or two receiverships, but if we pass this legislation, we will have them all involved. It is an invitation to come into bankruptcy. The expense that the Senator mentions will be aggravated because the aggregate of those who come in will exceed the receiverships that we might otherwise have. Even though it might be considered better than what we have, I maintain that the legislative body, the Senate, owes it to the public and to itself to consider carefully and fully a matter of such vast importance, involving billions as it does, and involving the transportation of the country. Yet we sit here and on the say so of one man are about to pass a bill that nobody knows anything about, and I doubt very much if the author himself knows about it.

The PRESIDING OFFICER. The year and nays having been ordered, the clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. LA FOLLETTE (when Mr. Blaine's name was called). I wish to announce the unavoidable absence of my colleague [Mr. Blaine] and to state that if present he would vote "nay." He is paired with the Senator from Nevada [Mr. ODDIE], who, if present, I understand would vote "yea."

Mr. LEWIS (when his name was called). I have a general pair with the senior Senator from West Virginia [Mr. HATFIELD]. Not knowing how he would vote, I transfer that pair to the Senator from North Carolina [Mr. REYNOLDS] and vote "yea."

Mr. ROBINSON of Indiana (when his name was called). I have a general pair with the junior Senator from Mississippi [Mr. Stephens]. In his absence I withhold my vote.

Mr. SMITH (when his name was called). I have a general pair with the senior Senator from Indiana [Mr. WATson]. In his absence, not knowing how he would vote, I withhold my vote. If permitted to vote, I would vote "nay."

The roll call was concluded.

Mr. LA FOLLETTE. I was requested to announce the unavoidable absence of the senior Senator from Minnesota [Mr. Shipstead]. On this question he is paired with the junior Senator from New Jersey [Mr. BARBOUR]. If the senior Senator from Minnesota were present, he would vote "nay," and I understand that if the junior Senator from New Jersey were present he would vote "yea."

Mr. FESS. I desire to announce that the junior Senator from Colorado [Mr. Schuyler] has a general pair with the senior Senator from Alabama [Mr. Black]. If present, the junior Senator from Colorado would vote "yea," and the senior Senator from Alabama would vote "nay."

I also desire to announce the following general pairs:

The Senator from Nebraska [Mr. Howell] with the Senator from Wyoming [Mr. KENDRICK];

The Senator from California [Mr. SHORTRIDGE] with the Senator from Montana [Mr. Walsh];

The Senator from Pennsylvania [Mr. Davis] with the Senator from Kentucky [Mr. Logan];

The Senator from Illinois [Mr. GLENN] with the Senator from Virginia [Mr. Swanson];

The Senator from Idaho [Mr. Thomas] with the Senator from Montana [Mr. WHEELER];

The Senator from Connecticut [Mr. WALCOTT] with the Senator from Tennessee [Mr. HULL];

The Senator from New Hampshire [Mr. Moses] with the Senator from Louisiana [Mr. BROUSSARD];

The Senator from Wyoming [Mr. CAREY] with the Senator from Ohio [Mr. BULKLEY];

The Senator from New Hampshire [Mr. Keyes] with the Senator from Arizona [Mr. HAYDEN];

The Senator from New Mexico [Mr. Cutting] with the Senator from Florida [Mr. Fletcher]; and

The Senator from Maine [Mr. WHITE] with the Senator from Arizona [Mr. ASHURST].

The result was announced—yeas 42, nays 15, as follows:

	YE	AS 42	
Austin Bailey Bankhead Barkley Bingham Byrnes Caraway Clark Coolidge Copeland Couzens	Dale Dickinson Fess Goldsborough Gore Grammer Hale Harrison Hastings Hebert Kean	King La Follette Lewis Long McKellar McNary Metcalf Patterson Pittman Reed	Robinson, Ark. Schall Sheppard Steiwer Thomas, Okla. Townsend Tydings Vandenberg Wagner Walsh, Mass.
Bratton Brookhart Bulow Capper	Connally Costigan Dill Frazier	George McGill Neely Norris	Nye Russell Trammell
	NOT V	OTING-39	
Ashurst Barbour Black Blaine Borah Broussard Bulkley Carey Cutting Davis	Fletcher Glass Glenn Hatfield Hayden Howell Hull Johnson Kendrick Keyes	Logan Moses Norbeck Oddie Reynolds Robinson, Ind. Schuyler Shipstead Shortridge Smith	Smoot Stephens Swanson Thomas, Idaho Walcott Walsh, Mont. Watson Wheeler White

So Mr. Hastings's amendment as amended to the substitute reported by the committee was agreed to.

Mr. KING. Mr. President, I invite the attention of the Senator from Delaware on page 53 of the bill as reported by the committee, to lines from 15 to 19, inclusive. I have received a number of communications relative to the provision referred to. I invite the Senator's attention to a statement in one of the communications and ask his judgment as to whether the interpretation placed upon the provision by the person who has telegraphed me is correct. He states that this provision gives excessive discretion to the commissioner or the judge with respect to the treatment of secured and unsecured creditors. He takes the position that under the provision to which I have just called attention the secured creditor is subordinated if the judge desires to the unsecured creditor; in other words, that the judge will have such arbitrary and unlimited power that he may relegate the secured creditor to a subordinate position and elevate the unsecured creditor to a paramount position. Is the interpretation so placed upon the provision such as the Senator places upon it?

Mr. HASTINGS. I will say in reply to the Senator that it is not, and I inquire of the Senator whether he thinks there is any justification for any such interpretation of that provision of the bill?

Mr. KING. When I first read the provision I had some doubt, but the Senator from Delaware has studied this measure and has lived with it so long that I thought of course his judgment might be better than the judgment of some of us who have never seen the measure until a day or two ago.

Mr. HASTINGS. I think there is no danger at all along the line suggested.

Mr. KING. I wanted to get the Senator's statement in the RECORD.

I now ask the Senator's attention to one other provision, based upon a suggestion from an eminent banker in the West who has had a copy of this bill. He suggests, calling attention to page 56, that lines 3, 4, 5, and 6 be stricken out, for the reason that the provision will result in unjustifiable loss to creditors through the inability of the creditor, under

may ensue or failure properly to care for the property may attend the activities of the court.

Mr. HASTINGS. It will be observed that the purpose of those provisions, one of which the Senator has mentioned, is to prevent the proceedings being initiated by persons who are trying to collect their money from the debtor until he has had an opportunity to present the matter before the court. The section itself begins by pointing out-

Except upon petition made to and granted by the judge after hearing and report by the conciliation commissioner the following proceedings shall not be instituted.

In other words, if there be any good reason for the judge permitting these proceedings to go on, the persons interested may file a petition and the proceedings may go on as though the application were not in existence.

Mr. KING. Another eminent banker has telegraphed me, stating that under section 75, paragraph (b), the conciliation commissioners should be compensated on a salary basis rather than a fee basis as proposed, which would put a premium on the number of cases filed rather than to discourage wholesale filings. Does the Senator think there is merit in that suggestion?

Mr. HASTINGS. No. I may say in reply to the Senator that, as this amendment was originally drawn, it provided for a fee of \$5 a day for services plus 5 cents a mile for actual expenses. It was believed after careful consideration with those who drafted it that the chances were that there would be a continuous service for every conciliation commissioner, perhaps every day of the year, and it was believed that it would be very much more equitable and very much cheaper for the Government if we fixed a definite sum for each case. I think there can be no doubt of the correctness of that contention in view of the work the conciliation commissioner will be compelled to do.

Mr. KING. One other suggestion. A number of protests have come to me against compelling the Government to pay the expenses and the salary or compensation of the conciliators, and so on, instead of having the property which is under the control of the courts subjected to the payment either at the expense of the creditors or of the debtors. The question has been asked, Why should the Government be compelled to pay for the expenses to which reference has been made?

Mr. HASTINGS. Of course there are many answers to be made to that question, and I think everybody has to decide for himself whether it is wise or unwise. We have gotten into the habit of trying to do something to aid and protect the farmer, at least to pretend to protect and aid him. It is contended constantly that what we have done amounts to nothing, but we keep on trying just the same, and I have no particular objection to it. While I dislike to put him in a class by himself and treat him differently from the ordinary debtor, I think perhaps there is some excuse for it; though, in my opinion, everyone must reach his own conclusions in respect to whether it is wise or not.

Mr. ROBINSON of Arkansas. Mr. President, in addition to what the Senator from Delaware has stated, let me say that, after due consideration of that phase of the bill, it was decided that it was best to have the conciliation commissioner an employee of the Government rather than of the individuals who are affected by the proceeding.

Mr. BRATTON. Mr. President, let me say to the Senator from Delaware that on Saturday I offered an amendment, to come in on page 42, line 6, and withdrew it temporarily. It was in this language:

A claim for future rent shall constitute a provable debt and shall be liquidated under section 63 (b) of this act.

Upon further consideration I think that amendment should be included in the bill, and I hope the Senator will accept it.

Mr. HASTINGS. Mr. President, the Senator from New Mexico will recall that the only reason I objected to it was because I was afraid it would open the door to amendments to the general bankruptcy law. If we are now in a position where we are about to vote on the bill to-night and there

any circumstances, to repossess the land even though waste | is no danger of our getting into controversy by trying to amend the bankruptcy law generally, I will accept the amendment.

Mr. BRATTON. I think, Mr. President, that such an amendment as I have offered is necessary in order to give the relief needed.

The PRESIDING OFFICER. The amendment offered by the Senator from New Mexico to the amendment will be

The CHIEF CLERK. On page 42, line 6, after the word "act," it is proposed to insert the following:

A claim for future rent shall constitute a provable debt and shall be liquidated under section 63(b) of this act.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from New Mexico to the amendment reported by the committee.

The amendment to the amendment was agreed to.

The PRESIDING OFFICER. The bill is before the Senate and still open to amendment.

Mr. HASTINGS. Mr. President, I should like to make a further statement. I stated a little while ago that I felt compelled to offer the section relative to cooperative reorganization. I have consulted a number of Senators and have been urged not to do it by many of them, and I have reached the conclusion that it will aid us in disposing of this bill to-night if I shall not offer that section.

Mr. LA FOLLETTE. Mr. President, I hope the Senator from Delaware will bear in mind when the bill gets into conference that it will not facilitate its final passage if he brings back in the conference report a provision in regard to corporate reorganization.

Mr. HASTINGS. I have no intention of doing so.

The PRESIDING OFFICER. If there be no further amendments, the question is, Shall the amendment be ordered engrossed and the bill to be read a third time?

The amendment was ordered to be engrossed and the bill to be read the third time.

The PRESIDING OFFICER. The question is, Shall the bill pass?

Mr. DILL. I ask for the yeas and nays. I make the point of no quorum.

The PRESIDING OFFICER. The clerk will call the roll. The Chief Clerk called the roll, and the following Senators answered to their names:

King La Follette Lewis Austin Couzens Bailey Bankhead Dale Sheppard Smith Dickinson Long Barkley Dill Steiwer Bingham McGill Thomas, Okla. Frazier McKellar Townsend Bratton George Goldsborough Brookhart McNary Metcalf Trammell Tydings Vandenberg Bulow Gore Grammer Neely Byrnes Nye Patterson Wagner Walsh, Mass. Capper Caraway Hale Harrison Pittman Coolidge Hastings Robinson, Ark. Hebert Robinson, Ind. Copeland

The PRESIDING OFFICER. Fifty-three Senators having answered to their names, a quorum is present.

Mr. DILL. Mr. President, I raised the point of no quorum because I wanted a roll call on the passage of the bill. I think those of us who are opposed to it are entitled to have that, and I hope the Senate will grant it.

Mr. ROBINSON of Arkansas. Very well; let us have it. The PRESIDING OFFICER. The question is, Shall the bill pass? On that question the Senator from Washington demands the yeas and nays.

The yeas and nays were ordered, and the Chief Clerk proceeded to call the roll.

Mr. LA FOLLETTE (when Mr. Blaine's name was called). Making the same announcement as before concerning the unavoidable absence of my colleague [Mr. BLAINE] and his pair, I wish to state that if my colleague were present he would vote "nay," and I understand that the junior Senator from Nevada [Mr. ODDIE] would vote "yea."

Mr. ROBINSON of Indiana (when his name was called). The junior Senator from Mississippi [Mr. Stephens], with whom I am paired, I understand, would vote the same way

that I shall vote on the passage of this bill. Therefore I am free to vote. I vote "yea."

Mr. LA FOLLETTE (when Mr. Shipstead's name was called). Making the same announcement as before concerning the pair of the senior Senator from Minnesota [Mr. Shipstead], I wish to state that if present he would vote "nay," and the junior Senator from New Jersey [Mr. Barbourl, I understand, if present, would vote "yea."

Mr. SMITH (when his name was called). I have a pair with the Senator from Indiana [Mr. Watson]. Not knowing how he would vote, I withhold my vote.

The roll call was concluded.

Mr. LEWIS. I am paired with the Senator from West Virginia [Mr. Hatfield]. I transfer that pair to the Senator from North Carolina [Mr. Reynolds], and will vote. I vote "yea."

Mr. FESS. I desire to announce the necessary absence of the Senator from Pennsylvania [Mr. Davis] on account of illness. If present, he would vote "yea."

I also wish to announce that the junior Senator from Connecticut [Mr. Walcott] and the junior Senator from New Hampshire [Mr. Keyes] are necessarily absent. If present, they would vote "yea."

I also desire to announce the following general pairs:

The Senator from New Hampshire [Mr. Moses] with the Senator from Louisiana [Mr. BROUSSARD];

The Senator from Idaho [Mr. Thomas] with the Senator from Montana [Mr. Wheeler];

The Senator from Nebraska [Mr. Howell] with the Senator from Wyoming [Mr. KENDRICK];

The Senator from New Jersey [Mr. Kean] with the Senator from Texas [Mr. Connally];

The Senator from California [Mr. Shortridge] with the Senator from Montana [Mr. Walsh];

The Senator from Pennsylvania [Mr. Davis] with the Senator from Kentucky [Mr. Logan];

The Senator from Illinois [Mr. GLENN] with the Senator from Virginia [Mr. Swanson];

The Senator from Connecticut [Mr. Walcott] with the Senator from Tennessee [Mr. Hull];

The Senator from Wyoming [Mr. Carey] with the Senator from Ohio [Mr. Bulkley].

The Senator from Pennsylvania [Mr. Reed] with the Senator from Nebraska [Mr. Norris];

The Senator from New Hampshire [Mr. Keyes] with the Senator from Colorado [Mr. Costigan];

The Senator from Colorado [Mr. Schuyler] with the Senator from Alabama [Mr. Black];

The Senator from New Mexico [Mr. Cutting] with the Senator from Florida [Mr. FLETCHER];

The Senator from Maine [Mr. WHITE] with the Senator from Arizona [Mr. Ashurst]; and

The Senator from Minnesota [Mr. Schall] with the Senator from Arizona [Mr. HAYDEN].

The result was announced—yeas 44, nays 8, as follows:

YEAS-44

		10.70 BB	
Austin Balley Bankhead Barkley Bingham Byrnes Capper Caraway Clark Coolidge Copeland	Couzens Dale Dickinson Fess Frazier Goldsborough Gore Grammer Hale Harrison Hastings	Hebert King La Follette Lewis Long McGill McKellar McNary Metcalf Nye Patterson	Pittman Robinson, Ark, Robinson, Ind. Sheppard Steiwer Thomas, Okla. Townsend Tydings Vandenberg Wagner Walsh, Mass.
	NA NA	YS-8	
Bratton Brookhart	Bulow Dill NOT V	George Neely OTING-44	Russell Trammell
Ashurst Barbour Black Blaine Borah Broussard Bulkley Carey	Connally Costigan Cutting Davis Fletcher Glass Glenn Hatfield	Hayden Howell Hull Johnson Kean Kendrick Keyes Logan	Moses Norbeck Norris Oddie Reed Reynolds Schall Schuyler

Shipstead Shortridge Smith Smoot Stephens Swanson Thomas, Idaho Walcott Walsh, Mont. Watson Wheeler White

So the bill was passed.

POSTPONEMENT OF FORECLOSURE OF CERTAIN MORTGAGES—AMENDMENT

Mr. BANKHEAD submitted an amendment intended to be proposed by him to the bill (S. 5639) providing for loans or advances by the Reconstruction Finance Corporation for the purpose of securing the postponement of the foreclosure of certain mortgages for a period of two years, and for other purposes, which was ordered to lie on the table and to be printed.

MISSOURI RIVER BRIDGE, KANSAS CITY, KANS.

Mr. CAPPER. Mr. President, on Saturday the Senate passed House bill No. 14500. It seems that there is an error in it which needs to be corrected. I therefore submit and ask present consideration of a concurrent resolution that will secure the return of the bill to the Senate for correction.

There being no objection, the Senate proceeded to consider the concurrent resolution (S. Con. Res. 44), which was read and agreed to, as follows:

Resolved by the Senate (the House of Representatives concurring), That the action of the Speaker of the House of Representatives and of the Vice President of the United States in signing the enrolled bill (H. R. 14500) to extend the time for completing the construction of a bridge across the Missouri River at or near Kansas City, Kan., be, and the same is hereby, rescinded.

ADJOURNMENT

Mr. McNARY. Mr. President, it had been my intention at this time to move that the Senate proceed to the consideration of House bill No. 8681, to develop American air transport services overseas, to encourage the construction in the United States by American capital of American airships for use in foreign commerce, and to make certain provisions of the maritime law applicable to foreign commerce by airship. In view of the large number of absentees I shall not press the motion now. I give notice, however, that at the conclusion of the morning hour to-morrow I shall ask that the bill be made the unfinished business.

Now, Mr. President, I move that the Senate adjourn until 11 o'clock to-morrow morning.

The motion was agreed to; and (at 7 o'clock and 41 minutes p. m.) the Senate adjourned until to-morrow, Tuesday, February 28, 1933, at 11 o'clock a. m.

HOUSE OF REPRESENTATIVES

Monday, February 27, 1933

The House met at 11 o'clock a. m.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Almighty God, Thou who art timeless and ageless, our yesterdays are passed, and through Thy providence we are at the threshold of another day's labor; Thy guidance can prevail, so we wait in prayer. Regard in mercy our petition. Thy promises link this day with eternity. Open up our souls and let them feel the pulsations of Thy Holy Spirit; do Thou determine the quality of our manhood. Here let Thy light shine abroad bearing wisdom and discretion on every side. May we be built up in goodness and be led to understand the right way, the wise way to give just government to our people. Heavenly Father, unite us in a common zeal, in a common ambition, and in a common consecration in defense and in support of the stability and the might of the Republic. In the name of our Saviour. Amen.

The Journal of the proceedings of Saturday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Craven, its principal clerk, announced that the Senate had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 14363) entitled "An act making appropriations for

the Departments of State and Justice and for the judiciary, and for the Departments of Commerce and Labor, for the fiscal year ending June 30, 1934, and for other purposes," and had receded from its amendment No. 13 to said bill.

The message further announced that the Senate disagrees to the amendments of the House to the amendments of the Senate Nos. 1, 14, 15, and 16 to the bill (H. R. 13520) entitled "An act making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1934, and for other purposes," further insists upon its amendments Nos. 1 to 16, inclusive, to said bill, asks a further conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. Oddie, Mr. Smoot, Mr. Bingham, Mr. Dickinson, Mr. Keyes, Mr. Moses, Mr. Glass, Mr. McKellar, Mr. Bratton, and Mr. Byrnes, and Mr. Thomas of Oklahoma to be the conferees on the part of the Senate.

The message also announced that the Senate had passed with amendments, in which the concurrence of the House is requested, bills of the House of the following titles:

H.R. 792. An act for the relief of William Joseph Vigneault:

H.R. 1936. An act for the relief of Sydney Thayer, jr.;

H. R. 5150. An act for the relief of Annie M. Eopolucci;

H. R. 5548. An act for the relief of George Brackett Cargill, deceased;

H. R. 6409. An act for the relief of William Joseph LaCarte; H. R. 6684. An act to authorize the Secretary of the Interior to modify the terms of existing contracts for the sale of timber on Indian land when it is in the interest of the Indians so to do;

H. R. 9326. An act for the relief of John E. Davidson;

H. R. 9877. An act to repeal obsolete sections of the Revised Statutes omitted from the United States Code;

H. R. 11035. An act for the relief of Price Huff;

H. R. 11270. An act to amend section 2 of the act entitled "An act making appropriations for the service of the Post Office Department for the fiscal year ending June 30, 1913, and for other purposes";

H. R. 12651. An act for the relief of the Uintah, White River, and Uncompangre Bands of Ute Indians of Utah, and

for other purposes; and

H. R. 13378. An act to amend sections 416 and 417 of the Revised Statutes relating to the District of Columbia.

The message also announced that the Senate had passed bills and joint resolutions of the following titles, in which the concurrence of the House is requested:

S. 246. An act for the relief of Galen E. Lichty;

S. 1001. An act to authorize the Chief of Engineers of the Army to enter into agreements with local governments adjacent to the District of Columbia for the use of water for purposes of fire fighting only;

S. 3009. An act to extend the boundaries of the Fremont National Forest;

S. 3257. An act respecting contracts of industrial life insurance in the District of Columbia;

S. 4326. An act for the relief of R. S. Howard Co. (Inc.);

S. 4380. An act for the relief of Patrick Henry Walsh;

S. 4960. An act to reduce the area of the Fort Peck irrigation project, in the State of Montana;

S. 4993. An act for the relief of C. J. Mast;

S. 5302. An act to repeal the act entitled "An act to grant to the State of New York and the Seneca Nation of Indians jurisdiction over the taking of fish and game within the Allegany, Cattaraugus, and Oil Spring Indian Reservations," approved January 5, 1927;

S. 5337. An act to amend the Federal farm loan act, as amended, to permit loans for additional purposes, to extend the powers of Federal land banks in the making of direct loans, to authorize upon certain terms the reamortization of loans by Federal and joint-stock land banks, and for other purposes;

S. 5361. An act to provide for the selection of certain lands in the State of Arizona for the use of the University of Arizona:

S. 5362. An act authorizing the Secretary of the Treasury to pay certain subcontractors for material and labor furnished in the construction of the post office at Las Vegas, Nev.;

S. 5394. An act to amend section 57 of the act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, as amended and supplemented, with respect to proof and allowance of claims by trustees for bondholders;

S. 5427. An act to authorize the acquisition by the United States of the land upon which the Seneca Indian School,

Wyandotte, Okla., is located;

S. 5456. An act to amend the provisions of the act entitled "An act to extend the period of time during which final proof may be offered by homestead entrymen," approved May 13, 1932, to desert-land entrymen, and for other purposes;

S. 5463. An act to authorize the change of homestead designations on allotted Indian lands;

S. 5475. An act to amend section 3 of the act of May 28, 1928, relating to salary rates of certain civil-service positions;

S. 5485. An act establishing a State game refuge on islands in the Egg Lakes in the White Earth Indian Reservation in the State of Minnesota;

S. 5525. An act to extend temporary relief to water users on irrigation projects on Indian reservations, and for other purposes:

S. 5564. An act to extend the times for commencing and completing the construction of a bridge across Hudson River at or near Catskill, Greene County, N. Y., and for other purposes:

S. 5576. An act to authorize the creation of an Indian village within the Shoalwater Indian Reservation, Wash.,

and for other purposes;

S. 5612. An act to provide for the selection of certain lands in the State of California for the use of the California State park system;

S. 5622. An act providing for an alternate budget for the Indian Service, fiscal year 1935;

S. 5623. An act referring the claims of the Turtle Mountain Band or Bands of Chippewa Indians of North Dakota to the Court of Claims for adjudication and settlement;

S. 5626. An act to amend the act of June 23, 1926, reserving Rice Lake and contiguous lands for the Chippewa Indians of Minnesota;

S. 5660. An act authorizing the Secretary of the Treasury to sell certain Government property in St. Louis, Mo.;

S. 5675. An act to effect needed changes in the Navy ration;

S. J. Res. 219. Joint resolution authorizing the fixing of grazing fees on lands within national forests;

S. J. Res. 228. Joint resolution authorizing the American National Red Cross and certain other organizations to exchange Government-owned cotton for articles containing wool:

S. J. Res. 253. Joint resolution authorizing the Attorney General, with the concurrence of the Secretary of the Navy, to release claims of the United States upon certain assets of the Pan American Petroleum Co. and the Richfield Oil Co. of California and others in connection with collections upon a certain judgment in favor of the United States against the Pan American Petroleum Co. heretofore duly entered;

S. J. Res. 255. Joint resolution authorizing the Secretary of the Navy to sell surplus coal at nominal prices for distribution to the needy; and

S. J. Res. 259. To amend the act entitled "An act to remove existing discriminations incident to certain land grants and to subject them to the same conditions that govern other land grants of their class," approved February 14, 1933.

TREASURY AND POST OFFICE DEPARTMENTS APPROPRIATION BILL, FISCAL YEAR 1934

Mr. BYRNS. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 13520) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1934, and for other pur-

poses, together with the Senate amendments thereto and the amendments of the House to certain of the Senate amendments; further insist upon the disagreement of the House to Senate amendments Nos. 2 to 13, inclusive; insist upon the amendments of the House to Senate amendments Nos. 1, 14, 15, and 16; and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. Byrns, Arnold, Ludlow, Wood of Indiana, and Thatcher.

Mr. BANKHEAD. Before the gentleman leaves the matter of this conference, I have had a good many inquiries from those interested in the present status of the matter affecting the appropriation for vocational education.

Mr. BYRNS. That is in conference and nothing has been agreed on.

Mr. BANKHEAD. What is the exact status of that matter in conference?

Mr. BYRNS. The exact status is that a proposal was made to repeal all the permanent appropriations, but in the amendment which was adopted vocational education was excepted. The House conferees felt that all these permanent appropriations should be repealed in the sense that they must be reported by the Director of the Budget and passed upon each year, so that the House and the country may know what is being done.

There is no good reason for excepting one appropriation any more than another, but all should be included except provision for payment of interest on public debt and debt retirements. That is the whole proposition, and the matter is still in conference because of the action of the Senate.

Mr. BANKHEAD. The Senate action was to sustain the existing status with reference to these appropriations, as I understand it.

Mr. BYRNS. The Senate yielded; but since they have disagreed to the conference report over there the whole matter is back in conference.

Mr. CHINDBLOM. If the gentleman will permit, provision for payment of interest on national debts is not included, as I understand, in the Senate amendment.

Mr. BYRNS. No; I just told the gentleman from Alabama that it was not.

Mr. CHINDBLOM. Furthermore, if I may add a word, it seems to me that the appropriation for vocational rehabilitation or vocational training, which is in the nature of a 50-50 arrangement with the States, should be included in any arrangement that is made with reference to the repeal of these laws.

Mr. BYRNS. In other words, it should come before the

Mr. CHINDBLOM. It should come before the House; and if other permanent appropriations are to be eliminated—and I think they should be—I also believe that this particular appropriation should be included with them.

Mr. BYRNS. It certainly ought to come before the House, as the gentleman states.

GEORGE WASHINGTON BICENTENNIAL COMMISSION

Mr. BYRNS. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 14745) relating to the tenure of congressional Members of the George Washington Bicentennial Commission.

The Clerk read the bill, as follows:

Be it enacted, etc., That the membership of Senators and Members of the House of Representatives on the George Washington Bicentennial Commission shall continue irrespective of their terms as Members of Congress.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

Mr. SNELL. Mr. Speaker, reserving the right to object, of course, I have no objection so far as the personnel named in the bill is concerned, although I am quite surprised to see that it has become necessary to extend this commission beyond the life of the present session of Congress. I supposed that the work of the commission largely had been closed by this time. The active work throughout the coun-

try in connection with this commission has been disposed of, and I am wondering if the gentleman from Tennessee can give the House any definite information as to how many employees there are at the present time, what they are doing, and how much longer it will be necessary for these people to be employed in order to close up the work of the commission, and how much money there is on hand and whether or not it will be necessary to appropriate any more money for the commission.

Mr. BYRNS. I am sorry I can not give the gentleman any definite information upon those subjects. I was confined at home at the time of the last meeting of the commission, and I have not been advised in the matter. I probably should have the information.

Mr. SNELL. Does not the gentleman believe it would be a good idea to withdraw the bill until a later day?

Mr. BYRNS. The session is rapidly coming to a close——Mr. SNELL. I appreciate that, but it will only take five minutes to pass it.

Mr. BYRNS. This is simply to provide for the continuance of Mr. Tilson, who has already retired from the House, and Mr. Hawley, who retires on March 4

Mr. SNELL. As I said, I have no objection whatever to the personnel, but it seems to me the House ought to have some information before we vote to continue the commission.

Mr. BYRNS. I am told by the gentleman from New York that this work is rapidly proceeding to the point where it can be closed up, but there are certain books ordered printed which have not been completed, and the business has got to be wound up.

Mr. SNELL. I agree that it ought to be wound up, but I was told this morning that it would take nine months. I wish the gentleman would withhold this resolution until later in the day.

Mr. BYRNS. Mr. Speaker, I will withdraw the resolution for the present.

DEPARTMENT OF AGRICULTURE APPROPRIATION BILL FOR 1934

Mr. BUCHANAN. Mr. Speaker, I call up the conference report on the bill (H. R. 13872) making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1934, and for other purposes, and I ask unanimous consent that the statement be read in lieu of the report.

The SPEAKER. The gentleman calls up a conference report and asks unanimous consent that the statement be read in lieu of the report. Is there objection?

There was no objection.

The Clerk read the statement.

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 13872) making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1934, and for other purposes, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 7, 8, 12, 13, and 20:

That the House recede from its disagreement to the amendments of the Senate numbered 1, 6, 9, 10, 11, 18, and 19, and agree to the same.

Amendment numbered 2: That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$85,000"; and the Senate agree to the same.

Amendment numbered 3: That the House recede from its disagreement to the amendment of the Senate numbered 3, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$1,583,822"; and the Senate agree to the same.

Amendment numbered 4: That the House recede from its disagreement to the amendment of the Senate numbered 4, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$5,655,822"; and the Senate agree to the same.

Amendment numbered 5: That the House recede from its disagreement to the amendment of the Senate numbered 5, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert "\$12,754,854"; and the Senate agree to the same.

Amendment numbered 16: That the House recede from its disagreement to the amendment of the Senate numbered 16, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$375,000"; and the Senate agree to the same.

Amendment numbered 17: That the House recede from its disagreement to the amendment of the Senate numbered 17, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$411,810"; and the Senate agree to the same.

Amendment numbered 21: That the House recede from its disagreement to the amendment of the Senate numbered 21, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$100,209,091"; and the Senate agree to the same.

The committee of conference have not agreed on amendments numbered 14 and 15.

J. P. Buchanan,
John N. Sandlin,
M. J. Hart,
Robt. G. Simmons,
John W. Summers,
Managers on the part of the House.

CHAS. L. MCNARY,
HENRY W. KEYES,
ARTHUR CAPPER,
JOHN B. KENDRICK,
E. D. SMITH,
Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 13872) making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1934, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

AMENDMENTS CORRECTING TOTALS, SPELLING, AND CITATIONS

Recommendations in the accompanying report as to the following amendments are for the purpose of correcting totals, spelling, and citations of statutes to accord with the action of the conferees on the controlling amendments: 1, 3, 4, 5, 6, 8, 10, 13, 17, and 21.

Recommendations as to other amendments are as follows:

AGRICULTURAL EXHIBITS AT FAIRS

On No. 2: Appropriates \$85,000, instead of \$10,000, as provided by the House, and \$99,085, as provided by the Senate.

FORAGE CROPS AND DISEASES

On No. 7: Appropriates \$201,014, as provided by the House, instead of \$225,482, as provided by the Senate, for forage crops and diseases.

TRANSFER OF APPROPRIATIONS

On No. 9: Strikes out the House language relating to transfer of appropriations under section 317 of Part II of the legislative appropriation act, fiscal year 1933, as continued by section 4 of the Treasury and Post Office Departments appropriation act, fiscal year 1934.

On No. 19: Inserts language, as proposed by the Senate, permitting a 10 per cent transfer of appropriations within bureaus of the department.

NAVAL STORES INVESTIGATIONS

On No. 11: Eliminates the House provision forbidding the expenditure of any part of this appropriation for the erection of buildings, stricken out by the Senate, and retains the provision inserted in lieu thereof by the Senate permitting the expenditure of not to exceed \$10,000 of the appropriation for the erection of buildings.

MIGRATORY BIRD CONSERVATION ACT

On No. 12: Appropriates \$89,525, as proposed by the House, instead of \$194,300, as proposed by the Senate, for carrying into effect the provisions of the migratory bird conservation act.

AGRICULTURAL ENGINEERING

On No. 16: Appropriates \$375,000, instead of \$350,000, as proposed by the House, and \$403,287, as proposed by the Senate.

PHONY-PEACH DISEASE QUARANTINE

On No. 18: Retains the language, inserted by the Senate, making the appropriation for the phony-peach disease available for the certification of products out of the infested areas to meet the requirements of State quarantines.

DISTRIBUTION OF GOVERNMENT-OWNED COTTON TO THE AMERICAN RED CROSS

On No. 20: Strikes out the paragraph, inserted by the Senate, appropriating \$4,100,000 for the distribution of Government-owned cotton to the American Red Cross.

IN DISAGREEMENT

The committee of conference have not agreed with respect to the following amendments:

On No. 14: Relating to Federal aid in the construction of approaches to publicly owned toll bridges.

On No. 15: Amending the emergency relief and construction act so as to make the Federal-aid highway appropriations contained therein available until January 1, 1934, in lieu of July 1, 1933, as provided in said act.

J. P. BUCHANAN,
JOHN N. SANDLIN,
M. J. HART,
ROBT. G. SIMMONS,
JOHN W. SUMMERS,
Managers on the part of the House.

Mr. STAFFORD. Will the gentleman yield? Mr. BUCHANAN. I yield.

Mr. STAFFORD. When the Interior Department appropriation bill was under consideration, I directed attention to the interchangeability clause or provision in that bill, and pointed out that the interchangeability related only to the reclamation fund. I called attention to the fact that in the Agricultural bill there was an interchangeable item authorizing the department to interchange to the extent of 10 per cent of all amounts carried in the bill. The gentleman from Colorado [Mr. TAYLOR] stated that his committee was relying on a general policy that would be carried in the Treasury and Post Office appropriation act that would extend to all the appropriation acts. I would like to know if we are going to have a uniform policy for the interchangeability of appropriations, or whether we are going to restrict one department as with the Interior Department or make it general? I am making this inquiry for the benefit of the incoming administration.

Mr. BUCHANAN. The provision authorizing the inter-

Mr. BUCHANAN. The provision authorizing the interchangeability of appropriations is the child of the economy act, placed there so that they could make adjustments.

The correct policy is to limit the shifting of any appropriations within the bureau and not to permit an interchange between bureaus of the department. Otherwise, one fund could be built up at the expense of others.

Having 10 per cent interchangeability within the bureau has been the policy of the Agricultural Department for many years. In fact, this department transferred only \$19,000 last year, and that was within the bureaus.

Mr. STAFFORD. Can the gentleman inform us whether that is to be the policy or whether it is going to be haphazard—limiting the interchangeable privilege in one department and allowing it to run wild in another?

Mr. BUCHANAN. We hope to establish a general policy limiting the interchange of appropriations within the bureaus.

Mr. STAFFORD. Is there any such item in the present Treasury-Post Office appropriation bill?

Mr. BUCHANAN. That is still in conference.

Mr. TABER. Mr. Speaker, will the gentleman yield?

Mr. BUCHANAN. Yes.

Mr. TABER. It seems to me that we have yielded a very considerable amount of increases to the Senate in this bill.

Mr. BUCHANAN. If the gentleman will figure up the concessions that the Senate made and the concessions that the House made, he will find they are about equally divided.

Mr. TABER. That probably is so; but at the same time the bill is substantially raised over the amount it carried when it left the House, is it not?

Mr. BUCHANAN. It is raised about \$120,000 or \$130,000. Mr. TABER. Does not the gentleman think in times like these, instead of raising the amount, we ought to cut it down?

Mr. BUCHANAN. The gentleman must bear in mind that where differences exist between the two Houses and conferees are appointed on the part of both Houses, the result of the conference is necessarily a compromise. The conferees on the part of the House expect to yield somewhat if they can not maintain the position of the House, and the Senate conferees expect to yield some if they can not maintain the position of the Senate. There is a coming together, necessarily, and a compromise in order to get the bill through.

Mr. TABER. I note on page 16 of the bill that we have compromised on an increase of \$75,000 where the Senate provided an increase of \$89,000. We have given the Senate nine-tenths of all the increase they ask for. It seems to me that we ought to get a better break than that.

Mr. BUCHANAN. If the gentleman will look at another item he will find that the Senate yielded over \$100,000.

Mr. SNELL. Mr. Speaker, will the gentleman yield?

Mr. BUCHANAN. Yes.

Mr. SNELL. So far as the final figures of the bill are concerned, how do they compare with the Budget estimates? How much of a saving has there been in the entire bill?

Mr. BUCHANAN. It is \$7,852,702 under the Budget esti-

Mr. SNELL. The bill, as it stands to-day, is that much under the Budget?

Mr. BUCHANAN. Yes.

Mr. SNELL. What were the principal items where that large decrease took place?

Mr. BUCHANAN. The principal items were in public roads?

Mr. SNELL. How much was that?

Mr. BUCHANAN. Six million eight hundred and fourteen thousand three hundred and eighty-seven dollars.

Mr. SNELL. So that six-sevenths of the decrease was in the public-roads proposition?

Mr. BUCHANAN. The ordinary activities were reduced \$1,038,315 under the Budget estimate.

Mr. SNELL. But the large amount is in the roads prop-

Mr. BUCHANAN. Yes.

Mr. SNELL. So far as amendment No. 20 is concerned I suppose that the \$4,100,000 is cut out because that is carried in another bill?

Mr. BUCHANAN. Yes. I will say to the gentleman, however, that the amount which I indicated the bill as it now stands is under the Budget estimate, does not include the \$4,100,000 carried in the Senate amendment for the distribution of cotton to the Red Cross. Since the latter is to be appropriated in another act we do not take credit for the reduction. The reduction which has been indicated, of \$1,038,315 under the Budget estimate for the ordinary activities, is a net reduction.

The SPEAKER. The question is on agreeing to the conference report.

The conference report was agreed to.

Mr. EATON of Colorado. Mr. Speaker, I desire to make inquiry concerning the public-roads matter, still in dis-

The SPEAKER. The gentleman can do that when the Clerk reports the amendment. The Clerk will report the first amendment in disagreement.

The Clerk read as follows:

Amendment No. 14: Page 66, line 2, after the word "concerned." insert a colon and the following proviso: "Provided, That hereafter in the administration of the Federal highway act and acts amendatory thereof or supplementary thereto, the first paragraph of section 9 of the act of November 9, 1921, shall not apply to publicly owned toll bridges or approaches thereto, constructed and operated by the highway department of any State."

Mr. BUCHANAN. Mr. Speaker, I move to concur in the Senate amendment with an amendment, which I send to the desk.

The Clerk read as follows:

The Clerk read as follows:

Mr. Buchanan moves that the House recede from its disagreement to the amendment of the Senate No. 14, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: ": Provided, That hereafter in the administration of the Federal highway act and acts amendatory thereof or supplementary thereto, the first paragraph of section 9 of the act of November 9, 1921, shall not apply to publicly owned toll bridges or approaches thereto, constructed and operated by the highway department of any State, subject, however, to the condition that all tolls received from the operation of any such bridge, less the actual cost of operation and maintenance, shall be applied to the repayment of the cost of its construction, and when the cost of its construction shall have been repaid in full, such bridge thereafter shall be maintained and operated as a free bridge."

Mr. DOWELL. Mr. Speaker, will the gentleman yield? Mr. BUCHANAN. Yes.

Mr. DOWELL. As I understand the amendment, this road provision applies only to the bridges operated by highway departments. Is that correct?

Mr. BUCHANAN. It applies only to State bridges operated by States under a highway system.

Mr. DOWELL. And may I inquire about the amendment offered by the gentleman?

Mr. BUCHANAN. The amendment provides that when they shall have collected a sufficient amount of toll to repay the cost of construction the bridge shall be operated and maintained as a free bridge.

Mr. DOWELL. And that refers to the highway bridges that are under the highway departments?

Mr. BUCHANAN. Yes.

Mr. SNELL. Mr. Speaker, will the gentleman yield?

Mr. BUCHANAN. Yes.

Mr. SNELL. I think the gentleman should make a short statement to the House and tell us what is contained in the Senate amendment and just what he intends to do.

Mr. DOWELL. Will the gentleman yield five minutes to me on this amendment?

Mr. BUCHANAN. Certainly.

Mr. SNELL. This is an important amendment, and I think that explanation should be made by the chairman of the committee.

Mr. BUCHANAN. The Senate amendment repealed section 9 of the highway act, in so far as publicly owned toll bridges were concerned, and permitted a State that was operating a toll bridge over a public highway to charge tolls indefinitely.

Mr. CHINDBLOM. Will the gentleman yield?

Mr. BUCHANAN. Yes.

Mr. CHINDBLOM. Will the gentleman say what is contained in section 9 of the highway act?

Mr. BUCHANAN. Certainly:

That all highways constructed or reconstructed under the provisions of this act shall be free from tolls of all kinds.

Mr. CHINDBLOM. That relates to State highways?

Mr. BUCHANAN. Highways through a State, or interstate; recognized public highways that Federal aid is extended to. So that the Senate amendment repealed that, as far as publicly owned toll bridges were concerned, and would permit the charging of tolls on bridges over highways in such State throughout unending time. The House conferees could not, and would not, agree to that amendment, because we believed that the public highways should be free from toll charges; so we agreed to an amendment providing that all tolls collected should be applied to the cost of construction of that bridge, if it was constructed through bond issues or otherwise. In fact, in other words, if it owed for the construction, and if a sufficient amount of tolls had

been collected to pay the cost of that construction, excluding maintenance, then the bridge shall thereafter be free. That is the substance of the amendment.

Mr. DOWELL. Will the gentleman yield to me?

Mr. BUCHANAN. Certainly.

Mr. DOWELL. Has the gentleman concluded?

Mr. BUCHANAN. Not quite.

Mr. SNELL. The gentleman should continue with his

Mr. BUCHANAN. There is one more point to explain; an inducing cause why we agreed to this amendment. After the passage of the original highway act, in which was contained section 9 that I just read, the Congress passed another act. In that act it provided that Federal aid could be extended to a road with a toll bridge, if the Government contributed anything to its construction. Therefore, it is now the law that if a State and the Federal Government construct a toll bridge, the State paying half of it and the Federal Government paying half of it, they can receive Federal aid on the public highway. In other words, it was just an ommission in the law, so that if the Federal Government contributes one cent to the construction of a bridge on which tolls are charged, then they can extend Federal aid to all highways leading to that bridge. But if the Federal Government does not contribute to it, then the expenditure of Federal-aid money on the highways leading to that bridge is absolutely prohibited.

So, as the law now stands, it permits them to charge tolls on a bridge over a highway that the Federal Government contributed a few dollars to until the cost of that bridge is paid. This amendment permits them to charge tolls on a bridge on a highway where the Federal Government has contributed nothing, so long as the proceeds of those tolls apply to the payment of the cost of that bridge and then stop. That is all.

Mr. VINSON of Kentucky. Will the gentleman yield?

Mr. BUCHANAN. I yield.

Mr. VINSON of Kentucky. Assuming that the cost of operation is paid out of the general fund of the State, and all the tolls go to meet the obligation on the bonds with which the bridge was constructed, does the gentleman think that this amendment, referring to the cost of operation and maintenance, would be prejudicial to such a state of facts?

Mr. BUCHANAN. I do not.

Mr. VINSON of Kentucky. In other words, the fact that the cost of operation is paid out of the general fund and not out of tolls would permit the use of Federal money upon the highways where such condition existed?

Mr. BUCHANAN. I think so. Mr. HASTINGS. Will the gentleman yield?

Mr. BUCHANAN. I yield.

Mr. HASTINGS. This provision only applies to toll bridges and approaches constructed and operated by the highway department of a State?

Mr. BUCHANAN. Yes.

Mr. RICH. Will the gentleman yield?

Mr. BUCHANAN. I yield.

Mr. RICH. Are we not establishing a precedent by adopting this measure wherein the Federal Government contributes to the acquisition of a toll bridge owned entirely by

Mr. BUCHANAN. No; we are not. If the gentleman will read article 9-a, Federal aid to toll bridges, adopted since the organic act providing for public roads, he will see that we are not establishing a precedent. It is a long article. It allows tolls to be charged on bridges for public highways where the State has constructed one half of the bridge and the Federal Government has paid for half of the bridge. It allows tolls to be charged until the State's half of the cost of construction has been paid. That is the law now.

Mr. RICH. The gentleman will admit that we do not wish the Federal Government to establish any precedent whereby the Federal Government takes any responsibility for those toll bridges?

Mr. BUCHANAN. Certainly.

Mr. DOWELL. Will the gentleman yield to me?

Mr. BUCHANAN. Yes.

Mr. DOWELL. I wish to make a statement.

Mr. BUCHANAN. I yield five minutes to the gentleman from Iowa [Mr. Dowell].

Mr. DOWELL. Mr. Speaker, as stated by the chairman of the subcommittee, under the law as it now stands Federal aid will not be used for toll bridges or approaches to toll bridges. This amendment makes the exception, and it shall not apply where it is publicly owned and operated by highway commissions. That is all there is in this amendment. Under the additional amendment offered by the chairman of the subcommittee, as I understand it, it further provides that the money received by the toll bridge which is operated by the highway commission shall go, after paying operating expenses, to the paying off of the indebtedness, and then it becomes a free bridge.

Mr. COCHRAN of Missouri. Will the gentleman yield?

Mr. DOWELL. I yield.

Mr. COCHRAN of Missouri. This in no way would permit the same to apply to a privately owned toll bridge?

Mr. DOWELL. No.

Mr. COCHRAN of Missouri. In other words, that was the object of the old Denison bill, on which the gentleman's committee held hearings?

Mr. DOWELL. Yes.

Mr. COCHRAN of Missouri. It would not apply to this?

Mr. DOWELL. No. This has been opposed by the entire committee and which, I think, is opposed by the House.

Mr. LAGUARDIA. Mr. Speaker, will the gentleman yield?

Mr. DOWELL, Yes.

Mr. LaGUARDIA. How does this amendment affect the privately owned and privately operated toll bridge connecting two Federal-aid highways?

Mr. DOWELL. It does not affect it at all.

Mr. LAGUARDIA. They can continue charging tolls indefinitely?

Mr. DOWELL. The ones that have already been established.

Mr. LaGUARDIA. How about the new ones?

Mr. DOWELL. This affects only those bridges operated by the highway commission and it affects no other bridge whatsoever.

Mr. LaGUARDIA. In other words, the publicly owned, publicly operated bridge must eventually become a free bridge? Mr. DOWELL. That is it.

Mr. LaGUARDIA. But the privately owned bridge can continue to charge tolls.

Mr. DOWELL. That is true.

Mr. LaGUARDIA. That is wrong.

Mr. DOWELL. There is a provision, however, in the law that Federal aid can not be used on any road or approach to a toll bridge.

Mr. LaGUARDIA. It is done every day.

Mr. DOWELL. The law clearly provides that Federal aid can not be used on toll roads, and the Comptroller has construed that approaches to toll bridges are toll roads.

Mr. LAGUARDIA. Will the gentleman tell me how it is, then, that we have something like 15 bills granting franchises or permits to build toll bridges connecting Federal-

Mr. DOWELL. Those bills should not pass the House.

Mr. LaGUARDIA. I hope the gentleman will stay here and help me. I can not overcome the prejudice.

Mr. DOWELL. This law has been in force ever since

Mr. DYER. Mr. Speaker, will the gentleman yield?

Mr. DOWELL. I yield.

Mr. DYER. It does not apply to bridges owned by municipalities, does it?

Mr. DOWELL. This amendment applies only to bridges operated by highway commissions.

Mr. DYER. Not by the city.

Mr. DOWELL. Not by the city, for a good reason. The city may operate a toll bridge permanently without making any attempt to pay off the indebtedness and use the returns for other purposes.

[Here the gavel fell.]

The amendment was agreed to.
The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 15: Page 67, after line 18, insert the following: "That paragraph (1) of subsection (a) of section 301 of title 3 of the emergency relief and construction act of 1932 is amended by striking out the date 'July 1, 1933,' where it appears in said paragraph and inserting in lieu thereof the date 'January 1, 1934.'"

Mr. BUCHANAN. Mr. Speaker, I move that the House recede and concur in the Senate amendment.

Mr. SNELL. Mr. Speaker, reserving the right to object, as I understand, this does not change the appropriation in any way whatsoever, it just extends for six months the time within which the States may avail themselves of the appro-

Mr. BUCHANAN. That is all.

Mr. SNELL. How much is available at the present time?

Mr. BUCHANAN. I do not recall now.

Mr. CHINDBLOM. The original appropriation was \$120.-000,000, and it could be used only for work actually performed. How much remains unexpended?

Mr. BUCHANAN. I am informed there will be about \$5,000,000 left.

Mr. DOWELL. The bureau advised me a few days ago that there is now \$10,000,000 unexpended under this law: that is, not under contract, but that will be allocated to the several States.

Mr. BUCHANAN. My information from the bureau is that, unless the time is extended, approximately \$5,000,000 will remain unearned, as provided by the emergency relief act, on the 1st of July and will revert to the Treasury.

The amendment was agreed to.

On motion of Mr. Buchanan, a motion to reconsider was laid on the table.

(Mr. BUCHANAN asked and received permission to revise and extend his remarks and to include a statement showing the bill as it finally passed compared with the appropriations for 1933 and the Budget estimates for 1934.)

The statement referred to is as follows:

Oroup	Appropriations for 1933	Budget esti- mates for 1934	House bill for 1934	Senate bill for 1934	Conference report, 1934	Increase (+) or decrease (-), confer- ence report compared with 1933 appropriations	Increase (+) or decrease (-), con- ference report com- pared with 1934 budget estimates
Ordinary activities: Of primary benefit to agriculture (annual appropriations)	\$28, 846, 700	\$26, 896, 249	\$26, 165, 682	\$26, 332, 522	\$26, 265, 682	-\$2, 581, 018	- \$630, 567
Of general public benefit—1 Annual appropriations. Permanents.	27, 846, 145 4, 775, 475	24, 818, 167 4, 752, 020	24, 410, 419 4, 752, 020	24, 515, 194 4, 752, 020	24, 410, 419 4, 752, 020	-3, 435, 726 -23, 455	-407, 748
Total	32, 621, 620	29, 570, 187	29, 162, 439	29, 267, 214	29, 162, 439	-3, 459, 181	-407, 748
Grand total, ordinary activities	61, 468, 320	56, 466, 436	55, 328, 121	55, 599, 736	55, 428, 121	-6, 040, 199	-1, 038, 315
Payments to States (exclusive of road funds): Annual appropriations Permanents.	5, 936, 096	10, 075, 590 5, 631, 096	10, 075, 590 5, 631, 096	10, 075, 590 5, 631, 096	10, 075, 590 5, 631, 096	+1, 770 -305, 000	
Total	16, 009, 916	15, 706, 686	15, 706, 686	15, 706, 686	15, 706, 686	-303, 230	
Road funds: Annual appropriations Permanents	240, 905, 000 500, 000	46, 271, 787 370, 000	39, 457, 400 370, 000	39, 457, 400 370, 000	39, 457, 400 370, 000	-201, 447, 600 -130, 000	-\$6, 814, 387
Total.	241, 405, 000	46, 641, 787	39, 827, 400	39, 827, 400	39, 827, 400	-201, 577, 600	-6, 814, 387
Grand total, annual appropriations	307, 671, 665 11, 211, 571	108, 061, 793 10, 753, 116	100, 109, 091 10, 753, 116	100, 380, 706 10, 753, 116	100, 209, 091 10, 753, 116	-207, 462, 574 -458, 455	-7, 852, 702
Grand total, Department of Agriculture	318, 883, 236	118, 814, 909	110, 862, 207	111, 133, 822	110, 962, 207	-207, 921, 029	-7, 852, 702
Special item: Distribution of cotton through Red Cross		4, 100, 000		4, 100, 000			-4, 100, 000

¹ See table on p. 2 of House Report 1807 on H. R. 13872, agricultural appropriation bill, 1934, for enumeration of these activities.

RELIEF OF WATER USERS ON IRRIGATION PROJECTS

Mr. DRIVER. Mr. Speaker, I call up House Resolution 393, providing for the consideration of the bill (S. 5417). The Clerk read as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the considera-

of the Whole House on the state of the Union for the considera-tion of S. 5417, an act to extend the operation of the act entitled "An act for the temporary relief of water users on irrigation projects constructed and operated under the reclamation law," approved April 1, 1932.

That after general debate, which shall be confined to the bill and shall continue not to exceed 30 minutes, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Irrigation and Reclamation, the bill shall be read for amendment under the 5-minute rule. At the conclusion of for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment the committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and the amendments thereto to final passage without intervening motion, except one motion to recommit.

Mr. SNELL. Mr. Speaker, reserving the right to object, I think we are entitled to know a few minutes in advance which resolution from the Committee on Rules is to be

The SPEAKER. If the gentleman from New York will consult with the Republican membership of the Committee on Rules, they will undoubtedly advise him what rules have been reported from the Rules Committee.

Mr. SNELL. Yes; but we do not know anything about when a particular rule is coming up, and I think we are entitled to know.

The SPEAKER. Nor does the Chair know exactly when they are to be called up if Members are not in the House to respond when the Chair recognizes them.

Mr. SNELL. Let me say to the Chair, with all respect, that we want to cooperate in passing legislation the balance of the session, but we are entitled to know a few minutes in advance what business is before the House. If the Chair will give us this information, we will cooperate with him as far as possible.

The SPEAKER. The Chair will try to accommodate the gentleman from New York. The Chair called the gentleman from Tennessee [Mr. Davis] upon the Shipping Board bill which the gentleman from New York was advised about this morning, and the Chair is sure the gentleman is acquainted with the bill of the gentleman from South Dakota [Mr. WILLIAMSON] concerning the purchase of some land for | one of the National Guard camps out in his State. The Chair did not find either of the gentlemen present.

The Chair understands that the present resolution was unanimously reported by the Rules Committee and the bill was unanimously reported by the Committee on Irrigation and Reclamation. The Chair thought this was about as inoffensive a bill as could come to the attention of the House at this time.

Mr. MICHENER. Mr. Speaker, I think we should know what this bill is about. I am a member of the Rules Committee and voted against the reporting of the bill. The vote was not unanimous.

This is an important matter affecting irrigation. It is to bring more land into cultivation and keep other land under cultivation. There is an appreciable number of Members in this body who are opposed to doing anything that will bring more land under cultivation at this time.

Mr. COLTON. Will the gentleman yield?

Mr. MICHENER. Yes.

Mr. COLTON. I feel sure the gentleman is in error with regard to bringing more land under cultivation. There is nothing in the bill providing for that. The provision relating to Grand Valley relates only to lands which are under cultivation but which have become water-logged.

Mr. MICHENER. The land is under cultivation, but it is water-logged, and it is land that you are not able to use at this time. You want this legislation so that construction work may be finished and the payment therefor deferred.

Mr. COLTON. I understand this bill simply provides a moratorium for the payment of construction charges.

Mr. TABER. No; this bill provides more than that.

Mr. MICHENER. May I ask the gentleman from Arkansas to state to the House just what this bill does?

Mr. DRIVER. Mr. Speaker, I will be pleased to make explanation of the bill.

On the 1st day of April of last year the House passed a bill for the relief of water users on irrigation projects. As you know, these projects are located in the arid sections of the West. We all know the conditions that have obtained in recent years, making it so difficult for farmers everywhere to meet the demands upon them. As a consequence, the water users on the irrigation projects of the West have been unable to meet the annual charges levied under the provisions of the irrigation act creating such districts.

Now, in order to provide for the retention of these people on the irrigated lands, it became necessary that an extension should be made of the annual charges for the water that goes to this property to enable these people to produce crops.

There is no use disguising from ourselves the fact that when you withhold water from the people who have located and established homes on these arid lands, you drive them away from their property, because water is the life of their land, and the life of their land means a livelihood for the people on the property.

Without regard to what may be done in the future with respect to these charges, the withholding of this relief from these occupants means they will leave the property, and we can not afford to drive them from the lands, because of the fact there is some doubt about the payment of the small amounts inuring to the Government by reason of the investment we have already made.

Let me call your attention to the fact that if we drive the people from the property there can not be any charges paid on the investment that we have made and we lose the value, secure no benefit, and drive the people from property that is at least yielding them a livelihood.

In my opinion there is only one thing that we can reasonably do, and that is to give them a chance, because it costs no more, the investment is already there, and if we do not get any return from it, we are not out of money.

these sections. It is already developed and people are on the property and we are undertaking to relieve those now using the water. We are not holding out an invitation to others to enter upon such property and develop additional acreage.

Mr. SNELL. Will the gentleman yield?

Mr. DRIVER. I yield to the gentleman from New York. Mr. SNELL. What proportion of the people on these projects are able to pay?

Mr. DRIVER. Possibly 60 per cent.

Mr. SNELL. Under the provisions of the bill that you propose will the 60 per cent be obliged to pay or not?

Mr. DRIVER. No; they will not be obliged to pay, and I will say to the gentleman from New York that my information is that possibly this same percentage will not obtain as to this additional 18 months.

Mr. SNELL. Of course this is an invitation for them not to pay.

Mr. DRIVER. There is no doubt about that.
Mr. SNELL. Because they can get the benefit of this relief and pay only 3 per cent, whereas in other instances they have to pay 6 per cent.

Mr. DRIVER. Of course we are decreasing our interest rates generally with respect to other matters.

Mr. SNELL. But we have not reduced the interest rate anything like this, so far, by law.

Mr. DRIVER. I think, in view of the financing we can obtain on such basis, we should not charge these people who are not able to pay their annual charges more than the interest we are paying ourselves.

Mr. SNELL. The gentleman does not expect that any great number of them will pay anything during the period of this extension?

Mr. DRIVER. Of course we know we can not possibly pass a bill without making it general in its provisions. We know the selfish nature of men, and, possibly, those who are able to pay will take advantage of this opportunity. I could not state to the contrary because you gentlemen can estimate that just as well as myself.

Mr. SNELL. Last year when we had this matter up we went over it more or less carefully, and one reason the Secretary of the Interior said we ought to charge 6 per cent was because it would then be an invitation for them to pay, instead of letting the charges accumulate.

Mr. DRIVER. I may say to the gentleman that the difference in interest rate will not make a material difference in the ability to pay.

Mr. SNELL. If a man could pay, he would pay quicker if he was paying 6 per cent interest than he would if he was paying 3 per cent.

Mr. DRIVER. I doubt if that would be true to any material extent. In fact, I will say to the gentleman that I think the conditions are such that we can not afford to make a heavier charge of interest.

Mr. THOMASON. Will the gentleman yield?

Mr. DRIVER. I yield.

Mr. THOMASON. Will the gentleman yield to me to read a letter from Doctor Mead, Commissioner of Reclamation, to the gentleman from New Mexico, Mr. CHAVEZ, which answers the whole question?

Mr. DRIVER. I yield. Mr. THOMASON (reading):

United States Department of the Interior, Bureau of Reclamation, Office of the Commissioner, Washington, February 23, 1933.

Hon. DENNIS CHAVEZ.

House of Representatives.

MY DEAR MR. CHAVEZ: This is in response to your inquiry of to-day concerning what the conditions on the various projects will be should the bill now pending in the House for temporary relief of water users fail to pass during the present session of

The reclamation law prohibits the delivery of water to any water do not get any return from it, we are not out of money.

My friend from Michigan made the statement that at this time we should not develop additional farm property. Of course we should not, but this measure does not do that. We are not developing one acre of additional acreage in

and 1933, these charges being deferred. Reports received from the various projects indicate that the water users will be unable to pay the construction charges and the operation and maintenance charges. It is only with the greatest difficulty that the necessary funds for paying the operation and maintenance charges can be raised by the water users. Therefore, unless the construction charges are deferred, thereby reducing to this extent the total charges payable, the water users will be unable to make the necessary. sary payments and thereby become ineligible for water service. This would be a very serious situation and one which I hope may

On some of the projects, particularly those in the Southwest, including the Carisbad and Rio Grande in your own State, water is now required for irrigation and the projects are urging adjustment at the earliest possible date. I therefore hope that S. 5417, now pending in the House, will receive favorable consideration during the present session, and at the earliest possible date. Sincerely yours,

ELWOOD MEAD, Commissioner.

Mr. CHINDBLOM. Will the gentleman yield?

Mr. DRIVER. I yield.

Mr. CHINDBLOM. There is not a word in this letter about the several points of objection which have been raised to this bill by the Bureau of the Budget. The Bureau of the Budget recommends that repayments shall begin July 1, 1935, and secondly, that the 3 per cent interest provision be eliminated. It is true the legislation may be urgent, but this provision in relation to interest, as said by the gentleman from New York, is an inducement to evade payment.

Mr. DRIVER. I do not believe that we can acquit ourselves of the charge of discrimination as long as we loan the Federal credit to other interests and refuse to men who

to-day are struggling to make a livelihood.

And further, I want to say to the gentleman from New York that under the set-up of the irrigation districts this is a joint enterprise of the people of the districts. They are unable to pay at present, and the benefit must be extended so that they may work it out as an entity.

Mr. SNELL. If the gentleman will yield further, I feel this way: We are working in a circle every day. One day we are appropriating money, providing for an increase of agricultural products, and the very next day we are bringing in a bill for the Government to take care of that surplus. That is working in a vicious circle. This bill provides for an additional surplus in agricultural products that we ought not to have at this time.

Mr. DRIVER. If we are in the attitude where we stop people from making a living on their farm lands and drive them from their property, we are not in the attitude of doing what we ought to do.

Mr. SNELL. Have I not stated the fact, that we are one day providing for agricultural products and the next day trying to do away with the surplus products?

Mr. DRIVER. Possibly that may be true.

Mr. SNELL. In other words, we are working in a vicious

Mr. DRIVER. I imagine that we are obliged to do it and find justification in the emergency which exists in an eco-

It is true to-day that if we could withhold from the farmers of this country the crop-production loans, we would reduce the surplus of products that we are making on the farms of this Nation, but when we do it we drive the people who are able to make their living and pay back to the Government the amount of the loan into the army of unemployed which is threatening the very foundation of the structures of government, and because we might make a surplus is no reason in the face of these conditions, in my opinion, why we should withhold that aid, because possibly it may reduce the value of wheat 5 cents a bushel or the value of cotton 1 cent a pound and the other products in like proportion.

Mr. SNELL. My position is that we should make the people pay who are able to pay, and then we will take care of those unable to pay in a separate provision.

Mr. DRIVER. I agree with the gentleman from New York, and if we could do that under the irrigation structure we could afford to do so, but we can not do that.

Mr. SNELL. If we charge them 6 per cent interest, that would be one incentive to those people who can pay to pay.

Mr. DRIVER. But they could not do that under their joint obligation and still meet the demand on their districts where it is a joint obligation rather than a separate and independent entity on each of the water users.

Mr. SNELL. The ones who paid would get the water.

Mr. DRIVER. But you would not meet the demand of the joint obligation.

Mr. COLTON. Mr. Speaker, will the gentleman yield? Mr. DRIVER. Yes.

Mr. COLTON. I think if the gentleman from New York [Mr. Snell] will study the situation carefully, he will find this will not increase the agriculture surplus to any appreciable extent. A very large per cent of the products raised on irrigration projects do not come in competition with those crops of which we produce a surplus.

Mr. SNELL. When you increase the general supply of agricultural products, you increase the supply all along the

Mr. COLTON. In a large measure that does not enter into the picture at all.

Mr. SNELL. It can not help but do so.

Mr. COLTON. These projects in the West produce sugar beets, alfalfa, and crops of that kind and they do not enter into competition with the surplus crops.

Mr. SNELL. Oh, alfalfa enters into competition right here in the State of New York.

Mr. COLTON. If you increase the rate of interest you simply drive out those who can not pay at all.

Mr. SNELL. I do not want to drive them off, but I still insist that those who can pay ought to pay.

Mr. COLTON. I am not disagreeing with the gentleman about that.

Mr. DRIVER. Mr. Speaker, I regret very much that I shall be forced to refuse to yield further.

Mr. MICHENER. Mr. Speaker, will the gentleman yield? Mr. DRIVER. I have made this statement frankly to the House. There is going to be an explanation made by those directly involved. This matter is of sufficient importance to justify the House in affording an opportunity for the presentation of the claims of these people and my duty is to ask consideration at your hands. I want the privilege of presenting the resolution so that those gentlemen who are directly interested may make a very thorough explanation.

Mr. RICH. Mr. Speaker, will the gentleman yield? Mr. DRIVER. Yes.

Mr. RICH. If you do not change the rate of interest and grant a moratorium to those unable to pay, then the individual who can pay is going to support the Government to that extent, and we are not going to grant moratoriums to everybody who is able to pay his just debts.

Mr. DRIVER. In my opinion, to start with, the difference in the interest rate will not be material. When these gentlemen who are actually familiar with the situation in the irrigation districts explain to the gentleman the joint obligation under which they are operating those properties, that fear in the gentleman's mind will be entirely removed, as it has been from mine. So that the matter may be presented to the House more thoroughly, I move the previous question on the resolution.

Mr. SNELL. Oh, we want some time on the resolution.

Mr. DRIVER. I withdraw the motion and yield the gentleman from Michigan 20 minutes.

How much time has been consumed, Mr. Speaker?

The SPEAKER. The gentleman from Arkansas has used 40 minutes. He still has 20 minutes left.

Mr. DRIVER. I yield 20 minutes to the gentleman from Michigan.

Mr. MICHENER. Mr. Speaker, I yield five minutes to the gentleman from Wisconsin [Mr. STAFFORD].

Mr. STAFFORD. Mr. Speaker, were it not for the fact that last year when this act was under consideration I was delegated by some Members of the House who were opposed to the moratorium to represent them at a conference before the Secretary of the Interior, I would not rise at this time to discuss this proposal.

That act provided the granting of a moratorium on construction charges for the year 1931 and the first half of 1932, subject to an interest rate that would be determined by the Secretary of the Interior. It was my unfortunate lot to appear before Commissioner Mead to present what I thought was an impartial view, in opposition to those like the gentleman from Colorado [Mr. Taylor] and the gentleman from Idaho [Mr. Smith], who wanted a low rate of interest. It was the opinion of Commissioner Mead that we should not charge less than 5 per cent. For what reason? Because there should be no inducement to the persons who were able to pay to have this moratorium granted in the way of construction charges postponed for a period of 40 years.

There were many, many districts, 60 per cent, who were able to pay, and to-day those who availed themselves of the moratorium are paying an interest rate of 5 per cent. The policy had the full approval of the Secretary of the Interior, including Commissioner Mead. Now, having adopted that policy, what is proposed here? It is asked to pass retroactive legislation in this last proviso, cutting the interest rate from 5 per cent to 3 per cent. What will be the effect of it? That will be an inducement to all, whether they are able to pay or not, to postpone the charges for 40 years; not to have it paid until 40 years from now. The Commissioner of Reclamation is of the opinion that this will defer the payment of \$2,000,000; it will take that much money out of the reclamation fund that is used for construction purposes, and will defer the use of that money for proper development and construction purposes.

In his testimony before the Senate committee Commissioner Mead stated there was only about \$500,000 available for this purpose at present; that there will have to be further demands on the Treasury if this law is passed. I want it understood that I am sympathetic with the idea of postponing the charges for the last half of 1932 and 1933, but it is an outrage upon the Treasury of the United States for you to cut down the interest rate which was determined by the Secretary of the Interior, from 5 per cent to 3 per cent, and really make an inducement to everyone, whether he is in a position to pay or not, to defer these payments. Sixty per cent are in a position to pay.

The SPEAKER. The time of the gentleman from Wisconsin [Mr. STAFFORD] has expired.

Mr. MICHENER. Mr. Speaker, I yield five minutes to the gentleman from Idaho [Mr. French].

Mr. FRENCH. Mr. Speaker, the bill for which we are asking the pending rule provides that a moratorium be granted to settlers upon reclamation projects in the matter of payment of certain operation and maintenance and construction charges for one-half the year 1932 and the full charge for 1933. The problem is whether or not an orderly way may be provided that settlers upon reclamation projects may meet the obligation they have assumed under the reclamation law. It is not a question of whether or not the Government should have undertaken reclamation as a national policy. That proposition was determined more than 30 years ago. It is not a proposition of whether or not new projects should be begun. Members from the West generally concede that now is not the time for commencement of new projects. The proposition is simply whether or not at this time we are going to recognize that the same crisis exists upon reclamation projects that exists in every other line of activity-agriculture, banking, railroad administration, and other industrial activities—throughout the United States, and give to settlers upon reclamation projects consideration similar to that which has been given or is being extended to other interests to which I have referred.

Mr. STAFFORD. Will the gentleman yield?

Mr. FRENCH. In just a moment.

Throughout the West—in fact, throughout the United States—the holders of mortgages upon land are granting to debtors an extension of time, adjustment of rates of interest, modification of conditions under which payments of principal and interest may be made. That is being done by

insurance companies who own mortgages; it is being done by banks and trust companies; it is being done by individuals who have loaned money.

The problem that confronts us here is whether or not the Federal Government shall do the same thing by settlers upon reclamation projects, who contracted their obligations under a plan that was worked out years ago when times were good, when prices of crops netted profits to farmers upon all lands, whether reclaimed by reclamation or not.

Mr. STAFFORD. Will the gentleman yield?

Mr. FRENCH. I yield.

Mr. STAFFORD. The gentleman was present last year at a conference with Commissioner Mead. At that time the question was the rate of interest. He was contending, and I was supporting him, for a rate of interest of 5 per cent. Now, does the gentleman propose to have retroactive legislation, changing that rate from 5 per cent to 3 per cent, making an inducement to everyone to have these payments deferred, regardless of their ability to pay? That is the issue in this matter. I am in favor of the moratorium, but I am in favor of the rate of interest now charged by the Secretary of the Interior, 5 per cent, rather than a low percentage rate of 3 per cent, which will be an inducement to all to take advantage, and have deferred the payment of construction charges in some instances for 40 years.

Mr. FRENCH. Let us consider the interest factor when we shall reach the bill itself.

Mr. STAFFORD. Was the gentleman present at that interview?

Mr. FRENCH. I was present.

Mr. STAFFORD. And we agreed to leave it to the judgment of the Secretary of the Interior under the present act to determine.

Mr. FRENCH. That was the compromise a year ago. Let me continue further with the broad reasons for the pending bill.

Conditions to-day are not better. Indeed, they are more serious than they were a year ago. Last summer and fall many farmers upon reclamation lands did not harvest their fruits or potatoes or other crops because they could not receive enough to justify the expenses of harvesting them. Many farmers invited those who were in need to come and help themselves without cost or upon the basis of a nominal charge. Most settlers upon reclamation projects are not able to meet the obligations that they have assumed; they simply can not meet them now. Most of these settlers will be forced to default in their payments.

I submit the Government has nothing to gain if the settlers are crowded off the lands and the lands turned over to others. A mortgage holder under similar circumstances believes his best chance lies with the one who has been on the land, who owes the mortgage, and who, if given an opportunity, can eventually meet his obligations.

There is another factor that we must not overlook: Under the reclamation policy the Government holds the first lien upon the land. The settler is not in position to borrow money. Most of the land is not patented. He could give no security other than that upon chattels; he may not turn to the Federal farm-loan banks for relief; he is separated from other farmers throughout the United States by these two conditions. He is not able to give adequate security to a private money lender or to obtain a Government loan.

CONSTRUCTION CHARGES

The irrigation farmers throughout the West have paid back to the reclamation fund more than \$45,000,000 for construction charges besides about \$27,000,000 for operation and maintenance. The Government has a vast investment that remains unpaid—about \$180,000,000. I believe that most or all of this will be repaid. For the protection of this investment, from the standpoint of the Government, this moratorium should be granted, for, generally speaking, the Government's chance of recovering ultimately the money that it has invested in reclamation will be better through present settlers who understand how to farm by irrigation, who are familiar with crops, climatic conditions, the use of water, than it will have if present settlers be dispossessed of

their lands and new settlers this year or during the next several years be invited to take their places.

Mr. MICHENER. Mr. Speaker, I yield two minutes to the gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Speaker, I am not opposed to a moratorium if these people will go along on the rate of interest that I understood was agreed to a year ago. I was involved in that situation, and as I remember the rate it was to be 5 per cent, or such rate as the Secretary might fix.

Beyond the moratorium there is another feature in this bill. There is an extension of time as to a certain portion of the Uncompangre and Grand Valley reclamation projects. I understand that so far these projects have been total failures. There is proposed an extension of time within which construction work can be begun. No extension of time should be granted for construction work on reclamation projects. They should be allowed to lapse. The theory that we must go on and create more land to produce more crops to run down the value of the crops our folks are producing on land they own and for the irrigation of which they themselves provide, is absolutely ridiculous. It ought to stop right now.

[Here the gavel fell.]

Mr. MICHENER. Mr. Speaker, I yield two minutes to the gentleman from Colorado [Mr. Taylor]. He has not asked for this time but I yield it to him in order that he may explain this Uncompangre project to us.

Mr. TAYLOR of Colorado. Mr. Speaker, I appeal to the House to listen for two minutes. Every one of you gentlemen sometimes has something come up for consideration and you like to have the House pay attention to it.

Mr. MICHENER. Mr. Speaker, will the gentleman yield for a question?

Mr. TAYLOR of Colorado. I yield.

Mr. MICHENER. Does this bill provide for the beginning of construction on this project?

Mr. TAYLOR of Colorado. Why, no. This Uncompanger project is the oldest project in the United States. It was the first one started. What the Government reclamation officials should have done when they built the project was to build proper drainage ditches to prevent the land from going to seep. The Government did not do it. Some of the land there now is water-logged. Two years ago I secured the passage of an act of Congress allowing the settlers on this project to spend the money they would otherwise pay to the Government on the original construction charges for the building of a drainage system for a period of five years and requiring them to spend at least \$85,000 a year in that drainage work.

It will cost probably about \$500,000 to build a proper drainage system. The Reclamation Service was not, and is not now, willing to do that drainage work or expend that money on it. But they are willing to let the water users do it. And that act of Congress referred to authorized the water users to pay no more money on construction charges for five years and to use all that money on their drainage work. Now, in this bill I am asking permission of Congress to give those water users on that project another year to commence the surveys and construction work on that drainage system. They want to redeem that water-logged land. We call it land that has gone to seep. It is not new land, and it is not costing the Government one dollar.

Mr. MICHENER. No, as I said; and the land on this project is water-logged.

Mr. TAYLOR of Colorado. Yes. A part of it is waterlogged, and much more of it will be water-logged if it is not drained.

Mr. MICHENER. It is on the project?

Mr. TAYLOR of Colorado. Yes.

Mr. MICHENER. It is water-logged now?

Mr. TAYLOR of Colorado. Some of it is; yes.

Mr. MICHENER. And Congress-

Mr. TAYLOR of Colorado. I did not yield for a speech. The gentleman is misinformed.

Mr. MICHENER. I yielded to the gentleman from Colorado for the specific purpose of having him answer some questions.

[Here the gavel fell.]

Mr. MICHENER. Mr. Speaker, I yield two additional minutes to the gentleman from Colorado [Mr. TAYLOR].

Mr. TAYLOR of Colorado. Proceed with your question. Mr. MICHENER. As a matter of fact this is an old, water-logged project. This legislation provides for the rehabilitation of a project which is now out of commission. If passed it will, therefore, bring into use new land.

Mr. TAYLOR of Colorado. The gentleman is entirely mistaken. This project is not out of commission by any means. There are some 8,000 people now living within the boundaries of that project. Only part of it has become water-logged, and the Government not only permits but is anxious to have them drain that part of it. It is a going concern, but the people are poor. They can not sell their crops. They can not possibly pay for the cost of annual operations and maintenance and pay high taxes and do this drainage work this year. They have to pay some \$3, or \$4 an acre for the annual operation expenses. They have got to pay that, but they can not repay the Government the original cost of this project at the present time, and this bill simply gives them a moratorium on that drainage work this year. That is all there is to it.

[Here the gavel fell.]

Mr. SANDLIN. Mr. Speaker, I move the previous question on the resolution.

The resolution was agreed to.

Mr. DRIVER. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (S. 5417) to extend the operation of the act entitled "An act for the temporary relief of water users on irrigation projects constructed and operated under the reclamation law," approved April 1, 1932.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill S. 5417, with Mr. MEAD in the chair.

The Clerk read the bill, as follows:

Be it enacted etc., That in the administration of the act entitled "An act for the temporary relief of water users on irrigation projconstructed and operated under the reclamation proved April 1, 1932, the Secretary of the Interior is authorized and directed to extend the provisions of such act relating to certain directed to extend the provisions of such act relating to certain charges coming due for 1931 and to one-half of certain charges due for 1932, in like manner to the remaining one-half of such charges coming due for 1932 and to all of similar charges to become due for 1933, and to extend the provisions of section 3 of such act, (1) so far as they relate to the extension of time for beginning construction of a drainage system upon the Uncompander reclamation project, to one year from and after January 1, 1933, and (2) so far as they relate to certain charges upon or for the Uncompander and Grand Valley reclamation projects in the the Uncompangre and Grand Valley reclamation projects in the State of Colorado due and payable for the year 1932, in like manner to all similar charges due and payable for the year 1933: Provided, That the deferred charges shall bear interest at the rate of 3 per cent per annum for the years specified in the act approved April 1, 1932, and as amended herein, which interest shall be paid at the same time the principal deferred herein is paid at the same time the principal deferred herein is paid.

SEC. 2. That the last line of section 10 of said act is amended by substituting "1936" for "1934."

Mr. CHAVEZ. Mr. Chairman, a parliamentary inquiry. The CHAIRMAN. The gentleman will state it.

Mr. CHAVEZ. Under the rule, as I understand it, there are to be 30 minutes of general debate, the time to be equally divided and controlled by the acting chairman of the Committee on Irrigation and Reclamation and the gentleman from Montana [Mr. LEAVITT].

The CHAIRMAN. That is correct.

Mr. CHAVEZ. I wish the gentleman from Montana [Mr. LEAVITTI would yield time first, if he cares to.

Mr. LEAVITT. Mr. Chairman, I yield myself five minutes. I begin by presenting this question from the standpoint of two of the great farm organizations. I have here a letter from the American Farm Bureau Federation. It is addressed to the gentleman from Texas [Mr. Thomason]:

FEBRUARY 22, 1933.

Hon. R. E. THOMASON,

House of Representatives, Washington, D. C.
DEAR MR. THOMASON: The American Farm Bureau Federation
has followed with interest the hearings on S. 5417, providing for temporary relief of water users on irrigation projects constructed and operated under the reclamation law. Our attitude, as hereto-fore expressed in the hearings, is favorable to such legislation on the ground that the relief petitioned for is necessary in view of the widespread distress occasioned mainly by the low price of agricultural commodities produced on the reclamation projects and

the limited market therefor.

Since the United States is the creditor of the reclamation proj ects in this instance, it is but natural that the farmers should turn to Congress for relief which, in our opinion, should be granted with the same spirit of consideration that private creditors are now in many instances demonstrating.

Very truly yours,

AMERICAN FARM BUREAU FEDERATION, CHESTER H. GRAY, Washington Representative.

I want the House to notice particularly the statement contained in the second paragraph of this letter.

To enlarge upon the thought just for a moment, we are receiving from the Senate another bill to grant relief on all farm mortgages, and here is a class of people who do not owe these obligations to mortgage companies or to banks, but who owe them to the United States. In order to secure the same sort of relief we are all agreed must be given to farmers generally, they must turn to their creditor, who is the United States.

I have here a letter from another one of the great farm organizations, the National Grange, and signed by Fred Brenckman:

As representative of the National Grange I am deeply interested in the proposed legislation granting temporary relief to water users on irrigation projects constructed and operated under the reclamation law, as set forth in S. 5417.

The farmers on reclamation projects, in common with all other farmers in the country, are facing a crisis which demands the utmost consideration from their respective creditors. Under the circumstances our organization sympathizes with this request for relief, and it is our hope that the legislation may be speedily expected.

You have already listened to the reading of a letter written by the Director of the Reclamation Service during the discussion of the rule by Mr. Thomason. That letter outlines what would happen to these people if this legislation is not passed. I recall to your attention just one thing in that letter, and that is that a law passed by this Congress would make it impossible for water to be delivered to many of these people to enable them to remain on their farms and maintain their homes, unless this extension of time is granted or they make payment of money they do not have.

With the United States of America the creditor in this case, and with the necessity recognized everywhere in the country that there must be relief to the farmers from the burden of mortgages at this time, surely the way for us to set the example to the great mortgage companies and to the banks is to do this thing which only we can do, because the Government is here the creditor. We in this way will be setting the pace. I should not say that exactly, because on all these reclamation projects evidence before the committee shows that farm-mortgage companies and local banks and others who are creditors are already granting such relief as is outlined in this bill. Instead of really leading, we are only following when we do this for the benefit of the people on these reclamation projects.

Mr. RICH. Will the gentleman yield?

Mr. LEAVITT. Yes.

Mr. RICH. I think the House is in sympathy with granting a moratorium; but if we cut the interest rate to 3 per cent, does not the gentleman believe that 60 per cent of the people on these projects will not pay anything to the Government, and the Government then is granting this relief whether they need it or not, because of their desire to get everything for nothing?

Mr. LEAVITT. Of course, they do not have any desire to get everything for nothing, to begin with; but, as to the rate of interest, the tendency with regard to all legislation to-day having to do with farm mortgages is to recognize that the existing interest rates have been too high. This is one of the difficulties that face the farmers at this time. so far as digging out of the present unfortunate situation is concerned. Here again is a time when our Congress, acting as the creditor of these people, can set the right example and give them a lower rate of interest, and in this way help bring about a readjustment of interest charges in many other cases.

Mr. STAFFORD. Will the gentleman yield?

Mr. LEAVITT. Yes.

Mr. STAFFORD. Is it not a fact that the construction charges that are deferred will be deferred until the end of the contract period, which in some instances are as long as 40 years?

Mr. LEAVITT. They pay interest at the end of that

Mr. STAFFORD. They pay 5 per cent interest on deferred charges under existing law.

Mr. LEAVITT. That is right.

Mr. STAFFORD. That was the rate determined by the Secretary of the Interior under existing law as a reasonable charge and now you are granting a premium by making it 3 per cent, so as to induce everybody to take advantage of this lower rate. Who would not take money to-day at 3 per cent? I would, you would, and everyone else would, if we could get it, take money at 3 per cent.

Mr. LEAVITT. The question is asked with respect to the statement that some can pay and some can not. That must be answered in this way. The Government requires a joint obligation under these contracts. For years the Government dealt with individuals on the reclamation projects but found that this was impracticable and almost impossible, and the Congress enacted laws which require all the people on a reclamation project to enter into a joint contract with a joint obligation. Thus it is impossible, under the law that was passed by this Congress, to segregate people individually on the various projects. There is no way this can be done without completely changing existing law.

Mr. STAFFORD. There are some of these projects where they have not availed themselves of this extension, because they are in good circumstances. You are now really offering them an inducement to take this favor from the Government when the Government is not in a position to grant such a favor to everyone at an interest rate of 3 per cent.

Mr. LEAVITT. My judgment is that some of them will not take advantage of this if they find themselves in a position where they do not have to do it, but most of them must have this relief.

Mr. CHAVEZ. Mr. Chairman, I yield three minutes to the gentleman from Texas [Mr. THOMASON].

Mr. THOMASON. This bill does not carry any appropriation. It does not lessen the security of the Government. It has the admission of the Secretary of the Interior that the people on these projects will be without water unless further relief is granted.

The only thing that this bill does is to extend the law passed last year for another year and a half. The Government does not weaken its security, and it is only doing for the farmers in the reclamation sections of the country what we have already done or undertaken to do in the way of relief legislation for farmers in other sections of the country.

I have been much impressed with the forcible argument of the gentleman from New York [Mr. LaGuardia], as I am with nearly everything he says, that the only hope for the farmers and the debtors of this country is a reduction of interest charges.

We have assisted the Federal land banks and propose to help them more in order that they may extend their loans to farmers. Vast loans have been made by the Reconstruction Finance Corporation to renew and extend commercial loans. In this case the Government is the creditor and it, of all people, ought to be fair, just, and lenient.

Mr. RICH. I would like to ask the gentleman if this will not induce people who are able to pay to withhold payment to the Government for the service?

Mr. THOMASON. Probably so; but the gentleman must remember that this is a community rather than an individual affair in its operations. If the Government could pick out an individual farmer who was in need and grant him relief, all well and good, but the trouble is when you have a big reservoir from which you are furnishing water everybody has to be treated alike. There will be no economy in refusing aid to these people and forcing them to abandon their homes.

Mr. RICH. As the gentleman knows, everybody has his hand out for something from the Federal Government. We have got to stop that and only provide for those who are in need of relief.

Mr. THOMASON. I undertake to say that there are 95 per cent of the people in the reclamation districts who can not pay their construction charges. They have much higher charges and taxes than the farmers who live in nonirrigated sections. They can get no relief from any other source. The Government is amply secured. Interest rates must be reduced, and this is a fine opportunity for the Government to make a start in that direction. This is a just bill, and I am sure will be passed with little opposition.

[Here the gavel fell.]

Mr. TAYLOR of Colorado. Mr. Chairman, I yield five minutes to the gentleman from California [Mr. Lea].

Mr. LEA. Mr. Chairman, the first feature of this bill that should have the attention of Members of the House is that it does not propose to cancel one cent of obligation due the Federal Government. In the second place, the moratorium on charges due the Government is for construction charges only and not for maintenance and operation.

The third point is that the interest imposed covers the period of delay. It is true it does not cover the whole period the principal is to run. As all of you know, the funds expended for reclamation are without interest to the Federal Government.

This bill proposes to impose interest not for the whole period but simply for the period of delay provided for in the bill.

I regard this measure as important to these reclamation projects. Under the present circumstances I believe it is for the best interest of the Government to provide for this extension of time for payment.

Mr. MICHENER. Will the gentleman yield?

Mr. LEA. I yield.

Mr. MICHENER. What does the gentleman say about the Uncompangre provision?

Mr. LEA. I am not in possession of the details necessary to inform you as to that project.

Mr. MICHENER. I want to say that if the Government goes into that, it might as well furnish fertilizer to make land productive.

Mr. TAYLOR of Colorado. It would take five years to bring that under cultivation, and cost \$500,000.

Practically every member knows that the average farm in the United States in the last two years has not been able to pay the expense of operation. That is true of these farms on reclamation projects. The farms do not afford a source of income to pay these charges under the average conditions of their owners. Most of these owners are not so favorably financed as to be able to pay such charges from outside income. Therefore, failure to pass this bill does not mean the charges will be paid; it would, in most cases, mean default.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. LEAVITT. Mr. Chairman, I yield one-half minute to the gentleman from Colorado [Mr. Eaton].

Mr. EATON of Colorado. Mr. Chairman, there seems to be such a dispute as to the source of the funds from which these projects are made, that I ask unanimous consent to extend my remarks in the Record and to include therein certain citations from the official records to show the source of the funds going to these projects.

The CHAIRMAN. Is there objection? There was no objection.

Mr. EATON of Colorado. Mr. Chairman, I wish to remind you that the gentleman from New York [Mr. Culkin] last Tuesday designated as "conventional fictions and unsound claims" the statement that the money used in the reclamation fund came out of the lands and revenues produced from the very States in which reclamation projects are found. He argues that—

Reclamation States are no more entitled to that sum than is the city of New York or the State of New York entitled to the customs receipts that are paid at the port of New York.

It is almost futile to attempt to answer such an argument, for on its face it shows that the speaker was not accurately using available facts. I must therefore remind the gentleman that the reclamation of arid lands in the West is but a part of the forest and other conservation policies which were started 30 years ago. Settlement of lands in the national forests was curtailed, and among other things it was, and still is, insisted that these reclamation projects would be much more beneficial to the entire country than to permit further clearing of forest lands for homesteads.

After all these years, practically every prophecy of excessive cost, necessity for further Federal aid in times of money stringency and of oversuperintendence by Federal employees has come true, and to-day we hear gentlemen from the State of New York resisting this bill which arises solely out of the financial necessity which has caused the reclamation farmers to request that a moratorium be given for the ensuing crop season, and that they have water furnished them, notwithstanding they are in arrears on previously required payments for construction, maintenance, and operation.

The relation of irrigation development in the arid States carried on by the Reclamation Bureau to the irrigation carried on by private enterprise with no relation to the bureau is not understood in the East. Because of that there are several implications in the speech of Congressman Culkins that give a wrong impression of what has taken place. For example, Congressman Culkins holds that the Reclamation Bureau is largely responsible for all the irrigation development. He evidently does not realize how much had taken place before the reclamation act was passed in 1902. All of the Spanish irrigation development in the Southwest, the irrigation development of the Mormons in Utah, the important irrigation development in eastern Colorado were largely carried out before the Federal reclamation act was passed.

When Federal reclamation came on the scene, its place was supposed to be that of doing things that private enterprise could not do. Now it is realized that its important function is to conserve the water supply so that irrigation districts already established can continue to exist and be prosperous. One reason for this is the fact that in the early development the cheapest way to bring lands under irrigation was to ignore reservoirs and depend on the unregulated flow of the stream. In that way a great deal more land has been brought under irrigation and a great many more homes are on that land than the unregulated water of the river will provide for.

What those highly developed districts now need is the conservation of the flood waters to give them late water, and Federal reclamation is now confining its attention to that problem.

Take, for example, the last reservoir completed on the Weber River in Utah. That reservoir is to hold the floods of the Weber that used to go to waste. It supplies country settled by the Mormons, some of it 70 years ago. In those 70 years the kind of farming has changed, and that change has made a new requirement. That country used to be a wheat country requiring early irrigation; now it is largely a vegetable and beet country that requires water for late irrigation, and that change makes the reservoirs which could once be ignored indispensable to the prosperity of those homes. All the work in Utah is building reservoirs to furnish late water to farms whose average age will be nearly 50 years. The destruction of those homes will be ruinous to the West and equally disastrous to the East.

To call activities of this kind a crime can only be done where the actual situation is not realized. The crime would be to ignore the distress that now exists and to put a stop to this beneficent scheme of rescue work now being carried on.

Coming to administrative matters, it is a mistake to say that expenditures are being made without the approval of Congress. That was only true in the earlier years of the operation of the Bureau of Reclamation. For 17 years every dollar from the reclamation fund spent on construction or operation of works has had to be submitted to the Budget and has to be included in appropriation bills passed by both Houses of Congress. No control could be more complete than that required in section 16 of the act of August 13, 1914. All new work undertaken since 1926 requires a certificate from the Secretary of the Interior that the work is feasible and will probably return the money expended, and that certificate has to be approved by the President before the work can be undertaken.

The amount of money expended is also less than that stated by Congressman Culkin. From the beginning of the operation of this act in 1902 up to June 30, 1932, a period of 30 years, accretions to the reclamation fund from the States are \$153,659,346, as shown in the table given below. To this has been added \$44,500,000, representing money repaid by the water users into the construction fund, and in addition \$15,000,000 borrowed from the Treasury of the United States.

Twenty-five million dollars was borrowed but \$10,000,000 has been repaid, and the loan requires the repayment of the entire sum. This \$15,000,000 is, therefore, the only sum contributed directly from the Treasury. The remainder of the money spent in this development has come either from payments of water users or accretions to the fund from the sales of public lands or leases, oil royalties, and income from Federal water-power plants.

When it is considered that this expenditure has rescued many communities from ruinous conditions and so enabled them to maintain their homes and live on the land, and its relation to the betterment of life, cheapening the cost of living to those who operate the mines, the mills, the railroads of that country, no one who knows the facts can help to recognize that Federal reclamation has been one of the stabilizing influences whose benefits have been worth many times its cost.

The table appearing on page 4756 of the Congressional RECORD, for repaying the cost of the irrigation works to the reclamation fund, needs an explanation. The longest definite period recognized by the Reclamation Bureau is 40 years; but there are a limited number of projects that in 1926 were given the privilege of electing to repay the money due the Government by a percentage of the value of the crops grown, that being 5 per cent of the gross crop value. Because crops are almost unsalable now, because the prices are so low, the period of repayment on these projects is in all cases more than 40 years; but if crop prices should improve, the period of repayment will be shortened, so that the table, wherein the period is given as more than 40 years. represents the longest period for returning the money to the fund that can be reasonably anticipated. In the case of the Vale, Owyhee, and Baker projects the water users have executed contracts which provide for the payment of the construction charges in 40 years.

There is a widespread mistaken belief that crops grown on these reclamation projects compete with the crops of the entire country. Nothing could be more mistaken. In the northern part of the arid region the most dependable and satisfactory crop is the sugar beet; and since we have to import sugar, increasing that crop will not be injurious to

the farmers in any other part of the country. All it does is to save us from sending money abroad.

The same is true of the cotton. The irrigated areas are the only places in this country where long-staple cotton is now commercially grown. The staple on all the cotton produced on these irrigation projects is an inch or more in length, whereas over three-fourths of the cotton produced in the United States is less than 1 inch in length. The irrigated country does not produce all the long-staple cotton we need. What we do grow simply lessens the amount of money we have to send to Egypt.

The criticism of the Reclamation Era could only be made by one who does not understand the life on the farms of these widely separated oases. The people on the farms are tied together by their common tie of dependency on the water supply furnished, by their common interest in the operation of the irrigation works which they are under contract to pay for, and by their common need to improve their methods and practices in a form of agriculture which to many of them was a strange and new method when they began. The Reclamation Era is, in the best sense, a family magazine which brings to the people living in these remote and widely separated sections contact with each other in an understanding of what has taken place not only on their own project but on other projects, and is the most effective possible means of educating them into better modes of living and farming. Its cost is insignificant; its value is hard to properly estimate.

Failure to recognize these things is an injustice to an organization that has won the recognition of all irrigated countries in the world for its leadership in methods of construction, and which is entitled to the grateful appreciation of the entire country. The fact that during the 30 years of its existence there has been no dishonesty; that, on the contrary, the most scrupulous integrity in construction and fidelity to the Nation's interest in the operation of these works is one of the outstanding evidences of the ability of the Government to serve the people in their everyday affairs.

In conclusion I wish to refer again to the statement of the gentleman from New York [Mr. Culkin] first referred to. (See p. 4756 and following of the Congressional Rec-ORD of February 22.) His implication was that \$300,-000,000 had been poured into reclamation by the Government, and if there had been no reclamation activity, this money would have gone into the United States Treasury. Instead of this being true, by the following statement it will be seen that up to June 30, 1932, \$98,612,943.08 has been paid by water users and others, a creation of reclamation, and instead of being charged should be credited. Had there been no reclamation there would have been no payments by water users. Instead of \$300,000,000, the amount set aside for the permanent use of reclamation is \$153,659,346.20. This amount plus \$15,000,000, the unpaid loan from the Federal Treasury, is the most that can be regarded as the Government's participation, and that sum is all to be repaid as the years go by.

Congress has recognized for many years the interest of the States in its disposal of public lands within those States and endowed States with land and money for schools, roads, and other public purposes. The contribution to the reclamation fund is a recognition of the immense obstacles to settlement and development that result from the desert condition of these lands and the need for their irrigation. Even this does not adequately recognize the obstacles in the development which the arid States have to surmount. What Mr. Culkin terms as a fiction is an attempt to deal with the serious reality by continuing the policy followed by Congress for many years.

Accretions to reclamation fund by States

Accretion	is to reciamation j	una by States				
	Sale of pu	blic lands	Proceeds from	oil leasing act	Potassium royalties and rentals ¹	Total to June 30, 1932
States	Fiscal year 1932	To June 30, 1932	Fiscal year 1932	To June 30, 1932		
Alabama,	\$54, 960, 10 56, 922, 24	\$2, 577, 955, 97 8, 039, 651, 80	\$4,751.07 2.53 615,996,36	\$71, 692, 16 53, 18 8, 664, 298, 27		\$71, 692, 16 2, 578, 009, 15 16, 795, 224, 41

Proceeds for fiscal year, \$11,245.22.

Accretions to reclamation fund, by States-Continued

	Sale of public lands		Proceeds from oil leasing act		Potassium	
States	Fiscal year 1932	To June 30, 1932	Fiscal year 1932	To June 30, 1932	royalties and rentals	Total to June 30, 1932
coloradodahodano	\$39, 686, 01 2 4, 664, 72	\$10, 183, 471, 81 6, 964, 835, 00 1, 032, 764, 48	\$34, 487, 12 2, 519, 13	11, 817. 17		\$10, 585, 543, 7 6, 976, 652, 1 1, 032, 764, 4
ouisiana fontana ebraska		15, 223, 877, 79 2, 095, 367, 55	2, 262, 81 32, 301, 24	24, 615, 75 995, 406, 30		24, 615. 7 16, 219, 284. 0
levada 	7, 901, 84 93, 609, 29 1, 887, 36	1, 015, 374, 44 6, 432, 013, 50 12, 219, 283, 47	1, 184, 27 55, 918, 76 9, 919, 92	263, 589, 67 89, 241, 30		1, 020, 107. 8 6, 695, 603. 1 12, 308, 524, 7
klahomaegon	282. 00 9, 005. 94 3, 100. 44 22, 538, 15	5, 926, 670, 90 11, 927, 195, 50 7, 724, 091, 61 4, 174, 951, 98	10. 25 198, 23 39, 474, 83	885, 86		7, 724, 977.
ashington yoming	14, 730, 30 83, 245, 16	7, 434, 211. 30 8, 416, 555. 89	5, 231. 92 625, 013. 65			4, 484, 736, 3 7, 456, 545, 2 39, 370, 097, 8
Total. rocseds, Federal water-power licenses.	430, 444. 51	111, 388, 272. 99	1, 429, 272. 09	41, 814, 075. 43	\$91, 274, 34	153, 293, 622. 7 3 365, 723. 4
Grand total						153, 659, 346. 2

	(2)	(3)	(4)	(5)	(6)	(7)
State and project	Accretions to reclamation fund to June 30, 1932	Collections (repayments to reclamation fund) to June 30, 1932	Total accretions and collections (column 2+ column 3)	Expended for construction of reclamation projects to June 30, 1932	Expended for operation and maintenance to June 30, 1932	Total expendi- tures to June 30 1932 (column 5+column 6)
Alabama	\$71,692.16		\$71, 692, 16			
Arizona: Salt River. Yuma ¹ Yuma auxiliary.		\$11, 615, 320. 53 6, 313, 539. 93 27, 942. 86		\$15, 106, 942, 10 8, 479, 209, 60	\$2, 682, 051. 64 167, 800. 12	\$15, 106, 942. 10 11, 161, 261. 20 167, 800. 12
Total, Arizona		17, 956, 803. 32	20, 534, 812, 47	23, 586, 151. 70	2, 849, 851. 76	26, 436, 003. 46
California: Orland. Klamath ¹		\$1, 456, 719. 09 530, 000. 00		\$2, 506, 960. 16 2, 352, 345. 61	\$514, 648. 83 112, 565, 00	\$3, 021, 608. 96 2, 464, 910. 61 2, 607, 261. 16
Yuma ¹		2, 116, 853. 07		1, 619, 958. 73	112, 565. 00 987, 302. 43	2, 607, 261. 16
Total, California	\$16, 795, 224. 41	4, 103, 572, 16	\$20, 898, 796. 57	6, 479, 264. 50	1, 614, 516. 26	8, 093, 780. 76
Orand ValleyUncompahgre		1, 112, 241. 89 3, 019, 395. 03		5, 418, 904. 63 7, 913, 211. 94	210, 108. 67 1, 191, 517. 30	5, 629, 013. 30 9, 104, 729. 24
Total, Colorado	10, 585, 543. 70	4, 131, 636. 92	14, 717, 180. 62	13, 332, 116. 57	1, 401, 625. 97	14, 733, 742. 54
Idaho: King Hill. Minidoka. Minidoka-Gooding division. Boise ¹ . Owyhee ¹ .		130, 224. 99 13, 159, 723. 76 304, 901. 39 8, 016, 280. 77 8, 500. 00		1, 905, 918. 80 15, 286, 168. 08 4, 021, 078. 98 16, 877, 168. 12 2, 765, 527. 01	156, 734, 25 2, 294, 448, 53 40, 064, 73 2, 787, 934, 93	2, 062, 653. 05 17, 580, 616. 61 4, 061, 143. 71 19, 665, 103. 05 2, 765, 527. 01
Total, Idaho	The state of the s	21, 619, 630. 91	28, 596, 283. 08	40, 855, 860. 99	5, 279, 182. 44	46, 135, 043. 43
Kansas: Garden City	1, 032, 764. 48	58, 002. 27	1, 090, 766. 75	395, 831, 78		395, 831. 78
Louisiana	24, 615. 75		24, 615. 75			
Montana: Bitter Root		1, 349. 01 1, 259, 105. 34 732, 371. 66 839, 702. 57 653, 445. 56		547, 641, 05 1, 562, 302, 99 7, 497, 235, 35 7, 579, 692, 24 2, 399, 549, 56	1, 014, 941. 03 296, 932. 62 320, 876. 88 877, 289. 55	547, 641, 05 2, 577, 244, 02 7, 794, 167, 97 7, 900, 569, 12 3, 276, 839, 11
Total, Montana		3, 485, 974. 14	19, 705, 258. 23	19, 586, 421. 19	2, 510, 040. 08	22, 096, 461. 27
Nebraska: North Platte 1	2, 095, 367. 55	6, 253, 047. 33	8, 348, 414. 88	15, 200, 385. 76	2, 571, 289. 60	17, 771, 675. 36
Nevada: Newlands	1, 020, 107. 81	2, 848, 954. 53	3, 869, 062. 34	7, 956, 911. 58	1, 453, 490. 54	9, 410, 402, 12
New Mexico: Carlsbad Hondo Rio Grande 1		1, 894, 500, 72 34, 956, 70 4, 639, 492, 82		1, 464, 649, 87 381, 573, 39 8, 617, 500, 55	935, 096, 47 1, 955, 735, 93	2, 399, 746, 34 381, 573, 39 10, 573, 236, 48
Total, New Mexico	6, 695, 603, 17	6, 568, 950. 24	13, 264, 553. 41	10, 463, 723. 81	2, 890, 832. 40	13, 354, 556. 21
North Dakota: Buford-Trenton Williston Lower Yellowstone 1		17, 873. 93 601, 854. 59		223, 423, 06 517, 630, 09	74, 781. 07 904, 662. 04	298, 204. 13 1, 422, 292. 13 1, 764, 451. 77
Total, North Dakota	12, 308, 524, 77	290, 295. 53 910, 024 · 05	13, 218, 548. 82	1, 292, 065. 14 2, 033, 118. 29	472, 386. 63 1, 451, 829. 74	1, 764, 451. 77 3, 484, 948. 03
Oklahoma	5, 926, 670. 90		5, 926, 670. 90			
Oregon: Baker Umatilla Vale		10, 901. 88 1, 211, 316. 72 39, 982, 62		280, 489. 97 5, 137, 937. 20 3, 441, 047. 18	696, 559, 65	280, 489. 97 5, 834, 496. 85 3, 441, 047. 81

¹ Interstate projects collections, and expenditures partly prorated on area basis.

Accretions to the reclamation fund, repayments to the reclamation fund, and expenditures for construction and operation and maintenance of reclamation projects to June 30, 1932—Continued

VOISE COLE IN THE COLE TO SELECT THE SECOND COLE TO SECOND COLUMN COLE TO SECOND COLUMN CO	Content	reu			DOMESTIC OF STREET	
State and project	Accretions to reclamation fund to June 30, 1932	(3) Collections (repayments to reclamation fund) to June 30, 1932	Total accretions and collections (column 2+ column 3)	(5) Expended for construction of reclamation projects to June 30, 1932	(6) Expended for operation and maintenance to June 30, 1932	Total expendi- tures to June 30, 1932 (column 5+column 6)
Oregon—Continued. Boise ¹. Klamath ¹. Owyhee ¹.		\$80, 000. 00 2, 592, 982. 69 21, 856. 43		\$204, 600. 06 3, 909, 168. 00 7, 111, 355. 18	\$28, 100, 00 1, 214, 277. 16	\$232, 700. 00 5, 123, 445. 16 7, 111, 355. 18
Total, Oregon	\$11, 927, 205. 75	3, 957, 040. 34	\$15, 884, 246. 09	20, 084, 597. 53	1, 938, 936. 81	22, 023, 534. 34
South Dakota: Belle Fourche	THE REPORT OF THE PERSON NAMED IN	1, 699, 352. 04	9, 424, 329. 51	4, 508, 674. 77	1, 652, 432. 03	6, 161, 106, 80
Texas: Rio Grande 1		3, 770, 833. 52	3, 770, 833. 52	7, 250, 592. 71	1, 676, 609. 58	8, 927, 202. 29
Utah: Salt Lake Basin Strawberry Valley		91, 144. 31 2, 330, 182. 97		2, 825, 286. 95 3, 519, 935. 39	437, 856. 39	2, 825, 286, 95 3, 957, 791, 78
Total, Utah		2, 421, 327. 28	6, 906, 063. 62	6, 345, 222. 34	437, 856. 39	6, 783, 078. 73
Washington: Okanogan Yakima. Yakima-Kittitas division.		702, 807. 46 12, 241, 399. 42 169, 549. 62		1, 456, 465, 81 15, 984, 467, 16 8, 600, 620, 21	649, 647, 22 4, 761, 535, 68 111, 616, 91	2, 106, 113, 03 20, 746, 002, 84 8, 712, 237, 12
Total, Washington	7, 456, 545, 21	13, 113, 756, 50	20, 570, 301. 71	26, 041, 553. 18	5, 522, 799. 81	31, 564, 352, 99
Wyoming: Riverton Shoshone North Platte ¹		209, 965, 03 2, 372, 862, 39 1, 080, 000, 00		3, 883, 997, 04 10, 045, 619, 71 5, 009, 336, 67	79, 319. 08 917, 189. 94 242, 736. 46	3, 963, 316, 12 10, 962, 809, 65 5, 252, 073, 13
Total, Wyoming	39, 370, 097. 88	3, 662, 827. 42	43, 032, 925. 30	18, 938, 953. 42	1, 239, 245. 48	20, 178, 198. 90
All States: Secondary project investigations Federal power licenses Other collections (general offices, etc.) Loans from General Treasury	365, 723. 44	715, 113, 75	1, 336, 096. 36 365, 723. 44 715, 113. 75 15, 000, 000. 00			
Grand total	153, 659, 346. 20	113, 612, 943. 08	267, 272, 289. 28	225, 889, 300. 92	34, 490, 538. 89	260, 379, 839. 81

¹ Interstate projects collections, and expenditures partly prorated on area basis.

Mr. LEAVITT. Mr. Chairman, I yield four minutes to the gentleman from Wisconsin [Mr. Stafford].

Mr. STAFFORD. Mr. Chairman, when my time was interrupted by the gavel of the Speaker a short time ago I was about to call attention to the fact that it is from the payment of these construction charges that the Reclamation Service gets millions of dollars to complete the work of construction on the other uncompleted reclamation projects, and that the testimony before the Senate committee was that if the payment of these reconstruction charges is deferred it will require an appropriation of something like \$2,000,000 annually to continue the necessary work of completing construction on these uncompleted reclamation projects. When the gentleman from New Mexico [Mr. Chavez] introduced his bill he left out the provision about this lower rate of interest. They were then willing to have the present law declaring construction charges for 1931 and the first half of 1932 remain as it is so far as interest charges are concerned. Under existing law the Secretary of the Interior was privileged to charge a rate of interest which in his judgment was best for the service generally. He fixed that at 5 per cent. Now, we find these grabbers coming in and getting their nose under the tent and wanting to make it retroactive, so that it will require an appropriation of \$2,000,000 annually. They want to cut down the rate of interest from 5 per cent to 3 per cent and continue that rate, so that it will be a premium on well-managed irrigation projects that are able to pay to defer these charges. Where is there any project or individual in the country who will not defer the payment of his debts if he can get money at 3 per cent?

At the conference that I had in company with those who were in favor of this legislation a year ago, that was the crux of the matter—whether we should leave it to the Secretary of the Interior to determine a rate that would not be an inducement, or whether it would be wise to charge such a low rate that it would be an inducement, and the Secretary put it at 5 per cent. Even then there was fear that there would be many who would avail themselves of it. If you leave in this proviso, which I shall move to strike out,

you will offer an inducement to every irrigation-water user to defer construction charges until the end of the program-40 years in some instances. If you have any regard at all for the interest of the Treasury, you will not reduce the interest from 5 per cent to 3 per cent. We are not insisting to-day that they do more than pay a reasonable rate, so that it will not be an inducement for those in a position to pay to postpone their payments. Where is the gentleman from Colorado [Mr. TAYLOR] with his project going to get the money to continue the construction work when the \$2,000,000 expected annually to be received from these construction charges is not paid. He will have to provide for such an appropriation in the Interior Department appropriation bill and vote the money. The reclamation fund now is virtually depleted, as there is only about \$600,000 remaining, I believe. With this provision it will be still further depleted, so that there will not be any money at all.

Mr. TAYLOR of Colorado. Mr. Chairman, will the gentleman yield?

Mr. STAFFORD. The gentleman ought to be willing to pay a reasonable interest charge. This has worked equitably in every instance. We are not trying to deny these irrigation districts deferment of their construction charges, but we do not want them to play the whole hog at the expense of the taxpayers of the country. I yield to the gentleman from Colorado.

Mr. TAYLOR of Colorado. The taxpayers of the country have nothing to do with the reclamation fund.

Mr. STAFFORD. They will have to appropriate \$2,000,600 a year if this matter goes through, and the gentleman knows it. The gentleman knows that it is highly probable none of this money will ever be paid by the irrigation districts. Their policy has been consistent, to defer and extend the payments, so that easy Uncle Sam will remit the payments entirely, as Congress last session did as to the projects on Indian reservations.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. CHAVEZ. Mr. Chairman, I yield three minutes to the gentleman from South Carolina [Mr. Fulmer].

Mr. FULMER. Mr. Chairman, while I have no irrigation | projects in my State or in the South, I am absolutely in favor of the passage of this bill. I am surprised at the statement of my friend from Michigan [Mr. MICHENER] that we are now proposing under this bill to bring in for the purpose of increasing production additional land. In connection with these projects the Government has spent millions of dollars in reclaiming these lands, and the purpose of this bill is to extend to these farmers living on these projects the same line of relief that we are to-day extending to every line of business-railroads and other corporations.

Mr. STAFFORD. Mr. Chairman, will the gentleman vield?

Mr. FULMER. No; I refuse to yield. We are now attempting to render assistance to farmers who are trying to retain their homes. These farmers are not asking for a dole or a gift at the hands of their Government, but just a little time in which to make payments due to the Government. Why, my friends, there is a bill now pending before this Congress proposing to appropriate millions of dollars for the purpose of taking back to the farm people who are unemployed in the large industrial centers of the country.

The very people who are opposing this type of legislation on the grounds that it would increase production are the people who are sponsoring the legislation referred to a minute ago. That is, the moving back to the farm of the unemployed, which certainly would mean the increasing of production and at the expense of farmers who are now

struggling to carry on and retain their homes.

Some days ago I introduced a bill proposing to amend the Reconstruction Finance Corporation act for the purpose of refunding and refinancing obligations of drainage, irrigation, and levee districts. Many of these districts, where we have some of the best farm lands in the country and where we have some of the best farmers to be found, especially in the South, are to-day facing bankruptcy. In other words, if we are unable to get relief along the lines suggested in my bill, either in this session of Congress or the extra session, many of these districts will pass into the hands of receivers and thousands of the very best farmers that we have in the South will be placed in tenant homes and in the already large lines of the unemployed.

These projects are distributed in 34 States in the Union, and the relief asked for under my bill concerns 5,000,000 farmers. This legislation, along with refinancing of land mortgage indebtedness, extending payments over a long period of years, and reducing interest rates, to my mind, will do more to rehabilitate agriculture and bring about normal prosperity than anything that we can do here in

Congress in the way of relief.

I find that it is an easy matter to pass almost any type of bill in the interest of well-organized groups, for instance, the Reconstruction Finance Corporation, which has been pouring millions into the pockets of special interests, corporations, and railroads; but when it comes to farm legis-lation, in the interest of that great mass of people that are unorganized and who are unable to lobby around Congress, or have paid lobbyists, we find it almost impossible to get consideration upon the same.

I note with a great deal of interest the opposition of the gentleman from Wisconsin [Mr. Stafford] to the reduction of interest rates as carried in this bill from 5 to 3 per cent. I think it is getting high time that Members of Congress recognize the fact that Congress should lead the way in reducing interest rates on the agricultural interests, which will, no doubt, be an inducement on the part of banks and others doing business with farmers to reduce interest rates.

I am hoping that this bill will pass, and pass without being amended, because, knowing the problems of these people, which are absolutely in line with the problems of my farmers in the South, who are living in these drainage districts, it is absolutely necessary to grant this relief.

The CHAIRMAN. The time of the gentleman from South Carolina expires.

Mr. FULMER. Mr. Chairman, I ask unanimous consent to extend my remarks and to insert in the RECORD a bill

introduced by me January 3, 1933, proposing to amend the Reconstruction Finance Corporation act, for the purpose of giving relief to drainage districts.

The CHAIRMAN. Without objection, it is so ordered. There were no objections.

The bill referred to follows:

H. R. 13996

A bill authorizing the Reconstruction Finance Corporation to make loans to aid in refunding or refinancing obligations of drainage, irrigation, and levee districts

Be it enacted, etc., That subsection (a) of section 201 of the emergency relief and construction act of 1932 is amended by striking out the period at the end of paragraph (5) and inserting in lieu thereof a semicolon and the word "and" and by adding after paragraph (5) a new paragraph, as follows:

"(6) To make loans to drainage districts, irrigation districts,

"(6) To make loans to drainage districts, irrigation districts, and levee districts, to aid in refunding or refinancing their obligations, through the purchase and retirement of such obligations or otherwise, if such obligations were issued in connection with self-liquidating projects of such districts."

SEC. 2. Paragraph (g) of such section is amended by striking out the period at the end thereof and inserting in lieu thereof a colon and the following: "Provided further, That loans made under paragraph (6) of subsection (a) may be made for a period not exceeding 50 years and the corporation is authorized to permit not exceeding 50 years and the corporation is authorized to permit payments on any such loan to begin at any time not to exceed five years after such loan is made."

Mr. LEAVITT. Mr. Chairman, I yield two minutes to the gentleman from Nebraska [Mr. SIMMONS].

Mr. SIMMONS. Mr. Chairman, I am constrained to ask why it is that certain people on the floor of this House, who evidence considerable concern about the farmers generally, undertake, every time the word "reclamation" is written before a farmer's name, to pick on those farmers. I am wondering if it is not that the reclamation farmer is located in relatively few congressional districts. There is nothing different between the financing of a reclamation farm and the financing of any other farm. They are selling their produce at a loss. They have interest to meet; they have taxes to meet; they have families to educate; they are operating farms. They are not asking to produce more crops. They are asking to be permitted to live on their farms and produce the crops such as they have been producing. They are not asking anything other than this administration and the incoming administration have promised farmers generally. So in the two minutes I have I want to point out to the House that this bill does for the reclamation farmers that which private creditors have been asked to do for their debtors. We have placed the credit of the Government behind movement after movement to extend credit to the farmer who does not deal directly with the Government. Here the Government is being asked to deal lightly with one of its debtors, as private creditors are being asked all over the United States to do. Do not pick on the reclamation farmer. Take the word "reclamation" from in front of his name and do the same with him as we do with every other farmer that comes before us.

The CHAIRMAN. The time of the gentleman from Nebraska [Mr. Simmons] has expired.

Mr. CHAVEZ. Mr. Chairman, I yield three minutes to the gentleman from Alabama [Mr. PATTERSON].

Mr. PATTERSON. Mr. Chairman, I appreciate the opportunity to say something in favor of this bill. I want to speak especially to my colleagues from the far South and those from the cities. I express the hope that if this measure affected the people of my section of the country as it does the people of the West, all of our southern Members would be supporting the bill.

I am supporting it for two reasons. One is I feel at this time that the farming class of people must have the same kind of moratorium to help them over the crisis which they face at this time with their mortgages, that other interests have received. The second reason I am supporting it at this time is because it is an emergency matter and can not wait for the new administration. I wish some of the people who have not had an opportunity to do so, could go out into the far West and see the importance of this to the farmers of that section of the country. This takes no money directly out of the Treasury, and yet it extends to the farmers far less help than some of the legislation that has been passed here extends aid to big business. Of course, I do not take credit for supporting the Reconstruction Finance Corporation, but I hope that every Member of this House who supported the Reconstruction Finance Corporation measure, as I say I did not, will support this measure and extend this needed relief to the farmers of the far West. Mr. Chairman, I feel that those of us here when we face a question like this, if we really understand the need of such legislation, would support it and support it whole-heartedly. Whenever some section of our country is in the distress that that Western section is now in on account of the condition of these irrigation projects at this time, faced with the proposition of losing their all, it should have legislation of this kind, and should be supported by every Member of this House. I hope that every Member will support it. This will not only be a life-saver to these people, but will save the Government also of dispossessing those people and having this property on the hands of the Government.

The CHAIRMAN. The time of the gentleman from Alabama [Mr. Patterson] has expired.

Mr. LEAVITT. Mr. Chairman, I yield one and one-half minutes to the gentleman from Oregon [Mr. Martin].

Mr. MARTIN of Oregon. Mr. Chairman, I want to say I can speak on this matter in a disinterested way, because I come from a city district. I sat as a member of the Committee on Irrigation and Reclamation and listened to all the testimony given on this bill, and I shall take the brief time that I have to tell you about the 3 per cent interest charge.

We all realize that if these farmers are to meet their obligations their interest rates must be reduced. Now, this is a good place to make a beginning. The information came to our Committee on Irrigation and Reclamation that the 5 and 6 per cent that was placed in the present bill was put there on the insistence of the gentleman from Wisconsin [Mr. Stafford]. Now the gentleman tries to put it onto the Treasury Department. It was not there at all. The Treasury Department originally wanted to put this interest rate down to 2 or 3 per cent, but it was on account of the objection of this House that is was run up to 5 or 6 per cent. These farmers are now so loaded with charges that they can not meet heavy interest charges and survive. It would be disastrous to the irrigation States like Colorado and Idaho to drive the farmers off of those projects. If that were so, the country would go back to the coyotes and sagebrush.

The CHAIRMAN. The time of the gentleman from Oregon has expired.

Mr. LEAVITT. Mr. Chairman, I yield the remainder of my time, one and one-half minutes, to the gentleman from Utah [Mr. Colton].

Mr. COLTON. Mr. Chairman, there seems to be no particular objection on the part of the Members of the House to the granting of the moratorium that is provided for in this bill. The debate seems to center around the rate of interest. May I say that in one sense the reclamation farmers are worse off than any other class of farmers, because they have the construction charges and the maintenance charges of these reclamation projects to pay. It therefore follows that a farmer who has this additional burden is worse off than the one who has his farm unencumbered, if there are any such. He does have a great burden in these times of low prices.

The matter of the interest rate is only a matter for a year or two, and, it seems to me, with agriculture in its present deplorable and regrettable condition, that it is not exactly in keeping with the dignity of Congress to quibble over the question of a 2 per cent difference in the rate of interest to be charged farmers in distress. No man who can afford to pay his construction charges will refrain from doing it because of the reduced rate of interest. He is too anxious to pay his debts. On the contrary, he will try to keep up his payments. This is a bad time for the farmer to get in debt, and no one realizes that more than the farmer himself.

Mr. FINLEY. Mr. Chairman, will the gentleman yield? Mr. COLTON. I yield.

Mr. FINLEY. What rate of interest do our foreign debtors pay?

Mr. COLTON. One and one-half per cent, in most instances. Certainly not more than 3 per cent.

[Here the gavel fell.]

Mr. CHAVEZ. It is not only the farmer in the reclamation district who is interested in this legislation. The Government itself is interested. If you do not pass this bill you will place the Government in the position of having invested millions of dollars in these irrigation projects and then not giving the farmers an opportunity to meet their obligations to the Government. Would it not pay the Government to defer the payments and keep stable citizens, the farmers, there who will eventually pay, than it would to have them default and let the investment go to waste?

Mr. STAFFORD. Mr. Chairman, will the gentleman yield?

Mr. CHAVEZ. I yield.

Mr. STAFFORD. There is no disposition anywhere on the floor of the House not to defer the construction charges. The whole fight is centering upon the interest rate.

Mr. CHAVEZ. All right; with reference to interest: When the reclamation policy was first initiated it was intended that the construction charges would be paid within 10 years. An extension of time to 20 years without interest was given, due to economic conditions. So, this is nothing new. Later on the time was extended to 27 years, and in some of the districts to 40 years without interest. Now that the farmers of those districts are in worse condition than ever before, it is suggested that they be required to pay 5 per cent interest for three years.

Both committees of the Senate and the House in joint session came to the conclusion that inasmuch as the districts have never heretofore paid any interest 3 per cent interest would be sufficient on deferred payment.

[Here the gavel fell.]

The CHAIRMAN. The Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted, etc., That in the administration of the act entitled "An act for the temporary relief of water users on irrigation projects constructed and operated under the reclamation law," approved April 1, 1932, the Secretary of the Interior is authorized and directed to extend the provisions of such act relating to certain charges coming due for 1931 and to one-half of certain charges due for 1932, in like manner to the remaining one-half of such charges coming due for 1932 and to all of similar charges to become due for 1933, and to extend the provisions of section 3 of such act, (1) so far as they relate to the extension of time for beginning construction of a drainage system upon the Uncompahare reclamation project, to one year from and after January 1, 1933, and (2) so far as they relate to certain charges upon or for the Uncompahare and Grand Valley reclamation projects in the State of Colorado due and payable for the year 1932, in like manner to all similar charges due and payable for the year 1933: Provided, That the deferred charges shall bear interest at the rate of 3 per cent per annum for the years specified in the act approved April 1, 1932, and as amended herein, which interest shall be paid at the same time the principal deferred herein is paid.

Mr. LANKFORD of Georgia. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I am in favor of this bill. My only regret is that we have not passed more legislation of this kind during the present session of Congress. To my mind, if we are to relieve the country from the present awful depression, we must grant relief to the farmers, not only of the irrigation districts of the West, but of the agricultural sections of the East and South.

Many farms are now being bought in by long-term loan companies and are going to wreck and ruin. The houses are going to pieces. The fences are being destroyed and the farms are growing up in weeds. If the farmers are to be saved, it will be necessary for the next Congress to put over a reclamation project, not only for the farms of the West but for the farms of the entire country. This kind of a program should have been adopted two or three years ago. A most serious situation is arising throughout the entire Nation. The farmers of the West have the same kind of problems we have in the South.

A nation-wide catastrophe is upon us. It is time to adopt the most heroic farm-relief policy if we are to save the farmers and save our Nation.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. LANKFORD of Georgia. I yield.

Mr. RICH. I do not believe there is anyone in the House opposed to helping those who are in need, at least I have not heard anyone voice opposition; but does the gentleman believe we ought to grant a privilege to those who are able to pay the tolls that are required of them by the Federal Government when they can afford to do so? That is the only question before the House at this time, it seems to me.

Mr. LANKFORD of Georgia. The present depression is so widespread I think we should put over a program to give relief to all farmers, including even those who are able to pay off their indebtedness at the present time. The depressed condition is so general and so serious that we must work out some program by which these farmers can pay off their indebtedness and, if possible, we must find a way to reduce not only the principal of their indebtedness but also their interest rate.

For my part I would be glad were it possible to work out at once a program whereby they could obtain money through a proper monetization of farm products and farm lands without the payment of interest, much like the national banks of the country issue money at the present time. I have heretofore discussed this proposition rather fully and shall refer to it again in a few minutes.

We are not approaching this question in the proper manner. We should do all we can for such relief as is provided in this bill and go much further and find the real cause of the depression and remove the cause.

To my mind, the real cause is most apparent and its removal will to a very large extent solve our economic problems.

Mr. Chairman, I can not, for the life of me, see how anyone with any reasoning power who has at all studied the proposition can have any doubt on earth as to the real, outstanding, dominating, all-powerful cause of the present depression. Neither can I see how anyone can honestly believe that the depression can in any way be solved without removing the chief cause of the depression.

For years and years I have urged with all my God-given faculties that the overcentralization of financial and political power in our Nation is an awful menace to our free institutions. To-day this menace has become an all-consuming, powerful, destructive force, more powerful and dangerous to our people than all the armies of all the world, and will destroy our people to the last living man, woman, and child and wreck our Government unless stopped by the most immediate, determined, and drastic opposition. And yet the men of our Nation who constitute this juggernaut of destruction are not relenting or becoming gorged with the awful plunder and carnage of their hands, but are using every possible strategy to augment their power and to make more certain and final their destruction of the last vestige of human liberty and free government.

Can anyone question the awful power of the big banking institutions of the Nation? Listen to this-it is admitted on every hand that two banks in New York City have a strangle hold on the financial and economic life of the Nation, touching either directly or indirectly every man, woman, and child, not only of our country but practically of the whole world. Here are only a part of the facts. Members of the board of directors of the Chase National Bank hold directorships in other institutions to the following extent: 18 banks, 12 insurance companies, 32 manufacturing corporations, 17 railroad companies, 19 public utilities, and 21 miscellaneous corporations. In turn these banks in which the Chase National Bank has one or more directors have one or more directors in 104 other banks, 142 insurance companies, 360 manufacturing corporations, 234 transportation corporations, which includes also street railways, steamship, and aviation corporations, 266 public utilities, and 569 miscellaneous corporations.

The board of directors of the National City Bank of New York City have one or more of their members as directors in 7 aviation companies, 41 other banks, 44 insurance companies, 102 manufacturing corporations, 29 transportation companies, 115 public-utility corporations, and 104 miscellaneous corporations. Now, these banks in which the National City Bank has one or more directors, have one or more directors in 4,019 other banks, public utilities, insurance companies, transportation companies, manufacturing corporations, and miscellaneous corporations.

On the 25th of this month, in a radio address, Mr. John A. Simpson, president of the National Farmers Union, after detailing the facts just mentioned by me, further said:

Investigation reveals these interlocking directorates, both in banking and industry, extend into foreign countries. It further reveals that it extends to every automobile concern with the exception of Ford. It shows it includes practically every railroad, ship company, and aviation company in the United States. It includes practically every public utility in the United States. It includes a majority of the insurance companies of the United States. It includes every line of manufacturing. It reveals there is scarcely such a thing as an independent concern in the United States. Just a few big bankers completely control commerce, industry, and transportation.

And yet this is only a glimpse behind the curtain. It only discloses in a small way the strangle hold of big finance on the very throats of our people. It requires no superior wisdom to see how these two banks alone can destroy any bank or corporation or other business that is not subservient to their will and which seeks to operate on an independent basis.

Are these banks parties to a traitorous design to wreck all banks in the Nation except such as they wish to exist and then by a branch-banking scheme take over the whole banking business and along with it the ownership of all property in our country—farm lands included—which they wish and thus enslave the American people to the last man, woman, and child? It looks this way and the awful danger of the situation is that the majority of Congress seems to approve this kind of thing. This is a hard statement and I hesitate before I use it. I hope I am mistaken, but I can not see how I can be, in view of the failure here to remedy these matters. I certainly hope that the new Congress will have enough men here, who have the interest of their country, and only their country, at heart to save our Nation and restore our Government to our people.

This financial group either have or are seeking the control of all the big newspapers, and the smaller ones, along with all radio communications, and endeavoring to get into our schools and teach our children to be subservient as slaves to the autocratic power of these monarchs of finance. They are now using the radio in every way possible. Before the days of the radio, these big corporations reached our people in every way possible and employed lecturers who sought every opportunity to obtain audiences in the schools, on the lecture platforms, and otherwise, and thus spread the propaganda of the big financial interest.

Let me relate an incident which impressed this on my mind more fully than ever before. During the latter part of the summer of 1927, my colleague, Congressman Swing, of California, and myself were sitting together on a Southern Pacific railway train en route from Klamath Falls, Oreg., to San Francisco, and two men occupying the seat just back of us began to tell how they were paid to influence the people in behalf of the big public utilities corporations. They talked so they could be easily heard by us and seemed glad of their work, in this respect, in the schools, and on the lecture platforms.

This powerful corporate group, if not stopped, will, in a little while, have the complete control of the newspapers, almost without exception, all the radio communications, all the literature that goes into our homes and schools, all the motion pictures; will own or control every vestige of the land and other property in the country, and the heads of these institutions will be the most autocratic monarchs that ever controlled a subjugated people. By the way of parenthesis let me say this is the reason why these corporations and

their subsidized press are so bitterly opposed to all efforts to keep the radio as the mouthpiece of the common people, to inform them of the real facts concerning their government. This is why it is so hard to get the real truth to the people through the big dailies and smaller papers of the country. This is exactly why it is apparently impossible to get the motion picture out from under the influence and absolute control of the big corporations. And this is why the press and the big corporations wish it was impossible for the poor man in Congress, who will not be subservient to them, to have the right to reach his people through the Congressional Record and the free mailing privilege.

This big group of bankers, as a part and parcel of their nefarious schemes, are now determined to relieve themselves of all income taxes, all inheritance taxes, all estate taxes, all corporation taxes, and all other taxes of any consequence, and force the average individual citizen and the poor of the country to bear the entire Federal tax burden under the euphoneous name of the manufacturers' sales tax.

This same group of big bankers and their allied interest look at every proposition from their own cold-blooded standpoint, and never fail to do what they believe will help them accumulate more money and secure more political power, regardless of the consequences to the average individual citizen. This is why most of them favor the return of the open saloon. It will enable them to make more money and will become a powerful additional political agency in their hands to be used by them in their further efforts to get complete control of all local, State, and Federal government. This is why most of them have opposed all appropriations to enforce the prohibition laws and why they have in every way possible helped to heroize criminals and lead our children so far as possible to become strong-drink addicts. This is why they have done all within their power to bring the prohibition law into disrepute and hold law-enforcement officials up to ridicule and contempt. They want the prohibition laws to become a failure so they can secure the return of the saloon. And this is the reason why these same men, if the saloon should return, will be the strongest supporters of large appropriations to be used in the capture and severe punishment of all who seek to make home-brew or other intoxicating drinks for home use or for sale in opposition to the saloon. These men who now claim to be the friends of those who violate the law and who have pictured them in the papers and the motion picture and over the radio as an oppressed people, who are being pursued by vicious enforcement officials using appropriations that ought not to be made, will at once turn about face and ask for the most rigid enforcement of the law against all who interfere with their business. If anyone after the return of the saloon wants their favor and wants to engage in the illicit liquor business, it will be necessary to help the big, selfish interest try to break down some prohibition law of a dry State or county so they can enter with the saloon or go in partnership with this interest in their liquor business. The legalized liquor traffic will rise up in great indignation against anyone who dares to interfere with their desire to use the saloon as the means of adding to their political and financial prestige. They will feel that anyone that dares to oppose them should be hunted down like an awful wild beast and that those who try to get a few dollars in this way for the support of their wives and children should be shot down like rats.

These big bankers are now holding up their hands and saying: "We want sound money." The trouble is that they now have sound money; they have all the sound money that is in existence. And, the trouble with the rest of us is that we also want sound money and do not have it and can not get it. It is just as necessary that all the people have sound money as it is for the big bankers to have it.

It is not the soundness of the money that I object to, but my complaint is against the control of the currency being in the hands of the big bankers. There is the rub. This control enables the big bankers of the Nation, at their own will, to make or break the people of the country, just when and where it suits them in furtherance of their own selfish financial program. Congress has abdicated its powers in the favor of the big banking interests and made them much more powerful than Congress, the President, and all the other citizens of the United States in or out of office. The big bankers have the power to destroy the people and their property and their rights by deflating the amount of the currency in actual circulation and thus inflating its value and at the same time take from the people all of this very life blood of commerce and of the Nation. Not only has Congress voted this all-powerful privilege to the big bankers of the Nation but in addition is taxing the people white to raise money to pay the bankers an enormous bounty to exercise this special privilege.

In support of this, let me quote further from Mr. Simpson's radio address as follows:

The national bank act provides that national banks may loan to the United States, receiving for such loan a Government interest-bearing bond. The Government will then print for the national bank an equal amount of blank national bank notes, the bank leaving the Government bond as a guaranty that the bank shall stay open ready to redeem such currency on demand. The officers of such banks make money out of these blank national bank notes by simply signing each bill at the place indicated. Under this act, the national bank, after lending the Government, has just as much money to lend out to its customers upon which it draws high rates of interest and at the same time the Government sends them interest quarterly on a like amount of money.

To make this plain I give you my own experiences. I was president of the First National Bank of Weatherford, Okla., some 20 years ago. One day I lent \$25,000 of that bank's money to the Government in Washington. The Government issued a \$25,000 bond, its note to my bank. I left the bond with the Government and received \$25,000 in blank national bank notes which I signed and returned to the vaults of the First National Bank of Weatherford. I had just as much money to lend in and around Weatherford to farmers and business men as I had before I lent the Government that \$25,000, and received interest every three months on the Government bond left with the Secretary of the Treasury, as well as from the bank's customers. I want you listening in to know that when the last coupon on that Government bond has been paid to the First National Bank of Weatherford, Okla., the taxpayers of this Nation will have paid more than \$25,000 in interest to the bank for me signing and making some money for the people to use.

This powerful privilege has been used and is now being used to the destruction of our people. This is the cause of the depression and the cure for the depression is in the return of this power to the people and to their Congress to be exercised in behalf of all the people.

It is urged every day that there is plenty of money. This may be true, but it is also true that there is not enough money in actual circulation. If there was an hundred times as much money in the United States as there is and if it was all locked up in the vaults of the big banks, our people would be suffering just as much and even more than at present, for the interest that is now being paid on the bonds which form the security for the present currency would be many times as great and the cry for a balanced Budget would be a hundred times as strong as it is at present. The people are dying for the lack of a medium of circulation which represents the commodities of the people and which the people can use in handling of their commodities, products, property, and labor. I ofttimes wish that Congress would let the big bankers have all the gold as the medium of their money and let them eat it, drink it, wear it, and look at it and lock it up in their safes and give the people a currency just as sound and as safe based on property other than gold, so that the people could be freed from this the awful slavery of these gold worshipers. This should be done if the big bankers still insist on having the complete control of all money based on the gold basis. But by all means and in all events Congress should cease taxing the people to balance the Budget which pays these bankers quarterly interest on these millions of money locked in their

Just think of the idea of a sales tax on the poorest of the poor to raise money to pay interest to the big bankers on money which they have locked in their vaults. Congress is making the people pay these robbers for the robbery and murder of the people. It does not sound like this could possibly be so, but it is.

Not only are the big bankers and their allied interest, including the daily press and many of the small weekly

newspapers of the country, putting over these economic outrages, destroying our people and sacrificing their property; but they are skillfully covering their tracks and leading many people to believe that they are innocent of all wrong. For many months they have been flooding the country with propaganda in a more or less successful attempt to cause the public to believe that the whole trouble is not one of crooked finance and banking by the big interests but is merely one of balancing the Budget by cutting the salaries of the most humble employees, increasing postage rates, and the adjustment of other most minor matters, which are but grains of sand as compared to the mountains upon top of mountains of high-handed robbery of the American people by those who as big bankers control the inflation and deflation of our currency.

In their mad rush to cover their own criminal and outrageous conduct they have abused Congress by twisting and distorting the law in reference to mileage and various other most insignificant matters, all of which each year is not one millionth part of the amount these financial bandits sandbag out of the public every hour.

The big banks should not be allowed to exercise the function of issuing our currency. By this means they have plundered our people into the greatest depression of all time, and by it they are preventing the solution of our economic problems. Congress should not permit this high-handed robbery, within the law, to continue. The blame for the entire situation is clearly at the door of Congress. This blame should have been removed long ago. I certainly hope it is removed the first thing at the next session of Congress.

Mr. Chairman, the banks have usurped the power of expanding and contracting the volume of the currency on which the business of the world is done. In this manner the banks hold the world in chains. They shrink the volume of money and prices fall. They expand the volume of money and prices rise.

In May, 1920, the international bankers, through the Federal reserve banks, forced the small banks of the country to pay their obligations to the Federal reserve banks. As the result of these demands in a year and a half nearly \$3,000,000,000 was called in and canceled. Thus, this much money was not only taken out of circulation but was actually destroyed. The currency was deflated to this amount in volume, but that which was left was inflated in value. What else happened? When this deflation started cotton was selling on the cotton exchange of New Orleans at between 30 and 40 cents a pound, and within less than a year was selling at 7 cents a pound. This money which was then destroyed has never been put back into circulation and the prices of farm products have never gone back to where they were, but have really gone lower. Can anyone have any doubt as to what is the cause of the depression, and can anyone have any doubt as to what would absolutely cure the depression in so far as it is possible to cure it at this time? It is said that Voltaire, in one of his letters to a friend. explaining how he, residing at Ferney, on the borders of Switzerland, could so readily make money in Paris, wrote:

A friend of mine who is a director in the Bank of France lets me know in advance when they desire to lower the prices by decreasing the amount of money, and then I sell; he also lets me know in advance when they decide to raise prices by increasing the supply of money, and then I buy.

I am not opposed to the gold standard. I have heretofore demonstrated that without going off the gold standard our currency could be very easily inflated so as to not only bring back prosperity but also enable the farmers to save their homes by settling their present obligations at a great discount with money obtained for a long period of time without any interest and with no payment of principal until the loan becomes due, and with a renewal privilege at maturity.

I am free to confess, though, that I am bitterly opposed to our being a slave to the gold standard. Why should we be worshipers of this golden image? It is only a token or image of value. If all the gold of the world was lost forever, in a little while we would readjust ourselves and there

would not be near so much danger of a panic or depression brought on solely and only for and by the big bankers of the Nation.

Very few people, other than bankers and a few Members of Congress, realize just how powerful is this grip of the big bankers and how completely the people are controlled by the manipulators of our present monetary system. The power of the big bankers is absolute and despotic in the extreme. The Supreme Court can set aside a law if it determines that it is unconstitutional, but the big bankers, if they wish, can and do make null and void the laws of Congress at will and without any regard to the Constitution or anything else except that they, the bankers, do not want to obey the mandate of the Congress and of the people. Of course Congress can strip these bankers of this autocratic power, and that is what I am pleading with Congress to do at the earliest possible moment.

But at present let us see what these bankers do with a law permitting them to increase the volume of our currency. They simply refuse to exercise the permit or privilege. But Congress requires and forces them to increase the volume of the currency and then they increase it but lock it up and do not put it into circulation, and we are no better off than we were before the law was passed. Suppose Congress should buy all the gold in the world and deliver it to these bankers, no good would be accomplished unless the bankers wanted to put more money in circulation; they would simply lock up the gold and we would only be out the money that was taxed out of the people to buy the gold.

When England paid us the interest on their obligation a little whole ago no real money was sent over here. No more money was put into circulation over here. What did happen was this: A few sacks of gold was moved a few feet from the gold kept by the English Government and was tagged "Property of the United States." This all happened in England. Suppose it had been sent here in gold and put in the vaults of the United States Treasury, this would not increase our circulation or help solve the present difficulties unless additional currency was issued and actually put into circulation as the result of this gold becoming the property of the United States. Suppose all the foreign debtors paid us all they owe and the gold was simply earmarked "Property of the United States," but left over there or put in the Treasury here, we would be just where we are now unless as the result of this gold becoming ours we increased our circulation of currency both in velocity and amount.

I sometimes feel that if we had a currency base of commodities, such as farm products, farm lands, and so on, we would be better off. There certainly would not be any danger of a ship sinking and our losing a large part of the base of our currency; neither would there be so much danger of the base of our currency all being shipped abroad or stolen or cornered by the big bankers.

But it is urged that neither the Congress nor an agency acting for the people can be entrusted to handle this matter of increasing and diminishing the currency. Would it not be as safe to trust this control to the Congress, selected by the people, as to intrust it to the big bankers?

If we must submit to the Government on questions of property, of liberty, and of life, shall it be said we must not submit to it on questions of finance?

Can not the Government as safely say how much money we shall have as it can say how much bonds we shall issue, how many troops shall compose the Army, how many post offices shall distribute the mail, how many officeholders shall collect the revenues, how much tax we shall pay, and how much money we shall spend every two years?

The people need sound money and honest money and need honest people with sound ideas in control of the issuance of their money. This function of government should not be exercised by the big bankers and for the big bankers, but should be exercised by the Congress for all the people.

PUBLICITY OF INCOME-TAX RETURNS

Mr. PATMAN. Mr. Chairman, I rise in opposition to the pro forma amendment.

invite attention to a subject that is closely related to the appropriation of money.

THE PEOPLE DEFRAUDED

I believe in the publicity of income-tax returns. Secrecy is a badge of fraud. During the last few days we have had an example of what secrecy means and what secrecy in Government will do. All collections for the Government should be made subject to public supervision and all expenditures should be subject to public inspection. It has been disclosed before a Senate committee that the chairman of the board of the second largest bank in the United States evaded the payment of his income tax that was, as a matter of right, due the Government in 1929 by merely transferring certain stocks and securities from himself to one of his close relatives at the end of the year. In this manner he cheated the people out of a large sum of money. The stocks and securities were later transferred back to Mr. Mitchell by this close relative. The Mellons, Morgans, and Mitchells pay no attention to the law. They only believe in law and order when they can make the law and give the order. They use the credit of our Nation free of charge and run rough shod over our laws and Constitution. I do not know whether he made the transfer to his wife, to his daughter, or to his son, but he did admittedly make a transfer of this stock to a close relative in order to evade payment of his income tax for that year. We do not know how many more such cases there are in the United States. The records are secret.

Mr. GOSS. Mr. Chairman, a point of order. The CHAIRMAN. The gentleman will state it.

Mr. GOSS. Under the rule, debate is to be confined to the bill. The gentleman is not proceeding in order. The gentleman did not obtain unanimous consent to speak out of order.

The CHAIRMAN. The Chair sustains the point of order. The gentleman from Texas will proceed in order.

Mr. PATMAN. I shall be glad to proceed in order. In order to make this payment which will have to be made the money will have to be raised from some source, from some one.

In order to raise the money to advance the \$2,000,000, the best way to do it is to have publicity of income-tax returns; and whenever you have publicity of tax returns, you will get plenty of money to advance this \$2,000,000 for the farmers. I doubt that we would have a deficit in the United States Treasury to-day if all income-tax returns in the past had been subject to public inspection.

Mr. GOSS. Mr. Chairman, I make the point of order that the pending amendment has nothing to do with the payment of income taxes.

The CHAIRMAN. The gentleman from Texas will proceed in order.

Mr. GOSS. I shall ask for a ruling if the gentleman persists.

The CHAIRMAN. The gentleman from Connecticut is correct in his position, and the gentleman from Texas will proceed in order.

Mr. PATMAN. I assure the Chairman I am proceeding in order. I am talking about the raising of this \$2,000,000 which it will be necessary to advance in order to help the farmers to be benefited in this bill.

Mr. GOSS. There is no money appropriated in this bill whatever.

The CHAIRMAN. The Chair will state to the gentleman from Texas that the last word is "paid," and it pertains to reclamation projects.

LOW INTEREST RATES DESIRED

Mr. PATMAN. Now, in regard to the interest rate in this bill, I am anxious to see the 3 per cent rate prevail. I want a small interest rate in order that the Government may take the lead in lowering all interest rates. There is no reason why anyone should be forced to pay more than 3 per cent interest for any loan for any purpose. The people owe \$203,000,000,000 in debts. They can not pay these debts and the high interest rates now required. I believe the day is coming in this country when the banking system will | Members on this side of the aisle-and I could speak more

Mr. Chairman, I have asked for this time in order to | be operated in cooperation with the Government in a way that no one will be required to pay more than 3 per cent interest. For instance, on a savings account, where you deposit \$1, the bank can lend \$331/3, and not only does it get interest on the \$1 that it has loaned out that you placed in the savings account, but the bank gets interest on \$331/3. The issuance of money is a function that should be exercised by the Government. Under the present arrangement it is farmed out to a few bankers. The Government should get out of private business, and the bankers should be forced to get out of the Government's business.

Under such a set-up or arrangement as we have now people should not be required to pay more than 3 per cent interest for any purpose. Furthermore, the Government is getting money from the people at a rate of interest as low as one-fifth of 1 per cent, and this is an annual rate of interest, too; and let it be remembered that the steamship companies that have subsidies from our Government, aggregating as much as \$20,000,000 a year, are receiving money from the Government and paying therefor a small annual interest charge, which is as low as one-fourth of 1 per cent. The brokers who use money for speculation are paying 1 per cent annual interest. It is only the farmers and working people who are required to pay a high interest rate. It is not right. I wish the people knew more about the monetary system of this Nation; many changes would be made.

Mr. LEAVITT. Will the gentleman yield?

Mr. PATMAN. Just for a question.

Mr. LEAVITT. I wish to call attention to the fact that in this case this money comes from a special fund established through the sale of public land and mineral leases, and there is no interest that the Government has to pay on this money at all. The fund is set aside for this purpose.

Mr. PATMAN. I thank the gentleman for his contribution, and in conclusion I simply want to say that one of the best reasons we should have publicity of income-tax returns is because Mr. Mitchell evaded the payment of his income tax in 1929.

Mr. GOSS. Mr. Chairman, I rise to a point of order.

[Here the gavel fell.]

The pro forma amendment was withdrawn.

Mr. STAFFORD. Mr. Chairman, I offer an amendment, in line 11, strike out the proviso.

The Clerk read as follows:

Amendment offered by Mr. Stafford: Beginning on page 2, in line 11, after "1933," strike out the proviso ending in line 15.

Mr. STAFFORD. Mr. Chairman, I would not take the responsibility of offering a preferential motion to increase the rate of interest as carried in the proviso from 3 to 5 per cent. I want to leave the rate to be charged to the discretion of the Secretary of the Interior, as under the existing act, when we for the first time deferred these construction charges for the year 1931 and the first half of 1932.

There is not one scintilla of evidence, the distinguished retired gentleman of the Army from Oregon to the contrary notwithstanding, that the Commissioner of Reclamation advocated the reduction of interest to the extent of from 5 to 3 per cent on the charges that have been deferred under the existing act for 1931 and for the first half of 1932.

In connection with the House bill that was under consideration before the House committee-and the gentleman was present at the hearings-there was no provision whatsoever for reducing the interest rate. This was an afterthought of the gentlemen of that committee.

Mr. MARTIN of Oregon. Will the gentleman yield?

Mr. STAFFORD. As I have referred to the distinguished retired gentleman, I yield.

Mr. MARTIN of Oregon. What I said to the gentleman was that in the joint committee of the House and Senate the charge was lodged against the gentleman that he was responsible for the rate of 6 per cent interest.

Mr. STAFFORD. It is not 6 per cent, but 5 per cent.

Mr. MARTIN of Oregon. Yes; 5 per cent.

Mr. STAFFORD. It is true that I was delegated by the

the other side of the aisle, because now he is in favor of raiding the Treasury and I am not. I was delegated to go down there to represent such gentlemen as the gentleman from Michigan [Mr. MICHENER], the gentleman from Massachusetts [Mr. MARTIN], and others to safeguard the interests of the Treasury against the raiders from the reclamation districts of the West, and that is the question we have here. The gentleman from Colorado [Mr. TAYLOR] was there, and the gentleman knows I did not fight his project. The gentleman from Idaho [Mr. SMITH] and the other gentleman from Idaho [Mr. Burton French] were there. It was an unpleasant position for me to be in, but I had the backing and support of the Secretary of the Interior in the position I was taking, and now what do these gentlemen propose to do under the reflections cast by the gratuitous remark of the gentleman from South Carolina that I am representing corporations?

Every loan that has been advanced by the Reconstruction Finance Corporation to railroad corporations or to banks bears interest at the rate of at least 5 per cent. In not one instance have we lowered it.

Mr. FULMER. Will the gentleman yield?

Mr. STAFFORD. The gentleman declined to yield to me, and I will extend similar courtesy to the gentleman from South Carolina.

Now, I am leaving it entirely to the discretion of the Secretary of the Interior to fix the interest rate as he may see fit. If he determines that it shall be 3 per cent or 4 per cent, well and good. But I am unalterably opposed to remitting in this case 2 per cent, as the bill provides, for the construction charges deferred by last year's act for the year 1931 and the first half of 1932.

If we make the rate too low, every irrigation district, whether it is in a position to pay or not, will seek the benefit of the act

Now, how much was involved last year? Four and a half million dollars, and four and a half million dollars will be involved this year.

Mr. CHAVEZ. Will the gentleman yield?

Mr. STAFFORD. I yield.

Mr. CHAVEZ. Did I understand the gentleman to say that this bill is not indorsed by the Reclamation Bureau?

Mr. STAFFORD. They are not in favor of making it

Mr. CHAVEZ. On February 23, a few days ago, Doctor Mead, commissioner, said:

Therefore I hope the bill S. 5417, now pending in the House, will receive favorable consideration.

Mr. STAFFORD. The position I take to-day is leaving it to the discretion of the Secretary of the Interior to fix the interest rate. The proviso makes it retroactive. I am opposed to that feature; and also believe Congress should permit the Secretary to determine the rate of interest on future deferred payments.

Mr. CLARKE of New York. Mr. Chairman, I ask unanimous consent to speak for one minute out of order.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. CLARKE of New York. Mr. Chairman, it is peculiarly appropriate, with Chairman Mead occupying the Speaker's chair, that I should present to the Congress of the United Sates the resolution of the councilmen of the city of Binghamton, introduced by its former mayor and splendid citizen, John Irving, of thanks to the Congress of the United States for the passage of the bill transferring the post office site to Henry Street, in response to the sentiment of the city.

In accomplishment of this effort Chairman Mead and the members of the Post Office and Post Roads Committee, through their long tiresome trip to Binghamton, in order to ascertain the facts, have been an invaluable aid. Not politics, just facts, was what they wanted, and then on their return that committee, with their report, has had the coop-

graciously of the gentleman if he would take his seat on eration of Chairman Lanham and his Committee on Public the other side of the aisle, because now he is in favor of Buildings and Grounds.

As the Congressman representing Binghamton I felt it my duty to do everything possible to the accomplishment of the belated expression, but nevertheless majority sentiment of the city, as expressed in all walks of life. That was my duty, then it was a labor of love in seeing to it that my old college mate who had captained the baseball team I had played on for four years had protection, for he had obtained the contract for the building of that building. I refer to George Walbridge, and above all I doff my hat to Chairmen Mead and Lanham for the extra consideration and extra time they gave to the accomplishment of the transfer of the post office site, so the bill was speedily passed by the House.

The Senate, too, has done its bit, so the Lord bless everyone.

Mr. LaGUARDIA. Mr. Chairman, I rise in opposition to the amendment. This House does not dare vote for the amendment offered by the gentleman from Wisconsin. I need not state what would happen if this House goes on record by striking out from this relief bill the interest rate of 3 per cent in the face of what is going on in the country to-day.

I do not believe that many Members on the floor take that position to-day. This is not 1890, it is not 1925 or 1926—it is 1933. Everything is different. The day of the high interest is over. Why, the day of 6 per cent interest is gone. We are in the midst of a complete financial collapse; we are approaching a new economic era.

The people of this country have received a very liberal though costly and disastrous education on the power of

I want to say to the gentleman from Wisconsin that I am sure he will recall that when the International Mercantile Marine Co. and the Roosevelt Line and the Dollar Line merged they went to the Shipping Board on their loans and the interest was reduced from 4 and 3 per cent to one-quarter of 1 per cent. That is a matter of record, and not only that, but they were the beneficiaries of postal contracts, besides the loans, from which they received revenue to pay the interest and loan.

The Federal reserve banks of this country are the depositories of Federal funds. Every morning in my city they meet or they contact each other by telephone and fix the rate of interest at 1 per cent per annum for the stock gamblers. It was done this morning. It was done Saturday, and it was done Friday, and here we have citizens who are in real distress asking for the opportunity of deferring payments, and while we are facing a disastrous collapse we lose time in discussing 5 per cent interest on \$2,000,000 deferred payment while the Reconstruction Finance Corporation is shoveling out dollars by the millions on dead or moribund securities at 5 per cent, yes; but on paper, and that is as far as it will ever go. Suppose we do not pass this law, suppose these men default on their payments. Do you suppose the water is going to be turned off? Not in 1933, because as soon as it is turned off these farmers will turn it on again. Just bear that in mind. These farmers are decent, clean, honest citizens. They are not crooks like some of our so-called big bankers. That is the age that we are living in to-day, and you can not any more cling to 6 per cent interest or 8 per cent or 10 per cent that the home owners and farmers of the country are bearing than you can establish a postal pony express between New York and San Francisco in competition with air mail. The hours of this Congress are limited, and we have very important work to do. We ought to dispose of this amendment and vote it down overwhelmingly, and take every opportunity that we can to go on record that it is the sense of the Representatives of the American people that no money is worth more than 3 per cent, for that is what we are going to establish, and that is one of the thingsone of the changes-that will come out of this terrible disaster. [Applause.]

offered by the gentleman from Wisconsin.

The amendment was rejected.

Mr. TABER. Mr. Chairman, I offer the following amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. Taber: Page 2, line 3, strike out all of line 3, down to and including 1933 in line 11.

Mr. TABER. Mr. Chairman, this amendment provides for cutting out of this bill the extension of time for the beginning of the Uncompangre drainage project and some items relating to the Grand Valley reclamation project. It is my understanding that these projects are water-logged and can not operate at all. A bill was passed permitting the construction of certain drainage on those projects. If that is done, it simply brings more land under cultivation to compete with the products of the farms in your district and in my district. When conditions are such that we have an overproduction of agriculture, then the situation arises where we ought to stop trying to bring more land under cultivation that is not now under cultivation. To me it is a ridiculous thing for us to do anything that will encourage the opening for cultivation of more land than is now under cultivation. I do not know how many of you had the pleasure of hearing the remarks of the gentleman from New York [Mr. Culkin] the other day on the reclamation question, but it appears from those remarks that tremendous crops are produced on some of those projects, and they do come into competition with the crops that are produced on land operated under the capital of those who own their own farms. It takes only 3 or 4 per cent, sometimes as low as 2 per cent, surplus to break the market, and as a result of that sort of performance the market is broken all the time. It seems to me we ought to call a halt on that sort of thing and adopt this amendment and strike out the further development of these projects.

Mr. TAYLOR of Colorado. Mr. Chairman, I rise in opposition to the amendment. This amendment attacks a project in my own home part of the State of Colorado. The Uncompangre project is one that is in an adjoining county to the one in which I live. I have known that project intimately for 25 years. It is wonderfully rich land. It has a splendid climate. It has a good water right. The lay of the land is exceptionally good. There are some eight or ten thousand as good and industrious people as there are anywhere under our flag who are dependent upon and whose homes are upon that project. But the Government did not construct the proper and necessary drainage ditches when the project was constructed. The reclamation engineers on all of its recent projects has built drainage canals and ditches to prevent lands from going to seep or becoming water-logged. The Government did not do that in this case. It really was an obligation which the Reclamation Service should have undertaken. But that was 25 or 30 years ago and no one knew as much about irrigation then as we know now. I think the bureau would undertake it now if it were not for the depleted condition of the irrigation reclamation fund which is a fund set apart for the express purpose of these irrigation reclamation projects. The Secretary of the Interior and the Commissioner of the Bureau of Reclamation fully realize the necessity of this work and that that seep land must be drained.

Of course, we are not bringing in any new land under cultivation as the gentleman from New York said. That land has been under cultivation for many years, and it is a part of this project, but many of the farms have become so seeped that they have become unprofitable, and the water users have decided to construct those drainage works themselves. That law I secured the passage of two years ago expressly authorized them to do so so. This whole matter has the hearty approval of the Interior Department, and we are now preparing as fast and as best we can to do that drainage work, but it is an enormous task, and it requires vast preparation, and those people have not got the money up to the present time to get started. The provision of this bill that this amendment attempts to strike out is simply

The CHAIRMAN. The question is on the amendment | bringing this project under the same condition and giving it the same relief as all the rest. We are asking for one year's deferment of the time in which we shall commence that drainage work. That is all there is to it. It is not costing the Government a dollar. It is not affecting the general reclamation policy. Some one said it is costing the Government \$2,000,000. That is nonsense. This whole bill will not cost the Government \$2,000,000.

Mr. CULKIN. Will the gentleman yield? Mr. TAYLOR of Colorado. No: I will not.

Furthermore, this extension of time is only for one year. and we fixed it at 3 per cent. They say, "Why not let those pay who can pay?" Practically speaking, there is nobody on these projects who can pay to-day. They are all in this desperate condition. Why should Congress single out and attack farmers on these Government projects and refuse them any relief? Uncle Sam holds a first mortgage on all those lands and irrigation works, and Uncle Sam is the only one interested. We are trying to make it possible for the people on those projects to save their homes instead of having them driven off of there.

Mr. SIMMONS. Will the gentleman yield?

Mr. TAYLOR of Colorado. Yes; I yield.

Mr. SIMMONS. Does the Government have a contract to do this drainage? Is it a part of your contract?

Mr. TAYLOR of Colorado. As a matter of fact, the Government has not entered into a contract to do it, but they authorized us to go ahead and do it.

Mr. SIMMONS. I mean it is a standing agreement with the Government?

Mr. TAYLOR of Colorado. Oh, yes. It is the law to-day. We have the right to go ahead and do this work.

Mr. SIMMONS. Would it be a repudiation of a part of that law then if it were not done?

Mr. TAYLOR of Colorado. In a way it would be a repudiation of a law which I introduced and had passed two years ago.

Mr. MARTIN of Oregon. Will the gentleman yield?

Mr. TAYLOR of Colorado. I vield.

Mr. MARTIN of Oregon. Is it not a fact that the gentleman from Colorado did not originate this, but it was brought to his attention by the Reclamation Service?

Mr. TAYLOR of Colorado. That is true. The Secretary of the Interior wrote me a letter saying that this provision ought to be in this bill, that otherwise this project would get no relief, and I put it in. Both the House and the Senate committees agreed to it unanimously.

Mr. CULKIN. Will the gentleman yield?

Mr. TAYLOR of Colorado. I yield.

Mr. CULKIN. The farmers in New York State do their own reclamation and irrigation. Why is that not a fair

Mr. TAYLOR of Colorado. You live right near the best markets in the world. We are 2,000 miles away from the market that you have, with the highest freight rates on earth, as a handicap against us. We can not and do not compete with you at all.

Mr. CULKIN. You could not survive then without Government help. Is that the fact?

Mr. TAYLOR of Colorado. No; it is not. That is not the question. Owing to the present appalling conditions and our utter inability to sell our crops we can not meet the annual payments to the reclamation fund and we are asking for a year's moratorium.

The CHAIRMAN. The time of the gentleman from Colorado [Mr. TAYLOR] has expired.

Mr. CULKIN. Mr. Chairman, I move to strike out the last word. This proposition of reclamation is the fatal policy that has brought agriculture to its knees in America. In the last year 11 per cent of agricultural products were grown on reclaimed lands, on lands reclaimed by the Government and by private enterprise. This is simply a continuation of this policy. In New York State when a farmer wants to reclaim land he does it himself.

Mr. LEAVITT. Will the gentleman yield? Mr. CULKIN. I yield.

Mr. LEAVITT. What percentage is raised on Govern-

Mr. CULKIN. The percentage raised on Government projects is approximately 1.1 per cent.

Mr. LEAVITT. It is about one-half of 1 per cent.

Mr. CULKIN. One and one-tenth is the amount; but the other 10 per cent has been raised under the stimulus and propaganda of the Reclamation Bureau. I take the viewpoint of the gentleman from New York [Mr. TABER]. I contend that there is no more fatal policy in the history of civilization than the policy of reclamation as carried on in the United States. Every bit of this 11 per cent of production has been brought about by the propaganda of the Reclamation Bureau of the Department of the Interior. This is a continuation of that policy. More overproduction. I am sympathetic with the people who are on this land. I have no desire to destroy them, but when this measure opens the way directly for more reclamation, I say to this House definitely, now is the time to call a halt. To continue this policy against which the Grange, against which the Federation of Farm Bureaus, against which every agricultural body in the United States is opposed, is a defiance of the laws of production. I say to you in conclusion that this policy and this measure which contains the provision for added drainage, is a policy that has brought destruction to agriculture in the United States. I very much hope that the amendment offered by the gentleman from New York [Mr. TABER], in the interest of orderly farm production in the United States, and in the interest of suffering agriculture will obtain and will be carried by this House.

[Here the gavel fell.]

Mr. LEAVITT. Mr. Chairman, I rise in opposition to the pro forma amendment.

No nation was ever built by the expression of such statesmanship as that in the mind of the gentleman from New York [Mr. Culkin]. Reclamation projects are built as the result of a policy growing out of the tremendous leadership and statesmanship of Theodore Roosevelt. [Applause.] Theodore Roosevelt came into the western country and he learned the situation there. When he became President of the United States he laid down as one of the four great movements necessary to round out and build the Nation, not for local communities, such as that which the gentleman from New York [Mr. Culkin] evidently comes from, with restricted vision and without an idea of what is required to build a great nation and balance it in its entire development, the establishment of reclamation projects. It is one of the monuments to Theodore Roosevelt. These reclamation projects mean the possibility of development to great areas of the western part of the United States.

Mr. CULKIN. Will the gentleman yield?

Mr. LEAVITT. Not now. Mr. CULKIN. Well, the gentleman has referred to me. It seems to me it is only courtesy that the gentleman should yield to me.

Mr. LEAVITT. I yield.

Mr. CULKIN. It may be a monument to Theodore Roosevelt, but is it not the tombstone of the American farmer?

Mr. LEAVITT. Oh, no. I will take the gentleman's figures, although they are incorrect, but I will say 1.1 per cent of the crops on the farms are raised on Government irrigation projects. The great percentage of what is raised on reclamation projects is of a character that does not compete with the ordinary farm products of this country. When the gentleman speaks about the opposition of the farm organizations, their opposition is not to putting water on land and making it productive, but it is against the opening up of new reclamation projects, going further than we have already gone.

Now, coming to the point with regard to this one reclamation project in the State of Colorado, this was one of the first reclamation projects constructed under the reclamation act of 1902. When this Government embarked on the policy of reclaiming arid lands and making homes in that semiarid country it did not have behind it the background of experience it has now. On many of those first projects

proper provision was not then made for the drainage of the land which, as the years went by, came to be understood to be just as necessary for the success of many of those projects as the putting on the land of the water to begin with.

Mr. LAGUARDIA. Mr. Chairman, will the gentleman vield?

Mr. LEAVITT. I yield.

Mr. LaGUARDIA. Is not the cause of a great deal of the trouble we are in, the water which has been put not upon the land, but by some of the people in my State into industry and stocks and bonds? [Applause.]

Mr. LEAVITT. The gentleman is correct.

[Here the gavel fell.]

Mr. CHAVEZ. Mr. Chairman, I ask unanimous consent that debate on the section and all amendments thereto do

The CHAIRMAN. Is there objection to the request of the gentleman from New Mexico?

There was no objection.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York.

The question was taken and on a division (demanded by Mr. Taber), there were—ayes 22, noes 79.

So the amendment was rejected.

The Clerk concluded the reading of the bill.

The CHAIRMAN. Under the rule the committee rises.

The committee rose; and Mr. Bankhead having assumed the Chair as Speaker pro tempore, Mr. MEAD, the Chairman of the Committee of the Whole House on the state of the Union, reported that that committee, having had under consideration the bill Senate 5417, for the temporary relief of water users on irrigation projects constructed and operated under the reclamation law, pursuant to House Resolution 391, reported the bill back to the House without amendment.

The SPEAKER pro tempore. The previous question is

ordered under the rule.

The bill was ordered to be read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and on a division (demanded by Mr. Schafer) there were—ayes 113, noes 24.

So the bill was passed.

On motion of Mr. Chavez, a motion to reconsider the vote by which the bill was passed was laid on the table.

A similar House bill was laid on the table.

CONSENT CALENDAR

The SPEAKER pro tempore. The Chair desires to make an announcement: At the direction of the Speaker, the Chair desires to announce that after the conclusion of a bill which will presently be called up under suspension of the rules, the Unanimous Consent Calendar will be called.

The Chair gives this notice in order that those in charge of the Consent Calendar may govern themselves accord-

Mr. SNELL. Can the Chair advise the House as to whether the Unanimous Consent Calendar will occupy the balance of the afternoon?

The SPEAKER pro tempore. The present occupant of the Chair is unable to state that to the gentleman from New York. He will be advised later.

Mr. STAFFORD. Can the present occupant of the Chair advise the House as to whether there will be any further suspensions?

The SPEAKER pro tempore. So far as the present occupant of the Chair is advised there will be no further suspensions this afternoon.

AMENDMENT OF THE SHIPPING ACT, 1916

Mr. DAVIS of Tennessee. Mr. Speaker, I move to suspend the rules and pass the bill (S. 4491) amending the shipping act, 1916, as amended, for the purpose of further regulating common carriers by water in interstate commerce of the United States engaged in transportation by way of the Panama Canal, as amended.

The Clerk read the bill, as follows:

Be it enacted, etc., That when used in this act-

The term "common carrier by water in intercoastal commerce" for the purposes of this act shall include every common and contract carrier by water engaged in the transportation for hire of passengers or property between one State of the United States and any other State of the United States by way of the

Sec. 2. That every common carrier by water in intercoastal commerce shall file with the United States Shipping Board and keep open to public inspection schedules showing all the rates, keep open to public inspection schedules showing all the rates, fares, and charges for or in connection with transportation between intercoastal points on its own route; and if a through route has been established, all the rates, fares, and charges for or in connection with transportation between intercoastal points on its own route and points on the route of any other carrier by water. The schedules filed and kept open to public inspection as aforesaid by any such carrier shall plainly show the places between which passengers and/or freight will be carried, and shall contain the classification of freight and of passenger accommodations in force, and shall also state separately each terminal or other charge, privilege, or facility granted or allowed, and any rules or regulations which in anywise change, affect, or determine any part or the aggregate of such aforesaid rates, fares, or charges, or the value of the service rendered to the passenger, consignor, or consignee. Such carriers in establishing and fixing rates, fares, or charges may make equal rates, fares, or charges for similar or consignee. Such carriers in establishing and fixing rates, fares, or charges may make equal rates, fares, or charges for similar service between all ports of origin and all ports of destination, and it shall be unlawful for any such carrier, either directly or indirectly, through the medium of any agreement, conference, association, understanding, or otherwise, to prevent or attempt to prevent any such carrier from extending service to any publicly owned terminal located on any improvement project authorized by the Congress at the same rates which it charges at its nearest regular port of call. Such schedules shall be plainly printed, and copies shall be kept posted in a public and conspicuous place at every wharf, dock, and office of such carrier where passengers or freight are received for transportation, in such manner that they shall be readily accessible to the public and can be conveniently inspected.

shall be readily accessible to the public and can be conveniently inspected.

No change shall be made in the rates, rares, or charges, or classifications, rules, or regulations, which have been filed and posted as required by this section, except by the publication, filing, and posting as aforesaid of a new schedule or schedules which shall become effective not earlier than 30 days after date of posting and filing thereof with the board, and such schedule or schedules shall plainly show the changes proposed to be made in the schedule or schedules then in force and the time when the rates, target charges classifications rules or regulations as changed schedule or schedules then in force and the time when the rates, fares, charges, classifications, rules, or regulations as changed are to become effective: Provided, That the board may, in its discretion and for good cause, allow changes upon less than the period of 30 days herein specified: And provided further, That schedules or changes which provide for extension of actual service to additional ports at rates of said carrier already in effect for similar service at the nearest port of call to said additional ports shall become effective immediately upon notice to the board.

From and after 90 days following enactment hereof no person

From and after 90 days following enactment hereof no person shall engage in transportation as a common carrier by water in intercoastal commerce unless and until its schedules as provided by this section have been duly and properly filed and posted; nor shall any common carrier by water in intercoastal commerce and section of the sect by this section have been duly and properly filed and posted; nor shall any common carrier by water in intercoastal commerce charge or demand or collect or receive a greater or less or different compensation for the transportation of passengers or property or for any service in connection therewith than the rates, fares, and/or charges which are specified in its schedules filed with the board and duly posted and in effect at the time; nor shall any such carrier refund or remit in any manner or by any device any portion of the rates, fares, or charges so specified, nor extend or deny to any person any privilege or facility, except in accordance with such schedules.

The board shall by regulations prescribe the form and manner in which the schedules required by this section shall be published, filed, and posted; and the board is authorized to reject any schedule filed with it which is not in consonance with this section and with such regulations. Any schedule so rejected by the board shall be void and its use shall be unlawful.

Any violation of any provision of this section by a common carrier by water in intercoastal commerce shall be punished by a fine of not less than \$1,000 nor more than \$5,000 for each act of violation and/or for each day such violation continues, to be recovered by the United States in a civil action.

SEC. 3. Whenever there shall be filed with the board any schedule stating a new individual or joint rate, fare, or charge, or any new individual or joint classification, or any new individual or joint regulation or practice affecting any rate, fare, or charge, the board shall have, and it is hereby given authority, either upon complaint or upon its own initiative without complaint, and if it so orders without answer or other formal pleading by the interested carrier or carriers, but upon reasonable notice, to enter upon a

so orders without answer or other formal pleading by the interested so orders without answer or other formal pleading by the interested carrier or carriers, but upon reasonable notice, to enter upon a hearing concerning the lawfulness of such rate, fare, charge, classification, regulation, or practice: Provided, however, That there shall be no suspension of a tariff schedule or service which extends to additional ports actual service at rates of said carrier for similar service already in effect at the nearest port of call to said additional port.

Pending such hearing and the decision thereon the board, upon filing with such schedule and delivering to the carrier or carriers

affected thereby a statement in writing of its reasons for such suspension, may from time to time suspend the operation of such schedule and defer the use of such rate, fare, charge, classification, regulation, or practice, but not for a longer period than four months beyond the time when it would otherwise go into effect; and after full hearing, whether completed before or after the rate, fare, charge, classification, regulation, or practice goes into effect, the board may make such order with reference thereto as would be proper in a proceeding initiated after it had become effective. be proper in a proceeding initiated after it had become effective. If the proceeding has not been concluded and an order made within the period of suspension, the proposed change of rate, fare, charge, classification, regulation, or practice shall go into effect at the end of such period. The board shall give preference to the hearing and decision of such questions and decide the same as speedily as possible. Nothing contained herein shall be construed

specify as possible. Nothing contained herein shall be construed to empower the board affirmatively to fix specific rates.

SEC. 4. That nothing in this act shall prevent the carriage, storage, or handling of property free or at reduced rates, for the United States, State. or municipal Governments, or for charitants.

table purposes.

Sec. 5. That the provisions of the shipping act, 1916, and as amended prior to this act, shall in all respects, except as amended by this act, continue to be applicable to common carriers by water in intercoastal commerce.

SEC. 6. That this act may be cited as the intercoastal shipping

act. 1933.

The SPEAKER pro tempore (Mr. BANKHEAD). Is a second demanded?

Mr. LEHLBACH. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Is the gentleman opposed to the bill?

Mr. LEHLBACH. I am not opposed to the bill.

The SPEAKER pro tempore. The gentleman does not qualify.

Mr. SCHAFER. Mr. Speaker, I am opposed to the bill, and I demand a second.

Mr. DAVIS of Tennessee. Mr. Speaker, I ask unanimous consent that a second be considered as ordered.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. DAVIS of Tennessee. Mr. Speaker, I yield myself five minutes.

Mr. Speaker, this bill provides that all carriers engaged in intercoastal trade passing through the Panama Canal shall file with the Shipping Board a schedule of the rates which they propose to charge in that service. When such schedule of rates is filed and published the rates therein then become the legal rates, and that carrier can not deviate from those rates unless upon 30 days' notice he changes his rates in the manner he originally filed his schedule of rates. He can not grant rebates, and he can not grant a different rate to one shipper from that which he grants to another.

In other words, the purpose of the bill is, in the interest of fairness, to prevent secret rebates and to prevent discrimination, and in order that all the carriers engaged in this trade and all the shippers and the public generally may know exactly what rates are proposed to be charged by any carrier in this service.

The bill does not authorize the Shipping Board to fix rates, either minimum or any other kind. As the bill passed the Senate section 4 authorized the Shipping Board under certain conditions to fix minimum rates; and there was considerable opposition to that section, but it was eliminated from the bill by the House committee, and it will be noted that there is in the bill a House committee amendment striking out that section.

Mr. GOSS. Mr. Speaker, will the gentleman yield?

Mr. DAVIS of Tennessee. I yield.

Mr. GOSS. In the case of a contract carrier operating a line through the Panama Canal and also operating a line hauling coal, for instance, from Hampton Roads to some New England port, would the portion of his business between Hampton Roads and New England be affected by this bill?

Mr. DAVIS of Tennessee. No. That very question arose in committee, and there seemed to be some question about it. In order to clarify the language and to make it clear that it did not apply to any shipment, even though a carrier engaged in intercoastal service, except an intercoastal shipment or transportation, in lines 5 and 6 on page 2 we have proposed committee amendments inserting the word "inter-

Mr. GOSS. As I understand it then-

Mr. DAVIS of Tennessee. I can not yield further, as there are many other matters to be explained.

Mr. GOSS. The gentleman may cause me to be in favor of the bill.

Mr. DAVIS of Tennessee. That matter is clarified, and the bill speaks for itself in that respect.

There is another committee amendment designed to protect secondary ports, and there is also an amendment proposed by the chief coordinator, similar to a provision in the present interstate commerce act, which permits any coastal carrier to make special rates to the Government or to any branch of the Government, and that this shall not be in violation of law.

Mr. McFADDEN. Will the gentleman yield?

Mr. DAVIS of Tennessee. I yield.

Mr. McFADDEN. Does this apply entirely to domestic companies using the canal, or does it apply equally to foreign-controlled companies that may be so operating; in other words, does it compel foreign lines to file their rates?

Mr. DAVIS of Tennessee. So far as that is concerned, a foreign ship can not engage in intercoastal trade. In other words, under the coastwise law foreign vessels can not carry a passenger or a pound of freight from one American port to another.

[Here the gavel fell.]

Mr. SCHAFER. Mr. Speaker, I yield five minutes to the gentleman from New Jersey [Mr. LEHLBACH].

Mr. LEHLBACH. Mr. Speaker, this bill does not vest in the Shipping Board any right to specify any rates. It merely provides that the steamship carriers, when they have determined upon a rate, shall make that rate public and stick to it and treat all the shippers fairly and on the same basis. It prevents rebating, it prevents secret trade practices to the detriment of less-favored shippers by those who are favored by the carriers. It is asked for not only by the reputable shipping concerns, but it is generally demanded by the shippers who have to avail themselves of this service both on the Pacific and on the Atlantic coasts. They infinitely prefer a situation where they know what they have got to pay and what their competitors have got to pay to competing in the dark with those who secure unjustifiable

If there is anything in the bill that anyone desires to seek enlightenment upon, I shall be very pleased to answer any questions, but this is the sum and substance of the bill and is all that it provides.

Mr. COLE of Iowa. Will the gentleman yield?
Mr. LEHLBACH. I will be pleased to yield to the gentle-

Mr. COLE of Iowa. Might it not have been well if the Interstate Commerce Commission, in connection with this legislation, had been given power to coordinate these water rates with railroad rates so that there would not be such destructive competition between the two as there is at the present time.

Mr. LEHLBACH. Inasmuch as under existing law the Interstate Commerce Commission has no jurisdiction over water-borne traffic and the Shipping Board has, the bill now under consideration could not very well go so far. I hope, eventually, such a situation will be brought about, and I think the gentleman's suggestion is an excellent one.

Mr. COLE of Iowa. At the present time it is almost impossible for firms in the interior to do business in competition with these all-water rates through the Panama Canal.

Mr. SCHAFER. Will the gentleman yield?

Mr. LEHLBACH. I yield to the gentleman from Wis-

Mr. SCHAFER. Under this bill, after these rates have been filed by the water carriers, will they be in position to reduce the rates or will they be in the same position that a railroad is now under the regulations of the Interstate Com-

coastal." so that it will apply only between intercoastal | merce Commission? In order to increase business and keep its rolling stock employed, a railroad carrier can not reduce the rates, for instance, on coal. Would the same ruling apply to these shipments?

Mr. LEHLBACH. It would not. Any shipping operator may reduce his rates upon 30 days' notice at any time and

the bill goes further and says:

Provided, That the board may, in its discretion and for good cause, allow changes upon less than the period of 30 days herein specified.

So that a shipping concern has it entirely within its power to reduce the rates. The only thing it must do is to give all the customers equal notice and give them equal opportunity to avail themselves of the new rates.

Mr. SCHAFER. Can an intercoastal shipper file new rates with the Shipping Board and then reduce its own rates or does it have to wait for the Shipping Board to take judicial action, the same as a railroad carrier that desires to reduce its rate on a certain commodity? A railroad can not make such a reduction until it has made application to the Interstate Commerce Commission.

Mr. LEHLBACH. The Interstate Commerce Commission has such jurisdiction over railroad rates. We were very careful not to give such jurisdiction to the Shipping Board over water-borne freight.

Mr. SCHAFER. Perhaps I have not made myself clear. [Here the gavel fell.]

Mr. SCHAFER. I yield the gentleman five minutes more. The gentleman knows that now a railroad carrier can not reduce its rates, for instance, on coal, until the Interstate Commerce Commission approves them. If this bill is enacted into law, will one of these water carriers be able to reduce its rates or will it have to wait for a judicial determination by the Shipping Board, the same as a railroad company has to wait for the Interstate Commerce Commission to approve such a reduction?

Mr. LEHLBACH. They will not have to wait for any action by the Shipping Board. They have this entirely within their own control and can reduce rates to any point they wish without asking the permission of the Shipping Board. All they must do is to give everybody equal opportunity and reduce rates to all shippers alike.

Mr. HOCH. Will the gentleman yield?

Mr. LEHLBACH. Yes.

Mr. HOCH. What was the occasion for treating contract carriers as common carriers?

Mr. LEHLBACH. The reason is this: There are operated in the intercoastal trade certain what are known as industrial ships, certain ships owned by commercial companies that are not primarily engaged in shipping. They are in the lumber business, the automobile-accessories business, and the steel business.

Now, these parties at times carry their own goods, and at other times they operate as common carriers in competition with those common carriers who only carry goods for shippers. It would be unfair to allow the contract carriers, the industrial vessels, to make, alter, and shift their rates from customer to customer without subjecting them to the same rule of uniformity as applies to common carriers.

Mr. HOCH. If a carrier is simply a contract carrier, does that compel him to make the same publication of rates?

Mr. LEHLBACH. I think it would.

Mr. HOCH. Is not that a radical departure in Government regulation?

Mr. LEHLBACH. It is fundamental in all transportation that all ships should have the same advantage.

Mr. HOCH. There is a plain distinction between a common carrier and a contract carrier. It strikes me as a radical departure from anything the Government is attempting to do, to assert jurisdiction over contract carriers.

Mr. LEHLBACH. In relieving such a situation the Government and Congress has gone further to bring about the same results-that preventing the railroads from carrying their own goods.

Mr. HOCH. But there are no contract carrier railroads.

the situation and practice are different in water-borne transportation and railroad transportation.

Mr. DOWELL. Will the gentleman yield?

Mr. LEHLBACH. I yield.

Mr. DOWELL. The purpose of the bill is to prevent the carrier from charging one person a different rate from

Mr. LEHLBACH. That is precisely it.

Mr. DOWELL. Heretofore there have been different prices and different rates to different persons.

Mr. LEHLBACH. There have been rate wars, resulting in disorder and loss to shippers as well as transportation

Mr. DOWELL. And this is to prevent conditions that have existed, and charge all persons the same rate.

Mr. LEHLBACH. That is the purpose.

Mr. DOWELL. Will the bill in any manner affect the

Mr. LEHLBACH. No; no danger of that whatever, that there will be any rise in rates.

Mr. DAVIS of Tennessee. Mr. Speaker, I yield five min-

utes to the gentleman from Virginia [Mr. BLAND].

Mr. BLAND. Mr. Speaker, I shall not take up all the five minutes. The gentlemen who have preceded me have fully explained the bill. The benefit to trade is in the stabilization of rates; the benefit is in letting them know what those rates are and what they have to deal with in making their contract for transportation. The Shipping Board has no power to fix the rate, but the bill compels the carrier to fix the rates and publish them, so that they shall not be changed overnight. These being the purposes of the bill, I do not see how there can be any objection to it.

Mr. HILL of Washington. Mr. Speaker, will the gentleman

Mr. BLAND. Yes.

Mr. HILL of Washington. An intercoastal shipping company can change its rates on 30 days' notice.

Mr. BLAND. Yes.

Mr. HILL of Washington. What kind of a notice is required, and how is it given?

Mr. BLAND. It is filed with the Shipping Board, as I recollect. The gentleman will find the language in section 3 in respect to the filing of their rates with the Shipping Board and giving notice of those new rates.

Mr. HILL of Washington. Then the Shipping Board publishes the rates so that everybody has knowledge of them?

Mr. BLAND. They must be published so that everybody has notice. I yield back the remainder of my time.

Mr. SCHAFER. Mr. Speaker, I yield five minutes to the gentleman from Indiana [Mr. Wood].

Mr. WOOD of Indiana. Mr. Speaker, I trust that every friend of the merchant marine will vote for this bill. It should have been the law a long time ago. There has been nothing to prevent constant warfare between intercoastal shipping, and it has been a detriment not only to the shippers, but it has been destructive of the shipping interests of the country. What prevails with reference to our intercoastal shipping is likewise true to the detriment of the American merchant marine in our overocean shipping. They have tried for years through conferences to agree on rates, and have agreed on them at different times, only to violate them, so that these conference agreements have become a farce. Now they are proposing by law, when rates are fixed, that they shall remain fixed so that the public and all the world can know what they are and so that they shall be applied to every shipper and that there can be no rebate. Big shippers have been given a great advantage over small shippers by reason of secret agreements for rebates after the shipping is over. The small shipper, not shipping in such large quantities, can not get the benefit of those rebates. The small shipper, if this becomes a law, will have the same rights, the same privilege, the same protection that the large shipper has. I think there is no objection to this bill, and there is every reason why it should become a law,

Mr. LEHLBACH. We have not a precise analogy, because | not only in the interest of the shipper but in the interest of the shipping industry of the country.

Mr. COLE of Iowa. Mr. Speaker, will the gentleman yield?

Mr. WOOD of Indiana. Yes.

Mr. COLE of Iowa. Of course the gentleman is aware that by the use of water there is a destructive competition with the transcontinental railroads. Does not the gentleman think some authority ought to be vested somewhere so that the rates between the water carriers and the rail carriers may be coordinated?

Mr. WOOD of Indiana. I think the gentleman is right, and I think the time is not far distant when for the protection of the railroads of this country and for the protection of the water-shipping interests there must be some law that will protect one against the other, so that destructive competition can not exist between them. We all know that water shipping is cheaper than rail, and we all know that the railroads have been competing in many instances to their own detriment; but a law should regulate that thing, and through proper legislation it is bound to come.

Mr. SCHAFER. And will the passage of this bill cause an additional expense out of the people's Treasury, with another large staff of Federal employees running around

the country?

Mr. WOOD of Indiana. It will not necessitate the employment of a single additional person.

Mr. SCHAFER. I am glad to hear that, and I withdraw my opposition to the bill in view of the gentleman's statement.

Mr. DAVIS of Tennessee. Mr. Speaker, I yield five minutes to the gentleman from Texas [Mr. Briggs].

Mr. BRIGGS. Mr. Speaker, this measure has been rather fully explained by the preceding speakers. The bill in substance requires the filing and publishing of intercoastal steamship rates by lines operating through the intercoastal canal. It will prohibit and eliminate rebates and remove discriminations, but does not prevent carriers from reducing their rates. Such carriers, however, give 30 days' notice, except in specified instances, so that the legislation will protect the shipping public and the carriers themselves against unlawful rebates. Practices have arisen which have a tendency not only to demoralize intercoastal service and injure shippers but to jeopardize the investment the United States Government has in many of the vessels operating in such service, running up into many millions of dollars. The safety of the balance loaned for construction and owing for purchase money of ships to the United States Government is very seriously threatened by these rebates and secret practices, and this bill, through the publicity section and requirements, will have a tendency to correct the situation.

Mr. LAGUARDIA. Mr. Speaker, will the gentleman yield? Mr. BRIGGS. Yes.

Mr. LaGUARDIA. I notice that nearly everyone who has spoken in favor of this bill regrets the fact that the bill is innocuous and that it has not any teeth in it. Conditions and practices are bad. What are we doing here? Playing solitaire?

Mr. BRIGGS. It was stated before our committee by those advocating this measure that if they could get this publicity section in the bill, requiring intercoastal shipping companies, both common and contract carriers, to file and publish their rates, with 30 days' notice of any change, except in emergencies, and fixing penalties for variation from those rates, the legislation would correct 80 per cent of the existing trouble and practices which ought to be corrected.

Mr. LaGUARDIA. And now, to correct the other 20 per cent, may I leave this one impression with the committee, because my days are numbered: See to it that intercoastal trade is not subsidized, so that shipping lines that are engaged in coastwise trade do not have to meet competition with favored shipping companies who are receiving subsidies on the fiction that they are touching at a foreign port because they go through the Panama Canal.

Mr. BRIGGS. I think the Merchant Marine Committee is thoroughly in sympathy with the suggestion made, for it

was never the purpose that anything of that kind should follow from any of the legislation enacted, but any such situation that may have developed has been due to the construction placed upon it by the executive branch.

I yield back the balance of my time, Mr. Speaker.

Mr. SCHAFER. Mr. Speaker, I yield myself one minute. After obtaining all the information in the debate, and after finding that our distinguished colleague, Doctor SIROVICH, has carefully considered this bill and reported it out, I shall withdraw my opposition and not use the balance of my time.

The SPEAKER pro tempore (Mr. BANKHEAD). The question is, Shall the rules be suspended and the bill as amended be passed?

The question was taken; and two-thirds having voted in favor thereof, the rules were suspended, and the bill was passed.

SILVER AND GOLD-EXTENSION OF REMARKS

Mr. GLOVER. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. GLOVER. Mr. Speaker, ladies and gentlemen of the House, many things have been tried as a remedy to restore prosperity and each has failed. Four billion dollars of debt has been created in experiments and it has helped but little if any at all, and this indebtedness must be raised by taxation in future years.

We are now in no better condition than when the depression started; in fact, we are not all as well off as we were then.

The President of the United States, as a relief measure, advocated a moratorium for all European nations. This moratorium at that time had not been asked by any debtor nation. Enough of the Members of Congress indorsed his request for this authority to give him the authority to grant it. I wired the President within five minutes after I received his wire, asking my indorsement of the moratorium, that I thought it was unwise and that it should not be granted. I thought then he was wrong, and now time has revealed that it was a great mistake. It was the beginning of our trouble, and \$252,000,000 that they owed was not paid when due.

The next proposition proposed by him was to create a great corporation, giving it the power to issue bonds bearing interest and sell them to get money to loan to big business, such as railroads, insurance companies, trust companies, banks, and building and loan associations, in the hope that some of it would trickle through and help the fellow below, that creates wealth and gives employment to labor.

The bonds and paper of the above-named institutions was largely held by the large central bank and trust companies. The most of it was held by Wall Street bankers, and when the bonds were refinanced it simply changed the location of the bonds. They were properly classed by the President as "frozen assets." We gave them cold cash for frozen assets. The bonds issued for this purpose must be paid by the taxpayers of the United States.

Concentration of all the wealth in the hands of a few persons is dangerous for any Government. They can bring on a money panic at their will, as they have recently done.

Our country has been drained of its money in the sale of foreign securities in the last three years to an amount of between thirty and forty billions of dollars.

Sixty per cent of the money of the United States is hidden away and not in use, and so far as the good it is doing it might as well never have been coined. You can not carry on business without a medium of exchange. Under present conditions we have no adequate medium of exchange.

Just two things alone would bring back prosperity in this country. One is to lower the tariff and give us trade relations with all the world. We can not prosper with a wall built around us like the tariff wall and no one need expect it. If our new President does not advocate that in the call session of Congress in April, I shall be disappointed. We

should at least have reciprocal trade relations established as was provided for in the bill we passed last session, and which was vetoed by the President, Mr. Hoover.

The next thing we should have is to provide for an ade-

quate medium of exchange.

My judgment is we should go back to our Constitution and establish a bimetallic standard of both gold and silver as our money. You do not have to go off the gold standard to do this. You would let gold remain as the standard of money, as it is now, and we need it in our foreign trade with countries that are now on a gold standard, and we need silver money for the same reason, to trade with foreign countries that are on a silver basis. Only one-fifth of the nations of the world now use gold and four-fifths use the single silver standard. In other words, we need about four times as much silver as we do gold, to carry on our trade with the world.

The two metals, gold and silver, should be linked together as is provided for in a bill I introduced and as is provided for in the Cross bill now on the calendar.

This bill, the Cross bill, was reported out by the Committee on Coinage, Weights, and Measures. The title of the bill is as follows:

To restore confidence by raising commodity prices through expanding the currency by using silver to broaden the metallic monetary base while preserving the gold standard.

Section 1 of this bill reads as follows:

SECTION 1. That to expand the currency to restore confidence, the Secretary of the Treasury is hereby authorized and directed to purchase silver bullion, at the market price, whenever 371.25 grains of fine silver is less in value than 25.8 grains of gold, nine-tenths fine, and to pay for same by issuing to the seller or sellers silver certificates in denominations of \$1, \$5, \$10, \$20, \$50, and \$100, payable to bear an admand payable to bearer on demand.

Section 2 provides for the ratio between the two metals to be used. The section provides that the silver certificates issued under the act shall be good legal tender for all debts, both public and private.

Section 3 provides as follows:

That there shall be engraved on one side of each silver certificate issued, "This certifies that there is on deposit in the Treasury of the United States silver bullion equivalent, when valued in gold, to the face value of this certificate," and on the reverse side, "This certificate is legal tender for all debts, both public and private.'

This section ties the two metals together and is as good as the other.

Section 5 reads as follows:

That the Secretary of the Treasury is further authorized and directed to issue additional certificates against said silver bullion so acquired and deposited in the Treasury under this act: Provided, That the amount of silver bullion so acquired and on deposit in the Treasury as aforesaid exceeds by 10 per cent in value all certificates issued against same, including the additional certificates when valued in gold. The additional certificates so sued shall be put in circulation by discharging current obligations of the Government.

This provision will keep the two metals in a comparative parity or balance. The silver in a silver dollar now is worth about 25 cents. When it is remonetized it will bring its value back to 100 per cent.

A gold dollar when measured in farm products is now worth \$2.02. As silver comes up gold will go down until it reaches a level with silver. This will bring commodity prices up and then the man who produces can live.

Section 6 reads as follows:

That should at any time the amount of silver bullion acquired and deposited in the Treasury under this act become in value less than 10 per cent in excess of the face value of all certificates outstanding against same, the Secretary of the Treasury shall at once proceed to purchase a sufficient amount of silver bullion and deposit same in the Treasury until the amount on deposit in the Treasury shall exceed by 10 per cent in value the total face value of all certificates issued and outstanding against same, and the sum of \$100,000,000 is hereby appropriated to be used for that purpose if necessary.

Section 7 of the bill further ties the two metals together and no man can say that one is not just as good as the other.

Other nations who are on the gold standard, like France, are now putting in use more silver money than they have ever had. The Constitution of the United States gives to Congress the power to coin money and to regulate value thereof. Congress several years ago turned this power by act of Congress over to Federal reserve.

The law provides that a reserve of 40 per cent of gold shall be kept in the Treasury for the redemption of gold certificates. There is not enough gold in the world to carry on the business of the world. We only have \$11,000,000,000 of gold in the world. The United States has nearly five billion of that and France about four billion, leaving only two billion for the rest of the world. The world can not carry on business and prosper on a single gold standard. There is just about the same amount of silver in the world as there is gold. and if every ounce of gold and silver in the world was coined into money we would not have any too much of it.

To illustrate what I have tried to say, let me say this: When you use the two metals you establish a scale of justice to weigh the two metals in. When justice is done the scales would be in even balance. If one of the metals went high, and the other low, all you have to do is to use one that is low and the one that is high will come down to a balance with the other.

To further illustrate, let me use this crude illustration. Suppose we only had two meats, pork and beef. Then let us suppose that Congress had the power by legislation to say which one of the two should be used by the 120,000,000 people. If they said you should all use beef it would be high and pork would be low, or if the act said you should eat pork it would go high and beef low. But if you have the right to use both, when one goes high you can use the other, and by that means you will keep them on a parity one with the other.

If we go to a double standard of money the same will be true. Give us a low tariff and a medium of exchange to carry on business and prosperity will come from around the

REGULATIONS GOVERNING VESSELS IN HARBORS, RIVERS, AND INLAND WATERS OF THE UNITED STATES

The SPEAKER pro tempore. The Clerk will call the first bill on the Consent Calendar.

The Clerk called the first bill on the Consent Calendar, S. 4008, to amend article 5 of the act of Congress approved June 7, 1897, relating to the approval of regulations for preventing collisons upon certain harbors, rivers, and inland waters of the United States.

The SPEAKER pro tempore (Mr. BANKHEAD). Is there objection to the present consideration of the bill?

Mr. JENKINS. Reserving the right to object, Mr. Speaker, I should like some explanation of this matter.

Mr. DAVIS of Tennessee. Mr. Speaker, I wish to state that this bill was recommended by the Department of Commerce. There was no objection from any source except one company that operated a large number of scows, and apprehended that it might not include scows, and with the consent of the Department of Commerce, because I consulted with them, it was amended, and that is the committee amendment. With that amendment it meets the approval of everybody as far as I know. I will state it is simply to make the international rules and our own law conform on the regulation with respect to those lights.

Mr. JENKINS. I might state to the gentleman that from my reading of the bill and the report, it must be a very satisfactory and necessary bill, although I raised the point with reference to it just so the gentleman might explain it.

The SPEAKER pro tempore. Is there objection?

There was no objection.

The Clerk read as follows:

Be it enacted, etc., That article 5 of the act of Congress approved June 7, 1897, be amended by striking out the word "or" after the word "way" and preceding the word "being" in the first line thereof, and adding the words "and any vessel" after the word "way" and before the word "being" hereinabove referred to; and that the article be further amended by inserting a comma and the words "except barges and canal boats, when in tow of steam vessels," between the words "towed" and "shall," so that the article as amended shall read as follows:

"Art. 5. A sailing vessel under way and any vessel being towed, except barges and canal boats, when in tow of steam vessels,

shall carry the same lights as are prescribed in article 2 for a steam vessel under way, with the exception of the white lights mentioned therein, which they shall never carry."

With the following committee amendments:

On page 1, line 9, strike out the words "barges and canal boats" and insert "barges, canal boats, scows, and other vessels of nondescript type"; page 2, line 6, strike out the words "barges and canal boats" and insert "barges, canal boats, scows, and other vessels of nondescript type."

The committee amendments were agreed to.

The bill as amended was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SELECTION OF CERTAIN LAND FOR CALIFORNIA STATE PARK SYSTEM

The Clerk called the next bill, H. R. 14534, to provide for the selection of certain lands in the State of California for the use of the California State park system.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. BLANTON. Reserving the right to object, Mr. Speaker, there are 189,940 acres of public land involved in this bill. I doubt the wisdom of passing a bill of this magnitude in the closing hours of Congress, in the closing session of Congress, under unanimous consent. Since, however, the gentleman from California [Mr. Swing] desires to make a statement, he may do so, if the Members are willing to give him the time, and I will reserve the objection, but ultimately I shall object.

Mr. SWING. Mr. Speaker, I want to read from the report of the Secretary of the Interior to the Senate Committee on Public Lands, which explains exactly why this proposal is before the House. The report reads as follows:

The Nation is fortunate to have this opportunity to pre some of the remains of the great palm forests formerly existing in southern California, such as are found in this area. Its outin southern Cainornia, such as are found in this area. Its outstanding qualities are of countrywide interest. The State of California has sensed its responsibility in preserving this unique area which can not be duplicated elsewhere. The State of California has already purchased 5,000 acres of strategic privately owned lands, interspersing the public lands, and stands ready to bear all the expense of building the necessary roads, and developing protecting and maintaining this proposed State park for the ing, protecting, and maintaining this proposed State park for the people.

Mr. COCHRAN of Missouri. Will the gentleman yield?

Mr. SWING. Yes. I yield.

Mr. COCHRAN of Missouri. If this bill becomes a law, will the Government have to pay taxes to the State of California as we have to do in Oregon?

Mr. SWING. This bill will cost the United States Government absolutely nothing.

Mr. COCHRAN of Missouri. That is what they told us when we passed that bill for Oregon.

Mr. SWING. The State of California will bear all of the expenses, both of the establishment, the maintenance and operation, and the protection of the area as a State park.

Let me say that the Land Office has made a field survey of this land. I wish the gentleman from Texas would note the statement appearing on page 4 in the report to this

It appears from a report made by the field service of this office (General Land Office) that the public lands withdrawn July 18,

And those are ones covered by the bill-

are nonmineral, contain no commercial timber, and are, with the exception of a small portion in the valley proper without value for agricultural purposes.

The area is desert in character, but the rare specimens of cacti and other desert flora are being raided by selfish people, who carry them away to their homes and plant them in their yards. This flora ought to be preserved for the benefit of all the people of this generation and future generations also. The State of California is willing to preserve them at its own expense for the benefit of the people of the Nation.

Mr. BLANTON. Mr. Speaker, will the gentleman yield? Mr. SWING. I yield.

Mr. BLANTON. These are now public lands, are they

Mr. SWING. They are and subject to be entered under our public land laws.

Mr. BLANTON. These are now public lands, are they

Mr. SWING. Yes.

Mr. BLANTON. They belong to the people of the United States?

Mr. SWING. Yes.

Mr. BLANTON. They are subject to entry by the people of the United States?

Mr. SWING. Yes.

Mr. BLANTON. Does my friend, the gentleman from California, get as many applications from his constituents as we who live elsewhere get from ours for information and data respecting public lands that may be entered?

Mr. SWING. I get inquiries.

Mr. BLANTON. I wrote letters to-day to the Commissioner of the General Land Office asking that he send out this information. People want to take up these public lands. They want to enter them. We must give them a chance.

Mr. SWING. It would be an injury to settlers to permit them to take this land up because it is not agricultural land. There is not enough water to raise a crop on any of it.

Mr. BLANTON. I want to remind the gentleman from California of the fact that in the State of Texas the public lands were distributed to the counties for school purposes. Each of the 254 counties in Texas was allotted certain school lands, but half of those counties have let their lands get away from them through improvident acts of the officials who had it in charge.

Mr. SWING. If any part of this land was agricultural land I would not favor setting it aside as a park.

Mr. BLANTON. We Representatives here in Congress are the custodians for the people of the public lands of the United States, and as one custodian I am here to see that these lands are not frittered away.

Mr. SWING. I may say to the gentleman from Texas that it would be an injustice to the people themselves to encourage them to go on this kind of land where there is poor soil, no water, no rainfall, and no possibility of raising crops. The only things there of value are the unusual desert fauna and flora, and they must be preserved for the many, not allowed to be destroyed by the few. The county of San Diego would be the first one to oppose this withdrawal from sale to the public, in the interest of its own right to tax private lands, if it could be sold to private people, but as there is no sale for it to individuals, the county of San Diego favors its use for State park purposes.

Mr. BLANTON. When our friend comes back here two years from now we will then see about his bill, but now we object.

Mr. Speaker, I object.

BRIDGE ACROSS NEW YORK BAY BETWEEN BROOKLYN AND STATEN

The Clerk called the next bill, H. R. 14631, authorizing the Interboro Bridge Co., its successors and assigns, to construct, maintain, and operate a bridge across New York Bay between Brooklyn and Staten Island.

Mr. LaGUARDIA. Mr. Speaker, reserving the right to object I notice that the Bureau of Roads of the Department of Agriculture says that this appears to be a matter which concerns chiefly the city of New York and for that reason the department does not feel that it should interpose any objection. I am going to relieve the department of that, because I expect to object.

The city of New York has the Brooklyn Bridge, the Manhattan Bridge, the Williamsburg Bridge, and the port of Albany has built the George Washington Bridge. We have about 100 bridges in New York City, and as long as I am here we are not going to peddle out franchises for bridges across the Bay of New York.

Mr. JENKINS. Mr. Speaker, will the gentleman yield?

Mr. LAGUARDIA. I yield.

Mr. JENKINS. I am very much interested in the position the gentleman from New York has taken. Unfortunately

the gentleman is not going to be with us in the next Congress. Lately he has developed a very strong antipathy, apparently, to certain bridge bills, just like the gentleman from Missouri.

Mr. LaGUARDIA. I am following the policy of the Road Bureau.

Mr. JENKINS. I do not find fault with it, but I wish the gentleman would take 5 or 10 minutes to give us the benefit of his research and the reason why he has taken this position on all these bills.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. LaGUARDIA. Mr. Speaker, I object.

DEGREE-CONFERRING INSTITUTIONS

The Clerk called the next bill, S. 100, to amend section 586c of the act entitled "An act to amend subchapter 1 of chapter 18 of the Code of Laws for the District of Columbia relating to degree-conferring institutions," approved March 2, 1929.

Mr. LaGUARDIA. Mr. Speaker, reserving the right to object, is this the universities' bill? I do not see the necessity for calling up this bill now.

The SPEAKER pro tempore. Does the gentleman object?

Mr. LAGUARDIA. Yes.

Mr. BLANTON. Will the gentleman withhold his objection a minute?

Mr. LAGUARDIA. I withhold it a moment.

Mr. BLANTON. Is the gentleman from New York in favor of every little two-bit, so-called correspondence school in Washington's conferring B. A. and other degrees?

Mr. LaGUARDIA. That is why I am objecting.

Mr. BLANTON. Is not this the bill designed to stop that very practice?

Mr. LaGUARDIA. Oh, it does not. This is a bill to break down the law prohibiting that and extending the privilege to a so-called American university in a foreign country.

Mr. BLANTON. I thought that it was the other bill, which had a favorable committee report, which would break up this diploma mill in Washington.

Mr. LAGUARDIA. This would let down the bars, and I do not want to let down the bars.

Mr. BLANTON. I am with the gentleman. Mr. Speaker, I object.

TRANSFER OF LAND TO HAWAII

The Clerk called the next bill, H. R. 13042, to authorize the transfer of land from the War Department to the Territory of Hawaii.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of War is hereby authorized to transfer to the Territory of Hawaii all the right, title, and interest of the United States in such portion of the land at the base of the east breakwater at Kahului, county of Maui, Territory of Hawaii, as is not required for the maintenance of said breakwater, on such terms and conditions as the Secretary of War may determine.

With the following committee amendment:

Page 1, line 9, after the word "determine," insert "Provided, That the conveyance shall be upon the express condition and with a reservation reserving the right to resume and occupy said tract of land whenever in the judgment of the President an emergency exists that requires the use and appropriation of the same for public defense, and also with the further reservation as to that portion of said tract of land other than that known as Pier No. I and the land immediately adjacent thereto that it shall be used for park purposes, and that in case it is not so used it shall revert to the United States."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

TAX ON FURS

The Clerk called the next bill, H. R. 14532, to amend section 604 of the revenue act of 1932, relating to the tax on

Mr. GOSS. Mr. Speaker, I object.

Mr. LAGUARDIA. Will the gentleman withhold his objection a moment?

Mr. GOSS. Yes.

Mr. LAGUARDIA. This is simply to carry out the intent of Congress on the original section. When this section was put in the revenue bill. I personally asked the gentleman

Mr. GOSS. I am familiar with that debate of the gentleman with Mr. Crisp in trying to correct this; but I may say to the gentleman I do not think that the consideration of the Consent Calendar is a good time to open up the question of the tariff, when there are several gentlemen present on the floor with amendments to the bill.

Mr. LAGUARDIA. I am simply telling the gentleman what this does.

Mr. GOSS. I am in sympathy with that part of it, but there are gentlemen sitting around here who would be glad to have considered general provisions of the tariff bill.

Mr. O'CONNOR. Will the gentleman reserve his objection until I can explain the nature of the bill?

Mr. GOSS. I withhold it.

Mr. O'CONNOR. This bill amends section 604 of the revenue act of 1932, taxing furs. As the gentleman from New York [Mr. LaGuardia] has said, at the time of its debate in the House it was not clear what was the real intent of the committee. The gentleman from New York [Mr. La-Guardial and myself engaged in a colloquy with members of the Ways and Means Committee, particularly Mr. CRISP, the acting chairman. This is the situation that has arisen. Section 604 taxed furs or the material to which they were attached whenever the fur was the component material of chief value. The latter language led to the trouble. The tax was intended to be on furs, we felt, but the Commissioner of Internal Revenue ruled so they took a coat, for instance, and if the fur was the most valuable thing on the coat, they taxed the whole coat. This was not so bad, but when the Commissioner of Internal Revenue issued his regulations in reference to the matter, instead of taking the whole coat in contrast to the fur to find out which was the more valuable, he broke down the coat into certain parts, cloth, lining, and findings, so in every event he could find that the fur was the most valuable material in the coat.

Mr. LaGUARDIA. Will the gentleman yield?

Mr. O'CONNOR. Yes.

Mr. LaGUARDIA. He excluded labor, and then when he taxed it he taxed the whole thing, including labor.

Mr. O'CONNOR. Exactly; so his regulation was contrary to the real intent of Congress when it passed the revenue act.

Mr. COCHRAN of Missouri. Will the gentleman yield?

Mr. O'CONNOR. Yes.

Mr. COCHRAN of Missouri. I am in favor of doing what this bill seeks to accomplish, but I think the best thing for the gentleman to do, if, as he says, the Treasury has violated the intent of Congress, is to get the new Secretary to make a change. I would like to know why the Committee on Ways and Means brings in a bill like this and keeps in its pigeonhole the bills to eliminate the tax on checks and the bill to restore first-class postage to a rate of 2 cents. They are very important measures.

Mr. O'CONNOR. Of course, I am not responsible for that.

Mr. GOSS. That is my point, Mr. Speaker. I object.

SALARY RATES OF CERTAIN CIVIL-SERVICE POSITIONS

The Clerk called the next bill, H. R. 14410, to amend section 3 of the act of May 28, 1928, relating to salary rates of certain civil-service positions.

Mr. BLANTON. Mr. Speaker, I object.

Mr. JEFFERS. Mr. Speaker, will the gentleman withhold his objection?

Mr. BLANTON. If the gentleman desires to be heard, Mr. Speaker, I reserve the objection.

The SPEAKER pro tempore. Is it the purpose of the gentleman to object?

Mr. BLANTON. Eventually, yes.

Mr. JEFFERS. Would the gentleman be at all open to an explanation of this measure?

Mr. BLANTON. I do not want to allow a bill to pass by unanimous consent which in any way enlarges the present

Mr. JEFFERS. This is simply a bill to make corrections in the maladministration of the law enacted by the Congress of the United States when the original classification act was passed.

Mr. BLANTON. Will the gentleman yield?

Mr. JEFFERS. I yield.

Mr. BLANTON. The gentleman knows that I now have before the committee my House Joint Resolution 344 to repeal that act of 1923 and readjust all of the maladministration matters that have come from it. We ought not to do that by piecemeal. In my judgment, if we do not repeal that act in toto, we will not have done the thing that would help bring the Government back to normalcy quicker than anything else.

Mr. JEFFERS. In this case deserving people who are not responsible will be penalized.

Mr. BLANTON. Oh, there are lots of deserving people penalized by that act. There are many hard-working employees in the Government who are working for starvation wages, while some numerous pets at the top are getting enormous wages, with their salaries doubled and trebled since 1923.

Mr. JEFFERS. This is for the relief of employees. Mr. BLANTON. But for only a few of them. We ought not to do it by piecemeal; we ought to go to the root of the whole thing. I object.

HOMESTEAD ENTRIES TO WIDOWS OF PERSONS WHO SERVED IN INDIAN WARS

The Clerk read the next bill on the Consent Calendar, S. 2654, to allow credit in connection with homestead entries to widows of persons who served in certain Indian wars.

The SPEAKER pro tempore. Is there objection?

Mr. STAFFORD. Reserving the right to object, may I inquire whether we granted the same privilege to the children who are minors in case of death of the widow of veterans of the Spanish-American War, the Civil War, and the World War? I did not have time to examine the statute.

Mr. CHAVEZ. I can not tell the gentleman from Wisconsin, but I am sure it must have contained a provision for the young children of widows.

Mr. STAFFORD. Assuming that a widow dies leaving a child 4 or 5 years of age, is it proposed to grant the child a patent?

Mr. CHAVEZ. If the mother has applied for a homestead prior to that time, yes. Of course, it would be under the jurisdiction of the probate court.

Mr. STAFFORD. Can the gentleman inform the House the number of persons that would be benefited by this gratuity?

Mr. CHAVEZ. Oh, there could not be many; the Indian wars took place a long time ago.

There being no objection, the Clerk read the bill, as follows:

the provisions of such act, if such widow is unmarried and otherwise qualified to make entry of public lands under the provisions of the homestead laws of the United States and has heretofore made or shall hereafter make such entry: Provided, That in the event of the death of any such widow prior to perfection of title, leaving only a minor child or children, patent shall issue to the said minor child or children upon proof of death, and of the minority of the child or children, without further showing or compilers with law. compliance with law.

Mr. STAFFORD. Mr. Speaker, I move to strike out the last word. Has the bill been amended as recommended by the commissioner of the General Land Office?

Mr. CHAVEZ. It has been so amended.

Mr. STAFFORD. So that this is in the identic form that meets his approval?

Mr. CHAVEZ. Yes.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

PROTECTION OF NATIONAL MILITARY PARKS, ETC.

The next business on the Consent Calendar was the bill, S. 5233, to provide for the protection of national military parks, national parks, battlefield sites, national monuments, and miscellaneous memorials under the control of the War Department.

The SPEAKER pro tempore. Is there objection to the

present consideration of the bill?

Mr. LAGUARDIA. Mr. Speaker, I reserve the right to object. There are two things that I desire to inquire about. First, what publication, if any, is provided for the regulations prescribed by the Secretary of War by reason of the provisions of this bill; and, second, whether these regulations are uniform? It seems to me that, if we are going to constitute a crime for the violation of any regulation made by the Secretary of War and the regulations are not published and a caretaker can arrest on account of a violation, we are going too far.

Mr. McSWAIN. So far as the regulations' being uniform is concerned, there will be no question about that.

Mr. LaGUARDIA. How can the public have knowledge of

Mr. McSWAIN. There can be no knowledge of a constructive nature so far as I know, except I should think that common sense would dictate that copies of the regulations be posted at each of the reservations or military parks.

Mr. LAGUARDIA. And also let us hope that the regulations would be the result of common sense.

Mr. McSWAIN. Yes; that the regulations be uniform and practical. The reason behind this bill is this: It is not an effort to aggrandize power, but complaints have come up from a great many communities that these reservations in these days of automobiles have become a sort of legal no man's land, and to prevent immoralities or indecencies of a certain sort in these parks it is desirable that these guards and caretakers have police powers.

Mr. LAGUARDIA. We are granting authority here to the Secretary of War to make certain regulations. Then we provide that any person who violates any such regulation is guilty of a misdemeanor, and we provide further he is subject to a maximum fine of \$100 or imprisonment for three months. It seems to me that is a little severe.

Mr. McSWAIN. I see much in the gentleman's point, that the regulations should be promulgated and published so that any person who contemplates a violation may know what would be the penalty and what practices are prohibited.

Mr. LaGUARDIA. Will the gentleman accept an amendment on line 9, page 1, to insert, after the word "who," the words "knowingly and," so that it would read "and any person who knowingly and willfully violates any such regulation," and so forth?

Mr. PATTERSON. What is the regulation?
Mr. LaGUARDIA. We do not know.
Mr. PATTERSON. I think it is important to have some idea of that.

Mr. LaGUARDIA. You can not be presumed to know regulations. Every one is presumed to know the law.

Mr. HILL of Alabama. Let me say to the gentleman from New York that with reference to most of these national military parks and monuments, the bills authorizing them carry this authority, and the Secretary of War to-day has the authority to make these regulations, and a violation of the regulations constitutes a crime along the same line as is provided for in this bill. There are a few of these monuments and parks where the police guarding them do not have any such authority. Therefore this bill is offered to take care of the situation where there is no authority.

Mr. PATTERSON. Is that all it does?

Mr. McSWAIN. Not only is the power already in existence to promulgate regulations, but this proposes to give them power to enforce the regulations.

Mr. PATTERSON. And they do not have power now to enforce them?

Mr. McSWAIN. No.

Mr. PATTERSON. I am very much in sympathy with the purpose of the bill, but I am wondering if this power will not be abused in some instances.

Mr. McSWAIN. I think the suggestion of the gentleman from New York would prevent the abuse of the power, because a man can not wilfully and knowingly violate a regulation unless he has a chance to know what the regulation is.

Mr. LaGUARDIA. I think so.

Mr. JENKINS. The gentleman from New York [Mr. LaGuardia] has brought out the fact that somebody is liable to be fined or sent to jail for three months. What court would have jurisdiction over that?

Mr. McSWAIN. The Federal court.

Mr. STAFFORD. As I understand the legislation, you are merely giving to the Secretary of War the same authority now carried in law so far as national parks are concerned, which is vested in the Secretary of the Interior?

Mr. McSWAIN. That is my information; and also the same power that is given the Secretary of Agriculture with regard to certain lands in the prevention of tick fever and things of that kind.

Mr. HILL of Alabama. The Secretary of the Interior has this authority with reference to national parks. It would come under the Interior Department. There is nothing new about this legislation. There are plenty of precedents.

The SPEAKER pro tempore. Is there objection?

There was no objection.

The Clerk read as follows:

Be it enacted, etc., That the Secretary of War is hereby authorized to prescribe such regulations as he deems necessary for the proper government and protection of, and maintenance of good order in, national military parks, national parks, battlefield sites, national monuments, and miscellaneous memorials as are now or hereafter may be under the control of the War Department; and any person who willfully violates any such regulation shall be

any person who willfully violates any such regulation shall be deemed guilty of a misdemeanor and punishable by a fine of not more than \$100 or by imprisonment for not more than three months, or by both such fine and imprisonment.

SEC. 2. That the commissioners, superintendents, caretakers, officers, or guards of such national military parks, national parks, battlefield sites, national monuments, and miscellaneous memorials, or any of them, are authorized to make arrests for violations of any of the regulations prescribed pursuant to this act, and to bring the offenders before the nearest commissioner, judge, or court of the United States having jurisdiction in the premises.

Mr. LaGUARDIA. Mr. Speaker, I offer an amendment. The Clerk read as follows:

Amendment by Mr. LaGuardia: On page 1, line 4, after the word prescribe," insert "and publish," and in line 9, after the word who," insert "knowingly and."

The amendments were agreed to.

The bill as amended was ordered to be read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

MORRISTOWN NATIONAL HISTORICAL PARK

Mr. STEWART. Mr. Speaker, I move to suspend the rules and pass the bill (S. 5469) to provide for the creation of the Morristown National Historical Park in the State of New Jersey, and for other purposes, with amendments.

The Clerk read as follows:

Be it enacted, etc., That when title to all the lands, structures, and other property in the military camp-ground areas and other areas of Revolutionary War interest at and in the vicinity of Morristown, N. J., as shall be designated by the Secretary of the Interior, in the exercise of his discretion, as necessary or desirable for national-park purposes, shall have been vested in the United States, such areas shall be, and they are hereby, established, dedicated, and set apart as a public park for the benefit and enjoyment of the people, and shall be known as the Morristown National Historical Park: Provided, That the United States shall not purchase by appropriation of public moneys any lands within the aforesaid areas, but such lands shall be secured by the United States only by public or private donation: And by the United States only by public or private donation: And

provided further, That such areas shall include, at least, Jockey Hollow camp site, now owned by Lloyd W. Smith and the town of Morristown; Fort Nonsense, now owned by the town of Morristown; and the George Washington headquarters, known as the Ford House, with its museum and other personal effects and its grounds, now owned by the Washington Association of New Jer-

sey.

SEC. 2. The Secretary of the Interior is hereby authorized to accept donations of land, interest in land, buildings, structures, and other property within the boundaries of said park as determined and fixed hereunder and donations of funds for the purchase and/or maintenance thereof, the title and evidence of title to lands purchased to be satisfactory to the Secretary of the Interior: Provided, That the Secretary of the Interior is authorized, in his discretion, to accept on behalf of the United States other lands, easements, and buildings of Revolutionary War interest in Morris and adjacent counties in New Jersey as may be donated for the extension of the Morristown National Historical donated for the extension of the Morristown National Historical

SEC. 3. After the acquisition of the museum and other personal effects of the said Washington Association by the United States, including such other manuscripts, books, paintings, and other relics of historical value pertaining to George Washington and the Revolutionary War as may be donated to the United States, such museum and library shall forever be maintained as a part

such museum and library shall forever be maintained as a part of said Morristown National Historical Park.

Sec. 4. The Washington Association of New Jersey, Lloyd W. Smith and the town of Morristown having, by their patriotic and active interest in conserving for posterity these important historical areas and objects, the board of trustees and the executive committee of the said association, together with Mrs. Willard W. Cutler, its curator, and Clyde Potts, at present mayor of Morristown, shall hereafter act as a board of advisers in the maintenance of said park. The said association shall have the right to hold its meetings in said Ford House.

Sec. 5. Employees of the said Washington Association who have

SEC. 5. Employees of the said Washington Association who have been heretofore charged with the care and development of the said Ford House and its museum and other effects may, in the

been heretofore charged with the care and development of the said Ford House and its museum and other effects may, in the discretion of the Secretary of the Interior, hereafter be employed by the National Park Service in the administration, protection, and development of the said park without regard to the laws of the United States applicable to the employment and compensation of officers and employees of the United States.

Sec. 6. The administration, protection, and development of aforesaid National Historial Park shall be exercised under the direction of the Secretary of the Interior by the National Park Service, subject to the provisions of the act of August 25, 1916, entitled "An act to establish a National Park Service, and for other purposes," as amended (U. S. C., title 16, secs. 1-4): Provided, That no appropriation of Federal funds for administration, protection, and maintenance of said park in excess of \$7,500 annually shall be made for the fiscal years 1934, 1935, and 1936.

Sec. 7. Nothing in this act shall be held to deprive the State of New Jersey, or any political subdivision thereof, of its civil and criminal jurisdiction in and over the area included in said National Historical Park, nor shall this act in any way impair or affect the rights of citizenship of any resident therein; and save and except as the consent of the State of New Jersey may be hereafter given, the legislative authority of said State in and over all areas included within such National Historical Park shall not be diminished or affected by the creation of said park, nor by any terms and provisions of this act.

The SPEAKER pro tempore. Is a second demanded?

The SPEAKER pro tempore. Is a second demanded?

Mr. MICHENER. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Is the gentleman opposed to the bill?

Mr. MICHENER. I am, Mr. Speaker. Mr. STEWART. Mr. Speaker, I ask unanimous consent that a second be considered as ordered.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. STEWART. Mr. Speaker, I wish to be notified when I have consumed 10 minutes.

Mr. Speaker, this bill provides for the creation of a national historical park by setting aside certain areas at and in the vicinity of Morristown, N. J. Mr. Lloyd W. Smith proposes to donate to the Federal Government approximately 1,000 acres of land, and the city of Morristown has, by a referendum of its citizens, voted to turn over about 300 acres of land to the Federal Government. These two gifts comprise the camp ground occupied by the Revolutionary Army during the winters of 1779 and 1780, and the Revolutionary cemetery. In addition, the Washington Association of New Jersey proposed to donate the famous Ford House, used by General Washington and his staff as headquarters during the time the Army was in camp at Morristown. This donation is to include also the many priceless relics which have been collected by the Washington Association.

As a matter of historical interest, General Washington and his army spent approximately one-eighth of the entire Revolutionary period at Morristown. Among the generals on duty with the Army during the encampment at Morristown were Greene, DeKalb, Knox, Von Steuben, Lafayette, St. Clair, Howe, Stirling, Stark, Clinton, Maxwell, Hand, Irvine, Smallwood, Gist, and Huntington. During the winter and spring the Revolution Army was camped at Morristown, General Baron von Steuben, that great German soldier of the army of Frederick the Great, was in charge of the drilling and disciplining of the Revolutionary Army, and at the beginning of the spring campaign of 1780 remarked that the Revolutionary Army was the best drilled army in the world. It was at this camp that the French minister and a committee from Congress brought the news that France was to come to the assistance of the Colonies.

Much of the powder used by the Continental Army was made in a powder mill located in the rear of Washington's headquarters, and is to be included in the park area. The location of this powder mill and iron works, which were making shot and munitions, gave Morristown a peculiar importance in the minds of the British. A number of attempts were made by the British to reach Morristown to destroy these works, but no British soldier ever set foot in Morristown, except as a prisoner of war.

The entire area has been marked by patriotic societies, replicas of the log huts have been reconstructed, and the entire area, including the famous Jockey Hollow camp ground and Fort Nonsense are now in practically the same condition as they were at the time of the Revolutionary War. The Ford mansion, which is now known as Washington's headquarters, has been preserved by the Washington Association and is considered to be the finest Washington museum in the country. It contains an original Stuart portrait of Washington, an original Houdon bust, and Washington's original commission as Commander in Chief of the Army, signed by John Hancock; also the uniform in which he attended the inaugural ball. It also contains most of the original furniture used by General and Mrs. Washington and many of their personal belongings.

Governor Randolph, at the dedication of Washington's headquarters in 1875, said, "Under this roof have gathered more characters known to the military history of our Revolution than under any other roof in America.'

The Secretary of the Interior is authorized by this bill to accept donations of land, interests in land, building structures, and other property; and we are reliably advised that if this bill becomes a law, there will be turned over additional lands and property of great historical and monetary value. It is estimated that the areas now included are valued in excess of \$1,000,000.

It must be remembered that New Jersey was in reality the battleground of the Revolutionary War. On 10 separate occasions Washington with his army traversed the State. The important and decisive battles of Princeton, Trenton, Monmouth Courthouse, Red Bank, Springfield, and innumerable engagements were fought in New Jersey.

The establishment of a national historical park in this location so close to the great metropolitan districts and less than 25 miles from the city of New York will be of inestimable value in recalling to the present generation the privations, suffering, patriotism, and final victory of the American Colonies from which has grown this great Republic.

I trust that there will not be a vote in opposition to accepting this splendid and patriotic gift. [Applause.]

Mr. Speaker, I reserve the balance of my time.

Mr. BLANTON. Mr. Speaker, will the gentleman yield?

Mr. STEWART. I yield.

Mr. BLANTON. There is now in this Ford House mentioned a museum, is there not, which visitors attend?

Mr. STEWART. Yes.

Mr. BLANTON. And there is a charge made for admission?

Mr. STEWART. I am not sure about the charge.

Mr. BLANTON. Formerly there was an admission charge. Is there not a charge made now?

Mr. STEWART. I think not.

Mr. BLANTON. But it is a place of historical interest, to which many people go now, from all parts of the United States?

Mr. STEWART. Yes; that is true.

Mr. HILL of Alabama. Will the gentleman yield?

Mr. STEWART. Yes; I yield.

Mr. HILL of Alabama. From a reading of the bill I judge it is the intent to make this park somewhat like our military park at Gettysburg and the one at Chickamauga commemorating the great military feats of the Revolutionary Army?

Mr. STEWART. There were no battles fought at Morris-

town proper.

Mr. HILL of Alabama. Were there any battles fought on

this particular ground?

Mr. STEWART. No. This is the great encampment and drill ground. It was practically the Government of the United States during the Revolutionary period, because Congress was in constant touch with Washington at that particular location.

Mr. HILL of Alabama. Washington had his headquarters there?

Mr. STEWART. Yes.

Mr. LAGUARDIA. It is more in the nature of an historical museum than anything else?

Mr. BLANTON. Oh, but it involves 1,300 acres. It is more than a museum.

Mr. HILL of Alabama. The reason I asked the question I wondered if, in preparing the bill, the gentleman considered whether this park should be under the Secretary of War or whether it should be under the Department of the Interior; and, if so, what reasons actuated the gentleman?

Mr. STEWART. I yield to the gentleman from Arkansas [Mr. Fuller] at this point, and he can explain the entire viewpoint of the committee. Of course, I do not know what their deliberations were.

Mr. WATSON. Will the gentleman yield?
Mr. STEWART. I yield.
Mr. WATSON. Morristown is so closely allied with Washington when he was on the west side of the Delaware River and when Washington crossed the Delaware River and attacked Trenton and there established our Nation that we should not turn down the gentleman's proposition.

Mr. STEWART. I thank the gentleman.

Mr. WATSON. It is said that Washington's Farewell Address was never delivered, but it was printed in a Philadelphia paper. That original address was bought and is now in one of the historical societies of Washington. The Congress failed to appropriate \$2,000 for that very important paper. I think we as Members of Congress and that this great Nation should not turn down the gentleman's proposition, which is an historical one for those who come after us.

Mr. STEWART. I thank the gentleman. I can not yield further. Mr. Speaker, I reserve the balance of my time.

Mr. MICHENER. Mr. Speaker, the purpose of this bill is probably wholesome. There is not any question about the historic value of this site. There is not any question but that there is a splendid museum there. There is not any question but that it is owned by wealthy people—that it is available to the public. But there is a question as to whether or not the Federal Government at this time should accept any more parks which are to be developed, maintained, and protected under the National Park Service. If this bill becomes a law, it must be remembered that we will have authorized all appropriations necessary in the future for the development, for the maintenance, and for the care of this particular park, and will have removed from the tax rolls all of this property.

It is true the bill provides for an appropriation of only \$7,500 per annum for three years, but at the end of this period without further legislation it will be possible for the Committee on Appropriations to allow such money as it may see fit for any purpose authorized under the National Park Service Act.

We have a number of parks of this particular nature now rapping at the door of Congress for consideration. I heard one Member from another State say on the floor this afternoon, that he had a park up there where there were some historic monuments that he had contemplated and does contemplate asking the Federal Government to take over and maintain in the future. Why? Not because the State is not maintaining it but because the State and those who own the museums desire to-day to shift from their backs the burden of maintenance in the future.

In prosperous times, possibly, it is all right for the Federal Government to indulge in activities of this kind; but with men out of work, with everybody borne down by the burden of taxation, I think Congress can little afford to embark upon further park development. When people are crying for bread I am surprised that a bill of this nature should be brought before the House. Oh, yes, it calls for but \$7,500 a year for the next three years, but tell me what is going to happen after three years? Even though the \$7,500 be a mere pittance it is one of the little things which added together make up the big things that make the taxes we must raise to-day. This is the place to begin with economy legislation.

Mr. COCHRAN of Missouri. Mr. Speaker, will the gentleman yield?

Mr. MICHENER. I yield.

Mr. COCHRAN of Missouri. As a matter of fact, this is about the first bill that has been introduced which gives the Government something for nothing. The Government is being given property worth \$1,000,000 for only \$7,500 a year for maintenance.

Mr. MICHENER. I yield no further. There is another bill pending providing for the taking over of the Everglades in Florida. Some people call it the alligator park bill. It is along the same lines this bill is. The Government is to get something for nothing. If we pass one bill both should be passed, for the reason that in the other case land onlythe Everglades—are given to the Federal Government. All we have to do is to maintain them, keep them, develop them, and protect them in the future. That is just what we are asked to do under the present bill. It is true that is a natural park. It is the Everglades. They want to preserve rare species of alligators, snakes, and fish.

In this bill now before us we are asked to lift from the wealthy constituents of the gentleman from New Jersey the burden of caring for this park at this time. Some day we may want to do this, but, Mr. Speaker, now is not the time. The American people have placed their stamp of disapproval upon anything along this line, and this House can ill afford to adopt a bill of this kind.

Mr. EATON of New Jersey. Mr. Speaker, will the gentleman yield?

Mr. MICHENER. I yield.

Mr. EATON of New Jersey. Do I understand the gist of the argument of the gentleman from Michigan is that the holy and sacred ground occupied by Washington and the fathers of this Republic is on a level with the alligators and the snakes of the Everglades?

Mr. MICHENER. Oh, the gentleman's question is so facetious that it ill becomes his intelligence to ask it on the floor of the House. He knows better. He knows my comparison was not that. They are both parks. Each has its virtue. There is just as much virtue in developing the Everglades Park as there is in turning over this one which has already been developed.

Mr. EATON of New Jersey. But this park in New Jersey has to do with stirring events in our national life. It has nothing to do with alligators or snakes.

Mr. TABER. The virtue is that the Government pays the bill.

Mr. MICHENER. Mr. Speaker, I yield five minutes to the gentleman from Texas [Mr. BLANTON].

Mr. BLANTON. Mr. Speaker, under ordinary conditions, if we were in a state of normalcy, I would have no objection to this bill provided there were eliminated from it twothirds of the last section, section 7.

I am not in favor of the Government of the United States ! accepting any gift that has strings all over it. Whenever the Government of the United States accepts 1,300 acres of land I want it to be within the control of the Government of the United States and not within the control of a State legislature.

Notice this language from section 7:

Nor shall this act in any way impair or affect the rights of citizenship of any resident therein; and save and except as the consent of the State of New Jersey may be hereafter given, the legislative authority of said State in and over all areas included within such national historical park shall not be diminished or affected by the creation of said park, nor by any terms and provisions of this act.

It leaves absolute control in the hands of the New Jersey Legislature, and Congress does not have a word to say about it. I am not willing for the Government of the United States to take over an area of 1,300 acres of land to develop, care for, and protect throughout the years, and allowing New Jersey, through its legislature, full control of it, to say what shall be done with this or with that concerning the park.

Now, it is true we can not spend more than \$7,500 annually for the next three years on this park, but after that what is contemplated, and after the three years what is in mind? It is that after this 3-year period is up, the Government then will commence to develop and protect this 1,300-acre park subject to whatever provision the Legislature of New Jersey may see fit from time to time to inflict by law upon the management of the park, and it may cost us eventually several hundred thousands of dollars.

Talk about the shrine of the great Father of our Country. I will tell you where the real shrine is. It is down at Mount Vernon, where Washington spent much of his married life. The first thing I want to see done about a Washington national shrine is to remove the admission charge that must be paid by every American boy and girl who goes to Mount Vernon—the shrine of the Father of his Country. There are several thousand people in Washington to-day who have never been to Mount Vernon. They can not afford the time. Some of them are poor people and can not afford to pay the admission charge. If you would take off the admission charge at Mount Vernon, every school child in Washington could go there and every school child in Washington ought to go there. There is nothing about Mount Vernon that is connected with war or bloodshed. It is a real shrine. It is something that uplifts every American. We ought not to pass this bill now, and when we do pass the bill we ought to take off these strings tied to it. If we could amend the bill and take the provisions with respect to control by the State Legislature of New Jersey out of it, I would vote for it; but as long as you put the control of this 1,300-acre tract of land in the hands of the State legislature, I am opposed to it. I want to see the strings taken off before we pass a measure of this kind.

[Here the gavel fell.]

Mr. FULLER. Mr. Speaker, when this bill was before the Public Lands Committee it received its unanimous indorsement. The Republican members of the committee from the West, I think, are better qualified with respect to matters of this kind than any group in the House, and many of them went to New Jersey and inspected this proposed park.

There is no comparison between this park and the proposed Everglades Park. There is not the slightest resem-

blance between the two.

We had a special rule for the consideration of this measure, but we did not bring it up. This means something for our Government.

It happened that a certain man some time ago purchased what is called "Jockey Hollow," consisting of 1,000 acres, where for seven years the American Revolutionary forces camped every year. This place is now improved in every way, and the Government does not need to spend anything upon it. The old houses have been restored, and this man is now getting old and has agreed that if we will take this offer up at once he will donate this entire tract worth \$500,000. The city has had a referendum and is turning over to us a park of about 350 acres. They are also turning over to us the

Ford House, with about 5 or 6 acres of land in connection with it. There is a museum in this house, and this is selfsustaining right now. It does not cost \$3,000 a year now to operate it, and if the Government through the Interior Department wants to do so it can go ahead and charge fees and make this self-sustaining.

This is a matter where we are getting much over \$1,000,000 in actual value, and we are saving something of great historic

value for posterity.

The last two books on the life of Washington that have come to us were written in the Ford House, which is on this spot.

Mr. MARTIN of Massachusetts. Will the gentleman yield? Mr. FULLER. Yes.

Mr. MARTIN of Massachusetts. If this proposition can be made self-supporting, why is the Government asked to pay for its maintenance? Why do not those who have it now keep it?

Mr. FULLER. They will if we do not accept this offer. They are wealthy and willing the Government should have it for a much-needed historical park.

Mr. MARTIN of Massachusetts. Does not the gentleman think they should keep it at this time?

Mr. FULLER. No; no one else has ever come here and offered us anything like this since I have been on the committee. This is a patriotic movement started by the citizens of this town and fostered by the legislature and the governor

Now, as to section 7, this section we have inserted for the purpose of preventing the Government from being required to go into the court and take care of criminal prosecutions.

Mr. LaGUARDIA. Will the gentleman yield?

Mr. FULLER. Yes.

Mr. LaGUARDIA. Why, not five minutes ago we had up a bill under which we had to extend the jurisdiction and power of the Secretary of War in order to provide for the protection and policing of some park, and this section is for the purpose of avoiding that responsibility.

Mr. FULLER. That is exactly why we did it. It was done in order to make the city and the State take care of and police this proposed park so that would not be any expense on the Government.

Mr. COCHRAN of Missouri. There is no charge, as I understand it.

Mr. FULLER. There is no charge. Some one has said there will be a lot of improvements necessary. The improvements have already been made and the roads have been built.

This is the biggest thing we have had before our committee, and it is not like taking a piece of wild territory and making improvements upon it.

At the solicitation of our good Republican friends from the West, we have created park after park out there; and while we have also created a few in other parts of the country, you can name hardly one in the East.

The gentleman from Texas talked about the people having the right to go to Mount Vernon and see the resting place of the Father of Our Country by admission charge. not a public but private property. If they would turn Mount Vernon over to us, do you not suppose every man here would be glad to accept it on behalf of the Government?

This proposed park is only 25 miles from the heart of the greatest city in the world, New York City. The people of this city can go out there and visit this historical place and have much recreation and pleasure at a very beautiful

If you understood this bill like the members of the Committee on Public Lands, there would not be a man within the hearing of my voice who would think of being opposed

We have an amendment attached so as to bring it within the President's program and meet the wishes of the Budget, and this amendment provides that for the next four years the expense shall not exceed \$7,500 a year.

The gentleman from New Jersey [Mr. STEWART] introduced this measure in the House, where we had extensive hearings. They had a true copy introduced in the Senate. That bill has passed the Senate and is the pending measure for passage in the House. The Committee on Public Lands has refused numerous requests for public parks, but realizes this to be a most meritorious measure, meeting the approval of the Budget, Director of Public Parks, and the President. It carries no appropriation.

Mr. EATON of New Jersey. Mr. Speaker, I am acquainted with this park, it being near my home. George Washington spent one-fourth of his entire campaigning time in New Jersey, centered about Morristown as his headquarters. As for Mount Vernon being a great shrine, in the language of the gentleman from Texas, it is a great shrine because it was the home of George Washington, who in eight years of desperate struggle led our people in war to save us from a dictator. As has been well said, Morristown is the Valley Forge of New Jersey. It ought to be preserved as a sacred shrine by and for our people to the end of time.

And as for the cost, it is proposed to present to the Government of the United States a tract already developed, which is worth now under depressed conditions over \$1,000,000. If the United States Government was to spend \$10,000 a year for the next hundred years in support of that institution, it would then be worth more than the entire cost. I sincerely hope, in the interest of idealism in our Nation, as well as because of the fact that we are getting a great gift for nothing, the House will put this bill through. [Applause.]

The SPEAKER pro tempore. The question is on suspending the rules and passing the bill.

The question was taken; and on a division (demanded by Mr. Blanton) there were 124 ayes and 9 noes.

Mr. BLANTON. Mr. Speaker, I make the point that there is no quorum present, and I object to the vote for

The SPEAKER pro tempore. The gentleman from Texas makes the point that there is no quorum present. Chair will count. [After counting.] One hundred and sixty-two Members present, not a quorum. That results in an automatic roll call.

The question was taken; and there were-yeas 234, nays 107, answered "present" 1, not voting 84, as follows:

[Roll No. 170] YEAS-234

	1 111	10-201	
Abernethy	Colton	Flannagan '	Kvale
Aldrich	Condon	Fuller	LaGuardia
Allgood	Connery	Gambrill	Lamneck
Amlie	Connolly	Garber	Lankford, Ga.
Andrew, Mass.	Cooper, Ohio	Gasque	Lankford, Va.
Auf der Heide	Cooper, Tenn.	Gillen	Larsen
Bachmann	Corning	Glover	Lea
Bacon	Cox	Goss	Leavitt
Bankhead	Coyle	Granfield	Lehlbach
Barton	Crail	Green	Lichtenwalner
Beam	Crosser	Greenwood	Lindsay
Black	Crowther	Gregory	Lonergan
Bland	Crump	Griffin	Lovette
Bloom	Culkin	Griswold	Lozier
Boileau	Cullen	Guyer	McCormack
Boland	Darrow	Hadley	McDuffie
Bowman	Davenport	Haines	McKeown
Boylan	Davis, Pa.	Hall, N. Dak.	McMillan
Briggs	Davis, Tenn.	Harlan	McSwain
Britten	Delaney	Hartley	Magrady
Browning	De Priest	Hastings	Major
Brumm	DeRouen	Hill, Ala.	Maloney
Buckbee	Dickinson	Hill, Wash.	Manlove
Bulwinkle	Dickstein	Hooper	Mansfield
Burch	Dieterich	Houston, Del.	Mapes
Burdick	Disney	Hull, Morton D.	Martin, Oreg.
Campbell, Pa.	Dominick	Jacobsen .	Mead Mead
Canfield	Doughton	Jeffers	Millard
Carden	Doutrich	Johnson, Okla.	Miller
Carley	Doxey	Johnson, S. Dak.	Milligan
	Drewry	Kahn	Nelson, Me.
Carter, Calif.	Driver	Keller	
Carter, Wyo.	Dyer	Kelly, Ill.	Nelson, Mo. Niedringhaus
Cartwright		Kelly, Pa.	Nolan
Cary	Eagle Colo	Kemp	Norton, Nebr.
Celler	Eaton, Colo.	Kennedy, Md.	O'Connor
Chapman	Eaton, N. J.	Kennedy, N. Y.	Oliver, N. Y.
Chavez	Englebright Evans, Mont.	Kerr	Overton
Chindblom	Fernandez	Kinzer	Overton
Christopherson Clark, N. C.	Fiesinger	Kleberg	Palmisano
Clarke, N. Y.	Finley	Kniffin	Parker, N. Y.
Cochran, Mo.	Fish	Knutson	Parsons
Cochran Do	Fishburne	Kunz	Patman
Cochran, Pa.		Kunz	Patterson
Cole, Md.	Fitzpatrick	Aures	Lavocison

Perkins	Seger	Sutphin	Weaver
Pittenger	Selvig	Swank	Welch
urnell	Shreve	Sweeney	West
Rainey	Smith, Va.	Swing	Whittington
Ramspeck	Smith, W. Va.	Taylor, Colo.	Williamson
Ransley	Somers, N. Y.	Temple	Wilson
Rayburn	Spence	Thurston	Wolcott
Reed, N. Y.	Stafford	Tierney	Wolfenden
Reid, Ill.	Steagall	Timberlake	Wolverton
Reilly	Stevenson	Turpin	Wood, Ind.
Rogers, N. H.	Stewart	Underwood	Woodruff
Romjue	Strong, Kans.	Vinson, Ga.	Woodrum
Rudd	Strong, Pa.	Vinson, Ky.	Yon
Schafer	Stull	Warren	
Schuetz	Summers, Wash.		
	NAV	9_107	

	NA	S-107	
Adkins Allen Andresen Andrews, N. Y. Arnold Baldrige Beedy Biddle Blanton Bohn Buchanan Burtness Busby Cable Cannon Castellow Christgau Collins Cross Cross	Frear Fulmer Gibson Gifford Gilchrist Hall, Ill. Hancock, N. Y. Hancock, N. C. Hardy Hart Haugen Hess Hoch Hogg, Ind. Hollister Holmes Hope Horr Howard Huddleston Jenkins	Lambeth Lanham Larrabee Ludlow McClintic, Okla. McClintock, Ohio McFadden McReynolds Martin, Mass. May Michener Mitchell Mobley Moore, Ky. Moore, Ohio Morehead Murphy Oliver, Ala. Parker, Ga. Parks	Shallenberger Shott Simmons Sinclair Snow Sparks Stalker Stokes Sumners, Tex. Swanson Swick Taber Tarver Thomason Tinkham
		Parker, Ga.	
Dies Dowell	Johnson, Mo. Johnson, Tex.	Partridge Peavey	Wason Whitley
Drane Elizey	Jones Kading	Polk Ramseyer	Wigglesworth Withrow
Eslick Estep	Ketcham Kopp	Rankin Robinson	Wood, Ga.
	Kopp		wood, Ga.

ANSWERED "PRESENT"-1

Boehne NOT VOTING-84

Almon	Douglass, Mass.	Igoe	Ragon
Arentz	Erk	James	Rich
Ayres	Evans, Calif.	Johnson, Ill.	Sabath
Bacharach	Flood	Johnson, Wash.	Shannon
Barbour	Foss	Lambertson	Sirovich
Beck	Free	Lewis	Smith, Idaho
Brand, Ga.	Freeman	Loofbourow	Snell
Brand, Ohio	French	Luce	Sullivan, N. Y.
Brunner	Fulbright	McLeod	Sullivan, Pa.
Byrns	Gavagan	Maas	Taylor, Tenn.
Campbell, Iowa	Gilbert	Montague	Thatcher
Cavicchia	Golder	Montet	Treadway
Chase	Goldsborough	Mouser	Underhill
Chiperfield	Hall, Miss.	Nelson, Wis.	Weeks
Clague	Hare	Norton, N. J.	White
Clancy	Hawley	Person	Williams, Mo.
Cole, Iowa	Hogg, W. Va.	Pettengill	Williams, Tex.
Collier	Holaday	Pou	Wingo
Cooke	Hopkins	Prall	Wright
Curry	Hornor	Pratt. Harcourt J	Wyant
Donalas Anis	Hull William F	Prott Buth	Votes

So (two-thirds having voted in favor thereof) the rules were suspended, and the bill was passed.

The following pairs were announced:

Until further notice:

	Prall with Mr. Snel		
Mr.	Ragon with Mr. Ev	ans of	California.
35-	Don with Mr Dock		

Mr. Ragon with Mr. Evans of California.
Mr. Pou with Mr. Beck.
Mr. Byrns with Mr. Bacharach.
Mr. Montague with Mr. Luce.
Mr. Brunner with Mr. McLeod.
Mr. Ayres with Mr. Rich,
Mr. Lewis with Mr. Taylor of Tennessee.
Mr. Sullivan of New York with Mr. Foss.
Mr. Flood with Mr. Treadway.
Mr. Douglas of Arizona with Mr. Thatcher.
Mrs. Wingo with Mr. Erk.
Mr. Hare with Mr. Free.
Mr. Goldsborough with Mr. Cavicchia.
Mr. Douglass of Massachusetts with Mr. Barbour.
Mr. Collier with Mr. Campbell of Iowa.
Mr. Montet with Mr. Chiperfield.
Mr. Brand of Georgia with Mr. Smith of Idaho.
Mr. Almon with Mr. Wyant.
Mr. Pettengill with Mr. James.
Mrs. Norton with Mr. Hawley.

Mr. Pettengill with Mr. James.
Mrs. Norton with Mr. Hawley.
Mr. Gavagan with Mr. French.
Mr. Horner with Mrs. Pratt.
Mr. Wright with Mr. Clague.
Mr. Gilbert with Mr. Lambertson.
Mr. Shannon with Mr. Arentz.

Mr. Williams of Missouri with Mr. Johnson of Washington, Mr. Sirovich with Mr. Person, Mr. Igoe with Mr. Hopkins.

Mr. Williams of Texas with Mr. Pratt.

Mr. Sabath with Mr. Clancy.
Mr. Fulbright with Mr. Golder.
Mr. Hall of Mississippi with Mr. Holaday.
Mr. Yates with Mr. Mouser.

The result of the vote was announced as above recorded. The House bill was laid on the table, and the rule providing for consideration was laid on the table.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. Craven, its principal clerk, announced that the Senate had agreed to the amendment of the House to a bill of the Senate of the following title:

S. 5445. An act to extend the time for the construction of a bridge across the Rio Grande at or near Rio Grande City, Tex.

The message also announced that the Senate had receded from its amendments numbered 1 and 2 to the joint resolution (H. J. Res. 138) entitled "Joint resolution for the relief of the State of Idaho."

CAMP SITES OR RIFLE RANGES FOR NATIONAL GUARD IN SOUTH DAKOTA

Mr. WILLIAMSON. Mr. Speaker, I move to suspend the rules and pass the bill S. 1752, to authorize an appropriation for the purchase of land in South Dakota for use as camp sites or rifle ranges for the National Guard of said State.

The Clerk read the bill, as follows:

Be it enacted, etc., That a sum not to exceed \$14,000 is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, for the purchase of camp sites or rifle ranges in the State of South Dakota, for the use of the National Guard of said State. All purchase of land under this act shall be made by the Secretary of War pursuant to law governing the acquisition of land for the use of the National Guard.

The SPEAKER pro tempore. Is a second demanded?

Mr. BLANTON. Mr. Speaker, I demand a second. The SPEAKER pro tempore. Is the gentleman from Texas opposed to the bill?

Mr. BLANTON. I am; I objected to it on the Unanimous Consent Calendar.

Mr. WILLIAMSON. Mr. Speaker, I ask unanimous consent that a second be considered as ordered.

The SPEAKER pro tempore. Is there objection? There was no objection.

Mr. WILLIAMSON. Mr. Speaker, I yield to myself five

Mr. COCHRAN of Missouri. A parliamentary inquiry. The SPEAKER pro tempore. The gentleman will state it.

Mr. COCHRAN of Missouri. The gentleman calls up a Senate bill, and the Senate bills are not available to Members. Does not the rule provide that bills must be available when they are called up? The same situation occurred with the previous bill—the House bill was available but the Senate bill was not. How are we to know what is being

The SPEAKER pro tempore. The Chair will state that ordinarily that is the rule; but the gentleman from South Dakota moves to suspend the rules and all regulations of the House.

Mr. WILLIAMSON. The Senate bill is identical with the House bill.

If I may have the attention of the House while I explain this bill, I do not think there will be any opposition to it. Originally the Government owned a camp site near Watertown, S. Dak. In the 1918 appropriation bill the Secretary of War was authorized to sell National Guard camp sites and rifle ranges where for any reason they might become unavailable for such purposes. The camp site and rifle range was close to the city of Watertown. The town grew toward the camp site until it became dangerous to use the camp site as a rifle and artillery range. Because of that fact the site Under the national defense act of 1916, the law required that in cases where camp sites were sold the proceeds should be placed to the credit of the State, Territory, or District in which the camp site was located. Some one in the Treasury Department handling the funds erroneously placed them to the credit of the general fund, and therefore

they became unavailable to the State of South Dakota for use in the purchase of another camp site. The proceeds of sale have remained in the general fund since 1921, and ought to be restored to the State as provided by law. The only way that this can be done now is to authorize the reappropriation of the fund.

Mr. GARBER. To what general fund does the gentleman

Mr. WILLIAMSON. To the general fund for the arming, equipping, and training of the National Guard for the country at large. In 1909 an appropriation of \$2,000,000 was made for the purpose, among other things, of buying camp sites and rifle ranges throughout the country, the fund to be distributed among the States of the Union upon the basis of their representation in Congress. Every other State in the Union has received its share of that \$2,000,000. They have retained their proportionate shares of that fund until now and always will have it.

So far as I know, the only State in which a camp site has been sold and the money placed in the general fund, is the State of South Dakota. All we are asking is to have the fund credited to the State as required by law. In place of this being done, as stated, it was placed to the credit of the general fund, and therefore has not been available for the purposes intended by Congress. That is all there is to the bill. [Applause.]

This bill has the approval of the Bureau of the Budget, is very much desired by the War Department, and, in all fairness, should be passed at this session.

In 1909, as I have already indicated, there was appropriated \$2,000,000 in accordance with the provisions of section 1661, Revised Statutes, as amended by the acts of June 6, 1900, and June 22, 1906, which money was to be used, among other things, for the purchase of camp sites and rifle ranges throughout the United States for the National Guard. The distribution of the money among the several States was made upon the basis of the number of Representatives and Senators in Congress as follows:

Alabama	\$43, 188. 07
Arizona	11, 360, 99
Arkansas	35, 335, 69
California	39, 261, 87
Colorado	19, 630, 94
Connecticut	27, 483, 32
Delaware	11, 778, 77
District of Columbia	37, 203, 08
Florida	19, 630, 94
Georgia	51, 040. 44
Hawaii	14, 775.00
Idaho	11, 778. 77
Illinois	106, 000, 70
Indiana	58, 892, 61
Iowa	51, 040, 44
Kansas	39, 261. 88
Kentucky	51, 040. 44
Louisiana	35, 335. 69
Maine	23, 557, 12
Maryland	31, 409. 51
Massachusetts	62, 819. 01
Michigan	54, 966, 63
Minnesota	43, 188. 07
Mississippi	39, 261. 87
Missouri	70, 671. 38
Montana	11, 778. 77
Nebraska	31, 409. 51
Nevada	11, 778, 77
New Hampshire	15, 704, 75
New Jersey	47, 114, 25
New Mexico	10, 312. 05
New York	153, 147, 74
North Carolina	47, 114, 25
North Dakota	15, 704, 75
Ohio	90, 302, 13
Oregon	15, 704. 75
Oklahoma	27, 483, 32
Pennsylvania	133, 469, 97
Rhode Island	15, 704, 75
	35, 335, 69
South Carolina	
South Dakota	15, 704. 75
Tennessee	47, 114. 25
Texas	70, 671. 38
Utah	11, 778. 77
Vermont	15, 704. 75
Virginia	47, 114. 25
Washington	19, 630. 94
West Virginia	27, 483. 32

Wisconsin

Wyoming

Division and National Militia Affairs and National
Militia Board

\$51,040.44 11,778.77 30,000.00

__ 2,000,000.00

Mr. BLANTON. Mr. Speaker, I yield myself five minutes. In 1906 this Government bought 40 acres of land near Watertown, S. Dak., for a military target range. I imagine some of our western friends were instrumental in having that done. Two years later 70 acres more were purchased to add to this target range, so that in all the Government had 110 acres there, which cost the Government \$10,640. Following 1918, after our good friend Royal Johnson had gotten back from over yonder and had done such valiant service for the country, it was found that this target range was useless; it was unavailable for the purposes for which it had been purchased. A bill was passed to permit the War Department to dispose of all such useless target ranges. One of two facts had to exist before they could dispose of it. Either the target range had to be "useless" or it must be "unavailable for the purposes for which it was bought." It is to be presumed, when the War Department disposed of it, that it was either useless or unavailable. All these years have run along, and our friend is now wanting the Government to spend as much as \$14,000 to reacquire the target range.

Mr. WILLIAMSON. Mr. Speaker, will the gentleman yield?

Mr. BLANTON. Just a moment. I would rather the gentleman would use his own time. If the gentleman wants to ask me some questions and will yield me five minutes I shall answer the questions in his time, and not in mine. The question is whether we are going to expend \$14,000 to buy it back, and then maintain it each year at a great cost. What is there about these 110 acres near Watertown, S. Dak., that since we sold them suddenly has made them useful or has made them available for a target range? What has happened? Not a thing except the desire of our friend to pass this bill. Why does the Government need the 110 acres for a target range out there? Oh, for the pleasure of some of the boys who want to go out and shoot. I helped to organize a rifle team in Texas, and it is a splendid rifle team and some of the best marksmen in the country are on that team. Instead of calling on the Government for a rifle range, they went several miles from home and secured for themselves a rifle range and they go out there frequently and shoot.

Mr. WILLIAMSON. Mr. Speaker, will the gentleman yield?

Mr. BLANTON. Yes; if the gentleman will yield me some of his time.

Mr. WILLIAMSON. I yield one minute to answer the question.

Mr. BLANTON. Very well. Mr. Speaker, I shall answer the gentleman's question in the one minute he has yielded of his time.

Mr. WILLIAMSON. The gentleman's State got \$70,671 out of the same appropriation, and it has the \$70,000 yet.

Mr. BLANTON. I remind the gentleman that we have in Texas 254 counties, and I guarantee that in my home county, Taylor, just 1 out of the 254, we have more expert rifle shots than the gentleman has in his whole State of South Dakota. Texas is a big State. The gentleman could put his State in one corner of our State. Fort Sam Houston at San Antonio, and Fort Bliss at El Paso, and forts along the Mexican border are in Texas. That is the reason for it. I am not advocating the Government buying any rifle ranges down in Texas now. I am advocating that this Government retrench and get back on a sound financial footing. That is what we Democrats promised the people of the United States we would do, and that is what I am going to help the Democrats do, as long as I am a Member of this Congress.

Mr. SCHAFER. Mr. Speaker, will the gentleman yield? Mr. BLANTON. Oh, just a moment. There is no politics in this. No beer, no wort, and no extra prescriptions from physicians to prescribe beer, which the gentleman put in and which was taken out by the Senate committee to-day.

The SPEAKER pro tempore. The time of the gentleman from Texas [Mr. Blanton] has expired.

Mr. BLANTON. Mr. Speaker, I yield myself five additional minutes.

I want to ask my friends this question: I want to ask my new leader here, whom I follow now, our distinguished colleague from the great Northwest, General Martin, of Oregon, and he is my leader now and I am following him many times, I ask you, General Martin, what are you going to do about this retrenchment? What are we going to do about taking this deficit out of the Treasury? What are we going to do to restore the confidence of the people in this Congress?

Have we not got to stop this everlasting spending? Now, if we appropriate \$14,000 to buy these 110 acres out near Watertown, S. Dak., for a rifle range, do not you know that every year from then on you will have to appropriate money to take care of it? You will have to appropriate money to pay custodians. You will have to appropriate money to maintain it. I am in favor of cutting down. Now, are we just going to go along and vote for all these bills? From now until we adjourn sine die next Saturday at noon, it behooves everyone of us to sit on this floor day and night all the time and watch every single bill that comes up here under suspension, and if it seeks to take money out of the Treasury that ought not be taken out or that we can get along without taking out, we ought to vote against it. We ought to keep our pledge that we made to the people of the United States when they elected us and gave us 313 Democratic Members in the next House. They did it because they believed we would give them some economy in public business. I am one who is going to keep my pledge to them, the pledge of the Democratic Party that we would cut down expenses; that we would balance this Budget, and that we would put the Government on a sound economical basis.

Are you Republicans with us to do that? Just because my friend from South Dakota wants this little hand-out, are you going to vote with him for it? Hand-outs here and hand-outs there, "You scratch my back and I will scratch your back." Is that still going on in this Congress? There has been too much of it going on. That is why you have a deficit of a billion dollars a year. It is the aggregate of these little amounts that make this big deficit each year.

I know one Member over here, if he votes like he has been preaching, he will vote to stop this spending, and that is McGugin, of Kansas. Are his preachments sincere? Does he mean what he says? Does he want to balance the Budget? Does he want to stop this spending? If you do, McGugin, get up here and I will give you five minutes to speak against this bill. It ought to be stopped.

Mr. Speaker, I reserve the balance of my time.

Mr. WILLIAMSON. Mr. Speaker, I yield five minutes to the gentleman from Alabama [Mr. Hill].

Mr. HILL of Alabama. Mr. Speaker, this bill simply provides a rifle range for the National Guard of the State of South Dakota, just as the Federal Government has provided rifle ranges for the other States throughout the Nation.

In 1906 the Congress passed an act authorizing the appropriation of \$2,000,000 for the purchase of National Guard rifle ranges in the different States. As a result of the passage of this act, a rifle range was purchased near the city of Watertown, S. Dak., for the National Guard of South Dakota. In 1918 there was a provision carried in the War Department appropriation bill authorizing the Secretary of War to sell any National Guard rifle range if, for any reason, that rifle range had become unusuable or unavailable for purposes as a range, provided that if any range be sold, the money derived from that sale be credited to the National Guard of the State in which the range was located.

Mr. LEAVITT. Will the gentleman yield for a question?

Mr. HILL of Alabama. Yes; I yield briefly.

Mr. LEAVITT. I notice the Government is paying \$640 a year rent now. Would that be stopped if this bill were passed?

Mr. HILL of Alabama. Why, certainly. The payment of

this rent would be stopped.

Under authority of the War Department appropriation bill of 1918 the Government sold this rifle range at Watertown, S. Dak., and the money derived from the sale of this South Dakota rifle range, in the amount of about \$14,000, should have been credited to the National Guard of the State of South Dakota, for the purchase of a new rifle range that was usuable and that would be available for purposes as a rifle range.

Some one in the Treasury Department made an error, and instead of crediting this sum of \$14,000 to the National Guard of the State of South Dakota, it was turned into a general fund. As a consequence, the State of South Dakota lost its National Guard rifle range, and the Federal Government has had to pay each year \$640 rent to provide a range for that State. All this bill would do would be to take this \$14,000 which the Government derived from the sale of the Watertown, S. D., rifle range, and permit the Secretary of War to buy a new and usable range for the State of South Dakota.

Mr. McSWAIN. Mr. Speaker, will the gentleman yield?

Mr. HILL of Alabama. I yield.

Mr. McSWAIN. Is it not a fact that in other States the Federal Government provides each of their National Guards with a range and National Guard encampment sites?

Mr. HILL of Alabama. It does.

Mr. McSWAIN. And unless this bill passes there will be

a discrimination against this particular State.

Mr. HILL of Alabama. That is exactly true. There was a rifle range sold in the State of Texas that brought \$70,671, and when the sale was made the Government turned this money over for the purchase of a new rifle range, and the National Guard of Texas is to-day using their new rifle range.

We had this rifle range near Watertown, S. Dak. The town grew. This made the rifle range unusable. All we are doing, Mr. Speaker, is simply providing a new range for an old one that became unusuable and had to be sold. We are not taking one dollar out of the Federal Treasury that was not put there by the sale of the old range.

Mr. STRONG of Kansas. By a mistake.

Mr. HILL of Alabama. Put there by a mistake, exactly. Unless this bill is passed the Government will in the future have to pay \$640 a year rent and perhaps even more from year to year, or South Dakota will be the one State of the Union for whose National Guard the United States does not provide a rifle range. [Applause.]

[Here the gavel fell.]

Mr. BLANTON. Mr. Speaker, I yield five minutes to the gentleman from Wisconsin [Mr. Schafer].

Mr. SCHAFER. Mr. Speaker, on this retrenchment policy I am in accord with the Democratic leader from Texas, Mr. Blanton, and shall vote against this appropriation; \$14,000 here and \$25,000 there and \$100,000 some other place all add to the burden of the American taxpayers.

Of course, at all times the gentleman who so kindly yielded this time does not think about the taxpayers. I offered an amendment that would save the taxpayers \$9,000,000 on the prohibition-enforcement item of the Coast Guard appropriation. The gentleman from Texas voted against that saving. We also had an amendment to reduce by about \$9,000,000 the Prohibition Enforcement Bureau appropriation, and the gentleman forgot all about the taxpayers at that time.

When it came to submitting the eighteenth amendment repeal resolution—which, when ratified, will save the tax-payers hundreds of millions of dollars each year—the gentleman from Texas forgot about the taxpayers. When we look at the facts we find that during the year prior to prohibition the Federal Treasury received \$483,000,000 by reason of the tax on beverages containing more than—

Mr. BLANTON. Mr. Speaker, will the gentleman yield? I wish to ask the gentleman a question.

Mr. SCHAFER. Just a minute; let me finish this—by reason of the tax on beverages containing more than one-half of 1 per cent of alcohol. Now I yield to the gentleman.

Mr. BLANTON. Does the gentleman think it is fair, when he assured me he would use his time in speaking against this bill if I would give it to him, for him to get up now and waste time with a lot of folderol beer bunk?

Mr. SCHAFER. I am speaking against the bill, but I am going farther in the interest of the taxpayers than the gen-

tleman ever dared to go.

Mr. BLANTON. I voted for the funds needed by our efficient Coast Guard and for funds to enforce national prohibition. My official oath "to uphold the Constitution" required that, and I have voted for every real economy proposal thus far.

Mr. SCHAFER. I am with the gentleman in his fight against this pending bill.

Mr. BLANTON. I would like for my friend not to double-cross me. I did not yield him time to use in double-crossing me.

Mr. SCHAFER. There is no double-crossing at all. I used a few moments to talk in the interest of the taxpayers.

Mr. Speaker, I want to congratulate the President elect for appointing our colleague the gentleman from Arizona [Mr. Douglas] as Director of the Budget. [Applause.] He is an able colleague, and I at this time want to ask the Democratic brethren to support Mr. Douglas in his new undertaking. We all remember back in the last session of Congress when our colleague [Mr. Douglas] was a member of the Economy Committee and made a ringing speech on the floor of the House for economy. The Members on both sides rose and for about five minutes applauded and cheered him. Then a few weeks later the Democratic leader on the Committee on Appropriations, the gentleman from Alabama [Mr. Oliver] stood in this very well and heaped maledictions upon the head of the gentleman from Arizona [Mr. Douglas], and the same Democratic brethren reversed themselves and stood up en masse and cheered that castigation. The other day you stood up and cheered and applauded extensively when Mr. Douglas entered the Chamber. I ask you to continue to support and uphold him, because he has a dirty, mean job cut out for himself to reconcile the conflicting promises that the Democratic Party has given to the country to reduce the cost of Government 25 per cent and at the same time fulfill the many other promises that would increase the cost several hundred per cent.

Mr. GREEN. Mr. Speaker, will the gentleman yield?

Mr. SCHAFER. I yield.

Mr. GREEN. I am wondering if we can depend upon support from the gentleman's side in the matter of economy?

Mr. SCHAFER. Yes; the gentleman always will find plenty of support on the Republican side for real economy. I do not know whether the gentleman was a recent convert to the cause of the antiprohibitionists in their fight to repeal the eighteenth amendment, which amendment has already cost the American taxpayers many billions of dollars.

Mr. BLANTON. Mr. Speaker, will the gentleman yield?
Mr. SCHAFER. Yes; but I want to get back to this bill.
[Laughter.]

Mr. BLANTON. I think the gentleman's friends back in Milwaukee were just about as ungrateful to him as he has been to me for yielding him this time. We had this bill defeated until the gentleman engaged in partisan politics.

Mr. SCHAFER. The gentleman's friends may have been ungrateful in falling for the bunko and conflicting promises of the Democratic Party, but I assure the gentleman that I have not double-crossed him in making this little talk in behalf of substantial relief for the taxpayers. I am truly grateful to the distinguished colleague from Texas for yielding me five minutes in order that I might speak for the taxpayers.

[Here the gavel fell.]

Mr. BLANTON. Mr. Speaker, I yield one minute to the distinguished gentleman from Oregon [Mr. Martin].

Mr. MARTIN of Oregon. Mr. Speaker, I want to recognize the great honor this old Member of the House, my friend, the gentleman from Texas, has done me by saying he is going to follow me. Well, if he does he is going to get some mighty good legislation. I can tell him that. [Laughter.]

I agree with the gentleman from Texas on this bill. I think it is a reflection at this time, with the country in the shape it is, that Congress should be frittering and fooling away its time on such a bill as this, taking \$14,000 out of the Treasury.

Do we want to bankrupt Uncle Sam? The idea of taking \$14,000 away from the Treasury at this time. We are spending too much money on the National Guard anyway. Those fellows up there in South Dakota should buy their own rifile ranges the same as the boys do down in Mr. Blanton's district.

Mr. BLANTON. Mr. Speaker, I yield the balance of my time to the gentleman from Arkansas [Mr. GLOVER].

Mr. GLOVER. Mr. Speaker, I shall not betray my friend from Texas [Mr. Blanton], by making a speech on another question. I do not think at this serious hour when we are closing this session of Congress we ought to take up time by engaging in levity and discussing questions that are foreign to those which should be under consideration by the House.

I agree with the gentleman from Texas that in the closing hours of Congress every Member should be in his seat and should be watchful of what passes this body. My experience of four years has been that more money is wasted in the last week of Congress than is wasted in the month prior thereto.

I do not believe we ought to go out now, in this time of depression, and spend \$14,000 of the Government's money in buying rifle ranges and camp sites. Why, the condition of this country is getting such that you will not have to camp but one night until you will have to move on.

Mr. WILLIAMSON. Will the gentleman yield for a question?

Mr. GLOVER. Not just now.

Our country to-day is in absolute distress and much of the country is in want. We have 13,000,000 people to-day out of employment, and we have at least 40,000,000 who are receiving help from the National Government and the State governments under which they live; and yet we come here at this hour and want to give \$14,000 to buy a site for rifle practice. I do not think a bill of this kind ought to be considered under suspension of the rules in the closing hours of the Congress.

Mr. McSWAIN. Will the gentleman yield for a question?

Mr. GLOVER. I yield to my good friend and colleague [Mr. McSwain].

Mr. McSWAIN. I want to ask my distinguished friend if he knows what it costs the Government to provide Fort Logan H. Roots, in the State of Arkansas, as a national camp.

Mr. GLOVER. Fort Logan H. Roots is taking care of more men for the amount of money expended upon it than any place in any State of the Union.

Mr. McSWAIN. I agree with the gentleman; and why should we not let the State of South Dakota have this little rifle range?

Mr. GLOVER. Fort Logan H. Roots is taking care of men who can not take care of themselves. They are taking care of men who are demented and must be cared for by the Government. They are not doing any rifle practice out there, I will say to the gentleman. They can not practice with a rifle. They are not even permitted to go at large. They are confined because they are not able to take care of themselves.

Mr. HILL of Alabama. Will the gentleman yield? Mr. GLOVER. Yes.

Mr. HILL of Alabama. The State of Arkansas, from which the gentleman comes, got not \$14,000 but \$35,335.69 from this fund.

Mr. GLOVER. I do not know when they got it. They have not got it since I have been here, and they have not got it at my instance. I think the gentleman is referring to Camp Pike, where so many soldiers have been trained. [Here the gavel fell.]

Mr. WILLIAMSON. Mr. Speaker, I yield the balance of my time to the gentleman from South Dakota [Mr. Johnson]

Mr. JOHNSON of South Dakota. Mr. Speaker, it is my firm conviction that I am the only living man who knows all about the facts in this case, and I am going to try to divorce politics from this matter, state the facts, and I do not worry about how anyone is going to vote, not even the gentleman from Arkansas, the gentleman from Oregon, or the gentleman from Kansas, who have been referred to in this discussion.

In 1906, the year I was graduated from college, the Government appropriated \$2,000,000 to buy rifle ranges in the United States. These rifle ranges were sold in every State and, except in the case of the State of South Dakota, the money was properly placed to their credit in the United States Treasury, and with the exception of South Dakota, the other States received the money to which they were entitled. In South Dakota the Government appropriated \$10,-000 for the rifle range. About 1907, 1908, and 1909, I was a captain of the National Guard of that State, and those of us who were in the National Guard in those days did not get any money when we attended drills, only when we were in camp. We were just crazy, fool militarists. So we contributed one-half of our salary as officers to improve this property, and I have half of my salary tied up in this, given at a time when I was a captain of the National Guard, and so does every other National Guard officer who served during those years. This is the reason the land was sold for \$13,000 instead of the \$10,000 the Government paid for it. We gave the money to improve it.

When this money came back to the Treasury it was reappropriated to the States, and every other State in the United States has a range but this State. Some clerk in the War Department made a mistake and credited this money to the general fund, and South Dakota has never been able to get it.

This rifle range was set in close to the city of Watertown and things were expanding and then the World War came on. South Dakota does not have much infantry now; it has artillery, and there is no artillery range, although the State has a National Guard organization. If this money is expended, it will go into a combined rifle and artillery range, and it takes some land for that.

This will save the Government \$640 a year rent for all

Mr. LaGUARDIA. Does this call for a rifle range?

Mr. JOHNSON of South Dakota. Yes; but it is also an artillery range. It is all thrown into one, as the gentleman knows, because he knows something about war.

The gentleman from Arkansas, whom I respect very much, I know believes in economy. The gentleman from Arkansas [Mr. Glover] and the gentleman from South Carolina [Mr. McSwain], who, incidentally, is for this bill, because he knows the facts and knows about war, well remember the facts in connection with the construction of perhaps the greatest hospital in the United States in the city of Hot Springs, which was necessary at that time.

Let us take up some of the other States which have secured money out of this fund to which they were entitled.

Alabama, \$43,000; Arkansas, \$25,000; money that was their money, except that South Dakota guard officers paid \$3,000 out of our salaries.

Texas, another great State, who had some great soldiers, \$30,671; Wisconsin, \$51,040.

Mr. O'CONNOR. Were those appropriations for ranges?

Mr. JOHNSON of South Dakota. For ranges, exactly as this one is, out of money appropriated, and which they secured, and the State of South Dakota could not secure, because of a mistake of a clerk in the War Department who credited it to the general fund instead of to South Dakota.

Now, this will save \$640 a year.

They must have this range, and the State is entitled to the money, and \$13,000 was contributed by us who were crazy enough to go into the National Guard. We did not take all of our pay but turned it back to help the Government and help ourselves to secure the services that we ought to have had.

Mr. REED of New York. Mr. Speaker, will the gentleman yield?

Mr. JOHNSON of South Dakota. I yield.

Mr. REED of New York. I am in sympathy with the gentleman, but I do not quite understand how you are going to save this \$640.

Mr. JOHNSON of South Dakota. The rent of the present range is \$640 that we now pay.

Mr. BLANTON. But what about the interest on the \$14,000? The United States will be out its \$14,000. Certainly the interest on it is worth something annually.

Mr. JOHNSON of South Dakota. If there was anything of interest, it ought to go to South Dakota that has lost the money for all these years, and that which we contributed ourselves. We ought to be entitled to it, although we were willing to devote it for the purpose of adequate preparation for war, which I think is the most important Government activity we could have. [Applause.]

Mr. BLANTON. Does not the gentleman think that if we could get the Senate to pass the bill we passed and sent to them guaranteeing bank deposits, which is the only measure that will ever stop wholesale bank failures, and then get the President to sign it, it would save all these banks from closing? That is far more constructive than this rifle range bill.

Mr. JOHNSON of South Dakota. Instead of that I think if the House organization had brought out the Glass bank bill and passed it you would not have had banks breaking all over the United States.

Mr. WOODRUFF. Does not the gentleman believe that the gentleman from Texas would have more influence with the gentleman who is holding up that bill in the Senate than the gentleman from South Dakota?

Mr. JOHNSON of South Dakota. I do not know that I should express any opinion concerning the other governing body.

Mr. STEAGALL. Will the gentleman tell us what provision in the Glass bill he desires to be enacted?

Mr. JOHNSON of South Dakota. Every one of them, commencing at the top, giving the comptroller the power he should have, control of security affiliates; and I would like to see the provisions with reference to branch banking enacted for the benefit of my State. I think the bill is based on good common sense.

The SPEAKER pro tempore. All time has expired, and the question is on suspending the rules and passing the bill.

The question was taken, and on a division (demanded by Mr. Blanton) there were 123 ayes and 40 noes.

Mr. BLANTON. Mr. Speaker, I demand the yeas and nays. The SPEAKER pro tempore. The gentleman from Texas demands the yeas and nays. As many as are in favor of ordering the yeas and nays will rise and stand until counted. [After counting.] Eight members have risen, not a sufficient number, and the yeas and nays are denied.

So, two-thirds having voted in favor thereof, the rules were suspended and the bill was passed.

QUALIFICATION OF BANKERS

Mr. GILLEN. Mr. Speaker, I ask unanimous consent to address the House for three minutes.

The SPEAKER pro tempore. Is there objection? There was no objection.

Mr. GILLEN. Mr. Speaker, something was said a moment ago about bank legislation. I rise to call attention to a proposition relating to banking which has been engaging the attention of the banking fraternity for a number of years. As an outgrowth of the agitation for this legislation, a number of my banker friends in my home State have asked me to introduce a bill, it being introduced this morning, which I now call to the attention of the House and for which I ask your careful consideration. I know that can not be given at this session of Congress and that it will have to go over to the coming Congress. I refer to legislation designed to get at the qualification of bankers from the grade of cashier on up. In other words, it has been advocated and it is desired by the honest bankers of this country, if possible, to reduce to a minimum the number of unscrupulous men who are engaging in the banking business.

Recent disclosures have brought to our attention very forcibly the fact that sentences to the penitentiary come too late. If we are to have the banking industry placed in the hands of honest men, men of integrity, it seems to me the time has come when serious attention should be given to this question, to the end that qualifications may be set up and inquiry made into the integrity of these men, into their qualifications, so that in the future a proper guard may be thrown around that fraternity just as qualifications are required for the legal fraternity, for physicians, for dentists, and for other persons. [Applause.]

IMPEACHMENT OF JUDGE HAROLD LOUDERBACK

Mr. SUMNERS of Texas. Mr. Speaker, I offer the following privileged report from the Committee on the Judiciary, which I send to the desk and ask to have read, and ask its immediate adoption.

The Clerk read as follows:

House Resolution 402

Resolved, That Hatton W. Sumners, Gordon Browning, Malcolm C. Tarver, Fiorello H. LaGuardia, and Charles I. Sparks, Members of this House, be, and they are hereby, appointed managers to conduct the impeachment against Harold Louderback, United States district judge for the northern district of California; and said managers are hereby instructed to appear before the Senate of the United States and at the bar thereof in the name of the House of Representatives and of all the people of the United States to impeach the said Harold Louderback of misdemeanors in office and to exhibit to the Senate of the United States the articles of impeachment against said judge which have been agreed upon by the House; and that the said managers do demand the Senate take order for the appearance of said Harold Louderback to answer said impeachment, and demand his impeachment, conviction, and removal from office.

The SPEAKER pro tempore. The question is on agreeing to the resolution.

Mr. BLANTON. Mr. Speaker, will the gentleman yield?

Mr. SUMNERS of Texas. Yes.

Mr. BLANTON. Is it not usual in such cases to provide for the managers on the part of the House to interrogate witnesses?

Mr. SUMNERS of Texas. This is the usual resolution which is adopted.

Mr. BLANTON. But this resolution does embrace that power and authority?

Mr. SUMNERS of Texas. Yes. It is the usual resolution. Mr. STAFFORD. Mr. Speaker, will the gentleman yield?

Mr. SUMNERS of Texas. Yes.

Mr. STAFFORD. This House, which is about to expire, has leveled impeachment articles against a sitting judge. It is impracticable to have the trial of that judge in the expiring days of the Congress. Has the gentleman considered what the procedure will be in respect to having the trial before the Senate in the next Congress?

Mr. SUMNERS of Texas. The Committee on the Judiciary to-day gave full consideration to all of the angles that suggested themselves to the committee for consideration, and this arrangement seems to be more in line with the precedents and to be most definitely suggested by the situation in which we find ourselves.

Mr. STAFFORD. Then, I assume, from the gentleman's statement, that it is the purpose that the gentlemen named

in the resolution shall represent the House in the next | Congress?

Mr. SUMNERS of Texas. No; I believe not. I think it is pretty well agreed that the next Congress will probably have to appoint new managers before they may proceed. I think gentlemen on each side agree substantially with that statement as to what probably would be required.

Mr. STAFFORD. There is nothing in the Constitution that would prevent Members of this Congress from serving as representatives of this House before the Senate in the next Congress, even though they be not Members of that

Mr. SUMNERS of Texas. I hope my friend will excuse me. for not taking the time of the House to discuss that feature of the matter.

Mr. STAFFORD. It is quite an important subject.

Mr. SUMNERS of Texas. It is an unsettled subject, and one we have tried to avoid.

The SPEAKER pro tempore. The question is on agreeing to the resolution.

The resolution was agreed to.

A motion to reconsider the vote by which the resolution was agreed to was laid on the table.

Mr. SUMNERS of Texas. Mr. Speaker, I desire to present a privileged resolution.

The Clerk read as follows:

House Resolution 403

Resolved, That a message be sent to the Senate to inform them Resolved, That a message be sent to the Senate to inform them that this House has impeached Harold Louderback, United States district judge for the Northern District of California, for misdemeanors in office, and that the House has adopted articles of impeachment against said Harold Louderback, judge as aforesaid, which the managers on the part of the House have been directed to carry to the Senate, and that HATTON W. SUMNERS, GORDON BROWNING, MALCOLM C. TARVER, FIORELLO H. LAGUARDIA, and CHARLES I. SPARKS, Members of this House, have been appointed such managers.

The resolution was agreed to.

A motion to reconsider the vote by which the resolution was agreed to was laid on the table.

AMENDMENT OF FARM LOAN ACT

Mr. STEAGALL. Mr. Speaker, I move to suspend the rules and pass the bill (S. 5337) to amend the Federal farm loan act, as amended, to permit loans for additional purposes, to extend the powers of Federal land banks in the making of direct loans, to authorize upon certain terms the reamortization of loans by Federal and joint-stock land banks, and for other purposes.

The Clerk read as follows:

S. 5337

An act to amend the Federal farm loan act, as amended, to permit loans for additional purposes, to extend the powers of Federal land banks in the making of direct loans, to authorize upon certain terms the reamortization of loans by Federal and jointstock land banks, and for other purposes

Be it enacted, etc., That for a period not to exceed five years any borrower who has obtained a loan from a Federal land bank may on application to such Federal land bank and upon approval of such application to such Federal land bank and upon approval of such application by the directors of the bank postpone the payment of any unpaid installment or installments in the manner herein provided in this section. Such postponed payment shall be made by paying at the time each succeeding annual installment is due one-tenth of the amount of the postponed payment, and, in the case of semiannual installments, by paying at the time each succeeding semiannual installment is due one-twentieth of the postponed payment until the amount of such postponed payment has been paid. In any case in which the number of remaining installments due on the mortgage is less than 10, in the case of annual installments, or less than 20, in the case of semiannual installments, the amount of the postponed payment shall be distributed proportionately over the remaining number of installtributed proportionately over the remaining number of install-

tributed proportionately over the remaining number of installment payments.

Sec. 2. Section 7 of the Federal farm loan act, as amended (U.S. C., title 12, ch. 7, secs. 711-722), is amended by adding at the end thereof the following new paragraph:

"Whenever it shall appear to the Federal Farm Loan Board that national farm-loan associations have not been formed in any locality in the continental United States, or that the farmers residing in the territory covered by the charter of a national farm-loan association are unable to apply to the Federal land bank of the district for loans on account of the inability of such association to indorse such loans, the Federal Farm Loan Board may, in its discretion, authorize said bank, at any time within five years after this paragraph takes effect, to make direct loans to bor-

rowers, secured by first mortgages on farm lands situated within any such locality or territory. Except as herein otherwise specifically provided, all provisions of this act applicable with respect to loans made through national farm-loan associations shall, in so far as practicable, apply with respect to such direct loans, and the Federal Farm Loan Board is authorized to make such rules and regulations as it may deem necessary with respect to such direct loans, provided no such loan shall be made for more than \$15,000. Each borrower who obtains a direct loan from a Federal

\$15,000. Each borrower who obtains a direct loan from a Federal land bank shall subscribe and pay for stock in such bank in the sum of \$5 for each \$100 or fraction thereof borrowed."

SEC. 3. That subsection "Ninth" of section 12 of the Federal farm loan act, as amended (U. S. C., title 12, ch. 7, sec. 771), is amended so as to read as follows:

"Ninth. For the period of five years after the passage of this act every borrower shall pay simple interest on extended payments the same rate of interest as stipulated in the mortgage securing the loan as to payments not in default and by express covenant in his mortgage deed shall undertake to pay when due all taxes, liens, judgments, or assessments which may be lawfully assessed against the land mortgaged. Taxes, liens, judgments, or assessments not paid when due, and paid by the mortgagee, shall become a part of the mortgage debt and shall bear interest at the rate provided in the mortgage. Every borrower shall undertake to keep insured to the satisfaction of the Federal Farm Loan Board all buildings the value of which was a factor in determining the amount of loan. Insurance shall be made payable to the mortamount of loan. Insurance shall be made payable to the mort-gagee as its interest may appear at time of loss, and, at the option of the mortgagor and subject to general regulations of the Federal Farm Loan Board, sums so received may be used to pay for recon-struction of the buildings destroyed."

struction of the buildings destroyed."

Sec. 4. Subparagraph (b) of paragraph "Fourth" of section 13 of the Federal farm loan act, as amended (U. S. C., title 12, ch. 7, sec. 781), is amended by adding at the end thereof a new sentence to read as follows: "Every such bank may carry real estate as an asset, for a period of not exceeding five years, at the amount of the bank's investment therein at the time of acquirement of such real estate."

Sec. 5. Seation 12 of the section of th

such real estate."

SEC. 5. Section 13 of the Federal farm loan act, as amended (U. S. C., title 12, ch. 7, sec. 781), is further amended by adding at the end thereof the following new paragraph:

"Eleventh. When in the judgment of the directors conditions justify it, and with the approval of the Federal Farm Loan Board, to reamortize, in whole or in part, the aggregate amount remaining unpaid under the terms of any mortgage, and to accept payment of such aggregate amount on an amortization plan by means of a fixed number of annual or semiannual installments sufficient to cover the interest payable on the mortgage, and in addition of a fixed number of annual or semiannual installments sufficient to cover the interest payable on the mortgage, and in addition thereto such amounts to be applied upon the principal as will extinguish the debt within an agreed period of not more than 40 years from the date of the reamortization; to deposit such mortgages with the farm loan registrar as collateral security for farmloan bonds at an amount not exceeding the principal of the original loan remaining unpaid at the date of such amortization; and with the approval of the Federal Farm Loan Board to charge the borrower an amount not to exceed the actual cost incurred in connection with such reamortization."

Sec. 6. Section 14 of the Federal farm loan act (relating to express prohibitions on the exercise of powers by the Federal land

press prohibitions on the exercise of powers by the Federal land banks) (U. S. C., title 12, sec. 791) is amended by adding at the end thereof the following new paragraph:

banks) (U. S. C., title 12, sec. 791) is amended by adding at the end thereof the following new paragraph:

"Sixth. To accept as security or additional security for any loan to any borrower under this act, or any installment on any such loan, any security other than first mortgages on farm real estate or Federal land-bank stock; and the transfer to any Federal land bank of any such security if it may not be accepted by the bank under this subsection shall be void: Provided, That any bank may accept an assignment of the landlord's rent to the amount of any taxes paid on such land by the bank, or any interest due."

Sec. 7. That section 19 of the Federal farm loan act, as amended (U. S. C., title 12, ch. 7, secs. 851-856), is amended by adding at the end thereof a new paragraph, to read as follows:

"Such farm-loan registrar shall accept as collateral security in place of mortgages withdrawn, purchase money mortgages and contracts to sell acquired real estate, for a period not to exceed five years, at the amount of the land bank's investment therein. The banks shall have power to execute all necessary conveyances, transfers, and assignments to carry out this provision."

Sec. 8. That the land banks shall use the balance of the \$125,000,000 provided in the act of January 23, 1932, not heretofore so used, in carrying out the provisions of this act for extension of loans or making new loans.

Mr. McFADDEN. Mr. Speaker, I demand a second.

Mr. McFADDEN. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Is the gentleman opposed to the bill?

Mr. McFADDEN. As it is at present, I am. Mr. STEAGALL. Mr. Speaker, I ask unanimous consent that a second be considered as ordered.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Alabama [Mr. STEAGALL]?

There was no objection.

Mr. STEAGALL. Mr. Speaker, the plan under which we are proceeding is to substitute in the House a bill reported by the Committee on Banking and Currency in the House

for a bill which has passed the Senate and which is now pending in the House, the purpose being to afford an opportunity to complete the legislation in conference and, as we hope, prepare a measure that will improve on either of the original bills.

It should be understood by all who are interested in this legislation that it is not offered as a complete answer to the demands and the necessity for legislation respecting the difficulties of the farmers of the country in connection with land-bank mortgages. There are pending in the House committee and in the Senate Committee on Banking and Currency other bills of larger range and covering in a much broader way the entire land-bank mortgage situation; but some of us concluded that it was not reasonably probable we should be able, during this short session, to pass comprehensive legislation on this subject.

Pursuing that theory, the Committee on Banking and Currency of the House and the Committee on Banking and Currency of the Senate took up the two bills to which I have referred—the bill introduced by me in the House and the bill introduced by Senator FLETCHER of Florida in the Senate. It was our thought that we could, in the way we have undertaken, solve some of the difficulties in which the farmers are involved who have their mortgages with the Federal land banks. Only a limited number of our farmers have their mortgages with the Federal land banks. Of course it would be desirable to do anything that we might reasonably do for the relief of all farmer borrowers in the country who are embarrassed in this period of depression and distress, but we have not felt we would be able to accomplish that task in the short time afforded for consideration of such legislation. We thought it desirable to secure a limited measure of relief rather than try the largest task without results. We have reason to hope for passage of the bill before us and presidential

The bill requires the Federal land banks, when extending loans of borrowers or renewing delinquent and unpaid installments, to spread those delinquent payments over a period of 10 years, in 10 equal amounts, so that a farmer may not have his installments accumulating during a period of low prices, and at a time when the farmer finds it so hard to carry on with his operations, but to permit borrowers to extend payments, in worthy cases, in such way as to give him an opportunity to work out his problem and meet his obligation.

We do not provide in the bill that any farmer may require an extension of his loan. We preserve the discretionary powers of the officials of the land banks to pass on each particular case as in their judgment its merits warrant. But when an extension is allowed the bill requires that it be spread over a period of years, so as to give the borrower an opportunity to work out his problems and pay his debts. This difficulty has been encountered by some of the farmer borrowers under practices that have prevailed. When extensions have been granted by officials of a bank conditions were attached that robbed the action of its benefits to the borrower. It will be remembered that we passed a bill last year in which we extended aid to the Federal land banks in the form of subscriptions by the Treasury to capital stock in the amount of \$125,000,000, \$25,000,000 of which were required to be used in the extension of loans of borrowers. The act provided that such extensions might be made in the discretion of the bank officials and payments spread out over a period of 10 years. The record fails to disclose a single instance in which the provisions of the act passed last year were carried out by the officials of the land banks. Your committee made diligent inquiry, and we have not yet learned of an instance where any borrower had his loan or his delinquent payments extended over a period of years, as contemplated by the act of last year.

Not only that, but where extensions are made, it is the prevailing rule of the land banks to require the borrower, as a condition to the extension to be allowed, to execute chat-

tel mortgages, covering his crop, his farm implements, his livestock, everything the farmer owns to secure the delinquent payments, notwithstanding the debt is already amply secured by the land conveyed in the original mortgage when the loan was made. Such a rule necessarily leaves the farmer with no opportunity to obtain advances or secure supplies to enable him to make a crop, and in conditions that exist now, he is left with no incentive to undertake to carry on or try to meet his obligations. The rule is harsh and unjust. It violates every purpose of the Federal farm loan act, if indeed it is not contrary to the technical provisions of the law. It discredits the land-bank system and every official in any way responsible for it.

Such a proceeding is, theoretically, a foreclosure, because it treats the farmer-borrower in such cases as a tenant. We have provided in this bill that no security shall be taken covering extended payments save on the real estate conveyed in the original mortgage, except to cover advances made to pay taxes on the land or interest due.

In my congressional district the Federal land bank—and I have letters in my files which were exhibited to the Committee on Banking and Currency to substantiate this statement—laid down the unvarying rule that no farmer's mortgage would be extended, no matter how long it had been running or how many payments had been met, even though the land more than amply secured the loan, unless the farmer executed a mortgage covering his chattels, his farming implements, his livestock, his cattle, his provisions, his crop, and everything to be grown on the farm during the year of the extension and for subsequent years. That was the unvarying rule that prevailed.

It is the judgment of the committee that such a practice works an undue hardship; that foreclosures under such conditions not only mean to turn farmers out of their homes, to take the shelter off their families and leave them as a charge upon the public not only such hardships upon the borrowers themselves but such a rule means the sacrifice of the securities of the banks. Members well understand that when the land banks go into an agricultural community and advertise a large number of farms for sale under present conditions, they not only turn the farmermortgagors in particular cases out of their homes and work irreparable hardship upon them; it demonstrates that in that community the other assets and securities represented by lands in the same community are without value, or at least that the banks can not realize upon their securities. Such a practice ruins both the borrowers and the banks. Such a rule is not followed by any other business institution in the land. The commercial banks uniformly refrain from such practices. Their assets are carried at fair valuation.

Mr. MAY. Mr. Speaker, will the gentleman yield?

Mr. STEAGALL. I yield for a question.

Mr. MAY. We have a land bank in Louisville, Ky. In the eastern end of the State there are 40 or 50 counties not particularly adapted to farming. Under section 2 of this bill can a farmer apply to the Federal land bank without regard to the organization of the farm-loan associations?

Mr. STEAGALL. I may say to the gentleman that I have just discusses one section of the bill, and that most hurriedly. Now to answer him, there is incorporated in this bill a provision authorizing loans to be made directly to individual borrowers in communities where national farm-loan associations are not in condition to offer acceptable security to the land banks.

Mr. WHITTINGTON. What amount would be available for this use?

Mr. STEAGALL. The maximum amount of a direct loan is \$15,000.

Mr. WHITTINGTON. What amount is available in the 12 land banks?

Mr. STEAGALL. That involves an inquiry into the balance sheet of the banks. I will discuss that a little later, if I have an opportunity. That should come in connection with the last provision in the bill. The banks are now in

position to grant many loans, though probably not in the amounts for which there will be demands.

Mr. WHITTINGTON. I would be very glad if the gentleman would tell us.

Mr. SHALLENBERGER. I agree with the gentleman that the bill authorizing an extension of loans requiring additional security did not work as we had hoped it would work out, because the property was all the time in the hands of the bankers. If we pass this bill to help the farmer, will the bank be willing to advance the money?

Mr. STEAGAIL. I may say to the gentleman that we have attempted, as I thought I had intimated in the outset of my remarks, to prepare a bill which Congress will pass and which will become a law. If we go further in taking away the discretion of the officials of the land banks in dealing with individual loans on their merits, we will never get the bill enacted finally because it will not be approved by the President. So we have preserved the discretion of the board. We have provided that where a loan is extended there may be no penalty interest rate charged. We thought this desirable in the present situation.

Mr. SHALLENBERGER. It has been our experience in Nebraska that the banks refused every time to take care of the defaulted interest unless the farmer secured them as the gentleman said.

Mr. STEAGALL. We are proceeding upon the idea that we may hope for a more liberal administration of the Federal land banks. Unless we have a more sympathetic policy in the administration of these banks, the legislation we are attempting to pass will not be of much value.

Our purpose in preparing this bill is to remove every obstacle in the machinery of the law that will interfere with a common-sense, constructive administration of the banks. But we must of necessity depend upon the officials who administer these banks, as we have to depend upon officials who administer all the various agencies set up by the Government. This is true of many departments of the Government of which complaint is made. Much of our troubles, I am sure, are due to unwise policies of administration. But I do not desire to indulge in criticism. What we desire is to secure relief as far as we may.

Mr. STEVENSON. Mr. Speaker, will the gentleman yield? Mr. STEAGALL. I yield.

Mr. STEVENSON. The gentleman from Nebraska asked a question as to why the banks could not take additional security. I desire to call attention to the fact that the average loan has been in existence seven years, and payments have been made during all that time. If the loan amounted to 50 per cent of the value of the farm, at least seven-fiftieths has been paid and there is sufficient margin there to take care of a year's interest or two years' interest in a time when there is need for it.

Mr. STEAGALL. The gentleman is correct. He has stated the situation clearly. I must hurry on to other phases of the bill. Another provision of the bill permits the reamortization of loans over a period not to exceed 40 years. This provision will enable officials of a bank to take a solvent loan, in some instances perhaps where payments have been made for 15 years, and where the mortgagor is a good citizen, a home owner, a borrower whom they can trust to meet his obligations if given an opportunity. In a case like that this provision will save the farmer's home and prevent the sacrifice of the security of the bank by reamortizing the loan. We think this is a wholesome provision. The bill permits mortgages that have been extended to be carried as security against the bonds, and likewise real estate to the amount of the investment of the bank. Then we require finally that the banks shall use whatever funds they have remaining out of the \$125,000,000 appropriated last year for making loans or for the extension of loans to borrowers. The banks have \$115,000,000 in cash and bonds. Their payments received from borrowers amount to \$82,000,000 annually. Their interest obligations on bonds amount to only \$52,000,000 annually. The bank officials do not anticipate any difficulty in collecting half the interest maturities on their mortgages. So, it will be seen that with

the funds on hand and additional privileges of borrowing of the Reconstruction Finance Corporation, we make possible a liberalization of the policies of the Federal land banks that will be of substantial benefit to the farmers of the Nation. [Applause.]

AMENDMENT OF FEDERAL FARM LOAN ACT

Mr. McFADDEN. Mr. Speaker, I yield myself 10 minutes. Mr. GREEN. Will the gentleman yield for a question and answer it in his time? I should like to have brought out definitely whether or not in counties where the organization is now in default and not operating, the owner of a farm located in such county can obtain a loan under the provisions of this amendment. This is the main thing in which I am interested.

Mr. McFADDEN. That is one of the purposes of the bill, I will say to the gentleman.

Mr. GREEN. Is it mandatory or optional?

Mr. McFADDEN. Optional.

Mr. Speaker, I am entirely in sympathy with the main part of this measure. It is right and proper in these times of stress that every assistance that can be given to these borrowers, who are not in a position to meet their amortization payments, that they should be given this help and that they should have every opportunity to thus avoid an absolute default. I believe this to be for the best interests, not only of the farmer borrower, but also for the Federal farmloan system itself.

However, I want to direct your attention particularly to two clauses in this bill, and I refer to sections 7 and 8. I am fearful that these two sections, while intending to be helpful, may do more harm than good in destroying confidence of the investing public in the security back of the bonds.

In section 7 the language is as follows:

Such farm-loan registrar shall accept as collateral security in place of mortgages withdrawn, purchase money mortgages and contracts to sell acquired real estate, for a period not to exceed five years, * * *

This is a weakening of the security back of the bonds which are issued and sold to investors by the Federal farmloan system. It permits the substitution of real estate which has been foreclosed and thus acquired by the system, and also permits the substitution, in place of mortgages, land contracts where the land so acquired under foreclosure has been sold to new purchasers under contract, in the place of prime mortgages as now provided by law. I want to make perfectly clear to you just what this language does.

Section 8 provides that the land banks shall use the balance of the \$125,000,000 provided in the act of January 23, 1932, not heretofore so used, in carrying out the provisions of this act for extension of loans or for making new loans.

This is a direction to the Federal land banks directly from Congress as to the use of the remainder of the funds amounting to \$50,000,000 which were appropriated last year. "This section is an alarm signal to investors and has been particularly so to the bankers who dispose of these farmloan bonds."

Both of these provisions tend to weaken, in the mind of the investor, at least, and section 7, particularly, does weaken, the security of these Federal farm-loan bonds. Section 8 brings a doubt in the minds of the bond purchasers as to the ability of the Federal farm-loan system to carry on without Government aid in the form of further appropriations.

We must recognize that for the successful operation of this institution, the Federal farm-loan system, we must preserve the confidence of the investing public; if this is not done, there will be no one to buy their bonds. Last year we appropriated \$125,000,000 and provided that \$25,000,000 of it should be used to give assistance to the prior borrowers who were not able to meet their amortization payments. The Federal farm-loan system in the use of the other \$100,000,000 of this fund has used it in carrying out several different functions, and the farm-loan com-

missioner has given me a statement showing how this fund has been disposed of and handled. It shows there is a balance of approximately \$50,000,000, which remains in the Treasury not yet disposed of. While I have not sufficient time to go into this completely, I think I should give this information to the House: Uses made by Federal land banks of proceeds of \$125,000,000 of capital stock subscribed by the Secretary of the Treasury during 1932 under the act of Congress passed last year. The \$125,000,000 of capital stock was subscribed as follows: Twenty-five million dollars for extensions in February, 1932.

This amount, together with earnings on it, has been used or is held exclusively for extensions. The 12 banks reported that through December 31, 1932, they had granted extensions to approximately 93,000 borrowers covering delinquent obligations totaling \$23,419,800.46. In addition, they were carrying thousands of other delinquent borrowers.

ONE HUNDRED MILLION DOLLARS GENERAL CAPITAL

Thirty-four million, seven hundred and thirty-four thousand, seventy-five dollars and sixty-three cents during February, 1932, for the purpose of strengthening the collateral position of the banks by removing unsatisfactory collateral pledged with the registrar.

Three million, five hundred and nine thousand, six hunared and sixty-four dollars and thirty-seven cents during February, 1932, for the purpose of retiring the Spokane participation certificates representing advances previously made to the Spokane bank by the other 11 banks.

Eleven million dollars during April, 1932, in nine of the Federal land banks which requested the funds in anticipation

of increased demands for new loans.

Fifty million, seven hundred and fifty-six thousand, two hundred and sixty dollars during June, 1932, to increase the earnings of the banks and to provide them with reserve funds with which to meet contingencies, the need for which resulted from heavy delinquencies.

GENERAL COMMENT REGARDING USES MADE OF THE FUNDS

Of the \$100,000,000 not earmarked specifically for extensions, \$52,291,490, or slightly more than 50 per cent, was subscribed to stock in four banks, the Federal Land Banks of Columbia, New Orleans, St. Paul, and Spokane. Because of unusually heavy delinquency these banks were particularly in need of additional income in order to retain their solvency and to provide adequate collateral behind their bonds. Of the funds received, the four banks used \$14,628,991.32 for the purchase and retirement of their own bonds, and the resulting profit of \$1,964,008.68 was an important factor in the effort which was made to prevent an impairment of capital, to sustain the credit of the banks, and to preserve the equity that farmer-borrowers have in the banks through their ownership of the national farm-loan associations.

Funds used for the purpose of strengthening the collateral position of the banks generally were first invested in Government securities, which were then substituted for undesirable collateral pledged with the registrars. Funds so used, however, were available for the purpose of making loans, since when and as loans were made they could be pledged with the registrars and a corresponding amount of Government securities and/or cash released to the banks. During the year the banks closed new loans totaling \$27,569,800, a part of which were made from proceeds of Government capital-stock subscriptions.

By reason of the additional capital funds which they have received the banks have been enabled to carry thousands of delinquent borrowers in addition to those to whom definite extensions have been granted and the banks' forbearance has made it necessary for ten of them to use \$6,683,471.47 for the purpose of paying interest on their outstanding bonds.

Exclusive of securities and cash pledged as collateral for bonds there remained on December 31, 1932, approximately \$50,000,000 from the \$100,000,000 fund for future needs and contingencies. If the banks continue to carry as many bor-

missioner has given me a statement showing how this fund | rowers as now are being carried, these funds will shortly be has been disposed of and handled. It shows there is a required for the purpose of meeting interest on bonds.

Mr. ALLGOOD. Will the gentleman yield there?

Mr. McFADDEN. Yes, briefly.

Mr. ALLGOOD. Will the gentleman explain why they did not use that \$50,000,000 in making new loans or in extending loans?

Mr. McFADDEN. The Farm Loan Commission stated the reason this money was not used was because, in the judgment of the Board, the money should be kept as a reserve to meet emergencies of the system and, possibly, to provide for future interest payments, not knowing to what extent further delinquencies might take place. The interest on the outstanding bonds runs something like \$42,000,000 a year, and we must recognize the fact that there are many delinquencies in the system and when delinquencies do occur interest and amortization payments stop; and in the management of the system they have seen fit to conserve their cash resources to meet these undisclosed conditions, among which is the question of having on hand in advance of due date the total amount of necessary money to meet the payment of interest on their bonds.

[Here the gavel fell.]

Mr. McFADDEN. Mr. Speaker, I yield myself one more minute.

I may say to the House, frankly, in this minute, that section 8 should go out of the bill. I am not sure, under the parliamentary situation that now exists, whether any amendments can be offered to the bill or not.

Mr. Speaker, I would like to ask whether or not, under the peculiar parliamentary situation now existing, amendments may be offered to the bill.

The SPEAKER pro tempore (Mr. O'CONNOR). The Chair will advise the gentleman that amendments to the bill are not in order.

Mr. McFADDEN. Then it is to be hoped that if this bill goes to conference, this particular portion of the bill will be taken out, because it may vitally affect the sale of Federal farm-loan bank bonds in the future as the mere reporting out of the committee of this bill with section 8 in it has caused a decline in the quotation of Federal farm-loan bonds in the market of several points.

[Here the gavel fell.]

Mr. McFADDEN. Mr. Speaker, I yield five minutes to the gentleman from North Carolina [Mr. Hancock].

Mr. HANCOCK of North Carolina. Mr. Speaker, ladies and gentlemen of the House, I regret that I can not follow our able chairman in supporting this measure. It is true that the bill contains several sound and desirable provisions which, if fairly and sympathetically put into effect, would aid the distressed borrower. However, in view of the fact that practically the same provisions were contained in the bill reported by our committee and passed during the last session which the chairman himself admits in his argument have never been administered for the benefit of the farmer, I do not think that we should in this fashion tinker with such an important problem.

This is a moment of catastrophe. We face a national crisis calamitous in its possibilities. Fear grips the heart of every man, woman, and child in the land, and no one can predict what trouble will come on the earth to-morrow. The mortgage-debt problem is commanding nation-wide attention, and at the present price levels there is no hope that these obligations can be discharged. Although the Federal land bank system has had at its command millions of dollars since the last session, its general policy toward the borrower has not been as lenient as Congress intended that it should be when it was voted the additional \$125,-000.000. As a matter of fact, less than the \$25,000,000 earmarked for granting extensions has been used for that purpose; and the remaining portion, plus loans secured from the Reconstruction Finance Corporation, has been used for steadying the credit structure of the banks and bolstering the bank's securities. In these times such a policy would seem to be inhuman and cruel.

This measure which is now being taken up under suspension, and without the privilege of offering an amendment, appears to me to be unworthy of the intelligence and wisdom of our committee in an effort to meet this serious debt problem, which should be attacked in a comprehensive way. Without reflecting upon anyone, I feel that this measure is a flop and a sort and unworthy of the serious attention of the House. It is true that it would prohibit the banks from taking additional security to cover delinquent installments and in certain ways enable the banks to utilize their resources more effectively during this crisis, all of which would seem to be desirable. On the other hand, why arouse false hopes at a time like this when all of us must know that a modicum of relief is extended in this measure to the thousands of worthy and deserving borrowers, who, by no fault of their own, can not even pay their taxes with com-modity prices at the present level? You may put it down in your book that commodity prices have got to be raised or debts have got to be reduced.

Though I have reached no definite conclusion with respect to the soundness or desirability of the Robinson bill or the Hull bill, I am opposed to further patchwork efforts regarding this situation. When we retrospect we are obliged to admit that Congress has failed to anticipate the depth of this depression and that all we have done under the present administration and by its leadership has been to swing onto the tail end of the depression hoping in that way to stop it. We now see, as we could not perhaps see at that time, that the only way to break the vicious circle of deflation and stop human suffering would be to go to the bottom of this situation in a courageous and heroic method. It is useless to patch the house at the top when the walls are cracking on the inside as the result of unstable foundation.

For more than three months many of us have been giving serious thought to legislation which would operate fairly to the borrowers, the banks, and the holders of the securities. Surely no person with good common sense would represent that this measure even slightly tended to solve the problem. Since no relief extension or indulgence can be granted under this measure without the approval of the Farm Board, how could any sane person, in the light of what has happened for the past 12 months, even hope that any of its benefits would be carried to the borrower? That being true, why, at this time, wreck the system, as this measure will certainly do if it is enacted into law?

Though I must confess that I am primarily interested in aiding the borrower, I would not want to be unfair to the system or the individuals and institutions which have, in good faith, invested their money in its securities. I fully believe that with careful study and thorough planning, as our committee should have been doing since the session commenced, we can solve this problem by reducing the interest rate on the bonds and the mortgages to around 2 or 3 per cent. When I think of this bill I am reminded of this oftenquoted saying: "The mountain labored and gave forth a mouse '

If you do not believe what I am telling you, just wait until we get back in the special session. Personally, I know that there is not a man in the Nation, without a single exception, who is more sincerely and intensely interested in assisting the farmers with their mortgage troubles than our chairman, but I can not understand why he should indulge in an empty gesture and vain attempt like this. He knows, as all of us do, that the President would immediately veto this bill with section 8 in it. Why should we here, during this crisis, consume our time with further legislation which merely covers up the evils instead of uprooting them? So far as I am concerned, politics may go to the winds and it shall be my purpose to support every sound measure which treats heroically and courageously the debt problem in fairness to debtor and creditor. There is no doubt in my mind but that the wages of capital must be reduced if we are to preserve this Republic and hope for any recovery in the years ahead.

The membership of this House know that I have not in-

dulged in the discussion of matters generally, but that I have

always confined my remarks to legislation which I have considered in the Committee on Banking and Currency.

Though I do not like to refer to my own efforts, I desire to call the attention of the House to the fact that more than six weeks ago I introduced a resolution providing for a standstill arrangement on all debts secured by mortgages or other similar instruments. I felt that since a national emergency existed equal to or greater than that of any war period. that economic patriotism and social sense, as well as a wise financial policy, warranted the passage of a resolution of this kind so as to give the millions of mortgage debtors a breathing spell during which they could get with their creditors and make some fair adjustment. The people of this great country of ours want two things-work and security; and every effort here should be directed for such an accomplishment

Though the purpose of this bill is designed unquestionably to aid the distressed borrower, in my judgment it will not only fail to do this, but it will have an immediate, unwarranted depressing effect upon the outstanding securities, which, in turn, will jeopardize the remaining credit structure of the banks. When this is done, the borrower certainly has not improved his position and others have been hurt seriously. Though great concessions must be made by the security holders, it is foolish to single even them out for unjust punishment when no one benefits by such action. The announcement of the passage of this legislation would practically mean destruction of the Federal land-bank system.

When I learned that our chairman had secured a ruling on this bill, I was preparing to offer an amendment which would enable a borrower from any Federal land bank or joint-stock land bank at any time, when he is privileged under the provisions of the Federal farm loan act to pay the entire principal of his loan, to surrender to the farm-loan registrar of that bank any farm-loan bonds with all unmatured coupons attached issued by such bank, and, if the par value of such bonds equaled the amount of the debt of the borrower to the bank, the borrower would be entitled to withdraw his note and mortgage from the registrar. This would facilitate, in a fair way, the liquidation and in a much more equitable way than now obtains. It would merely give the borrower in a limited way the same privilege which section 894 of the act gives to the banks in an unlimited way. It would be fair to the borrower and fair to the bondholder, and the banks could not justly complain that any violence had been done their rights because they did not continue to have the exclusive privilege of taking advantage of their

The number of my bill, which has been favorably reported by the Committee on Banking and Currency, is H. R. 14618, and the report number is 2089. I am satisfied that this measure will have no chance for passage during the present session, but it is my purpose to continue every proper effort to put it into the law unless some better plan is worked out during the special session.

The chairman of our committee stated that H. R. 14689, which we are now considering, was a temporary measure and would exist as such pending the enactment of one of the comprehensive plans which have been introduced by Senator Robinson and others in the Senate.

Mr. STEAGALL. Will the gentleman yield?

Mr. HANCOCK of North Carolina. I gladly yield.

Mr. STEAGALL. The gentleman does not mean, I know, to misquote me. I had not thought of saying that this is a temporary measure. It is permanent, and I think ought to have been in it all the time.

Mr. HANCOCK of North Carolina. Of course, I did not intentionally misquote the gentleman, but I maintain everything that I have heretofore said about this bill, and I regret that I misunderstood the chairman's statement. If the measure is permanent, it even makes the situation a great deal worse.

Mr. Speaker, it is inconceivable to me that this House should be content to consider this legislation as its contribution to this all-important and serious problem. I certainly

trust I have not been misunderstood, and I only wish that the time were mine to give you the facts and information pertinent to this situation which I have received and developed as a result of my continuous study and investigation. I do not mean to create the impression for a minute that I know more about it than any of you gentleman, but it happens that in my work I have had opportunities which perhaps have not come to you.

Finally, may I say in the best of spirit that I abhor this method of dealing with such important subjects and especially when we have had practically three full months, spending a greater part of such time in matters of far less importance. For myself, I can not but feel sensitively ashamed.

Mr. McFADDEN. Mr. Speaker, I yield three minutes to the gentleman from South Carolina [Mr. Stevenson].

Mr. STEVENSON. Mr. Speaker, I desire to make only a brief statement as to what this measure will do for the farmer. In the first place, at least 50 per cent, and I believe 90 per cent, of the farm-loan associations in the country are defunct. They met and got an organization and got their loans, and then they quit business, and many of them are absolutely insolvent because of the judgments for deficiencies that have been made against them. A farmer in such a country can not get a loan because his association is in that condition, and the association is not in a position to do business because it is already insolvent and its indorsement would not be accepted by the bank. The result is that we are giving the farmer an opportunity in a situation of that kind to go directly to the bank.

In the next place, we have provided that he shall not be penalized by being charged a rate of 8 per cent interest whenever he defaults on the payment, automatically increasing his interest rate above what interest can be paid and continue to do business, and we allow him to pay the same interest provided in the mortgage itself. In the next place, we provide for a reamortization of loans. Let us take a man who has paid for 10 years and he finally gets to a place where he can not. The upshot is that he has to be sold out or reamortized. They take what is remaining of his debt and reamortize it, and divide it into not over 40-year payments and fix the interest rate at a reasonable rate and reamortize it, and his first installment does not fall due until a year after that, so that automatically he gets a year's grace in which we hope the Lord will do something for this country, as nobody else seems able to do.

In the next place, we hear talk about paying the interest on the farm loan bonds. Section 8 provides:

That the land banks shall use the balance of the \$125,000,000 provided in the act of January 23, 1932, not heretofore so used, in carrying out the provisions of this act for extension of loans or making new loans.

That which is used for the extension of loans is to merely pay the interest on the bonds, which they do not get from the borrower—it is to pay that out of this, and that provides for it absolutely, and if it does not, then in conference we shall certainly make that provision beyond peradventure.

The SPEAKER pro tempore. The time of the gentleman from South Carolina has expired.

Mr. HASTINGS. Mr. Speaker, has all time expired?

The SPEAKER pro tempore. All but one minute in charge of the gentleman from Pennsylvania.

Mr. HASTINGS. Mr. Speaker, I ask unanimous consent, notwithstanding the expiration of the time, that I may proceed for three minutes on this bill. The bill has not been debated here. Some of us have not had an opportunity to express ourselves.

Mr. McFADDEN. Mr. Speaker, I yield one minute to the gentleman from Massachusetts.

The SPEAKER pro tempore. The Chair will put the request of the gentleman from Oklahoma after the time has expired.

Mr. LUCE. Mr. Speaker, the practical situation is that if we should reject this bill there will be no legislation on this subject at this session. The need for action is impera-

tive. The bill contains some provisions which it is to be hoped may be changed in conference. Out of the conference may come a bill that will meet the criticisms that have been passed upon it. Therefore, to me it seems the wise thing, almost the imperative thing, to pass the bill through this stage, so that it may receive the further consideration that is certain.

The SPEAKER pro tempore. The gentleman from Oklahoma asks unanimous consent, notwithstanding the expiration of the time for debate, to address the House for three minutes. Is there objection?

Mr. O'CONNOR. Mr. Speaker, I reserve the right to object, and I regret I shall have to do so. I am afraid it would be establishing a bad precedent under the rules to extend the time for debate beyond the 40 minutes provided in the rule. The reason these matters are brought in under suspension of rules is to confine the debate to 40 minutes. The three minutes the gentleman requires would establish a precedent. I wish the gentleman would not press the matter.

Mr. HASTINGS. I hope the gentleman will not enter his objection. Aside from the gentleman from North Carolina [Mr. Hancock] there has been no debate on the other side on this bill.

Mr. O'CONNOR. I would much rather the gentleman would ask to proceed out of order.

Mr. HASTINGS. Then I ask unanimous consent to proceed out of order for three minutes.

Mr. STEVENSON. Why does the gentleman not extend? Mr. HASTINGS. I want to talk here a little bit.

The SPEAKER pro tempore. The gentleman from Oklahoma asks unanimous consent to address the House for three minutes out of order. Is there objection?

Mr. STAFFORD. Mr. Speaker, reserving the right to object, if no other person makes a request for additional time I shall not object, but I shall object at this late hour if there is any similar request.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. HASTINGS. Mr. Speaker, I am tongue-tied. No man in this House knows the disappointment I feel. I can not find parliamentary language to express myself on this bill. It is a mere flyspeck. It would not do a particle of good to the poor farmers of this country.

It is a confession of this great Committee on Banking and Currency, composed of strong men, that after studying this question for three months they are unable to agree on and report legislation that will adequately meet the situation. Mortgages are being foreclosed by the thousands. Outraged farmers are meeting and vigorously protesting the sale of lands. What does this bill do? Does it afford them relief? No. In the aggregate there are \$9,241,390,000 in amount of real-estate mortgages, as reported by the Bureau of Economics. What does this bill provide? It makes available the balance of the \$125,000,000 which I am advised, and if I am wrong let somebody correct me in his own time, that there are only \$50,000,000.

The chairman of the Committee on Banking and Currency [Mr. Steagall] in the course of his remarks with reference to the administration of the act of January 23, 1932, making an appropriation of \$125,000,000 in aid of the Federal land banks, stated that the bill in effect gave a legislative direction to use \$25,000,000 in payment of the interest and extension of loans to farmers.

The chairman of the Committee on Banking and Currency [Mr. Steagall] has just stated with reference to this bill:

The act provided that such extensions might be made in the discretion of the bank officials and payments spread over a period of 10 years. The record fails to disclose a single instance in which the provisions of the act passed last year were carried out by the officials of the land banks. Your committee made diligent inquiry, and we have not yet learned of an instance where any borrower had his loan or his delinquent payments extended over a period of years, as contemplated by the act of last year.

Yet in the face of this statement the remainder of the balance unused of that appropriation, estimated to be around \$50,000,000, is to be made available for these same Federal land banks.

As above stated, the records show that there are outstanding farm mortgages amounting to \$9,241,390,000. Of this amount insurance companies hold \$2,164,000,000. What relief does this bill give to a farmer where an insurance company holds the mortgage on his land? Of course it affords him no relief. Commercial banks hold farm mortgages in the sum of \$1,020,000,000. How is the farmer helped by this bill where a commercial bank holds the mortgage on his land? There is no pretense that this bill will afford him any relief. Retired farmers hold \$1,006,000,000 in mortgages on farm lands. Will some one explain how this bill helps the farmer where the mortgage on his land is held by this class of mortgagees?

The records show that there are \$214,033,000 of mortgages on farm lands in my State of Oklahoma, but I do not know of a single farmer in my district that this bill will help. It

is a pretense and a sham.

In every agricultural State in the Union the question of the refinancing of farm mortgages and the reduction of taxes are the burning questions. The reduction of ad valorem taxes is for the State legislatures and favorable action is imperative.

The whole country is ablaze, yet we go to quench this fire with a tin cup filled with water.

There are approximately \$1,200,000,000 of farm mortgages held by the Federal land banks. The balance of approximately \$50,000,000 of the \$125,000,000 remaining unused would not be a drop in the bucket. Everyone knows it and everyone concedes it. Why attempt to fool and deceive the farmer? He will get no substantial relief out of this bill. Unless the Senate amends the bill in conference there is no hope for the despairing bankrupt farmer in this bill.

When Congress convened in December last approximately 100 Members of Congress representing agricultural districts associated themselves into a group to study the farm problem. They have met from time to time during the past three months. As a result of their study many bills have been introduced in the House, and some in the Senate, which would adequately meet the situation and afford some relief to the farmers of the country. However, if you take a legislative microscope and search for a week you will not find any relief in this bill for a single farmer in my district.

Everyone knows that the use of \$50,000,000 with only one class of mortgagees, the Federal land banks, would be of no appreciable benefit.

Only one local farm-loan association was formed in my district. Because of bad crop conditions, corn selling for 10 or 12 cents per bushel, oats around 10 cents per bushel, wheat from 25 to 30 cents per bushel, and cotton around 6 cent per pound or less—all below the cost of production—the farmers have been unable to pay their taxes and upkeep of their farms and to pay the interest on their loans. Their purchasing power is gone. They need a comprehensive and a permanent measure. If we fail to enact one we admit we are unable to cope with the situation. For one, I am not going to recommend to the farmers of my district this legislative evasion of our responsibility to our constituents.

I was born and reared on a farm, own much farm land now, and feel that I have a practical knowledge of farm conditions. Our inaction will destroy the farmers. They have been facing bankruptcy for 10 years. Their eyes have been on Washington for relief. They see comprehensive legislation and money appropriated through the Reconstruction Finance Corporation in terms of billions for the benefit of other classes of citizens, including railroads, banks, and corporations of various kinds, and when we go to explain to them how we have helped the farmer, and present this measure, this homeopathic dose, they will demand to know how they will be aided in refinancing their mortgages, and it will dawn upon them, as it did when the original \$125,000,000 was appropriated, that the farmer is the "forgotten man."

Let no farmer be deluded in the belief that this bill will give him any relief.

Here is a great committee of the House of Representatives. The farming question has been one demanding attention for years. An intensive study has been given to this situation during the entire three months since Congress convened in December, but there has been no comprehensive action. To-day, without roll call, unknown to more than a half dozen Members of the House, this legislative flyspeck is called up under suspension of the rules, with but 20 minutes of debate on each side, every minute of it consumed by the committee, and all in favor of the bill, with the exception of 5 minutes used by the gentleman from North Carolina [Mr. Hancock], so that the House has had no opportunity whatever to study the bill, and no opportunity to amend it; no general analysis of the terms of the bill has been made.

Here is the most important matter confronting the country, one in which the greatest number of people are interested, and the bill is considered in the way I have just indicated, with the committee practically admitting that it is the best bill they can bring out. Oh, the shame of it all! Nero fiddled while Rome burned. It is asked what objection there is to the bill. The objection is that it does not afford any relief to the farmers of the country. It is the sin of omission rather than of commission. It makes available the balance of \$125,000,000, estimated to be around \$50,000,000, for the use of the Federal land banks, when it is admitted that not a single farmer secured any relief out of the original appropriation, and no effort whatever is made to take care of the untold thousands of farmers who have given mortgages on their land to other agencies. If the farmers were to take a pack of bloodhounds and hunt through the various provisions of this bill they would be disappointed in not finding a scent of relief.

Section 1 authorizes the Federal land banks to postpone the interest and installments on farm loans not to exceed five years. In some counties in my district it is estimated that 65 per cent of the farm lands have gone into foreign ownership. The Federal land banks do not own a single mortgage in most of these counties. I know of only one county in my district where the land bank has made loans and they are not making any now. How would this section of the bill help farmers in those counties? It is a legislative omission to accept our responsibility and to do our duty.

Section 2 provides that direct loans may be made to farmers under certain conditions. I tried to get this provision inserted in the act of Congress approved July 17, 1916. However, in districts where the Federal land banks are making no loans how can the farmers be helped? Again this section requires the farmers who borrow money to covenant to join local loan associations, which in my district they will refuse to do. Surely, so far as this legislation is concerned, the farmer is the "forgotten man."

There are a large number of bills now pending before the House and Senate committees which deal in a comprehensive way with the farm-mortgage question. It is a great disappointment that some one of these many measures is not brought before the House for consideration, instead of this bill, which affords no relief.

The farmers in my district are not going to be deceived by this measure. They thought they would get some relief out of the \$125,000,000 appropriated by the act of January 3, 1932, but not one of them got any relief. They were deceived into the belief they were going to get some assistance from the home loan bank bill, enacted during the last session of Congress, but when rules and regulations were promulgated it was held not to apply to farm lands. When the city home owner in my State applied for a loan he was required to make application through a building and loan association, and when he did that he was told that because of certain State laws loans were not permitted to be made.

We ought to be frank about the matter. Congress should study the most important question before the American people to-day and instead of evading responsibility should meet it in a broad, comprehensive, and constructive way. The hope of the country is now and always has been in encouraging the American people to become home owners. The farmers, because of economic conditions beyond their control, are distressed beyond belief.

I have attended every meeting of the agricultural group which has met from time to time to study this most important question. I have earnestly presented this matter to the House on three different occasions. In an extended speech I urged the Banking and Currency Committee of the House several weeks ago to bring in a comprehensive bill.

Let me repeat that no one in the House is more bitterly disappointed than I am at this idle gesture. Our only hope is that the Senate conferees may insist upon some provi-

sions that may be helpful.

Only four legislative days remain during the present session of Congress. No other bill is expected to be reported to the House by the Banking and Currency Committee during this session. We return to our several districts where the questions of the refinancing of farm mortgages and farm relief are the principal ones being discussed because every business man, banker, merchant, and laborer, who are all dependent upon the farmer, are vitally interested. When we return we will be asked what legislative relief was enacted for the benefit of the farmer. I would like to be down in my district and hear one of the proponents of this bill who spoke in its favor in the House to-day explain to a crowd of deeply interested farmers, where not a single farm land-bank mortgage has been made, how this bill will help one of them.

I end as I began, by saying that I can not find parliamentary language in the limited time at my disposal, when I am only permitted to speak through the courtesy of unanimous consent, to express my very great disappointment.

Mr. STEAGALL. Mr. Speaker, I ask unanimous consent that all Members have three legislative days in which to revise and extend their remarks on this bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. GILCHRIST. Mr. Speaker, I do not oppose the bill. As I see it, it will do no harm, but it certainly will do no considerable good for the bankrupt farmers of this country, and especially to those in the State of Iowa, whom I have the honor of representing on this floor. They have asked for bread. This bill is a stone.

Thousands of them are being driven from their homes without any fault of theirs. In recent press dispatches we are told that whole communities of Russian peasants—not individuals, but whole populations—have been driven from their homes and from the land of their ancestors into the dreary and snowbound wastes of northern Siberia. But the Russian Government did not do such a wicked thing until it first determined that some of these folks, and the leaders of them, had failed in their duty toward the Soviet Government. Innocent men, innocent women with babes in arms, and innocent children are now treking across the snow wastes of western Asia toward the mines of northern Siberia through no fault of themselves. Indescribable suffering awaits their banishment.

Nobody claims that our farmers have done any wrong. They are free from fault. The conditions surrounding them were not of their making. They are industrious. The members of their families are industrious. In the summer time all of them work from the time when the sun, still below the eastern horizon, has not yet dispelled the darkness of night until a time long after night has fallen upon the world. In the winter they work from sun to sun and from daylight into darkness. They are not impecunious. They are industrious and frugal. I repeat that they have asked for bread; and I rejoice that they are going to have bread and will not be despoiled of their homes through ruthless foreclosures and under the hammer of the sheriff without a struggle. The revolution will be lawful.

It will not be attended with bloodshed, but I predict that neither sheriff nor militia nor standing Army will be al-

lowed in America to drive populations from their firesides and homesteads and from the land of their fathers.

Everybody knows these conditions. Everybody knows that no farmer can pay his taxes and the interest on his mortgage under present market conditions. The cost to produce a bushel of corn is ten times as much as he can now sell it for. I am not discussing here this afternoon the question as to whether corn has gone down in value, nor as to whether 23.22 grains of pure gold has gone up in value. As I see it we must maintain, if we can, financial solvency for banks and business institutions. We are striving to do this, and I believe we will succeed. It remains yet to be learned just what will happen on the morrow or next week or next month to these financial institutions. I will go along with any Member on this floor in any honest endeavor to save them. This Congress has already, and very properly, poured out the money and credit of this Government into the currents of finance and trade and transporation. The Reconstruction Finance Corporation has allocated billions of dollars to this purpose. Yet this Congress has done next to nothing to prevent farm foreclosures and to save the farms of this country for its best class of citizens.

Yes; there were \$25,000,000 allocated to the use of the Federal land-bank system in order that it might carry along farm mortgages, but this is a mere grain of sand upon the seashore. We have somewhere between nine and ten billions of dollars of mortgages upon farm lands, and there are probably two to three billions of dollars more of chattel mortgages upon farm property. These farm mortgages about equal in amount the entire stock of monetary gold in the entire world. It is a just criticism of the inaction of this Congress to say that we have not dealt with the farm-mortgage situation either equitably or adequately, or with foresight or wisdom. I fear that we continue to fiddle while Rome burns.

The bill as I see it will do no harm. But it is so inadequate in compass that it does not meet the situation, and it will not rescue a great God-fearing, long-suffering, hardworking populace from impending ruin. The times demand that we refinance agriculture just exactly as we have tried to refinance trade and banking industries. We should now arrange to give the farmer cheap rates of interest. We have done this for others, and we should do it for him. We should amortize his mortgage over long periods of time. I do not wish him to get subsidies, but wisdom requires that we should send on succor to him just as we have for others. He belongs to a class that has always proven to be the bulwark of our civilization and that has in every peril stood as a solid wall in defense of American institutions and liberties. Without its success banks and business, commerce and carriers, trade and traffic must all go into ruin. There may be isolated cases whereby this bill will be helpful and be the means of putting a little cheer into farm homes. But it is a vain thing and it will scarcely affect the situation at all. I do not rise to protest the bill, but in the closing days of this Congress I do protest the fact that our legislation upon the farm-mortgage situation has been so small, insignificant, and trifling when judged in the light of the great need of the country, as to be of no great help. We have failed to discharge the duties we owe to agriculture in this respect. Our responsibility is to rescue farm homes and farm property from further despoliation. If failure in this respect were the result of ignorance, it might be excused; but there is no process of mind which can excuse selfishness or sloth or inattention to known duty. And when we know that men and women are being sold out of house and home, without any fault of theirs, we should act and act speedily. We must not longer allow them to be sold down the river into economic slavery. We must not banish them into the snow and cheerless wastes of bankruptcy and despair.

The SPEAKER pro tempore. The question is, Shall the rules be suspended and the bill (S. 5337) be passed with an amendment?

The question was taken; and two-thirds having voted in favor thereof, the rules were suspended, and the bill was passed as amended.

A similar House bill and rule were laid on the table.

THE LATE HON. WILLIAM YERGER HUMPHREYS

Mr. WHITTINGTON. Mr. Speaker, I ask unanimous consent to address the House for three minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. WHITTINGTON. Mr. Speaker, with very great sorrow I announce the death of former Representative William Yerger Humphreys on last night, February 26, 1933, at his home in the city of Greenville, Miss. He succeeded his father, the late Benjamin Grubb Humphreys, who was elected 11 consecutive terms to Congress from the third district of Mississippi, upon his death on October 16, 1923, at a special election held on November 27, 1923, to fill the unexpired term in the Sixty-eighth Congress, and he served until March 4, 1925, when I succeeded him.

He married Clara Mai Nulsen, of Greenville, Miss., June 1, 1911, and he is survived by his widow and three children. He is also survived by his mother, Mrs. Louise Y. Humphreys,

and by his sister, Mrs. Ralph McGee.

William Yerger Humphreys was born in Greenville, Miss., September 9, 1890. After serving as assistant superintendent of the House document room, he began the practice of law in Greenville, Miss., on June 1, 1914, and with the exception of filling the unexpired term of his lamented father was continuously engaged in the practice of his profession except during his service in the World War.

Will Humphreys volunteered in the World War and was a

first lieutenant in the chemical warfare service.

Having lived in Washington for many years, Will Humphreys, when elected to the House, was thoroughly familiar with the duties and responsibilities of Members of Congress. He succeeded his father as a member of the Committee on Flood Control, and like his father promoted the improvement of the Mississippi River. He made an enviable record during his brief service in Congress.

Shortly after retiring from Congress Will Humphreys, as he was affectionately and familiarly known, was elected prosecuting attorney for Washington County, Miss., which position he held at the time of his death. He was both fair and successful as a prosecuting attorney. He mastered the theory and science of criminal law. He was unswerving in the discharge of his duties. He prosecuted no innocent person. He was concerned not only in punishing the guilty but in improving the criminal. He insisted upon the enforcement of the law but at the same time he was profoundly concerned about the improvement of society. He was impartial. All, without regard to station in life, were accorded a fair and just hearing. He was among the outstanding prosecuting lawyers in Mississippi and the South.

Will Humphreys was a gentleman. His forebears were cultured and refined. His father spent his life in the public service. His grandfather was a gallant officer of the Con-

federacy and Governor of the State of Mississippi.

He was attracted to the public service. He loved his country. He was anxious to discharge the obligation of good citizenship to the State and the Nation. He was patriotic. He was true to every friend and loyal to every trust. Like his father and his grandfather, Will Humphreys was honest in his thinking and courageous in his convictions. He thought for himself. He reached his own conclusions. As a citizen and as a public official he was always true to his ideals of the public service. He possessed and always practiced intellectual integrity. The death of William Y. Humphreys at the age of 43, in the full maturities of his powers, is a distinct loss to his family, to Washington County, to the Delta district that he loved and served, and to the State of Mississippi.

SUSPENSION OF ANNUAL ASSESSMENT WORK ON MINING CLAIMS IN UNITED STATES AND ALASKA

Mr. SMITH of West Virginia. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the resolution (H. J. Res. 533) providing for the suspension of annual assessment work on mining claims held by location in the United States and Alaska, with Senate amendments, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The Clerk read the title of the House joint resolution.

The SPEAKER pro tempore. Is there objection to the

request of the gentleman from West Virginia?

Mr. STAFFORD. Reserving the right to object, what is the purport of the Senate amendment? I think the gentleman should withdraw this matter until to-morrow morning, until we may examine the Senate amendment.

Mr. SMITH of West Virginia. Well, Mr. Speaker, I insist on the matter at this time. It is only a request to

appoint conferees.

Mr. STAFFORD. Will the gentleman acquaint the House with what the Senate amendment is?

Mr. SMITH of West Virginia. Well, we disagree with the Senate amendment.

Mr. STAFFORD. I ask the gentleman to withdraw this until to-morrow. If the gentleman will bring it up tomorrow morning, we will have an opportunity to consider it to-night.

Mr. SMITH of West Virginia. Very well, Mr. Speaker, I will withdraw the request.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mrs. Wingo (at the request of Mr. Driver) indefinitely on account of illness.

To Mr. SIROVICH on Tuesday on account of death in family.

To Mr. BRUNNER on account of illness.

SENATE BILLS REFERRED

Bills of the Senate of the following title were taken from the Speaker's table and, under the rule, referred as follows:

S. 4326. An act for the relief of R. S. Howard Co. (Inc.); to the Committee on War Claims.

S. 5427. An act to authorize the acquisition by the United States of the land upon which the Seneca Indian School, Wyandotte, Okla., is located; to the Committee on Indian

S. 5625. An act authorizing an appropriation to provide for the completion of the George Rogers Clark memorial at Vincennes, Ind.; to the Committee on the Library.

ENROLLED BILLS SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 2601. An act for the relief of William Mathew

Squires;

H. R. 5367. An act for the relief of Jerry V. Crane;

H. R. 6270. An act for the relief of Alexander F. Sawhill: H. R. 7432. An act to authorize the Interstate Commerce

Commission to delegate certain of its powers;

H. R. 10749. An act to authorize acceptance of proposed donation of property in Maxwell, Nebr., for Federal building

H. R. 11980. An act authorizing the President to make a posthumous award of a distinguished-flying cross to Glenn H. Curtiss, deceased, and to present the same to Lua Curtiss, mother of the said Glenn H. Curtiss, deceased;

H. R. 12769. An act to provide an additional authorization for the acquisition of land in the vicinity of Camp Bullis,

Tex.:

H. R. 12977. An act to amend section 808 of Title VIII of the revenue act of 1926, as amended by section 443 of the revenue act of 1928;

H. R. 13026. An act to amend chapter 231 of the act of May 22, 1896 (29 Stat. 133, sec. 546, title 34, U. S. C.);

H. R. 13750. An act to regulate the bringing of actions for damages against the District of Columbia, and for other purposes:

H. R. 13960. An act to amend the description of land described in section 1 of the act approved February 14, 1931, entitled "An act to authorize the President of the United States to establish the Canyon De Chelly National Monument within the Navajo Indian Reservation, Ariz.;

H. R. 14204. An act to amend section 653 of the Code of

Law for the District of Columbia;

H. R. 14321. An act to authorize the Secretary of the Treasury in his discretion to acquire a new site in Huntsville. Ala., and to construct a building thereon for the accommodation of the courts, post office, and other Govern-

H. R. 14363. An act making appropriations for the Departments of State and Justice and for the judiciary and for the Departments of Commerce and Labor for the fiscal year ending June 30, 1934, and for other purposes;

H. R. 14460. An act to extend the times for commencing and completing the construction of a bridge across the Mis-

sissippi River at or near Baton Rouge, La.;

H. R. 14461. An act to provide for placing the jurisdiction, custody, and control of the Washington City post office in the Secretary of the Treasury;

H. R. 14480. An act to extend the times for commencing and completing the reconstruction of a railroad bridge across the Little River at or near Morris Ferry, Ark.;

H. R. 14489. An act relating to the construction of a Federal building at Mangum, Okla.;

H. R. 14500. An act to extend the time for completing the construction of a bridge across the Missouri River at or near Kansas City, Kans.;

H. R. 14562. An act making appropriations for the legislative branch of the Government for the fiscal year ending

June 30, 1934, and for other purposes;

H. R. 14584. An act granting the consent of Congress to the Board of County Commissioners of Allegheny County, Pa., to construct, maintain, and operate a bridge across the Allegheny River between the city of Pittsburgh and the township of O'Hara and the borough of Sharpsburg, Pa.;

H. R. 14586. An act to extend the times for commencing and completing the construction of a bridge across the

Missouri River at or near Culbertson, Mont.;

H. R. 14589. An act to extend the times for commencing and completing the construction of a bridge across the Mississippi River at or near Tenth Street in Bettendorf,

H. R. 14601. An act to extend the times for commencing and completing the construction of a bridge across the Mississippi River between New Orleans and Gretna, La.; and

H. R. 14602. An act to revive and reenact the act entitled "An act granting the consent of Congress to the Highway Department of the State of Alabama to construct a bridge across Elk River between Lauderdale and Limestone Counties, Ala.," approved February 16, 1928.

The SPEAKER announced his signature to an enrolled

bill of the Senate of the following title:

S. 5445. An act to extend the times for commencing and completing the construction of a bridge across the Rio Grande at or near Rio Grande City, Tex.

BILLS PRESENTED TO THE PRESIDENT

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President for his approval bills of the House of the following

H.R. 194. An act to amend section 6 of the national charter of the Great Council of the United States of the Improved Order of Red Men;

H. R. 2872. An act for the relief of the Dongji Investment Co. (Ltd.):

H. R. 3036. An act for the relief of Florence Mahoney;

H. R. 3607. An act for the relief of Dr. M. M. Brayshaw;

H. R. 3727. An act for the relief of Mary Elizabeth Fox:

H.R. 3905. An act for the relief of Maj. L. D. Worsham;

H. R. 7121. An act to repeal obsolete statutes and to improve the United States Code;

H. R. 7548. An act granting six months' pay to Ruth Mc-

H.R. 8216. An act for the relief of the First National Bank of Junction City, Ark.;

H. R. 8800. An act for the relief of Laura J. Clarke;

H. R. 9336. An act for the relief of Emily Addison;

H. R. 9476. An act for the relief of the Merchants & Farmers Bank, Junction City, Ark.;

H.R. 10086. An act to amend the act of February 14, 1920, authorizing and directing the collection of fees for work done for the benefit of Indians:

H.R. 10641. An act to amend section 122 of the Judicial Code:

H. R. 11735. An act to permanently set aside certain lands in Utah as an addition to the Navajo Indian Reservation, and for other purposes;

H. R. 13655. An act to amend the act of May 10, 1928, entitled "An act to provide for the times and places for holding court for the eastern district of North Carolina' (45 Stat. 495);

H. R. 14392. An act to authorize the payment of taxes and assessments on family dwelling houses in the District of Columbia in quarterly installments, and for other purposes;

H. R. 14411. An act to extend the times for commencing and completing the construction of a bridge across the Rio Grande at Boca Chica, Tex.;

H. R. 14460. An act to extend the times for commencing and completing the construction of a bridge across the Mississippi River at or near Baton Rouge, La.;

H. R. 14480. An act to extend the times for commencing and completing the reconstruction of a railroad bridge across the Little River at or near Morris Ferry, Ark.;

H. R. 14562. An act making appropriations for the legislative branch of the Government for the fiscal year ending

June 30, 1934, and for other purposes;

H.R. 14584. An act granting the consent of Congress to the Board of County Commissioners of Allegheny County, Pa., to construct, maintain, and operate a bridge across the Allegheny River between the city of Pittsburgh and the township of O'Hara and the borough of Sharpsburg, Pa.;

H. R. 14586. An act to extend the times for commencing and completing the construction of a bridge across the Mis-

souri River at or near Culbertson, Mont .;

H. R. 14589. An act to extend the times for commencing and completing the construction of a bridge across the Mississippi River at or near Tenth Street in Bettendorf, Iowa;

H. R. 14601. An act to extend the times for commencing and completing the construction of a bridge across the Mississippi River between New Orleans and Gretna, La.;

H. R. 14602. An act to revive and reenact the act entitled "An act granting the consent of Congress to the Highway Department of the State of Alabama to construct a bridge across Elk River between Lauderdale and Limestone Counties, Ala., approved February 16, 1928; and

H. R. 14657. An act to extend the times for commencing and completing the construction of a railroad bridge and/or a toll bridge across the water between the mainland at or near Cedar Point and Dauphin Island, Ala.

ADJOURNMENT.

Mr. STEAGALL. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 50 minutes p. m.) the House adjourned until to-morrow, Tuesday, February 28, 1933, at 11 o'clock a. m.

EXECUTIVE COMMUNICATIONS, ETC.

949. Under clause 2 of Rule XXIV a letter from the Public Printer, transmitting a list of files that have no permanent value nor historical interest and requesting authority to dispose of as waste paper, was taken from the Speaker's table and referred to the Committee on Disposition of Useless Executive Papers.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. GREEN: Joint Committee on the Disposition of Useless Executive Papers. A report on the disposition of useless papers in the Interior Department (Rept. No. 2156). Or- | Federal reserve system prior to their appointment or elecdered to be printed.

Mr. GILBERT: Committee on the District of Columbia. S. 4082. An act to regulate the business of executing bonds for compensation in criminal cases and to improve the administration of justice in the District of Columbia; without amendment (Rept. No. 2171). Referred to the House

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. BRITTEN: Committee on Naval Affairs. H. R. 14674. A bill to authorize the placing of a bronze tablet bearing a replica of the congressional medal of honor upon the grave of the late Brig. Gen. Robert H. Dunlap, United States Marine Corps, in the Arlington National Cemetery, Va.; without amendment (Rept. No. 2155). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H. R. 994. A bill for the relief of Edna B. Wylie; without amendment (Rept. No. 2157). Referred to the Committee of the Whole House.

Mr. BALDRIGE: Committee on Claims. H. R. 2245. A bill for the relief of Stella E. Whitmore; without amendment (Rept. No. 2158). Referred to the Committee of the Whole

Mr. BLACK: Committee on Claims. H. R. 2926. A bill for the relief of R. K. Miller, J. M. Grigg, S. F. Gaylord, M. D. Boyce, William T. Bryan, Joel Duke, O. D. Hartman, M. C. Boyette, and C. C. Butler; without amendment (Rept. No. 2159). Referred to the Committee of the Whole House.

Mr. SMITH of Virginia: Committee on Claims. H. R. 10112. A bill for the relief of John L. Summers, disbursing clerk, Treasury Department, and for other purposes; with amendment (Rept. No. 2160). Referred to the Committee of the Whole House.

Mr. LOZIER: Committee on Claims. H. R. 11559. A bill for the relief of A. H. Marshall; with amendment (Rept. No. 2161). Referred to the Committee of the Whole House.

Mr. DICKSTEIN: Committee on Claims. H. R. 12684. A bill for the relief of Capt. James L. Alverson; with amendment (Rept. No. 2162). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H. R. 13227. A bill for the relief of Manuel Merritt; without amendment (Rept. No. 2163). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H. R. 13421. A bill for the relief of C. A. Dickson; without amendment (Rept. No. 2164). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H. R. 13946. A bill for the relief of O. S. Cordon; without amendment (Rept. No. 2165). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H. R. 13948. A bill for the relief of Paul Bulfinch; without amendment (Rept. No. 2166). Referred to the Committee of the Whole House.

Mr. RAMSPECK: Committee on Claims. H. R. 13952. A bill for the relief of Joseph Shabel; with amendment (Rept. No. 2167). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H. R. 14043. A bill for the relief of B. Edward Westwood; without amendment (Rept. No. 2168). Referred to the Committee of the Whole

Mr. BLACK. Committee on Claims. H. R. 14212. A bill for the relief of Ralph E. Woolley; with amendment (Rept. No. 2169). Referred to the Committee of the Whole House.

Mr. RAMSPECK: Committee on Claims. H. R. 14259. A bill for the relief of Lula A. Densmore; with amendment (Rept. 2170). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of Rule XXII, public bills and resolutions were introduced and severally referred as follows:

Ly Mr. GILLEN: A bill (H. R. 14781) to require certification by the Comptroller of the Currency to the fitness of individuals to execute certain offices in member banks of the

tion to such offices; to the Committee on Banking and Currency.

By Mr. CAMPBELL of Pennsylvania: A bill (H. R. 14782) to amend sections 23 and 25 of the revenue act of 1932; to the Committee on Ways and Means.

By Mr. BACON: A bill (H. R. 14783) relating to the record of registry of certain aliens; to the Committee on Immigration and Naturalization.

By Mr. FIESINGER: A bill (H. R. 14784) to preserve and protect the gold standard through establishment of an auxiliary monetary reserve of silver and the issuance of silver certificates payable in their gold-value equivalent and under such regulations as will provide protection to gold from being cornered and protection from inflation in gold values during periods of excessive demands; to the Committee on Coinage, Weights, and Measures.

By Mr. ROMJUE: Resolution (H. Res. 401) calling for a report concerning the transfer of non-civil-service employees in the Federal Government into classified civil-service positions between the dates of November 8, 1932, and March 4, 1933; to the Committee on Rules.

MEMORIALS

Under clause 3 of Rule XXII, memorials were presented and referred as follows:

Memorial of the Legislature of the State of North Carolina, memorializing Congress to refrain from a further invasion of sources of taxation heretofore enjoyed by the State, and that the Congress balance the Budget without further increase in tax levies; to the Committee on Ways and Means.

Memorial of the Council of Lakewood, Ohio, memorializing Congress to enact House Joint Resolution 191; to the Committee on the Post Office and Post Roads.

Memorial of the Council of the City of Monessen, Pa., memorializing Congress to enact House Joint Resolution 191; to the Committee on the Post Office and Post Roads.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. JENKINS: A bill (H. R. 14785) granting an increase of pension to Mary M. Folden; to the Committee on Invalid Pensions.

By Mr. PARKER of New York: A bill (H. R. 14786) granting an increase of pension to Susan A. Jordan; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

10707. By Mr. ANDREW of Massachusetts: Petition of the Board of Aldermen of Beverly, Mass., memoralizing Congress to enact House Joint Resolution 191 and Senate Joint Resolution 105, providing for a special series of postage stamps to commemorate the one hundred and fiftieth anniversary of the naturalization of General Kosciusko as an American citizen and his appointment as brigadier general in the Revolutionary Army; to the Committee on the Post Office and Post Roads.

10708. By Mr. ARENTZ: Memorial of Carson City (Nev.) Chamber of Commerce, protesting against what they consider unwise action of the House of Representatives in striking from the appropriation bill the necessary appropriation for the support of the Carson City assay office, and begging the United States Senate to have this appropriation restored to the bill: to the Committee on Appropriations.

10709. By Mr. CARTER of Wyoming: Memorial of the Twenty-second Legislature of the State of Wyoming, memoralizing the Congress of the United States to establish a fish hatchery with the State of Wyoming; to the Committee on Agriculture.

10710. Also, memorial of the Twenty-second Legislature of the State of Wyoming, requesting that an investigation be made to determine the feasibility of an air mail route from Billings, and Great Falls, Mont.; to the Committee on the Post Office and Post Roads.

10711. By Mr. CLARKE of New York: Petition of Vivian Barrett and 232 residents of Endicott, N. Y., urging favorable action on the stop-alien representation in the United States, to the Committee on the Judiciary; and favoring passage of Senate Bill 3770 and Senate Resolution 170 to investigate the moving-picture industry; to the Committee on Interstate and Foreign Commerce.

10712. By Mr. CONDON: Petition of John Geiger, Alfred E. Millard, Oreste Pieranunzi, Harold S. Thatcher, John A. Brown, Matthew A. Whelan, James H. Dolan, John Mc-Manus, and 636 other citizens of Rhode Island, protesting against any repeal or modification of existing legislation beneficial to Spanish War veterans, their widows, or dependants; to the Committee on World War Veterans' Legis-

10713. By Mr. DELANEY: Petition of Kenny Bros., of New York, petitioning that provisions be made in the Department of Commerce appropriation to continue the plumbing and heating products unit by the Federal Government; to the Committee on Appropriations.

10714. Also, petition of the New York County Andrew Jackson Chapter of the United States Daughters of 1812, protesting against that part of the Connery amendment to the War Department appropriation bill which takes pay from any retired officer whose income is in excess of \$3,000; to the Committee on Appropriations.

10715. Also, petition of the Fellowship of Reconciliation of New York City, protesting against Couzens's proposal to appropriate \$22,000,000 for sending unemployed young men to citizens' military training camps and urging instead the passage of the Cutting bill, providing \$15,000,000 for local agencies: to the Committee on Military Affairs.

10716. By Mr. DOUTRICH: Petition of Cumberland County (Pa.) Woman's Christian Temperance Union, opposing any change in our prohibition laws; to the Committee on the Judiciary.

10717. By Mr. GARBER: Petition of the Associated Industries of Oklahoma, Oklahoma City, Okla., pledging continued support and cooperation toward securing a more equitable tax or tariff upon imported petroleum and its products; to the Committee on Ways and Means,

10718. Also, petition of the Tonkawa and Carlisle Parent-Teachers Association, Tonkawa, Okla., urging enactment of law establishing a Federal motion-picture commission, declaring the motion-picture industry a public utility, regulating the trade practices of the industry used in the distribution of pictures, supervising the selection and treatment of subject material during the processes of production, and providing that all pictures entering interstate and foreign commerce be produced and distributed under Government supervision and regulation, and specifically urging support of Senate bill 1079 and Senate Resolution 170; to the Committee on Interstate and Foreign Commerce.

10719. By Mr. GIBSON: Petition of Barre Unit, No. 10, the American Legion Auxiliary, Department of Vermont, opposing any proposed reductions in the benefits now being paid and against any revision in the privileges that are now accorded by law to veterans of all wars; to the Committee on World War Veterans' Legislation.

10720. Also, petition of Vergennes Post, No. 14, American Legion, Department of Vermont, opposing present proposed reductions in benefits now being paid or any detraction from the privileges now accorded by law to veterans of all wars; to the Committee on World War Veterans' Legislation.

10721. Also, petition of Nelson E. Pickwell Post, No. 15, American Legion, Department of Vermont, opposing any proposed reductions in benefits now allowed and any revision in privileges now accorded by law to veterans of all wars; to the Committee on World War Veterans' Legislation.

10722. By Mr. HANCOCK of New York: Petition of Maria

Denver, Colo., via Cheyenne, Casper, and Sheridan, Wyo., to | the stop-alien amendment to the Constitution; to the Committee on the Judiciary.

> 10723. By Mr. LEAVITT: Petition of Montana State Legislature to the Interstate Commerce Commission of the United States, advocating a reduction of freight rates on gasoline from midcontinent points; to the Committee on Interstate and Foreign Commerce.

> 10724. By Mr. PARKER of Georgia: Resolution passed by Chapter No. 60, National Sojourners, Fort McPherson, Atlanta, Ga., recommending the immediate building of our Navy to the limits of the London treaty and that the provisions of the national defense act concerning the Army, Marine Corps, and reserves be complied with fully; to the Committee on Naval Affairs.

> 10725. By Mr. PERSON: Petition of Woman's Society of Peoples Church, East Lansing, Mich., favoring the establishment of a Federal motion-picture commission; to the Committee on Interstate and Foreign Commerce.

> 10726. By Mr. SELVIG: Petition of the Woman's Christian Temperance Union of St. Charles, Minn., urging enactment of legislation providing Federal regulation of motion pictures; to the Committee on Interstate and Foreign Commerce.

> 10727. By Mr. STRONG of Pennsylvania: Petition of New Century Club of Indiana, Pa., favoring legislation to control the motion-picture industry; to the Committee on Interstate and Foreign Commerce.

> 10728. By Mr. SUTPHIN: Petition adopted at the annual meeting of the Brunswick National Farm Loan Association, favoring readjustment in interest and principal payments on Federal land bank mortgages; to the Committee on Banking and Currency.

> 10729. By Mr. SWICK: Petition of Margaret Peebles, R. F. D. 3, Slippery Rock, Pa., president, Bertha Shoaff, R. F. D. 1, Volant, Pa., secretary, and members of the Women's Christian Temperance Union, of Plain Grove, Lawrence County, Pa., urging legislation to establish a Federal motionpicture commission to regulate and censor the production and exhibition of motion pictures; to the Committee on Interstate and Foreign Commerce.

> 10730. By Mr. WYANT: Petition of the city of Monessen, Westmoreland County, Pa., urging legislation for issuance of special series of 3-cent postage stamps commemorating the one hundred and fiftieth anniversary of the naturalization as an American citizen of Thaddeus Kosciusko and his appointment as brigadier general of the Continental Army, on October 13, 1783; to the Committee on the Post Office and Post Roads.

SENATE

TUESDAY, FEBRUARY 28, 1933

The Senate met at 11 o'clock a. m.

NAMING A PRESIDING OFFICER

The Chief Clerk (John C. Crockett) called the Senate to order and read the following communication:

> UNITED STATES SENATE, Washington, D. C., February 28, 1933.

To the Senate:

Being temporarily absent from the Senate, I appoint Hon. SIMEON D. FESS, a Senator from the State of Ohio, to perform the duties of the Chair this legislative day.

President pro tempore.

Rev. W. S. Abernethy, D. D., pastor of the Calvary Baptist Church of the city of Washington, offered the following

Eternal God, our Heavenly Father, Thou who hast promised us daily strength for our daily requirements, grant to us all that we need for this day's duties. May our thinking to-day be on high levels. May the things that we do be according to the highest standards of truth and justice and integrity. Bless, we pray Thee, all who have heavy responsibilities resting upon them. We pray for our President. We pray for the one who is so soon to assume the duties of W. Bishop and other residents of Cortland, N. Y., favoring this high office. We pray for the men who sit in this honored body. May they be guided to-day in their decisions and deliberations. This prayer we offer in the name of Christ our Lord. Amen.

THE JOURNAL

The Chief Clerk proceeded to read the Journal of the proceedings of the calendar day of yesterday, when, on request of Mr. McNary and by unanimous consent, the further reading was dispensed with and the Journal was approved.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Chaffee, one of its clerks, announced that the House had passed without amendment the bill (S. 1752) to authorize an appropriation for the purchase of land in South Dakota for use as camp sites or rifle ranges for the National Guard of said State.

The message also announced that the House had passed the bill (S. 5337) to amend the Federal farm loan act, as amended, to permit loans for additional purposes, to extend the powers of Federal land banks in the making of direct loans, to authorize upon certain terms the reamortization of loans by Federal and joint-stock land banks, and for other purposes, with an amendment, in which it requested the concurrence of the Senate.

The message further announced that the House had passed the following bills of the Senate, each with amendments, in which it requested the concurrence of the Senate:

S. 4008. An act to amend article 5 of the act of Congress approved June 7, 1897, relating to the approval of regulations for preventing collisions upon certain harbors, rivers, and inland waters of the United States;

S. 4491. An act amending the shipping act, 1916, as amended, for the purpose of further regulating common carriers by water in interstate commerce of the United States engaged in transportation by way of the Panama Canal:

S. 5233. An act to provide for the protection of national military parks, national parks, battlefield sites, national monuments, and miscellaneous memorials under the control of the War Department; and

S. 5469. An act to provide for the creation of the Morristown National Historical Park in the State of New Jersey, and for other purposes.

The message also announced that the House had passed a bill (H. R. 13042) to authorize the transfer of land from the War Department to the Territory of Hawaii, in which it requested the concurrence of the Senate.

ENROLLED BILL SIGNED

The message further announced that the Speaker had affixed his signature to the enrolled bill (S. 5445) to extend the times for commencing and completing the construction of a bridge across the Rio Grande at or near Rio Grande City, Tex., and it was signed by the Presiding Officer [Mr. Fess] as Acting President of the Senate pro tempore.

THE CALENDAR-UNANIMOUS-CONSENT AGREEMENT

Mr. McNARY. Mr. President, I propose the following unanimous-consent agreement, to become effective after the conclusion of routine morning business.

The PRESIDING OFFICER (Mr. Fess). The clerk will report the proposed unanimous-consent agreement.

The CHIEF CLERK. The Senator from Oregon proposes the following unanimous-consent agreement:

It is agreed by unanimous consent that the Senate, at the conclusion of routine morning business, shall proceed with the consideration of unobjected bills on the calendar subject to the 5-minute limitation of debate under Rule VIII.

The PRESIDING OFFICER. Is there objection?

Mr. DHL. Mr. President, I want to call up the conference report on the radio bill before the call of the calendar, if I may do so. I would not want the call of the calendar to interfere with the disposal of the conference report.

Mr. McNARY. The conference report can be brought up during the consideration of routine morning business.

Mr. NORBECK. Mr. President, a parliamentary inquiry. The PRESIDING OFFICER. The Senator will state it.

Mr. NORBECK. I have a resolution lying on the table. Will the unanimous-consent agreement interfere with calling it up?

Mr. McNARY. I particularly specified that the unanimous-consent agreement is to become effective after the routine morning business.

The PRESIDING OFFICER. Is there objection to the unanimous-consent agreement proposed by the Senator from Oregon? The Chair hears none, and it is so ordered.

CALL OF THE ROLL

Mr. McNARY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Ashurst	Costigan	Keyes	Schuyler
Austin	Couzens	King	Sheppard
Bailey	Dale	La Follette	Shortridge
Bankhead	Dickinson	Lewis	Smith
Barbour	Dill	Logan	Smoot
Barkley	Fess	Long	Steiwer
Bingham	Fletcher	McGill	Stephens
Black	Frazier	McKellar	Swanson
Blaine	George	McNary	Thomas, Idaho
Borah	Glass	Metcalf	Thomas, Okla.
Bratton	Glenn	Neely	Townsend
Brookhart	Goldsborough	Norbeck	Trammell
Broussard	Gore	Norris	Tydings
Bulkley	Grammer	Nve	Vandenberg
Bulow	Hale	Oddle	Wagner
Byrnes	Harrison	Patterson	Walcott
Capper	Hastings	Pittman	Walsh, Mass.
Caraway	Hatfield	Reed	Watson
Carey	Havden	Reynolds	Wheeler
Clark	Hebert	Robinson, Ark.	White
Connally	Johnson	Robinson, Ind.	
Coolidge	Kean	Russell	
Copeland	Kendrick	Schall	

Mr. NORRIS. I desire to announce that my colleague the junior Senator from Nebraska [Mr. Howell] is necessarily detained because of illness. I will let this announcement stand for the day.

The PRESIDING OFFICER. Eighty-nine Senators have answered to their names. A quorum is present.

PETITIONS AND MEMORIALS

The PRESIDING OFFICER (Mr. FESS) laid before the Senate a resolution adopted by the Common Council of the City of Lakewood, Ohio, favoring the passage of legislation authorizing the issuance of a special series of postage stamps of the denomination of 3 cents, commemorative of the one hundred and fiftieth anniversary of the naturalization as an American citizen and appointment as brevet brigadier general of the Continental Army on October 13, 1783, of Thaddeus Kosciusko, which was referred to the Committee on Post Offices and Post Roads.

Mr. COPELAND presented a resolution unanimously adopted by members of the Gyro Club, of Syracuse, N. Y., favoring the immediate stopping of further investigations into the operations of "Wall Street and New York banks" on account of its tendency at this time to destroy confidence, which was ordered to lie on the table.

He also presented a resolution adopted by Maris Stella Council, No. 378, Knights of Columbus, of Far Rockaway, N. Y., opposing the passage of the so-called Hatfield birth control bill, being the bill (S. 4436) to amend section 305 (a) of the tariff act of 1930, and sections 211, 245, and 312 of the Criminal Code, as amended, which was referred to the Committee on the Judiciary.

He also presented a resolution adopted by the Council of the City of New Rochelle, N. Y., favoring the passage of legislation authorizing the issuance of a special series of postage stamps of the denomination of 3 cents, commemorative of the one hundred and fiftieth anniversary of the naturalization as an American citizen and appointment as brevet brigadier general of the Continental Army on October 13, 1783, of Thaddeus Kosciusko, which was referred to the Committee on Post Offices and Post Roads.

He also presented the petition of the Woman's Home Missionary Society of Sanitaria Spa, N. Y., praying for the prompt ratification of the World Court protocols, which was ordered to lie on the table.

committee of the Albany County (N. Y.) American Legion Auxiliary, favoring the full carrying out of the provisions of the national defense act for the maintenance of the armed forces of the United States, which was ordered to lie on the table.

He also presented a resolution adopted by the Buffalo (N. Y.) Flour Club (through its executive committee), opposing the adoption of the plan of farm relief known as the domestic-allotment plan, which was ordered to lie on the

He also presented a resolution adopted by St. Lawrence County (N. Y.) Pomona Grange, opposing the making of reductions in appropriations for the Rural Mail Service, which was ordered to lie on the table.

He also presented a resolution adopted at meetings of the Farmers' Holiday Association of Columbia County, N. Y. opposing reductions in appropriations for the Rural Mail Service, and favoring the passage of legislation known as the Frazier farm relief bill, which was ordered to lie on the

Mr. WALCOTT presented papers in the nature of petitions of sundry citizens of Stonington, Conn., praying for the restoration of the buying power of farmers through the adoption of a tax-allotment plan so as to raise the domesticprice level, and also the adoption of a manufacturers' sales tax, which were referred to the Committee on Finance.

He also presented the petition of Orville La Flamme Post, American Legion Auxiliary, of Jewett City, Conn., praying for the passage of the so-called widows and orphans pension bill, which was referred to the Committee on Finance.

He also presented petitions of sundry citizens of Bridgeport, Coscob, New Britain, Noroton Heights, and Stamford, all in the State of Connecticut, praying for the passage of the so-called Hatfield-Keller bill, being the bill (S. 4646) to provide for the establishment of a system of pensions for railroad and transportation employees, and for a railroad pension board, and for other purposes, which were referred to the Committee on Interstate Commerce.

He also presented resolutions adopted by the common councils of the cities of New Britain and Stamford, in the State of Connecticut, favoring the passage of legislation authorizing the issuance of a special series of postage stamps of the denomination of 3 cents, commemorative of the one hundred and fiftieth anniversary of the naturalization as an American citizen and appointment as brevet brigadier general of the Continental Army, on October 13, 1783, of Thaddeus Kosciusko, which were referred to the Committee on Post Offices and Post Roads.

He also presented a resolution adopted by the Hamden (Conn.) Chamber of Commerce, favoring the reduction of public expenditures, which was ordered to lie on the table.

He also presented papers in the nature of petitions of Unit No. 111, of North Woodstock; Kiltonic Post, No. 72, of Southington; and Morgan-Wier Post, No. 27, of Litchfield, all of the American Legion Auxiliary, in the State of Connecticut, praying for the creation of a separate veterans' committee of the Senate, which were ordered to lie on the

He also presented petitions of Darrow Unit, No. 48, of Guilford; Taftville Unit, No. 104, of Taftville; and the Second District, Department of Connecticut, West Haven, all of the American Legion Auxiliary in the State of Connecticut, praying for the passage of legislation restoring the "48 drills" to the Naval Reserve, which were ordered to lie on the table.

He also presented the petition of Elizabeth Clarke Hull Chapter, Daughters of the American Revolution, of Ansonia, Conn., praying for the enactment of the so-called Hale bill, being the bill (S. 51) to authorize building up of the United States Navy to the strength permitted by the Washington and London naval treaties, which was ordered to lie on the table.

REMONETIZATION OF SILVER

Mr. WHEELER presented resolutions of the Silverbow (Mont.) Trades and Labor Council and the Calumet Joint its title and referred to the Committee on Indian Affairs.

He also presented a resolution adopted by the executive | Labor Council, of Chicago, Ill., which were referred to the Committee on Finance and ordered to be printed in the RECORD, as follows:

Resolution by Silverbow Trades and Labor Council

Whereas the present industrial depression in the United States

whereas the present industrial depression in the United States has resulted in the creating of a large army of unemployed; and Whereas the best thought of the country has been directed toward eliminating this condition; and Whereas there is a bill introduced by Senator Wheeler, of Montana, known as the Wheeler bill, S. 2487, the enactment of which would reestablish the honest or stable dollar of our forefathers as initiated by them in 1792 and enjoyed by the people of this country to 1873, in our opinion this is the most important piece of legislation that has been suggested either in the United States or

whereas its enactment would be highly beneficial to all classes of our people and all the rest of the world, as we do not believe there is enough gold in the world to carry on the trade of the

world; and
Whereas under the Wheeler bill it would quintuple the purchasing power of the larger percentage of the world's population, as it would contemporaneously bring the price of silver bullion from 25 cents per ounce to a minimum of 1.29 the world over; and Whereas under the Wheeler bill it is not proposed to purchase silver, but to place the stamp of the United States mint on silver bullion on a ratio of 16 to 1; and
Whereas we believe this would be the best legislation to bring back prosperity to the whole world, and the only thing that will bring prosperity to the mining States and relieve the present depression:

depression:

Resolved, That the Silverbow Trades and Labor Council gives its fullest support to this measure, and that the secretary be instructed to notify each of our representatives to this effect.

LEGISLATIVE COMMITTEE OF SILVERBOW COUNCIL,

C. J. CONNORS, Chairman. THOS. McGARY. H. E. ELLIS. EARL C. SIMMONS. TOM BROWN.

Resolution adopted by the Calumet Joint Labor Council February 14

Whereas Senator Burton K. Wheeler has introduced a bill whereas Senator Burron R. WHEELER has introduced a burning whom as Senate bill 2487 for the restoration of the honest and stable dollar, this legislation contemplated to restore the purchasing power of our people and reopen the industry in our Nation, the remonetization of silver is of vital importance to the progress of recovery in this country, the reestablishment of a stable relationship between the dollar and foreign currencies, thus relieving our price structure from the most destructive of all kinds of competition, that of depreciating currencies of competing nations: Be it

Resolved, That we, the Calumet Joint Labor Council, indorse Senate bill 2487, that the secretary send a copy to each of our Senators and Congressman to request that they give every aid and support for its adoption.

E. J. BUDD. H. C. DIEHL.
A. J. PALMGREEN.

REPORTS OF COMMITTEES

Mr. WHEELER, from the Committee on Indian Affairs, to which was referred the bill (H. R. 11896) to provide for expenses of the Northern Cheyenne Indian Tribal Council and authorized delegates of the tribe, reported it without amendment and submitted a report (No. 1321) thereon.

Mr. ROBINSON of Indiana, from the Committee on Pensions, to which was referred the bill (S. 3037) to protect labor in its old age, reported it without amendment and submitted a report (No. 1322) thereon.

Mr. HALE, from the Committee on Appropriations, to which was referred the bill (H. R. 14769) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1933, and prior fiscal years, to provide supplemental appropriations for the fiscal years ending June 30, 1933, and June 30, 1934, and for other purposes, reported it with amendments and submitted a report (No. 1323) thereon.

Mr. KEAN, from the Committee on Naval Affairs, to which was referred the bill (S. 1656) to authorize the Secretary of the Navy to make a long-term contract for a supply of water to the United States naval station at Guantanamo Bay. Cuba, reported it with an amendment.

BILL INTRODUCED

Mr. HAYDEN introduced a bill (S. 5696) to define the exterior boundaries of the Navajo Indian Reservation in Arizona, and for other purposes, which was read twice by

HOUSE BILL REFERRED

The bill (H. R. 13042) to authorize the transfer of land from the War Department to the Territory of Hawaii was read twice by its title and referred to the Committee on Military Affairs.

MESSAGES FROM THE PRESIDENT-APPROVAL OF BILLS AND JOINT RESOLUTIONS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Latta, one of his secretaries, who announced that the President had approved and signed the following acts and joint resolutions:

On February 20, 1933:

S. 4673. An act to amend an act entitled "An act to incorporate the trustees of the Female Orphan Asylum in Georgetown, and the Washington City Orphan Asylum in the District of Columbia," approved May 24, 1828, as amended by act of June 23, 1874.

On February 21, 1933:

S. 3438. An act authorizing adjustment of the claim of Lindley Nurseries (Inc.); and

S. 4576. An act to authorize the Secretary of Commerce to grant an easement for railroad right of way over and upon a portion of the helium gas bearing lands of the United States of America, in Potter County, in the State of Texas. On February 23, 1933:

S. 1705. An act for the relief of Samuel C. Davis;

S. 5588. An act authorizing the acceptance of title to sites for public building projects subject to the reservation of ore and mineral rights; and

S. J. Res. 237. Joint resolution authorizing the erection in the Department of State Building of a memorial to the American diplomatic and consular officers who while on active duty lost their lives under heroic or tragic circum-

On February 24, 1933:

S. 567. An act to authorize the Secretary of War to sell to the Philadelphia, Baltimore & Washington Railroad Co. certain tracts of land situated in the county of Harford and State of Maryland;

S. 4020. An act to give the Supreme Court of the United States authority to prescribe rules of practice and procedure with respect to proceedings in criminal cases after verdict;

S. 4065. An act authorizing the packing of oleomargarine and adulterated butter in tin and other suitable packages;

S. 5370. An act to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Farnam Street, Omaha, Nebr.;

S. 5659. An act authorizing the State of Georgia to construct, maintain, and operate a toll bridge across the Savannah River at or near Lincolnton, Ga.; and

S. J. Res. 243. Joint resolution authorizing the President of the United States to extend a welcome to the Pan American Medical Association which holds its convention in the United States in March, 1933.

On February 25, 1933:

S. 4589. An act to authorize the Secretary of the Interior to make payment of part of the expenses incurred in securing improvements in drainage project of drainage district No. 1, Richardson County, Nebr., and for other purposes;

S. 4756. An act to authorize the Veterans' Administration or other Federal agencies to turn over to superintendents of the Indian Service amounts due Indians who are under legal disability, or to estates of such deceased Indians; and

S. J. Res. 256. Joint resolution authorizing the Comptroller of the Currency to exercise with respect to national banking associations powers which State officials may have with respect to State banks, savings banks, and/or trust companies under State laws.

On February 27, 1933:

S. J. Res. 223. Joint resolution establishing the United States Georgia Bicentennial Commission, and for other pur-

On February 28, 1933:

S. 1044. An act authorizing the issuance to Cassie E. Howard of a patent for certain lands; and

S. 2259. An act for the relief of Mathie Belsvig.

BOARD OF VISITORS TO THE NAVAL ACADEMY

The VICE PRESIDENT laid before the Senate a letter from the senior Senator from Virginia [Mr. Swanson], which was ordered to lie on the table, and it was read, as follows:

United States Senate, February 27, 1933.

Hon. Charles Curtis,

The Vice President, Washington, D. C.

My Dear Mr. Vice President: I hereby tender to you my resignation as a member of the Board of Visitors of the Naval Academy. I again desire to assure you of my appreciation of the honor conferred on me by being named a member of the board.

With kind regards and best wishes, I am,

Very respectfully yours,

CLAUDE A. SWANSON.

The VICE PRESIDENT appointed Mr. TRAMMELL a member of the Board of Visitors to the United States Naval Academy to fill the vacancy caused by the resignation of Mr. SWANSON.

ACQUISITION OF LAND AT CAMP BULLIS, TEX. (S. DOC. NO. 207)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, transmitting, pursuant to law, a supplemental estimate of appropriation for completing the acquisition of land at Camp Bullis, Tex., amounting to \$6,400, which, with the accompanying paper, was referred to the Committee on Appropriations and ordered to be printed.

REMOVAL OF STATUES FROM STATUARY HALL (S. DOC. NO. 208)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, transmitting, without revision, a supplemental estimate of appropriation pertaining to the legislative establishment, under the architect of the Capitol, for the removal of statues from Statuary Hall, fiscal year 1933, amounting to \$4,000, which, with the accompanying papers, was referred to the Committee on Appropriations and ordered to be printed.

PAYMENT OF FINAL JUDGMENTS—DISTRICT OF COLUMBIA (S. DOC. NO. 204)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, transmitting, pursuant to law, a supplemental estimate of appropriation for the District of Columbia, fiscal year 1933, for the payment of final judgments that have been rendered against it, amounting, with costs, to \$2,932, which, with the accompanying paper, was referred to the Committee on Appropriations and ordered to be printed.

DAMAGES TO PRIVATELY OWNED PROPERTY (S. DOC. NO. 205)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, transmitting, pursuant to law, an estimate of appropriation submitted by the Treasury Department (Bureau of Customs) to pay claims for damages to privately owned property, in the sum of \$100, which, with the accompanying papers, was referred to the Committee on Appropriations and ordered to be printed.

INQUIRY AT DETROIT, MICH., ON GASOLINE DUMPING (S. DOC. NO. 206)

The VICE PRESIDENT laid before the Senate a letter from the chairman of the Federal Trade Commission, transmitting, pursuant to Senate Resolution 274 (submitted by Mr. Gore and agreed to on July 16, 1932), a report on the results of inquiry of the commission at Detroit, Mich., on the dumping or alleged dumping of foreign gasoline, which, with the accompanying report, was ordered to lie on the table and to be printed.

REPORT OF THE AMERICAN WAR MOTHERS

The VICE PRESIDENT laid before the Senate the report of the American War Mothers, submitted pursuant to law, covering the period from October 3, 1931, to October 1, 1932, which was referred to the Committee on Military Affairs.

AMENDMENT OF FEDERAL FARM LOAN ACT

The VICE PRESIDENT laid before the Senate the amendment of the House of Representatives to the bill (S. 5337) to amend the Federal farm loan act, as amended, to permit loans for additional purposes, to extend the powers of Federal land banks in the making of direct loans, to authorize upon certain terms the reamortization of loans by Federal and joint-stock land banks, and for other purposes, which was to strike out all after the enacting clause and insert:

That for a period not to exceed five years any borrower who has obtained a loan from a Federal land bank may on application to such Federal land bank and upon approval of such application by the directors of the bank postpone the payment of any unpaid installment or installments in the manner herein provided in this installment or installments in the manner herein provided in this section. Such postponed payment shall be made by paying at the time each succeeding annual installment is due, one-tenth of the amount of the postponed payment, and, in the case of semiannual installments, by paying at the time each succeeding semiannual installment is due one-twentieth of the postponed payment, until the amount of such postponed payment has been paid. In any case in which the number of remaining installments due on the mortgage is less than 10, in the case of annual installments, or less than 20 in the case of semiannual installments.

installment is due one-twentieth of the postponed payment, until the amount of such postponed payment has been paid. In any case in which the number of remaining installments due on the mortgage is less than 10, in the case of annual installments, or less than 20, in the case of semiannual installments, the amount of the postponed payment shall be distributed proportionately over the remaining number of installment payments.

Sec. 2. Section 7 of the Federal farm loan act, as amended (U. S. C., title 12, chap. 7, secs. 711-722), is amended by adding at the end thereof the following new paragraph:

"Whenever it shall appear to the Federal Farm Loan Board that national farm-loan associations have not been formed in any locality in the continental United States, or that the farmers residing in the territory covered by the charter of a national farm-loan association are unable to apply to the Federal land bank of the district for loans on account of the inability of such association to indorse such loans, the Federal Farm Loan Board may, in its discretion, authorize said bank, at any time within five years after this paragraph takes effect, to make direct loans to borrowers secured by first mortgages on farm lands situated within any such locality or territory. Except as herein otherwise specifically provided, all provisions of this act applicable with respect to loans made through national farm-loan associations shall, in so far as practicable, apply with respect to such direct loans, and the Federal Farm Loan Board is authorized to make such rules and regulations as it may deem necessary with respect to such direct loans, provided no such loan shall be made for more than \$15,000. Each borrower who obtains a direct loan from a Federal land bank shall subscribe and pay for stock in such bank in the sum of \$5 for each \$100 or fraction thereof borrowed."

Sec. 3. That subsection "inith" of section 12 of the Federal farm loan act, as amended (U. S. C., title 12, ch. 7, sec. 771), is amended so as to read as follows:

real estate."

SEC. 5. Section 13 of the Federal farm loan act, as amended (U. S. C., title 12, ch. 7, sec. 781), is further amended by adding at the end thereof the following new paragraph:

"Eleventh. When in the judgment of the directors conditions justify it, and with the approval of the Federal Farm Loan Board, to reamortize, in whole or in part, the aggregate amount remaining unpaid under the terms of any mortgage, and to accept payment of such aggregate amount on an amortization plan by means of a fixed number of annual or semiannual installments sufficient to cover the interest payable on the mortgage and in addition of a fixed number of annual or semiannual installments sufficient to cover the interest payable on the mortgage, and in addition thereto such amounts to be applied upon the principal as will extinguish the debt within an agreed period of not more than 40 years from the date of the reamortization; to deposit such mortgages with the farm-loan registrar as collateral security for farm-loan bonds at an amount not exceeding the principal of the original loan remaining unpaid at the date of such amortization. tion; and with the approval of the Federal Farm Loan Board to

charge the borrower an amount not to exceed the actual cost incurred in connection with such reamortization."

SEC. 6. Section 14 of the Federal farm loan act (relating to express prohibitions on the exercise of the powers by the Federal land banks) (U. S. C., title 12, sec. 791) is amended by adding at

"Sixth. To accept as security or additional security for any loan to any borrower under this act, or any installment on any such loan, any security other than first mortgages on farm real estate or Federal land-bank stock; and the transfer to any Federal

eral land bank of any such security if it may not be accepted by the bank under this subsection shall be void: *Provided*, That any bank may accept an assignment of the landlord's rent to the amount of any taxes paid on such land by the bank, or any interest due."

Interest due."

SEC. 7. That section 19 of the Federal farm loan act, as amended (U. S. C., title 12, ch. 7, secs. 851-856), is amended by adding at the end thereof a new paragraph, to read as follows:

"Such farm-loan registrar shall accept as collateral security in place of mortgages withdrawn, purchase money mortgages and contracts to sell acquired real estate, for a period not to exceed five years, at the amount of the land bank's investment therein. The banks shall have power to execute all necessary conveyances, transfers, and assignments to carry out this provision."

SEC. 8. That the land banks shall use the balance of the

SEC. 8. That the land banks shall use the balance of the \$125,000,000 provided in the act of January 23, 1932, not heretofore so used, in carrying out the provisions of this act for ex-

tension of loans or making new loans.

Mr. FLETCHER. I move that the Senate disagree to the amendment of the House, ask for a conference with the House on the disagreeing votes of the two Houses thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Vice President appointed Mr. Fletcher, Mr. Brookhart, Mr. Steiwer, Mr. TOWNSEND, and Mr. BARKLEY conferees on the part of the Senate

MESSAGE FROM THE HOUSE-ARTICLES OF IMPEACHMENT

A message from the House of Representatives by Mr. Chaffee, one of its clerks, informed the Senate that the House had impeached Harold Louderback, United States district judge for the northern district of California, for misdemeanors in office, and that the House had adopted articles of impeachment against said Harold Louderback, judge as aforesaid, which the managers on the part of the House have been directed to carry to the Senate, and that HATTON W. SUMNERS, GORDON BROWNING, MALCOLM C. TARVER, FIORELLO H. LAGUARDIA, and CHARLES I. SPARKS, Members of the House, have been appointed such managers.

FEDERAL INSURANCE FOR TIME DEPOSITS IN BANKS

Mr. BORAH. Mr. President, the junior Senator from Michigan [Mr. VANDENBERG] delivered an address over the radio last evening on the subject of the guaranty of bank deposits. That is to say, that is the general subject he discussed. I think the address is worthy of a place in the CONGRESSIONAL RECORD. The Senator discussed a subject which we may have to take up for consideration later.

I desire to read the first three paragraphs in the address.

First. The total credit needs of normal business are greater than any emergency credit that can be borrowed from the Federal Government. Economic recovery finally must come through a renewal of commerce in its natural channels as distinguished from artificial channels created by government. These needs are dependent upon normally functioning banks.

Second. The total employment required to put all our people to work is greater than any Government spending can provide. Private business must serve this ultimate function. But, again, private business must have normally functioning bank resources.

private business must have normally functioning bank resources. Third. Most of our normal business is done in credits and clearances and not in actual currency. For example, total American clearances in 1929 were \$713,000,000,000, while our maximum currency supply was less than five billions. In other words, our money problem is less a problem in volume of currency than in the velocity of its turnover in normal trade and normally functioning banking.

Thus, this banking function is found at the base of every economic contemplation. Therefore, since public confidence is the indispensable key to normal banking, our most far-reaching challenge is the creation and maintenance of justified and enduring confidence in this behalf.

Mr. President, while I might want to reserve my judgment with regard to some of the details of this address, I think it is an exceptionally able address upon this subject, and I ask to have it inserted in full in the RECORD.

The VICE PRESIDENT. Is there objection?

There being no objection, the address in full was ordered to be printed in the RECORD, as follows:

Ladies and gentlemen, I discuss to-night the proposal which I have submitted in the Senate to provide Federal insurance for time deposits in banks. Some such measure may prove to be the power that can break the grip of this depression. The stabiliza-tion of normal banking, for the benefit both of depositor and borrower, may well have this far-flung effect. Here are three simple reasons:

First. The total credit needs of normal business are greater than any emergency credit that can be borrowed from the Federal Government. Economic recovery finally must come through a renewal of commerce in its natural channels as distinguished from artificial channels created by government. These needs are dependent upon normally functioning banks.

Second. The total employment required to put all our people to

work is greater than any Government spending can provide. Private business must serve this ultimate function. But, again, private business must have normally functioning bank resources.

Third. Most of our normal business is done in credits and clearances, and not in actual currency. For example, total American clearances in 1929 were \$713,000,000,000, while our maximum currency supply was less than \$5,000,000,000. In other words, our money problem is less a problem in volume of currency than in the velocity of its turnover in normal trade and normally functioning banking. tioning banking.

Thus, this banking function is found at the base of every economic contemplation. Therefore, since public confidence is the indispensable key to normal banking, our most far-reaching challenge is the creation and maintenance of justified and enduring confidence in this behalf. Successfully established, other recuperative blessings will follow as day follows night.

Of course, confidence has many facets. It never can be divorced from collateral influence like confidence in the stability and sanity and solvency of government, confidence in the integral

Of course, confidence has many facets. It never can be divorced from collateral influence like confidence in the stability and sanity and solvency of government, confidence in the integrity of money, confidence in the validity of contracts. These factors are ignored at our peril. The mere suggestion of infidelity to them breeds jeopardy. They defy any panacean substitutes. It am happy to state my own conviction that Congress will desert none of these dependable foundations.

But underlying everything must be mass confidence in the institution of banking itself. This confidence must be a justified reality—the substance, not the shadow. The existing virtues of banking must be emphasized. The weaknesses must be corrected. The public character of banking responsibilities must be acknowledged more than ever in behalf of the depositor. He is the key to our whole situation, because he is democracy's greatest capitalist. If Congress successfully legislates with him in mind it will serve all these pyramiding advantages to which I adverted in the beginning of this discussion.

One aid to this end would be concurrence by the House of Representatives in the so-called Glass banking bill, which is sponsored by the distinguished Virginian who is the highest American legislative authority upon this subject. Thus would we progressively improve the banking structure and contribute to the confidence for which we strive. Thus would we substantially divorce bank resources and stock speculation. We would increase the scrutiny of public control. We would facilitate speedier liquidation dividends in the unhappy event of bank separate investment banking and commercial banking. We would increase the scrutiny of public control. We would facilitate speedier liquidation dividends in the unhappy event of bank closings. We would sanction state-wide branch banking by permit of each State itself, thus offering at least two new and vitally useful services, namely, adequate banking facilities for otherwise bankless communities, and the opportunity of banking consolidations as a successful preventive of banking failures. All of these considerations trend toward banking health and American bankings.

these considerations trend toward banking health and American happiness.

But my particular proposition to-night is that this healthy banking should be, like any other healthy person, eligible for insurance; and that this insurance, under appropriate limitations, should be warranted by the Government of the United States as a matter of sound public policy and as a final invitation to our unadulterated confidence. I shall submit that this insurance, if feasible, can become the surest means to accomplish all of these objectives which we have been discussing—to end hoarding, release currency, relax and multiply credit, stabilize trade, facilitate new business, build morale, and break the vicious circle from which we would escape. I hasten to acknowledge that the thing is easier said than done. But I shall argue that the presumptions favor its success, precisely as the necessities favor its consideration.

I discuss a new stabilization for time deposits, as distinguished from other deposits, and their Federal insurance supported by cooperative contribution. To forestall prejudice, let ported by cooperative contribution. To forestall prejudice, let me immediately point out that this proposition avoids the traditional infirmities which always have attached to a general guaranty of all bank deposits. Wherever a general guaranty has been tried it has failed, and usually with accumulated deficits and disappointments for the depositors themselves. I refer to State experiments in Oklahoma, Nebraska, North and South Dakota, Washington, Kansas, Texas, and Mississippi. Any general Federal guaranty would reduce sound banking to a dead level with reckless banking and would charge the resultant mortality either to the sound survivor or to the Public Treasury. There could be no permanent advantage in embracing this repudiated principle. But I decline to concede that the infirmities of a general guaranty make it impractical to contemplate a more limited but scarcely less effectual protection for bank deposits in that partic-

anty make it impractical to contemplate a more limited but scarcely less effectual protection for bank deposits in that particular sector where banking touches our mass citizenship in largest degree, namely, in savings and certificates. This is the sector where contagious uneasiness sometimes generates—often needlessly and without justification, and often in response to idle, empty gossip, if not to actual communist propaganda. It is the sector where the greatest social tragedies follow upon the heels of failures which often could be averted if mass confidence were not

needlessly disturbed. In other words, if these time deposits are protected, our actual problem is conquered. On the other hand, by confining the new protection to time deposits the infirmities of a general deposit guaranty are effectively avoided.

infirmities of a general deposit guaranty are effectively avoided.

Therefore I am suggesting that a time-deposit insurance fund be created within the Federal reserve system; that these time deposits be made contract deposits in literal fact instead of idle name; and that the insurance fund shall pay any time depositor 75 per cent of his deposit within 30 days of the closing of any insured bank. I submit this would be the beginning of the new confidence which is our first necessity.

The resources of this insurance fund would come from an annual tax of one-eighth of 1 per cent upon all the time deposits in the member banks in the Federal reserve system, plus appropriate annual premiums by nonmember banks wishing to

annual tax of one-eighth of 1 per cent upon all the time deposits in the member banks in the Federal reserve system, plus appropriate annual premiums by nonmember banks wishing to participate. A share of the earned surplus of the Federal reserve system would also annually contribute. Whether this prospectus is actuarily sound would have to be probed by acid test. I only sketch the presumptions in its favor. Suffice it to say that if this system had been in operation for the 17½ years of Federal reserve experience from 1914 to June, 1932, which includes 2 years of heaviest mortality, the fund would have been two and one-half times sufficient to pay all the net losses. Here are the rough figures: Total losses in Federal reserve member banks, \$1,800,-000,000; average of time deposits, 42 per cent, or \$750,000,000; average liquidation recovery, 55 per cent. Therefore if the insurance fund paid 75 per cent, its net loss for 17½ years would have been 20 per cent of \$750,000,000, or \$150,000,000. Meanwhile its receipts would have been in the neighborhood of \$375,000,000. I recognize that many new contingencies would enter present actuarial computations. I would want any conclusive opinion to await these considered findings. But I insist that the tentative balance sheet encourages a belief that such a system is well calculated to afford the cheapest purchase of confidence in the history of our institutions.

lated to afford the cheapest purchase of confidence in the history of our institutions.

I ask you to note the implications of this tentative formula.

First. By insuring only 75 per cent of only time deposits, the bank is left completely responsible for all its other deposits (which would have been 58 per cent of its resources during the period here surveyed), and the individual depositor is left with a 25 per cent responsibility to choose his bank wisely. This escapes the major menace which wrecks a general guaranty; yet it serves the major economic and social need which pleads with us for a new element of reliable protection. The security of demand deposits, under such circumstances, would take care of itself automatically. itself automatically

itself automatically.

Second. By requiring that time deposits shall become actual contract deposits, without privilege of waiver, nearly half of the need for complete banking liquidity from day to day is obviated; and this fact, plus the fact that there no longer is any incentive for mass hysteria, will loosen credit and put the banks in position more freely to serve the needs of their communities. One of the chief vices of present banking practice is this fact that time deposits are all actually demand deposits, and banking liquidity has had to restrict itself accordingly. This is one unavoidable reason why borrowers have found it difficult to borrow. Third. By insuring time deposits all incentive to hoarding ends. Hoarding is as dangerous as it is understandable. Probably \$1,500,000,000 is in hoarding to-day. This is currency. In banks it would create something like fifteen billions of credit money. In other words, this would produce controlled inflation. Put differently, it would produce safe but effectual reflation in natural course. When hoarding ceases and confidence returns, the resources of the Nation will be equal to all of our national necessities.

Fourth. Federally insured time deposits would eliminate the justification for a competitive Postal Savings System, which now sterilizes \$900,000,000 and withdraws it from normal industrial and agricultural use. At least it would eliminate 75 per cent of the necessity for Government bonds as collateral when these postal savings are redeposited in regular banks. This would immediately unfreeze some \$650,000,000 of present banking resources. There are numerous other technical advantages. But time forbids analysis in detail.

In a word, there would be new social as well as fiscal security.

In a word, there would be new social as well as fiscal security in the land. There would be new emancipation from worry and loss. To sum up, such a formula could initiate a new era of loss. To sum up, such a formula could initiate a new era of American confidence; permanently foreclose hoarding; relax credit; stimulate the use of money and credit—which defines trade; would permit us to think and act constructively and optimistically for to-morrow; indeed, it might be the impulse needed to move us off the dead center of stagnation and start us upon our way to those happy days that were featured in a recent campaign theme song.

paign theme song.

If my original premise was correct—namely, that basic confidence is the Nation's need—then my conclusion is justified that Congress can best serve the emergency by abandoning discussions that shatter confidence and by pursuing this most fundamental of all institutional sources of confidence.

A prominent banker wrote me last week as follows:

"I believe that such a law as you propose would create in

A prominent banker wrote me last week as follows:

"I believe that such a law as you propose would create in America almost overnight the renewed confidence which can swiftly start us on the up-turn."

He may or may not be right. Frankly, I do not believe that our convalescence is a matter of any one prescription. Ten years of high fever results in ravages that can not be cured by some easy patent medicine. I decline to join the metaphysicians who are perfectly sure they have the magic potion for our ails. There

is entirely too much of this sure-cure propaganda for our own good. I disclaim any dogmatic recommendation that we would be at rainbow's end simply because we insure time deposits in our banks. I disclaim any notion that it can be done overnight, to quote a phrase from the previously noted letter. It can be done only after careful scrutiny of the whole project, with an eye to extra actuarial hazards induced by present times, and with an adequate arrangement to extend the insurance privilege on a reasonable basis to banks that are not members of the Federal reserve system.

Nevertheless, I am entirely persuaded that it can be done, and that it is a healing prospectus of gigantic magnitude, touching, as it does, 15,000 decentralized cash-and-credit service stations up and down the Nation; touching, as it does, not only these 15,000 banks but also the 40,000,000 depositors therein; touching, as it does, the root source of that national confidence which is

15,000 banks but also the 40,000,000 depositors therein; touching, as it does, the root source of that national confidence which is the wellspring of to-morrow's hopes and aspirations.

The President's research committee on social trends recently observed that the future will call for wide and bold experimentation because of the social relations crowding within governmental influence and control. These enterprises may be bold without being foolish. They may be novel without being insane. I have entered only upon one such field to-night. There are many others. But I insist that this particular one is fundamental. I pretend no finality in the scope or detail of my suggestion. I merely submit a forward-looking philosophy of action, and ask that we determine open-mindedly whether it is feasible and sound. Our American dedications must be to confidence in ourselves and in our institutions. Confidence must be deserved in order to be stabilized. I believe in America. It is in deep economic distress to-day. But it has been in distress before. Yea, in at least five prior periods in our history the fathers went down into the valley of the economic shadow just as deep as we have gone. But each era was climaxed with a new sunrise brighter and happier than anything in previous American experience, I do not doubt the continuing repetition of this history. I believe in my country. I believe in its destiny. I believe in its leadership and in its people. I believe in its recuperative resources. I believe in its future. In our banking relationships, I would try to make these resources and this future as secure as the Government itself.

REGULATION OF INTERSTATE COMMERCE THROUGH PANAMA CANAL

The PRESIDING OFFICER (Mr. FESS) laid before the Senate the amendments of the House to the bill (S. 4491) amending the shipping act, 1916, as amended, for the purpose of further regulating common carriers by water in interstate commerce of the United States engaged in transportation by way of the Panama Canal, which were, on page 1, line 5, to strike out "means a common" and insert "shall include every common and contract"; on page 1, line 6, to strike out "mainly"; on page 2, line 5, after "between," to insert "intercoastal"; on page 2, line 7, after "between," to insert "intercoastal"; on page 2, line 22, after "destination," to insert: ", and it shall be unlawful for any such carrier, either directly or indirectly through the medium of any agreement, conference, association, understanding, or otherwise, to prevent or attempt to prevent any such carrier from extending service to any publicly owned terminal located on any improvement project authorized by the Congress at the same rates which it charges at its nearest regular port of call"; on page 5, line 20, to strike out "seven" and insert "four"; on page 6, line 7, after "possible," to insert "Nothing contained herein shall be construed to empower the board affirmatively to fix specific rates"; on page 6, to strike out lines 8 to 25, inclusive, and lines 1 to 8, inclusive, on page 7, and insert:

SEC. 4. That nothing in this act shall prevent the carriage, storage, or handling of property free or at reduced rates, for the United States, State, or municipal Governments, or for charitable

And on page 7, line 14, to strike out "1932" and insert " 1933."

Mr. JOHNSON. Mr. President, I move that the Senate disagree to the amendments of the House of Representatives. ask for a conference with the House on the disagreeing votes of the two Houses, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. Johnson, Mr. White, Mr. Bingham, Mr. FLETCHER, and Mr. COPELAND conferees on the part of the Senate.

IMPEACHMENT OF JUDGE HAROLD LOUDERBACK

Mr. NORRIS. Mr. President, I move that the Secretary be directed to inform the House of Representatives that the

Senate is ready to receive the committee from the House appointed to exhibit articles of impeachment against Harold Louderback, United States district judge for the northern district of California.

The PRESIDING OFFICER (Mr. FESS). The question is on the motion of the Senator from Nebraska.

The motion was agreed to and reduced to writing, as

Ordered, That the Secretary inform the House of Representatives that the Senate is ready to receive the managers appointed by the House for the purpose of exhibiting articles of impeachment against Harold Louderback, United States district judge for the northern district of California, agreeably to the notice communicated to the Senate.

The PRESIDING OFFICER. The Secretary will carry out the order of the Senate.

HOBSON'S CHOICE BETWEEN GOVERNMENT OWNERSHIP AND BANK-RUPTCY OF THE RAILROADS

Mr. BROOKHART. Mr. President, I ask leave to have published in the RECORD an address delivered by Samuel Untermyer, of New York, before the University Club of Los Angeles, Calif., on the 27th instant, entitled "Hobson's Choice Between Government Ownership and Bankruptcy of the Railroads."

There being no objection, the address was ordered to be printed in the RECORD, and it is as follows:

The topic of my address is so interwoven with other important problems of the day that it is going to be difficult to entirely separate them. What may at one point appear to be unrelated subjects will be found, when examined at close range, to be closely

related. I shall accordingly ask you to be patient.

As only one-half hour is allotted for broadcasting and the address will consume more than twice that time, it has been necessary to separate it into two parts, somewhat at the expense of logical order and coherency, but I shall, so far as possible, endeavor to avoid confusion.

The continued alarming and over growing depression and the

The continued, alarming, and ever-growing depression and the early advent of a progressive administration, loaded down with a defined constructive program and fair promises of a "new deal," have thrust to the front, each clamoring for immediate considera-tion, more pressing, difficult, and important social, financial, and economic problems than have cried out for solution at any one

time in our national existence.

One obvious way of inaugurating this new deal of ours will be to resume diplomatic relations with Russia. I regard our persistent attitude on this subject as mistaken, arrogant, and unjust and blind to our best interests. If we were to sever our relations with every nation that has treated us with ingratitude or repudiated its obligations we would be "on the outs" with most of the important nations of the world.

The tragedy of it all is that whilst these burning questions are harrowing the souls of men and the entire Nation is suffering as one man, we are making no substantial headway, and our social and economic edifice is shaking from pillar to stern from blow after blow struck at its foundations. Candor and self-preservation

after blow struck at its foundations. Candor and self-preservation compel the unwilling confession that conditions are meantime growing worse instead of better.

It would be possible to minimize this desperately gloomy picture by taking counsel of our hopes and refusing to look the facts in the face. But would that be wise? Is that the way to muster such preparedness as may be made available? We have, as it is, been suffering from far too much vapid rainbow chasing. It has served only to add to our troubles. It is high time for us to apply ourselves bravely to the stern problems that confront us with a realizing sense that whilst with patriotism, statesmanship, rigid governmental and private economy, and the repudiation of false gods, selfish leadership, and corrupt high finance and big business, things may and doubtless will in time materially imbusiness, things may and doubtless will in time materially improve, the inflated artificial values and conditions of five years ago can never return. Chief among these problems is that of the railroads.

What, then, are the facts as to the railroads? I have assembled a few statistics relative to the carriers covering the years 1913, 1921, 1928, and 1931.

The state of	1913	1921	1928	1931
Number of miles owned		251, 000 \$5, 633, 000, 000 \$4, 669, 000, 000	\$6, 104, 000, 000	\$4, 188, 343, 244
income	\$805, 000, 000	\$601, 000, 000	\$1, 171, 000, 000	\$964, 768, 628
ton per mile_cents	0.719	1. 275	1.063	1. 051
Average number of employees	1, 830, 839	1, 704, 862	1, 694, 896	1, 278, 000
pensation	\$761	\$1,666	\$1,702	\$1,665

dan Balananis	1913	1921	1928	1931
Operating ratio	\$70, 02	\$82, 89	\$72, 45	\$77,00
Taxes	\$122,005,000			
Funded debt			\$12, 200, 000, 000	
Stock	\$8, 600, 000, 000	\$8, 890, 000, 000	\$9,600,000,000	\$8, 271, 876, 776
Per cent of debt to				
capital	54.8			
Dividends	\$369, 078, 000			
Average dividend rate.	\$1. 22	\$5.13		\$5, 33
Cost of living index	100	206.8	207.1	170.0
Net income in per cent on debt	7,72	5. 29	9.59	8.61

Details regarding 1932 are not at the moment available. How ever, operating revenues are estimated at \$3,200,000,000, or almost equivalent to the 1913 figure; while operating expenses are placed at \$2,646,000,000, at the end of 1932, against \$2,236,000,000 in 1913, thus leaving a net railway operating income of somewhat more than \$500,000,000,000, compared with about \$965,000,000 in 1931. It is now substantially less, probably not more than at the rate of \$250,000,000 of \$350,000,000.

With an original net investment of about \$20,000,000,000, the total market value of railroad stocks and bonds has during the past year ranged between \$6,000,000,000 and \$9,000,000,000 on October 1 last. About \$7,000,000,000 of this represents the market value of over \$12,000,000,000 of bonds; the balance, \$2,000,000,000 or thereabouts, represents between six and seven billions of stock. It appears from the latest reports of the Interstate Commerce Commission that Class I roads will, for 1933, fall short of earning their present interest charges by over \$200,000,000.

It has been disappointing to note that during the 13 years the transportation act has been in force, nothing substantial has been accomplished under that plan and it does not now look as though anything will be accomplished. We have had enough experience to be satisfied that the main purpose of the law consolidating the roads into a few large systems is a failure.

We have 697 operating railroad companies, many of them in competition with each other for freight and passenger traffic. Such competition has long been recognized as distinctly harmful. The companies continue to waste tens of millions annually in ineffective advertising and buying duplicating equipment, largely With an original net investment of about \$20,000,000,000, the

ineffective advertising and buying duplicating equipment, largely standing idle, and which has been rightly characterized as in "rusting deterioration."

"rusting deterioration."

At the close of 1932, there were over 1,000 railroad executives still receiving, after reductions due to the depression, salaries ranging from \$125,000 per year down—and many of them unnecessary. That probably largely accounts for the failure thus far to make more substantial progress toward consolidating the roads under the transportation act. That interest, supported by the bankers to whom they largely owe their positions, is certain to be an important factor in opposition to Government ownership, although the useful executives would not suffer from the change of ownership, with the possible exception of the many who are still being grossly overpaid.

of ownership, with the possible exception of the many who are still being grossly overpaid.

An uncomplimentary article published in the December number of one of our magazines gives a few current illustrations, indicating the limited extent to which the official managements of the railroads are entitled to the confidence of their security holders. One of the instances it cites is that of the Pennroad Corporation, which is a holding company that was creatized and noiders. One of the instances it cites is that of the Pennroad Corporation, which is a holding company that was organized and is controlled by the officials and bankers of the Pennsylvania Railroad as a step in that company's career of expansion under the transportation act. They offered Pennsylvania stockholders Pennroad shares at \$15 and thus obtained \$150,000,000 in subscriptions from the investing public, out of which over \$5,000,000 was paid to the banking house of Kuhn, Loeb & Co. as an underwitten companies. was paid to the banking house of Kuhn, Loeb & Co. as an under-writing commission. The balance was invested in stocks of other railroads such as the New Haven and Boston & Maine at \$120 per share, now selling respectively at \$15 and \$10 per share. Another investment referred to that gives some conception of the stupid, short-sighted policy of these men is that of \$4,500,000 in common stock of the Seaboard Airline, now in receivership, which never had any substantial value and is not worth \$1,000.

The bulk of this \$150,000,000 of other people's money thus administered by these leading railroad men and their "astute" bankers through the Pennroad Co. seems to be a total loss. The present nominal quotation of Pennroad is \$1.50 per share.

present nominal quotation of Pennroad is \$1.50 per share.

The Van Sweringen network of corporations, financed and controlled by J. P. Morgan & Co. through the Allegheny Holding Co., in the course of their activities under the transportation act has proven still more disastrous than the Pennroad if that were possible. One may go down the line with the same sad results.

Why Congress or railroad security holders generally should expect to get any assistance or sound advice toward solving our railroad problems from these outstanding international banking houses that specialize in control of the railroads and have gotten most of them into their present troubles, is difficult to

There can be no question that a large part of our present rail-road mileage of 250,000 miles is unremunerative under normal conditions. As long as 15 years ago the traffic manager of one of our leading systems testified that not over one-third of the New Haven or Boston & Maine systems was then operating on a remunerative basis. In support of my argument that no form of management could possibly be more dishonest or incompetent

than that from which we have been suffering, more of the sad story will appear later on.

And yet such is the power of the bankers that if we hope to accomplish anything constructive toward the solution of the wellnigh insoluble problem of the railroads, our first task must be to disillusion ourselves of the belief that Congress or the Government is going to be permitted to be a free agent to decide these momentous problems untrammeled and in the best interests of the country.

momentous problems untrammeled and in the best interests of the country. Nothing of the kind has happened to us and nothing of the sort will happen. It is because of that and of that only that a just solution seems hopeless. Relieved from that handicap, the problem is not in itself beyond solution.

The same is unfortunately true in dealing with our banks, insurance companies, big business and virtually every public activity of these men. We have been for the past quarter of a century or more and are to-day more firmly than ever, everywhere in the cruel grip of high finance, with Morgans as its ruler. When I hereafter use in this sense the name Morgans, as I shall have frequent occasion to do since I regard their defeat as the when I hereafter use in this sense the name Morgans, as I shall have frequent occasion to do since I regard their defeat as the key to the success of this situation, I mean the entire American and a large part of the foreign banking world that recognizes the house of Morgan as its leader, blindly obeys its decrees and is dominated by its judgments. Even though we may have lost faith in a leadership that has been overwhelmingly demonstrated by recent events to have been blind and mistaken even though by recent events to have been blind and mistaken, even though our fallen financial idols have turned out to be things of clay that have plunged us into our present morass, such is the hold they have accumulated over us by the system they have succeeded in fastening upon us that their grip is to-day greater than ever. Our faith has been destroyed but we remain more securely than ever they have destroyed. ever chained.

Twenty years ago I dared announce in a public address and undertook to prove by charts, statistics, and interlocking directorates and from admissions of these men under oath that we were dominated by a "Money Trust." That address was widely published and commented upon and led to an investigation by a subcommittee of the Banking and Currency Committee of the House of Payresentatives of which Compression Paylor I contributed to the leave of the House committee of the Banking and Currency Committee of the House of Representatives of which Congressman Pujo of Louisiana was the chairman, and for which I was counsel, which became known as the Pujo Committee. Many of the then leading financiers of the country, including J. P. Morgan, sr., were witnesses before that committee and were examined by me. The next greatest figure to Mr. Morgan in the world of finance was then George F. Baker, the president of the First National Bank, since dead, who was Mr. Morgan's most intimate friend and business associate. According to his lights and the peculiar financial ethics of his day According to his lights and the peculiar financial ethics of his day Mr. Baker was one of the finest, most upright and public-spirited men the country has produced. He admitted under oath that the concentration of the control of money and credits in this country had reached the point of danger but insisted that because the control was in the hands of men like Mr. Morgan and his asso-

ciates, of whom Mr. Baker was one, the peril was minimized.

Due to the vast accumulation of wealth and power and the great new aggregation of industries that were created under the control of the Morgans, many prior to but most of them following the war, and owing partly to the representation of that firm as financial agents of the Allies and to a variety of other reasons that enabled them to acquire the control of further vast financial and business institutions, with largely added facilities and widely scattered affiliations, their power is to-day tenfold what it was at the time of that investigation, notwithstanding the many widely flung ventures in the railroad and industrial world for which they are responsible that have proven inflated and unsound and have contributed to the depression for which they are so largely

responsible.

I have long insisted that another Pujo investigation is even more urgently needed now than was that in 1912. I said that over a year ago, when the Senate began its pending investigation of the stock exchange, under a resolution that is all too narrow and insdaquate. The pricking of the mere skin below the surof the stock exchange, under a resolution that is all too narrow and inadequate. The pricking of the mere skin below the surface, within the last few days, of a few companies, confirms this. When my name was put forward for the post of counsel for that committee, at first without my knowledge or consent, there was an insistent gathering of the clans and a hurry call and descent on Congress in a unanimous assault by the lobby that would have defeated my appointment if I had been willing to serve. That was far from the purpose for which the committee was put into existence by Senators Warson and Walcorr under the direction of President Hoover in a moment of pique when he mistakenly supposed that the then raging campaign of short selling was aimed at his administration.

It is unfortunate also that the most outstanding banking house

It is unfortunate also that the most outstanding banking house in the world should have set the precedent of grossly inflated stock issues, with no value in assets or earnings behind them of stock issues, with no value in assets or earnings behind them of which companies, such as General Motors, Steel, Radio Corporation, General Electric, are a few of many like instances. At the time, for instance, of the organization of the United States Steel the constituent corporate consolidations of which it was composed had been capitalized at for from ten to twenty times the value of their physical assets with no record of substantial profits to sustain them. When Mr. Morgan fixed the prices for the securities of these companies, payable in the securities of the United States Steel Co., and took them into the new company—in most cases at a premium over par of the inflated capital in stocks of the steel company at par, the latter assumed underlying bonds far exceeding at par the total physical values of all the assets acquired. All the share capital was pure water. Prior to the war the steel common stock sold as low as \$8 per share, but, as the result of its subsequent abnormal earnings as the result of the war and of superb management and the virtual elimination or control of competition, the market price of that same stock in 1929 reached the price of over \$200 per share. Many stories of a like kind of other Morgan companies might be told if space permitted.

permitted.
In some respects J. P. Morgan & Co. has been a valuable asset In some respects J. P. Morgan & Co. has been a valuable asset to the country, but in others it has proven a staggering liability. I have tried to visualize what financial and industrial America would be to-day without it or a like instrumentality. It is difficult; it would be minus most of its colossal water-logged ventures that have cost our investing public the loss of many billions of dollars and would probably also be minus the curse of our own tragic participation in the war and its tragic aftermath from which we are still suffering and will long continue to suffer. If there had been no J. P. Morgan & Co. the entire history of the world would be changed. It would be a different place in which to live—whether for better or for worse is another question; in a few respects worse but in most respects better.

It was not then and is not now claimed or suggested that there was or is any definite concrete agreement binding these powerful

It was not then and is not now claimed or suggested that there was or is any definite concrete agreement binding these powerful elements together in this Money Trust, but the community of interest and unity of action that were thus established is a far more potent and compelling driving force than would be any number of written agreements.

That control is to-day far more complete, far-reaching, and despotic than it then was, and it is still growing notwithstanding the depression and in some cases because of it.

No matter how essential or meritorious this movement for Gov-

No matter how essential or meritorious this movement for Government ownership may be, Congress will find itself (as Senator Norris said in the Senate on Thursday last) helpless to put into effect against the covert opposition of the Morgans. That they will oppose it with all their concentrated subterranean power and machinery is a foregone conclusion. Their interests, traditions, and doubtless their convictions are in that direction. Notwithstanding their demonstrated blindness, their faith in their own judgment remains unshaken.

The power of the combination has since been vastly augmented, cemented, and further knit together and the rulership of the Morgans extended since the investigation of 1912 as the result Morgans extended since the investigation of 1912 as the result of their added prestige and wide-flung power in foreign countries since the war, until to-day it holds the undisputed sovereignty of the financial world. It is in many ways an amiable, well-intentioned despotism, except when its will is attempted to be crossed. Then it can strike swiftly, ruthlessly, and with fatal effect. Although, among other things, it is a money-making machine, that result is largely incidental. Mere money gain has never, however, been its chief aim. been its chief aim.

result is largely incidental. Mere money gain has never, however, been its chief aim.

If it had been, it could not have achieved the vast undisputed sway it has so long held and still holds in the face of adversity and of the exposure of its many errors of judgment that were inevitable in dealing with the problems that have confronted it. It has always sought, according to its own lights, to make the end justify the means. It is responsible for much of this country's legitimate and for still more of its ill-gotten wealth and for much of its enterprise and greatness and much of its misery. Whether it has on the whole been a benefit or a curse is a debatable question; I incline to the view that it has been a curse, although I do not question the integrity of its motives.

To the credit of Morgan, senior, it should be recalled that had they not—but not until 20 years after other countries had enforced by law the publication of their corporate affairs—voluntarily blazed the trail in this country in 1898 with the organization of the United States Steel Co., I doubt whether we should yet have had that meager measure of fair play and protection for corporate investors which they inaugurated in publishing full and frequent reports of its business affairs, for in spite of protestations to the contrary, without the leadership and cooperation of these interests, the public would never have succeeded in securing any measure of justice in that or in any other direction either from Congress or the corporate-controlled legislatures of the States.

It was also the wholesome precedent set by the steel company

the States.

It was also the wholesome precedent set by the steel company under the direction of Morgans that virtually forced the stock exchange to abolish the vicious swindling practice of listing so-called unlisted stocks with nothing more than an asterisk prefix to indicate that no statements of their accounts or affairs were made or required to be made by them and that they were permitted to be dealt in as bilind pools. Amalgamated Copper, Metropolitan Street Railway, and American Sugar Refining Co. are a few such instances. They had been for years pawns in a gambling game more crooked than that of any criminal den with stacked cards, by which the public had been swindled to the extent of hundreds upon hundreds of millions of dollars. For that farsighted, though long-delayed action Morgans are entitled to unbounded praise. They alone could have accomplished it.

Some day, when there is a real investigation of the history of

Some day, when there is a real investigation of the history of the stock exchange, we shall get a picture of the means by which billions of dollars have been literally filched from the public in the past through the then crooked machinery of that institution that—to our shame, be it said—is still permitted to remain beyond official Government regulation, supervision, and control and above and beginned the law.

and boyond the law.

I have often wondered whether the significance of recent exposures of the men in former exalted station at the top of big business and high finance and now wholly or partly dethroned is generally appreciated. If it were, the shreds of remaining confi-

dence in the judgment of our captains of industry should be badly shaken and we would not now be looking in that direction for guidance or advice. Our legislators would, on the contrary, be keeping as far away as possible from that unsafe source of inspiration. And yet, those that have thus far been exposed constitute but a small fraction of the casualties that have befallen us as compared with those that would be listed as wounded and missing if the facts were known, or who will be found so labeled when the facts become known

when the facts become known.

The little we have learned thus far of the cases of the few unlucky men of wide influence has been tempered in the manner of its exposure by the tender protecting influence of a most elaborate country-wide network of propaganda of suppression and pussy-footing, quite as misleading as any propaganda of publicity and quite as effective. Much the worst of the facts has been entirely suppressed.

I do not suggest that these methods should be condemned in such crises as those through which we are passing. On the contrary, there are conditions, such as the present, when public confidence is shaken in which I regard it as excusable in self-defense, even if not quite justifiable. It is at least understandable that we should condone or minimize individual wrongdoing in high places, rather than destroy the remnants of confidence that are

we should condone or minimize individual wrongdoing in high places, rather than destroy the remnants of confidence that are so necessary.

That probably is why we have looked with apparent composure upon such incidents as the lending by the Reconstruction Finance Corporation of \$90,000,000 to the Dawes Bank on the eve of his precipitate resignation from the head of the Reconstruction Finance Corporation; the transactions of Messrs. Young, Traylor, and others in the securities of the Insull companies; the decision by the Federal court denouncing the violation by Mr. Young and his company of the antitrust laws; the culpable gross neglect of duty of the former nationally respected and trusted and now completely discredited banking firm of Lee Higginson & Co., that is responsible for the loss of over \$250,000,000 of the small American investors who unfortunately trusted them to their undoing in that Kreuger and Toll house of cards, and a variety of other revelations of men in high places that would seem staggering in normal times, but are now so soft-pedaled and gingerly dealt with in the press that they cause barely a ripple on the surface of our tempestuous financial seas.

Although he and no other man of his or any other time in our

tempestuous financial seas.

Although he and no other man of his or any other time in our history could possibly have visualized so far ahead the extent to which the country has become enslaved, the prophetic vision of our great martyred President was well expressed almost 70 years ago, immediately following the Civil War, in commenting on the peril to our liberties from the great corporations that were then already seeking to rule the Government, in a letter to a personal friend in the following dramatic word-picture:

"As a result of the war, corporations have been enthroned and an era of corruption in high places will follow and the money power of the country will endeavor to prolong its reign by working upon the prejudices of the people until all wealth is segregated in a few hands and the Republic is destroyed. I feel at the moment, more anxiety for the safety of my country than ever before, even in the midst of war. God grant that my suspicions may prove groundless." may prove groundless."

may prove groundless."

The events of the past few years have confirmed many of our thoughtful, conservative, and patriotic citizens in the conviction that the money power, the railroad power, the public-utility power and the other votaries of high finance, special privilege, and big business are now in control of the Government and that unless they can be not only checked but dislodged and their influence destroyed, our Republic will be destroyed.

We have seen from recent events that these forces are so impregnably entrenched that not even exposure after exposure of fraud, corruption, selfishness, and incompetence can dislodge them or weaken their hold. Whilst confidence in them is utterly shattered they have so fastened their tentacles into the vitals of the body politic that there seems to be no way of shaking them off. If there were no other reason for availing ourselves of this opportunity of taking the railroads out of their grasp (and there are many other sound, conclusive, economic reasons, any one of which would be sufficient) this alone and of itself, would be more than adequate. adequate

Upwards of 100 years ago, Thomas Jefferson, in a letter to

George Logan, wrote:

"I hope we shall take warning from the example of England and crush in its birth the aristocracies of our moneyed corporations, which dare already to challenge our Government, and bid

tions, which dare already to challenge our Government, and bid defiance to the laws of our country."

Throughout these past few years of agony and suspense Congress has done a few things intended to ward off further catastrophe, but nothing really constructive in a big way to mitigate our apparently helpless and hopeless predicament, unless we except (1) the amendments to the banking law that have recently passed the Senate and are now pending in the House and (2) the important bill amending the bankruptcy law that has passed the House within the last few weeks, now pending in the Senate, and (3) the provision through the Reconstruction Finance Corporation of something over \$2,000,000,000 toward propping our crumbling (3) the provision through the Reconstruction Finance Corporation of something over \$2,000,000,000 toward propping our crumbling financial credit in the desperate hope of thereby saving us from a veritable debacle. Unfortunately, the omission to attach to those credits to the banks the obviously necessary condition that the money so advanced, that was not required to be held in hand by them to assure their solvency, should be reloaned, enabled those institutions to hoard in their vaults the funds that were intended for distribution and thus to largely destroy the purpose of the law. The borrowers who are not using the money for the purpose for which it was loaned to them should be required to

repay it.

Of the two important amendments to the banking law, I regard that permitting branch banking, even in its now less objectionable form, limiting it to States whose laws permit that type of banking, as vicious and as a long step backward except in the few spots in which local facilities are lacking.

The other amendment, prohibiting the continued ownership and operation by banks of so-called "affiliates" and requiring them to disband, but only after five years, is not only salutary but necessary, except that here again the cloven foot and malign influence of high finance over legislation is, as ever, in evidence. No such delay as five years should be permitted them in which

No such delay as five years should be permitted them in which to end their blighting and unlawful operations that have played so important a part in bringing about our misfortunes

so important a part in bringing about our misfortunes.

A glimpse, but only a faint passing glimpse, into their operations is afforded by the few revelations of the Senate committee of the past few days. It is as a single moonbeam compared to a flood of blazing sunshine. The National City Bank disclosures of facts that have to those familiar with financial affairs long been known are merely symptomatic of the situation in a number of other banks. In the interest of clean government and banking reform, at least, the most glaring and reckless of these cases should be exposed and the guilty officials driven from office. There should be as effective a cleanup of that situation as there was of the life-insurance companies in 1906. was of the life-insurance companies in 1906.

It has long been urgent and essential, if we are to build a worth-

while, dependable banking system such as that for which Senator Glass has laid the firm foundations by his admirable bill. I was relieved to find that he put aside the important Treasury portfolio for the far more important task in this direction that lies before him. If, as of course there will be, a reconstitution of the present investigating committee, he is the man who should guide its future activities, but with greatly enlarged powers.

An examination of the character of the speculative truck in

which the big banks, through these affiliates, have buried and scattered billions of dollars among the millions of small banks and investors throughout the country will furnish one answer, and investors throughout the country will furnish one answer, and not an inconsiderable one, to our present condition and why we are sunk so deep in this depression. If Congress had heeded the solemn warnings and recommendations about the affiliates in the Pujo report in 1912 and passed the amendments to the banking bill for their suppression, submitted at page 170 of the report, or if our then President or his Attorney General had enforced the law against them as then personally urged by me in interviews with them, we would have a very different story to tell to-day. The same is true of my many public pleas to place The same is true of my many public pleas to place

to tell to-day. The same is true of my many public pleas to place the stock exchange under Federal regulation.

Congress and the country were officially warned against the peril and illegality of these "affiliates" and urged to exterminate them over 20 years ago in the Pujo committee report, heretofore referred to. At that time there were only two such "affiliates" (the City Co. and the First National Co.) in existence, but the overshadowing political influence of these financial institutions was too great to overcome and they were unfortunately permitted to continue their unlawful depredations. Now there are over 200 of them spread all over the country. They have absorbed and now hold in the form of "frozen" credits, billions of dollars of what were once liquid assets, belonging to the depositors of the great banks. They have sapped their very vitals. of dollars of what were once liquid assets, belonging to the depositors of the great banks. They have sapped their very vitals. They were the medium through which the banks were able to indulge in wild gambling and to dissipate their depositors' money in ways forbidden by law, and lost it without ever having been called to account as they should have been.

The fate of the branch banking and the 5-year extension provisions of the "affiliates" that were demanded by the banks as conditions of the passage of the bill is still trembling in the balance in the House. Such is the power of the black-horse cavalry of high finance, even in its most discredited days.

It does not, however, follow, from the fact that Congress is taking so little aggressive, affirmative action for our protection in these dark hours that there is nothing it can do in that direction. Here we are lying prostrate and unprotected, with the solvency of

these dark nours that there is nothing it can do in that direction. Here we are lying prostrate and unprotected, with the solvency of our banks, insurance companies, and railroads being maintained by brute force of unprecedented Government aid; our mills and factories closed, our workmen unemployed and in want, whilst the countries of Europe, Asia, and the Far East continue flooding our markets, to the exclusion of our own merchandise, with the products of their pauper labor, paid for in their depreciated currencies. The remedy is simple and obvious and yet our legislators continue haggling over it and are likely to end, as usual, by doing nothing. The overshadowing influence of the lobby of special privilege hangs like a pall over all legislation in which it is con-

For three years it has been as plain as the light of day and has been continuously pointed out, that in order to assist in giving our people employment and assuring to them the scale of living to which they are entitled, we should build a Chinese wall around our country so high that nothing short of reciprocal trade con-cessions could surmount it.

cessions could surmount it.

Let us to the extent necessary to protect our home markets, at least for the time being and until we have rescued our lost trade, confine ourselves to free trade with our 48 sovereign sister States and our colonies. It is high time that our shores cease to be the dumping ground for the surplus products of a pauper, starving, and distracted world, with whose pitifully low standards of living we can not compete.

The first step toward our rehabilitation before we apply ourselves to the solution of the railroad or any other problem must, however, be to apply ourselves to the humanitarian task of bringing about a changed social order, in which we must recognize that the primary charge upon the resources of the Nation is the care and support of the old, the sick, and the unemployed, and their helpless dependents, no matter how heavy the burden upon the rest of us—not as charity, not at all—but as our most urgent duty; as part of the legitimate cost of government and on the principle that every person born into the world is entitled to the opportunity to earn a living at an honest occupation, measured by his capacity. If our system has been so woefully maladjusted that in this land of plenty that produces vastly more than is sufficient for the needs of all our people and where there should be employment for all, there is a plethora of food, clothing, and shelter for the few and not sufficient for the many, something is radically, fundamentally wrong with our entire system and we must care for those others out of our overabundance until the genius of our men of brains has evolved, as they can and must, a just, peaceful, and orderly readjustment and redistribution of our combined

We, who brag of being the most enlightened country on earth, are, to our shame be it said, at least a quarter of a century behind European nations in making these provisions. Such has been and continues to be the "strangle hold" of capital over legislation that some of these measures of relief, such as insurance against old age and unemployment, although agitated for a quarter of a century, have not yet been provided. They must be made readily available and must be administered without tying too much red tape around the machinery of distribution. If we had had them when we should, the vast reserve funds thus created would at least have spared our masses the want and suffering from unemployment.

In that connection I have from the beginning of the depression urged by way of temporary relief and until these provisions are made the wise and far-seeing proposal of Mr. Hearst that Congress make available the sum of \$5,000,000,000 to be employed partly for the construction of public works and partly for relief distribution for unemployment through the States and by them through the local communities.

A nation that could have permitted itself to be blindly propagandized by foreign countries through the agency and instrumentality of our bankers in the selfish protection of the debts owing them by the Allies into the most disastrous war in history, and one with which it had no concern; which could have been cajoled into squandering in one way or another over \$40,000,000,000 on its own account and in loans to its allies to rescue them 000 on its own account and in loans to its allies to rescue them and win their cause for them, upon the sacred promises of repayment which were never intended to be kept; a country that could have literally thrown another ten billions or more into the maelstrom under the guidance, advice, and influence and to the profit of these same bankers in the purchase of worthless obligations of other countries; surely such a country can afford and will be well advised in the interest of domestic peace if for no more just reason to furnish at least this measure of relief to its own suffering citizens. Why are these cries of distress from our suffering masses citizens. Why are these cries of distress from our suffering masses unheeded? Is it that the voice of the people is too weak to reach the Halls of Congress, that are at all times accessible to these same bankers?

To our shame should it ever be remembered that barely was the ink dry upon our President's signature to the unfortunate declaration of war into which we were cajoled by the lying propaganda engineered by these same international bankers of ours, who had been financing the war for Great Britain and France until, and continued to do so after, we were jockeyed into it, when the first of the money raised by us from our people by popular subscription, amounting to \$400,000,000, was promptly used to repay J. P. Morgan & Co. out of the proceeds of our first Liberty loan, that being the amount the latter had loaned Great Britain, and which was represented by an overdraft advanced by Morgans that might never otherwise have been repaid.

our ambassador to London, Mr. Walter Hines Page, is authority for the statement, in substance, that it was only by inducing the United States to declare war against Germany that this money could have been saved or the Allies rescued from defeat.

In order that there may be no mistake, I quote as follows on this subject from pages 270-273 of the "Life and Letters of Walter H. Page.

In a cable dated March 5, 1917, to the President signed by the

ambassador, occur the following statements:
"If the United States declares war against Germany, the great-

"If the United States declares war against Germany, the greatest help we could give Great Britain and its allies would be such a credit. If we should adopt this policy, an excellent plan would be for our Government to make a large investment in a Franco-British loan. Another plan would be to guarantee such a loan."

(This, mind you, was the brand of our neutrality one month before the severance of diplomatic relations with Germany.)

"But is there no way in which our Government might immediately and indirectly help the establishment in the United States of a large Franco-British credit without violating our neutrality? * * * The pressure of this approaching crisis I am certain has gone beyond the ability of the Morgan financial agency for the British and French Governments. The financial necessities of the Allies are too great and urgent for any private agency to handle. * * * It is not improbable that the only way of maintaining our present preeminent trade position and averting maintaining our present preeminent trade position and averting a panic is by declaring war on Germany. The submarine has added the last item to the danger of a financial world crash.

There is now an uncertainty about our being drawn into the war; no more considerable credits can be privately placed in the United States."

war; no more considerable credits can be privately placed in the United States."

Then follows this from the Memoirs on page 272:

"Urgent as this message was, it really understated the desperate condition of British and allied finances; that the warring powers were extremely pressed for money had long been known; but Page's papers reveal for the first time the fact that they were facing the prospect of bankruptcy itself. The whole allied combination on this side the ocean are very much nearer the end of their financial resources," he wrote in July, "than anybody has guessed or imagined. We only can save them. * * the submarines are steadily winning the war. Pershing and his army have bucked up the French for the moment * *."

The Memoirs continue:

"Thus by April 6, 1917 (the date of declaration of war) Great Britain had overdrawn her account with J. P. Morgan & Co. to the extent of \$400,000,000 and had no cash available with which to meet this overdraft. * * The money was now coming due; if the obligations were not met, the credit of Great Britain in this country would reach the vanishing point."

"Though at first there was a slight misunderstanding about the matter."

matter.

(and well there might be) continues the Memoirs:

"the American Government finally paid this overdraft out of the proceeds of the first Liberty loan. This act saved the credit of the allied countries. * * * The first danger that threatened the isolation and starvation of Great Britain was therefore over-

the isolation and starvation of Great Britain was therefore overcome. It was the joint product of Page's work in London and that of the Balfour commission in the United States."

Truly a fine brand of neutrality. No wonder we were in the war. These important incidents in our history, showing how we were propagandized into the war at a propaganda cost to Great Britain that has been said to be many millions of dollars, expended by Great Britain in this country with American-loaned money and paid for spies, secret-service men, publicity, and in other secret ways, shed a flood of light upon the unknown perils the country confronts when its interests come in conflict with the plans and interests of the international bankers. That is somewhat akin to the situation that now confronts us.

the situation that now confronts us.

Of all the business and financial questions just now facing the Nation, that of the railroads is the most desperate and confusing. Nation, that of the railroads is the most desperate and confusing. Opposed to us, representing and virtually dominating the private interests in these roads, is the Money Trust, headed and commanded by the Morgan firm. Government ownership or the hopeless general bankruptcy of the railroads are apparently the only alternatives unless Congress can be persuaded by these financial agents of the railroads, banks, and insurance companies to continue pouring untold hundreds of millions into a bottomless pit, as it is now doing under the influence of these same interests.

I regret to have to say that the program recently presented by the Coolidge commission in this connection, of which much was expected, is a great disappointment. It does not meet the situation. It turns out to be a mere makeshift. It does not even adequately consider or discuss the possibility of Government ownership as an alternative. It proposes, in effect, a mere continuance

ship as an alternative. It proposes, in effect, a mere continuance in a somewhat modified form of what the Interstate Commerce Commission has been ineffectually trying to do for the past 12 years in the way of regional consolidations under the transportation act of 1920.

The Coolidge commission having been selected by the banks and insurance companies, I suppose that result should have been expected, although the eminence of some of its membership led us to anticipate at least a frank discussion of every aspect of the problem. I fear that the report almost invites bankruptcy by virtually closing the door to Government ownership.

ship

And yet bankruptcy would bring such widespread disaster in its wake that it can not be contemplated without appalling dread of the many collateral evils that would be unleashed upon the masses of our people. It might well tear down the life, fire, accident, and casualty insurance companies and many of the banks; it would directly and disastrously affect the fortunes of well over one-half of our population, which is the proportion who are policyholders in the life-insurance companies that hold a large part of the securities of the railroads and it would destroy confidence and generally disrupt values as none of the many calamities that have befallen us has done.

Notwithstanding the optimistic prophecies of the majority of And yet bankruptcy would bring such widespread disaster in

Notwithstanding the optimistic prophecies of the majority of the surviving distinguished members of the Coolidge commission, and greatly as I regret to say so, candor at this critical time, requires me to insist that there is no such prospect as the report seems to hold out of the railroads ever reverting to anything like

seems to hold out of the railroads ever reverting to anything like their past normal years of prosperity, when their revenues enabled them to meet their fixed charges, to pay dividends, and to maintain their roadbeds and equipment.

Competitive conditions are growing steadily more severe and are bound to continue in that direction. The inroads and extensions of motor, water, pipe line, and air transportation, whose competition is ateadily on the increase and are annihilating the revenues of the railroads, render competition impossible on the basis of substantial returns on present railroad investment at basis of substantial returns on present railroad investment at prevailing interest rates. The relative costs of construction and operation of competitive forms of transportation can not be overcome.

In the past many of our problems for the solution of which we have foolishly taken credit solved themselves by our steadily increasing wealth and population. That will not apply to the

future. We have little remaining unsettled territory and an almost stationary population. We have too much in the way of transportation facilities of all kinds and it is far too expensively

transportation facilities of all kinds and it is far too expensively constructed for our needs.

One of our economists has recently called attention to the fact that coal, which constitutes more than one-third of the tonnage of the railroads, is less used and is being more and more converted into power at the mouth of the mine, and thus carried by wire, and will furnish less and less traffic for the railroads. Oil, too, now goes by pipe line, as does natural gas, and now the railroads are confronted with the serious competition of trucks and busses and water transportation. The roads have about 2,500,000 freight cars, and there are now some 3,500,000 trucks in service on the highways, which can transport merchandise more cheaply, and will continue to be able to do so, no matter how heavily they are loaded with road, franchise, and other taxes. It is said also that the railroads have since 1920 lost over 40 per cent of their passenger traffic.

When we reflect upon the unbelievable stupidity of our railroad

When we reflect upon the unbelievable stupidity of our railroad executives and their financial advisers in sitting idly and blindly by all these years whilst this competition was taking their busiby all these years whilst this competition was taking their business from them, when they should have anticipated the situation and could readily have supplemented their own service, one marvels at their assurance in criticizing Government operation or any other form of operation. The railroads had their opportunity to anticipate and corral the motor competition. With a fatuous short-sightedness that is well-nigh incredible they threw it away. And yet you will hear them prate against the perils of public management.

of public management.

of public management.

Their demand for an increase in rates to supplement their vanishing earnings was another of their like "strokes of genius." It was the last thing they should have permitted. The traffic can not bear an increase in rates. They are already 50 per cent higher than in 1916. The motor trucks would simply take from the rail lines a still larger part of the business. The mere scaling down of those rates, if it were possible, and the elimination of the existing wasteful duplication of facilities might at one time have been but will not now be sufficient to stem the tide.

The Interstate Commerce Commission reported in March, 1932, that the total value of freight transported in 1930 was \$62,090,-176,000, of which about forty-five and one-half billion dollars was

The Interstate Commerce Commission reported in March, 1932, that the total value of freight transported in 1930 was \$62,090,-176,000, of which about forty-five and one-half billion dollars was for manufactured and miscellaneous goods, leaving about sixteen billions for the products of agriculture, mines, and forests. The revenue derived from the forty-five and one-half billion dollars was only one and eighty-five hundredths billions, while that from the agricultural products and coal was two and thirty-six hundredths billions. If we adjust these percentages to the present commodity prices, the tax in the form of freight would be greatly increased, as prices have dropped and railroad rates are higher. The grains, then paying about 15 per cent of their destination price, are said to be now paying about 25 per cent. It was absurd of the railway managers in the early period of depression to ask for an increase of 15 per cent.

Revenues will doubtless in time improve somewhat over the present prostrate conditions but not permanently in the railroad world nor sufficiently to carry anything like the existing load. The ultimate trend will inevitably be downward. Meantime the railroads can not go on indefinitely borrowing from Peter (the Reconstruction Finance Corporation) to pay Paul (its creditors), to meet their interest and sinking fund charges and to refund their maturing obligations. Their collateral (much of it questionable in these times) will soon be exhausted. And then what will happen?

It is economically unsound and reckless to encourage them or

happen?

It is economically unsound and reckless to encourage them or to permit the Government to go further in that direction, what-ever may be the differences in our views of the justification for ever may be the differences in our views of the justification for the loans of about \$400,000,000 already made to them and of those to which the Reconstruction Finance Corporation is now committed. To my mind it means simply postponing, not avoiding, the evil day. Whilst these unearned interest payments so borrowed may serve a useful purpose in this crisis in postponing the day of ultimate reckoning for them and for the public corporations that hold billions of their securities and to enable those corporations to hold out to their policyholders and creditors for whom their bonds are held the appearance of prosperity, as reflected in the misleading character of the returns that those companies are permitted from the proceeds of these Reconstruction Finance Corporation loans to make to the public authorities, such fictitious valuations deceive no one, as is evident from the prices at which these bonds are being sold—in many cases little more than the annual borrowed interest the companies are promising to pay.

than the aintial borrowed interest to pay.

I am not criticizing these desperate makeshifts. It is a case of Hobson's choice. But how long can it last? And what next? Inevitable bankruptcy and under the most crude, stupid, and barbarous laws on earth, laws that are a disgrace to a civilized country; bankruptcy of which the lawyers and bankers are the chief beneficiaries.

I agree with a recent magazine writer that there are no governmental bureaucracies that can compare in waste, inefficiency, ernmental bureaucracies that can compare in waste, inefficiency, and incompetency and none in corruption with the managements of many of our leading corporations. This applies especially to the past managements in the railroad world. There are no Government administrations that begin to be so honeycombed with fraud as have been many of our private corporations, especially railroad corporations, in the past, though the latter were more successful in concealing both their frauds and their inefficiency than our Government institutions. It was the danger that Ambassador Bryce foresaw from private monopolies controlled by bankers that led him to say in his American Commonwealth:

"In England we have a form of monarchy with the spirit of democracy, while in America there exists a form of democracy with the spirit and essence of monarchy."

with the spirit and essence of monarchy."

In England and other countries of Europe public utilities are largely owned and operated by the people as a logical attribute of government. In 16 countries the government owns and operates telephone and telegraph systems as part of the postal service; 10 of them own and operate their entire railway systems; 4 of them own them in part; while in 2 of them, England and Scotland, they were operated in private ownership until the outbreak of the war, when those two countries also took over the ownership of their

The United States is the only nation in the world that does not publicly own and operate its telephone and telegraph systems as governmental functions. Under municipal ownership in Engpublicly own and operate its telephone and telegraph systems as governmental functions. Under municipal ownership in England the best quality of coal gas is supplied at rates as low as 25 cents per 1,000 cubic feet and shows a profit at that price. Electricity is everywhere supplied at rates far lower than by private corporations in our country, notwithstanding the fact that in most of these countries there is little water power available.

Local telephone calls were 2 cents.

The history of Switzerland offers a fair comparison between private and governmental construction and operation. Due to the unique difficulties of construction in the mountains of the Alps, the cost of their railways must be at least five times that of ours, notwithstanding the far lower price of labor. Some of the earliest

notwithstanding the far lower price of labor. Some of the earliest great engineering tunneling projects in the world were accomplished in the building of those roads. There are over 1,000 tunnels in the Swiss federal system in that little country, yet their fares are less than ours, while their season tickets are only a fraction of the charges made in this country.

When that Government took over its roads, amounting to about 1,700 miles, it paid for them \$199,000,000, or an average of \$117,000 a mile, which included a large mileage of tunnels and bridges, averaging a cost of \$1,000,000 a mile.

Nobody knows how many hundreds of millions of graft, thievery, and corruption are included in the present capital structures of the railroads, but we do know that the late Edward H. Harriman, who was a stock broker, speculator, and operator of railroads, and never built a mile of road, is reputed to have died worth about \$250,000,000, accumulated in and appurtenant to the railroad business. business

There is not time or space here to traverse the unsavory history of the American railroads, but I would like to refer to just a few cases to put an end to this false hue and cry about the perils of corruption under public ownership as contrasted with the lily-white purity of private operation. It is a gross calumny and impertinence and opens up one of the most gruesome, shameful

chapters in our history.

It is not a pleasant task to rehearse the criminal and crooked method by which Government, press, and politics have been corrupted and the rights of its citizens destroyed by the acts and ambitions of our former railroad rulers. But such reminders can operation of the roads. The character and quality of contemporaneous management will and should play a part in determining that question, but it is also instructive to briefly rehearse a few of the many instances showing the foundations on which railroad financing was built.

Here are a few of the many illuminating illustrations gathered

at random:

1. About 1850 the Government began surveys for a vast railway 1. About 1850 the Government began surveys for a vast railway system on the Pacific coast. After these surveys had been made, at the expense of the Nation, a private corporation known as Credit Mobilier was formed to control this system, thus planned by the Government. The award of these rights to that corporation signalizes the first widely known chapter in the dark history of American promotion and financing of railways. This event is recorded in two congressional reports covering over 1,300 pages, the first known as the Poland report and the other as the Wilson report, both by committee appointed by the House of Representatives to investigate the affairs of the Union Pacific Railroad Co. and the Credit Mobilier of America.

tives to investigate the affairs of the Union Pacific Railroad Co. and the Credit Mobilier of America.

These reports dramatically detail the brazen and reckless manner in which Members of Congress were bribed or influenced to turn over the building and ownership of these lines to a private corporation. They show, among other things, how one prominent Congressman, who afterwards became President of the United States, and two others, who were nominated for the Vice Presidency, and others were implicated in the transactions.

I quote from the Poland report:

dency, and others were implicated in the transactions.

I quote from the Poland report:

"But such is the tendency of the times and the belief is far too general that all men can be ruled by money and that the use of such means to carry public measures is legitimate and proper."

2. Another interesting chapter in our railway history was disclosed in the investigation of the records of the Louisville & Nashville Railroad Co., in certain letters that passed between Milton H. Smith, president of that road, and Samuel Spencer, president of the Southern Railway, in which they, in confidence, gave vent to their fullness of joy in having, as they supposed, "obtained control of America as had Cortez and Pizzaro four centuries before."

3. During the years from 1912 to 1915, many complaints were made by shippers and the public to Congress and the Interstate Commerce Commission of illegal practices of five important sys-

tems of railways and their resulting inefficiency of service and unjust rates. The commission accordingly made extended investigajust rates. The commission accordingly made extended investigations and issued official reports of findings between the years 1913 and 1917 respecting these practices and the financial transactions of these five systems, embracing approximately one-third of the country's entire mileage. The systems so investigated were the New Haven; Louisville & Nashville; Chicago, Rock Island & Pacific; St. Louis & San Francisco; and the Cincinnati, Hamilton & Dayton and Pere Marquette.

The evidence and findings of the commission are published in their official reports and disclose, among others, the following facts:

(1) That each railroad company investigated knowingly falsified its accounts, partly to hide expenditures of large sums for the control of politics and elections and to influence legislation and the administration of laws.

(2) Falsified its accounts respecting capital, expenses, and profits so that the commission was unable to ascertain for what numbers west sums had been expended.

profits so that the commission was unable to ascertain for what purpose vast sums had been expended.

(3) In many cases the books and accounts were burned by the directors in order to hide various illegal transactions. Many of these acts were done by directors who were well known as among the world's most powerful financiers. Even though many records were willfully destroyed, the commission was able to secure sufficient evidence to disclose the names, dates, and facts.

The commission's report, in order to bring these various illegal practices in systematic order before Congress and the people, was classified as follows:

classified as follows:

(a) Extravagant speculations and purchases of worthless securities in the interests of the directors; peculations from the stockholders, many by illegal devices accompanied by the falsification of books and accounts and their later burning by the

(b) Hiegally spending the stockholders' money and property to corruptly influence politics, the press, and public opinion and to secure secrecy respecting their accounts.

cc) Acts to secure a monopoly against the public interest by the violation of the laws of many States as well as of the Nation.

(d) The organization by the railway directors of "fake" corporations and "dummy" officers to hide the identity of real promoters and shield them from prosecution.

(e) The voting to themselves by directors of extravagant salaries, in addition to which large sums were taken by some of these

ries, in addition to which large sums were taken by some of these officials without warrant of law.

4. As these corrupt practices, including falsifying of records, etc., are common to all the railroads investigated, a résumé of the New Haven system investigation will suffice for all.

All the extracts from the commission's reports are taken verbatim from the records. They are startling, as you will hear from the copious extracts I shall read to you from the report when my breedersting time has expired. Quotations from the report of the commission to the Senate of the United States:

In the search for truth the commission had to overcome many obstacles, such as the burning of books, letters, and documents, and the obstinacy of witnesses who declined to testify until crimi-

and the obstinacy of witnesses who declined to testify until criminal proceedings were begun for their refusal to answer questions.

"The New Haven system has more than 300 subsidiary corporations in a web of entangling alliances with each other, many of which are seemingly planned, created, and manipulated by lawyers expressly retained for the purpose of concealment or deception.

"The result of our research into the financial workings of the former management of the New Haven system has been to disclose

former management of the New Haven system has been to disclos

former management of the New Haven system has been to disclose one of the most glaring instances of maladministration revealed in all the history of American railroading. * * * The difficulties under which this railroad system has labored in the past are internal and wholly due to its own mismanagement. Its greatest losses and most costly blunders were made in attempting to circumvent governmental regulation and to extend its domination beyond the limits fixed by law.

"The subject matter of this inquiry relates to the financial operation of a railroad system which on June 30, 1903, had a total capitalization of approximately \$93,000,000, of which \$79,000,000 was stock and \$14,000,000 bonds. In the next 10 years this capitalization was increased from \$93,000,000 to \$417,000,000. Of this increase approximately \$120,000,000 was devoted to its railroad property. This leaves the sum of \$204,000,000 expended for operations outside its railroad sphere. Through the expenditure of this sum the railroad system has practically monopolized the freight som the railroad system has practically monopolized the freight and passenger business in five of the States of the Union. It has acquired a monopoly of competing steamship lines and trolley systems in the section which it serves. The financial operations necessary for these acquisitions and the losses which they entailed have been skilfully concealed by the juggling of money and securities from one subsidiary corporation to another.

ties from one subsidiary corporation to another.

"Marked features and significant incidents in the loose, extravagant, and improvident administration of the finances of the New Haven, as shown in this investigation, are the Boston & Maine despoilment; the iniquity of the Westchester acquisition; the double price paid for the Rhode Island trolleys; the recklessness in the purchase of Connecticut & Massachusetts at prices exorbitantly in excess of their market value; the unwarranted expenditure of large amounts in 'educating public opinion'; the disposition, without the knowledge of the directors, of hundreds of thousands of dollars for influencing public sentiment; fictitious sales of New Haven stock to friendly parties with a design of boosting the stock and unloading it on the public at the higher market price; the unlawful diversion of corporate

funds to political organizations; the scattering of retainers to attorneys in five States who rendered no itemized bill for services and who conducted no litigation to which the railroad was a party; extensive use of a paid lobby in matters as to which the directors claimed to have no information; the attempt to conceal utterances of the press by subsidizing reporters; the investment of \$400,000 in securities of New England newspapers; the regular employment of political bosses in Rhode Island and other States, not for the purpose of having them perform any service but to prevent them. as Mr. Mellen (the president of the New Haven Railroad) expressed it, 'from becoming active on the other side'; the retention of one John L. Billard of more than \$2,700,-000 in a transaction in which he represented the New Haven and 000 in a transaction in which he represented the New Haven and into which he invested not a dollar; the inability of Oakleigh Thorne to account for \$1.032,000 of the funds of the New Haven intrusted to him in carrying out the Westchester proposition; the story of Mr. Mellen as to the distribution of \$1,200,000 for the corrupt purposes in bringing about amendments of the Westchester and Port Chester franchises; the domination of all the affairs of this railroad by Mr. Morgan (referring to the late J. P. Morgan) and Mr. Mellen and the absolute subordination of the other members of the board of directors to the will of these two men; the indefensible standard of public ethics and the absence of financial acumen displayed by eminent financiers in directing the destinies of this railroad in its attempt to establish a monopoly of the transportation in New England; a combination of all these has resulted in the present deplorable situation in

monopoly of the transportation in New England; a combination of all these has resulted in the present deplorable situation in which the affairs of this rallway are involved."

Pages 35 to 41 of the report give a history of the celebrated transaction in which 18 miles of railroad in which Directors J. P. Morgan, sr., William Rockefeller, and some promoters who were their friends were interested was unloaded by them on the railroad company at a meeting kept secret from the rest of the board of directors, at which President Mellen presided. This property proved to be more than worthless to the stockholders, having been operated at an annual loss of over \$1,000,000 and for which their directors forced them to pay the vast sum of \$36,434,173.25.

The principal accounts respecting this transaction were kept in the office of J. P. Morgan & Co. in such a manner as to hide the purposes for which moneys were received or expended, under the title of "Special Account No. 2."

Part of the accounts were kept by another banker interested in the transaction named Oakleigh Thorne, respecting whom the commission's report says:

the transaction named Oakleigh Thorne, respecting whom the commission's report says:

"It appeared during the progress of this investigation that the personal records of Thorne which might have shown all the details of these disbursements had been burned by him in January, 1912."

This transaction is all the more sensational since Mr. Mellen, president of the road, was not permitted by the directors who robbed it to the extent of millions of dollars to know who got the money, or as he personally wrote in the records when smarting from the rebuffs of Mr. Morgan:

"It seems that as president of the road. I should be entitled to

It seems that as president of the road, I should be entitled to

know who got the money for the truck turned over. C. S. M.'
The following is also from the report:
"The enormous sum of \$36,434,173.25 was expended for a only 18.03 miles in extent which is being operated at an annual loss of approximately \$1,250,000 and which will have to increase its earnings four and one-half fold before it can pay its operating expenses and fixed charges. * * * The Westchester acquisition was planned and executed by a special committee of the board was planned and executed by a special committee of the board consisting of Directors Morgan, Rockefeller, and Miller, with President Mellen as chairman. The vote appointing this committee 'on proposed competition between the Connecticut State line and Harlem River, with power' does not disclose an intention to authorize the buying of charters and promotion securities and the building of a new railroad, much less one at a cost of \$36,000,000. It is ambiguous and was evidently intended to conceal a secret purpose. The full board was not taken into the confidence of those directors who wanted these securities purchased and no report was ever made by this committee, placing the situation as they found it before the board."

The following is from pages 45, 60, and 61 of the report of the

The following is from pages 45, 60, and 61 of the report of the commission:

"The frequency with which dummy corporations and dummy directors appear in this record leads to the conclusion that some one high in the councils of the New Haven had an obsession upon the subject of the utility of such sham methods. The directors of the Billard Co. confessed that they were dummies and knew nothing of its operations. Why men of responsibility and standing as these appear to be should lend their names as dummies passes comprehension.

"In the organization of one of the steamship companies, the "In the organization of one of the steamship companies, the young lady stenographer was made president and a youth of 21 years of age, by the name of Grover Cleveland Richards, was selected as treasurer of another company. Clerks and irresponsible persons were drawn upon to supply the demand for 'dummies' in the financial joy rides by the management of the New Haven. Thus throughout the entire story of deception the New Haven management vainly endeavored to hide the true facts behind dummy individuals and dummy corporations.

"As a matter of law such devices are feeble and puerile, but if the master financiers behind these New Haven transactions could use these sham methods and thus give their indorsement to the

use these sham methods and thus give their indorsement to the availability of such crooked schemes to cover the true substance and fact of financial transactions, it indicates a low standard of financial morality. No condemnation can be too severe to apply to the fraudulent use of these companies by the New Haven.

"This investigation has demonstrated that the monopoly theory of those controlling the New Haven was unsound and mischievous in its effects. To achieve such a monopoly meant the reckless and scandalous expenditure of money; it meant the attempt to control public opinion; corruption of Government; the attempt to pervert the political and economical instincts of the public in insolent defiance of law. Through exposure of the methods of this monopoly the invisible government which has gone far in its effort to dominate New England has been visible. It has been clearly proven how public opinion was distorted; how officials who were needed and could be bought, were bought; how newspapers that could be subsidized, were subsidized; how a college professor and publicists secretly accepted money from the New Haven while masking as representatives of a great American university and as the guardians of the interests of the people; how agencies of information to the public were prostituted wherever they could be prostituted."

5. From the wealth of material at any financial in the second of the property of the people.

be prostituted."

5. From the wealth of material at our disposal, in answer to the impudent comparisons between public and private ownership and operation of our utilities, I have only time to refer here to two more incidents of which there are many more of a like character.

Of two railroads entering New York, the Lackawanna and the Erie, the Lackawanna operates about 985 miles and the Erie 2,465 miles. The Erie has a capitalization of \$182,240 a mile, whilst that of the Lackawanna is about \$42,000 a mile.

miles. The Erie has a capitalization of \$182,240 a mile, whiles that of the Lackawanna is about \$42,000 a mile.

How this came about is a long story nor is it necessary or useful now to recapitulate. All over this country such divergencies in the construction of the railroads exist. The construction the financial structures of the railroads exist. The construction costs of the two roads is about the same, but we are told that in 1916 there was an interest charge against the Erie of \$4,699.99 a mile, whilst the interest charge against the Lackawanna is only \$7 per mile. How can the Erie, with its interest charges nearly seven hundred times as great as the Lackawanna's, meet the competition of the better-financed road?

petition of the better-financed road?

It was negligent of the Government to allow these things and to permit the railroads of the country to be made the plaything of the gamblers in Wall Street, but it has been done.

For over 30 years Congress has been pleaded with to give us a reconstruction act and an enlightened system for the reorganization of railroads modeled after the companies and reconstruction acts of Great Britain or Canada or South Africa or of any one of the many other civilized countries, but we continue to cling ignorantly and tenaciously to our clumsy antiquated system that makes of every reorganization a feast and refuge for the vultures of finance. of finance.

Neither could anything, I regret to have to confess, better characterize the want of vision, smug self-sufficiency, and absence of public spirit and professional resourcefulness of the men who have all these years specialized in this branch of overshadowing importance in our corporate law and are reputed to be leaders

and experts in my profession.

Under an enlightened system the long delays and staggering fees of these lawyers and those of their banker clients, receivers, self-constituted committees, trust companies, and other barnacles many times greater than the fees and more cumbersome, complicated, unnecessary legal machinery are unknown. In Great Britain the time, expense, and delay would amount to less than 10 per cent of what they are with us.

Strange to say, I do not believe that greed accounts for our pres-

per cent of what they are with us.

Strange to say, I do not believe that greed accounts for our present archaic system, so far as concerns our bar. Nor is it ignorance. They are simply too inert, too rut-driven, and unresourceful to think or plan beyond the narrow limits of their particular job. "Tis not to ask the reason why, 'tis but to do or die."

Stirred by the impending avalanche of disastrous railroad and industrial reorganizations and receiverships and the manifest inefficiency and helplessness of existing law to deal adequately with the situation that confronts us, the time has come when Congress can no longer evade this issue. A belated effort is accordingly now, at the eleventh hour, as usual, on its way, after repeated warnings and a generation or more of unpardonable neglect, to modernize and simplify the procedure on reorganization and receiverships but only in certain of its minor phases.

To that end a law has within the past few weeks passed the House and is now in the Senate but will not be considered by the latter until the next session. There can be no question of its urgency, but in its present form it is at best a poor and defective substitute for the British law, which should be enacted in its entirety and especially those parts of it governing receiverships or rendering them in most cases, as in Great Britain, unnecessary. Whilst in the early history of our railroad and industrial development we had pirates and buccaneers among our business leaders, who mercilessly exploited the people, there were men of great courage and vision among them. To-day we have no great business leaders. They are pigmies as contrasted with the leaders of former days. They have proven so shortsighted that they could not visualize the basic unsoundness and ultimate collapse of a policy that went on blindly increasing mass production on the great scale on which it had been pursued under the artificial, overstimulated conditions of the war and without any prospect of an increase in purchasing power as though thos

Any man of common understanding could have seen if he had given any thought whatever to the subject that what we require is the wholesale junking of manufacturing plants. Our great problems are now those of distribution and deflation of produc-

tion; there is already far too much production.

Insistent propaganda by the railroad interests and abuse of the champions of public operation has not succeeded in blinding the

well informed to the dismal lack of ability and progressiveness in our railroad administration. The callous and open contempt, criticism, and abuse by big business and high finance of Government and our public men is ludicrous and largely undeserved. It has not kept us from realizing that on the whole the larger proportion of them are abler, sounder, and at least as honest as

their abusers.

But to revert to the main point of the discussion; paradoxical as the statement may seem at first blush from the point of view of the Government, as well as of the owners of the roads, a better time than the present for pressing Government ownership of the railroads and of thus averting wholesale receiverships and resulting further disaster could not well be conceived. The days of inflated prices and dividends are over. Railroad securities have lost their charm and sense of safety for all time. This is not a temporary condition due to the times. It is a permanent condition that is bound to grow worse from day to day. Purchase of the roads should now be possible by the Government on a 3 per cent basis, on something approaching present deflated values and revenues as contrasted with the inflated reproduction costs of the Interstate Commerce Commission on which rates have been fixed which the roads will be less and less able to exact. We are no longer living in the times in which the roads are monopolies, and longer living in the times in which the roads are monopolies, and never again will be.

When one considers the economies that will become possible by eliminating the senseless competition and duplications, by the more effective use of equipment, and by simplifying the management, the possibilities that spread out before us are almost without

It should be possible to acquire the roads, at this time, well within ten billions, which is at least three billions above their value, based upon present market quotations. It is, I believe, above what the Interstate Commerce Commission would be likely to appraise their physical value based on the reduced valuation of above what the Interstate Commerce Commission would be likely to appraise their physical value based on the reduced valuation of the average of the past few years. If we double their present net revenue and add the taxes they are now paying but which would cease to be required from them under Government ownership, this price, payable in 3 per cent bonds, would leave an average of 3 per cent for the stock and a surplus to the Government at least sufficient to make good (1) the loss in taxes, (2) to pay the interest on the bonds, (3) furnish a sinking fund, (4) to gradually repay the outstanding Government loans, (5) provide for the cost of gradual readjustment in routing and construction necessary to eliminate the existing duplications due to present wasteful competition, and (6) cover the cost of rehabilitation of equipment and roadbed, which are greatly deteriorated, and will rapidly become increasingly so unless something is promptly done.

The brief experiences of the Government in railroad operation during the World War, experiences that were diligently propagandized, exaggerated, and misrepresented by the railway managements and banking interests so as to make the operations falsely appear unsuccessful and discreditable for their own selfish purposes, must not be allowed to mislead us into the loss of a great opportunity. The occupation of the private managements will be at an end if they are forced to relinquish their representation of the roads that have for generations meant so much profit and nower to them.

of the roads that have for generations meant so much profit and power to them. We must accordingly take what they may say with many grains of allowance.

Bear in mind what happened in the brief months of Government operation during the war. A vast complicated railway system built up on a competitive basis was disrupted and uprooted overbuilt up on a competitive basis was disrupted and uprooted overnight to meet an unknown and unprecedented emergency, regardless of cost, waste, or consequences. There was no opportunity for the Government to set up an organization of its own. It had to utilize that which was at hand, which was that of the roads. If it was incompetent or defective, it was theirs. It was not in their interest to demonstrate the success of Government operation; very much the contrary. Our men and supplies and those for our allies had to be transported without interruption and with accelerated speed to and from all points of the country, reckless of consequences. Money could not be a factor. To that end, roads and great systems of roads were ruthlessly torn asunder; the known routes of travel were abandoned and others substituted; pandemonium was and had to be substituted for order.

Here we are, by way of contrast, considering a deliberately con-

Here we are, by way of contrast, considering a deliberately conceived plan, having in mind only the public comfort, convenience, and economy, managed by seasoned railroad men carefully selected from the best brains and experience in the land. The problems then and now are as wide as the poles.

then and now are as wide as the poles.

In the face of the inspired propaganda from high financial sources against the accomplishments of the Government in that crucial time, and having in mind the novelty of the problems and the traffic pressure at the time of the war, I venture to insist that the way in which our public officials transformed and utilized our railroad systems for the purposes of the war was nothing short of miraculous. It was one of the most remarkable and creditable accomplishments of the war and one of which we may well be proud.

Not the least advantage of Government ownership will be the scrapping of the fallacy of applying the antitrust laws to a natural regulated monopoly, such as the railroads. It is as absurd as the economic waste involved in the application of those laws to our natural resources

We should end the whole flasco at the same time. It has proven a grave handicap to all business. It prohibits us from regulating and limiting prices and suspending and adjusting production to the requirements of consumption. Future generations are being

robbed by law and our natural resources, such as oil, copper, coal, and the like, are being exhausted, not only without profit to us but at a net loss, below actual cost of production, because Congress lacks the wisdom to permit our producers to protect themselves or of the consumers of the future when the most obvious remedies are at hand. Other countries find no such asinine policy necessary or advisable. All we need do to correct this situation is to add a few sections to the Sherman and Clayton Acts that will permit competitors to combine on prices and to limit production under the supervision of the Federal Trade Commission

In conclusion, permit me here to repeat the warning that in In conclusion, permit me here to repeat the warning that in this titanic struggle we must reckon upon the bitter and unrelenting opposition of the Morgan banking group to the last ditch with all the unrivaled and illimitable resources at their command and all that this implies. That is quite understandable, All their traditions and beliefs are the other way; they doubtless believe that the public interest and their public duty also lie their way. It has been easy for them to convince themselves notwithstanding the slimy trail of corruption with which our railroad history is covered. They represent as bankers and are resources the history is covered. They represent as bankers and are responsible to the investing public, directly and indirectly, for the greater part of that stupendous industry. Their influence was originally mainly built upon their financing and representing the railroads long before public industrial promotion began.

To dislodge them will involve by far the most desperate contest in history between the Government and the enthroned, concen-trated forces of special privilege, regardless of the merits of the controversy. Let no one underrate the bitterness of that struggle. It will involve the supreme test of our form of government.

The righteousness of our cause will not be sufficient for success.

Beneath the surface it will play a very insignificant rôle if in fact it is permitted to become known. It will be so misrepresented as to be unrecognizable and will be overwhelmed and submerged by

to be unrecognizable and will be overwhelmed and submerged by the power of special privilege.

We must reckon upon the forces of publicity being almost solidly arrayed against us, if not by the combined batteries of outspoken hostility, ridicule, and denunciation, by the still more subtle, deadly, tacit conspiracy of silence. The people will be exceptionally favored if the present plea for fair play is even permitted to reach the public ear. The Morgans control and are the bankers for the Radio Corporation, which in turn owns the National Broadcasting Co. that is administered by high-class men tional Broadcasting Co. that is administered by high-class men whose disposition is to be fair, if let alone, but there are limits to their independence.

to their independence.

One thing only can save the people's campaign. That is that the extreme urgency of the situation may so awaken the lethargic public sense of self-preservation and so stir public sentiment as to force action upon Congress in the teeth of the fiercest fire of opposition from every citadel of intrenched power and special privilege ever concentrated upon any public question. Such is the form of Government under which we are living. God grant that I may be proved to be mistaken.

I except one great publisher from this general statement, for here again, Mr. William Randolph Hearst's newspapers are the only ones that have dared take their accustomed stand on the firing line and tell the truth. Within the past week and after this speech was written his Los Angeles Examiner and presumably his other papers had the following, among other pertinent things.

his other papers had the following, among other pertinent things, to say of the railroad situation and the Reconstruction Finance

"The legacy of past evils, despite all reforms of practice, is still represented in distended capitalizations, towering overheads, postponed charge-offs, and physical obsolescence, which are fatal handicaps to service, efficiency, and the reasonable treatment of the public in the matter of charges.

"It is ridiculous to describe the process by which they are seeking further Government aid as "borrowing."
"Let the Government realize this.

"Let the Government realize this.

"It is not lending the railroads. It is paying for the railroads—paying for them, but not getting them!

"How much better to spend the people's money acquiring the roads, reorganizing them, liquidating burdens which can no longer be carried—doing, in short, the things necessary to put the roads on a paying and serviceable basis.

"The railroads have no solution for their situation.

"If it must be solved by the public and by the use of the public's money, the money should be used in the service of the public interest exclusively."

In this connection I beg here to repeat what I have had fre-

public interest exclusively."

In this connection I beg here to repeat what I have had frequent occasion to publicly observe, that I regard Mr. Hearst as by far America's outstanding patriot and statesman, with the courage of a martyr, as he was in opposing our participation in the war before we were juggled into entering it and as he has since proven himself to be and has been in all his social and economic utterances throughout the present crisis. He has throughout been right and farseeing.

throughout been right and farseeing.

Of course the Morgan group will be bitter and unrelenting and will give no quarter in their opposition. With them it means the beginning of the end of their reign and increasing control. Although the loss of the control of the railroads, if forced from them at this particular juncture, is for the salvation of their security holders, they realize that it would ultimately be followed by the nationalization of the telegraph and telephone companies and of the network of power, gas, electric lighting, and other public utilities covering the country for which these gentlemen speak with authority and most of which they represent as bankers,

not only nationally in many cases but internationally as through the International Telephone & Telegraph Co. and other similar agencies.

agencies.

From this sketch of the picture, perhaps you can faintly see something of what the success of this momentous movement would mean to this imperial citadel of power and how essential to the people in this struggle, apart from the present exigency, that has alone made possible the release of the Nation from this thraidom.

In conclusion, let me say in just tribute to these modest gentlemen that, quite apart from my duty as a citizen to my country, I harbor only personal admiration and good will for them and their accomplishments; and that if we must be ruled by a supergovernment, I can conceive of no equally amiable or better-intentioned despotism in its place unless, unlike the present situation, it be one in which there would be no conflict between private interests and public duty.

My hope and prayer for my country is that the sufferings of this tragic depression have, however, brought with them the one great blessing of blazing for us the way of dethroning all supergovernment and regaining our lost freedom. If that shall come to pass, it will have been well worth the fearful cost.

MORRISTOWN NATIONAL HISTORICAL PARK, N. J.

The PRESIDING OFFICER laid before the Senate the amendments of the House of Representatives to the bill (S. 5469) to provide for the creation of the Morristown National Historical Park in the State of New Jersey, and for other purposes, which were, on page 3, lines 11 and 12, to strike out "vigilant interest, initiative, and protection saved to" and insert "active interest in conserving for," and on page 4, line 9, after "1-4)" to insert ": Provided, That no appropriation of Federal funds for administration, protection, and maintenance of said park in excess of \$7.500 annually shall be made for the fiscal years 1934, 1935, 1936."

Mr. BARBOUR. I move that the Senate concur in the amendments of the House.

The motion was agreed to.

AMENDMENT OF THE RADIO ACT OF 1927

Mr. DILL submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 7716) to amend the radio act of 1927, approved February 23, 1927, as amended (U. S. C., Supp. V, title 47, ch. 4), and for other purposes, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, 3, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 21, and 24, and agree to the same.

Amendment numbered 4: That the House recede from its disagreement to the amendment of the Senate numbered 4, and agree to the same with an amendment as follows: After the word "commission," in line 20, insert the following: "an application for a construction permit or license for a new station, a transfer of a license from one licensee to another, the revocation of a construction permit or licensee"; and the Senate agree to the same.

Amendment numbered 16: That the House recede from its disagreement to the amendment of the Senate numbered 16, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following substitute:

"Section 9 of the radio act of 1927, as amended by the act of March 28, 1928, Public Law No. 195, Seventieth Congress, is hereby amended by adding at the end of section 9 the following: 'Provided further, That the commission may also grant applications for additional licenses for stations not exceeding 100 watts of power if the commission finds that such stations will serve the public convenience, interest, or necessity, and that their operation will not interfere with the fair and efficient radio service of stations licensed under the provisions of this section.'"

And the Senate agree to the same.

Amendment numbered 17: That the House recede from its disagreement to the amendment of the Senate numbered

17, and agree to the same with an amendment as follows: In lieu of the matter stricken out by said amendment insert the following:

"Sec. 8. Section 12 of the radio act of 1927 (U. S. C., Supp. V, title 47, sec. 92) is amended by striking out the whole of said section and inserting in lieu thereof the following:

"'The station license required hereby shall not be granted to or held by,

"'(a) Any alien or the representative of any alien;

"'(b) Any foreign government or the representative thereof;

"'(c) Any company, corporation, or association organized under the laws of any foreign government;

"'(d) Any controlling or holding company, corporation, or association, of which any officer or more than one-fifth of the directors are aliens, or of which more than one-fifth of the capital stock may be voted by aliens, their representatives, or by a foreign government or representative thereof, or by any company, corporation, or association organized under the laws of a foreign country;

"'(e) Any corporation or association controlled by, or subsidiary to a corporation or association, of which any officer or more than one-fifth of the directors are aliens, or of which more than one-fifth of the capital stock may be voted by aliens, their representatives, or by a foreign government or representative thereof, or by any company, corporation, or association organized under the laws of a foreign country:'

"Provided, however, That nothing herein shall prevent the licensing of radio apparatus on board any vessel, aircraft, or other mobile station of the United States when the installation and use of such apparatus is required by act of Congress or any treaty to which the United States is a party.

"The station license required hereby, the frequencies or wave length or length authorized to be used by the licensee, and the rights therein granted shall not be transferred, assigned, or in any manner either voluntarily or involuntarily disposed of, or indirectly by transfer of control of any company, corporation, or association holding such license, to any person, firm, company, association, or corporation, unless the commission shall, after a hearing, decide that said transfer is in the public interest, and shall give its consent in writing."

And the Senate agree to the same.

Amendment numbered 18: That the House recede from its disagreement to the amendment of the Senate numbered 18, and agree to same with an amendment as follows: After the word "commission," in line 7, insert the following: "for each and every day during which such offense occurs"; and the Senate agree to the same.

Amendment numbered 19: That the House recede from its disagreement to the amendment of the Senate numbered 19, and agree to same with an amendment as follows: After the word "revocation," in line 13, strike out "modification, or suspension" and insert in lieu thereof "or fine"; and the Senate agree to the same.

Amendment numbered 20: That the House recede from its disagreement to the amendment of the Senate numbered 20, and agree to the same with an amendment as follows: After the word "revocation," in line 16, strike out the comma and "modification, or suspension" and insert after the word "issued" in line 17 "or a fine or fines imposed"; and the Senate agree to the same.

Amendment numbered 22: That the House recede from its disagreement to the amendment of the Senate numbered 22, and agree to same with an amendment as follows: In line 17, page 16, strike out "district court" and insert in lieu "circuit court of appeals."

In line 2, page 17, after the words "if supported by," insert "substantial."

In line 18, page 16, strike out "district" and insert in lieu "circuit."

In line 10, page 17, strike out "district" and insert "such." And the Senate agree to the same.

Amendment numbered 23: That the House recede from | its disagreement to the amendment of the Senate numbered 23, and agree to the same with an amendment as follows: In line 12 strike out "district courts" and insert in lieu "the circuit courts of appeals"; and the Senate agree to the

Amendment numbered 25: That the House recede from its disagreement to the amendment of the Senate numbered 25, and agree to the same with an amendment as follows: In lieu of the matter stricken out by said amendment insert the following:

"SEC. 13. No person shall broadcast by means of any radio station for which a license is required by any law of the United States, and no person, firm, or corporation operating any such station shall knowingly permit the broadcasting of, any advertisement of or information concerning, any lottery, gift enterprise, or similar scheme, offering prizes dependent in whole or in part upon lot or chance, or any list of the prizes drawn or awarded by means of any such lottery, gift enterprise, or scheme, whether said list contains any part or all of such prizes. Any person, firm, or corporation violating any provision of this section shall, upon conviction thereof, be fined not more than \$1,000 or imprisoned not more than one year, or both, for each and every day during which such offense occurs."

And the Senate agree to the same.

Amendment numbered 26: That the House recede from its disagreement to the amendment of the Senate numbered 26, and agree to the same with an amendment as follows: In lines 11 and 12, page 19, strike out "or by a governmental agency," and after the words "public questions," in line 17, page 19, insert a new sentence, as follows: "Furthermore, it shall be considered in the public interest for a licensee, so far as possible, to permit equal opportunity for the presentation of both sides of public questions"; and the Senate agree to the same.

Amendment numbered 29: Insert a new section, as fol-

"SEC. 15. All fines collected by the Federal Radio Commission under the provisions of the radio act of February 23, 1927, approved May 19, 1932, and amendments thereto, shall be covered into the Treasury of the United States the first of each month."

And the Senate and the House agree to the same.

JAMES COUZENS, S. D. FESS. OTIS F. GLENN, E. D. SMITH, C. C. DILL,

Managers on the part of the Senate. EWIN L. DAVIS, S. O. BLAND, F. R. LEHLBACH, Managers on the part of the House.

Mr. DILL. Mr. President, there are not many points of serious controversy in this report and the conferees are unanimous in their action. The most important points in which the conferees made changes were, first, the provision that examiners should be limited in the hearings they might The House conferees insisted that the limitation should include certain additional kinds of hearings that the examiners should not hold.

The amendment providing for stations of 250 watts or more in cases of the regular allocations under the Davis amendment was agreed to by the House with an amendment to reduce the power to 100 watts. That was the amendment of the Senator from South Dakota [Mr. Norbeck]. Under the provision as agreed to by the conferees, small local stations may be established without regard to the limitations of the Davis amendment when they will not interfere with the existing radio service. I think that will meet the demand that is so insistent in the western section of the country, where long distances make it impossible for communities to get radio service at the present time. While it does not go there was considerable insistence on the part of some broad-

so far as the amendment of the Senator from South Dakota, it does provide for local stations, and the conferees on the part of the House took the position that stations of 250 watts were more than merely local stations and that we ought not to interfere with the equality provision of the Davis amendment for anything beyond small local stations having power not in excess of 100 watts.

Mr. NORBECK. Mr. President-

The PRESIDING OFFICER. Does the Senator from Washington yield to the Senator from South Dakota?

Mr. DILL. I yield.

Mr. NORBECK. What changes were made?

Mr. DILL. I have stated the changes made in the amendment of the Senator from South Dakota.

Mr. NORBECK. I did not hear the first part of the Senator's statement.

Mr. DILL. The provision as agreed upon in conference reduces from 250 watts of power to 100 watts of power, so that only stations not in excess of 100 watts of power may be established in disregard of the equality provisions of the Davis amendment.

Mr. NORBECK. I appreciate that even some consideration has been given to the small stations, although I look upon the Davis amendment as a most impossible provision. It bases distribution of radiopower on a population basis, with the result that the prairie sections which are sparsely settled get very little. Chicago will get many more stations than there is apparently any need for. New York City, on the shores of the Atlantic Ocean, will have many high-powered stations and more service than the great prairies out in the interior. As I have said, I do appreciate, however, that even the meager provision for small stations will help, and that is all we can do at this time.

Mr. DILL. Then the section referring to foreign ownership, which caused considerable discussion on the floor of the Senate, was finally modified to provide that not more than one-fifth of the directors of any holding company of a corporation granted a license might be foreigners, and for

that reason that paragraph was rewritten.

The lottery section, which was amended by the Senate, was accepted by the House with a modification to the effect that both information and advertising would be forbidden under this provision. The House section prohibited information about lotteries being broadcast and the Senate section prohibited advertising about lotteries being broadcast. The new section written by the conferees prohibits either information or advertising being broadcast so far as they affect lotteries.

The section referring to the equality provision of the use of the radio stations for political purposes and the discussion of public questions was modified by striking out the provision that permitted it to apply to questions to be voted upon by a governmental agency because the conferees thought it was too broad, but they did put in a paragraph to the effect that it would be considered in the public interest for a radio station to permit equality of discussion on public questions.

I think this statement covers the principal points that were agreed upon by the conferees.

Mr. VANDENBERG. Mr. President-

Mr. DILL. Does the Senator from Michigan desire to ask a question?

Mr. VANDENBERG. I should like to make an inquiry of the Senator.

Mr. DILL. I yield.

Mr. VANDENBERG. Will the Senator indicate what happened to my amendment respecting international relationships with respect to broadcasting and advertising?

Mr. DILL. The House conferees took the position, since the North American conference on radio will probably be called in the next two or three months, that that was a matter that really should be settled at that conference, rather than to attempt to handle it by means of a statute. That seemed to be especially proper in light of the fact that

casters that it would be difficult to apply the section, and, in light of the fact that the North American conference is to be held, the Senate conferees felt that no great harm would result in the next two or three months, between now and the international conference; and certainly it is more properly a matter for international agreement than for a law such as we were trying to write.

Mr. VANDENBERG. The Senator contemplates that the subject matter embraced within the purview of my amendment will in all probability be surveyed by the approaching conference?

Mr. DILL. It will necessarily be discussed and surveyed and acted upon, because the reason why the troubles which the Senator was trying to remedy have developed is that there is no agreement now controlling that situation, and it will necessarily come up and the agreement will necessarily cover it. I think.

Mr. VANDENBERG. I am content to have the Senator's judgment on it, in view of the fact that he is an eminent authority on the subject. I should like to ask him simply, in conclusion, if he agrees that there is a problem embraced within this rejected amendment which ought to have some sort of attention?

Mr. DILL. I may say to the Senator that I have been extremely insistent for the past year and a half or two years that we must do something about it, because unless we do have some international agreement or some legislation such as the Senator proposed in the form of an amendment, the broadcasting facilities of our own stations are likely to be seriously interfered with, if not ruined, by the interference of stations that are set up without regard to our broadcasting plans.

Now, Mr. President, I move that the Senate agree to the conference report.

Mr. WHITE. Mr. President, I am reluctant to take the time of the Senate at the expense of the morning hour, but my interest in this legislation is great. It springs from such part as I took in the framing of the original 1927 radio act, and from the fact that the pending bill, H. R. 7716, was patterned closely after a bill which I had previously in the present Congress introduced in the Senate. I felt that in that legislation, both in the original Senate bill and in the House bill, there were matters which were desirable for the Congress to consider, but I did not think that there was anything in either bill of outstanding importance. I regret to say that the changes which have been effected in the House bill by the Senate committee and which have been confirmed by the conferees on the part of the two Houses are in many respects important and in most respects bad. I desire to call attention to some of the amendments which I think are fairly subject to criticism and to leave in the RECORD the expression of my disapproval of the legislation in its present form.

I shall hurry on, passing over some of the matters upon which I have intended to comment. I will speak first of amendment No. 3 and amendment No. 4. I think they may properly be considered together. Amendment 3 strikes out the general authority carried in the House bill to utilize examiners for the purpose of hearings, and amendment No. 4, a Senate proviso, authorizes the commission to employ examiners in a limited character or number of cases. As agreed to by the conferees, the law, if enacted, will authorize the commission to permit examiners to hold hearings only in cases which do not involve—I will read those

- (a) A change in policy by the commission;
- (b) A transfer of the use of radio facilities from one zone to another:
 - (c) A change of regulations;
 - (d) New devices or developments in radio;
 - (e) A new kind of use of frequencies;
 - (f) An application for a construction permit;
 - (g) An application for a license for a new station;
 - (h) Transfer of a license from one licensee to another;
 - (i) Revocation of a construction permit; and
 - (j) Revocation of a license.

With respect to all these matters an examiner under the conference agreement may not hold hearings. An examiner may, therefore, act only within the narrowest range.

Mr. President, this language is a limitation upon the right to use examiners not only in connection with broadcasting but with respect to every other radio activity. Under the conference agreement as it has been reached the examiners may not be utilized to conduct hearings with respect to the 30,000 or more amateur licenses and amateur applications not only for original licenses but for permits for transfer of frequencies and for all the other activities of the amateur operators of the United States.

Mr. COPELAND. Mr. President, will the Senator yield?
The PRESIDING OFFICER. Does the Senator from
Maine yield to the Senator from New York?

Mr. WHITE. I do.

Mr. COPELAND. Does the Senator say that a limitation would be placed upon the use of examiners by the Radio Commission if this were to be adopted?

Mr. WHITE. I do. It has practically limited the examiners to negligible authority; and the commission, under the amendment, may not utilize the examiners in any hearing of importance to the radio industry.

Mr. COPELAND. Was that a matter which was added in the House?

Mr. WHITE. No; that was a Senate amendment which was agreed to in conference. This means, therefore, that with respect to the multitude and multiplicity of activities in the radio field concerning which the Radio Commission has responsibility, examiners may not be utilized, but that commissioners—either the commission in banc or individual commissioners—must conduct all those investigations and hold all these hearings in the field or in Washington.

To me it is a most unwise provision, limiting the proper activities of examiners, involving unnecessary delays, and adding to the expense of the administration of this law.

It is also to be noted that this Senate amendment provides, as it is agreed to in conference, that in these unimportant cases which the examiners may hear any party of right may have an oral hearing before the full commission; but with respect to all those important matters which a commissioner must hear there is no provision that there shall be that right of oral argument to the parties. We give a right of oral argument with respect to these trivial matters that examiners may hear, but we do not give a corresponding right of oral argument on all the important matters that come before the commission.

I think, as a practical matter, there is another result that follows from all this. These cases are pending all over the United States. They are almost without limit in number and character. The preliminary investigations and hearings must be either by examiners or by a single commissioner. The result is going to be that the commissioners are going to be away from Washington. They are going to be up in the first zone, or they are going to be out on the Pacific coast in the fifth zone. We are going to have an individual commissioner investigating and hearing all these preliminary matters upon which final adjudications must rest. There is going to be the expense incident to that, and there are going to be delays in getting the commission together in banc to pass upon these important matters.

Mr. DILL. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Maine yield to the Senator from Washington?

Mr. WHITE. I do.

Mr. DILL. I just want to remind the Senator of the fact, however, that prior to 1930 examiners never held any hearings of any kind.

Mr. WHITE. No; they made their examinations and made their reports and made their recommendations to the Radio Commission; and those investigations and those examinations and those reports, while not called hearings, were tantamount to hearings.

There is another consideration that influences me in connection with this matter. One of the basic theories of the act of 1927 was this: I was not altogether in sympathy with

it, but it seemed to be the desire of almost everyone else that there should be written into this radio law the principle of regional representation. The law provided that these zones should be set up; that there should be commissioners from each zone representing the particular and the peculiar interest of each zone.

I think it follows that if these preliminary decisions are to be made by a single commissioner, either the commission would accept as a matter of course the conclusion and the recommendation of that single commissioner and we would have, therefore, no real commission action but individual decision, or we are not going to have, when final decision comes, a conclusion and a decision by the whole board of radio commissioners. It is inconceivable that a single commissioner who has made an investigation, who has found facts, who has reached conclusions as to the merits of the matter and conclusions as to law, should sit in banc with the other commissioners upon that very case upon which he has held the preliminary investigation and hearing and has reached a conclusion. If that be so, then we are going to have at most a conclusion not by five commissioners but a conclusion by four commissioners, and we are going to have the zone represented by the commissioner who made the initial investigation without representation in the commission at the time of final decision.

I might go on and talk about some other matters in connection with these two amendments, but these criticisms seem to me to be sufficient. These comments seem to me to be sufficiently pertinent. These considerations have convinced me, as I have thought about it, of the unwisdom of these amendments 3 and 4; and what I have said about these two amendments applies to various other amendments that relate to the same subject matter. I think them unwise. I think them unworkable. I think they will mean delays. I think they will mean added expense. I think they are in derogation of this principle of regional representation and full commission action on these important matters.

I believe I am warranted in saying that these changes are approved neither by the commission nor by its counsel nor by radio broadcasters throughout the United States nor by lawyers practicing before the commission. Indeed, I know of no one interested in the radio industry, interested in the Radio Commission, interested in the administration of the law except the Members of the Senate and the members of the committee which proposed this amendment, that favors the change which is here proposed, and which has the sanction of the conferees.

I want it to be a matter of record that I most emphatically dissent from the wisdom of the proposal.

Now, Mr. President, passing on I come to amendment 16, as it was amended by the Senate, which appears on page 9 of the bill. This amendment was offered on the floor of the Senate, and the House recedes, with an amendment.

Before I come to the substance of the amendment I should like to suggest that, as a matter of drafting, the amendment is not in the proper place. The amendment should not appear at the end of section 9, but should have been incorporated in the second paragraph of section 9, to which it is related in subject matter. It has no connection whatsoever with the closing paragraph of section 9, to which it is by its terms attached, and which it follows. That, however, is a mere matter of drafting.

The amendment is important in that it rejects the principle of equality between the zones written into the law by the so-called Davis amendment of 1930. It rejects that principle of equality between zones, and it strikes down the principle that as between States within a particular zone there shall be a distribution of facilities according to the population of those States. It strikes directly at that principle, and the logic of it would carry us to the repeal in its entirety of the so-called Davis amendment.

The effect of the amendment, and, of course, the purpose of the amendment, is to increase the number of broadcasting stations in the United States. It is true that it relates only to 100-watt stations and that the interfering

range of a 100-watt station is not great; but I think everyone at all familiar with radio knows that the carrier wave of a 100-watt station does go for considerable distances and has a disturbing effect upon other stations.

I think it will be agreed by anyone at all familiar with radio that the installation, the licensing, the building, and operating of a 100-watt station require the consideration of other parts of the broadcasting structure, because this 100-watt station may interfere with stations upon a like frequency at appreciable distances from the station licensed.

The fact of the matter is that we have in the United States to-day as many broadcasting stations as there are in all the rest of the world put together. We have already crowded the broadcasting band of the spectrum to the very limits. We have crowded it to the point that the licensing authority has had to resort to all manner of expedients to relieve against the inevitable congestion following from placing the number of stations we now have in the broadcasting band. They are resorting to classifying the stations, they are resorting to spacing the stations geographically, they are requiring the stations to divide time, and they are limiting the power of the stations, all in an effort to keep within the broadcasting band and to make effective and useful within the broadcasting band the number of stations we now have. Notwithstanding all those expedients, there is coming from all over the United States, and particularly from the broadcasters themselves, a demand that the broadcasting band shall be enlarged.

Some persons interested in the subject are to-day insisting that we shall go above 1,500 kilocycles, the present limit of the broadcasting band, and shall put broadcasting stations on frequencies from 1,500 kilocycles up almost to 1,700 kilocycles. The broadcasters themselves are insisting that we shall go into the band below 550 kilocycles, clear down to 160 kilocycles, and place broadcasting stations in that band in order that the congestion in the present broadcasting band may be relieved; and we have at the present time a most serious controversy on between the different radio users of the United States, some fearing the encroachment upon their services through this insistent demand of the broadcasters for the enlargement of the broadcasting band, and the broadcasters urging that they must have frequencies below 550 kilocycles for their uses.

The projection of broadcasters into the band below 550 kilocycles involves the entire mobile interests of the United States. It involves uses by the Navy; it involves uses by the Army; it involves uses by the merchant shipping of the United States and the aeronautical services. The effort to project these broadcasting frequencies down into that band has brought about a controversy which is raging from one end of the United States to the other, and which has arrayed these interests in sharp conflict one with the other.

The Senator from Michigan made some inquiry about a North American conference. That conference is impending. A compelling reason for that conference is the feeling on the part of some of the nations contiguous to this country that the United States already occupies too much of the broadcasting band, and that the United States must yield up frequencies within that band to some of these other nations. Canada wants additional frequencies; Mexico wants additional frequencies; Cuba wants additional frequencies within the broadcasting band, and there is no way in which the United States can stop these nations taking from the broadcasting band whatsoever frequencies they desire to

So it is proposed that there shall be a North American conference, and manifestly it will be the duty of the delegates of the United States, it will be the position of the United States and the desire of the United States, to retain for the use of the United States its present number of frequencies within the broadcasting band; and I suppose it had been anticipated that the United States would insist that the broadcasting band now used by the United States is crowded almost to suffocation, and that there could not be put into that broadcasting band stations in Canada or Mexico or Cuba without wrecking the broadcasting structure

of the United States. Yet here is a proposal in the Congress of the United States to put into this broadcasting band, by our own citizens and through the authority of our licensing agencies, more of these broadcasting stations, striking out from under the United States the very ground upon which it must stand in any international gathering with respect to the protection of this broadcasting band for the interest of the United States. I do not know how any delegates of the United States going to an international conference can successfully assert that this broadcasting band as used by the United States is filled to overflowing when confronted with the record that the Congress of the United States is proposing that more of our own stations shall be put into that broadcasting band.

Mr. DILL. Mr. President, will the Senator yield?

Mr. WHITE. In just one moment. I say that if we are to break down this principle of the Davis amendment, which calls for equality between the zones, and which calls for a distribution among the States in proportion to population within any zone, if we are to break it down in this respect, then the entire logic of the Davis amendment will be gone, and we might as well proceed to scrap the entire Davis amendment. I yield to the Senator.

Mr. DILL. Mr. President, I just want to call attention to the fact that a 100-watt station, if arranged as they now arrange them, will be of a certain wave length, and it will not interfere with anything else except another 100-watt station. The amendment is so written that these stations are not to be granted licenses if they will interfere with

existing service.

Mr. WHITE. I understand the language of the amendment; but I can not see what position the United States is to be in when it sits down at an international conference and says to Canada, "You must not take any of these frequencies, because it is going to interfere with use in the United States of stations already licensed." I do not see how we are to say to Mexico, "Do not license use of these frequencies, because they are being used in the United States, and it will wreck our broadcasting structure." not see how we can say to Cuba, "Please do not make use of these frequencies, because citizens of the United States, under licenses from our radio authorities, have made their investments, built their stations, and are utilizing these frequencies." I do not see how we can effectively urge this contention, when these sister nations can point to this legislation which would authorize the further licensing of radio stations of whatsoever power in this already overcrowded broadcasting band. So I say, with respect to this amendment, that it is unsound in principle, that it might be unwise at any time; but it is distinctly unwise at this particular time, with this international conference impending.

Mr. President, I now pass on from that and come to amendment No. 17, found on page 10. I think the conferees have distinctly improved the first paragraph of this amendment, and I offer no criticism of that paragraph in the form in which it has been reported to the two bodies.

It is interesting, however, in looking at the second paragraph, which is retained, to note that this amendment relates to station licenses, and it requires a hearing upon any transfer of a license, of any radio license whatsoever. It is not limited to transfers of broadcasting licenses, but no one of the 30,000 or more amateurs of the United States may transfer his license, no one of the many other users of radio facilities in the United States may transfer his license, until there shall have been a hearing by the Radio Commission upon the proposal.

Existing law provides that those maintaining stations can not transfer them without the consent of the Radio Commission. It might be a matter of the utmost triviality, an experimental station somewhere, an amateur station somewhere, a station of very limited range and of little consequence, and an examiner might, with the briefest and the most casual examination, determine that there could be no possible harm done in the transfer of the license, and under existing law the commission, in those circumstances, could

grant the application. But here is language which provides that even the simplest thing in connection with the transfer of a license may not be accomplished until there shall have been a hearing by the full commission, and I think that unnecessary and altogether unwise. It might be advisable with respect to broadcasting stations, but with respect to all these thousands of other stations, it is an incumbrance, and not an aid in the wise enforcement of law.

Mr. DILL. Mr. President-

The VICE PRESIDENT. Does the Senator from Maine yield to the Senator from Washington?

Mr. WHITE. I yield.

Mr. DILL. An important transfer of a license is generally for money; and if a license is to be transferred for a money consideration, does not the Senator think the Radio Commission ought to have a hearing on the application?

Mr. WHITE. I quite agree that there is a class of cases, the point-to-point communication licenses in international service, licenses in the broadcasting services, where that would be true; yes. But I can not see why one boy having a little amateur license, living at No. 10 Oak Street, could not transfer that license to a boy at No. 20 Oak Street without a hearing before the Radio Commission.

Mr. DILL. The Senator knows that these amateur licenses being transferred do not result in the transfer of wave lengths, and such a transfer would be a mere formality. The trouble with an attempt to single out certain licenses for hearings, as the Senator suggests, and excepting others from hearing is that we would be making a discrimination, and I can not really see that there is any serious need for that.

Mr. WHITE. I will not dilate on the subject further, although I would be glad to discuss it, but I want to hurry on.

I next come to amendment No. 18, and for the sake of brevity I will discuss amendments Nos. 18, 19, and 20 together.

Amendment No. 18, as agreed to by the conferees, relates to section 14 of the present law, and it provides that any station license may be revoked or the station owner fined not to exceed \$1,000 by the commission, and so forth, for various offenses which are later enumerated in the section.

I instinctively shrink from granting to one of these regulatory bodies the power to impose a fine. A fine is in the nature of a penalty. A fine, in my conception, ought to follow a judicial proceeding. Its imposition is the exercise

of a judicial power.

I have not had an apportunity to look up the law on this matter, and I am speaking from pure recollection, but I know that in connection with our navigation laws the authority of the Commissioner of Navigation to impose fines has been upheld by the Supreme Court. My impression is that the case in which the Supreme Court upheld that power decided that right very largely upon the antiquity of the custom and the long exercise of that right by the Commissioner of Navigation. I insist that it is unwise in the extreme to extend to regulatory bodies set up by the Congress the power to impose fines, which are penal in their nature, upon citizens of the United States.

In this connection, I want to call attention to the fact that sections 32 and 33 of the present law authorize the imposition of fines by courts for precisely the same offenses for which this amendment would grant authority to the commission to impose a fine, and there is no provision in the law that a fine by the one shall be to the exclusion of a fine by the other. So that the result of this would be that there might be a thousand-dollar fine imposed by the commission, a thousand-dollar fine imposed by a court for precisely the same offense, and, in addition to that, a jail sentence imposed by a court for exactly the same offense. There would be a duplication of penalty for which, in my opinion, there is no justification whatever.

It strikes me that if we are to give the commission the power to impose these fines there should also go with that authority the power to mitigate or to remit fines. If the power to impose is to be given, then I submit that there! ought also to go with it, as a sort of a corollary, the right to mitigate or remit.

Mr. President, there is another thing in connection with this provision to which I want to call attention. I especially invite the attention of Senators to this. I am considering amendments 18, 19, and 20 together as one amendment. Amendment No. 18 provides that a station license may be revoked or a station owner fined. No. 19 provides that no license shall be revoked and no station owner fined unless the licensee shall have been notified in writing and shall have been given 15 days to show cause why the fine should not be imposed.

There are many cases where the station owner and the licensee are not the same person at all. There are many instances where the owner has leased the station for a term of years and the licensee is in charge with full authority over the operation of the station. In these cases the person who breaches the regulation or the law is not the owner of the station. So what is proposed here is the imposition of a fine upon the station owner, but with a provision for a hearing only for the station licensee, who may be an entirely different person than the owner. In other words, the proposal is for a fine upon the owner, with no provision for notice to him, with no provision for hearing him, but only a provision that the licensee who, as I have said, may be an entirely different person with interests more or less adverse, shall be given a hearing, and the owner, who is to be fined, is to have no opportunity for hearing whatsoever. I submit that that is unsound in principle and would be unfair grossly in its operation. So much for that.

I pass over amendments No. 19 and No. 20, for I have said all I care to about them.

Amendments Nos. 21, 22, and 23 are similar, and I will say what I care to of them, treating them as one.

The present provision for appeals from decisions of the commission is found in an amendment of 1930 to the original 1927 radio act. So far as my knowledge goes, there have been but two criticisms of the present appeal section of the radio law. The first was directed to the failure of that amendment to provide for an appeal from decisions of the commission with respect to construction permits. That was a pure oversight in drafting, understood by everyone familiar with the circumstances under which that amendment was agreed to, and, as a matter of fact, that defect has been very largely cured by construction of the commission and by construction of the courts. Nevertheless, that defect should have been cured, and could have been cured by a very simple amendment.

The next criticism of the appeal section was directed to the fact that all appeals were to be made to the Court of Appeals of the District of Columbia, and it was urged by some persons that certainly in revocation cases the appeal should be to the district court of the district where the station was located, undoubtedly the thought being that a local hearing would in larger degree protect the rights of the station involved.

Of course, that was all predicated upon the belief that there were to be controversies as to matters of fact heard before the district court. The present bill gives an appeal only as to matters of law, so that the force of the original criticism or suggestion has been largely removed. The appeal section in its original form, except for this defect with respect to construction permits, so far as my knowledge goes, had the approval of the Radio Commission, its general counsel, all lawyers practicing before the commission, and station owners and station users generally throughout the United

This appeal section has been scrapped in its entirety and a new and what I consider novel appeal section has been substituted for it. The new section provides generally for appeal to the Court of Appeals of the District of Columbia. It includes a right of appeal from any decision suspending a license or construction permit. I call attention to the fact that there is no power in the commission under present law to suspend a station license, so that the appeal section as it

stands is giving a right of appeal from a nonexistent power in the Federal Radio Commission. That power of suspension was removed from the bill by the conferees in agreeing to the various amendments.

In another place in the appeal section the right of appeal is given from a decision suspending a license and it provides that the right of appeal shall be limited to the licensee. Again I invite attention to the fact that in the law there is no power in the commission to suspend a license, so again the amendment gives a power of appeal from nonexistent right.

Paragraph (a) of section 16 as proposed to be amended designates and limits the parties who may appeal. They are an applicant, a licensee, a permittee, or intervenor. No one else may appeal from a decision of the Radio Commission, but there is nothing in the law which says who may be a permittee, who may be an intervenor, or how a person may become either a permittee or intervenor in a proceeding before the Federal Radio Commission. But whatever it means, it is a limitation upon the present right of appeal, for the present right of appeal is among others to any person adversely affected by a decision of the Federal Radio Commission. So here we have a section limiting the right of appeal from that granted by present law.

Because of the peculiar characteristics of radio, because of the fact that a controversy may arise in the State of Missouri and that controversy may involve a station in West Virginia or Maine or Indiana or California, I think it unwise in the extreme to limit, as is here proposed to be done, this right of appeal. I think the right of appeal should be in any person adversely affected or aggrieved by a decision of the Federal Radio Commission.

Amendment 22 authorizes the licensee at his option to file his appeal in the Court of Appeals of the District of Columbia or in the Circuit Court of Appeals for the circuit in which his station is situated. What I now say concerning this appeal section is an expression of doubt, a question as to its meaning and effect, rather than an assertion as to its proper construction. It is interesting to note that with respect to all appeals except from a revocation and a fine, the jurisdiction of the Court of Appeals of the District of Columbia is exclusive. If appeals upon revocation orders and fines are not taken to the Court of Appeals of the District, it is a matter of the gravest doubt whether review as to them can be had from the Supreme Court. The other questions which must go to the Court of Appeals of the District may be taken to the Supreme Court of the United States by certiorari for ultimate and final decision with respect to the law applicable to the case. But with respect to revocations which go to the very life of the license, which involve the entire investment of the licensee, that right of review by the Supreme Court of the United States by certiorari may not be assured because of language to which I shall later

Mr. LONG. Mr. President-

The VICE PRESIDENT. Does the Senator from Maine yield to the Senator from Louisiana?

Mr. WHITE. I yield. Mr. LONG. I must have misunderstood the Senator. Does he say that the new bill takes away the right of review by the Supreme Court of the United States?

Mr. WHITE. With respect to appeals which go to the Court of Appeals of the District of Columbia the right of review by the Supreme Court of the United States is probably safe although I am not certain of it; but with respect to revocations and fines which it is designed shall go to our circuit courts, there is danger of a denial of the right of review by certiorari in the Supreme Court of the United States.

Mr. DILL. Mr. President-

The VICE PRESIDENT. Does the Senator from Maine yield to the Senator from Washington?

Mr. WHITE. I yield.

Mr. DILL. I should like to know what there is in this section that prohibits appeal to the Supreme Court of the United States?

(g) The jurisdiction of the Court of Appeals of the District of Columbia to review any decision or order of the commission shall be exclusive except as to revocations and fines, and the judgment of said court shall be final.

That means as to all matters except revocations and fines.

Mr. DILL. But it says "except" that they shall be subject to review by the Supreme Court.

Mr. WHITE. Except as to revocations and fines.

Mr. DILL. They are reviewed by other courts. I think the Senator should be fair in this matter.

Mr. WHITE. I am endeavoring to do so.

Mr. DILL. I think the Senator is exaggerating the matter.

Mr. WHITE. I do not know how many Senators have studied this question. I have done it as well as I could in the limited period of time at my disposal. I do not want to exaggerate.

Mr. DILL. I ask the Senator again, what is there in section (g) or (h) that forbids appeal to the Supreme Court of the United States?

Mr. WHITE. It says "exclusive except" and-

Mr. DILL. That is excluding only the matter of exclusiveness for the District Court of Appeals. The Senator carries that away over into the other section.

Mr. WHITE. If these questions of revocation and fine do not get into the Court of Appeals of the District of Columbia, as it is designed they shall not, then certainly they can not get into the Supreme Court of the United States from the Court of Appeals of the District.

Mr. DILL. They can go to the Court of Appeals of the United States.

I will come to that in a moment. Mr. WHITE.

Mr. DILL. They are not limited. Section (h) specifically provides they may go either to the District Court of Appeals or the Circuit Court of Appeals.

Mr. WHITE. I will get to the other matter in a moment, and it is closely related to what I am trying to say.

Mr. BORAH. Mr. President-

The VICE PRESIDENT. Does the Senator from Maine yield to the Senator from Idaho?

Mr. WHITE. Certainly.

Mr. BORAH. I suppose I am in the same situation as some other Senators. I have not had time to study the matter, and it is rather an expert question anyway.

Mr. WHITE. It is indeed.

Mr. BORAH. I wish the Senator would read again carefully that portion which he says has the effect of denying a writ of certiorari to the Supreme Court of the United States.

Mr. WHITE. I think it is a vexed question. I do not want to be dogmatic in my assertion about it. It is so much a question in my mind that I am very much disturbed about it. Section (g) provides:

The jurisdiction of the Court of Appeals of the District of Columbia under this section to review any decision or order of the commission shall be exclusive except as to revocations and the commission shall be exclusive except as to revocations and fines, and the judgment of said court shall be final, except that it shall be subject to review by the Supreme Court of the United States upon certiorari.

Then we come to amendment 23. Paragraph (i) which gives the option to appeal to the circuit court of appeals for the district in which the station is located rather than to go into the Court of Appeals of the District of Columbia. The provision with respect to review there is as follows:

The jurisdiction of the Court of Appeals of the District of Columbia

I am reading it in the form in which it was agreed to by the conferees-

and of the Circuit Court of Appeals of the United States to review any order of the commission revoking a station license or fining a station owner shall be exclusive.

Then it goes on and says, and I am frank to say I do not know what the language means:

An appeal filed by any licensee with either of said courts for

Mr. WHITE. Let me read section (g) and a subsequent | license or fining a station owner shall bar appeal by such licensee to any other court for the review of such order.

> I am frank to say I do not know what this last language means, but it suggests to me a limitation upon the right of the licensee to proceed by certiorari to the Supreme Court of the United States. I repeat, I do not assert that dogmatically. I am uncertain about it. And this is with respect to revocation and fines over which these circuit courts are given jurisdiction and to which it is designed that these cases shall go.

Mr. DILL. Mr. President-

The VICE PRESIDENT. Does the Senator from Maine yield to the Senator from Washington?

Mr. WHITE. I yield.

Mr. DILL. The evident purpose of that language is to provide that if an appellant goes into the Circuit Court of Appeals, he can not go into the District Court of Appeals. He must choose one or the other. The language may not be as clear as it ought to be, but there is no statement in this section that says the decision shall be final, which would be necessary if we were to prohibit an appeal to the Supreme Court of the United States, as the Senator from Maine argues. His statement requires an interpretation that is extremely strained, to say the least, and I can not believe that any court will put such a strained interpretation and shut an appellant out of the Supreme Court of the United States, because the clear intent is otherwise.

Mr. WHITE. It is perfectly clear from past history in connection with past cases that there is no eagerness in the Supreme Court of the United States to review these decisions. I repeat that I am uncertain what the language does mean, but I am clear in my own mind that when we are drafting a provision with respect to appeal either from the Court of Appeals of the District of Columbia or from a Circuit Court of the United States, it ought not to be susceptible of misunderstanding or misconstruction, and it ought not to be in such language that the right of review by the Supreme Court is put in jeopardy. I am afraid all of those things are true with respect to this provision as it stands.

Mr. BORAH. Mr. President-

The VICE PRESIDENT. Does the Senator from Maine yield to the Senator from Idaho?

Mr. WHITE. Certainly.

Mr. BORAH. I desire only to say that the right of review by writ of certiorari under the numerous decisions of the Supreme Court of the United States is so limited that it is not worth very much any way.

Mr. WHITE. Possibly that is so.

When the 1927 radio act was written, it was more or less a pioneering task. There was no body of radio law in the United States, and those active in framing the legislation were going into new and unexplored fields. I have always believed that it was as important that there should be certainty with respect to the radio law as it was what the law in fact was. I do not like at all the suggestion that we are going to have these decisions by the various Circuit Courts of Appeal of the United States. We have nine circuits. We may have nine different constructions of law all at the same time and all before the commission, harassing the commission as to what its proper procedure shall be, what its duties and its rights are under the law. I think it is vastly more important that there should be a single tribunal determining the law with respect to radio, at least in the inception of the development of radio law. I appreciate that the views of the Senator from Washington are widely divergent from mine in that respect, and I understand his reasons

Mr. DILL. Mr. President, will the Senator yield for a question?

The VICE PRESIDENT. Does the Senator from Maine yield to the Senator from Washington?

Mr. WHITE. I yield.

Mr. DILL. What is there about the radio statute that should cause Congress to confine all the radio reviews and interpretations of the radio law to the District of Columbia the review of an order of the commission revoking a station | Court of Appeals and allow all other statutes affecting the entire country to be reviewed by the various circuit courts of | appeal throughout the United States? What is there that requires that we shall confine all of these reviews to the Court of Appeals of the District of Columbia, which, to say the least, is not of such high order of legal ability as to justify a monopoly of decisions and interpretation?

Mr. WHITE. Mr. President, I have indicated my position and I am not going to elaborate upon it. I think, however, it is vastly more important to get a speedy and certain decision with respect to these new questions of law than it is necessary, for the time being, than to have the divergent views of many courts. I think we ought to have a chart and compass of judicial decision to guide the Federal Radio Commission in the administration of the law as it develops and as it must be changed from time to time as developments come in the radio art. That is all I care to say about that.

Mr. BLACK. Mr. President, will the Senator from Maine vield?

Mr. WHITE. I yield. Mr. BLACK. Mr. President, the Senator will recall that I have a resolution pending on which it is necessary to secure action to-day or it will be too late. I had expected, and was told, that if I did not object to the conference report coming up its consideration would take only a very few minutes. I wish it understood that I do not desire to do anything to prevent a full and complete discussion, but the conference report is privileged, whereas the resolution to which I refer is not.

Mr. WHITE. I will say to the Senator that I have spoken much longer than I intended and I will agree to conclude within 10 minutes.

Mr. BLACK. I thank the Senator, and I desire to say that I am going to continue the effort to secure the consideration of the resolution and to have a vote taken on it.

Mr. WHITE. If I am not through within 10 minutes, I will yield the floor in any event.

I pass to amendment numbered 26. This is a complete redrafting of section 18 of the present law. It leaves to implication or to construction entirely whether or not the present section is intended to repeal section 18 of the existing law. Manifestly there should have been a provision in terms repealing section 18 if that was the intention of the new draft.

Paragraph (c) of this section projects a new feature into our radio law. It verges closely on the control of rates by the Federal Radio Commission. It declares that rates charged for the purposes of the section shall not exceed the regular rates charged to advertisers furnishing regular programs.

This rule, if it is to be enforced, involves a determination of two things: First, it involves a determination of what are regular programs, and, next, it involves a determination as to what are the regular rates charged for such regular programs. There is no provision in the present law for the filing of rates; there is no authority in the present law for the Radio Commission to control in any degree the rates charged for advertising; there is no authority in the present law for the Radio Commission to do any of the things necessary to make effective this provision. Manifestly, if this provision was to be in the law, it should have been so amplified as to have met the conditions to which I have thus alluded.

Mr. President, there are some other matters to which I had proposed to refer. I think, however, I have said enough to indicate my complete disapproval of this conference report in the form in which it is written. I feel strongly that the conference report should not be adopted. I feel strongly that these proposals which have been agreed to by the conferees should not be written into law.

Mr. DILL. Mr. President, I do not want to take the time of the Senate to discuss at any length the arguments advanced by the Senator from Maine [Mr. WHITE]. The one contention which he made which I think is important, and which if I thought it correct I would myself move to

send the report back to conference, is that if this report is adopted a case of revocation can not be appealed to the Supreme Court of the United States. I asked the Senator from Maine to cite the language of the bill upon which he relied and he first cited the language of subsection (g), on page 16, which provides that the-

review of any decision or order of the commission shall be exclusive except as to revocations and fines, and the judgment of said court shall be final, except that it shall be subject to review by the Supreme Court of the United States.

But I pointed out to him that that in no way refers to the section on revocations and fines, which provides separate language referring to appeals. When he reached that section he then admitted that he was not sure what the language means. I think that may be true, as he did not help frame the provision, but there is not a word in the section relating to appeals in the case of revocations to justify the contention that the writ of certiorari does not lie, and the only possible way such an interpretation could be put upon the language would be to take a strained view that no fair-minded court ever would take. So I think the Senator's contention in that respect is absolutely unfounded.

I want to say just one thing about the objection the Senator from Maine makes as to the provision regulating rates for political discussion. We have found in actual experience that some radio stations have charged candidates for office a higher rate for the time used for making a political speech than they charge advertisers. The committee believes that public discussion is of such interest that it is but a fair requirement to say that they shall not charge any higher rate when a candidate speaks than when an advertisement of some kind is going over the air. That is not the fixing of rates; that is a provision for equality of treatment of public candidates as compared to advertising clients who may come to the radio station.

Then the Senator from Maine made some criticism of the provision requiring a hearing before the transfer of a license. I remind Senators that stations to-day are being sold for hundreds of thousands and as high as a million dollars, and they are sold for those prices largely because of the wave length, the frequency, if you please, that the particular station is using and hopes to continue to use. I take the position that the commission has been derelict in its duty in not having held a hearing in every one of those cases, and I think in many cases the applications should have been rejected.

As to the transfer of licenses of a minor nature, it is not necessary to transfer them, anyway. If some one wants to get a radio license and turn it over to somebody else, and it is a minor license, let him have it canceled and a new one issued, if that be so serious.

So it seems to me, Mr. President, that the Senator's complaints are largely technical, and I really do not see that any of the Senator's objections are serious, except in so far, of course, with regard to certain policies adopted, as to which I concede his right.

But I come back to the policy of allowing nine circuit courts of appeal to pass on this legislation and interpret it, instead of restricting it to one little Court of Appeals of the District of Columbia at Washington that has been interpreting it first one way and another. I think it will be to the benefit of radio that the judges of the nine circuit courts of appeal may pass on these questions, rather than that one court of appeals in the District shall have a monopoly upon such decisions. There may have been justification for that when the original law was written, but radio has reached such proportions that there will have to be new interpretations; there will have to be new interpretations under this bill and a broader and bigger application of the law generally on the part of the various courts.

I move the adoption of the report.

The VICE PRESIDENT. The question is on agreeing to the conference report.

Mr. COPELAND. Mr. President, I have been out of the Chamber, and I should like to ask the Senator from Washington a question. I was quite impressed by what the Senator from Maine said about the restriction on the examiners. Will the Senator explain that restriction or has he already done so?

Mr. DILL. I will be very glad to explain it. When the original law was written it provided that the commission might hold hearings, and in another section it provided that the commission might appoint examiners. The commission operated for about three years without ever allowing anybody to hold any hearings except the commission itself or one of the commissioners. Then somebody, I think the general counsel, suggested that since the Interstate Commerce Commission holds hearings by means of examiners, why should not the Radio Commission let its examiners hold hearings? So they started that policy, and it grew and developed to such an extent that during much of the last few months the commission held practically no hearings, until the agitation was started regarding this amendment. We have tried to permit the minor hearings to be held by examiners, but we believe that the important hearings ought to be held by the commission, and so we have written in this proposed law a provision that minor hearings, not involving any important questions, may be passed on by examiners; but we believe that if the commission is to keep abreast of the development of radio, and if it is to keep awake to the main problems, then the commission itself must sit in the hearings, participate in the questioning, and take part in the actual development of the facts in a hearing.

Mr. COPELAND. Mr. President, if the Senator will bear with me, I have no doubt I am stupid about it, but I have not had the advantage of listening to the debate. As I read the amendment on page 4, line 16, it would seem to me that the actual effect of the bill in operation would be to turn over more business to the examiners.

Mr. DILL. Oh, no; they are now holding practically all the hearings, and the provision referred to limits them and provides that the examiners shall not hold hearings in cases involving a change of policy, a transfer of facilities from one zone to another, a change of regulations, new devices or developments in radio, or a new kind of use of frequencies, and then the conferees added:

An application for a construction permit or license for a new station, a transfer of a license from one licensee to another, the revocation of a construction permit or license.

So we have limited the examiners almost to routine hearings.

Mr. COPELAND. Does the Senator think it is wise to limit the examiners in going over the preliminaries?

Mr. DILL. No; they are not limited in going over the preliminaries. This only applies to hearings. They can still go out and examine; they can submit any kind of reports; they can do anything they please to secure information; but when it comes to holding hearings and examining witnesses on all important matters, that is to be done by the commission.

Mr. COPELAND. Is it the view of the Senator that the commission has time to do that?

Mr. DILL. It certainly has time. At present the commission is doing a comparatively little amount of work, and, in my judgment, unless some legislation of this kind is enacted, we had just as well abolish the commission and have a 1-man director and let the examiners run the commission.

I may say, in fairness to the Senator from Maine, that he has always believed that some plan of this kind would be preferable—not examiners, but that there should be one director of radio, or one man at the head of it, and appeals should be taken to him. I am not criticizing that, but that has been his view.

Mr. COPELAND. With this amendment, is it proposed to adopt the amendment as found on page 4?

Mr. DILL. With the additional words in the conference report, which enlarge the number of things that may not be heard by an examiner.

Mr. LONG. Mr. President, as I understand, at the present time the examiners have ceased conducting hearings.

Mr. DILL. They have since this amendment was proposed and the discussion has been brought forward.

Mr. LONG. That is, the amendment proposed to give them the right by law?

Mr. DILL. No; it proposed to prohibit them from holding important hearings. Since that time the commission has decided to hold the hearings itself.

Mr. LONG. What is the harm of letting examiners hold the hearings?

Mr. DILL. Because the commission has set about to let the examiners hold all the hearings.

Mr. LONG. They do that in the case of the Interstate Commerce Commission.

Mr. DILL. That is true, but the Interstate Commerce Commission is not developing a new art; it is not developing a new science, such as radio; and we believe that if the commission is to keep abreast of the development of radio it must itself hold these hearings.

Mr. BLACK. Mr. President-

The PRESIDING OFFICER. Does the Senator from Washington yield to the Senator from Alabama?

Mr. DILL. I yield to the Senator.

Mr. BLACK. Has the Senator the floor?

Mr. DILL. I have the floor.

Mr. BLACK. If this discussion is going to continue for some time, as it evidently is—

Mr. DILL. I am ready to conclude. I must answer questions if they are asked, however.

Mr. BLACK. I understand that the Senator is; but it is rather evident that the matter is going to take some time, and it is a privileged matter. I am very anxious to get up Senate Resolution 375; and I am wondering if the Senator would object to laying aside this conference report until we can take up Senate Resolution 375?

Mr. DILL. I do not think it is necessary to lay it aside. I do not think there is to be any more discussion, unless the Senator from New York has some more questions.

Mr. COPELAND. I had one or two more.

Mr. DILL. I think we ought to finish it.

Mr. COPELAND. This is the thought that I have in my mind: If the proviso put in by the House with the addition made in the conference committee should be adopted, would it not mean that the commission itself would have to conduct practically every hearing necessary to determine a policy?

Mr. DILL. To determine a policy, yes; to determine a policy, and it should. No examiner should be allowed to hold hearings that are to affect the policy of the commission; but where the commission has laid down a policy the examiner may get the facts and report them to the commission.

Mr. COPELAND. From my own contacts with the commission I am led to have this conviction: Somebody, I think the Senator from South Dakota [Mr. Norbeck], spoke a moment ago about the number of stations in New York. Of course, we have a great many there; and hardly a week passes but I am appealed to by some radio concern asking for a change of power, a change of frequency, and all that sort of thing. Every such matter would then have to be heard directly by the commission?

Mr. DILL. It would not; no. If somebody wanted to transfer a frequency by a station, take it over, then it would have to be heard by the commission; but if it is a matter of change of power or a matter of applying for a new wave length, or something of that kind, it can be heard by the examiner.

Mr. COPELAND. The Senator is quite sure about that? Mr. DILL. Oh, there is no doubt about that.

Mr. COPELAND. I ask because this matter has come up very frequently in connection with the city of New York station and some other stations.

Mr. DILL. But if a station is proposed to be bought by somebody, I think the Senator will agree that that is a matter that ought to be passed on by the commission.

Mr. COPELAND. I think that is true. I think it should. The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

AVIATION HOLDING COMPANIES, ETC.

The PRESIDING OFFICER. The Chair lays before the Senate a resolution coming over from a previous day, which will be read.

The Chief Clerk read Senate Resolution 312, submitted by Mr. Nye on December 23, 1932, as follows:

Resolved, That the Federal Trade Commission be, and hereby is, requested to obtain and furnish to the Senate at the earliest pracrequested to obtain and furnish to the Senate at the earliest practicable date the following information, to wit: (1) List of stocks held by aviation holding corporations; (2) list showing the various corporations owning stock in air mail transport lines and the amount of stock held in each instance; (3) list showing directors of aviation holding companies owning aviation stocks in air mail transport lines and having membership on the board of directors of such air-transport companies; (4) list showing airplane manufacturers, airplane-motor manufacturers, and airplane parts and instrument manufacturers owning stock in either aviation holding companies or air mail transport lines, and the amount so held in each instance; (5) list of officers and directors of aviation holding companies who through stock ownership are officers and directors companies who through stock ownership are officers and directors of air mail transport lines and companies manufacturing or distributing airplanes, airplane motors, and airplane parts and instruments; (6) list showing employees of aviation holding companies who are also employees of air mail transport lines, and companies manufacturing or distributing airplanes, airplane motors, and airplane parts and instruments, and the compensation, if any, received in each instance; (7) list of employees, officers, and directors now in the employ of air mail transport lines or aviation holding companies or companies manufacturing lines or aviation holding companies or companies manufacturing or distributing airplanes, airplane motors, and airplane parts and instruments who were formerly employed by the United States Post Office Department, giving the position each formerly held in the Post Office Department and the compensation received while in the employ of the said department and the compensation they are now receiving in the aviation industry; and (8) list of employees, officers, and directors of air mail transport lines and aviation holding companies and companies manufacturing or distributing airplanes, airplane motors, and airplane parts and instruments who are relatives of present employees or officials in the said Post Office Department, all such listings to be as of December 20, 1932.

Mr. NYE. Mr. President, by previous action on the part of the Senate a select committee has been authorized to investigate thoroughly the questions involved in Senate Resolution 312. I therefore have no desire to press it, and move its indefinite postponement.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROTECTION OF NATIONAL MILITARY PARKS, ETC.

The PRESIDING OFFICER laid before the Senate the amendments of the House of Representatives to the bill (S. 5233) to provide for the protection of national military parks, national parks, battlefield sites, national monuments, and miscellaneous memorials under the control of the War Department, which were, on page 1, line 4, after "scribe." to insert "and publish," and on page 1, line 9, after "who," to insert "knowingly and."

Mr. REED. I move that the Senate concur in the House

The PRESIDING OFFICER. The question is on the motion of the Senator from Pennsylvania.

The motion was agreed to.

PREVENTION OF HARBOR, RIVER, ETC., COLLISIONS

The PRESIDING OFFICER laid before the Senate the amendments of the House of Representatives to the bill (S. 4008) to amend article 5 of the act of Congress approved June 7, 1897, relating to the approval of regulations for preventing collisions upon certain harbors, rivers, and inland waters of the United States, which were, on page 1, line 9, to strike out "barges and canal"; on page 2, line 1, to strike out "boats" and insert "barges, canal boats, scows, and other vessels of nondescript type"; and on page 2, line 5, to strike out "barges and canal boats" and insert "barges, canal boats, scows, and other vessels of nondescript type."
Mr. JOHNSON. I move that the Senate accept the

amendments of the House.

The PRESIDING OFFICER. The question is on the motion of the Senator from California.

The motion was agreed to.

INVESTIGATION OF SHORT SELLING ON STOCK EXCHANGES

The PRESIDING OFFICER. The Chair lays before the Senate a resolution coming over from a previous day, which will be read.

The Chief Clerk read Senate Resolution 371, submitted by Mr. Costigan on the 24th instant, as follows:

Resolved, That Senate Resolution No. 84, Seventy-second Congress, agreed to March 4, 1932, and continued in force by Senate Resolution No. 239, Seventy-second Congress, agreed to June 21, 1932, is hereby further continued in full force and effect until the expiration of the first session of the Seventy-third Congress.

Mr. COSTIGAN. Mr. President, at this time I move the adoption of the resolution.

Mr. REED. Will the Senator explain to us what the resolution means?

Mr. COSTIGAN. Mr. President, the resolution calls for the continuance until the close of the first session of the Seventy-third Congress of the stock-market investigation now being carried on by the Senate Committee on Banking and Currency. The committee's authority was first given under Senate Resolution 84, and was continued until the expiration of the Seventy-second Congress under Senate Resolution 239.

As is well known, the committee now is in the midst of that investigation. Its disclosures, and legislative remedies which may naturally be expected to flow from the testimony being taken, are justly attracting nation-wide attention. It is assumed that no Member of the Senate will desire to interfere with that highly important investigation at a time when general public agreement is being expressed on the overwhelming necessity for remedial enactments by Congress to guard, so far as is humanly possible, against the recurrence of such conditions as have been and are being revealed by the testimony.

As part of and in confirmation of my remarks, I request that the two earlier resolutions—namely, Senate Resolution 84 and Senate Resolution 239-may be printed in the REC-ORD, that certain extracts from news columns indicating significant testimony, as reported in the New York Times of February 22 and February 23 may be added; also, that there be included an editorial from the New York Times of this morning.

The PRESIDING OFFICER. Without objection, it is so

The matter referred to is as follows:

Senate Resolution 84, Seventy-second Congress, first session

Resolved, That the Committee on Banking and Currency, or any duly authorized subcommittee thereof, is authorized and directed (1) to make a thorough and complete investigation of the practices with respect to the buying and selling and the borrowing and lending of listed securities upon the various stock exchanges, and lending of listed securities upon the various stock exchanges, the values of such securities, and the effect of such practices upon interstate and foreign commerce, upon the operation of the national banking system and the Federal reserve system, and upon the market for securities of the United States Government, and the desirability of the exercise of the taxing power of the United States with respect to any such securities; and (2) to report to the Senate as soon as practicable the results of such investigation and, if in its judgment such practices should be regulated, to submit with such report its recommendations for the necessary

For the purposes of this resolution the committee, or any duly authorized subcommittee thereof, is authorized to hold such hearings, to sit and act at such times and places during the first session of the Seventy-second Congress, to employ such experts, and clerical, stenographic, and other assistants, to require by subpæna or otherwise the attendance of such witnesses and the production clerical, stenographic, and other assistants, to require by subpens or otherwise the attendance of such witnesses and the production of such books, papers, and documents, to administer such oaths, and to take such testimony and to make such expenditures as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words. The expenses of the committee, which shall not exceed \$50,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

Senate Resolution 239, Seventy-second Congress, first session Resolved, That S. Res. 84, Seventy-second Congress, agreed to March 4, 1932, hereby is continued in full force and effect until the expiration of the Seventy-second Congress, and the limit of expenditures to be made under authority of such resolution is hereby increased by \$50,000.

[From the New York Times of Wednesday, February 22, 1933]

MITCHELL AVOIDED INCOME TAX IN 1929 BY \$2,800,000 LOSS-BANKER TELLS SENATORS HE SOLD STOCKS TO RELATIVE, THEN REBOUGHT THEM—GOT \$3,500,000 IN THREE YEARS—BONUS FROM "MANAGEMENT FUND" WAS IN ADDITION TO SALARY FROM TWO JOBS—"BAILED OUT" CUBAN LOAN—NATIONAL CITY COVERED LOSS OF \$30,000,000 ON SUGAR BY A STOCK SALE TO THE PUBLIC

WASHINGTON, February 21.—Charles E. Mitchell, chairman of the board of the National City Bank and its affiliate, the National City Co., both of New York, to-day told the Senate Banking Committee that in 1929 he sold to a member of his family 18,000 shares of National City Bank stock, the resulting loss of nearly \$2,800,000 enabling him to avoid paying a Federal income tax that year. Later he rebought this stock.

Mr. Mitchell had previously testified that the National City Bank owned all the stock of the National City Co. shareholders, and that the stock of the latter was trusteed with three trusts for the benefit of the shareholders of the National City Bank. These trustees were Beekman Winthrop, Percy A. Rockefeller, and James

A. Stillman.

In reply to a suggestion that the investment business of the National City Co. has increased substantially since its merger with the Farmers Loan & Trust Co. of New York, Mr. Mitchell said:

"I should say from pure recollection that the sales of securities

by the National City Co. had averaged over a 10-year period \$1,500,000,000 a year, and I think the high was about \$2,000,000,000 and the low just under \$1,000,000,000." The high occurred in 1927 or 1928 and the low during the past year.

DELVES INTO BONUSES

Doctor Pecora then examined Mr. Mitchell regarding the pay-

ment of bonuses to the officers of the two institutions.

The banker admitted receiving for 1927, 1928, and 1929 from the bank and its affiliate bonuses totaling \$3,481,732, apart from his salary, which in the case of the company amounted to \$25,000 a year. This extra income, he explained, was from the management fund of the two institutions, in which was placed 20 per

cent of annual earnings after deduction of 8 per cent to be paid on capital, surplus, and undivided profits.

The bank's management fund in 1927 was \$1,356,990, of which he received \$529,230. The company's fund that year was \$1,988,-000 and his share was \$527,000. That made his total bonus for the year \$1,056,230.

The next year the bank's fund was \$1,401,585, from which he got \$566,634, and the company's fund was \$2,739,438, with his share \$750,000. In 1929 the bank's fund was \$1,725,117, out of which he obtained \$608,868.

The affiliate's fund for 1929 was nil, but there was a distribution for the first half of the year from which he got about

This was wiped out by the end of the year. The bonus payments were not refunded, but made deductible from future accumulations, of which there have been none so far, because the management fund system has not operated since 1929.

EXPLAINS GIVING OF BONUSES

"You see," said Mr. Mitchell, "the National City Co. was an in-"You see," said Mr. Mitchell, "the National City Co. was an investment corporation, and it selected as its executives men who would normally be of the type to hold partnerships in private banking and investment companies. It was necessary to meet the competition of private partnerships, which partnerships were often extremely lucrative, by giving to the officers, who were the equivalent of partners in a private banking or investment firm, some share in the profits that they should make.

"The fund was theoretically divided into two parts, and at the outset of the vear the executive committee determined what nor-

"The fund was theoretically divided into two parts, and at the outset of the year the executive committee determined what portion each and every officer should have of one-half of the funds that might accumulate during that year. That was what we called the forward look, because, of course, hardly any two men can be judged to be worth exactly the same amount, and they were all getting the same salary, and this differentiation in the value to the company of these various men was represented in the percentage of this first half of the management fund of which I speak.

"The other half was determined usually twice a year, in July and in January. The officers who participated in this fund were generally asked at that time to submit a vote, which was not a signed vote and was not submitted to me but to some representative of the executive committee.

"It was a secret vote as to what portion should be mine. And then they were asked, having made that vote, for a signed vote as to what proportion each officer should get as to the balance, leaving themselves out of consideration."

COUZENS QUESTIONS PRACTICE

"Do you think it was a good system?" Senator Couzens asked.
"Yes," Mr. Mitchell replied. "I feel quite strongly about it.
It established an esprit de corps."
"Doesn't it also inspire a lack of care in the sale of securities

"I can readily see, from your viewpoint, that it would seem so," Mr. Mitchell replied, "and I must grant that there must be

some influence. At the same time I don't recall seeing it operate that way."

"You wouldn't," Senator Couzens retorted. "Only the cus-

"You wouldn't," Senator Couzens retorted. "Only the customers would see it after they got the securities. How many of the securities that you sold are now in default?"

"That is a difficult question," the banker said.

"During a 10-year period our total sales were about \$20,000,000,-000, and I think there has been difficulty of one sort or another in something under \$1,000,000,000."

"I want to say," said Senator Couzens, "that this testimony is being elicited not with the idea of going into the personal affairs of Mr. Mitchell or the National City Co. but for the purpose of demonstrating publicly, if possible, that these unreasonable salaries and these bonuses lead to unsound banking and unsound sales of securities."

The committee then turned to individual security offerings by the National City Co. and singled out its \$11,000,000 participation in a \$15,000,000 offering in 1924 of Cuban Dominican Sugar Co. stock, which it obtained at 90 and sold at 97½. It was the purpose to obtain from Mr. Mitchell an admission that the public that bought the securities had a right to know the cost of them to the National City Co. as an indication of their "real value."

AVOIDED 1929 INCOME TAX

Reminded by Senator Brookhart that he had been told by at least a dozen people between the morning and afternoon sessions that their life savings had been wiped out with the drop in National City Bank shares, Mr. Mitchell replied:

"If you know of anyone who has suffered a greater loss in National City Bank stock than I have, then you know something that I don't know anything about."

He said he had bought 28,300 shares in 1928, planning to hold them temporarily and to help out in a difficult situation and to buoy up the market. He subsequently disposed of 10,000 shares and had about 53,300 left. For the balance of 18,300 shares, Mr. Mitchell said he paid between \$375 and \$380 per share.

These holdings were subsequently reduced again in a sale for tax purposes in which he disposed of some 18,000 shares to a member of his family. Subsequently, he bought it back. He did not name the rebuying price.

"How much of a loss did that enable you to show," asked Mr. ecora. "Wasn't it nearly \$2,800,000?"
Mr. Mitchell replied it was between \$2,700,000 and \$2,800,000.
"That enabled you to avoid an income tow for income." Pecora.

"That enabled you to avoid an income tax for 1929, did it not?"
"Yes; the losses had been such that I didn't have it."

"It was just simply a sale of convenience to elude the tax, wasn't it?" asked Senator Brookhart.
"You can call it that," was the reply.

[From the New York Times of Thursday, February 23, 1933]

NATIONAL CITY BANK LENT ITS OFFICERS \$2,400,000 TO SAVE STOCK IN SLUMP—NO INTEREST WAS CHARGED—AND ONLY 5 PER CENT HAS BEEN REPAID, RENTSCHLER TESTIFIES—CUSTOMERS "SOLD OUT"—LOANS WERE WRITTEN DOWN AND TRANSFERRED TO NATIONAL CITY CO.—JOINT DEALS DISCLOSED—AFFILIATE SOLD 1,950,000 SHARES OF BANK STOCK—SHARED IN COPPER STOCK

Washington, February 22.—Unsecured loans of \$2,366,000 were made by the National City Bank to its own officers to enable them to cover open-market commitments in the bank's stock, following the market collapse of 1929, while at the same time the bank was selling out customers whose collateral did not cover their margins. Gordon S. Rentschler, president of the bank, admitted to-day at the continuation by the Senate Banking and Finance Committee of its inquiry into the stock market.

Subsequently the loans, only about 5 per cent of which were repaid, were written down to the bank and transferred to its affiliate, the National City Co.

Ferdinand Pecora, the committee's counsel, also brought out from the witness that in the three years ending 1930, the National City Co., borrowing from the bank, sold 1,950,000 shares of the bank's stock to the public for \$650,000,000. Some of this stock was sold at \$580, though its book value was between \$60 and \$70 and the dividend was \$4.

Charles E. Mitchell, chairman of the boards of both institutions, recalled to the stand, testified as to details of joint operations in copper stock by the National City Co. and the bank, the transactions being financed by stockholders of the bank. The public bought 1,300,000 shares of Anaconda stock for more than \$100 a share. Its present value is from \$7 to \$8 a share.

Another highlight in to-day's inquiry was that employees of the bank had been paying, through deductions from their salaries, for stock of the company bought in 1929 at \$200 and \$220 a share. They still owe more than the shrunken market value of the stock.

EXPLAINS LOANS TO OFFICERS

The fund of \$2,400,000 for loans to officers without interest was established by the bank on November 13, 1929, within a fortnight after the stock-market crash, Mr. Rentschler told the committee, to "sustain the morale of the organization and to protect the officers in the existing emergency."

Not more than 5 per cent of these loans had been repaid to the Not more than 5 per cent of these loans had been repaid to the bank, some having been charged against its undivided profits accounts and the remainder written down and transferred to the National City Co. The bank president said the fund had been first suggested either by himself or by Charles E. Mitchell in the belief that it was essential to the welfare of the organization that its officers be protected in the period of financial stress.

He agreed with the comment by Mr. Pecora that the loans were made "principally" for covering commitments of its officers in the open market on National City Bank stock, although at the same time other of the bank's customers that had deposited collaterial with it were sold out.

laterial with it were sold out.

ONE HUNDRED OFFICERS PROTECTED

Mr. Rentschler testified that the unsecured loans had been made to probably 100 men, many of whom also shared in the management-fund bonus, of which Mr. Mitchell admitted yesterday he received \$3,500,000 in three years.

[From the New York Times of Tuesday, February 28, 1933] BETTER BANKING

The resignation of Mr. Charles E. Mitchell was inevitable. banking institution, not even the next to the largest in the world, could afford even to appear to approve or condone the transaccould afford even to appear to approve or condone the transactions of which he was a guiding spirit and one of the beneficiaries. He maintains that they were misrepresented before the Senate committee, or misunderstood, but clearly perceiving the mischief that had been done, his very loyalty to the National City Bank impelled him to step out. The directors acted with promptness and without hesitation. They saw at once that no other course was possible in view of the surge of public opinion set in motion by the disclosures at Washington. It was not a case of personalities. The question was one of principle, of sound banking methods. These had been flagrantly violated and there was nothing for the directors to do but elect new officers and promise a new policy. In their public statement they pledge the was nothing for the directors to do but elect new olicers and promise a new policy. In their public statement they pledge the service of the bank to the domestic and foreign commerce and industry of the United States along the well-marked lines of commercial banking. Significant, too, is their undertaking to confine the activities of the National City Co. to Government, State, municipal, and corporate bonds of the highest character. This should mean an end to the mad speculation of banks in the

rnis should mean an end to the mad speculation of banks in the years when nearly everybody was mad.

Almost at the same time Mr. Henry Ford and his son were entering the banking field in Detroit and announcing the standards which they propose to adopt and follow in their new business. These sound old-fashioned, yet come with a sense of reassurance to many who have suffered from new-fangled notions of banking. to many who have suffered from new-fangled notions of banking. "The bank's first function is to provide a place of safe deposit. * * * Bank loans should be made for productive and not speculative purposes." That last sharp line of division it is confessedly not always easy to draw. There is often a speculative element in even legitimate enterprises which a bank is asked to help finance. Not all productive loans are as safe as they seem at first. But there is all the difference in the world between assuming a slight risk in loaning money, and plunging deeply into wild speculation with the bank's own funds. The era when that sort of thing was too commonly done by banks is now closed in the United States, and what has been learned in the hard school of experience should prevent anyone wishing to reopen it for a of experience should prevent anyone wishing to reopen it for a long time to come.

Apart from scandals here and there in recent years, the banking system of the United States is notoriously defective. The record of bank failures during the past three years—even in the years before the crash of 1929—is humiliating and even shameful. State charters have been granted improvidently. Inexpert and incompetent men have been made directors and presidents of banks. The accumulated misfortunes and disasters which of banks. The accumulated misfortunes and disasters which have in consequence afflicted so many States, and provoked so widespread a distrust of our banking methods, have become a widespread a distrust of our banking methods, have become a powerful argument for the revision of our banking laws. It is now felt to be a crying necessity. In the effort partially to meet it, the Glass bill, with its many excellent provisions, though with some that are questionable, was passed by the Senate and is now awaiting action by the House. In the end we shall probably need other and perhaps more drastic statutes, Federal and State, if we are to remove from this country the reproach of having the worst banking system in the world.

Even the best one, however, will require men of the highest ability and utmost probity to manage it successfully. This, after all, is the chief moral to be drawn from the imprudences and irregularities which have been spread before the country by the Senate investigation, and have had so disturbing and unsettling Capable and conservative bankers can make even a bad an effect. Capable and conservative bankers can make even a bad system work, but if the established rules of sound banking practice are forgotten or openly violated, if deposits are not regarded as a sacred trust but as material for reckless speculation, if personal motives and a rush to get rich animate the management, there is no safety for anybody, and banks will fall into merited disrepute and distrust. That they have been fully realizing this, and have been striving for some time in every way to go back to the old and stable ways of banking, is one of the encouraging signs in these days of slow recovery. Frozen assets are not the greatest handicap of the banks. What is hurting them most is frozen confidence. Their first and imperative duty is to seek and to deserve to win back the trust of the public.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution was agreed to.

PROPOSED OCEAN MAIL CONTRACT

The PRESIDING OFFICER. The Chair lays before the Senate a resolution coming over from a previous day, which will be read.

The Chief Clerk read Senate Resolution 375, submitted yesterday by Mr. Black, as follows:

Whereas specifications have been issued by the Postmaster General calling for bids on March 1 for an ocean mail contract from Philadelphia-Baltimore to Liverpool-Manchester, route No. 58 B, which involves the establishment of a new steamship service and the payment by the Government of a new steamsnip service and the payment by the Government of about \$1,000,000 per annum for 10 years or \$10,000,000 in mail money, and also involves the selling of vessels by the United States Lines Co. for a reported price of \$500,000 each, which were recently purchased from the Shipping Board for \$131,250 each; and

Whereas this proposed new steamship service competes with other American services already established at a great cost to the Government, which services also receive mail pay; and

Whereas it is understood this new line is to be operated by the International Mercantile Marine Co. (Inc.), which already re-ceives large subsidies from the Government while at the same time operating foreign-flag lines competing with American lines;

whereas it appears that there has not been and will not be sufficient time to fully investigate the economic necessity of such line or the propriety of granting a mail contract on March 1 next, and as the matter of ocean mail contracts is to be generally investigated by a committee of the Senate; and

Whereas the Merchant Fleet Corporation reported on February 6, 1933, that this steamship service is not justified: Now, therefore,

Resolved, That the Postmaster General be requested to postpone the awarding of the said mail contract until the matter can be more fully investigated and the soundness of the proposition more completely determined from the standpoint of the Government's interest and all the facts and circumstances involved.

The PRESIDING OFFICER. Is there objection to the passage of the resolution?

Mr. REED. Mr. President, there is objection to the passage of the resolution.

Mr. COPELAND. Mr. President-

Mr. REED. I do not mean to take the floor, however, if the Senator from New York wishes to speak at this time.

Mr. COPELAND. I desire to speak at some time during the morning, but I will not interrupt the Senator.

Mr. REED. I shall be glad to have the Senator go ahead now.

The PRESIDING OFFICER. The Senator from New York. Mr. LEWIS. Mr. President-

The PRESIDING OFFICER. Does the Senator from New York yield to the Senator from Illinois?

Mr. COPELAND. I do.

Mr. LEWIS. If the Senator from New York intended to occupy some moments in addressing the Senate, I defer, of course, to him. I desire to occupy a few moments.

Mr. COPELAND. I gladly yield to the Senator from

PROPOSED EMBARGO ON SHIPMENT OF ARMS

Mr. LEWIS. Mr. President, I take the liberty of occupying a few moments to bring to the attention of the Senate a subject which, if not carefully watched and prudently guarded, may involve the United States in the difficulty in which it found itself with Mexico in the conflicts that were occupying Mexico some years past, but more particularly the prospect of involving ourselves in a situation similar to that which came upon us in our relations to Germany when she was at war with England and France and we stood in the position of neutrals.

Mr. President, the morning papers bring us the cabled information, confirming that of yesterday, that the Government of Great Britain, through its proper agencies, has assumed to invite us to the consideration of placing an embargo against our own country in the matter of the transportation of arms to the contending forces of China and Japan.

Mr. President, I have no interest, sentimental or material, in behalf of any manufacturer of arms. Were it left to me I should frankly say, though I know I am at great variance | of the oriental lands, China or Japan, or with their secret with my eminent colleagues on both sides of this Chamber, that I would reduce all manufacture of arms having to do with war to a privilege only of the Government, in order that it could be watched and guarded, wherein it could not be used as an agency that could involve us in conflict by disclosing partiality in one direction and covert violation of the neutral laws in the other.

But I come to the point I wish to press upon the Senate.

I am exceedingly anxious that this Government shall not be induced by any form of advance through any other country, its agencies or its interests, to join any other country in any policy it assumes to express to us as the policy of that country respecting its relations with a foreign country; and in this case I advert to the matter of the embargo upon arms.

Mr. President, this is a place where complete frankness must be indulged. Our people must learn to know that while it may be true that England can find it agreeable to intimate some association with us and have us follow some lead she now expresses respecting the embargo on arms as to China and Japan, let us not forget that during the last year and a half England has already supplied both the countries of China and Japan, wherever possible, with all the arms and munitions her people desired and could pay for, and, in addition to that, prepared for further contributions of arms to these countries by laying down, in the behalf of Japan and China, one or the other or both, such preliminary machinery as made a substantial basis for the manufacture by the countries of either China or Japan, or both, of such munitions of war as may be necessary for those countries in the present engagement.

Mr. President, the United States is assumed, under our statutes, to be neutral, and that neutrality is to be preserved. I am particularly attracted by the observations of the Senator from Pennsylvania [Mr. REED] in calling attention to neutrality as a policy of our Government. But the very moment this United States blunders again along the route on which she blundered unhappily through being deceived. in the misconception of a friendship that was really an enmity, and allows herself to be directed by some other country as to the foreign policy this America shall adopt, she forsakes her position of advantage, her influential attitude, her secure and sure rock on which she stands as a separate nation of power in neutrality and in influence.

The attitude of the United States to-day must be this, that she is opposed to war as a policy of any nation, that she seeks peace by every prospect that can be invoked through or by any nation. But she has learned the lesson that while she does not desire that her life shall be one alone, to walk the road of nations without company or companionship, and in no wise, sir, seeks such isolation as makes her a stranger to the needs of a people or of mankind, she must now realize that the attempts of the past to join with other nations upon the theory that she is entering a copartnership that makes for peace and concord led her into conflict so serious of nature as to involve her in what appears to be the loss of twenty-five billions of money, 200,000 of her sons, with 200,000 more of them crawling through the spaces of nature in her land with their hands held out piteously and their voices moaning "Charity."

Mr. President, this is, I may say, in behalf of my own view the moment now when we should with great prudence allow nothing that should involve the coming administration, or that which is the present administration, to enter into any of these seductive alliances suggested, for whatever reason we need not pause at this moment to wholly determine, but let America keep her place, carrying out her policies separately, under the law, as prescribed in her statutes, in executing the policies as declared in her neutrality, and protecting her own existence in the trade her citizens have a right to enjoy. But at a time like this, when, in the Philippine Islands, there are vast millions of property which, belonging to the United States and thousands of American citizens, can be made the subject of an immediate assault in the event of our giving any cause for grievance to any one

ally, Russia, joining one or the other, we would invite to ourselves a condition of conflict which we could not avoid. but which, in its end, would be one of such serious embarrassment and possibly of such very wide extent in its dangers that none on this floor could correctly depict its possibilities for the present, or its dangers for the future.

Therefore, Mr. President, at this moment allowed me. I desire to say, so far as my voice may reach, that America has learned the lesson that her real course at this present time must be the fulfillment of her own laws, by herself, to carry out her own policy according to the spirit of her institutions, the sentiment of peace in the heart of the American, but, above all else, sir, the preservation of the principles of the Government of the United States. It will neither enter, as I would not allow were I privileged to be the guard and the guide, with any people or any nation anywhere, where the voice would be permitted to guide us by their vote of numerical strength, 1, 2, or 3, nor embarrass us by the entrance into our counsels upon the great questions now before us, particularly our relations with Asia.

One final word. The President elect of the United States, we gather from the public press, has, through his representatives-prospective members of the Cabinet-entered into appropriate conferences with those who speak on the question of trade and the future commercial relations between our land and the lands for which these representatives speak. Sir, such conferences should go on without interruption. They should go to the extent the incoming administration feel is justified, and we should aid the present administration to the full extent that is necessary in any policy it undertakes that is wholly and strictly American. But wherever a movement shall be initiated by foreign lands or foreign interests to involve us again in an attempt of communion with other nations in executing what appears to be the suggested policy for peace to humanity, let us not forget that these were the same pretenses of some years past, by the same sources, which finally led us into a condition of maze and embarrassment from which we can not live long enough in the present generation ever to escape. Nor should we embarrass the administration now coming into power, or the one that is presently engaged, by repeating the blunders of the yesterdays that cost us so seriously, and will ever continue to involve us so greatly, in the coming days of the to-morrow.

America does not ask that she shall walk the world pathways alone. She only seeks that she shall deal in behalf of her own people, as America, uninfluenced and undirected by the pretenses, however specious and false, as they have shown themselves in the past, that we may not repeat the unhappy tragedies of the yesterdays.

I beg to say, sir, I only speak that we may stand to-day and give the world to understand that now we are ready to stand to-morrow on the policy of America, and for her people, that policy that shall be the American policy, often expressed-peace to all the world, happiness to all mankind, but complete and independent justice to the United States.

OCEAN MAIL CONTRACTS

Mr. COPELAND. Mr. President, there is no more appropriate time, I think, to say what I have in my mind than now. Following the eloquent address of the Senator from Illinois [Mr. Lewis] it may not be out of place to mention what I desired to say a few moments ago. What I have to say is appropriate, too, because the pending matter is the resolution of the Senator from Alabama [Mr. Black] relating to our shipping. .

Mr. President, it is a matter of great concern to us who have been particularly interested in the shipping problems of America to find what really is the attitude of Great Britain toward our efforts to build up American shipping. Some weeks ago, in reply to questions of the Senator from California [Mr. Johnson], I brought to the attention of the Senate what is being done by the British regarding the oncoming economic conference. The British Chamber of Shipping has made every effort to pledge in advance the delegates to the world economic conference to be called pretty soon. It is the endeavor of British shipping interests to defeat our efforts in the United States to build up American shipping.

We have not always been quite patient with the Shipping Board. Sometimes we have been quite critical of that board. But I am glad to report that in this particular matter, certainly there has been great alertness on the part of the board. The Shipping Board has undertaken to discourage the State Department from including in the agenda of the coming conference any reference to shipping.

Mr. President, under date of January 11, 1933, the acting Secretary of State, replying to a letter of the Shipping Board, said that, so far as he could judge at that writing, "There was no intention of putting this question upon the agenda." That was very encouraging.

I can not see, for the life of me, that a matter which is purely local, which has to do with our own shipping, and the relationship of our country to shipping, should be made a matter of debate in the forthcoming economic conference. As a matter of fact, so far as I can see, the British are attempting to put everything possible into the agenda, in order that they may have trading material when it comes to the question of dealing with the international debts.

Mr. SHORTRIDGE. Mr. President, will the Senator from New York yield to permit me to make a motion?

Mr. COPELAND. I yield.

Mr. SHORTRIDGE. I move that the Senate proceed to the consideration of House bill 13724, the Navy Department appropriation bill, and that it be given immediate consideration.

The PRESIDING OFFICER. Does the Senator from New York yield for that purpose?

Mr. BLACK. Mr. President, a parliamentary inquiry.
The PRESIDING OFFICER. The Senator from Alabama will state it.

Mr. BLACK. Can a Senator hold the floor while he yields to another Senator to make a motion to take up another matter, and continue to hold the floor thereafter?

The PRESIDING OFFICER. The Chair just asked the Senator from New York whether he yielded for that purpose.

Mr. BLACK. Do I understand the Chair to hold that the Senator from New York has a right to determine for what purpose he shall yield the floor and that the Chair holds that the Senator has a right to yield the floor for the making of a motion? Does the Chair hold that would prevent some one else getting the floor to discuss the motion or for some other purpose?

The PRESIDING OFFICER. The Chair will state that the Senator from New York has the floor until he yields it. The Chair asked whether he yielded for this purpose.

Mr. BLACK. I object to his yielding for that purpose. The PRESIDING OFFICER. It is not within the province of the Senator to object. Does the Senator from New York yield for the purpose suggested by the Senator from California?

Mr. COPELAND. Mr. President, a parliamentary inquiry. Mr. SHORTRIDGE. I am very much interested in the observations of the Senator from New York, but we are all directly interested in the passage of the appropriation bill. I do not think it would take long to consider it and when it is concluded I shall be very glad to have the Senator from New York resume his remarks and I shall pay very respectful attention to them.

The PRESIDING OFFICER. The Chair will state to the Senator from New York for his protection that if he yields for this purpose he loses the floor.

Mr. REED. Mr. President, is not the whole matter entirely within the control of the Chair? While it is obviously true that if the Senator from New York yields for the motion he yields the floor, it is within the power of the Chair to recognize him as soon as the motion has been disposed of, and he may then resume his observations.

The PRESIDING OFFICER. Provided he obtains the floor.

Mr. ROBINSON of Arkansas. Mr. President-

The PRESIDING OFFICER. Does the Senator from New York yield to the Senator from Arkansas?

Mr. COPELAND. I yield.

Mr. ROBINSON of Arkansas. We are entering a situation here where I conceive that a good deal of time is liable to be wasted. I am going to submit a request which I feel sure will be granted. I ask unanimous consent that the unfinished business, which is the resolution of the Senator from Alabama, be temporarily laid aside and that the Senate proceed to the consideration of the Navy Department appropriation bill.

The PRESIDING OFFICER. The Chair would state that there is no unfinished business.

Mr. ROBINSON of Arkansas. The hour of 1 o'clock having passed and the resolution being under consideration it takes the status of unfinished business.

The PRESIDING OFFICER. The Chair would state that it is not the unfinished business. It is the pending business.

Mr. ROBINSON of Arkansas. Mr. President, I ask that it be in order to proceed with the consideration of the resolution of the Senator from Alabama, that the resolution be temporarily laid aside, and that the Senate proceed to the consideration of the Navy Department appropriation bill.

The PRESIDING OFFICER. That request is in order. Is there objection?

Mr. KING. Mr. President, reserving the right to object, I want to suggest to my leader that the motion which the Senator from Alabama desires to present for consideration must receive consideration to-day to have any effect whatever. If I understand the purpose of the Senator from Arkansas, it is to displace it by placing before the Senate the Navy Department appropriation bill.

Mr. ROBINSON of Arkansas. I did not think it necessary to explain to one of the experience of the Senator from Utah that if my request is granted—

Mr. KING. I do not ask the Senator to explain anything to me.

Mr. ROBINSON of Arkansas. Then the Senator from Alabama at any time can bring his resolution back before the Senate by a simple demand for the regular order.

Mr. KING. Mr. President, a parliamentary inquiry.
The PRESIDING OFFICER. The Senator will state it.
Mr. KING. Is not the resolution offered by the Senator from Alabama now the unfinished business?

The PRESIDING OFFICER. It requires a vote of the Senate or unanimous consent to make it the unfinished business. Is there objection?

Mr. REED. Mr. President, reserving the right to object, it is perfectly obvious that with the number of Senators opposed to the resolution of the Senator from Alabama his resolution can not be passed to-day. To keep it before the Senate merely postpones the consideration of vital appropriation bills and wastes one of the four remaining legislative days of the session. We would waste 25 per cent of our effective time by going on with the resolution, which a number of Senators are determined shall not pass.

Mr. BLACK. Mr. President-

The PRESIDING OFFICER. Does the Senator from New York yield to the Senator from Alabama?

Mr. COPELAND. I yield.

Mr. BLACK. Would the Senator object to placing in the RECORD the names of those Senators? I have heard of only one, the Senator from Pennsylvania.

Mr. REED. Doubtless others will put their own names in the RECORD.

Mr. BLACK. The Senator states there are several others, and I think we are entitled to know who they are.

Mr. REED. The Senator had better make inquiry as I did and find out for himself. I am not going to make announcements of that nature for other Senators. Therefore, I am obliged to object to the request of the Senator from Arkansas.

still has the floor?

The PRESIDING OFFICER. The Senator from New York still has the floor.

Mr. KING. Mr. President, I ask unanimous consent that we proceed to the consideration of the resolution offered by the Senator from Alabama and that we take a vote upon the same at 3 o'clock.

The PRESIDING OFFICER. Is there objection?

Mr. REED. I object.

Mr. KING. I move that we proceed to the consideration of the resolution offered by the Senator from Alabama.

Mr. LA FOLLETTE. Mr. President, that motion is not

The PRESIDING OFFICER. No; the resolution is already before the Senate.

Mr. SHORTRIDGE. Mr. President-

The PRESIDING OFFICER. Does the Senator from New York yield to the Senator from California?

Mr. COPELAND. I yield.

Mr. SHORTRIDGE. In the interest of good government and of necessary legislation, may I make the suggestion that the pending resolution offered by the Senator from Alabama be temporarily laid aside, that we take up for consideration the Navy Department appropriation bill, and that upon the conclusion of its consideration we resume the consideration of the resolution of the Senator from Alabama.

The PRESIDING OFFICER. Is there objection?

Mr. SHORTRIDGE. How can there be any objection to

Mr. BLACK. Mr. President, reserving the right to object. if the Senator will eliminate one statement in his request, that upon the conclusion of the consideration of the appropriation bill the resolution shall be taken up. I shall not object. But I desire to state to the Senator now, in order that it may appear in the RECORD, that the question has been brought up by the Senator from Pennsylvania [Mr. REED] that important legislation should not be laid aside. I desire to state to the Senate that, in my judgment, if the contract is made, it will constitute the perpetration of a gross and outrageous and corrupt fraud. If there is anything more important than the prevention of the perpetration of a \$10,000,000 fraud in this country on the part of those who are in power for only a few days more, then I do not so understand it.

I do not object to the request of the Senator from California if he will eliminate the statement that we wait until the appropriation bill is disposed of, because I am convinced that there are those here who will object and who will use that bill as a means to filibuster and prevent action on my

Mr. ROBINSON of Arkansas. Mr. President, will the Senator yield?

The PRESIDING OFFICER. The Senator from New York has the floor. Does he yield to the Senator from

Mr. COPELAND. I yield.

Mr. ROBINSON of Arkansas. If the resolution is to be acted upon and to have any effect, it is necessary that it should be disposed of before to-morrow. It is directed at contemplated action by the Post Office Department which it is expected will be taken to-morrow unless some deterring influence is exerted. It does seem to me that Senators ought not to take advantage of the situation which exists here to prevent an expression of opinion by the Senate on the subject matter of the resolution.

It happens that almost at the end of every session of the Congress, particularly a short session, some one seeks to avail himself of the rule of unlimited debate in order to prevent decision touching legislation. I do not believe we are justified in taking the rest of the day or in debating until midnight to-night irrelevant subjects in order to prevent the Senate from registering its will touching this resolution.

The Senator from Alabama has made a statement which is significant. He read into the RECORD yesterday statements which tend to show that there is some mysterious

Mr. BLACK. Mr. President, the Senator from New York | influence being exerted hastily to dispose of these contracts. It is an astonishing thing that just two or three days before a new national administration is to take the reins of government an administration which has been in power for eight years should speed up contracts that are under suspicion. It is astonishing that agencies here should lend themselves to the prevention of action which the Senate has a right to take. If a filibuster against this resolution arises, everyone knows that there can be no expression of the opinion or the will of the Senate until after the contracts under suspicion have been signed, sealed, and delivered, and the new administration will be handicapped by the assertion and contention that we can not escape because we are bound by the letter of the contract. What is the haste about the matter? Why should the Post Office Department serve notice that if it is to be done it should be done quickly?-

If 'tis done, when 'tis done, 'twere well 'twere done quickly.

Why do they assert that if these contracts are not made on the 1st of March, three days before the new President takes the oath of office, they probably will not be made at all? Why do Senators insist upon maintaining a situation under which those contracts will be made and the new administration handicapped?

Mr. BLACK. Mr. President-

The PRESIDING OFFICER. Does the Senator from New York yield to the Senator from Alabama?

Mr. COPELAND. I yield.

Mr. BLACK. I desire to call the Senator's attention to the fact that I hold in my hand a statement that \$250,000 of stock will be subscribed by the Pennsylvania Railroad Co., \$125,000 by the Baltimore & Ohio Railroad Co., \$125,000 by the Reading Co., and that the International Mercantile Marine will subscribe to some of the stock through selling ships for three or four times what they were bought for from the Shipping Board.

I desire to call the Senator's attention further to the fact, in line with the statement which has just been made by the Senator from New York, that this company is interested in foreign steamships. This company plies under foreign flags. It is much interested in bringing about this contract, which it is said could not be forced onto the public under the new administration.

Mr. REED. Mr. President-

The PRESIDING OFFICER. The Senator from New York

Mr. REED. Will the Senator yield to me to answer a few of the statements which have been made about fraud?

Mr. COPELAND. I will yield to the Senator, and then I should like to complete the short speech that I want to make.

Mr. REED. I wish only to say that a great number of the statements made by the Senator from Alabama [Mr. Black] yesterday, as well as his statements to-day, not only his generalities that this contract is fraudulent but his circumstantial statements with regard to the ownership of this line, with regard to the interest of the International Mercantile Marine, with regard to the using of steamers that fly foreign flags, with regard to the price that is being paid by the new company, and with regard to the cost of the steamers to the old company are all, I am informed, erroneous, as in my own time I will attempt to demonstrate.

Mr. BLACK. Mr. President, will the Senator yield— Mr. REED. I have not the floor to yield to the Senator from Alabama.

Mr. BLACK. Will the Senator from New York yield? Mr. COPELAND. I yield.

Mr. BLACK. I hold in my hand a letter from the chairman of the Shipping Board which came from a representative of the interests from Philadelphia trying to put through this contract.

Mr. SHORTRIDGE. Mr. President-

The PRESIDING OFFICER. The Senator from New York has the floor.

Mr. SHORTRIDGE. I renew my request.

The PRESIDING OFFICER. To whom does the Senator from New York yield?

Mr. COPELAND. I am not going to yield to anybody to make a speech; I am going to make my own speech, if I ever get a chance. It is a very unpleasant thing for a modest man to be in so conspicuous a position, but I will yield to the Senator from California, who is equally modest, to find out what he wants.

Mr. SHORTRIDGE. I renew my request that the resolution of the Senator from Alabama be temporarily laid aside and that we may proceed to the consideration of House bill 14724, making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1934, and for other purposes.

Mr. BLACK. Mr. President, I could not understand the request of the Senator from California.

NAVY DEPARTMENT APPROPRIATIONS

The PRESIDING OFFICER. The Senator from California asks unanimous consent that the resolution of the Senator from Alabama be temporarily laid aside and that the Senate proceed immediately to the consideration of the naval appropriation bill.

Mr. BLACK. That is the entire request made?

The PRESIDING OFFICER. That is the entire request. Is there objection?

There being no objection, the Senate proceeded to consider the bill (H. R. 14724) making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1934, and for other purposes, which had been reported from the Committee on Appropriations, with amendments.

Mr. COPELAND. Mr. President, I do want to say, because I think every Senator should know it and the country should know it, that the British are seeking to hamstring American shipping. I suppose for one who attempts to maintain some degree of dignity this is a rather positive statement to make. But, frankly, I am utterly out of patience with the efforts being made by British shipping to hamper the development of the American merchant marine. Yet, Mr. President, that is exactly what is being attempted by our cousins across the sea.

Mr. Walter Runciman, president of the board of trade and a member of the British cabinet, at the dinner of the Chamber of Shipping in London a few nights ago, poked fun at us. He said:

I have underestimated the extent of the American merchant marine, but I was thinking of those ships that were fit to trade.

It is stated:

Laughter swept the hall.

If we have no ships fit to trade, there is no reason why the British shipping interests should be distressed over our merchant marine. But really that must have been sardonic

It will be recalled, as I stated to the Senate some days ago, that Sir Alan Anderson, the head of the British Board of Trade for Shipping, pointed out how necessary it is that the subsidies and aids being given American shipping should cease. I read to the Senate on another occasion the resolutions adopted by the British Board of Trade for Shipping, describing in detail what efforts are to be made to interfere with our progress in the development of American shipping. Among other things, it is proposed that the British delegates to the forthcoming world economic conference should be instructed to get in contact with as many delegates as possible appointed by other countries, in order that a compact may be entered into to take action at the economic conference against the development of American shipping.

Mr. President, that is rather a positive statement, but it is borne out by the record.

As I attempted to show before this unpleasant parliamentary episode occurred, the American Department of State has failed, as I see it, to guard American rights and privileges in the forthcoming economic conference. I read, and I recall to the attention of the Senate, a quotation from a letter written by the Acting Secretary of State in January to the effect that there was no intention of putting the question of shipping upon the agenda.

A few days ago in the British Parliament Ramsay MacDonald said of the forthcoming conversations in the United States that it was expected all the questions upon the agenda of the economic conference would be discussed and considered. That was the statement of Ramsay MacDonald; and yet only a few days before that, those in this country who stand guard over American shipping were told there would be nothing upon the agenda relating to shipping. But what happened? As usual, the British statesmen were too smart for American statesmen, and we have one more defeat to

In the agenda for the monetary and economic conference which I hold in my hand I find on page 31, section 6, under the heading "Organization of Production and Trade," the following:

Some of us have felt that a greater freedom of international trade is not the sole remedy for the present crisis, that the crisis has revealed profound disorganization of production and distribution, and that, on this point also, joint action by the governments is necessary for the recovery of an economic system threatened by

bankruptcy.

We take the view that concerted action by the governments in selected fields of production and trade may be effective, either in the direction of facilitating and regulating the efforts already made by certain classes of producers, or in alleviating the unfortunate results on the economic situation of interventions which are results by unduly parrow national considerations. prompted by unduly narrow national considerations.

Of course the reference there is to the "national considerations" of ours to develop our commerce and trade.

I will quote further from the agenda on page 33, under the heading "Transports." Listen to this:

Among the agreements to be considered, the conference might endeavor to ascertain whether it would not be possible to conclude agreements in connection with sea, land, or river transport which might improve the economic condition of the transport system, while considerably reducing charges which at present represent a heavy burden on the State budgets in the case of certain methods of transport.

In the case of shipping, the most urgent questions arise in con-nection with direct or indirect subsidies to national mercantile nection with direct or indirect subsidies to national incommarines and premiums on national shipbuilding. This policy has certainly contributed toward the creation and maintenance of a much greater tonnage than is required by existing international trade, so that in many countries shipping has become a burden on the national economy instead of a contribution to

we agree with the meeting of shipowners recently held at the International Chamber of Commerce that it is impossible to return to sound conditions in the shipping industry so long as return to sound conditions in the shipping industry so long as the uneconomic policy of Government subsidies continues. This policy of excessive intervention requires to be checked by agreement between the governments. At the same time certain possibilities of agreement might be considered with regard to the scrapping of old tonnage, the utilization of existing tonnage, and the laying down of new ships.

Similarly, in the case of air traffic, the subsidies granted by States or other public bodies constitute a considerable portion of the receipts of air-traffic companies. In this sphere, as in that of shipping, subsidies render competition particularly burdensome. In the case of rail transport, at any rate on the European Continent, endeavors should be made to ascertain whether it is not possible to arrive at agreements setting definite limits to the indirect protection of national economic interests by means of

not possible to arrive at agreements setting definite limits to the indirect protection of national economic interests by means of railway tariffs.

Lastly, any progress which may be made by the conference toward greater freedom in international trade should naturally lead to the adoption of a more liberal policy in respect of international transport by river and road, since the economic importance of these two methods of transport is constantly increasing.

Mr. President, it does not become a nation which for 400 years has subsidized its ships as Britain has-and I speak advisedly when I say "400 years"-it does not become a nation which has resorted during all these years to direct and indirect subsidies and aids to its shipping; it does not become that nation, in my judgment, to find fault with us because we have copied her policy and attempted to build up our shipping in the same manner.

I can not blame England for wishing to take every advantage she can of the rest of the world. If she desires to destroy the shipping of other nations in order that the shipping of England might prosper, of course, that is her national right; she can do that if she pleases. But, Mr. President, so far as I am concerned, I am determined to do everything I can to preserve American shipping, and I am not satisfied, on my part, to have a conference held which will seek to interfere with the domestic policy of our country. I protest against it. I think the country ought to know that efforts are being made to accomplish one of two things, either to have "trading material" for use in the conference, so that in the concession of certain items they have put into the agenda we may be induced to cancel the war debts, or else that a deliberate effort is being made to destroy American shipping through the operations of this forthcoming conference.

When the American people realize what efforts are being made by foreign statesmen to interfere with our national progress, it is my opinion that the country will be aroused. It ought to be aroused. Why, in Heaven's name, should Americans sit quietly in their homes while other nations are seeking to take away from them trade and commerce?

We have attempted in America to build up our American shipping and have done so to the extent that now about one-third of our products are carried in American bottoms; but, in spite of the development of American shipping, we carry only 4 per cent of the shipping of the world while England in her turn carries 60 per cent of her own commerce in British bottoms, and carries 45 per cent of the shipping of the world.

Mr. KING. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from New York yield to the Senator from Utah?

Mr. COPELAND. I yield.

Mr. KING. I wish the Senator would put into the Record the fact, however, that prior to the Civil War, when the Democrats had had control of this country for half a century or more, we carried between 83 and 87 per cent of all of our foreign trade in our bottoms, and that we were encroaching upon every other country, and our flag was found in every port wherever any other nation's flag was found and in many ports where other nations' flags were not found; but by unwise policies, subsidizing tariff policies, and so on, practiced by the Republican Party—and I do not want to be partisan—our shipping was largely driven from the seas.

I agree with the Senator that we should have a merchant marine; but I do believe that if we repeal many restrictive policies and adopt sound and rational measures, our flag will still continue to float upon the seven seas, and our ships will find entrance into every harbor of the world.

Mr. COPELAND. I think the Senator is partially, if not entirely, right. In the days of the old clipper ships, America did carry a tremendous proportion of the world's commerce; but through methods which I have been attempting to describe, by mail subventions and subsidies, and by other governmental aid of British shipping, in that certain officers in the merchant marine were paid through the naval appropriations, in those various ways England has built up her tremendous shipping. She has put millions into her great Cunarders. I do not happen to have at this moment the figures at my command; but, if I remember correctly, more than twelve and a half millions went into the building of two ships of the Cunard Line.

By one method and another British shipping has been developed until to-day England controls the seas. She has not viewed with complacency the development of our shipping. She has not been happy to see these great vessels launched as they have been since the Jones-White Act was passed. There can be no doubt that by the operation of that great measure there has been developed an American merchant marine which is now a real factor in the carriage of commerce, not only for our country but for the world.

But, Mr. President, these smart Englishmen—and I admire them for their smartness—are determined that the progress of American shipping shall stop; they believe that the American merchant marine has become too formidable; and so they are striving, originally by secret diplomacy and now by a direct effort in the coming economic conference, to tear down what we have spent so many millions to develop.

Mr. President, are the citizens of this country to disregard the machinations of other countries? Are we to sit silent while efforts are being made to destroy our shipping and to put us once more at the mercy of foreign bottoms? Think

what it means to the American manufacturer, what it means to agriculture in America, to have our own ships carry our products!

During the coal strike in England, when English bottoms were used to carry coal from the Continent to England because of the fact that their own mines were closed, American wheat was piled up everywhere in our country. The apples from the West and the Northwest, the fruits from New York and California, were without means of transport; and it was then that our Shipping Board took out from its reserve fleet and equipped vessels which made it possible to carry these American goods.

There are other times, however, different from that particular time, when we are wholly dependent upon our own resources. There are other times when we find out how uncomfortable it would be if we had no ships of our own. What would happen if a British ship had a cargo half British and half American and they were to go into a port in South America with a cargo of apples, we will say? Which part of that cargo would be unloaded first? You know perfectly well that it would be the British part, and that the market would be glutted before the American products were landed.

There can be no question that every industry in America has a direct interest in the American merchant marine. The merchant, the manufacturer, the farmer—all the citizens of America are interested.

Mr. President, those were some of the things which I had in my mind to say when we got into a parliamentary tangle. I have no desire to interfere with the debate on the Black resolution. I believe that under the administration of Mr. Farley, who is to be the Postmaster General, a careful study will be made of every mail contract. But I must say I am out of patience with our supineness, our willingness to submit to the encroachment upon our rights of the British or any other nation interested in shipping.

We want our shipping developed. We want our merchants and manufacturers and farmers to have American bottoms to carry these products; but we will not have them unless we are very alert during the next few weeks and watchful during the conversations with the brilliant foreign statesmen who are coming here, and in the proceedings of the economic conference. Unless we are alert, unless we recognize the danger and deal with it as we should, when that conference ends it will be like the ending of every other international gathering—that poor old Uncle Sam will have been robbed of all his possessions, or most of them.

Let us not put ourselves in the position of neglecting to protect American interests now and in the conference which will meet very soon.

Mr. SHORTRIDGE obtained the floor.

Mr. McNARY. Mr. President, will the Senator yield for a quorum call? I promised at the conclusion of the speech of the Senator from New York to suggest the absence of a quorum.

Mr. SHORTRIDGE. I yield.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Senators an	iswered to their
Ashurst	Costigan
Austin	Couzens
Bailey	Dale
Bankhead	Dickinson
Barbour	Dill
Barkley	Fess
Bingham	Fletcher
Black	Frazier
Blaine	George
Borah	Glass
Bratton	Glenn
Brookhart	Goldsborough
Broussard	Gore
Bulkley	Grammer
Bulow	Hale
Byrnes	Harrison
Capper	Hastings
Caraway	Hatfield
Carey	Hayden
Clark	Hebert
Commolie	Tohmson

Kean Kendrick

King		
La Follette		
Lewis		
Logan		
Long		
McGill		
McKellar		
McNary		
Metcalf		
Moses		
Neely		
Norbeck		
Norris		
Nye		
Oddie		
Patterson		
Pittman		
Reed		
Reynolds		
Robinson, A	rk.	
Robinson, I	nd.	
Puggell		

Schall
Schuyler
Sheppard
Shortridge
Smith
Smoot
Steiwer
Stephens
Swanson
Thomas, Idaho
Thomas, Okla.
Townsend
Trammell
Tydings
Vandenberg
Wagner
Walcott
Walsh, Mass.
Watson
Wheeler
White

The VICE PRESIDENT. Ninety Senators having answered to their names, there is a quorum present.

Mr. SHORTRIDGE. Mr. President, I ask that the formal reading of the bill be dispensed with, that the bill be read for amendment, and that the committee amendments be first considered.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the Secretary will read the bill for action on the amendments.

The Chief Clerk proceeded to read the bill.

The first amendment of the committee was, on page 24, line 16, after the word "man," to strike out "or civil employee performing" and insert "detailed to the performance of," and in line 20, after the word "servant," to insert a comma and "or of any civil employee performing such work," so as to make the additional proviso read:

Provided further, That no appropriation contained in this act shall be available for the pay, allowances, or other expenses of any enlisted man detailed to the performance of service in the residence or quarters of an officer or officers on shore as a cook, waiter, or other work of a character performed by a household servant, or of any civil employee performing such work.

The amendment was agreed to.

The next amendment was, on page 27, line 4, before the word "of," to strike out "593,479" and insert "895,499," so as to read:

Transportation and recruiting of naval personnel: For mileage and actual and necessary expenses and per diem in lieu of subsistence as authorized by law to officers of the Navy while traveling under orders, including not to exceed \$2,000 for the expenses of attendance at home and abroad, upon meetings of technical, professional, scientific, and other similar organizations, when, in the judgment of the Secretary of the Navy, such attendance would be of benefit in the conduct of the work of the Navy Department; for mileage, at 5 cents per mile, to midshipmen entering the Naval Academy while proceeding from their homes to the Naval Academy for examination and appointment as midshipmen, and not more than \$2,500 shall be available for transportation of midshipmen, including reimbursement of traveling expenses while traveling under orders after appointment as midshipmen; for actual traveling expenses of female nurses; for travel allowance or for transportation and subsistence as authorized by law of enlisted men upon discharge; transportation of enlisted men and apprentice seamen and applicants for enlistment at home and abroad, with subsistence and transfers en route, or cash in lieu thereof; transportation to their homes, if residents of the United States, of enlisted men and apprentice seamen discharged on medical survey, with subsistence and transfers en route, or cash in lieu thereof; transportation of sick or insane enlisted men and apprentice seamen and insane supernumerary patients to hospitals, with subsistence and transfers en route, or cash in lieu thereof; transportation of sick or insane enlisted men and apprentice seamen and insane supernumerary patients to hospitals, with subsistence and transfers en route, or cash in lieu thereof; transportation of sick or insane enlisted men and apprentice seamen; actual and necessary expenses in lieu of mileage to officers on duty with traveling recruiting parties; transportation of dependents of officers and enlisted men (not to exceed \$450,000); expenses of funera

The amendment was agreed to.

The next amendment was, under the subhead "General expenses, Marine Corps," on page 45, line 20, after the word "exceed," to strike out "\$26,250" and insert "\$35,-000," so as to read:

Not to exceed for transportation of troops and applicants for enlistment, including cash in lieu of ferriage and transfers en route; tollet kits for issue to recruits upon their first enlistment and other incidental expenses of the recruiting service; and including not to exceed \$35,000 for transportation for dependents of officers and enlisted men, \$381,250.

The amendment was agreed to.

Mr. SHORTRIDGE. Mr. President, the committee also reported an amendment suggested by the senior Senator from New York [Mr. COPELAND], which is found on page 22 of the bill.

The VICE PRESIDENT. The amendment will be stated.

The Legislative Clerk. On page 22, line 2, after the numerals "\$1,289,770," the committee report to strike out "(none of which shall be available for increased pay for making aerial flights by nonflying officers or observers except eight officers above the grade of lieutenant commander, to be selected by the Secretary of the Navy)," so as to read:

Pay of naval personnel: For pay and allowances prescribed by law of officers on sea duty and other duty, and officers on waiting orders (not to exceed 908 officers of the Medical Corps, 186 officers of the Dental Corps, 556 officers of the Supply Corps, 33 officers of the Chaplain Corps, 233 officers of the Construction Corps, 109 officers of the Civil Engineer Corps, and 1,461 warrant and commissioned warrant officers: Provided, That if the number of warrant and commissioned warrant officers and officers in any staff corps holding commission on July 1, 1933, is in excess of the number herein stipulated, such excess officers may be retained in the Navy until the number is reduced to the limitations imposed by this act), pay—\$27,786,490, including not to exceed \$1,289,770 for increased pay for making aerial flights.

Mr. SHORTRIDGE. Mr. President, that is an amendment suggested by the senior Senator from New York [Mr. COPELAND].

Mr. KING. Mr. President, let us have an explanation of the amendment. I think I understand that it is for the purpose of making naval doctors aviators and giving them increased pay. If I am in error, I shall be glad to be advised.

Mr. COPELAND. Mr. President, a certain amount of money is appropriated for aviation. So let me say in the beginning that the total amount of the appropriation will not be changed. Nor will there be any brake upon its being spent. In other words, the Treasury will not be affected one way or the other.

Senators know very well that the accidents which happen in aviation are due either to defects in the machine or defects in the pilot. Physical disabilities have everything to do with accidents in flying.

The doctors of the Army and Navy have been striving for years to reduce accidents due to physical disabilities on the part of pilots. The Army has no such restriction as was placed in this bill originally. When we strike out the language on page 22, lines 2 to 6, we leave the Navy on exactly the same plane with the Army.

So far as the commanding officer finds it wise to do so, it is desirable that he shall use physicians in order that they may have the practical experience of those who make flights, and that they may be prepared then to recommend other tests or higher standards of physical perfection, so that the accidents in the air may be lessened.

Senators know that the condition of the eyes, the visual power, the muscular power of the eyes, the readiness with which the eyes accommodate themselves to varying distances, are factors which are involved. Senators know that the condition of the internal ear, of the spirit levels of the ear, which have to do with our sense of orientation and space, is a very important factor. Senators also know that the rapidity of the nerve impulses is very important in getting immediate action in emergencies.

The purpose of the amendment is to make it possible for the commanding officer to assign doctors to do the flying instead of the laymen of the Navy, as he may see fit. So I am sure my friend the Senator from Utah will see that there is no effort being made to spend more money and that there is no opportunity to make a saving by rejecting the amendment. On the other hand, the safety of those in the Navy who are engaged in aviation and, by reason of what the doctors determine, the safety of other pilots in aviation will be promoted by the adoption of the amendment recommended by the committee.

Mr. KING. Mr. President, before the measure before us is passed, as undoubtedly it will be, I desire to submit a few observations dealing in a general way with the naval situation and the military expenditures of our Government. Before doing so I ask the indulgence of the Senate for a few moments while I avert to the matter discussed by the able Senator from Illinois a few moments ago.

For several years, and particularly of late, we have indulged in rather harsh criticism of European Governments, particularly Great Britain, France, and Italy. There have been attributed to them and other countries ambitions and purposes unfriendly to the United States; and I believe that not infrequently Americans have misinterpreted the attitude of those countries toward our Government. History reveals that people are prone to be critical of each other, and wars and international controversies arouse resentments which time alone can efface. It was the hope of all peoples that following the World War there would come peace, and that instrumentalities would be set up to determine disputes that might arise among nations.

Statesmen and humanitarians, rich and poor alike, hoped for a new day and believed that the League of Nations and the instrumentalities which it provided would contribute to world peace. Nearly all nations adhered to the league, and the machinery which it created to settle international controversies has been invoked upon a number of occasions for the adjustment of international controversies. There are those who believe that if all nations, particularly the United States, had entered the league, the course of the world would have been different, and disputes which have arisen would have been prevented, and conflicts which have taken place would have been avoided.

I do not find occasion to denounce leading European nations for their recent approaches to the United States for the purpose of adjusting international disputes which it was feared might culminate in war. I see nothing sinister in the suggestion that nations should cooperate in order to promote amity and good will and to use their good offices in averting belligerent activities.

The United States not many years ago was associated with European Nations in a great conflict. There was a joint association in a common cause, and the nationals of those nations so associated, as well as the Nations of the Central Powers, following the war, believed that the time had come when international difficulties should not be settled by the sword, but that there should be adopted by civilized nations an international code of laws under which and through which international disputes might be settled. The immortal Grotius gave to the world the form and the spirit of international law and laid the foundations of a structure upon which succeeding generations might erect a temple of justice within which nations might meet and, in an orderly way, adjudicate controversies.

It was believed by many that the League of Nations would prove a factor in developing broader and more comprehensive juridical principles, or at least judicial institutions which would be promotive of international peace. I perceive no impropriety in some of our former associates seeking to cooperate with our Government in the settlement of incipient conflicts which, if not arrested, may develop into serious international disturbances.

I can not believe that the able Senator or others are condemning the United States for having become a belligerent in the World War. Nor can I believe that the officials of our Government should be condemned for having in that great contest made common cause with the Allies in seeking a successful issue of the enterprise in which they were engaged. And, Mr. President, I can not find ground for criticism of the present administration in its efforts to prevent a serious conflagration in the Orient.

Long before the open-door policy was announced by an eminent American Secretary of State, the United States believed that it had interests in the Pacific, and that it would not look with complacence upon aggressive policies of other powers which would mutilate a great nation and close its doors to the trade and commerce of the American people. The open-door policy was not intended to be an act of hostility or unfriendliness to any nation or any people. Before and after the so-called Boxer troubles many Americans visited China, many engaged in business and in educational and missionary activities. Treaties were negotiated between the United States and China, and they were believed to be advantageous to the peoples of both Governments.

Our Government also entered into treaty relations with Japan and important commercial dealings developed. Both Japan and China were associated with the United States and the allied nations in the joint enterprise to which I have referred, and following the World War and in the peace treaties which were negotiated our Government urged that the rights of China should not be invaded or injured by any nation.

Later at the Washington conference in 1922 the United States, the British Empire, France, and Japan entered into a treaty with respect to their rights in the region of the Pacific Ocean. In that treaty it was declared that if there should develop between either of the contracting parties a—

Controversy arising out of any Pacific question and involving their rights which is not settled by diplomacy and is likely to effect the harmonious accord now happily existing between them, they shall invite the other contracting parties to a joint conference to which the whole subject will be referred for consideration and adjustment.

They further agreed that in the event of any threatened action they would—

Communicate with one another fully and frankly to arrive at an understanding as to the most efficient measures to be taken jointly and separately to meet the exigencies of the particular situation.

This treaty called for cooperation, consultations, and joint action in matters affecting their interests in the Pacific.

Another treaty was entered into in 1922 known as the 9-power treaty. The high contracting parties to this treaty were the United States, the British Empire, France, Italy, Japan, the Netherlands, Belgium, and Portugal. It was declared that the—

Contracting parties desired to adopt a policy designed to stabilize conditions in the Far East, to safeguard the rights and interests of China, and to promote intercourse between China and the other powers upon the basis of equality and opportunity.

The signatories of the treaty agreed to-

Respect the sovereignty, the independence, and the territorial and administrative integrity of China, and to provide the fullest and most unembarrassed opportunity to China to develop and maintain for herself an effective and stable government.

They further agreed to use their influence for the-

Purpose of effectually establishing and maintaining the principle of equal opportunity for the commerce and industry of all nations throughout the territory of China.

They also covenanted to refrain from taking advantage of conditions in China in order to seek special rights or privileges which would abridge the rights of subjects or citizens of friendly states. They further agreed that—

Whenever a situation arose which in the opinion of any one of them involves the application of the stipulations of the present treaty and renders desirable discussion of such application there shall be full and frank communication between the contracting powers concerned.

It was further agreed that in order that powers not signatory to the treaty were to be invited to adhere to the treaty, the United States was to make the necessary communications to such nonsignatory powers.

Senators will also recall the important part played by the United States in securing the general pact for the renunciation of war, commonly called the Kellogg-Briand pact. As I recall, more than 56 nations adhered to that treaty, among them most, if not all, of the European nations, also China and Japan. By that treaty the United States, and all other nations signatory to the pact, solemnly declared—

* * that they condemn recourse to war for the solution of international controversies and renounce it as an instrument of national policy in their relations with one another. * * *

They further agreed-

That the settlement or solution of all disputes or conflicts of whatever nature or of whatever origin they may be, which may arise among them, shall never be sought except by pacific means.

Baron Tanaka, the Japanese Minister of Foreign Affairs, speaking for his Government, declared that—

The Government of Japan sympathize warmly with the high and beneficent aims of the proposal now made by the United States, which they take to imply the entire abolition of the institution

of war, and that they will be glad to render their most cordial cooperation toward the attainment of that end.

The representative of Japan further stated-

That the Japanese Government would be happy to collaborate with cordial good will in the discussions with the purpose of securing what they are persuaded is the common desire of all the peoples of the world, namely, the cessation of wars and the definite establishment among the nations of an era of permanent and universal peace.

These treaties, to which I have called attention, brought, or should have brought, the signatories thereto into closer relations, and imbued each and all of them with a desire to promote world peace and to prevent war. I think the proper interpretation of these treaties calls for consultation and conferences among the high contracting parties, with a view to averting conflicts and the removal of causes that would be provocative of animosities and belligerent activities.

It seems to me that it would not be in consonance with the letter and spirit of these treaties if and when clouds of distrust or suspicion arise or misunderstandings develop which threaten the peace and harmonious relations of any of the contracting parties, the signatories thereto took no step to meet the situation, and regarded with apathy and indifference movements that might eventuate in international controversies. Moreover it must not be forgotten that China and Japan and the European Nations, parties to the Versailles treaty, as well as other treaties, entered into obligations following the war which required them to settle their controversies without resort to war.

Articles 10, 11, 16, and others of the Versailles treaty contain covenants restrictive of war-like activities and military operations. Machinery was provided in the Versailles treaty to which resort was required to be made for the purpose of settling international disputes. Obligations rested upon officials and organizations created by the treaty to take immediate steps when international difficulties arose and the possibility of conflict and war developed to settle the same and thus prevent conflicts. Considering all these matters, it seems to me that the parties to these treaties to which I have referred were under solemn obligations to consult and confer together when there were manifestations of international disturbances or evidence of animosities and threatened conflicts that might result in disturbing the peace of the world.

The League of Nations took cognizance of the ominous clouds arising in the Orient. China and Japan were parties to the Versailles treaty, as well as to the 9-power treaty and the Kellogg-Briand pact. In my opinion, I think the officials of the League of Nations would have been derelict in their duty if they had declined or refused to take steps to prevent war between China and Japan.

Senators will recall that a commission of inquiry was appointed, upon an appeal by the representatives of the Chinese Government to the secretary general of the league, asking that the Secretary bring to the attention of the council the dispute between China and Japan. The appeal also requested that under article 11 of the covenant of the league, steps be taken to prevent the development of a situation endangering the peace of nations. Pursuant to this appeal a commission was appointed with the approval of both Governments. A member of this commission was Maj. Gen. Frank R. McCoy, of the United States. This commission of inquiry visited Manchuria, China, and Japan and submitted a report which is known as the Lytton report. Lord Lytton, as Senators know, was chairman of the commission.

It is not my purpose to discuss the merits of the controversy between China and Japan, although it is relevant to the matter which I am discussing, to state that the Lytton report finds Japan to be the aggressor in the Manchurian episode. For a number of months there have been armed conflicts between China and Japan in Manchuria and along the Great Wall of China. Japan is now engaged in a struggle to expel Chinese authority from the so-called Province of Jehol, contending that it is a part of Manchuria and subject to the control and authority of the so-called Navy" and larger appropriations are asked for the protec-

Manchukuo government. China is resisting the military advances of Japan, and contends that both Jehol and Manchuria are Chinese territory.

The point I am attempting to make is that there is a conflict between these two Nations, parties to the Versailles treaty, the 9-power treaty, and the Kellogg-Briand pact. In view of this situation the League of Nations was under obligation to investigate the causes of the dispute and the reasons for the military activities and to attempt to settle the dispute between China and Japan by pacific means. The league conceived it to be its duty to call the attention of Japan to the provisions of the Versailles treaty and to require of Japan, as well as China, that they avail themselves of the instrumentalities provided by the league to settle their disputes and to refrain from engaging in war. In view of the fact that a number of the members of the league were also parties to the 9-power treaty, to which the United States was a party, it was eminently proper that the officials of the league should seek to cooperate with the United States for the purpose of preventing war between China and Japan. And I beg to say that, in my view, our Government not only acted prudently but wisely in its cooperative efforts with members of the league in calling Japan's attention to its obligations under treaties to which it and China were parties.

The League of Nations was interested in preserving peace and a duty rested upon it to avail itself of the provisions of the Versailles treaty to accomplish that result. The United States also, aside from its desire for world peace, was interested or should be interested in having the provisions of the Kellogg-Briand pact and the 9-power treaty observed.

In my opinion the policy pursued by President Hoover and Secretary Stimson in dealing with the Sino-Japanese question is sound and is to be commended. Aside from the two treaties to which our Government was a party, the United States is interested, as I have stated, in maintaining the open-door policy and in the protection of the rights of American citizens in that far-off land. Our Government is interested or should be interested in maintaining the letter and the spirit of the Kellogg-Briand pact and in attempting to infuse into international relations the spirit and philosophy of that important international treaty.

Secretary Stimson more than a year ago announced a doctrine to the effect that our Government would not recognize any situation, treaty, or arrangement brought about by means contrary to the Kellogg-Briand pact. That policy I know has been vigorously assailed and bitterly condemned by some, but it seems to me that in view of the important part taken by the United States in securing the Kellogg-Briand treaty, there is an obligation resting upon our Government to earnestly urge that the letter and spirit of the same be observed. That course does not mean that the United States should engage in war, but when signatories to that treaty resort to war in contravention of its terms, there is not only no impropriety, but indeed, as I see the situation, there is an obligation upon the signatories to the pact who are not violating its terms, to challenge the attention of those nations which it is alleged are doing so, and to urge that war having been renounced as a national policy, that disputes and controversies between disputing nations should be settled by pacific means.

It is no argument against the wisdom of the policy of the administration that its efforts to prevent a conflagration in the Orient have not been attended with the success which those who love peace and desire justice wish; but sooner or later, Mr. President, nations will learn that treaties may not be violated with impunity, and that temporary triumphs will have permanent disadvantages, and in the end justice and moral forces will ultimately dominate and prevail.

Mr. President, I now address myself to the naval bill which is under consideration. As I have indicated, this measure will promptly pass the Senate. No opposition to its passage will be effective. The situation in the Orient is used as an argument in favor of large appropriations for the Army and Navy. Strident cries are heard for what is called a "big States is menaced by any danger from invasion.

I have, upon a number of occasions, stated that the position of the United States makes it invulnerable to any attack either by land or by sea. Because of the strategic position of the United States, its immunity from attack, its prestige and power in the world, it should carry high the banner for world peace and reduction in armaments. A powerful nation, free from military ambitions or imperialistic designs, should take the lead in every movement for world peace, for international cooperation, and for the establishment of just and humane policies to guide the nations in their international relations.

This world ought not to be condemned forever to tread the bloody paths of war. With our philosophy and science and religious and spiritual concepts, there should be developed a force and power adequate to overcome the sinister and atavistic forces which have wrought such sorrow and devastation in the world.

Professor Giddings has suggested that there has been a portentious question, "Is it peace or is it war?" and Professor Wiggam has stated that if we should write upon the cover of every book, before the entrance to every school and church, before the door of every home and the cradle of every babe this black and terrifying question, "Is it peace or is it war?" you describe the precise situation of the human species on this globe.

I do not agree with the views of many of the so-called biologists that man, like wild animals, love war and must die tragic deaths. I can not believe that the civilizing forces which are entering into the arid lives of men and nations will not yield important results and produce races and peoples who will develop the arts of peace and advance to a high plane of moral and spiritual exultation.

What is needed to-day is a will to peace, not a will to war. The day of Nietzsche's philosophy must pass away and a new day illumined by a sublime faith that a Divine Providence rules in this world, and that the future has rich rewards for those who seek justice and righteousness and the unity and peace of the world.

I regret the efforts made by some to secure enormous appropriations greatly in excess of the needs of our country for military preparations. The economic situation calls for economy in State as well as in Federal Governments. Both political parties have pledged themselves to important reductions in governmental expenditures. Unfortunately there seems to be an indifference upon the part of representatives of both political parties to respond to pledges made. Daily measures are passed carrying enormous appropriations regardless of the condition of the Treasury or the promises for economies that have been made. There is much concern among thoughtful persons as to the results of extravagant and profligate expenditures. It is apparent that we may not continue these stupendous appropriations without reactions of a most unfavorable character. It would be a calamity, the full consequences of which can not be fully understood, if our Government, as well as State governments, should destroy the credits of the respective governments as a result of increased deficits flowing from enlarged expenditures.

Upon several occasions I have referred to the mounting costs of government and the increased appropriations in State and National Governments. The credit of the United States will be impaired if there shall be a continuation of expenditures without adequate steps to obtain revenues to meet expenditures. There may be, of course, capital investments which may be properly passed on to the next generation, but wisdom dictates prudence in taxation and caution and prudence in Government expenditures.

In my opinion the expenses since the war for military activities have been entirely too large. I might add that in 1914 the appropriations for the War Department were \$194,-000,000 and for the Navy \$144,000,000. During the war, of course, the appropriations for the Army and the Navy were materially increased, but after the war there should have been a return to peace-time military expenditures; but in 1923 the appropriations for the Army and the Navy aggre-

tion of our country, although no one believes the United | gated \$660,533,000, and in 1924 more than \$620,000,000; in 1925 the appropriations for the Army and Navy totaled \$680,000,000, and in 1926, \$689,000,000. In 1927 the Army and Navy appropriations totaled \$693,000,000, while in 1928 the amount was approximately \$700,000,000. In 1929 the total appropriations for the Army and Navy amounted to \$861,525,000. Then, as now, we were at peace with all the world and, as I have indicated, we had no enemies and were menaced by no foe.

In 1930, 1931, and 1932 these high levels of appropriation were maintained. In 1933 there was a slight reduction. The bill before us carries \$327,583,000 for the Navy for the next fiscal year. Our military expenses, Mr. President, since the war have exceeded those of any other nation. My recollection is that for each of the years since the war our military expenditures have exceeded by some one hundred to two hundred million dollars those of any other nation in the world. In 1931 Great Britain's total appropriations for her military establishment was \$535,000,000, Japan's \$232,-000,000, France's \$455,000,000, Italy's \$259,000,000, Germany's \$170,000,000, and Soviet Russia's \$579,000,000.

Mr. FESS. Mr. President-

The PRESIDING OFFICER (Mr. BROOKHART in the chair). Does the Senator from Utah yield to the Senator from Ohio?

Mr. KING. I yield. Mr. FESS. That statement is a statement of fact, that it costs us more. But does that mean we have a larger personnel in the Navy or is it because we pay our personnel more?

Mr. KING. My recollection is that the personnel of Great Britain's navy is substantially the same as that of the United States. It is true that the pay of those in our Navy is greater than that of any other navy, but an examination of the appropriation bills for any number of years will demonstrate that a very large part of the naval appropriations are for purposes other than the payment of men in the service. There are approximately 30,000 civilian employees in the Navy, a number greatly in excess of any legitimate need. Millions of dollars are expended in maintaining unnecessary yards and docks and stations and naval bases. The overhead of the Navy Department, as well as of the War Department, consumes a very large percentage of the total appropriation. As the Senator knows, we have scores of Army posts and stations, the expenses of which are very great. There are duplications in the activities of the Army and the Navy which result in unnecessary expenses. As a matter of fact, Mr. President, if we had one department of national defense, combining the Army and the Navy, we would save tens of millions of dollars annually and make for efficiency and effectiveness in peace times, as well as in

I have upon several occasions introduced bills providing for the reorganization of the Army and the Navy and the consolidation of our so-called national defense. I should add that naval boards have recommended from time to time the abandonment of some of those extraneous and parasitic naval organizations. Recommendations have been made that a number of navy yards should be abandoned and branches of the service, unnecessary and extensive, either consolidated or abolished. But the people living where these yards and bases and parasitic growths are found protest with great vigor, and Congress overrules the Navy Department and perpetuates these excrescences which are such a burden upon the Treasury of the United States.

Mr. FESS. Mr. President, will the Senator yield further? The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Ohio?

Mr. KING. I yield.

Mr. FESS. I recognize that statement is also correct, and it is also true with respect to Army posts. It has been recommended over and over again, and yet we never do it. I am in sympathy with cutting down expenses. I wonder where we can cut in either the Army or the Navy and do it safely? That is what is disturbing me to-day.

Mr. KING. Many economies could be effected in all branches of the Government and tens of millions of dollars annually saved without interfering with the efficiency of the Government. I shall not take the time of the Senate to analyze the provisions of the bill and point out where, in my opinion, savings might be effected. I have, however, examined for years the naval appropriation bills, as well as other provisions calling for appropriations, and have sincerely believed that the appropriations for the Navy since the war have been from fifty to one hundred million dollars annually in excess of what was necessary.

Mr. FESS. If the Senator will permit, while I have sympathy with what he is saying, I think he would agree with me that under the state of the world mind to-day it would not be very safe to reduce the Navy personnel or its

equipment.

Mr. KING. I do not accept without qualification the generalization of my friend. As I have stated, Mr. President, the will to peace is necessary now, and the United States, because of its power and prestige and its superior financial strength, should take the lead in every movement for the reduction of military armaments. If the United States were a weak Nation; if it were beset by enemies; if its territory was an invitation to invasion from hostile enemies, then a

different situation would be presented.

Our geographical position is different from that of France or Germany or Poland or Great Britain or Japan. France has been invaded by powerful foes and her people with or without reason are not free from fear of further invasions. I believe that most of the peoples of the world desire not only limitations of armaments but a reduction of military force almost to the limit of a police force. I do not believe that our country should disarm. Upon the contrary, I believe that we should have an up-to-date modern and scientific navy and that we should have an effective but small Army. Only a few years ago our Army consisted of 25,000 men and our naval expenditures were from one hundred to one hundred and forty million dollars annually. Now, as I have indicated our military expenditures are between seven and eight hundred million dollars annually, and under the terms of the London treaty negotiated by this administration we are authorized to expend (and many insist that we should live up to the authorization) approximately \$1,000,000,000 for new naval craft before the end of 1936. In my opinion there are too many militarists in the United States; too many who are interested in military and naval propaganda.

I am inclined to believe that the manufacturers of munitions and ordnance and of all weapons and paraphernalia of war are not silent in these days, but welcome large appropriations in order that they may have contracts for the manufacture of war material. And there are those who, when a little cloud appears on the horizon, though it may be upon the other side of the globe, insist that our country is in danger, that the foe is at our door, and that hundreds of millions of dollars must be quickly expended in military

Mr. President, we should exert all the influence our country possesses to bring about a limitation of armaments and to excise from the hearts of men the fears, the jealousies, and apprehensions—and perhaps ambitions—with which

they may be afflicted.

I admit the implication flowing from the Senator's question that the situation in the Orient is unsatisfactory. I admit that Japan is pursuing a course not generally approved in this and in other countries, and a course which many fear may start an oriental conflagration, the extent and consequences of which may not be foreseen.

Mr. FESS. Mr. President, will the Senator yield further?

Mr. KING. I yield.

Mr. FESS. Keeping in mind the efforts which were put forth to keep out of the World War—and no President ever worked harder than President Wilson did to avoid it—yet we went in, and I think we did a good thing. There is a possibility, I think, that such circumstances might arise in spite of all we can do, that with all our hatred for war and the determination never to go into war, we might be involved in spite of ourselves like we were in the World War.

Mr. KING. Mr. President, I admit there is a possibility of an international conflict of such magnitude as that the United States might be drawn within the periphery of its influence, but I do not perceive that the oriental situation is fraught with the same difficulties, dangers, or problems that confronted the United States and other nations between 1914 and 1918. I do contend, however, Mr. President, that extensive propaganda in the United States for large military expenditures has a profound psychological effect, and is calculated to arouse animosities, fears, and resentments. The talk of war is like a firebrand thrown among the nations. The United States occupies a position of leadership, and its influence should be exerted to promote peace in the interest of world fellowship. We should conjure other nations to reduce their armaments; to observe with fidelity treaties which have been entered into.

Some will say that this is not the rôle which we should assume; that in so doing we are enmeshing ourselves in the affairs of other nations. I do not subscribe to this view. and repeat that in the confused and bewildered situation, largely resulting from the economic depression, leadership is needed and a call of the world to peace is far more necessary to-day than appeals for enormous appropriations for war. Senators will remember but a short time ago the President of the United States delivered a number of powerful addresses in which he directed attention to the enormous military burdens upon this and other countries. In eloquent terms he asked the nations that steps be taken to reduce armaments in the interest of world peace and to lift from the people burdens too heavy for them to bear. The Navy League, that vociferous and belligerent organization, charged the President with abysmal ignorance and employed the occasion to convince the people that our Navy was wholly inadequate for the safety of our country.

Mr. President, it is an annual occurrence when appropriation bills are to be prepared for the press of the country to be flooded with propaganda calculated to alarm the people because of the alleged inferiority of our naval establishment as compared with those of other great powers. In my opinion these statements come from the Navy League, retired admirals, from some members of the National Legislature, and from press rooms of the Navy League itself. The situation is now pictured by some of these same propagandists as more alarming than before and statements are widely disseminated that the Navy is far below the established limits of the London naval treaty and will, in the near future, rank fourth or fifth among the great naval powers. These statements, it appears, are given official sanction by the Committee on Naval Affairs of the Senate through the medium of a document entitled "Navies of the World, Comparative Statistical Data," and another statement appearing in the House committee hearings of 1932. These statements, in my judgment, are calculated to create an erroneous opinion as to the strength of our Navy in comparison with the navies of the world.

The figures and tables in the document referred to are furnished by the Navy Department and are presumably so arranged as to bring every particle of pertinent information relating to the present and future strength of the five naval powers in ships, tonnage, personnel, and expenditures into relief for the benefit of Senators and laymen who have not the facilities of gathering data on these technical points. The public has a right to demand not only accurate information but an unbiased presentation of the facts, free from the taint of propaganda. The manner in which the data are presented, however, leads one to the conviction that they have been prepared for the purpose of showing the strongest possible case for a large building program. The document is designed to show that our Navy to-day is greatly inferior to the British Navy and barely on a par with the navy of Japan. It is designed to show, further, that by 1936, when the Washington-London naval treaties expire, the United States will be fourth or fifth among the naval powers of the world, far behind Great Britain and Japan, and inferior even to the French fleet. These conclusions

are not borne out by a careful analysis of all the information available. They can only be established by the misuse of statistics, by the suppression of vital facts, and by the rigid application of age limits adopted in the Washington and London treaties, without reference to pertinent, necessary, and qualifying factors.

Table IV of the document to which I have referred purports to show the vessels under age on December 31, 1936, provided vessels now building and those appropriated for are completed. It shows the United States with only 60 vessels of all types and a total tonnage of 346,720, as compared with 130 vessels for the British Empire, 151 for Japan, 159 for France, and 121 for Italy. In total tonnage the United States, according to these figures will be slightly inferior to France and somewhat stronger than Italy. These statistics and tables are, in my opinion, inaccurate and misleading.

For instance, take capital ships. Let us examine carefully the figures for the United States in this table. The first obvious distortion is the complete omission of all battleships in the table submitted. On December 31, 1936, according to the figures thus presented, the United States will not have a single battleship under the age limit agreed upon in the Washington and London treaties. In those treaties the principal naval powers agreed to fix the age limit for capital ships at 20 years. At the present time the United States has a total of 15 capital ships of 455,400 tons. Eight of these capital ships, built between 1917 and 1923 and having a total tonnage of 251,600, will still be under the 20-year age limit on December 31, 1936.

Mr. President, I invite attention to another significant fact. At a naval conference held a short time ago Grandi, speaking for Italy, suggested the abolition of battleships, and, as I recall, submarines. My recollection is that France associated herself with Italy in that proposal, and Mr. Mac-Donald, speaking for Great Britain, indicated that his government would favor the abolition of submarines and a material reduction in the number of battleships. Furthermore. Great Britain suggested that the life of battleships should be prolonged for 25 or 30 years and that if future battleships were constructed they should not exceed 25,000 tons.

Mr. REED. Mr. President, will the Senator permit an interruption?

Mr. KING. Yes.

Mr. REED. I am sure the Senator does not want to state the case incorrectly. It is true that Italy and France, having no battleships, propose that the other nations should abolish theirs. It is also true that Italy proposed the abolition of submarines, and that Great Britain and the United States joined with her in that suggestion, but it was resisted and defeated by France and Japan.

Mr. KING. My memory may be at fault, but I have a few documents with me which support the statement I have made. I know that in one of the preparatory naval conferences the position of Great Britain, France, and Italy was as I have indicated. I ask permission to insert in the RECORD at this point a few statements made by representatives of some of the governments to which I have referred.

The PRESIDING OFFICER. Without objection, it is so

Mr. KING. A press summary which was published as an official white paper by the British Government is as

The Government proposed that the number of capital ships for each signatory fixed by the Washington treaty should be reached within 18 months of the ratification of the treaty resulting from this conference instead of by 1936. It proposes that no replacement of existing ships should take place before the next conference in 1935 and that in the meantime the whole question of capital ships should be the subject of negotiation between the powers concerned. The Government will press for reduction, though, of course, without disturbing the Washington equilibrium. Its experts favor a reduction in size from 35,000 tons to 25,000 tons and of guns from 16 inches to 12 inches. They also favor a lengthening of the age from 20 to 26 years. The Government hopes that there will be an exchange of views on this subject during the conference. Indeed, it would wish to see an agreement by which battleships will in due time disappear altogether, as it con-

siders them a very doubtful proposition in view of their size and cost and of the development of the efficacy of air and submarine

At the second plenary meeting of the Twelfth Ordinary Session of the Assembly of the League of Nations, on September 8, 1931, M. Dino Grandi stated, speaking for Italy,

* * Disarmament and arbitration, the rejection of all solutions based on force, and the relative equalizing of the military strength of states at the lowest possible level—that is not just a theory or dogmatic assertion. It lies at the root of the system which the league covenant has evolved with a view to the reduction of armaments; it corresponds essentially to real and pressing demands. Indeed, there is no problem of security distinct from disarmament and arbitration. * * *

He referred to the period preceding the war and later to the principle of conciliation and arbitration, the establishment of the Hague Tribunal and treaties based on the same principle as against the policy of armaments, and then

When we look back on those tragic happenings, we can hardly be surprised that our nations, which have barely emerged from a war, the consequence of which are still crippling them, should refuse to regard international justice as an adequate safeguard for the future.

Nor can we be surprised if the nations ask that international justice shall be safeguarded from the dangers attendant upon a policy of armaments. The covenant imposes upon us the duty of disarming, but the covenant does not possess the only claim to our consideration; there exist other claims, vaster still.

For the last 20 years Europe has been in a permanent state of unrest. Wars and revolutions have succeeded one another, the deaths must be reckoned in millions, national systems of economy have been overturned and the working classes are without em-

have been overturned, and the working classes are without employment

Our civilization has been periodically saved in different directions by the genius of a few men and by the power of resistance and the spirit of sacrifice of the peoples, but the time has come to make a collective and concrete effort in the defense of our com-

mon heritage.

We have had further proof during the last few months of the need for closer cooperation between nations, and—what is more important—there has been cooperation between the nations which only a short time ago were in armed conflict with one another. They have settled their differences and decided to cooperate in the defense of our common civilization.

cooperate in the defense of our common civilization.

Fresh possibilities have been opened up by the negotiations between those countries, which do not differ in any respect from those envisaged by the league. All these means lead to the same common goal. In any case, work is being done, ideas are being clarified, and—let us be frank—the interests served by international solidarity are being proclaimed and defined. Our business now is to organize, to safeguard, and to clear the way, and that we can not do so long as our efforts at collective organization are paralyzed by the race for armaments.

In my Government's view disarmament is the starting point of many things; the putting into execution of the system of security and peace created by the covenant, the establishment of greater confidence between states, and the reestablishment of laws of economic integration which have suffered such ruthless violation.

That is the most urgent item in the league's program; that

That is the most urgent item in the league's program; that is the task most closely in keeping with the league's essential

purpose.

The disarmament conference has been convened and will begin work on February 2. My observations may therefore appear superfluous; indeed, I hope that they will prove so. Naturally, they do not refer to the convening of the conference, but to the policy that may be adopted by the governments represented there, to the ideas they may bring to it, and to the methods they intend to follow. Now is the time for courage, moderation, and above all, common sense. Each one of us must realize the difficulties of the others, must state his own requirements frankly, limiting them to what is really essential, and must reduce his armaments to the lowest point consistent with national safety and the enforcement by common action of international obligations, within the meaning of article 8 of the covenant. * * the meaning of article 8 of the covenant.

Again M. Dino Grandi, representing Italy, submitted an advanced program, one which, if adopted, will crown the conference with success. He said:

- * * My country, for its part, is therefore ready to accept an organic plan of quantitative limitations comprising: In respect of naval armaments:
- The simultaneous abolition of capital ships and submarines.

- 2. The abolition of aircraft carriers.

 In respect of land armaments:

 1. The abolition of heavy artillery of all kinds.

 2. The abolition of tanks of all kinds.

- In respect of air armaments:

 1. The abolition of bombing aircraft.

In general:

1. The abolition of all kinds of aggressive means of chemical and bacteriological warfare.

The revision of the laws of war so as to insure a more com-plete and effective protection of civilian populations.

I do not think it necessary to draw your attention to the fact I do not think it necessary to draw your attention to the lact that when once we have come to an agreement for the abolition of certain weapons of war which are the most powerful and the most deadly we should not only have taken a great step forward in the direction of disarmament but we should also be in a position to come more easily and more rapidly to an agreement on the quantitative reduction and limitation of other forms of armanagement.

I regret that I do not have a number of other statements with me which more fully indicate the position of Italy, France, Great Britain, and Japan as their positions were made known at the London conference and at some of the preparatory naval conferences to which I have referred. I do have with me, however, a statement made by Litvinov, speaking for the Soviet Government. He submitted the following program as a contribution of his Government to a policy of world disarmament:

* * The only infallible way to the solution of the problem of the organization of peace, the problem of the averting of war, the problem of assuring security to all nations, is general and total disarmament.

The idea of total disarmament is distinguished from all other The idea of total disarmament is distinguished from all other plans by its simplicity and by the ease with which it could be carried out and with which its realization could be controlled. Identical security and equality of conditions for all countries could only be arrived at by means of total disarmament. The soviet delegation has by no means come here merely to put before you yet another time its proposal for total and general disarmament, or to declare that we are determined to have complete disarmament or none at all. We have no illusions whatsoever as to the fate in store for our proposition. Our delegation is ready to armament or none at all. We have no illusions whatsoever as to the fate in store for our proposition. Our delegation is ready to discuss with you any proposals tending to reduce armaments; and the further such reduction goes the more readily will the soviet delegation take part in the work of the conference. Considering the draft convention drawn up by the preparatory commission, altogether inadequate, the soviet delegation will advocate here its own draft for the reduction of armaments, which, however, it regards merely as the first step toward total disarmament.

would remind the conference that the soviet delegation w the first to propose, in its second draft convention put before the preparatory commission, the complete destruction of the most aggressive types of armaments, including:

1. Tanks and superheavy long-range artillery.

2. Ships of upward of 10,000 tons displacement.

3. Naval artillery of over 12-inch caliber.

Aircraft carriers.

5. Military dirigibles.

6. Heavy bombing planes, all stock of air bombs, and any other means of destruction for use from airplanes.

7. All means and apparatus for chemical, incendiary, and bacteriological warfare

The soviet delegation proposed the complete prohibition of air bombing and not only beyond the limits of a definite area. It also proposed not merely to refrain from chemical warfare but actually from preparing for it in time of peace.

All these proposals remain in full force for the present con-

ference.

I am empowered to declare here the readiness of the Soviet Union to disarm to the same extent and at the same rate to which the other powers may agree.

Unfortunately this proposal, as well as others submitted by him, were treated with more or less disdain by the representatives of other nations. In my opinion, our Government did not take the progressive stand for limitation of armaments, which would lead the world to disarmament, that its commanding position required.

Mr. President, I now call attention to the 12 capital ships built between 1917 and 1923, with a total tonnage of 251,600, which are under the 20-year age limit; they are the Mississippi, the New Mexico, the Idaho, the Tennessee, the California, the Maryland, the West Virginia, the Colorado. The newest of these, the Colorado and the West Virginia, will not reach the 20-year age limit until 1943, six years after the expiration of the London treaty. The others will reach the 20-year age limit between 1937 and 1941. What possible reason is there for not including these eight ships in this misleading table of vessels under age on December 31, 1936? Their inclusion in this table would add 251,600 tons to the total strength of the American Fleet. But for some purpose those figures were omitted, and there is presented to the

American people a false picture in regard to the strength of the Navy.

The other seven capital ships now included in the American Fleet will reach the arbitrary 20-year age limit between now and the end of 1936. Technically, therefore, these ships will be "under age" at the end of 1936; but there is another very important factor which this document does not mention.

During the last few years Congress has appropriated \$67,-159,000 for the modernization of these seven ships and for six other battleships, and I see in the bill before us a large appropriation for modernization of battleships. Incidentally, three of these other ships, modernized at a cost of \$9,000,000, were scrapped or demilitarized under the London treaty. Beginning in 1923 the Navy Department began the study of modernization. As a result of this study a policy was established involving modernization of 13 of the 15 battleships in the fleet. Congress was told that this program, costing millions of dollars, was essential if the battleships in the fleet are to be kept efficient and up to date. Congress approved this program, and between 1925 and 1932 they appropriated approximately \$80,000,000 for so-called modernization.

What was the purpose of this modernization? One purpose was obviously to add to the length of life of the ships. This whole question was explored by the House Subcommittee on Naval Appropriations in the Navy Department bill for 1932. Admiral Rock, Chief of the Bureau of Construction and Repair, testified before this committee that the modernization work would add from 10 to 15 years to the life of these vessels. Let me quote Admiral Rock's own words to the committee:

I think-

He said-

added length of life would be largely a military matter. think the life of the materiel would be increased from 10 to 15 years * * it will actually add to the life some 12 to 15 years, besides bringing them quite up to date from every angle. (Navy Department appropriation bill for 1932. Hearings before the subcommittee of House Committee on Appropriations, p. 570.)

What does this testimony mean? It means, in the opinion of the technical experts of the Navy Department, that these ships which are listed as "obsolete"-for misleading purposes, I insist-will actually be efficient and up to date for another 12 to 15 years.

May I add at this point, Mr. President—quoting from memory only-a statement made by Mr. Hector Bywater, one of the great naval experts of the world, that our battleships, ship for ship and gun for gun, are superior to those of any other nation, and that by reason of our ships being oil burners, and many of them having heavier guns, we have a fleet equal to that of any other nation.

Obviously, with the oil burner's greater speed, our ships have an advantage over those that are slower and are coal burners; and Mr. Bywater calls attention to the great disparity in the speed of the ships, crediting to our Navy greater speed and therefore another factor of superiority.

Returning to what I was just observing, Mr. President, this testimony means that these ships will be included in the fleet for this length of time. The Navy Department, as we know, is opposed to abolishing battleships, which they still regard as the core of the fleet. The Navy Department has steadily refused to consider proposals for abolishing battleships at the recent international conferences. But if they are going to retain these ships, and if they are constantly asking Congress for money to modernize them, what valid reason have they for not including them in the table showing the strength of the American fleet?

In the strength of the American Navy on December 31 1936, therefore, we are certainly justified in including all of the 15 battleships on the lists to-day. The total tonnage of these ships is 455,400 tons-more than the total tonnage of all the vessels under age given in the document published by the Naval Committee. The failure to mention capital ships is certainly more than a minor omission; it is a deliberate suppression of the facts.

DESTROYERS

A similar analysis of the destroyer figures likewise reveals certain important omissions. According to Table IV the United States will have only 11 destroyers under the age limit fixed by the London treaty, on December 31, 1936. These are the vessels authorized a year or so ago, eight of which are now building. Now, in the London treaty the principal naval powers agreed to limit the age of destroyers laid down after 1919 to 16 years and those laid down before 1920 to 12 years. At the present time the United States has a larger number of destroyers than any other naval power—254 ships, totaling 270,910 tons. It is true that these ships were built during the World War or shortly after the armistice—a number of them, I might add, after the armistice—and that all of them will be over the technical age limit fixed in the London treaty.

Nevertheless, it is certainly a distortion of the truth to say that these vessels will be utterly useless in 1936. In the first place, no less than 97 of these destroyers were laid down after the armistice and completed between 1919 and 1922. I may add, from my own knowledge of the situation at that time, being then a member of the Naval Affairs Committee, that we had all the benefits obtained from German construction of submarines as well as Great Britain's work in that direction. That is true of the other ships that we constructed; and the naval craft laid down by the United States between the dates referred to were superior, I think, to any in the same categories of any of the other naval powers.

These 97 destroyers cost \$181,000,000. They were not built in a few months, as were some of those rushed through during the World War. Practically all of them will be under 16 years of age in 1936. They have not been subjected to hard use since they were completed; a majority of them have not seen more than four or five years' service. While it is doubtless true that in design and equipment they are not comparable to the very latest modern destroyers, the fact remains that they do represent an important element in our fleet strength, and that they have been kept in condition for future use in case of emergency.

More important than this, however, 57 of our destroyers were reconditioned in 1930 at the urgent request of the Navy Department and at a cost of approximately \$4,000,000. At the time these vessels were revamped both Admiral Rock and Admiral Hughes testified before the House Appropriations Committee that the efficient life of these ships would be extended by about 10 years. They did not say, of course, that their efficiency would be equal to that of new ships, but they did testify that their length of life in many respects would be greatly increased. Obviously, Congress would not appropriate \$4,000,000 for the revamping of these destroyers if they thought that they would be useless within a few months. Admiral Rock and Admiral Hughes were quite emphatic in stating that the reconditioning would make these vessels efficient for an additional period of years. If we accept their estimate of 10 years and add it to the life of these destroyers, we will actually have at least 57 destroyers in addition to the 11 now authorized which will be efficient for combat use well beyond 1936. As a matter of fact, they will be efficient at least until 1940. The failure to mention these destroyers, like the failure to mention battleships, is certainly more than a minor omission. It is certainly fair to include at least these 57 vessels, with a tonnage of approximately 60,000 tons, to the effective strength of the American Navy in 1936.

It would be possible also to comment on the submarine strength of the American Navy in 1936, as shown in the table published by the Naval Affairs Committee, and to show that a large number of the submarines built since the war will still be fairly efficient after 1936. For example, no less than 40 submarines have been completed since 1922. As the age limit for submarines was fixed at only 13 years in the London treaty, however, the Committee on Naval Affairs is technically correct when it states that only 20 vessels with a total of 27,000 tons will be "under age" on December 31, 1936.

To sum up this analysis of our strength in 1936, it is quite apparent that the United States Fleet will not actually be as weak as the table submitted by the Naval Affairs Committee would indicate. In fact, if battleships which have been modernized or which are still under age in 1936 are included, and if the 57 destroyers which have been revamped are also included, the total tonnage of the American Fleet is more than twice as large as that shown in the table. The difference is clearly shown by the following comparison:

Vessels modernized or reconditioned and vessels under age on December 31, 1936

Category	Num- ber	Tons
Capital ships Aircraft carriers Cruisers A Cruisers B Destroyers (reconditioned) Destroyers (under age) Submarines	15 3 116 10 57 11 20	455, 400 79, 800 152, 850 70, 500 2 60, 000 16, 500 27, 070
Total	112	862, 120

¹ 2 additional authorized but not appropriated for and under terms of treaty may not be completed until 1937 and 1938.
² Approximately.

Mr. President, referring to the 57 destroyers mentioned in the above table, I desire to say that those have all been reconditioned, and in addition there are scores that have not been reconditioned, but many of which are available for service for several years.

These figures are exceedingly conservative. Naval vessels do not suddenly become useless or obsolete at the moment they reach a certain arbitrary age. And in case of necessity the United States will still have on the 31st day of December, 1936, a substantial additional tonnage in destroyers and submarines capable of putting to sea and performing useful functions. Nor is the comparison with other nations as alarming as the table of the Naval Affairs Committee would lead us to believe. In capital ships we will be the equal of Great Britain and superior to Japan; in 8-inch-gun cruisers, we will have a larger number and a larger tonnage than Great Britain.

We will have 16 of these cruisers, as compared with 12 for Japan and 7 for France and Italy. In 6-inch-gun cruisers we will be slightly inferior to both Great Britain and Japan. In destroyers, counting only the 57 reconditioned vessels, we will be the equal of Great Britain and Japan. In submarines we will be slightly inferior to Great Britain and considerably inferior to Japan and France, who have concentrated in ships of this category. For defensive purposes the American Fleet will, in fact, be superior to any other navy in our own home waters. But a navy built to the top limits of the London naval treaty will not be sufficient to permit a naval campaign in the Far East. By renouncing our right to build up and fortify new naval bases in the Pacific, at the Washington conference, the United States definitely renounced the possibility of an aggressive war against Japan. The United States has renounced any imperialistic ambition in the Far East. That ambition, if it ever existed, was finally renounced at the Washington conference, when we agreed to a limitation of navies which makes it impossible to exert naval power in Asiatic waters. If we want to repudiate that policy, the Washington and London naval treaty levels will be entirely inadequate, and we will have to prepare ourselves for a naval race more intensive and far more dangerous than any naval race in

In submarines we will be slightly inferior to Great Britain and inferior to France and Japan. I might add, Mr. President, that France and Italy have not availed themselves of the authority or privilege of constructing additional tons of capital ships permitted under the Washington treaty. They were permitted to maintain, as Senators will recall, a ratio of 1.87 to the other powers; that is to say, 5–5–3, Great Britain, the United States, and Japan, and 1.87 for France and 1.87 for Italy. They have not cared, as sug-

gested by the able Senator from Pennsylvania, to construct | battleships. They have wiser men, I think, than some of our navalists. They perceive that with airplanes, submarines, and destroyers, and some of the modern developments in naval warfare, the battleship has lost some of its potency and power as an offensive and a defensive naval weapon. But the navalists in the United States, with a tenacity unparalleled, have clung to the battleship, and have until quite recently repelled the attempts which were made to develop submarines, airplanes, and airplane carriers, and to utilize torpedoes and other modern inventions which the World War and the developments since demonstrated to be most effective in naval warfare. That is the reason, in part at least, why France and Italy have declined to build battleships, but have built submarines, aircraft, and airplane carriers.

A navy built to the top limits of the London naval treaty would not be sufficient to permit a naval campaign in the Far East. By renouncing, at the Washington conference, our right to build up and fortify new naval bases in the Pacific, the United States definitely renounced the possibility of an aggressive war against oriental powers. The United States has renounced any imperialistic ambition in the Far East, and I sincerely hope in any part of the world. That ambition, if it ever existed, was finally renounced at the Washington conference, when we agreed to a limitation of navies—that is, of capital ships—which makes it impossible to exert naval power in Asiatic waters. If we want to repudiate that policy, the Washington and London naval treaty levels will be entirely inadequate, and we will have to prepare ourselves for a naval race more intensive, far more dangerous, than any naval race in the history of the world.

Mr. President, I regret that we have manifested, in the pending bill and in other naval and military bills which have been brought before Congress during the past 8 or 10 years, a militaristic spirit quite inconsistent with our professions and incompatible with the ambitions and aims and desires of the American people. I know that no motion to amend the bill, to modify it, to reduce items of appropriation would meet with approval in this body, and that may be said with respect to every appropriation bill reported.

We should economize, and economize more, and still further economize. We should endeavor to bring our expenditures within our income and at the same time use the powerful influence of this Nation to promote the cause of international peace and good will.

Mr. LONG. Mr. President, there is a bill on the calendar to which I think there will be no opposition, and I desire to ask unanimous consent for its consideration and passage. It is House bill 14395, an act relating to the prescribing of medicinal liquors. I ask unanimous consent for the immediate consideration of the bill.

Mr. SHORTRIDGE. Mr. President, I regret that I can not consent at this moment. Let us proceed and finish the consideration of the naval appropriation bill.

Mr. LONG. Would there be any objection, after the pending bill is disposed of, to having the measure to which I have referred taken up?

Mr. SHORTRIDGE. I would have no objection. Mr. LONG. Then I shall ask that we proceed to the consideration of the bill after we finish with the naval ap-

Mr. KING. Mr. President, I may say to the Senator from California that it is a unanimous report of the Committee on the Judiciary.

Mr. LONG. There is no opposition to the bill. It could go through in a moment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Committee on Naval Affairs on page 22.

The amendment was agreed to.

The PRESIDING OFFICER. That completes the committee amendments.

The reading of the bill was concluded.

The PRESIDING OFFICER. The bill is still before the Senate and open to amendment. If there be no further

amendment, the question is on engrossing the amendments and reading the bill a third time.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

PRESCRIPTION OF MEDICINAL LIQUORS

Mr. LONG. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of House bill 14395. an act relating to the prescribing of medicinal liquors.

Mr. FRAZIER. I suggest the absence of a quorum. The PRESIDING OFFICER. The clerk will call the roll. The Chief Clerk called the roll, and the following Senators answered to their names:

Ashurst	Costigan	Keves	Schall
Austin	Couzens	King	Schuyler
Bailey	Dale	La Follette	Sheppard
Bankhead	Dickinson	Lewis	Shortridge
Barbour	Dill	Logan	Smith
Barkley	Fess	Long	Smoot
Bingham	Fletcher	McGill	Steiwer
Black	Frazier	McKellar	Stephens
Blaine	George	McNary	Swanson
Borah	Glass	Metcalf	Thomas, Idaho
Bratton	Glenn	Moses	Thomas, Okla.
Brookhart	Goldsborough	Neely	Townsend
Broussard	Gore	Norbeck	Trammell
Bulkley	Grammer	Norris	Tydings
Bulow	Hale	Nye	Vandenberg
Byrnes	Harrison	Oddie	Wagner
Capper	Hastings	Patterson	Walcott
Caraway	Hatfield	Pittman	Walsh, Mass.
Carey	Hayden	Reed	Watson
Clark	Hebert	Reynolds	Wheeler
Connally	Johnson	Robinson, Ark.	White
Coolidge	Kean	Robinson, Ind.	10.11.00
Copeland	Kendrick	Russell	

The PRESIDING OFFICER. Ninety Senators having answered to their names, there is a quorum present.

WAR DEPARTMENT APPROPRIATIONS—CONFERENCE REPORT

Mr. REED. Mr. President, I desire to present a conference report, on the War Department appropriation bill, which I think will lead to no discussion whatever.

The report was read, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 14199) making appropriations for the military and nonmilitary activities of the War Department for the fiscal year ending June 30, 1934, and for other purposes, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 14, 25, 26, 34, and 42.

That the House recede from its disagreement to the amendments of the Senate numbered 2, 3, 4, 13, 17, 19, 20, 28, 38, 39, 44, and 45; and agree to the same.

Amendment numbered 1: That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert "\$144,750"; and the Senate agree to the same.

Amendment numbered 10: That the House recede from its disagreement to the amendment of the Senate numbered 10, and agree to the same with an amendment, as follows: Restore the matter stricken out by said amendment, amended by inserting in lieu of the word "Government' in lines 4 and 5, page 12, of the engrossed bill, the following: "War Department"; and the Senate agree to the same.

Amendment numbered 15: That the House recede from its disagreement to the amendment of the Senate numbered 15, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert "\$5,444,045"; and the Senate agree to the same.

Amendment numbered 21: That the House recede from its disagreement to the amendment of the Senate numbered 21, and agree to the same with an amendment, as follows: In lieu of the matter stricken out and inserted by said amendment, insert the following: "trucks, including station wagon types and trucks purchased in complete units for experimental purposes: Provided further, That, in addition to the foregoing, completely assembled and equipped motorpropelled trucks, including station-wagon types, may be purchased out of this appropriation, and other appropriations for the fiscal year 1934 under the Quartermaster Corps, which may be available for or on account of the maintenance of animals, or for or on account of the purchase, maintenance, and operation of animal-drawn equipment, or for or on account of rail transportation of persons and materials, the cost of any such vehicle so procured not to exceed \$750, including the value of any vehicle exchanged"; and the Senate agree to the same.

Amendment numbered 24: That the House recede from its disagreement to the amendment of the Senate numbered 24, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$2,401,870"; and the Senate agree to the same.

Amendment numbered 35: That the House recede from its disagreement to the amendment of the Senate numbered 35, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$3,466,531"; and the Senate agree to the same.

Amendment numbered 43: That the House recede from its disagreement to the amendment of the Senate numbered 43 and agree to the same with an amendment as follows: Restore the matter stricken out by said amendment, amended to read as follows: ": Provided further, That hereafter the provisions of section 5 of the act of July 16, 1914 (U. S. C., title 5, sec. 78), shall be construed as applying to the Corps of Engineers as to the purchase of motorpropelled passenger-carrying vehicles"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 5, 6, 7, 8, 9, 11, 12, 16, 18, 22, 23, 27, 29, 30, 31, 32, 33, 36, 37, 40, and 41.

DAVID A. REED, HIRAM BINGHAM. DUNCAN U. FLETCHER, FREDERICK STEIWER. Managers on the part of the Senate.

Ross A. Collins, W. C. WRIGHT, TILMAN B. PARKS, HENRY E. BARBOUR, FRANK CLAGUE, Managers on the part of the House.

Mr. REED. Mr. President, the conferees on the Army appropriation bill have agreed to 28 amendments out of 45, and are in technical disagreement on 5 or 6 more. They report a disagreement on the other amendments, and I ask that the partial report be agreed to.

Mr. FRAZIER. Mr. President, I wish the Senator from Pennsylvania would explain about these amendments. The Senate gets no information from the announcement of the Senator that there is an agreement on 28 amendments out of 45.

Mr. REED. That is quite correct. The principal amendment still in disagreement is the Couzens amendment, providing for an addition to the appropriation for training camps. As to that we report a disagreement. The other items on which we are still in disagreement are with regard to the retention of a colonel who is about to retire, employed in the office of the Director of the Budget. The House refuses to agree to that. The amendments which would make irregular reductions in the pay of retired officers are still in dispute. The item for transportation of personnel and the item regarding the Fort Benning Railroad are still in dispute. The item for the purchase of horses for the Army is in dispute. The increase made in the medical equipment for a new hospital is in dispute. Travel items in the Ordnance Department and in the seacoast defense are in dispute. We can not agree yet on the retention of the librarian at West Point with a proper salary. The use of the Medical Reserve Corps in the summer camps has not yet been agreed on. We have not yet

agreed to increases which we made to authorize the purchase of headstones for veterans who died.

Mr. FRAZIER. This is only a partial report?

Mr. REED. That is all; and it is necessary to take this action in order to get a vote on the floor of the House on amendments like the Couzens amendment. We will message our agreement to the House and then to-morrow they will take a vote on it.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

AGRICULTURAL DEPARTMENT APPROPRIATIONS

Mr. McNARY. I ask that the action of the House on certain amendments of the Senate to the agricultural appropriation bill be laid before the Senate.

The PRESIDING OFFICER. The Chair lays before the Senate the action of the House.

The Chief Clerk read as follows:

IN THE HOUSE OF REPRESENTATIVES

IN THE HOUSE OF REPRESENTATIVES,
February 27, 1933.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 14 to the bill (H. R. 13872) making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1934, and for other purposes, and concur therein with the following amendment:

In lieu of the matter inserted by said amendment insert:
": Provided, That hereafter in the administration of the Federal highway act and acts amendatory thereof or supplementary thereto, the first paragraph of section 9 of the act of November 9, 1921, shall not apply to publicly owned toll bridges or approaches thereto, constructed and operated by the highway department of any State, subject, however, to the condition that all tolls received from the operation of any such bridge, less the actual cost of operation and maintenance shall be applied to the repayment of the cost of its construction, and where the cost of its construction shall have been repaid in full, such bridge thereafter shall be maintained and operated as a free bridge."

after shall be maintained and operated as a free bridge."

That the House recede from its disagreement to the amendment of the Senate numbered 15, and concur therein.

Mr. McNARY. Mr. President, this provision appertains solely to publicly owned toll bridges and provides that when the money for the bridge has been paid back it shall become a free bridge. I move that the Senate concur in the House amendment.

The motion was agreed to.

ORDER OF BUSINESS

The PRESIDING OFFICER. The Senator from Louisiana has the floor.

Mr. SMOOT. Mr. President, will the Senator from Louisiana yield to me?

Mr. LONG. I yield.

Mr. SMOOT. May I say to the Senator from Louisiana that I desire to call up the conference report on the independent offices appropriation bill.

Mr. LONG. That is privileged anyway.

Mr. SMOOT. I ask to take up the conference report. Mr. BLACK. Mr. President, do I understand that unan-

imous consent has been asked to take up the conference

The PRESIDING OFFICER. That is correct.

Mr. BLACK. Will it take very long? It is my understanding that it will take all day to-day and all day tomorrow.

Mr. SMOOT. As to that I can not say. I doubt that to be the case, but there is going to be some discussion on one

Mr. LONG. Unless I am required to yield under some rule of the Senate, I want to bring up the beer bill. It is not the regular beer bill, but it is the so-called apothecary's beer bill. It has been approved by unanimous report of the Judiciary Committee and has passed the House. It is a mere formality, and I was trying to get the Senate to proceed to its consideration.

Mr. BORAH. Mr. President, I have no particular objection to the bill, but I hope the Senator from Louisiana will not undertake to bring up a controversial proposition until we have finished with what is known as the Walcott-Hull

bill. That is the bill which has for its purpose the granting of emergency aid to the agricultural interests of the country. We have had it up before. I think we can dispose of it within a reasonable time. I should very much like to see that measure disposed of first.

Mr. ROBINSON of Arkansas. Mr. President, may I say to the Senator from Louisiana that I think, after making some surveys, the probabilities are we can quickly dispose of the Hull-Walcott bill, and if it is to be done it ought to be done as quickly as possible so as to afford some opportunity to the House to consider the matter. The bill to which the Senator from Louisiana refers has passed the House, I understand.

Mr. LONG. Yes; and has been approved by the Judiciary Committee. It will not take three minutes to pass the bill.

Mr. BLACK. Oh, it will take longer than that, because I shall object to it.

Mr. BORAH. Yes; it will take longer than three minutes. Mr. McNARY. Does the Senator from Louisiana intend to move to take up his bill?

Mr. LONG. I think I have a right to move that we proceed to the consideration of the bill. It will not take more than three minutes. I do not see why we should not go ahead with it. Does the Senator from Alabama object?

Mr. BLACK. I shall not object to the consideration of the

Senator's bill after my resolution has been disposed of.

Mr. BORAH. Mr. President, let me say to the Senator from Louisiana that when we have the Hull-Walcott bill out of the way I shall not oppose the taking up of his bill. I am perfectly willing to have it disposed of.

Mr. NORRIS. Mr. President, I would like to suggest that the conference report which the Senator from Utah is trying to call up, while it is controversial, will not cause any unnecessary delay. If those who are opposed to the conference report are successful in defeating it, it will go back to conference again. We ought not to do that if we can help it, because it will have to be considered by the House. I would like to say to the Senator from Arkansas that, as a matter of fact, if we delay taking up the conference report until probably the last thing, that would be one of the arguments used for not agreeing to it.

Mr. ROBINSON of Arkansas. I thought the Senator from Utah had presented his conference report and, it having a privileged status, that we would proceed with it at once.

Mr. SMOOT. I have already asked that it be taken up. Mr. NORRIS. There is no intention on anybody's part to unnecessarily delay it, so far as I know.

The PRESIDING OFFICER. The report was offered yesterday and read.

Mr. SMOOT. Yes; and I am now asking that it be laid before the Senate.

Mr. BLACK. Mr. President, that is a privileged matter? The PRESIDING OFFICER. It is.

Mr. BLACK. May I suggest to the Senator from Utah that I am anxious to join in getting the appropriation bills through the Senate? My judgment is that the proposed filibuster on my resolution is supported by very few Senators. I have only learned of one up to this time. I am speaking of the resolution with reference to preventing the perpetration of what I believe to be, if not a fraud, at least an outrage with reference to a contract which will be signed most likely to-morrow at 12 o'clock unless the Senate takes

If it were not for the fact that this matter will be taken up by the Postmaster General to-morrow at 12 o'clock and closed, I would not think of asking that we go ahead to discuss and dispose of the resolution now. There is \$10,000,000 involved in the matter, besides loans requested by the shipping interests, according to the report which I have before me, of a considerable amount more. I can think of nothing more important at this time, with the questions that have come up, than that we should prevent this raid on the

Mr. WHEELER. Mr. President, will the Senator yield? Mr. BLACK. I yield.

Mr. WHEELER. I can hardly conceive of the Postmaster General signing a contract under existing circumstances. If there is any fear that a thing of that kind would be done by the Postmaster General, just as he is going out of office, I do not see how anybody could object to insisting that the matter be held up until such time as the new Postmaster General comes into office.

Mr. SMOOT. Mr. President, I have no intention of delaying consideration of the resolution, but this is a conference report which has to go back to the House. The conferees on the part of the House positively and without hesitation said they would not yield as to the \$280,000 increase made in the Senate. That will be discussed when the matter comes up. I hope the Senator will recognize that this has to go through the House and be brought back to the Senate before it can be finally disposed of.

Mr. BLACK. I understand that, but I would like to state further, that personally, if the Senate could by resolution absolutely prohibit the making of such a contract, I would believe it to be more important to pass the resolution than to pass the appropriation bill. We could take up the appropriation bill in the extra session. Unfortunately, we have only the power to express ourselves on the other matter. I may say to the Senate here and now, in order that those who are making the bids may be placed on noticeand there will be only one bid made under the circumstances—that they may just as well be placed on notice that if they succeed in pushing through the contract at this late hour there is a large group of Senators who will fight as long as it is possible to fight against any appropriation of one cent or one dime or one dollar to carry out such a contract executed under such circumstances.

I can not understand how it is humanly possible for anyone to object to the passage of the resolution when it is known that a new Postmaster General will come into office in a few days, when it is known that charges have been made and the evidence read here and that it is desired to put this thing through in this administration because they are afraid they can not do it under the next administration.

I want to serve notice now, and I want it to go as far as it can go, that I am not only speaking for myself but I am telling that which has been stated to me by various other Senators, that if by reason of the proposed filibuster on the part of the Senator from Pennsylvania [Mr. REED] or anybody else, the Postmaster General is enabled and sees fit to ride roughshod over the rights of the people of the country who have held that his administration ought to go out of power in two or three days, and if he executes such a contract three days before he goes out of office there will be a determined and vigorous effort made on the floor of the Senate, just as long as it is possible for us to continue it, to prevent the granting of the appropriation of a single dollar to carry out any such contract.

Mr. THOMAS of Oklahoma. Mr. President, I share in the viewpoint expressed by the Senator from Alabama. I ask unanimous consent that a transcript of his remarks made in the last three minutes be prepared and sent by special messenger forthwith to the Postmaster General.

The PRESIDING OFFICER. Is there objection?

Mr. REED. I object.

The PRESIDING OFFICER. The Senator from Utah asks unanimous consent to take up the conference report.

Mr. BLACK. Mr. President, I understood it was a privileged matter and that I could not object.

The PRESIDING OFFICER. The Senator from Utah can make the motion if anyone objects.

Mr. SMOOT. If there is objection I shall move to take

The PRESIDING OFFICER. And that motion would not be debatable. Is there objection?

Mr. LONG. I object.

Mr. ROBINSON of Arkansas. Mr. President, I should like to inquire of those who are opposing the resolution of the Senator from Alabama or the disposition of it whether they have any suggestion to make looking toward the disposition of the resolution before 12 o'clock midnight to-day?

Mr. REED. Mr. President, if the Senator will permit me, I have been accused of conducting a filibuster against the resolution. I have not said a word in opposition to it. The attack has come from the proponents of the resolution.

Mr. BLACK. Did not the Senator make the statement that there were enough Senators to prevent the passage of the resolution during the remaining days of this session?

Mr. REED. I think if the facts were known, there are enough votes to defeat it.

Mr. BLACK. Then let us vote on it immediately.

Mr. ROBINSON of Arkansas. Mr. President, may I ask the Senator from Pennsylvania a question?

Mr. REED. Certainly.

Mr. ROBINSON of Arkansas. I realize that the Senator and others interested are entitled to a fair opportunity to debate the resolution. The question is that the resolution has been pending several days and if it is not disposed of to-day, as I have already said during the debate, it will be fruitless to pass it at all.

Mr. REED. The Senator is mistaken. It was introduced

just yesterday afternoon.

Mr. ROBINSON of Arkansas. Mr. President, I ask the Senator from Pennsylvania whether he would agree to an arrangement by which, at the conclusion of the consideration of the conference report, the Senate shall continue the consideration of the resolution submitted by the Senator from Alabama [Mr. Black] to its final disposition during

the present calendar day?

Mr. REED. I would not want to agree to that, Mr. President. I want a chance some time to-day to state what the facts are. These people have been accused of fraud; they have been accused of making a corrupt bargain; by inference the Postmaster General is accused of being a participant of the corruption. The resolution begins with a lot of recitals, most of which are exactly contrary to the facts. This contract has been unanimously approved by the Shipping Board, including the Democratic members of that board. The recital in the resolution is that the Merchant Fleet Corporation reported this month that the steamship service is not justified. The fact is the Shipping Fleet Corporation reported exactly the contrary.

Mr. BLACK. Mr. President-

The PRESIDING OFFICER. The Senator from Utah [Mr. Smoot] has the floor.

Mr. BLACK. Will the Senator yield to me to read a letter from the Merchant Fleet Corporation?

The PRESIDING OFFICER. To whom does the Senator from Utah yield?

Mr. SMOOT. I do not yield any further.

Mr. BLACK. I have a letter from the Merchant Fleet Corporation saying that this service is not justifiable.

Mr. SMOOT. That will all come out in the discussion.

INDEPENDENT OFFICES APPROPRIATIONS—CONFERENCE REPORT

Mr. BLACK. I object to taking up the conference report. Mr. SMOOT. I move that the Senate proceed to the consideration of the conference report on House bill 14458. making appropriations for the Executive Office and sundry independent offices, and so forth.

Mr. NORRIS. Mr. President-

The PRESIDING OFFICER. The motion is not debatable.

Mr. NORRIS. It is debatable.

The PRESIDING OFFICER. The Senator has moved to proceed to the consideration of the conference report and under Rule XXVII that motion is not debatable.

Mr. BLACK. I ask for the yeas and nays on the motion of the Senator from Utah.

The PRESIDING OFFICER. Is there a second?

Mr. NORRIS. Mr. President, I ask unanimous consent to submit a proposed unanimous-consent agreement.

Mr. SMOOT. With regard to what?

Mr. NORRIS. With regard to the so-called Black resolution.

Mr. REED. Regular order, Mr. President!

The PRESIDING OFFICER. The question is on the motion of the Senator from Utah that the Senate proceed to the consideration of the conference report.

Mr. BLACK. I ask for the yeas and nays. Mr. LONG. Let us have the yeas and nays.

The PRESIDING OFFICER. Is the demand for the yeas and navs seconded?

The yeas and navs were not ordered.

The PRESIDING OFFICER. The question is on the motion of the Senator from Utah.

The motion was agreed to; and the Senate proceeded to consider the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 14458) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal

year ending June 30, 1934, and for other purposes.

Mr. BLACK. Mr. President, I do not desire to be, and I am not going to be, placed in the attitude of trying to defeat rapid action on any appropriation bill, but it is manifest that there is a desire on this floor not to consider this resolution. It is known, because I have in my hand here the advertisement, that this matter is going to be taken up by the Postmaster General to-morrow at 12 o'clock. It involves \$10,000,000 of the money of the people of the United States. It is not to go to charity; it is not to go to help the unemployed; it is to go to help a part of the same group that have a strangle hold on the affairs of this Nation and who are largely responsible for the terrible conditions which exist throughout the country.

All one has to do in order to find out who has been drawing down the money for the shipping subsidies is to look at the names of the list of boards of directors and it will be found that, without fail, they go right back to the same New York interests which are typified by Mr. Mitchell, who testified a few days ago before a Senate committee; the same interests typified by Mr. Insull, who has fallen into disfavor with some of his own group because he happens to have been caught. Look at the list of directors and you will find they go right back to the Morgan interests and the Chase National Bank and the City National Bank, as I can show they go in this case.

Mr. REED. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Pennsylvania?

Mr. BLACK. I yield to the Senator.

Mr. REED. Does the Senator assert, of his knowledge, that J. P. Morgan & Co. or the Chase National Bank have anything to do with this transaction?

Mr. BLACK. I assert from the report of the hearings before the subcommittee of the Committee on Appropriations of the United States Senate on House bill 9699, the hearings having been held in 1932, that the following appear as directors of the International Mercantile Marine Co .-

Mr. REED. Will the Senator tell us what that company has to do with this transaction?

Mr. BLACK. I will read to the Senator from the statement by Mr. Horan, what they have to do with it.

First let me read, so that the Senator will know, that one of the directors is J. P. Morgan. That goes very straight to Mr. Morgan. Another one is C. H. Sabin, who is, I am informed, connected with the Guaranty Trust Co., a Morgan bank.

The Senator desires to know on what I base my statement that the International Mercantile Marine has anything to do with the transaction. I call the Senator's attention to the fact that the president of the International Mercantile Marine is Mr. P. A. S. Franklin. Is there any question about that?

Mr. REED. I take it there is no question about that.

Mr. BLACK. All right. I have here in my hand a telegram from Mr. P. A. S. Franklin, sent to the United States Shipping Board in the interest of this particular contract. It is dated January 31, 1933, and reads:

Referring letter to you from Philadelphia Mail Steamship Co. dated January 28, United States Lines—

Is there any question about the United States Lines being controlled by the International Mercantile Marine?

Mr. REED. I do not know that they are, Mr. President; but if the Senator states so, of his own knowledge, I am will-

ing to admit it.

Mr. BLACK. I have the facts here in the report made to the committee, which I shall be glad to have the Senator look at. I will show the Senator what they have to do

Mr. REED. Let me ask the Senator a question?

Mr. BLACK. Yes.

Mr. REED. Is it not true that the owner of these vessels will be the Philadelphia Mail Steamship Line?

Mr. BLACK. Yes: and let me show the Senator the connections of that company.

Mr. REED. Oh, yes; go ahead. Mr. BLACK. I read further from the telegram:

Request approval and permission of the board to sell to the Philadelphia Mail Steamship Co. four merchant B boats for operright to call at Baltimore and Norfolk, and with the right to call at Manchester. The sale would be subject to the Philadelphia Mail Steamship Co. receiving a mail contract. The operations would be conducted by the Roosevelt Steamship Co.

That is another subsidiary of the International Mercantile

The terms of sale would be \$500,000 for each ship payable as follows: \$75,000 cash, \$75,000 in preferred stock, and \$350,000 in preferred mortgages. It is contemplated that the Shipping Board would release the United States Lines Co. for the amount of the mortgages, which would be assumed by the Philadelphia Mail Steamship Co. As this matter is urgent, would request hearing on this application with a view to furnishing further details as second as possible. soon as possible.

United States Lines Co., By P. A. S. Franklin, Chairman.

Now I will read a letter dated January 28 on the letterhead of the Philadelphia Mail Steamship Co. organization Executive Committee, addressed to Mr. T. V. O'Connor, chairman United States Shipping Board, signed by Mr. Hubert J. Horan. I presume there is no question about his having the right to send this letter, knowing what he was talking about, because he also appears in the hearings from which I read one or two excerpts.

Mr. ROBINSON of Indiana. Mr. President-

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Indiana?

Mr. BLACK. I yield.

Mr. ROBINSON of Indiana. Did the Senator say something about the Roosevelt Steamship Co.?

Mr. BLACK. The Senator is correct.

Mr. ROBINSON of Indiana. Is that the steamship company of which Archibald Roosevelt is one of the principal

Mr. BLACK. It is the steamship company with which Kermit Roosevelt is associated.

Mr. ROBINSON of Indiana. Are they both in that com-

Mr. BLACK. I do not find the name of Archibald Roosevelt, but I do find the name of Kermit Roosevelt.

Mr. ROBINSON of Indiana. How much of a subsidy do

Mr. BLACK. It is my information from what I have found in the report that the affiliated lines get greater subsidies from the United States Government than any other lines in the United States. If I am incorrect, I will ask the Senator from Tennessee to correct me.

Mr. McKELLAR. I think the Senator is substantially correct. The subsidies paid them are about as large as those paid any organization.

Mr. LONG. Mr. President, will the Senator from Alabama permit a question?

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Louisiana?

Mr. BLACK. I yield. Mr. LONG. Did I understand that it is Kermit Roosevelt who is in on this subsidy?

Mr. BLACK. That is correct.

Mr. LONG. I was wondering why he made peace with the President elect the other day over some family differences.

Mr. BLACK. Now, Mr. President, let me read just a little further in order that there may be no question about who

Mr. ROBINSON of Indiana. May I ask one other question, if the Senator will yield for just a second?

Mr. BLACK. Certainly.

Mr. ROBINSON of Indiana. Is this Roosevelt line also connected with J. Pierpont Morgan?

Mr. BLACK. It is.

Mr. ROBINSON of Indiana. Is that the contract they have to get signed by midnight to-night?

Mr. BLACK. By 12 o'clock to-morrow.

Having shown the connection of Mr. Morgan, and I could show the connection of others in the Morgan interests and banks with this International Mercantile Marine Line, let me read now from this letter:

For your information-

Says Mr. Horan-

For your further information the sources of committed capital

definitely subscribed, \$500,000—cash as follows: \$250,000, by the Pennsylvania Railroad. \$125,000, by the Baltimore & Ohio Railroad. \$125,000, by the Reading Co.

Now, I desire to call attention there to the fact that in the recent testimony taken at the hearings of the committee on the 5-day week, as the Senator from Nebraska will doubtless recall, we showed the relationship of these railroads to the Morgan interests and to the banks in New York. Now they are going further-

We are assured of additional capital of \$100,000 from other urces. In addition, of course, the I. M. M.-Dollar-Dawson interests will have a stock interest of \$300,000.

That answers the question: that shows about who is connected with it. It shows just as I stated in the beginning that the International Mercantile Marine Co. is one of those behind this transaction. It is shown further in the hearings that it will be operated by the Roosevelt Steamship Line—the Roosevelt Steamship Co. (Inc.)—the officers of which are: Chairman of the board, P. A. S. Franklin; president, Kermit Roosevelt; vice presidents, J. M. Franklin, Basil Harris, and G. F. Ravenel; treasurer, A. F. Finch; and secretary, A. P.

It is my recollection—and if I am incorrect I should like to have the Senator from Tennessee correct me, because he is very familiar with this subject—that the evidence taken last year showed that this ship subsidy getting organization paid its president \$100,000 a year. I will ask the Senator from Tennessee whether that is correct?

Mr. McKELLAR. That is correct, Mr. President, so I am informed.

Mr. REED. Mr. President, will the Senator yield?

Mr. McKELLAR. I want to call the Senate's attention to another matter. There are 300,000 tons of shipping owned by the International Mercantile Marine and belonging to that organization that are flying the British flag, and it is a well-known fact that, in essence, it is a foreign steamship line. Yet it and its subsidiaries are drawing subsidies from the American Government, and it is under contract—and I shall be glad to read an excerpt from the contract, if the Senator desires—so far as its other lines are concerned, to turn the ships over to the British Government in the event of war.

I also call the Senator's attention to the fact that the contract itself can be found on page 353, and the following pages, of the hearings on the Treasury and Post Office Departments appropriation bill for 1933, and the evidence of Mr. Franklin may also be found on page—I will give it to the Senator in just a moment-

Mr. BLACK. It is on page 1099.

Mr. McKELLAR. Wait a moment; I will get it and be certain. Yes; it is on page 1099 and the following pages. The excuse is given that they are asking some modification of that contract. There was some kind of modification, but, to the best of my knowledge, the International Mercantile Marine is still under obligation to turn over its ships to the British Government in time of war.

Mr. COPELAND. Mr. President-

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from New York?

Mr. BLACK. I desire to yield first to the Senator from Pennsylvania. Before doing so, however, I want to add just one statement to what the Senator from Tennessee said.

It also appears on page 1103 of the hearings that the Senator from Tennessee asked this question of Mr. Keating, who is the attorney for the International Mercantile Marine. and who, as I recall-I shall look in a minute-appeared in the interest of this particular subsidy:

Senator McKellar. Brought down to its real meaning, it means, the meaning of that agreement is that you are not permitted to transfer these British ships without the consent of the British Government.

Mr. KEATING. That is it.

Mr. REED. Mr. President, will the Senator yield to me? Mr. BLACK. I yield to the Senator from Pennsylvania.

Mr. REED. Two questions-

Mr. McKELLAR. Mr. President, before the Senator from Pennsylvania starts, will he let me call attention to a further quotation from page 1103 of these hearings?

Senator McKellar. If you do that, the British hold control of these 38 ships, either way.

Mr. KEATING. We do not give up very much, Senator, in agreeing to that.

In other words, those 38 ships are under the original agreement, and are in duty bound to go to the British Government in the event of war; and we are subsidizing that very concern owning those ships!

Mr. GORE. Mr. President— Mr. BLACK. I yield first to the Senator from Pennsylvania. [A pause.] I yield to the Senator from Oklahoma, then.

Mr. GORE. I desire to ask the Senator from Tennessee if he means to say that we are paying a subsidy out of the Treasury of the United States to an English steamship line.

Mr. BLACK. The Senator from Tennessee meant that the International Mercantile Marine has a number of ships, some of which are American and some of which are British, and that we are subsidizing those that are American, as I understand.

Mr. McKELLAR. And that a portion of these ships, 38 in number, are still under contract to be turned over by this company to the British Government in the event of war.

Mr. GORE. No subsidy is paid so far as the British ships are concerned?

Mr. McKELLAR. No; not to the British ships themselves, but the subsidy is turned over to this company, which owns all the ships.

Mr. BLACK. I call atention to the fact that that is the very company that I have just read will be greatly interested in this contract, and is urging that this contract be signed to-morrow.

Mr. REED. Mr. President, will the Senator yield to me? Mr. BLACK. I yield to the Senator from Pennsylvania.

Mr. REED. It is perfectly true, is it not, that these two ships which they are proposing to sell to the Philadelphia Steamship Co. will not be subject to call by the British Government?

Mr. BLACK. That is correct.

Mr. REED. It is perfectly true also that these two Philadelphia ships will fly the American flag. They are flying it now.

Mr. BLACK. I presume they will if they can get enough money out of the Government.

Mr. McKELLAR. That is exactly right.

Mr. REED. It is perfectly true that these are two old transports which had been flying the American flag for many years: is it not?

Mr. BLACK. And have been getting subsidies so large that it almost makes a man ashamed to read what they

Mr. REED. The Senator makes interesting answers, but they are not responsive.

Does the Senator think the fact that, in part payment for those two ships, this Philadelphia concern is going to give a small minority of its preferred stock, inculpates the Philadelphia concern with the fact that the International Mercantile Marine owns some British ships? Are we all guilty of all offenses because we buy these two ships-

Mr. BLACK. I do not intend to get away from the real subject; but I am going to answer that, and then I am going to call the attention of the Senator to the real issue.

Mr. REED. I wish the Senator would.

Mr. BLACK. In the first place, the International Mercantile Marine will be the controlling factor, because it will have a mortgage on the ships. That is shown in this letter. It will not only have a mortgage on the ships, but, according to my information, which may or may not be correct-I have not it here before me-the balance due under the mortgage will be for a greater amount than the ships were originally sold for by the Shipping Board.

Mr. REED. Mr. President, will the Senator yield there?

Mr. BLACK. I yield. Mr. REED. The Senator made the statement yesterday that these ships were sold for \$131,000. May I assure the Senator that his information was wholly incorrect.

Mr. BLACK. The Senator will recall that I had in the resolution that "it was said." I have that information, and the man who knows says he will swear to it; but that is not material here. The question here is this:

Mr. Brown is the Postmaster General of the Hoover administration. He will be such only until next Saturday. After that, a new administration comes in.

Mr. REED. And will the Senator tell us who will be Postmaster General then?

Mr. BLACK. Let me conclude my statement. Then I will yield to the Senator. I am not going to be led off from what is the real issue.

The statement has been put in the RECORD that evidence was given in the hearing before the Shipping Board that it was vitally essential to get this contract signed before Mr. Brown went out. Evidence has been put in here showing that there was a feverish haste, an unseemly anxiety, to dispose of this matter while Mr. Brown yet remains as Postmaster General.

Mr. McKELLAR and Mr. REED addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Alabama yield; and if so, to whom?

Mr. BLACK. I yield first to the Senator from Tennessee. Mr. McKELLAR. Mr. President, I will say to the Senator that he can well understand how this is when we have it dinned in our ears, almost every time this matter comes up, that "We have a contract," "We have a contract," "We must stand by our contract." That is the reason why there is such anxiety to get this paper signed by the present Postmaster General, and that is why such feverish haste is being made here in the closing moments of the old administration to get something so that they can claim, "We have "We have a contract," "We must stand by a contract," a contract."

That is the cry of Senators on this floor. We ought not to permit this contract to be made; and if this contract is made under these circumstances, the Senate ought to go on record as being unwilling to stand by such a contract, because, in my judgment, from what the Senator from Alabama read yesterday of the proceedings concerning it, it will be a fraudulent contract if it is entered into.

Mr. BLACK. If the Senate believes in honesty, it will vote for the resolution.

Now let me read another thing they propose:

It is the hope of the Philadelphia Mail Steamship Line that the United States Shipping Board will allow the Philadelphia Mail Steamship Co. to borrow—

You will remember that the statement is made that these are not such excellent ships-

to borrow 75 per cent of \$120,000 per ship, or 75 per cent of \$480,000—namely, \$360,000—from the construction and loan fund

of the United States Shipping Board. The Philadelphia Mail Steamship Co. will pay in cash \$120,000 for the reconstruction of the four ships.

They want to borrow, first, \$480,000. That is a part of the application. After they have borrowed this money, and have put in their capital, and have an agreement for a \$10,000,000 subsidy out of the pockets of the taxpayers of the United States, how much will the working capital of this huge million-dollar company be? The net working capital will be \$180,000. They propose to borrow \$480,000 from the Federal Government. They propose to get a contract for \$10,000,000 of subsidies with a working capital of \$180,000.

Mr. COPELAND and Mr. McKELLAR addressed the

The PRESIDING OFFICER. Does the Senator from Alabama yield; and if so, to whom?

Mr. BLACK. The Senator from New York desires that I yield to him.

Mr. COPELAND. Mr. President, I know the Senator from Alabama is so fair a man that he does not want to leave in the Senate a misunderstanding of the facts.

The International Mercantile Marine possessed itself years ago, before the war, of certain British vessels. It had an opportunity to sell these vessels, and on the personal request of President Wilson it did not dispose of them to British interests. It had an opportunity to sell at a time when there was great demand for bottoms, because during the war there was a great destruction of ships. So the International Mercantile Marine, of which Mr. Franklin was the head, had the opportunity to sell these British-flag vessels; and Mr. Wilson, then President, requested him not to do so, because they were needed to build up the American merchant marine or to build up American commerce. So, on President Wilson's request, the vessels were not sold.

Then as time passed, with the decline in the prosperity of the country and of the world, the International Mercantile Marine was not able to dispose of the ships which it very much desired to sell; and the only reason there are any British-flag ships in the International Mercantile Marine is because they can not get rid of them. The other vessels in that great concern are American-flag ships, and they are the ones which are receiving the mail subvention.

That is the fact, which I am sure no one here can dispute; and I know my friend's sense of fairness is such that having now learned what is the truth regarding it, he will not charge this concern with bad faith merely because they are so handicapped as to have these ships, which, Heaven knows, they would like to dispose of if they could find a purchaser.

Mr. BLACK. I have not charged them with bad faith. I stated—the statement came out—that they owned 38 foreign ships. That is not the question here. Here is the question:

There has been feverish activity to get a contract signed up before this administration goes out.

Mr. McKELLAR. Mr. President— Mr. BLACK. I yield to the Senator.

Mr. McKELLAR. If this company has invested \$120,000 of its own money and borrowed \$360,000 of the Government's money, can the Senator blame it for being feverishly anxious to get a new contract when the new contract gives it a million dollars a year for 10 years of Government money on an investment of just \$120,000? If it gets a subsidy of only \$500,000 a year for 10 years on a \$120,000 investment, it is racketeering that would put Al Capone to shame.

Mr. REED. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Pennsylvania?

Mr. BLACK. I yield to the Senator.

Mr. REED. It is a fact, is it not, that this was all spread out in a public hearing on February 3 last, and that the only feverish haste that has appeared is the haste that has appeared in connection with the pending resolution, which was not introduced until last night?

Mr. BLACK. The Senator is correct that the resolution was offered only yesterday. It would have been offered earlier if I had had the facts before yesterday. That is the

only reason I did not offer it earlier, because I knew nothing about it; but when I learned about it I offered the resolution, and this is the question that must be answered by those who oppose this resolution:

If this is a genuine, bona fide, honest effort to obtain a genuine, bona fide, honest contract, there will be no desire on the part of anyone to keep it before Mr. Brown. What reason is there to think that Mr. Brown is the only public official who can be relied upon to sign up this contract?

Mr. REED. Mr. President, will the Senator yield there? Mr. BLACK. I yield to the Senator from Pennsylvania.

Mr. REED. Does the Senator remember the touching consideration that Pennsylvania got from the last Democratic administration? Does not the Senator know full well that this contract never will be signed on any terms for any Philadelphia concern?

Mr. BLACK. I am inclined to think the Senator is correct; that this contract never will be signed by anybody but Brown under the terms under which it is offered, whether it comes from Philadelphia, New York, California, Alabama, or Utah. I am inclined to think that there is no hope that they could find another man in all of the United States before whom they would dare to march up and ask that he sign this contract. Yes; I agree with the Senator to this extent: I am sure it will not be signed when the new administration comes in. If the new administration permitted it to be signed, I am frank to say to the Senator that, in my judgment, it would forfeit the respect and the confidence of the people of the American Republic who placed it in power.

Mr. REED. Does the Senator realize that Mr. Brown had nothing to do with framing this contract?

Mr. BLACK. No; I do not.

Mr. REED. It was all worked up by the Shipping Board, and agreed to by Republicans and Democrats alike.

Mr. BLACK. I do not understand that it was all worked up by the Shipping Board. It was worked up by a lot of others besides the Shipping Board, and I think an investigation would show it. I am frank to say that I find in this hearing a statement that it was very unfortunately true that the Comptroller General had to pass upon it. I do not know why they were afraid of the Comptroller General, but it is stated that it is unfortunately true that he had to pass upon it. That statement was made by the Senator's secretary, according to the record.

Mr. ROBINSON of Indiana. Mr. President, will the Senator yield?

Mr. BLACK. I yield.

Mr. ROBINSON of Indiana. I would like to ask the Senator a question for my own information. Are we to understand that if this contract is signed by to-morrow noon, these interests will receive a subsidy of \$10,000,000 over a period of 10 years?

Mr. BLACK. That is correct, according to my informa-

Mr. ROBINSON of Indiana. If that is true, then, these interests which would receive the subsidy are the very leaders of the so-called National Economy League.

Mr. BLACK. It is the same group that is trying to break down everything in the country that does not bow to the will of the Chase National Bank, the Morgan interests, the National City, and the others of that controlling group.

Mr. ROBINSON of Indiana. That is the same group, is it not, I ask the Senator, which now would undertake to charge the depression to the disabled veterans of the United States?

Mr. BLACK. I think the Senator is correct. Let us not get away from the issue. Here is a proposal to get a contract for \$10,000,000. That money does not grow on trees; it must come from the taxpayers.

Mr. REED. The Senator wants it spent at Muscle

Shoals, I suppose?

Mr. BLACK. The Senator is very much interested in Muscle Shoals. He is interested in anything in the world except having portrayed before this country his attitude in standing here and trying to defeat a resolution which would prevent the signing of a contract until it could be fairly and

honestly investigated by those who are not interested in | cessful business for 15 years. Then he proceeded to subthe result. I do not blame him for wanting to divert attention, but we will not divert it. We will talk about Muscle Shoals later. We are talking now about what the Senator

Here come some people before the Shipping Board, and they say, "Here is some money our group has not yet gotten out of the Treasury. We have left a little. Now, we admit that Mr. Mitchell did not know he was going to leave any in the pockets of the American people when he got through. We admit Mr. Morgan did not intend to leave any. We admit that we thought we would get everything everybody had but our subsidies."

When we trace them down we find that practically every one of them goes right back to the Chase National Bank, to the National City Bank, to the J. P. Morgan interests, to that group which has a stranglehold on the financial affairs of this country, which has brought us to the terrible situation where we must watch people starve in the midst of abundance and plenty. They thought, "Well, now, here is a little more. We might get \$10,000,000. The pickings will not be so good when the new administration gets in, so we will go down, we will take a strong delegation down before the Shipping Board, we will take Congressmen and Senators and Senators' secretaries, and we will go down and tell them that we have to get this money while Mr. Brown is in."

Why is Mr. Brown the only person who would give it to them? Why is it that out of all of the United States it is thought he is the one man who could give it to them?

I invite those who doubt the close touch of Postmaster General Brown with these mail subsidies to read the hearings on House bill 9699, and study what happened with reference to the Seatrain contract. I invite them to find out how the strong hand of Mr. Brown was seen all along the devious and uncertain way wound by those seeking to extract money from the Federal Treasury by what appears to any fair-minded man who reads the evidence to be fraud and corruption.

Mr. McKELLAR. Mr. President, will the Senator yield to

Mr. BLACK. I yield.

Mr. McKELLAR. The Senator from Pennsylvania asked the Senator from Alabama a few moments ago about his delay in presenting this resolution. I want to say to the Senate that Mr. Brown came before the Committee on Appropriations, of which I happen to be a member, and, in his testimony, said there was no use taking steps now, that nothing was going to be done before March 4, when he would go out, that it was a matter for his successor, and not for him. So far as I am concerned, as one member of the committee, I did not believe Mr. Brown had the slightest intention of trying to effect any more contracts before he went out. It was only in the last day or two, when the Senator from Alabama told me that he was undertaking to put through a contract just in the closing hours of his administration of the Post Office Department, that I learned of it.

Mr. BLACK. Mr. President, let us see. They go down before the committee and they say, "We have to get action now; we have to hurry up." They do not wait to write letters giving notice of the advertisement. According to information coming to me, this thing was so late, it was so difficult to get it out, that they sent out the notice of the advertisement by wire. Why was that? They did not even use the subsidized air mail. They sent it out by wire. Why was it? It was because they were being told here, "We must get it through before the new administration gets in. Our only chance is to get it through under Mr. Brown."

Who is this Mr. Brown? He is the same gentleman who defended the Seatrain contract before the committee, who admitted that it was not necessary to carry any mail, admitted that there was a contract sufficient to carry all the mail that had to be carried between this country and Cuba. who admitted in the evidence that there was a shipping interest using private capital that had been doing a suc-

sidize another company represented by some of the same group which we find here, and proceeded to give them a contract, taking away other millions of the people's money.

Oh, the Morgan interests and the Roosevelt interests make a loud noise when we begin to talk about the salary of some employees, saying that what we need to do in order to balance the Budget is to cut everybody's salary. But they do not cut their own salaries. They do not cut their subsidies. They come in the last week of the expiring term of a repudiated administration, of a repudiated official, and attempt to get a contract signed up. Then we find, strange to say, unbelievable as it is, Members of the United States Senate who oppose waiting until there can be a fair, honest, and open investigation of the facts.

Let us take just a moment there. Let me read a letter of February 6 to the President of the Merchant Fleet Corporation, United States Shipping Board. Here is the statement made:

The following tabulation shows the amount of dry cargo moving during the fiscal years 1931 and 1932 from and to Philadelphia, Baltimore, Hampton Roads to Liverpool and Manchester.

From this tabulation it will be noted that the establishment of a direct Philadelphia, Liverpool, Manchester service is not justified.

What do we find? We find the telegraph wires being used. We find anxiety, feverish activity, to take away \$10,000,000 that belongs to the taxpayers of this country, from their hard-earned money, and put it into the pockets of the same group that stands like a giant colossus in control of the financial affairs of this Nation, striking at the very life blood of the Republic, and they blindly permit conditions to continue of privilege to them, while millions of the people are in misery and destitution and want. Yet we find them so firmly entrenched that there is even an objection to letting the Senate vote on whether to approve Mr. Walter Brown's passing on this contract or not.

Mr. President, I ask unanimous consent that at 6 o'clock the Senate proceed to vote on this resolution.

The PRESIDING OFFICER. Is there objection?

Mr. KEAN. I object. Mr. SMOOT. Mr. President, I want to say to the Senator, in all fairness to the Senator himself, that I do not know whether we will pass the appropriation bill by that time or not, and certainly the Senator does not want to ask us to proceed now to the consideration of the appropriation bill, and then, as soon as it is disposed of, vote on the resolution to which he refers.

Mr. BLACK. Is the Senator for this resolution or against it?

Mr. SMOOT. It is the first time I have heard it discussed. I have been in committee meetings and hearings, and I would not say offhand, without even reading the resolution, whether I would vote for it or against it.

Mr. BLACK. Does the Senator favor Mr. Brown? Mr. SMOOT. This is what I am for; I am for the appropriation bills. I am responsible, in part, for the passage of the bill I have in charge, and I want it passed. If it shall be that the Senate is not going to agree upon some one of the amendments in the bill, it will have to go back to conference again, and we have only a few days in which to pass the appropriation bills. I am partially responsible for the passage of the appropriation bills, and I am going to see that they are passed before any other legislation of the kind referred to interferes.

Mr. BLACK. The Senator is also interested, as a Senator, in seeing that there be no signing of a \$10,000,000 contract without giving time for consideration by disinterested authorities, and I feel sure that the Senator will not approve Mr. Brown. I can not believe that the Senator from Utah approves Mr. Brown signing a contract of that kind on March 1, and I would have thought, knowing the Senator's great record in this body over a long period of years, that he would have been the first to put the stamp of his disapproval on anything that had in it the slightest question or doubt.

Mr. SMOOT. Of course, if I felt that there was any doubt, if I knew it, as no doubt the Senator thinks he knows it, and had given any particular study to it, I should answer the Senator frankly; but I am sure he does not want me to give him an answer as to a thing I have not even considered. I can not do it.

Mr. BLACK. The Senator has been here and has heard the evidence of an attempt to get the contract through during this administration. The Senator has been a part of this administration. Does the Senator want to put smut on the closing part of his administration by standing by and approving their blocking action which would prevent signature until an investigation could be made?

Mr. SMOOT. I want the Senator to understand that I am not attempting to block it in any way, shape, or form. I am trying to get action upon an appropriation bill.

· Mr. BLACK. Will the Senator vote for it?

Mr. SMOOT. There are other appropriation bills to come.

Mr. BLACK. I ask unanimous consent that we vote right

The PRESIDING OFFICER. Is there objection?

Mr. REED. I object. Mr. BLACK. I ask that we vote immediately after the disposition of the appropriation bill.

Mr. REED. Mr. President, it is unreasonable to ask that a question be disposed of without any chance on the part of those on the other side to explain their stand. I object.

Mr. BLACK. As to the statement that it is without any chance for anybody to argue it, the Senator knows better than that. The Senator knows he can get up and present his side of the question. The Senator knows he can take all the time he wants to take in attempting to prevent it.

Mr. President, of course I can do no more in connection with bringing this up than to continue to discuss it. The Senate has agreed to take up the other matter. I simply want the RECORD to show just what has occurred. I want it to show in order that the Postmaster General may know, when he puts his signature on the contract, as I assume he will do to-morrow, that the eyes of the country can see. I want these gentlemen who are conducting this movement, and who believe they are going to get a reward by getting through a contract by this method, to understand that they can get it signed up if they desire, but no individual and no government is bound by a fraudulent contract. This Government will not be bound by the contract any more than an individual would be bound under the same circumstances. Let Senators conduct their filibuster. Let them prevent a vote. Let them try to get the last expiring bonus which a discredited administration can give to Mr. Brown. They will not get it. Congress will not make an appropriation to carry out a contract which has followed such a tortuous and devious and uncertain course.

Mr. GOLDSBOROUGH. Mr. President, I am interested in the matter under discussion, because it vitally affects the port of Baltimore in the State of Maryland. I have had some information given me on the subject, and I call upon the Senator from Alabama to tell me whether the information submitted is right or not.

As I understand it, his resolution provides that the Postmaster General be requested to postpone the awarding of the ocean mail contract from Philadelphia-Baltimore to Liverpool-Manchester, route No. 58-B-

until the matter can be more fully investigated and the soundness of the proposition more completely determined from the stand-point of the Government's interest and all the facts and circumstances involved.

If this be a crooked contract, I certainly shall not vote for it, but my information leads me to believe the contrary, and it is that information which I desire to submit to the Senator from Alabama and to other Members of the Senate to ascertain whether it is right or whether it is wrong.

The whereas clauses leading up to the resolution, I am told, are obviously in error. In the first place, the most thorough investigation of the desirability of awarding such contracts has been made by a subcommittee on merchant

marine consisting of representatives of the United States Shipping Board, of the United States Navy, the Department of Commerce, and the Post Office Department.

Mr. BLACK. Mr. President, does the Senator object to putting the names of those individuals in the RECORD?

Mr. GOLDSBOROUGH. I have not the names. The parent committee to which this subcommittee made its report, as I am further advised, consists of the Secretary of Commerce as chairman, the Secretary of the Navy, the Postmaster General, and the chairman of the United States Shipping Board. Those names, of course, the distinguished Senator from Alabama knows.

After investigating the desirability of an ocean mail contract on route No. 58-B, an advertisement was issued calling for bids for this contract and specifying that the boats must be 16-knot fast passenger boats, providing, in addition to carrying the mails, both passenger and freight service.

Whereas No. 2 of the resolution states that the proposed new steamship service competes with other American services already established. This is obviously in error, as there is no ocean mail line between Baltimore-Philadelphia and Liverpool-Manchester, and, so I am informed by the Post Office Department, there never has been.

Mr. BLACK. Mr. President, will the Senator yield?

Mr. GOLDSBOROUGH. Certainly.

Mr. BLACK. I desire to read to the Senator from the hearing where it was admitted it was in competition with a line from his own city.

Mr. GOLDSBOROUGH. I think that is a mistake, because the line now existing from Baltimore does not touch at the points contemplated under this contract. On the contrary, both Baltimore and Philadelphia have for years been praying for service of this character, and if established it will give tremendous impetus to both American ports, and it is hoped will result in a very large increase in business.

Mr. BLACK. Mr. President, may I read to the Senator what was said?

Mr. GOLDSBOROUGH. I yield for that purpose.

Mr. BLACK. I read as follows:

Commissioner Cone. I would like to ask one or two questions. In what way do you propose to serve the other ports of this route, Hampton Roads and Baltimore? I mean with these four ships. How do you propose to run them? You have a direct route from Philadelphia to Liverpool?

Mr. Ball. Start at Baltimore, Hampton Roads, Philadelphia, and we sail from Philadelphia direct to Liverpool and Manchester. In turn we load back direct to Philadelphia. We go back to Hampton Roads, Baltimore, and Philadelphia.

Commissioner Cone. Then Hampton Roads and Baltimore would not have the direct service? You understand we have spent a good deal of money in building up those services from those

a good deal of money in building up those services from those

Mr. Ball. Yes, sir; Hampton Roads would not.
Commissioner Cone. What effect would this have on the service that we have built up and just sold in those ports, in your

Mr. Ball. There is no use in ducking that question, Admiral. It would take cargo away from them.

Mr. GOLDSBOROUGH. The present steamship line does touch at Hampton Roads, but it does not go to Liverpool and Manchester.

Further, the establishment of the proposed Philadelphia-Baltimore-Liverpool-Manchester mail steamship service is merely another development in our merchant-marine policy which Congress has gone on record as favoring. It will permit the employment of vessels now in the service, which possibly would otherwise be laid up, and likely turned back to the Shipping Board, thereby the Government being the

The fifth whereas states that the Merchant Fleet Corporation reported on February 6, 1933, that this steamship service is not justified. I can only say that I have been personally informed within the past few hours by the Second Assistant Postmaster General that the United States Shipping Board Merchant Fleet Corporation is cooperating in every possible way in this matter, is with the Post Office Department 100 per cent in recommending the establishment of the Philadelphia-Baltimore-Liverpool-Manchester ocean mail service, and representatives of the United States Shipping Board Merchant Fleet Corporation were members

of both the subcommittee and the parent committee recommending the desirability of awarding such contract.

Perhaps he may be right in that, but all I can say is that I have been personally informed within the past four or five hours by the Second Assistant Postmaster General that the United States Shipping Board Merchant Fleet Corporation is cooperating in every possible way in this matter with the Post Office Department 100 per cent in recommending the establishment of the Philadelphia-Baltimore and Liverpool-Manchester ocean mail service, and representatives of the United States Shipping Board Merchant Fleet Corporation, who were members of both the subcommittee and the parent committee, recommend the desirability of awarding such contracts

Mr. BLACK. Mr. President, will the Senator yield? Mr. GOLDSBOROUGH. I yield.

Mr. BLACK. I have before me a statement of February 6 from the Merchant Fleet Corporation in which these words appear:

From this tabulation it will be noted that the establishment of a direct Philadelphia-Liverpool-Manchester service is not justified.

But later, at the end of the statement, it is said:

In the event it is determined that the proposed service is a necessary and essential service, and the board would consider permitting the United States Lines Co. to sell two or more of its B vessels for the establishment of the proposed service, it is recommended that it authorize the Fleet Corporation to negotiate the terms and conditions of such a sale with the United States Lines Co., subject to final approval thereof by the board.

I think there is no doubt they are cooperating in carrying this out, but they are cooperating after this statement made that the service is not justified.

Mr. GOLDSBOROUGH. Again let me emphasize the fact that I am advised that this matter has had the most sweeping and thorough investigation, and the adoption of a resolution of this character could have but one result, and that is to withhold from the ports of Philadelphia and Baltimore and the enormous territory feeding those ports, the natural development and accruing benefit that would promptly come from the establishment of this new route.

I wish to repeat, it in no way conflicts, as I understand it, notwithstanding the statement of the Senator from Alabama, with established routes, and it is but the providing of additional fast mail service greatly needed between the points mentioned.

Mr. ROBINSON of Indiana. Mr. President, I knew nothing about this contract until I heard the speech of my good friend from Alabama [Mr. Black]. I am very much interested in it now, as I think every Member of this body ought to be, for a reason that perhaps has not become so apparent as yet. I am assuming the statements made by the Senator are correct, and if they are, the very interests who would benefit from a \$10,000,000 subsidy are those behind the so-called National Economy League.

The National Economy League frankly would charge the depression as far as possible to the disabled veterans of America. More, the National Economy League, backed by the very interests which the Senator from Alabama has named, would undertake to balance the Budget of the United States at the expense of the disabled veterans of America. They seem to be habitually feverish. Since that term has been applied on numerous occasions in this debate, I use it now. They are feverish apparently in this matter. They seem to be afflicted with a continuing and consuming fever. Feverishly the director of this organization, the National Economy League, Mr. Curran, undertook to browbeat the House of Representatives into refusing to pass the independent offices appropriation bill because it carried an appropriation for disabled veterans. The House of Representatives very properly refused to be in any sense of the word influenced by that noble group.

Then the National Economy League turned its guns on the United States Senate and attempted to intimidate this body to prevent this body from passing the legislation because it carried appropriations for the disabled American veterans. This body independently refused to perpetrate

any injustice on those who have worn the uniform, and it passed the bill.

Now, just as feverishly, the same organization, the National Economy League, through its director, has the effrontery, I note by the papers this morning, to attempt to intimidate and browbeat the President of the United States, urging him to veto the bill because it carries these appropriations. I am assuming the President of the United States will refuse to be a party to any injustice to those who have defended the Nation in time of peril.

Mr. LONG. Mr. President, will the Senator yield?

Mr. ROBINSON of Indiana. In just a moment I shall be happy to yield to my friend, the Senator from Louisiana.

Before the joint committee investigating veterans' affairs Mr. Curran appeared. It developed that 17 men and women had contributed more than \$35,000 to a big slush fund of \$200,000 to be used in influencing legislation against the veterans. These 17 are among the wealthiest citizens of the United States. Their names are in the hearings, and may be found there by any Members of the Senate who desire the information. When we asked this man Curran, representing that aggregation of millionaires, whether or not they filed, or intended to file, any report with the House of Representatives as other organizations had done that are engaged in lobbying activities, in a perfectly insolent manner Mr. Curran said, "No; we file no reports."

Whom the gods would destroy they first make mad; and the testimony in the last few days of Mitchell and of some others before the Senate Committee on Banking and Currency has particularly and completely disgusted the entire country. "No," Mr. Curran said, "we make no report to

anybody." That is how insolent they are.

Mr. President, I have just given the Senate instances showing how they have been undertaking to influence legislation all the way through Congress, and now they are undertaking to prevent the signing of that legislation by the President. That is the crowd the disabled veterans have had to deal with. That is the crowd, as I understand, the Senator from Alabama is now trying to deal with, and that is the crowd that feverishly always wants a subsidy. Ah, they do not hesitate for a second to take a subsidy of \$10,000,000 for themselves from the United States Treasury in these times of depression, but they would take \$12 a month from the disabled veterans of the United States with which to balance the Budget.

Mr. LONG. Mr. President-

Mr. BLACK. Mr. President, will the Senator from Indiana yield to me?

The VICE PRESIDENT. Does the Senator from Indiana yield; and if so, to whom?

Mr. ROBINSON of Indiana. I yield first to the Senator from Louisiana.

Mr. LONG. I was merely going to make a suggestion to the Senator from Indiana that I thought might probably be to our mutual benefit. I notice that a gentleman by the name of Kent, writing in the Baltimore Sun, who, perhaps is what is called a "ghost writer," of the Theodore Roosevelt family group, took the chance of describing the Senator from Indiana along with myself as demagogues, but credited the senior Senator from Nebraska [Mr. Norkis] as not being a demagogue, because he did not know any better. I wonder if that has been called to his attention. [Laughter.]

Mr. ROBINSON of Indiana. I think that requires no answer, I will say to the Senator from Louisiana. Now I yield to my friend from Alabama.

Mr. BLACK. I started to call the Senator's attention to the fact that these people got \$45,000,000 in subsidies last year.

Mr. ROBINSON of Indiana. Yes, Mr. President; and the very people who would be the beneficiaries of these subsidies are those who are now fighting against the disabled veterans of the United States and who say insolently to the committee, authorized by this body and the one at the other end of the Capitol to go into veterans' matters, that they make no report to anybody, that they are above the law. I

think there is a great deal in what has been said by the Senator from Alabama.

The VICE PRESIDENT. The question is on agreeing to the conference report.

Mr. ROBINSON of Arkansas. Mr. President, I should like to have Senators present to hear the brief remarks I am going to make.

Mr. LA FOLLETTE. Mr. President, will the Senator from Arkansas yield to me for the purpose of suggesting the absence of a quorum?

The VICE PRESIDENT. Does the Senator from Arkansas yield for that purpose?

Mr. ROBINSON of Arkansas. Yes.

The VICE PRESIDENT. The Secretary will call the roll. The legislative clerk called the roll, and the following Senators answered to their names:

Ashurst Costigan Schall Austin Couzens King Schuyler Bailey Bankhead La Follette Lewis Sheppard Shortridge Dale Dickinson Logan Long McGill Barbour Dill Smith Fletcher Bingham Steiwer Black Blaine Frazier George McKellar Stephens Swanson McNary Thomas, Idaho Thomas, Okla. Borah Bratton Glass Metcalf Moses Goldsborough Brookhart Townsend Broussard Bulkley Gore Grammer Norbeck Trammell Norris Tydings Bulow Nye Oddie Hale Vandenberg Harrison Wagner Walcott Byrnes Capper Hastings Patterson Caraway Hatfield Pittman Walsh, Mass. Reed Carev Watson Hayden Reynolds Robinson, Ark Clark Connally Hebert Wheeler Johnson Coolidge Kean Robinson, Ind. Kendrick Copeland

The VICE PRESIDENT. Ninety Senators have answered to their names. A quorum is present.

Mr. ROBINSON of Arkansas. Mr. President, what I shall say relating to the pending conference report will require only a few minutes; and I should like very much to have the attention of those who are interested in the independent offices appropriation bill.

When the bill came before the Senate there was just one fight in it; everyone knew that to be true. That fight related to the appropriation for the Federal Trade Commission. The body at the other end of the Capitol had reduced the appropriation compared with the fund made available to the commission last year 65 per cent.

The Senate committee, anticipating criticism on account of the discontinuance of an investigation regarded as of great importance which inevitably would result if additional funds were not provided, increased the amount from \$500,000 to \$780,000, and specifically provided that \$280,000 of that amount should be used for the sole purpose of continuing the utilities investigation, leaving such an amount for the normal and other activities of the Federal Trade Commission as would have made it physically and morally impossible for the tribunal to function effectively.

I make that statement and propose in just a few minutes to produce some figures which it is believed will establish that conclusion.

There are three divisions in the Federal Trade Commission, the administrative, the economic, and the legal division. For the fiscal year 1931 the administrative division had, in round numbers, \$433,000; the economic division had more than \$685,500; and the legal division had \$636,000, in round numbers.

For the fiscal year 1933 these figures were, respectively, administrative, \$334,000; economic, \$435,000; and legal, \$623,000. I am not quoting the exact figures, the round numbers being sufficient for my purpose.

For the fiscal year 1934, as submitted by the commission, these sums were reduced. The commission itself, responding to the demand for economy, reduced its estimate by 11 per cent, compared with the previous year, and submitted a recommendation for \$1,300,000, to be used by all three of the divisions to which reference has been made. The Bureau of the Budget reduced that by 25 per cent, or, to be

exact, 24½ per cent, and recommended a total of \$1,195,000. The House of Representatives more than cut that sum squarely in two and passed a bill containing an appropriation of \$507,000 for the Federal Trade Commission, being \$227,000 plus for the administrative division, \$272,000 plus for the legal division, and not a dollar for the economic division.

It thus becomes apparent that the policy of the body at the other end of the Capitol was to terminate those duties and functions on the part of the commission which we call "economic," having relation to investigations of complaints and of various violations of the laws of fair trade and competition.

The Senate committee, as I have already stated, responding to what was recognized as a well-nigh universal public sentiment in favor of completing the investigation of the public utilities, added \$280,000, and let it go at that.

When this issue arose in the Senate it was well known by everyone here that the Senate was overwhelmingly in favor of increasing this appropriation so as to make it possible for the commission to perform its functions with a fair degree of efficiency. I make that statement, and I should like to have any Senator who doubts the correctness of it challenge it now, because it is the basis of such further argument as I intend to make.

The vote here in the Senate, if a record had been made, would have been almost overwhelming in favor of the amendment that I proposed; and in order to save time, the Senator in charge of the bill, recognizing that fact, conceded the amendment; it was accepted and carried into conference.

Mr. ASHURST. Mr. President-

Mr. ROBINSON of Arkansas. I yield to the Senator from Arizona.

Mr. ASHURST. The Senator from Arkansas is performing one of the most valuable services he has ever rendered. The action of the conferees in reducing the amount of money appropriated for the Federal Trade Commission would justify the Senate in rejecting the conference report and in killing the bill.

Mr. ROBINSON of Arkansas. Let me thank the Senator from Arizona. I am going to conclude my remarks with a suggestion along that line; but I wish first to pursue the thought that was in mind a moment ago when I was interrupted.

Let me repeat:

The Senator in charge of this bill accepted the amendment, and there was debate following that. One Senator evidently thought it was necessary to establish strongly the reasons for the amendment, and he took the floor and debated the matter at some length.

When the bill went into conference, about the first thing that was done on the part of the Senate conferees was to yield the only issue made in the Senate of great importance: and they brought back the bill here substantially the same as reported by the Senate committee. In other words, the Senate conferees receded from the Senate's position, and took the position of the Senate Committee on Appropriations. So far as I can now recall, there is slight difference between the conference report and the report made to the Senate by the Appropriations Committee. They left the matter so that it is now necessary for the Senators to determine whether they wish to destroy the Federal Trade Commission, whether they wish to terminate the performance of its functions as an economic fact-finding body, or whether they wish to give it that reasonable and necessary support which we all recognize is essential to the fair discharge of the duties for which the commission was created.

The reduction that was made by the body at the other end of the Capitol, I have already stated, meant a substantial scrapping of the commission following the conclusion of the utility investigation. It meant that through a policy of denying necessary funds the Congress was going to destroy the commission, and place it in a situation where it could do nothing more than finish some of the work which it has already undertaken. The body at the other end of the Capitol, as I have said, authorized \$500,000,

the Budget recommendation was a 25 per cent reduction over the appropriation which we made available for the commission last year. Out of that \$500,000 the salaries of the commissioners and the expense of their offices, the expense of the secretary's office, the expense for the sections of accounts and personnel, docket, mail, files, and so forth, all must be maintained. There would remain only between \$300,000 and \$350,000 for all other purposes of the commission, including supplies, travel, witness fees, salaries, reporting service, and so forth. This would mean almost a complete elimination of law-enforcement work and almost a total abolition of the economic division.

I have been quoting for the last minute from a statement furnished at my request by a representative of the commission. "With only \$10,000 for printing, it would be impossible for the commission to enforce its orders to cease

and desist."

I make the statement, upon the authority of facts which is believed to be well founded, that the issue involved in this item of appropriation is whether we are going to abolish the Federal Trade Commission; for we had better abolish it after the conclusion of the utilities' investigation than so impair its effectiveness, so reduce its resources, that it can not do the things which it is intended to accomplish.

The statement was made by my friend the Senator from Utah [Mr. Smoot], while the Senator from Alabama was interrupting him, that the House conferees proved unyielding in their attitude on the amendments in this bill. I am going to ask the Senate to reject this conference report; and I am telling the Senate now, upon information which I believe to be correct, that if the conference report is sent back there is more than a fair prospect, there is a strong likelihood, that the amendment which the conferees yielded so quickly will be retained in the bill.

I am not quoting anyone. I am expressing an opinion as the result of inquiries made. It would be regrettable to take the indirect course of abolishing this commission or of "hamstringing" it by denying it the funds that we know are necessary to enable it to accomplish anything of substantial importance.

I repeat, I ask that the conference report be rejected.

Mr. BLACK. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Arkansas yield to the Senator from Alabama?

Mr. ROBINSON of Arkansas. Certainly.

Mr. BLACK. I desire to ask the Senator if it is his idea to instruct the conferees not to reduce the appropriation in

Mr. ROBINSON of Arkansas. No.

Mr. BLACK. But I imagine, from what the Senator says, that he believes we should hold for the full amount of the

Mr. ROBINSON of Arkansas. That is my intention and my purpose; but I am entirely content to have the conference report rejected and let the bill go back to conference.

Mr. ROBINSON of Indiana. Mr. President, will the Senator yield to me before he sits down?

Mr. ROBINSON of Arkansas. Certainly. Mr. ROBINSON of Indiana. I desire to ask the Senator from Arkansas if it is not a fact that the amendments offered by him to this bill, which I was very happy to support myself so far as I could, were absolutely necessary, and the lowest sum with which the commission could properly function and do the work assigned to it?

Mr. ROBINSON of Arkansas. Mr. President. I thought that was true, and I stated to the Senate the incidents that occurred with respect to the appropriation—the reduction that was made first by the commission itself in submitting its estimate; the further reduction that was made by the Budget Bureau; and the fact that the commission, even if it gets every dollar that we propose to give it in this appropriation, will have only a little more than two-thirds as much as it had for the fiscal year 1933.

Mr. ROBINSON of Indiana. Mr. President, I want to corroborate what the Senator has just said by some figures | what position to take, and if the conferees on the part of

whereas the Budget had recommended \$1,195,000; and that | that are in my own possession-that the commission's estimate for the fiscal year 1934 would take care of a permanent staff of 376 employees, which they badly need to do their work. That would still be a reduction of 91 below the commission's estimate for 1934; but if the measure as it passed the House should prevail, the permanent staff would be reduced to about 131 employees instead of 376.

Mr. ROBINSON of Arkansas. Yes. Mr. ROBINSON of Indiana. That would be a reduction of 205 below the estimates of the Bureau of the Budget, and 296 fewer than the estimates of the commission.

Mr. ROBINSON of Arkansas. The House provision impairs the effectiveness of the commission to a point that approaches uselessness.

Mr. ROBINSON of Indiana. Precisely.

Mr. ROBINSON of Arkansas. And the Senate committee report, which is substantially the same as the conference agreement, does nothing more except it provides a fund to carry on the utilities' investigation.

Mr. LA FOLLETTE. Mr. President-

Mr. ROBINSON of Arkansas. I yield to the Senator from Wisconsin.

Mr. LA FOLLETTE. To show that the amendment offered by the Senator from Arkansas was a very minimum amount, may I point out that if that amount should prevail it would mean that the Federal Trade Commission, even so, has sustained a 45 per cent reduction in the last two years.

Mr. ROBINSON of Arkansas. Yes. Let me add that for the fiscal year 1932 the funds made available for the commission in its three divisions already referred to were \$1.763,821.32. The amount that we are asking here, all told, is \$1,101,000 plus; and I leave the Senators to carry out the comparison to their own proper conclusion.

Mr. SMOOT. Mr. President, I just want to correct one statement that the Senator made in relation to the printing and binding, where the House did yield to the Senate amend-

ment.

The House provided \$10,000, and the Senate made the amount \$20,000, and the House agreed to that.

Mr. ROBINSON of Arkansas. If I said anything to the contrary, I did not intend to do it, because I understood that that was true; and may I say that that is the only difference between the Senate committee report and the conference report.

Mr. SMOOT. That is true.

Mr. ROBINSON of Arkansas. I said it was substantially the same, and I should have made that statement.

Mr. SMOOT. Mr. President, I want to say just a word. The conferees of the Senate recognized the fact, and I recognize it now, and I knew just as well when we finally agreed upon the amount that it was not going to be satisfactory on the floor of the Senate as I know it this minute; but the conferees on the part of the House really did not want to yield to the \$780,000-or, in other words, \$280,000 more than the \$500,000 that they first had in the bill.

If we go back to conference-and I think we shall-we will go back there with a direct vote of the Senate of instructions, and we will stand for the position of the Senate just as long as we can; and I think before we would yield on it we would come back and ask for the further instructions of the Senate.

I can not say any more than that; and I want Senators to understand that the conferees on the part of the Senate had this very thing in mind. It was the only way in which we could reach any kind of a decision, and we had only a few days in which to do it.

I wanted to get it back here, and I want the Senate now to act upon this item; and, if it is sent back, the conferees of the Senate will go instructed directly by the Senate to insist upon the amount that has been voted into the bill by the Senate. That is all there is to it, and for that reason I want to say to the Senator from Arkansas that I have no objection at all, but we will go back to the conference instructed by the Senate upon this item. This is the only item in dispute in the conference. Then we will know just

the House will not yield, I can come back and say to the Senate that they will not, and it will be a question between the Senate and the House as to whether the amount granted will be accepted, relying upon an appropriation of an additional amount in the next session of the Congress or even in the special session which may be had on the part of the incoming administration.

Mr. WALCOTT. Mr. President, will the Senator yield?

Mr. SMOOT. I yield.

Mr. WALCOTT. I would like to ask the Senator a question for the sake of clearing up the record. Will the Senator be good enough to tell us the amount of money that was appropriated a year ago, and then the highest amount that was intended to be appropriated this year?

Mr. SMOOT. In round figures they asked for \$1,300,000. The Budget recommended \$1,195,000. The House gave them \$500,000, and in the committee we added \$280,000, to take care of what we absolutely knew they must have, and we so reported, in order to enable them to make their final report upon the investigation of the utilities. That is the situation just as it is.

Mr. WALCOTT. Just one more question, and I am asking this in order to find out what figure would complete the work the commission has on hand. I have talked with them several times, and they need a certain sum, and I do not know just what that sum is.

Mr. SMOOT. They need \$280,000 to complete the utilities' investigation. That is what the Senate committee added over and above what the House gave them. The Senate thought that, instead of the \$780,000, they wanted appropriations to keep the employees they have there until the investigation is finally disposed of, and the amount voted was \$1,081,500.

Mr. WALCOTT. I think that clears the record up.

Mr. NORRIS. Mr. President, I do not want to repeat what I said when the bill was before the Senate a few days ago. Yet I can not resist saying that this is an annual contest. It has been here ever since the Federal Trade Commission was directed to investigate the Power Trust. Every year we have had the same thing. Every year an appropriation has been reported from the committee that was not sufficient to carry on the work. Every year the Senate has increased it. Every year it has gone to conference, and every year it has come back from conference with a good share of the increase that was put on in the Senate entirely eliminated from the bill.

This year the conference committee were in session, I understand, for a whole half hour. Thirty minutes they fought! For 30 minutes the Senator from Utah labored in the sweat of his brow and shed the blood of his heart in order to back up the action of the Senate. But, completely exhausted from his terrible struggle, he finally yielded, and gave up what the Senate had put in. He had done it so often, he was so used to it, that it came as a natural consequence.

Mr. President, if this had happened only once, I would not feel as deeply about it as I do. It has seemed to me there has been from some quarters a determined effort every year to kill the Federal Trade Commission. I think last year in the debate I read a quotation from the then chairman of the commission in which he said they did not want this investigation at all, that the President did not want it, did not think that there ought to be any more money spent in making it.

It is true that three Presidents have been against this investigation, and that there is a member of the commission opposed to any investigation. I say that in the best of feeling. I concede that a man has a right to feel that way. Mr. Humphrey, a member of the commission, an able, courageous man, is opposed, and has been from the beginning opposed, to any investigation of the Power Trust; or, for that matter, to the investigation of almost any other trust. That is the way he believes. He is sincere in that belief. I respect him in his opinion. Nevertheless, I can not see how the Federal Trade Commission can exist and carry on

this investigation, the most important one that has ever been put up to them, if they do not have this appropriation. The investigation is one which I think has done more good for the great, common people of America than any other investigation that has ever been made. It has shown this giant octopus. The evidence has disclosed a sufficient amount of testimony so that they themselves have surrendered and reorganized under another name. I went into that fully the other day, and I am not going into it again now.

Mr. President, from these various sources for the last 12 years has come this unseen influence that has been sufficient every year to cut down the appropriation, so that if the Senate had not raised it, this investigation of the great Power Trust and the public-utility concerns in the United States would have been crippled, if not entirely destroyed.

In the last days of a Congress, when there are but few days left, the Senate conferees come back here again, surrendering everything the Senate put in the bill, and evidently with the idea that there are just a few days more of the session, and that, with a lot of important legislation on the calendar, Senators would feel the necessity of accepting the report as made for fear they might not get anything.

Mr. President, unless the Senate takes the matter in hand, unless the Senate will refuse to accept the report, we will have laid down at the command and from the influence of the same Power Trust which for 12 years has been covering this country with the most sinister propaganda that was ever conceived in the mind of man.

There seems to be some doubt in the minds of some Senators. Naturally, there would be, because from some sources in the commission comes quietly the word that they do not need any more money. There seems to be some doubt in the minds of some Senators whether the Federal Trade Commission really needs money properly to carry on and complete its utility investigation, and write the important reports which the facts revealed call for.

Senators must not forget that one of the most important things is to prepare and submit to the Senate, under the resolution we passed, the reports of their investigations. Evidence covering many, many volumes will have to be condensed, and the reports made to the Senate. It will be a great task to make the report in this particular investigation, and will cost a good deal of money. To be able to give the Senators facts which speak for themselves, the monthly reports of the utility investigation have been checked to see what has been done, and to compare that with what remains to be done. Such a check establishes conclusively three points.

First, it is not possible for the staff of the commission to complete the work in process and put the reports and testimony thereon into the record by July 1. The first reports on the financial structure and practices were ready, and their presentation was begun on February 24, 1930. These appear in parts 21 and 22. Including the January, 1933, report, 30 reports, in 25 volumes, have been presented.

In these 25 volumes are 99 major accounting reports. To prepare these, plus the necessary but shorter accompanying reports on interstate commerce, service and management contracts and charges, control and interlocking ownership and directorates, required hearings on 199 days. Taking the list presented to the Senate Commerce Committee of companies on which work is in process, there will be required 90 to 100 major accounting reports, depending on how many should and can be consolidated. In addition, at least for each new group, there must be prepared and put in the other shorter but important reports on interstate commerce, management and supervision, relations and charges imposed on the operating companies, and reports to show interlockings and control through ownership, and by identical personnel of officers and directors.

Second, if no other companies than those now in process are examined, it will require a good-sized staff a considerable time after the record is made up to digest the records and write the kind of a report and considered recommendations which the Senate has requested.

For each of the above, funds and personnel are required during the entire next fiscal year.

which no work has been done, but which should be ex-Third, if to the above list are added those companies on amined to fairly complete the investigation, this would require a minimum of 35 or 40 major accounting reports. This will require time, money, and men.

Mr. President, there are 22 of these great corporations which have not been touched. I gave the Senate a list of them when the bill was before the Senate. I have a list in my hand now. Among that number is the Commonwealth Light & Power Co. I am not going to read them all, because the list was all put in the Record when we had the bill before the Senate. There is the Commonwealth & Southern Corporation and its subsidiaries, a large number of utility corporations, as will be seen if Senators will look at the Record. There is Stone & Webster, one of the big corporations of America, engaged in the utility business almost all over the United States. They have not yet been touched

I want to invite the attention of the Senate to just one thing that the investigation will bring out in connection with others. I happen to know about this one. Stone & Webster was the corporation that built the Keokuk Dam. It is one of the great dams of the world. The very day they finished it they turned it over to a new corporation. That day they put \$20,000,000 of water into the corporation. That is one of the companies that has not yet been investigated. That one act involved \$20,000,000 upon which the people of the great Middle West are apparently supposed to pay a return through all eternity. When we investigate that company clear through, it will be found undoubtedly that there are many more millions of water in it.

Then there are other power companies that have never been investigated. There are others that are very important to investigate, and unless this money is allowed they never will be investigated. It is idle to say that we will stop the investigation now and commence it again a year from now. Here is a trained organization of experts in the employ of the Federal Trade Commission. Without this appropriation the commission must discharge every one of them. That great organization will be scattered all over the country. Commence again a year from now and we will have to get a similar organization together again, which would be a practical impossibility.

Mr. ROBINSON of Indiana. And the investigation was ordered by the Senate.

Mr. NORRIS. Absolutely. I thank the Senator. They were ordered to make the investigation. The 22 corporations that are left uninvestigated are just as important as those which have been investigated. I have mentioned the names of some which are among the most important in the United States. Are we going to destroy the personnel of this great organization which is competent and ready to continue the investigation if we provide the funds?

So far as I am concerned, even if I knew now that the defeat of the conference report would kill the bill at this session, I would not hesitate for a moment to vote to reject it. Unless we do something of that kind the Senate will find itself helpless through the silent influence of this the greatest combination that was ever put together in the history of mankind.

Mr. LONG. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from Louisiana?

Mr. NORRIS. Certainly.

Mr. LONG. I am wondering if this is a part of the economy program to cut down appropriations?

Mr. NORRIS. If we take the bill as it is presented in the conference report, it means the death of the economic division of the Federal Trade Commission.

Mr. LONG. What they have done might as well not have been done?

Mr. NORRIS. Practically so. In other words, we have a job that is not finished and nobody can say until it is finished just what it all amounts to.

Mr. LONG. How much have they cut out of the Federal Trade Commission? I ought to know, but I do not.

Mr. NORRIS. There was a reduction of about 65 per cent, I believe.

Mr. McKELLAR. Mr. President, if the Senator will permit me-

Mr. NORRIS. Certainly.

Mr. McKELLAR. The appropriation was cut down to \$500,000. The Senate committee raised it to \$780,000, and the Senate then raised it to the amount of the Budget estimate. If the Senator from Nebraska will allow me further, I want to say that I think it would be poor economy indeed not to go on and complete the investigation.

Mr. NORRIS. There is no doubt that the most economical thing to do is to go on and give the commission funds to complete the investigation.

Mr. SMOOT. Mr. President, I want to say, however, that the commission itself said that \$280,000 would finish the investigation.

Mr. NORRIS. There is testimony to that effect. I understand that, and I am not finding fault with some of the members of the subcommittee for relying on that testimony. But I tried to convey to the Senate, when I began my remarks, that in the commission itself are influences which are trying to destroy the investigation. Do Senators want to know the truth about it? Let them read the letter written by Mr. Healy. Mr. Healy is the attorney who has been in charge of the investigation from the beginning. He is the chief counsel. On the 2d day of February, this present month, he wrote a letter to the senior Senator from Montana [Mr. Walsh] in which he outlined just what was necessary and what would happen, in his judgment, if the bill were passed in the shape in which the committee reported it to the Senate. In that report the committee had allowed the \$280,000. Mr. Healy, necessarily, knows more about the management of this investigation than any other man on earth. If it were not for taking up the time of the Senate I would read his letter. It is in the hearings, on page 41, and any Senator can read it there. I believe the Senator from Arkansas [Mr. Robinson] put it in the Record the other day when we had the bill before us. It is, to my mind, a demonstration of the fact that if we had stopped then we would at least have killed the economic division and I do not think we ever would have completed the investigation of these utilities.

Mr. President, I showed the other day by the charts I had on the wall of the Senate Chamber how these great combinations were combined mostly under the leadership and domination of Morgan & Co. I have prepared another chart that shows the control of one corporation—just one. Most of the corporations shown on the chart now on the wall have not been investigated. Some of them are now in process of investigation. It is estimated that at the end of this fiscal year the commission will be able to complete the investigation of 50 per cent of the corporations shown on the chart.

Wall Street is the headquarters of the United Corporation, a corporation dominated by Morgan. It has nothing to do with anything except public utilities. They organized it several years ago. I gave a list of the subsidiary corporations when we had the bill before the Senate on a previous occasion. I gave a list of the subsidiary corporations of the United Corporation. It is estimated that by the end of the present fiscal year 50 per cent of the corporations named on the chart will have been investigated and 50 per cent will remain uninvestigated. Among the number uninvestigated will be the 22 whose names I placed in the Record, including the Commonwealth & Southern, and Stone & Webster.

United Corporation was organized by Mr. Morgan just a few years ago. The newspapers were full of it at the time. I have in my hand a list of the subsidiary corporations directly controlled and the corporations indirectly controlled by United Corporation. For instance, United Corporation has invested in the Mohawk-Hudson Power Co. \$6,673,590. It has invested in the Public Service Corporation of New Jersey \$78,461,600. It has invested in the United Gas Improvement Co. \$214,448,420. It has invested in a group in-

cluding the Allied Power & Light Corporation, the Columbia Gas & Electric Corporation, and the Columbia Oil & Gas Corporation, a total of \$141,757,286. In another group of corporations it has invested \$67,909,691. In still another group it has invested \$35,590,010. In another group it has invested \$24,825,554, and in another group \$23,159,707. These make total investments in the corporations that it controls through the ownership of stock and voting certificates of \$592,821,856. Then it has invested in seven or eight other corporations in which it does not own or control a total of \$23,159,707.

It will be remembered from the charts I had here the other day how the financial control of all these interests went back to a few of the great banking institutions which were themselves interlocked among each other, so we could not tell one from the other. When we put them all together we had the control of 87 per cent of the generation of electricity in the United States.

There are some peculiar things about these companies. Here is the United Corporation, which owns the Public Service Corporation of New Jersey and the United Gas Improvement Co. through the ownership of common stock. They control the Niagara Falls Power Corporation through ownership of stock. Just notice the ramifications of these two corporations. In turn, the Niagara Hudson Power Corporation owns 72 per cent of the United Gas Improvement Co. There is no stopping place. One corporation owns another corporation, and that corporation owns a string of other corporations. They are all eating each other. They are swallowing each other. Sometimes they are engaged in the same occupation with two corporations eating each other by owning each other's stock. So that they cross and criss cross until it is beyond the possibility of human ingenuity to unscramble the great scrambled egg. Look at this chart [indicating], Senators. That represents only one corporation, just one holding company, doing business with subsidiaries in 40 States of the Union, in some places having a monopoly and in other places not having a monopoly; but if one would investigate he would find out that in 90 cases out of 91 where they do not have a monopoly they are in competition with themselves; some other corporation controlled by the same financial interest will be found competing with the various corporations that are generating electricity. Every one of these dots [indicatingl represents a generating plant, and always some other corporation, though sometimes it will be four or five degrees removed from the United Corporation, will be connected with it. Fifty per cent of them will be uninvestigated unless we continue this appropriation.

So, Mr. President, I have no apology to offer for my position on this question on the ground that there might be some danger if this report should be rejected that we will not get another chance to consider it. Senators will remember what the Senator from Arkansas said about it. I have not a particle of doubt if the Senator from Utah and his associates had fought half as hard to get something for the people on this report as they have tried to forget what the people on this report as they have tried to forget what the people on the conference report before us in the shape in which it is. We would have something out of it. We will have lost everything; there will be not anything left to speak of, if this conference report shall be approved.

Therefore, Mr. President, I hope the Senate will reject the conference report, and, if it does, I have no doubt that another report will be submitted in a form which will be much more acceptable than the report now before us.

Mr. LA FOLLETTE. Mr. President, I wish to subscribe to everything the Senator from Arkansas [Mr. Robinson], and particularly the Senator from Nebraska [Mr. Norris], have said concerning the power investigation and its importance. There is one aspect of this situation, however, which has not been emphasized and to which I wish to invite the attention of the Senate.

The Federal Trade Commission is the only body of economic research under the Federal Government which has direct relations with trade practices and corporate organi-

zation. To-day we are confronted with economic problems the complexity of which has never been before equaled in the history of the modern world. To destroy, to cut off, to dispense with the services of the economic division of the Federal Trade Commission at a time like this would, in my judgment, be somewhat akin to the folly of dismissing all doctors in the face of a widespread epidemic.

The commission has already adopted a resolution, Mr. President, providing for an investigation of the corporate structure of industrial and other corporations in the United States. I think every person recognizes the importance of such an investigation, but unless the amount provided in the amendment offered by the Senator from Arkansas and adopted by the Senate shall be retained in conference, it will be impossible to carry on that investigation.

Therefore, Mr. President, for the reasons stated by other Senators and those to which I have alluded thus briefly, due to the lateness of the hour, I hope the Senate will reject the conference report.

Mr. SMOOT. Mr. President, outside of this one amendment, there is nothing of importance in disagreement, because the most of the changes are merely to correct totals and words that were jumbled in one amendment. Therefore it seems to me the proper thing, if we are going to do anything with the report, is to reject it in its entirety, and let everything come back in one report after another conference with the House. To that I have no objection.

Mr. NORRIS. Mr. President, it occurs to me, in order to

Mr. NORRIS. Mr. President, it occurs to me, in order to make the record as impressive as possible for the effect it might have on the conferees, that we ought to have a roll call on the question.

Mr. SMOOT. I do not think there is any question but that the vote will be unanimous.

Mr. NORRIS. With the understanding that the action we are about to take will be unanimous—

Mr. SMOOT. That is right.

Mr. NORRIS. That there is not any objection, and that we have the consent of the Senator from Utah, I will not ask for a roll call.

Mr. SMOOT. That is all right.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was unanimously rejected.

Mr. SMOOT. Mr. President, I move that the Senate further insist on its amendments to House bill 14458, making appropriations for the Executive Office and sundry independent offices, and so forth, request a further conference with the House of Representatives, and that the conferees on the part of the Senate be appointed by the Chair.

The motion was agreed to; and Mr. Smoot, Mr. Keyes, Mr. Hale, Mr. Glass, and Mr. Copeland were appointed conferees on the part of the Senate.

PRODUCTION COSTS OF ULTRAMARINE BLUE

Mr. BARBOUR. Mr. President, I ask unanimous consent that the Committee on Finance be discharged from the further consideration of Senate Resolution 359.

Mr. BRATTON. Let the resolution be reported.

The PRESIDING OFFICER. The clerk will report the resolution for the information of the Senate.

The Chief Clerk read the resolution (S. Res. 359) submitted by Mr. Barbour on the 15th instant, as follows:

Resolved, That the United States Tariff Commission is hereby directed to investigate, for the purposes of section 336 of the tariff act of 1930, the difference in the cost of production between domestic ultramarine blue and foreign ultramarine blue, and to report at the earliest date practicable.

The PRESIDING OFFICER. The Senator from New Jersey asks unanimous consent that the Committee on Finance be discharged from the further consideration of the resolution.

Mr. SMOOT. Mr. President, I have no objection to the resolution, but I do not like it to appear that the Committee on Finance is being discharged from its further consideration.

Mr. GORE. Mr. President, I object.

The PRESIDING OFFICER. The Senator from Oklahoma objects.

ORDER OF BUSINESS

Mr. BLACK. Mr. President, I hope we may now have a vote on my resolution if we are ready to vote.

Mr. REED. I suggest the absence of a quorum.

Mr. McNARY. Will not the Senator withhold that motion?

Mr. REED. Very well; I will withhold it at the request of the Senator from Oregon.

Mr. BLACK. Do I understand the Senator from Pennsylvania objects to voting on the resolution now?

Mr. REED. Yes.

Mr. BLACK. I ask unanimous consent that the Senate meet at 10 o'clock to-morrow morning, with the understanding that the Senator from Pennsylvania, if he desires, shall be given the time from then until 12 o'clock to discuss the resolution, and that the Senate shall vote on it at 12 o'clock.

The PRESIDING OFFICER. Is there objection?

Mr. REED. I have to attend a meeting of the Joint Committee on Internal Revenue Taxation to-morrow morning at 10 o'clock and a number of other Senators also have to attend that meeting.

Mr. BLACK. Then I ask unanimous consent that the Senate adjourn until 11 o'clock, with the understanding that this resolution shall be discussed and that a vote shall be had on it at 12 o'clock to-morrow.

Mr. NORRIS. Mr. President, I was going to suggest a while ago, but I could not get recognition at the time, why not vote on this resolution at 6 o'clock this evening and agree that as much of the time between now and 6 o'clock—which will be 35 minutes—as the Senator from Pennsylvania may want shall be at his disposal?

Mr. REED. No, Mr. President.

Mr. BLACK. Mr. President, of course there are a great many Senators who did not know we would likely be called to stay here to-night. For that reason and because I understand that a great many Senators have engagements which they would very much regret to break, I do not desire to insist that the Senate remain here to-night, but I do think the Senate should remain in session until 6 o'clock, in order that the Senator from Pennsylvania may have time to discuss this resolution, that then we should adjourn until 10 o'clock in the morning, and that the resolution be discussed until 12 o'clock, at which time the Postmaster General is supposed to open bids and will probably sign some kind of a contract unless action shall be taken by the Senate.

Mr. McKELLAR. An alleged contract.

Mr. BLACK. An alleged contract. I should like to know from the Senator from Oregon if it would not be all right to remain here until 6 o'clock and let the Senator from Pennsylvania discuss the resolution.

Mr. McNARY. Mr. President, I should like to accommodate the Senator from Alabama, but there are a number of Senators who have an important meeting which they desire to attend this evening, and, in order to accommodate them, I think it would be desirable that the Senate should now take a recess.

Mr. BLACK. I shall not object to leaving here in time to allow Senators to attend that meeting. I was asking if six o'clock would be too late?

Mr. McNARY. I am afraid it would be.

Mr. BLACK. Then I move that when the Senate concludes its business it adjourn until 10 o'clock in the morning.
Mr. REED. I suggest the absence of a quorum.

Mr. McNARY. Will not the Senator withhold that motion? I am sure there are a number of important committee meetings in the morning, and I think 11 o'clock is about as early as we would be able to get a quorum in the Senate.

Mr. McKELLAR. Mr. President, that means that the filibuster will continue until these people, these highjackers, get some sort of an alleged contract. That is what it means.

Mr. NORRIS. Mr. President, I should like to make a suggestion to the Senator from Alabama. Why not stay right here now and vote down, if we can, a motion to take a recess and proceed as long as we can?

Mr. McKELLAR. I think we ought to do that, although

I am very sorry to discommode any Senator.

Mr. NORRIS. I think we ought to do that. It is the duty of Senators to be here.

Mr. BLACK. Mr. President, I myself have no objection. I simply did not want to be placed in an unfavorable attitude. I think that there is nothing more important than to try to prevent the signing of this contract.

Mr. NORRIS. If we can succeed in voting down the motion for a recess or an adjournment, the resolution will be

before the Senate, will it not?

Mr. BLACK. I desire to state that I feel about it just as was expressed by the Senator from Tennessee. I think there are a great many people in this country who have about reached the conclusion that the hour has come to let this group know-and Mitchell is but one of many others who have not been caught—that it is about time for them to cease to attempt to hold up the people of this Nation and to rob them. I think this proposed contract is a part of the nation-wide system of robbery; and I think there is nothing more important than for the Senate to do what it should to stop it. I think it would be highly gratifying and interesting to know what excuse any man can offer on his feet against a resolution which does not seek to defeat the signing of the contract but merely sets forth that the evidence before the Senate shows that there is an effort to obtain a decision from a prejudiced source and that all that is desired is that it be delayed until an unprejudiced tribunal can act upon it.

Mr. McNARY. I am sure the Senator from Alabama wants to be accommodating.

Mr. BLACK. I do.

Mr. McNary. I explained to him the situation early in the afternoon. A number of Senators want to attend an important meeting to show their affection and devotion to some of the illustrious Senators who are about to depart from the Chamber. The affair has been arranged for some time; it is necessary for them to get to their homes and to prepare for the occasion; and I hope the Senator will not object to the request that I make that the Senate take a recess now until 10.30 to-morrow morning.

Mr. ROBINSON of Arkansas. I suggest that the Senator make it 10 o'clock.

Mr. McNARY. In order to meet the present situation, then—

Mr. REED. Mr. President, if the Senator will yield to me, I naturally have a faint interest in the proceedings, because constituents of mine are being accused quite unwarrantedly of fraud and corruption and what not. I should like to attend the meeting of the joint committee to which I have referred. I was told by Mr. Parker, the expert of the joint committee, that to-morrow's meeting of the joint committee is to be very important and that we ought all to make an effort to be there. I am not trying to filibuster on this matter.

Mr. McKELLAR. I do not see why a meeting of the Joint Committee on Internal Revenue Taxation, which did not meet for years until a short time ago, should be so important just at this time. I hope the Senator will insist upon his motion to meet at 10 o'clock in the morning. There is nothing more important than saving to the American taxpayers the \$10,000,000 that is about to be taken out of the Treasury of the United States.

Mr. REED. Mr. President, this subvention is not \$10,-000,000. It is \$5,000,000 over a period of 10 years; but that is just about as nearly correct as the people who challenge this proposal are in all their other statements.

Mr. McKELLAR. It has been stated on the floor of the Senate a dozen times to-day that the amount involved was \$10,000,000, and it was not challenged before. I have not seen the contract. This alleged contract is a secret arrangement. It has not been brought out voluntarily. It has

been ferreted out by the Senator from Alabama [Mr.] BLACKI, and it is a disgraceful, a wicked proposal from beginning to end.

While I should hate to inconvenience any Senators, I think the Senate either ought to stay in session here tonight or we ought to meet to-morrow morning at 10 o'clock, and allow any statements or arguments to be made, and then vote to prevent this infamous thing, this wicked thing, this disgraceful thing, this scandalous thing, from happening tomorrow at 12 o'clock.

Mr. REED. Mr. President, if the Senator will yield to me, I should say that was a fair example of the judicial mood in which the Senate is about to proceed to declare this contract void without-

Mr. McKELLAR. Why, you have not got a contract yet. Mr. REED (continuing). To declare it void in advance, without hearing both sides of the matter; and it is a fair illustration of the tender mercy that we will get after the 4th of March if this matter should be postponed as is requested.

Mr. NORRIS. Mr. President, I should like to say to my friend from Pennsylvania that it seems to me he is unwarranted in drawing the conclusions he draws. The Senator from Pennsylvania evidently knows what the facts are. Nobody objects. Senators want to give him time to lay the facts before the Senate, but he will not do it. All these propositions give to the Senator from Pennsylvania ample time to discuss the matter, or at least I have not heard any suggestion from him that the time was not sufficient for him to discuss it; but we have not heard him debate it. That is what we want him to do, and he will not do it. We should like to stay in session now, or meet early, in order that the Senator from Pennsylvania may do that. If he can not be here at 10 o'clock, let us go on now, and let the Senator take the floor and go ahead as long as he wants to.

Mr. REED. I have been accused of filibustering, and I have not said a word on this matter.

Mr. McKELLAR. We are perfectly willing for the Senator to go ahead and say something on it.

PROPOSED EVENING SESSIONS

Mr. ROBINSON of Arkansas. Mr. President, I desire to suggest to the Senator from Oregon and other Senators that it may be necessary during the remainder of this week to have evening sessions, and I should like to put the Senate on notice that that order may be asked. I have talked with the Senator from Oregon about it, and I think he concurs.

REMOVAL OF RESTRICTIONS ON OPEN-MARKET TRADING IN GRAIN FUTURES ON CHICAGO BOARD OF TRADE

Mr. WHEELER. Mr. President, I ask unanimous consent that, out of order, I may send to the desk a resolution which calls upon the Department of Agriculture for some information. I do not think there will be any discussion of it at all; and I should like to have action on it to-night, if possible.

The PRESIDING OFFICER. Without objection, the resolution will be received and read.

The resolution (S. Res. 376) was read, as follows:

Whereas it is desirable to get the opinion of the Secretary of Agriculture as to whether or not the 500,000 bushels limitation required to be reported upon by operators on boards of trade should be fixed by law or allowed to be made variable by orders of the Secretary; and

whereas on October 24, 1932, there was lifted and suspended the restrictions on open-market trading in grain futures on the Chicago Board of Trade by order of the Secretary of Agriculture; and

Whereas these restrictions upon short selling in 1927 for a short time were suspended; and

Whereas prices after both such suspensions declined to the advantage of the speculative short seller and to the disadvantage of producers; and

Whereas the decline in prices, following the order of the Secretary of Agriculture on October 24, 1932, reached lower levels than had theretofore ever been recorded: Be it

Resolved, That the Secretary of Agriculture is hereby directed to ascertain the facts and report to the Senate, giving full and complete answer to the following questions and such others as may occur to him as being pertinent to this matter:

(1) What was the purpose of suspending on October 24, 1932, the reports from board-of-trade members required pursuant to the grain futures act of the accounts of speculators and short sellers?

(2) Were these reports suspended on recommendation of the present chief of the grain-futures department, or were they sus-pended on request of members of the Chicago Board of Trade or other exchanges? If the latter, who were these parties and what was their position in the market at that time? Were they long or short? If short, did they buy in at a profit when prices later sold down?

(3) What was the effect upon wheat prices of the suspension of the restrictions? What was the position in the market of those affected by the suspension, at the time of and just prior to suspension? What has been their position since?

(4) To what extent have big speculators been active in wheat futures transactions during the drastic price declines of the past two or three years? Have they been dealing on the long or the short side of the market, and to what extent?

Resolved further, That the Secretary of Agriculture in such report shall make a full disclosure of the names and addresses of all persons and firms that have held a speculative short position in wheat futures on the Chicago Board of Trade equal to or in excess of 1,000,000 bushels at any time during the past two or three years, while prices have suffered unprecedented declines, and shall indicate which of these, if any, were also found on the short side of the market during that period in 1927 when the restrictions were lifted the first time.

Mr WHEELER Lesk unenimous consent for the present**

Mr. WHEELER. I ask unanimous consent for the present consideration of the resolution.

Mr. McNARY. Mr. President, the inquiry that is suggested is a very elaborate one. Is any date set for a report to the Senate?

Mr. WHEELER. No; no date is set for a report. I understand that the department has this information, and can furnish it to me. I have directed the Secretary of Agriculture to furnish it; but it is the department itself that can give me the information.

Mr. McNARY. I am not unsympathetic with the proposal, but I suggest to the Senator that it might go over for the day.

The PRESIDING OFFICER. The resolution will lie over under the rule.

NOMINATIONS IN THE COAST GUARD, NAVY, AND MARINE CORPS

Mr. ROBINSON of Arkansas. Mr. President, I ask leave to present, as in open executive session, sundry routine nominations in the Coast Guard, Navy, and Marine Corps, and ask for their present consideration.

The PRESIDING OFFICER. Without objection, as in executive session and out of order, the nominations will be received.

The Chief Clerk proceeded to read the nominations.

Mr. ROBINSON of Arkansas. I ask unanimous consent that the reading be dispensed with.

The PRESIDING OFFICER. Without objection, that order will be made; and, without objection, the nominations are confirmed.

Mr. ROBINSON of Arkansas. I ask that the President be notified.

The PRESIDING OFFICER. Without objection, that order will be made.

(The nominations this day confirmed by the Senate will be found at the end of to-day's proceedings.)

PERMANENT COURT OF INTERNATIONAL JUSTICE (S. DOC. NO. 209)

Mr. MOSES. Mr. President, among the matters upon the agenda for the approaching session of Congress is the matter of the protocol of the so-called World Court.

The Women's Bar Association of the District of Columbia, at the request of the Bok Foundation, have made a study of the question. The report was made by Miss Hope Thompson, a distinguished woman member of the bar of the District of Columbia. I ask unanimous consent that the report may be printed as a Senate document.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS

Mr. McNARY. Mr. President, in view of what has been said, I think it is a fair compromise to recess at this time until 10.30 o'clock to-morrow. I move, therefore, that the Senate take a recess until that time.

The PRESIDING OFFICER. The question is on the motion of the Senator from Oregon.

The motion was agreed to; and (at 5 o'clock and 40 minutes p. m.) the Senate took a recess until to-morrow, Wednesday, March 1, 1933, at 10.30 o'clock a. m.

NOMINATIONS

Executive nominations received by the Senate February 28, 1933

COAST GUARD

Lieut. Frank D. Higbee to be lieutenant commander in the Coast Guard of the United States, to rank as such from October 16, 1932.

APPOINTMENT, BY TRANSFER, IN THE REGULAR ARMY
TO QUARTERMASTER CORPS

Second Lieut. Albert Eugene Dennis, Coast Artillery Corps (detailed in Quartermaster Corps), with rank from June 12, 1930.

PROMOTION IN THE REGULAR ARMY

To be lieutenant colonel

Maj. Lincoln Beaumont Chambers, Corps of Engineers, from February 21, 1933.

To be major

Capt. Donovan Swanton, Infantry, from February 21, 1933.

To be captains

First Lieut. Winfield Scott Hamlin, Air Corps, from February 21, 1933.

First Lieut. Clinton James Ancker, Infantry, from February 21, 1933.

To be first lieutenants

Second Lieut. Willard Burton Carlock, Infantry, from February 21, 1933.

Second Lieut. George McCoy, jr., Air Corps, from February 21, 1933.

PROMOTIONS IN THE NAVY

Commander Warren G. Child to be a captain in the Navy from the 1st day of February, 1933.

Lieut. Commander Ellis M. Zacharias to be a commander in the Navy from the 14th day of January, 1933.

Lieut. Commander Clarence Gulbranson to be a commander in the Navy from the 1st day of February, 1933.

The following-named lieutenants (junior grade) to be lieutenants in the Navy from the 1st day of March, 1932:

Marvin P. Kingsley.

Edward R. Sperry.

The following-named lieutenants (junior grade) to be lieutenants in the Navy from the 1st day of January, 1933: Gordon M. Stoddard.

Marcel E. A. Gouin.

Passed Asst. Paymaster Vergil L. Marsh to be a paymaster in the Navy, with the rank of lieutenant commander, from the 4th day of June, 1931.

Lieut. Morris Smellow to be a passed assistant paymaster in the Navy, with the rank of lieutenant, from the 1st day of July, 1930, in accordance with the act of Congress approved February 6, 1933.

Lieut. (Junior Grade) Arnold R. Kline to be an assistant paymaster in the Navy, with the rank of lieutenant (junior grade), from the 5th day of June, 1927, in accordance with the act of Congress approved February 14, 1933.

POSTMASTERS

COLORADO

Fred S. Curtis to be postmaster at Saguache, Colo., in place of Daniel Vigil, deceased.

ILLINOIS

Edna H. Hecht to be postmaster at Crete, Ill., in place of E. H. Hecht. Incumbent's commission expired March 3, 1931

Archibald Corp to be postmaster at New Lenox, Ill. Office became presidential July 1, 1932.

Eber E. Bassett to be postmaster at West McHenry, Ill., in place of E. E. Bassett. Incumbent's commission expired May 12, 1930.

KANSAS

Horace C. Lathrap to be postmaster at Blue Rapids, Kans., in place of H. C. Lathrap. Incumbent's commission expired December 19, 1931.

Sherman F. Lull to be postmaster at Linn, Kans., in place of S. F. Lull. Incumbent's commission expired May 12, 1932.

KENTUCKY

Henry T. Short to be postmaster at Calhoun, Ky., in place of H. T. Short. Incumbent's commission expired January 31, 1933.

MICHIGAN

Julius F. Wenzl to be postmaster at Birmingham, Mich., in place of J. W. Cobb. Incumbent's commission expired February 28, 1931.

NEW JERSEY

Clair MacFarland to be postmaster at Monroeville, N. J., in place of Clair MacFarland. Incumbent's commission expired February 13, 1933.

NEW MEXICO

Charles F. Guillon to be postmaster at Tularosa, N. Mex., in place of R. M. McNatt. Incumbent's commission expired March 16, 1931.

NEW YORK

Henry C. Truex to be postmaster at Bayport, N. Y., in place of H. C. Truex. Incumbent's commission expired February 28, 1933.

Vincent Phelps to be postmaster at Briarcliff Manor, N. Y., in place of Vincent Phelps. Incumbent's commission expires March 2, 1933.

NORTH CAROLINA

Jesse L. Riggs to be postmaster at Bayboro, N. C., in place of J. L. Riggs. Incumbent's commission expired February 28, 1933.

Robert C. Ruark to be postmaster at Wilmington, N. C., in place of F. T. Tucker, resigned.

OHIO

Walter L. Peet to be postmaster at Lectonia, Ohio, in place of W. L. Peet. Incumbent's commission expired December 18, 1932.

Will B. Maynard to be postmaster at Olmsted Falls, Ohio, in place of W. B. Maynard. Incumbent's commission expired December 13, 1932.

Russell C. Niles to be postmaster at West Milton, Ohio, in place of R. C. Niles. Incumbent's commission expired January 15, 1933.

OKLAHOMA

Leonidas C. Ross to be postmaster at Tahlequah, Okla., in place of G. F. Benge, deceased.

PENNSYLVANIA

Hulett M. Turner to be postmaster at Towanda, Pa., in place of H. M. Turner. Incumbent's commission expires February 28, 1933.

John S. Butterworth to be postmaster at Wallingford, Pa, in place of J. S. Butterworth. Incumbent's commission expired January 10, 1932.

Helen G. Campbell to be postmaster at Woodville, Pa., in place of E. K. Bedortha, removed.

WEST VIRGINIA

Clifton M. Spangler to be postmaster at Peterstown, W. Va., in place of C. M. Spangler. Incumbent's commission expired January 30, 1933.

Harry E. Ewing to be postmaster at War, W. Va., in place of H. E. Ewing. Incumbent's commission expired December 13, 1932.

WISCONSIN

Fred S. Bell to be postmaster at Mosinee, Wis., in place of F. S. Bell. Incumbent's commission expires March 2, 1933

Milton V. Jones to be postmaster at New Holstein, Wis., in place of M. V. Jones. Incumbent's commission expired February 15, 1933.

Richard A. Hering to be postmaster at Washburn, Wis., in place of Alfred Froseth, resigned.

CONFIRMATIONS

Executive nominations confirmed by the Senate February 28, 1933

COAST GUARD

To be commander

Gordon W. MacLane.

To be lieutenant commanders

Carl H. Hilton.
Joseph S. Rosenthal.
Frank M. Meals.
John W. Kelliher.
Emette B. Smith.
Ben C. Wilcox.
Thomas Y. Awalt.
Alfred C. Richmond.
Walter R. Richards.
Roy L. Raney.
George B. Gelly.
Russell E. Wood.
Clarence H. Peterson.
James A. Hirshfield.

Joseph D. Conway.
Charles W. Lawson.
Frank T. Kenner.
George C. Carlstedt.
John Rountree.
William W. Kenner.
Stephen P. Swicegood.
Henry C. Perkins.
Paul W. Collins.
Charles W. Thomas.
Frank A. Leamy.
John H. Byrd.
Beckwith Jordan.
Charles Etzweiler.

To be lieutenant

Leon H. Morine.

To be ensigns

Alvin H. Giffin. Joe G. Lawrence. James A. Alger, jr. Robert S. Lecky.

PROMOTIONS IN THE NAVY
To be rear admirals

Frederick J. Horne. Alfred W. Johnson.

To be captains

Charles C. Gill. Rufus W. Mathewson. Augustin T. Beauregard. Russell S. Crenshaw.

To be commanders

Robert R. Thompson. Elliott Buckmaster. Walter S. Delany. Emory P. Eldredge. Donald F. Patterson.

To be lieutenant commanders

Thomas W. Mather. Joseph B. Anderson. David H. Clark. Ralph H. Roberts. Valentine H. Schaeffer. Allen D. Brown. Clement B. White.
Albert T. Sprague, jr.
Harry B. Slocum.
Cuthbert A. Griffiths.
James J. Graham.
Ernest H. von Heimburg.

To be lieutenants

William A. Bowers.
Joseph H. Garvin.
Joseph E. Wolowsky.
John N. Opie, 3d.
Aurelius B. Vosseller.
John R. Ruhsenberger.

Alfred J. Bolton.
James W. Smith.
William C. France.
Lester K. Rice.
John W. C. Brand.
Homer B. Wheeler.

To be lieutenants (junior grade)

Gordon F. Duvall. William B. Epps. John B. Webster.

To be assistant dental surgeons

William D. Bryan. Paul M. Carbiener.

To be paymasters

Walter W. Gilmore. Allen H. White. Daniel M. Miller. Alpheus M. Jones. Orlo S. Goff. Noble R. Wade. Robert C. Vasey. Hilton P. Tichenor. Charles W. White. Clifford W. Le Roy. Harry E. Groos. Francis P. Kenny. Arthur M. Bryan. Julian H. Maynard. Marvin C. Roberts.

To be civil engineer

Reuben E. Bakenhus to be a civil engineer.

To be chief gunner

Frederick M. Tobias to be a chief gunner.

To be chief electricians

John L. Peters. Paul R. Reed.

Marine Corps

Edward W. Banker to be an assistant quartermaster. Harold H. Utley to be a lieutenant colonel.

Gilder D. Jackson, jr., to be a major.

Edward T. Peters to be a first lieutenant.

William P. Kelly to be a captain.

William W. Benson to be a first lieutenant.

Eustace R. Smoak to be a second lieutenant.

WITHDRAWAL

Executive nomination withdrawn from the Senate February 28, 1933

POSTMASTER

KANSAS

Fred J. Smith to be postmaster at Galena, in the State of Kansas.

HOUSE OF REPRESENTATIVES

TUESDAY, FEBRUARY 28, 1933

The House met at 11 o'clock a. m.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Heavenly Father, Thou who art supremely just and merciful, continue Thy loving-kindness with us and let us be directed by Thy counsels. Enrich our understanding with wisdom and knowledge. With all diligence may we perform our duties and bear our responsibilities both in public and in private life. Blessed Lord, we thank Thee for the radiance that prevails above us, for all things temporal and spiritual, for the hopes that cheer us, for the hearts that love us, for the brave arms that would defend us, for the best government on earth, and for the countless mercies that daily bless our lives. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Craven, its principal clerk, announced that the Senate had passed a bill, a joint resolution, and a concurrent resolution of the following titles, in which the concurrence of the House is requested:

S. 5571. An act to extend the times for commencing and completing the reconstruction of a railroad bridge across Little River in the State of Arkansas at or near Morris Ferry by the Texarkana & Fort Smith Railway Co.;

S. J. Res. 241. Joint resolution to enable the United States Roanoke Colony Commission to carry out and give effect to certain plans for the comprehensive observance of the three hundred and fiftieth anniversary of the birth of Englishspeaking civilization in America; and

S. Con. Res. 44. Concurrent resolution rescinding the action of the Speaker of the House and the Vice President of the United States in signing the enrolled bill H. R. 14500.

The message also announced that the Senate had passed, with an amendment in which the concurrence of the House is requested, a bill of the following title:

H. R. 14359. An act to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, and acts amendatory thereof and supplementary thereto.

The message also announced that the Vice President had appointed Mr. Shipstead and Mr. Fletcher members of the joint select committee on the part of the Senate as provided for in the act of February 16, 1889, as amended by the act of March 2, 1895, entitled "An act to authorize and provide for the disposition of useless papers in the executive departments," for the disposition of useless papers in the Government Printing Office.

The message also announced that the Senate disagrees to the amendments of the House to the bill (S. 5337) entitled "An act to amend the Federal farm loan act, as amended, to permit loans for additional purposes, to extend the powers of Federal land banks in the making of direct loans, to authorize upon certain terms the reamortization of loans by Federal and joint-stock land banks, and for other purposes," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. Fletcher, Mr. Brookhart, Mr. Steiwer, Mr. Townsend, and Mr. Bark-LEY to be the conferees on the part of the Senate.

The message also announced that the Senate had agreed to the amendments of the House to bills of the Senate of the following titles:

S. 4008. An act to amend article 5 of the act of Congress approved June 7, 1897, relating to the approval of regulations for preventing collisions upon certain harbors, rivers, and inland waters of the United States;

S. 5233. An act to provide for the protection of national military parks, national parks, battlefield sites, national monuments, and miscellaneous memorials under the control of the War Department; and

S. 5469. An act to provide for the creation of the Morristown National Historical Park in the State of New Jersey, and for other purposes.

The message also announced that the Senate had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to a bill of the House of the following title:

H.R. 7716. An act to amend the radio act of 1927, approved February 23, 1927, as amended (U. S. C., Supp. V. title 47, ch. 4), and for other purposes.

The message also announced that the Senate had ordered that the Secretary inform the House that the Senate is ready to receive the managers appointed by the House for the purpose of exhibiting articles of impeachment against Harold Louderback, United States district judge for the northern district of California, agreeably to the notice communicated to the Senate.

CALL OF THE HOUSE

Mr. PURNELL and Mr. STEAGALL rose.

Mr. PURNELL. Mr. Speaker, I have been a Member of this body for 16 years and have never made a point of no quorum. I am leaving Saturday and should like to make one before I go.

Mr. Speaker, I make the point of order there is not a quorum present.

The SPEAKER. Evidently there is not a quorum present. Mr. BANKHEAD. Mr. Speaker, I move a call of the

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll	No.	171]	
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	[Roll	No. 171]	
Arentz	Clancy	Flood	Kemp
Bacon	Connery	Freeman	Kennedy, Md.
Baldridge	Cooke	Fulbright	Knutson
Barbour	Coyle	Gasque	Kurtz
Bloom	Crowther	Golder	Lamneck
Boehne	Crump	Greenwood	Larrabee
Bowman	Curry	Griswold	Lehlbach
Brand, Ga.	Davenport	Haines	Lewis
Britten	De Priest	Hall, Miss.	McDuffle
Brumm	Dickinson	Hancock, N. Y.	Maas
Buchanan	Disney	Hogg, Ind.	Manlove
Campbell, Iowa	Douglas, Ariz.	Hogg, W. Va.	Montague
Carter, Wyo.	Douglass, Mass.	Hornor	Mouser
Cartwright	Doutrich	Hull, William E.	Niedringhaus
Cary	Drane	Igoe	Norton, N. J.
Cavicchia	Driver	Johnson, Ill.	Oliver, Ala.
Chase	Eaton, Colo.	Johnson, Okla.	Owen
Chavez	Erk	Johnson, S. Dak.	
Chindblom	Fishburne	Kelly, Pa.	Pratt, Ruth

Rainey	Smith, Idaho	Underhill	Wolfenden
Reid, Ill.	Sullivan, N. Y.	Wigglesworth	Wright
Sanders, N. Y.	Sullivan, Pa.	Williams, Tex.	Wyant
Schuetz	Summers, Wash.	Wingo	Yates
Sirovich	Sweeney	Wolcott	

The SPEAKER. Three hundred and ten Members have answered to the roll call. A quorum is present.

On motion of Mr. Bankhead, further proceedings under the call were dispensed with.

PERMISSION TO ADDRESS HOUSE

Mr. STEAGALL. Mr. Speaker, I ask unanimous consent to address the House for 15 minutes.

Mr. DARROW. Mr. Speaker, reserving the right to object, I would like to ask unanimous consent to address the House for 10 minutes myself.

The SPEAKER. It is difficult to put both requests at the same time.

Mr. JONES. Mr. Speaker, reserving the right to object, I shall not object to the request of the gentleman from Alabama for 15 minutes, provided no further requests for permission to address the House are made. We are endeavoring to secure action on a very important measure. Unless the agreement can be so limited I shall feel constrained to

Mr. SNELL. Mr. Speaker, will the gentleman yield? Mr. JONES. I yield.

Mr. SNELL. The gentleman from Pennsylvania desires 10 minutes. Is it not fair that he be allowed 10 minutes if the gentleman from Alabama is allowed 15 cr 20 minutes? I am willing that the gentleman from Alabama have time.

Mr. MAPES. Mr. Speaker, reserving the right to object, I would like to balance the time on this side by asking for five minutes myself.

Mr. JONES. Mr. Speaker, I shall not object to the 15 minutes requested by the gentleman from Alabama, but I shall object to any further requests.

Mr. SNELL. If the gentleman takes that attitude it forces us to object to the request of the gentleman from Alabama, and we do not want to do that. I will not ask for any further time if the gentleman from Pennsylvania is allowed 10 minutes and the gentleman from Michigan 5 minutes.

Mr. JONES. Mr. Speaker, I object.

PURCHASE AND SALE OF COTTON

Mr. BANKHEAD. Mr. Speaker, I call up a privileged resolution from the Committee on Rules.

The Clerk read the House resolution, as follows:

House Resolution 397

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of S. 5122, "An act to provide for the purchase and sale of cotton under the supervision of the Secretary of Agriculture."

That after general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Argiculture, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment, the committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and the amendments thereto to final passage without intervening motion, except one motion to recommit. without intervening motion, except one motion to recommit.

Mr. SNELL. Mr. Speaker, I desire to make a point of order against the resolution itself. Shall I make it at this point?

Mr. BANKHEAD. Just a moment. I think it is fair to the House and to the minority that I give notice at this stage, Mr. Speaker, that at the proper time the Committee on Rules will offer the following amendment to the resolution which I ask to be reported.

Mr. SNELL. Mr. Speaker, reserving the right to object, I reserve a point of order on the resolution.

The SPEAKER. Without objection, the Clerk will report the proposed amendment.

There was no objection.

The Clerk read as follows:

Mr. Bankhead offers the following amendment to House Resolution 397: On page 1, line 11, after the period insert the follow-

ing: "It shall be in order to consider the substitute amendment recommended by the Committee on Agriculture now in the bill, and said substitute for the purpose of amendment shall be considered under the 5-minute rule as an original bill."

Mr. HASTINGS. Mr. Speaker, will the bill then be read by sections?

Mr. BANKHEAD. Yes.

Mr. SNELL. Mr. Speaker, I make the point of order, first, that this bill, S. 5122, is not properly on the calendar.

In the first place, the committee was in session after the House had been called to order, and they had not special permission to be in session on that day, after the House was in session.

Furthermore, there was no definite vote taken in the committee reporting out the bill.

In addition, the rule itself is not in proper order, considering the fact that the bill is not properly reported and on the calendar at the present time.

If the Chair will look at Cannon's book of procedure, the Chair will find that this is a regular rule taking up and giving privilege to a bill that is properly on the House Calendar. Had the Committee on Rules desired to take this bill away from the committee and discharge the committee, it should have brought in a different form of rule than is before us at the present time.

Mr. Speaker, I make the point of order that the bill was not properly reported, because the committee was sitting at a time when it had no right to sit; and, furthermore, the bill not being on the calendar at the present time in accordance with the rules and the precedents of the House, the rule itself is not in proper order.

Mr. BANKHEAD. Mr. Speaker, will the gentleman yield for a question?

Mr. SNELL. I yield to the gentleman from Alabama.

Mr. BANKHEAD. Will not the gentleman admit that the Committee on Rules has inherent power in its jurisdiction to report a rule for the consideration of a bill regardless of whether or not it has been regularly reported by a committee?

Mr. SNELL. I say the committee has that authority, but this rule is not in proper shape to do what the committee is undertaking to do at this time.

Mr. BANKHEAD. In what respect, may I ask the gentleman?

Mr. SNELL. Because, as the book on procedure prepared by the gentleman from Missouri [Mr. Cannon] states, a special kind of rule must be presented for the discharge of a committee from the consideration of a bill and bring the bill back to the House. The resolution here presented is to take the bill from the House Calendar, and I make the point of order that it is not properly on the House Calendar and the committee can not bring in a rule of the character of the one presented at this time.

Mr. BANKHEAD. Does the gentleman take the position that it is incumbent upon the Committee on Rules to elect to invoke the discharge rule in order to report out a general provision for the consideration of a bill?

Mr. SNELL. That is not the question. I say to begin with this bill is not properly on the House Calendar. This rule gives privilege to a bill that is supposed to be on the House Calendar properly.

This is the first opportunity we have had to make the point of order against it, and I make the point of order at this time.

Mr. O'CONNOR. Will the gentleman yield?

Mr. SNELL. Certainly.

Mr. O'CONNOR. The gentleman has been referring to Mr. Cannon's book on procedure.

Mr. SNELL. Yes.

Mr. O'CONNOR. Of course, that is not binding on this House.

Mr. SNELL. That is the procedure of this House, whether it is binding or not.

Mr. O'CONNOR. Will the gentleman refer to some rule of the House which would require the Rules Committee to bring in the form of rule which he suggests?

Mr. SNELL. Mr. Speaker Clark said the best rule of this House was the precedents of the House itself.

Mr. O'CONNOR. The Rules Committee in bringing in rules follows the rules of the House.

Mr. SNELL. That does not make any difference, it is up to the Rules Committee to find out whether this bill is properly on the calendar.

Mr. STAFFORD. Will the Chair indulge me just a moment?

The SPEAKER. The Chair will hear the gentleman from Wisconsin.

Mr. STAFFORD. Some years back I took the gentleman from Tennessee, Mr. Houston, off the floor by raising a point of order to a certain prohibition bill on the calendar which he was calling up on the ground that the committee had not formally reported the bill, in that the committee members had been polled rather than in formal committee meeting, and therefore the bill had not been properly reported. The essence of the objection of the minority leader is that this bill has not been properly reported, and the Speaker has the right to inquire into that fact; and if it has not been properly reported, then I contend that the rule is not proper in phraseology because the bill is still in the Committee on Agriculture, and the rule should be to discharge the Committee on Agriculture from its further consideration and bring it before the House at the present time.

Mr. SNELL. Mr. Speaker, there is one further point I wish to bring out, and that is this: At the time this bill was reported from the Committee on Agriculture it had not been transmitted to the House by proper communication from the Senate.

The SPEAKER. As the Chair understands the point of order of the gentleman from New York, it is that the Committee on Agriculture has not reported the bill properly and it is not properly on the calendar, and the second point is that the rule—

Mr. SNELL. Is not in proper form to do what they are trying to do at this time.

The SPEAKER. Yes. With respect to the point that the committee has not properly reported the bill, the Chair does not think it necessary to go back of the rule to determine what is the condition of the bill. The Rules Committee undoubtedly has authority to bring in a rule providing for the consideration of a bill that has never even been referred to a committee; or if it has been referred to the committee, not reported; or if reported, improperly reported.

As to the form of the rule, the resolution says:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of S. 5122, "An act to provide for the purchase and sale of cotton under the supervision of the Secretary of Agriculture."

Then the resolution goes on and lays down the conditions under which the bill shall be considered.

It occurs to the Chair that this form of resolution undoubtedly gives the House the right and the power to consider S. 5122, under the limitations laid down in the resolution. So if the House adopted the resolution, it would make in order the consideration of the bill which is the object of the rule.

The third problem is one that the Chair can not rule upon until the Chair knows the facts, and the Chair would have to make inquiry of the individual member of the Rules Committee whether or not it was properly reported. So far as appears on the face of the resolution, it has been reported by the Rules Committee, but if, indeed, and in fact, it is shown that it was not reported by the Rules Committee, then the Chair will consider that fact in reaching a decision.

Mr. SNELL. Mr. Speaker, may I make a suggestion right here?

Mr. BANKHEAD. Mr. Speaker, in order that we may clarify the issue now pending, does the gentleman from New York challenge the fact that the Rules Committee had a regular meeting for the consideration of this resolution and reported it out in the regular way?

Mr. SNELL. No, I do not; but I claim that the resolution reported here is not in the form to do what the gentleman is contending here he has the right to do. I maintain that the bill itself was not properly on the House Calendar and under the precedents prepared by Mr. Cannon himself there is shown one kind of rule for a bill on the House Calendar and another kind of rule for a bill that is not properly reported and on the House Calendar.

The SPEAKER. The Chair does not understand that the philosophy of that rule could possibly be that the Rules Committee is limited as to the provisions of a rule that suspends all other rules of the House of Representatives. All rules to the contrary, when this resolution is adopted, if it is adopted by the House, it takes the place of all other rules of the House of Representatives inconsistent with its purpose.

Mr. SNELL. The Speaker does not entirely get my point. I claim if they wanted to suspend the rules of the House and consider a bill not properly reported by the committee, they should have drafted a rule in different form from the one now before us.

The SPEAKER. Let us see what the rule says.

Mr. SNELL. I know what the rule says.

The SPEAKER. It says:

Upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union.

For what? For the consideration of S. 5122.

Mr. SNELL. I am not arguing that point with the Chair. I am simply making the point of order that the bill is not properly on the House Calendar, and when a bill is not properly on the House Calendar this rule does not apply to it.

The SPEAKER. Suppose there was not any calendar at

Mr. SNELL. Then you would have to draft a different kind of rule from the one you have now.

Mr. BLANTON. Suppose it was in Phil Campbell's hip pocket?

Mr. SNELL. That does not make any difference, and has nothing to do with the point under discussion.

The SPEAKER. The Chair overrules the point of order.

Mr. SNELL. I am going to appeal from the decision of
the Chair.

The SPEAKER. The gentleman from New York appeals from the decision of the Chair.

Mr. BLANTON. Mr. Speaker, I move to lay the appeal on the table.

The SPEAKER. The question is, Shall the decision of the Chair stand as the judgment of the House?

Mr. SNELL. I withdraw the appeal, as I think perhaps it is a mistake to do it.

Mr. BANKHEAD. Mr. Speaker, I would like to have the attention of the gentleman from Indiana [Mr. Purnell]. Apparently, this is a highly controversial proposition, as indicated by the gentleman.

I would like to ask the gentleman from Indiana if 30 minutes on a side will be agreeable to him?

Mr. PURNELL. That will be satisfactory to this side.

Mr. BANKHEAD. Then I will yield the gentleman from Indiana 30 minutes.

The SPEAKER. Does the gentleman from Alabama wish to offer his amendment at the present time?

Mr. BANKHEAD. Yes. Mr. Speaker, I offer the following amendment.

The Clerk read as follows:

Page 1, line 11, after the period, insert the following: "It shall be in order to consider the substitute committee amendment recommended by the Committee on Agriculture now in the bill, and said substitute for the purpose of amendment shall be considered under the 5-minute rule as an original bill."

Mr. BANKHEAD. Mr. Speaker, as indicated in the colloquy I had with the gentleman from Indiana, in seeking an agreement for time for the discussion of the rule, it is apparent that the merits of this proposition will be highly controversial on the floor of the House.

In order that you may be acquainted with the legislative history of the proposal now pending before the House, you are doubtless aware of the fact that after the House had passed and sent to the Senate the so-called allotment bill, which attempted to provide for the relief of a number of articles of production, it was given full consideration by the Senate Committee on Agriculture, and after such consideration it was decided to be impracticable. The majority of the committee was opposed to the bill but reported the bill out for consideration by the Senate.

Those Members of the Senate who were anxious, if possible, in the closing days of this session, to attempt to give some relief for some articles of the agricultural interests of the country, in their wisdom, unanimously, as I am advised, passed the so-called Smith cotton bill, which, as amended by the House committee, is now presented for your consideration, in the event of the adoption of the rule, and to give the House an opportunity to pass on its merits.

One of the objections that have been lodged against the original House bill was that it made some provision for reimbursement for the Red Cross cotton that has been voted by Congress for relief.

I am glad to report to the House that the Committee on Agriculture, after full consideration, in order to eliminate every objectionable feature, decided to offer an amendment eliminating that feature from the bill.

So the Committee on Agriculture, through the instrumentality of the resolution reported by the Rules Committee, is asking this House to relieve that section of the country where the great staple cotton is the chief money crop, and which is the staff upon which all of our economic structure leans. We propose, gentlemen, to make an earnest—and I trust an effective—appeal to gentlemen from other sections of the country who are not directly interested in the cotton industry.

It would be useless for me to consume one moment of time in this debate calling your attention to the prostrate and hopeless condition of agriculture all over the United States. Wheat, cotton, dairy products, and everything have gone to the very bottom.

It was not considered feasible in the preparation of a cotton bill, which has peculiar qualities to deal with, to incorporate in the pending legislation remedial relief for the wheat producers of this country. If it had been, there is no man from the wheat section or from any industrial section of the country who is familiar with the cordial cooperation that has existed between the agricultural representatives of various sections of the country on this floor but must know in his heart that those features would have been incorporated in this bill. I fear, at least I have heard rumors to that effect, that some of you gentlemen representing the wheat sections of the country feel that you are not justified in supporting this cotton bill because it might have a semblance of abandonment by the cotton people of the interests of the wheat growers of the West, but in view of the supreme importance of this proposition to the people down in my section of the country, from Virginia all the way to California, I want you gentlemen to bear in mind that this is the last chance we are going to have to make an appeal to you for relief of the cotton industry, because we are now planting the crop in some sections of the country. That feature does not apply particularly to the wheat situation. Before you make up your minds to vote against this rule for the consideration of this bill, or against the bill upon its merits, I want you gentlemen to consider, if you are satisfied that this bill does offer some substantial aid to the cotton growers, whether it will not in the long range work to the advantage of every other section of the country to help us begin in one section of the country and with one great commodity, to rehabilitate the agriculture in this country, because you gentlemen from the other sections will derive an immediate and substantial benefit from it. Some of you are not familiar with the enormous quantity of wheat products consumed by the people of the cotton-growing section of the country not only for food but for livestock and other

purposes, and if you will give the cotton growers, as this bill will, this opportunity, I feel that it will in the end surely inure to the benefit of all. This will not cost the Government any appreciable amount of money. It will give the cotton people of the country an opportunity to cut down their cotton production by over 2,000,000 bales this year, and that will in itself, I think, send the price of cotton up from 2 to 3 cents a pound, and the immediate effect will be with our people, who consume your products, to give them a purchasing power to buy your products. That is logical and it is based on the actual facts.

Mr. MAPES. Mr. Speaker, will the gentleman yield?

Mr. BANKHEAD. In a moment. I shall not take the time to go into the details of the bill, for they will be presented by the Committee on Agriculture and possibly by some other gentleman from the Committee on Rules. I think this is not a sectional bill. In view of the universal calamity that is being visited upon our people, of all times in the history of the Republic, God knows this is the time when there should be no single vestige anywhere of any sectional or partisan consideration in bills presented for the relief of our people. I appeal to gentlemen, even if you may have had some temporary notions on this question that this bill may adversely affect your interests, before you decide that think the thing through to the end and see the importance and the logic of cooperating with us in the passage of this bill. [Applause.]

I reserve the remainder of my time.

Mr. PURNELL. Mr. Speaker, I yield myself 10 minutes. I regret exceedingly to find myself in disagreement with my colleagues who represent the cotton producers. I have been a Member of this House for 16 years. Most of that time has been spent as a member of the Committee on Agriculture. I never have yet regarded the agricultural question as either sectional or political, and I do not so regard it now. An examination of the record votes of this House over a period of years will disclose the fact that members of the Committee on Agriculture on the Republican side of this House have voted just as often as those who sit on the Democratic side for legislation calculated to help the people of the South. I think the meanest letter I have received during my service in this House came from some dear old gentleman in my district—perhaps he was a Union veteran—who took me to task because I had sponsored a bill intended to help the farmers down South. I said to him, and I repeat, I am just as anxious to help the producers down South as I am those who live within a mile of my own front door; for certainly we can have no such thing as permanent prosperity in the country until the buying power of our farmers is restored to all sections and all branches of agriculture. My position, therefore, is neither sectional nor political, but rather, I am speaking in the interest of the farmers themselves who live down South and produce the cotton.

Let us see what is involved in this measure and what it proposes to do. First of all, it proposes to set up a new governmental board, a cotton board within the Department of Agriculture, which, under the terms of this bill, will be directed to purchase from the Secretary of Agriculture, from the Farm Board, and from other agricultural agencies, something in the neighborhood of 3,000,000 bales of cotton which are now held by these various agencies. The new cotton board to be set up will also, under the terms of the bill, be authorized to acquire cotton which we gave to the National Red Cross. With title to this cotton vested in the newly created cotton board, the bill directs that they shall set about making agreements with producers of cotton whereby they shall sell to these cotton producers, through options to purchase, an amount of cotton equal to the amount which they reduce their production, not less than 30 per cent of the amount produced in the previous year. No money is to be paid by the farmer.

Upon signing an agreement to reduce his production not less than 30 per cent, he is given a nonnegotiable option by the Secretary of Agriculture to purchase a certain number of bales of cotton equivalent to the amount which he reduces his production. If the price of those options ad-

vance, the producer gets the profit. If it declines, the Federal Treasury, of course, stands the loss. In other words, this is a very clear case of—heads the producers win and tails the Government loses.

Now, what are some of the outstanding objections to this bill?

Mr. BANKHEAD. Will the gentleman yield.

Mr. PURNELL. Pardon me.

Mr. BANKHEAD. I will yield to the gentleman such time as I may take.

Mr. PURNELL. Very well.

Mr. BANKHEAD. If this bill is not passed, and the price falls, will not the Government lose just the same?

Mr. PURNELL. That is true. The gentleman is correct about that for the simple reason the Government is already holding the bag.

Now, in the beginning I referred to the harmonious feeling that has existed between the various agricultural groups of the United States through all these years. My preliminary objection, my principal objection, I may say, to this measure lies in the fact that from all the agricultural commodities of the country that are in distress and deserve relief before we adjourn, just one commodity has been selected for consideration, leaving the rest of the commodities of the United States to work out their own salvation. If this is a forerunner of the attitude that is going to be taken toward agriculture generally in the next Congress, I want to say, in the kindliest spirit, that the outlook is not bright for a continuation of that fine spirit of cooperation which has existed among all sections of the country in the earnest effort that has been made throughout these many years to put our great basic industry permanently on its feet.

I suppose something should be said about the number of bales of cotton that are now held by these various groups. Later on, during the hour given for general debate and under the 5-minute rule, those facts will be brought out, but it is very pertinent to say at this point that no hearings were held on this bill by the Committee on Agriculture. We had one or two executive sessions at which the author of this bill from the other body came before us and explained its provisions. Nobody knows how much it will cost; in fact, all we know—and that we had to secure individually from the Department of Agriculture—is the number of bales held by these different Federal agencies who have made loans upon the cotton which they hold.

I want to come to another point. The air still resounds with cries of Democratic and Republican speakers in the last campaign, and I was one of them, who spoke against a continuation of stabilization operations by the Federal Government. I voted for the agricultural marketing act. I helped write it, line by line, as did many other members of our committee. Together we put into it its stabilization provisions, but we have found, long since, that that which we sought to accomplish was not fully accomplished. I introduced a bill early in this session to strike from the agricultural marketing act the stabilization section, but up to date I have not been able to get consideration of the bill.

Here you are not only setting up another board but you are continuing the stabilization operations of the Federal Government. Instead of plunging the Government further into business we ought to take the Government out of business wherever we can. We should not be setting up new boards and new commissions. We should not be giving them new powers that will continue indefinitely these stabilization operations.

Further, I want to say that this bill would put the American farmer into the gambling business. His business has always been a gamble. He has to gamble against the weather, he has to gamble against all natural elements, but now you seek to give him a ring-side seat in a bucket shop by having the Secretary of Agriculture present him with an option to purchase cotton as an inducement to bring about acreage reduction.

I am not sure that I understand the interest of the proponents of this bill who come from the eastern districts.

from Indiana [Mr. Purnell] has expired.

Mr. PURNELL. Mr. Speaker, I yield myself three additional minutes.

This, to my mind, is just as much a spinner's bill as it is a cotton producer's bill, and I am frank to say I do not fully understand this strange alliance that has grown up in the House in the last few days between the producers of cotton and the textile industry of the East. I may be entirely wrong. I have no cotton spinners in my section of the country and am therefore not familiar with the industry, but I have always proceeded upon the assumption that they desire to buy cotton at the lowest possible price. I may be wrong. The purpose of this legislation, the purpose of every agricultural bill which has had my support in this House, has been to increase to the producers of this country the price which they receive for the products of their soil and their toil.

It seems to me that if through the operation of this cotton board we are to increase the price of cotton, then we ought not find linked with them in that effort those who spin cotton in the textile mills of the East.

Mr. FULMER. Will the gentleman yield? Mr. PURNELL. Not just now. I only have a minute or

I regret to say we had no hearings in the committee. I regret that we are handicapped by lack of information. Nobody knows what is involved in dollars and cents. About all we know is that there are in the neighborhood of 3,000,-000 bales of cotton which will be turned over to this cotton board to be sold back to the farmers.

I trust you will give serious consideration to this proposal before you go on record as singling out one agricultural commodity, here at the close of a session of Congress, with attendant notice to the other producers of the United States that you are incompetent to legislate for everything else except this one commodity which you yourselves raise. [Applause.]

The SPEAKER pro tempore. The time of the gentleman from Indiana has again expired.

Mr. BANKHEAD. Mr. Speaker, I yield five minutes to the gentleman from New York [Mr. O'CONNOR].

Mr. O'CONNOR. Mr. Speaker, it was with pleasure that I moved to vote this rule out of the Committee on Rules. I did it for this reason, that I was offended at what was apparent in the opposition to this bill. If there is anything more objectionable in a parliamentary body, and especially to the people of this country, than logrolling, I do not know what it is.

I am wondering whether the gentleman from Indiana would have attacked the provision in this bill as to cotton if wheat were included. Now, when you get down to brass tacks, I fear that 99 per cent of the opposition to this bill is because wheat was not included. I voted for the allotment plan. I would have liked to see enacted a bill in accordance with the allotment plan, taking care of cotton, wheat, tobacco, and possibly some other products. We know now that that is impossible in this session. We also know that to take care of the present crop of cotton we must do something in this session, because if it goes over until the special session it will be too late.

I regret some of the remarks that were made by Members from the wheat district when we were passing the bill to give wheat to the poor through the Red Cross. Why, certain Members from the great industrial East have been supporting for years all these bills for the relief of the agricultural sections of the country. We are interested in taking care of every one of your crops. We are interested in raising the price of the basic commodities of this country, and we make no distinction between your crops.

Let me say that even if you help only one crop, you help every section of the country. If you take one crop at a time, you will do something to relieve distress in this country.

I regretted some of the remarks that were made by Members from the wheat-growing sections opposing the bill for

The SPEAKER pro tempore. The time of the gentleman | the distribution of cotton through the Red Cross. I thought I saw then some sectional feeling, some jealousy, some logrolling, which is, to my mind, the most objectionable thing in this body.

We in the East are anxious to help cotton. We in the East are anxious to help wheat. We are anxious to help

The adoption of the method provided in this bill does not cost the Government one cent of money. True, it creates a board, an unpaid board, not a permanent bureaucracy, to which I am as much opposed as any other gentleman speaking here to-day.

Now, let us forget party lines and logrolling in this distressful time. Mr. Speaker, if we help the banks in one State to-day, would it not help the situation in all States? The other day we passed a bill to relieve the banking situation in Michigan. For 60 years you have been helping industry in New England through a protective tariff. Did you hesitate to do it? Let me suggest to this House that we should forget sectionalism in this distressful time, unprecedented in our history. Right now there is neither North nor South nor East nor West. Let us get behind this bill. Let us take care of cotton now, and in due time we will take care of wheat and the other commodities. [Applause.]

[Here the gavel fell.]

Mr. PURNELL. Mr. Speaker, I yield five minutes to the gentleman from New York [Mr. SNELL].

Mr. SNELL. Mr. Speaker, I am not approaching this bill from either a partisan or sectional position.

I am opposed to the principle that is embodied in the bill

I listened very intently to the speech made by the gentleman from Alabama [Mr. BANKHEAD]. I am entirely in accord with a great many of the general propositions he put forth; but if you followed his entire speech, you will notice he kept away from the main principle embodied in the bill itself, for that is embarrassing,

This bill is simply a stabilization bill, and every man on the floor of this House who thinks, who knows the provisions of the bill and has studied them, knows that that is what this bill is.

In the last few days I have had a great many meetings with high grade, intelligent men, business men, men who are in favor of this bill. They came from both the North and the South. I asked this question of every single body of men that came in to talk with me: "Are you gentlemen in favor of the Government trying to stabilize the prices of agricultural products?" The unanimous response was: "We are not in favor of that principle." Notwithstanding that, they asked us to stabilize the price of the one commodity that they are specially interested in.

In order to consider this bill properly we must recall a little of the history that went before it. The Members of the House well remember that about two weeks ago a measure was brought onto the floor of the House to give to the Red Cross 329,000 bales of cotton for the distinct purpose of getting the Government out of the cotton business. That was the position taken by the chairman of the Committee on Agriculture. I had a little controversy with him at that time, and I finally decided that if we could get the Government out of business and stop the stabilization for which you people more than anyone else have condemned the present administration and its Farm Board for attempting, I was willing to grant that that cotton should be given to the Red Cross. As a matter of fact, there was no other real reason at that time to give that cotton away, because the Red Cross had over 200,000 bales of cotton on hand that day, and they have at the present time in the vicinity of 200,000 bales of last year's cotton. I want to be fair; some of that has been allocated, but they still have it on hand.

Mr. KELLER. Unused?

Mr. SNELL. I can not yield at the present time.

What does this bill do? It sets up another governmental board to do exactly the same thing for which you have condemned the Farm Board all this time, and there is no reason in this world why we should again start into the stabilization game unless you believe in that principle. That is the principle which is involved in this bill. If you pass this bill, you will be putting the Government right back into business, and the country as a whole is against putting the Government back in the cotton business.

Mr. BANKHEAD. Mr. Speaker, will the gentleman yield? Mr. SNELL. Not unless the gentleman will yield me some more time.

[Here the gavel fell.]

Mr. SNELL. Will the gentleman from Indiana yield me two more minutes?

Mr. PURNELL. Mr. Speaker, I yield two additional minutes to the gentleman from New York.

Mr. SNELL. We passed the seed loan bill, and one of the reasons advanced for the necessity of its passage was that of forcing a decrease in the cotton acreage next year. Notwithstanding that, we find that the Reconstruction Finance Corporation is lending money in unlimited sums to increase cotton production. These gentlemen who came to me said that the cotton production next year will be 10 per cent more than it was last year.

I claim that it is absolutely criminal for an agency of the Government to lend money to increase cotton production this year and then force us to appropriate money to buy up the surplus thus produced. The whole question involved here is whether we are going to continue this vicious circle of lending money to increase crops one day and then the next bring in a proposal to buy back surplus created the day before. Such action is absolutely indefensible.

This is the reason I am opposing this bill. I regret that cotton happens to be the subject under consideration; but I would oppose it no matter to what product it applied, because the country has unmistakably said it was opposed to stabilization on the part of the Federal Government, and every one of the proponents of this bill who came to my office has made the same statement to me.

I tell you, Mr. Speaker, this is a bankers' bill and a spinners' bill more than it is a bill in the interest of the producers of cotton, the great industry of the South. These men are interested more in themselves than they are in the general welfare of the United States.

I am in favor of doing something for agriculture, but this bill does not start it in the right way. I maintain we ought not embark the Government upon another stabilization game as is proposed here at this time.

Mr. BANKHEAD. Mr. Speaker, I yield five minutes to the gentleman from Georgia [Mr. Cox].

Mr. COX. Mr. Speaker, I regret that my devoted friend from Indiana raised the sectional question in the consideration of this rule. Speaking for the cotton people, I may say to you who come from the wheat-growing sections, with large dairying interests and other agricultural crops, and so forth, that if this bill should pass, you will not lose the sympathetic concern and cooperation of the cotton people represented by Members of this House. The dairying people, the wheat people, and others may write just such legislation as they believe will take care of their needs. I propose to follow them in the main in the treatment of their problems.

It happens, Mr. Speaker, that cotton is the one commodity that is in such position as to make it possible to apply to it the principle which is set forth in the bill that you are invited to consider. Let me say to you that when the measure was under consideration in the Senate the wheat people were invited to make such suggestions and such changes in the bill as would make the principle apply to that crop, and they found it to be impossible.

The opposition to this bill and to the adoption of this rule has undertaken to capitalize the prejudice that exists against the Farm Board. They have made the argument that this is another stabilization operation. They have contended that it is directly against the findings and the recommendations made by the Shannon committee. Mr. Speaker, I speak in greatest sincerity; I have no disposition in the

world to undertake to mislead, even in the interest of the adoption of this rule and the passage of the bill. This is not a stabilization operation. This is not something you are invited to do that is contrary to the recommendations of the Shannon committee.

Mr. SNELL. Will the gentleman yield for a question? Mr. COX. Yes. The effect of the adoption of this rule will be to take the Government out of the cotton business and the Farm Board out of all stabilization practices.

Mr. SNELL. I can not understand the gentleman's statement when he says this takes us out of the stabilization game. It puts us right back into the stabilization game, and we buy over 3,000,000 bales of cotton and put up over \$27,000,000 immediately.

Mr. COX. Mr. Speaker, the purpose of the legislation is not to stabilize price. The cotton people are doomed if the price is stabilized at present levels. You wheat people talk to me about stabilizing the price of wheat at present prices what chance has the grower to ever come back? You talk to me about stabilizing the price of hogs on present price levels-does it not mean the absolute insolvency of the people who till the soil in an endeavor to live? As it is with the wheat people, the dairy and hog people, and all others of the great West and in the other great stretches of this country, so it is with cotton. To stabilize the price of cotton at 6 cents per pound when it costs the grower from 10 to 12 cents to make it even at the present labor costs. would be to destroy the industry. It is the hope of bettering their condition that makes people hold on and continue to strive in these times of stress.

[Here the gavel fell.]

Mr. BANKHEAD. Mr. Speaker, I yield the gentleman two additional minutes.

Mr. COX. Mr. Speaker, the purpose of the legislation is to stimulate price, and the bill can have no possible benefit to the cotton grower unless the price is elevated. You can understand this.

On August 1 next we will be facing a two-year supply of American cotton, a 13,000,000-bale carry-over, with a new crop which we will then commence to market.

I say to you that the hope of the legislation and the purpose of the legislation is to cut down production a step toward evening up production with consumptive demand; and unless something be done to lower production—listen to me and mark what I say-unless something be done to lower production, cotton, instead of hanging around 6 cents per pound, will certainly go to 4 cents; and remember the argument of my friend from Indiana, the falling of price on the holdings of the Government means further loss to the Government. The Government can not lose holding the price where it is or as a result of the taking over of the cotton as proposed in the bill; the Government can not possibly lose one penny more than it has already sustained in the stabilization operations.

Mind you, if the loss of the Government is to stand where it is and is not to be increased by many millions of dollars, cotton must not only be held at present price levels but the price must be elevated in order to take care of overhead.

This is the situation, Mr. Speaker. The effort is to cut down production, and I appeal to the people from the West, do not strike down this effort to aid cotton simply because the situation happens to be such that it is impossible for you to be treated in the same manner as we are endeavoring to treat cotton. The cotton people propose to stand with you and go along with you, continuing to cooperate with you as has been the case in the past, and I do appeal to you to lend a willing hand and assist in the adoption of this rule and in the passage of the bill. [Applause.]

Mr. PURNELL. Mr. Speaker, I yield five minutes to the gentleman from Illinois [Mr. ADKINS].

Mr. ADKINS. Mr. Speaker, I did not expect to be opposed to this rule; in fact, as I usually do, I vote for anything our cotton people want. I joined with them, with what little influence I had, to perfect this bill, but a good deal has been said here now about relieving other sections of the

country and the condition with respect to other commodi-

At that time we anticipated at least that something would be done for some other commodities. I remember very well when they brought up the idea of taking the surplus wheat and feeding it to the poor people of the country. Sectional or not, we had to add on some cotton to give them a cotton dress. I think we have already contributed about 800,000 bales of cotton, and any man who knew anything about marketing knew it would not affect the price of either wheat or cotton, and this has proven true.

Now, in this instance we come along with this proposition and we do what? We intend to help the cotton farmer, but bear in mind you are going into the Reconstruction Finance Corporation to borrow the money to buy the cotton and relieve the fellows who have money loaned on the

It is a questionable proposition whether it will help the cotton farmer. You are giving him an option on the amount that would be produced on the land that he does not plant. It is questionable how much that will produce. If the price rises, the farmer gets the benefit on cotton that he did not put a nickel into; and if the price declines and an expense occurs against the cotton in storage, Uncle Sam pays the bill and the farmer is not liable.

I want to remind you cotton farmers that if you had included a provision for a corn board and surplus and given the farmers an option on every acre that he kept out of production on the number of bushels of corn that would be produced and insured him against loss, we could go back home and face the Western farmers and say we have done as much for you as we did for the cotton farmer.

But if we do this, we go back and say that we have made an attempt, and if it did not help the cotton farmer it will help the money lenders. Now, one more thing. Our farmers in the grain belt are having meetings now urging Congress to compel gasoline people to put 10 per cent corn alcohol into gasoline, and what do we find? We can get no hearings. Nobody is going to consider it. A lot of these fellows who have got land leases for oil say they do not know how they can help the corn farmer as they would get into trouble with the oil farmer.

You talk about sectionalism. I do not think that any man can accuse me of being sectional, but a fellow gets pretty tired of helping one section of the country, and then when it comes to making a proposition to help the other section in the great Middle West, to have it entirely ignored. If we took up the matter with corn and wheat and left cotton out entirely, not one of you would like it. If we had brought in a similar bill for corn, reduced the acreage, and given the corn farmer an option on the amount of corn this idle land would produce and pay him the increased price, if any, and the Federal Government pay the loss, if any, I do not think we would get many votes for such a bill from the cotton-growing States.

[Here the gavel fell.]

Mr. BANKHEAD. Mr. Speaker, I yield three minutes to the gentleman from North Carolina [Mr. Pov].

Mr. POU. Mr. Speaker, what are the outstanding features of this proposition? Let us not forget them. First, we are largely dealing with cotton already owned by the Government or by the Red Cross. Secondly, it is an ingenious proposal which will probably cost the Government of the United States nothing. Third, it injures no other commodity under the shining sun. It will not depress the market price of any other basic commodity but may indirectly tend to advance such price. In the fourth place, without injuring anybody else and without costing the Government anything, it will be of tremendous benefit to all farmers engaged in cotton production.

Why oppose it, gentlemen? Why strike at such a proposal? Is it because some other commodity is not included? We stand ready to help you who are interested in other commodities whenever you come with a similar proposal which will be helpful, which will injure nobody and cost the

Government nothing. I submit, Mr. Speaker, that I can not comprehend the basis of opposition to such a measure as this. All we can do is to appeal to your sense of fairness, yes, to your generosity, in behalf of these people who are ground down as they never have been before; we beg of you at least give us a chance to help them when it is admitted such help can be extended with little expense and absolutely without injury to other producers. [Applause.]

Mr. PURNELL. Mr. Speaker, I yield the remainder of my time to the gentleman from Michigan [Mr. MICHENER].

Mr. MICHENER. Mr. Speaker, I am opposed to this bill, not because it deals solely with cotton. I am opposed to it, first, because it creates another board with unlimited powers. My good friend, the gentleman from North Carolina [Mr. Pou], has said that this is an ingenious proposition which, in all probability, will cost no one anything, but at the same time will be of great benefit to the farmer, so far as cotton is concerned. It may be ingenious, but the principle has been discredited. This bill lifts bodily from the farm marketing act the very provision to which many of us object, the one provision which has been criticized throughout the length and breadth of the land, and that is the stabilization feature. You can not help agriculture by ingenious methods of this type that are going to cost no one anything. It just can not be done. This is another one of these panaceas. It will cost the Government, if it is of any particular value. Can we stabilize? Should we stabilize? Possibly under certain conditions we can stabilize, but, as has been said here to-day, the American people are absolutely and diametrically opposed to any attempt to stabilize which brings about the things which happened under the farm marketing act, and this bill can do nothing, proposes to do nothing but to do that very stabilization act.

Our motto should be to put the Government out of business and not to put the Government into business. It is ridiculous to talk about eliminating positions and the very next day to create more positions. The farm marketing act is unpopular. While it has some very good features, the American people as a whole have not reacted to it, and why should we amplify in this act the objectionable features of an unpopular piece of legislation?

Under this bill this new board of six members is to be composed of persons qualified and experienced in the sale and marketing of cotton. This same type of men have operated under the Farm Board act, and by reason of their operation the Government to-day holds millions of bales of cotton. This stabilization business is responsible for the cotton and the wheat which the Farm Board has, and we must take notice of the shortcomings in that act.

The farmer has had enough experience in gambling, but here we are not only encouraging but insisting upon him doing more gambling. He might win, but the chances are that the Federal Treasury would lose; and I am sure that the farmer coming from that section of the country where general agriculture is indulged in will be opposed to any legislation that attempts to deal with any group or class or bloc of agriculture unless it can be shown that such action will be beneficial to the whole.

I have not studied the details of this bill, of course, and no one has studied the details. It is true that the chairman of the Committee on Agriculture came before the Committee on Rules and asked for this rule. I had a feeling, when he talked to us, that he was asking for this rule with his fingers crossed. I think Chairman Jones has agriculture at heart. I think he thinks of the wheat farmer and of the cotton farmer. I just had a feeling that he was there doing the bidding of possibly a majority of his committee, and not a large majority at that, when he was asking us to pass this kind of legislation, which might have a tendency to bring about sectional feeling in the country so far as agriculture is concerned. I have stood with you cotton people, and you know it. I have stood with the South up and down here. I have tried to get away from politics; I have tried to get away from sectionalism, and that is the thing that we must do

best informed on the Agricultural Committee will not wholeheartedly support? [Applause.]

This is no time at this late hour in the session to bring so controversial a matter before the House. The country will resent an effort to deal with one commodity only. The new Congress will, I hope, meet in special session within a few days after March 4. The President elect has promised agriculture a definite program of relief and we are all anxiously waiting to find out just what that program is, and I am sure that regardless of political affiliations we all want to lend our aid to anything that will help that program. An amplification of the principles and advocacy of the stabilization practiced under the Farm Board act will not materially help agriculture or cotton as one factor in the problem.

Let it be remembered that this bill is being sponsored by certain bankers, by certain cotton spinners, as well as cotton growers. The spinner or the producer of the raw material, who wants to buy cheap material, and the farmer who must sell to the spinner and who wants a higher price for his raw material, are strange bedfellows. The money lender, who possibly has a lien on some of this Farm Board cotton, is interested in the provisions which might bring assistance to him through the Reconstruction Finance Corporation. The above alliance will probably pass the bill, but let no wheat farmer or corn farmer or general farmer be deceived. If this bill is of any benefit it will discriminate against all agriculture excepting the cotton grower, and it will require subsidy from the Federal Treasury before it can be of any assistance to anybody. Let us vote against this proposition and thereby require general farm relief at an early stage in the new Congress.

Mr. BANKHEAD. Mr. Speaker, before yielding the remainder of the time at my disposal to the gentleman from Texas [Mr. Jones], the chairman of the Committee on Agriculture, I hope that Members on the floor will listen to him because I am sure that he can clear up, absolutely, some misconstructions that have been placed on the features of this bill by some of the speakers who are opposed to it.

I yield the remainder of my time to the gentleman from Texas [Mr. Jones].

Mr. JONES. Mr. Speaker and gentlemen of the House, I hope no one will feel that there is any desire upon the part of anyone to present a bill that is in any way sectional. It so happens that the district which I represent produces comparatively far more wheat than cotton, and is as much interested in cattle, perhaps, as in either of these commodities. Assuredly, I can not be charged with trying to favor one commodity.

It so happens that this is the only commodity which is already pooled, on which the Government has loans beyond its value, and which may be made to serve a useful purpose without risking any money. Regardless of the condition as to the other commodities, will your interest be promoted if you deny a benefit to the people who are producing one great commodity, even though it would not affect the other commodities? As a matter of fact, it would beneficially affect the other commodities if this bill serves the purpose that is intended. I think, perhaps, it will not serve as great a purpose as some think, but that it would serve a useful purpose can not be doubted. The gentleman from New York refers to this as a stabilization program.

The gentleman from New York thinks he is right, as he always does, but as a matter of fact he is wrong, as he frequently is. This is not a stabilization program. That has been finished. These commodities are commodities on which the Government already has loans through the cooperatives and through the collateral program in the Department of Agriculture.

I am not foolish enough to offer this as a cure all. But cotton is essentially a world commodity. It is the one major commodity that can not, anywhere, at anytime, receive any direct advantage of any kind from the tariff. You have noted what a difference in price is caused by a change of a few hundred thousand bales in estimates as to the

here; so why bring a proposition of this kind, which those | amount of the production in this crop made by the Department of Agriculture.

> This bill provides for a reduction of production by contracting with the farmer that in so far as he reduces his cotton baleage, he will be given an interest in this poolnot given the cotton, but given an interest in any profits in the cotton.

> Frankly I do not know what the final results of the bill will be. But I do know that if in this method the production of cotton can be reduced by 2,000,000 or more bales, as claimed by its author, such reduction would have a vast beneficial effect on the price.

> If the Government undertook to dump this cotton on the market now it would break the market tremendously, and entail a big loss to the Government. On the other hand, if it holds it indefinitely, it would be a continuing weight on the market, with production coming up in the cotton regions; so that the double program would be there. On the other hand, if this bill operates as its proponents hope it will, it will reduce that production and get the Government away from the cotton. It must be sold, under the terms of this bill, within two years, whereas with the Government holding loans against it, it may be held indefinitely. If you vote down this bill the Government will have the cotton on its hands, whereas if you pass the bill this cotton must be fed into the market within the months I named.

Mr. SNELL. Will the gentleman yield? Mr. JONES. I yield.

Mr. SNELL. Did the gentleman not advocate before the House a few weeks ago that we should give the cotton that we owned to the Red Cross, in order to get the Government out of the stabilization cotton business?

Mr. JONES. Yes, sir; and I will stand on that statement, and if we had any more cotton in the Stabilization Corporation I would have included it, and I included every bale that it then had.

Gentlemen, I am pleading with you for an industry that is prostrate. I want you to look beyond the mechanics of this thing, to the man who is drawing the cotton sack down yonder under the blazing September sky. This will do no one any harm. It will cost the Government nothing and may do the cotton grower considerable good. [Applause.]

Mr. BANKHEAD. Mr. Speaker, I move the previous question on the amendment to the rule.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the amendment offered by the gentleman from Alabama [Mr. BANKHEAD | to the resolution.

The amendment was agreed to.

Mr. BANKHEAD. Mr. Speaker, I move the previous question on the resolution as amended.

The previous question was ordered.

The SPEAKER pro tempore. The question is on agreeing to the resolution as amended.

Mr. BANKHEAD. Mr. Speaker, I demand the yeas and

The yeas and nays were ordered.

The question was taken; and there were-yeas 193, nays 179, not voting 54, as follows:

> [Roll No. 1721 YEAS-193

Abernethy Aldrich Allgood Brunner Bulwinkle Burch Almon Busby Canfield Andrew, Mass. Arentz Cannon Arnold Carden Auf der Heide Bacharach Carley Cartwright Cary Castellow Celler Bankhead Barbour Barton Beam Beedy Black Chapman Chavez Clark, N. C. Cole, Md. Collier Bland Blanton Boland Collins Condon Briggs Connery Cooper, Tenn.

Cox Coyle Cross Crowe Crowther Crump Cullen Davis, Tenn. Delaney DeRouen Dickinson Dickstein Disney Dominick Doughton

Douglass, Mass.

Doxey

Drewry

Corning

Eagle Eaton, N. J. **Ellzey Eslick** Estep Evans, Mont. Fernandez Fishburne Fitzpatrick Flannagan Fuller Fulmer Gambrill Gasque Gifford Gilbert Glover Goldsborough Granfield Greenwood

Gregory -Hancock, N. C. Hare Hartley Hastings Hill, Ala. Hill, Wash. Holmes Houston, Del. Huddleston Hull, Morton D. Jeffers Johnson, Okla. Johnson, Tex. Keller Kemp Kerr Kleberg Lambeth Lanham Lankford, Ga. Larrabee Larsen Lea Leavitt Lichtenwalner Lindsay

Lovette Lozier McCormack McDuffie McKeown McMillan McReynolds McSwain Major Maloney Mansfield Martin, Mass. May Mead Miller Mitchell Mobley Montet Moore, Ky. Nelson, Mo. O'Connor Oliver, Ala. Oliver, N. Y. Overton Parker, Ga. Parker, N. Y. Parks Parsons

Patman Patterson Perkins Pettengill Pou Prall Ragon Rainey Ramspeck Rankin Rayburn Reid, Ill. Reilly Rogers, Mass. Rogers, N. H. Romiue Rudd Sabath Sanders, Tex. Sandlin Schafer Seger Seiberling Smith, Va. Smith, W. Va. Somers, N. Y. Spence

Sumners, Tex. Sutphin Swank Tarver Taylor, Colo. Taylor, Tenn. Thomason Tierney Underwood Vinson, Ga. Vinson, Ky. Warren Weaver West Whittington Wigglesworth Williams, Mo. Wilson Wolverton Wood, Ga. Woodrum Wright

NAVS-179

Steagall

Kennedy, Md. Kennedy, N. Y. Adkins Allen Englebright Robinson Sanders, N. Y. Evans, Calif. Schuetz Amlie Ketcham Kinzer Kniffin Selvig Shallenberger Fiesinger Andrews, N. Y. Finley Ayres Bachmann Fish Knutson Shott Kopp Shreve Foss Bacon Baldrige Kurtz Kvale Frear Simmons Sinclair Snell Free LaGuardia French Beck Biddle Lambertson Lamneck Snow Sparks Gavagan Boehne Lankford, Va Stafford Bohn Boileau Gibson Gilchrist Stalker Lonergan Stewart Stokes Bolton Gillen Loofbourow Brand, Ohio Strong, Pa. Griffin Ludlow Britten McClintock, Ohio Stull Griswold Summers, Wash. McFadden Buckbee Guver Hadley Haines Burdick McGugin Swanson McLeod Sweeney Burtness Cable Campbell, Pa. Hall, Ill. Hall, N. Dak Magrady Manlove Swick Swing Carter, Calif. Carter, Wyo. Chiperfield Hancock, N. Y. Mapes Michener Taber Hardy Millard Thatcher Hart Moore, Ohio Morehead Christgau Christopherson Haugen Hawley Thurston Timberlake Murphy Nelson, Me. Nelson, Wis. Clague Hess Tinkham Hoch Treadway Hogg, Ind. Holaday Hollister Clarke, N. Y. Turpin Cochran, Mo. Cochran, Pa. Nolan Norton, Nebr. Wason Watson Hooper Hope Hopkins Cole, Iowa Colton Weeks Welch Norton, N. J. Partridge Connolly Peavey Person Pittenger White Cooper, Ohio Horr Howard Whitley Williamson Crail Crosser Culkin Jacobsen Jenkins Polk Withrow Wolcott Pratt, Ruth Johnson, Mo. Johnson, Wash. Darrow Davis, Pa. Purnell Ramseyer Wolfenden Woodruff Ransley Dowell Kading Wyant Reed, N. Y. Rich Dyer Eaton, Colo. Kahn Kelly, Ill.

NOT VOTING-54

Bloom Douglas, Ariz. Doutrich Bowman Brand, Ga. Drane Byrns Freeman Campbell, Iowa Fulbright Cavicchia Golder Hall, Miss. Harlan Hogg, W. Va. Hornor Hull, William E. Chindblom Cooke Curry Davenport De Priest

Johnson, Ill. Johnson, S. Dak. Kelly, Pa. Lehlbach Lewis McClintic, Okla. Maas Martin, Oreg. Milligan Montague Mouser Niedringhaus

Palmisano Pratt, Harcourt J. Schneider Sirovich Smith, Idaho Strong, Kans. Sullivan, N. Y. Sullivan, Pa. Underhill Williams, Tex. Wood, Ind.

So the resolution as amended was agreed to. The Clerk announced the following pairs: On this vote:

Mr. Drane (for) with Mr. Chindblom (against).
Mr. Buchanan (for) with Mr. Underhill (against).
Mr. Brand of Georgia (for) with Mr. Campbell of Iowa (against).
Mr. Hall of Mississippi (for) with Mr. Doutrich (against).
Mr. Byrns (for) with Mr. Niedringhaus (against).
Mr. McClintic of Oklahoma (for) with Mr. Golden (against).
Mr. Sullivan of New York (for) with Mr. Smith of Idaho (against).
Mr. Bloom (for) with Mr. Bowman (against).
Mr. Sirovich (for) with Mr. Hogg of West Virginia (against).

Until further notice:

Until further notice:

Mr. Milligan with Mr. Cavicchia.
Mr. Douglas of Arizona with Mr. Kelly of Pennsylvania.
Mr. Harian with Mr. James.
Mr. Shannon with Mr. Chase.
Mr. Palmisano with Mr. Lehlbach.
Mr. Montague with Mr. Johnson of South Dakota.
Mr. Lewis with Mr. Pratt.
Mr. Dieterich with Mr. Curry.
Mr. Hornor with Mr. Davenport.
Mr. Flood with Mr. Freeman.
Mrs. Owen with Mr. Strong of Kansas.
Mr. Fulbright with Mr. Wood of Indiana.
Mr. Williams of Texas with Mr. Mouser.
Mr. Martin of Oregon with Mr. Cooke.
Mr. Igoe with Mr. Sullivan of Pennsylvania.
Mr. Kunz with Mr. De Priest.

Mr. BYRNS. Mr. Speaker, I was unavoidably detained from the Chamber and was not present when my name was called. If permitted to vote, I would vote "aye."

The SPEAKER pro tempore. The gentleman does not qualify.

The result of the vote was announced as above recorded.

Mr. PURNELL. Mr. Speaker, I ask unanimous consent that all Members who spoke on the resolution may have the balance of this session within which to extend their remarks on this subject.

Mr. STAFFORD. Reserving the right to object, why not extend that privilege to all Members of the House?

Mr. PURNELL. Mr. Speaker, I desire to modify the request, to ask unanimous consent that all Members may have the balance of the session within which to revise and extend their remarks on this resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana [Mr. PURNELL]?

There was no objection.

Mr. JONES. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (S. 5122) to provide for the purchase and sale of cotton under the supervision of the Secretary of Agriculture.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill S. 5122, with Mr. Davis of Tennessee in the chair.

The Clerk read the title of the bill.

Mr. JONES. Mr. Chairman, I ask unanimous consent that the first reading of the bill be dispensed with.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas [Mr. Jones]?

There was no objection.

Mr. JONES. Mr. Chairman, I yield 10 minutes to the gentleman from South Carolina [Mr. FULMER].

Mr. FULMER. Mr. Chairman, I am very much surprised at some of the speeches made against this bill, during the consideration of the rule, especially by Members on the Republican side of the House. I especially want to refer to the attitude of several members of the Committee on Agriculture. When we were considering the domestic allotment bill, practically every Member representing agricultural States from the West made this remark: "Anything you cotton boys want will be perfectly satisfactory to us." made the same statement to you from the West.

My friends, when we were considering this bill, the members of the Committee on Agriculture representing the great agricultural sections of the West took part in it and helped amend the bill that we have before you to-day. When this bill was voted out, I do not believe there was a single vote agaisnt a favorable report on the same by any member of the committee. It seems that something has happened since the reporting of that bill that has changed the minds of my friends from the West. In respect to the bill for the purpose of extending credit to that great section of the West where the farmers are unable to pay their obligations to the Government at this time on the reclamation projects, not only did I go along with you and vote for the bill but I stood on the floor of the House and tried to emphasize the great need of the passage of that legislation to take care of

your people who are absolutely in the same condition as the cotton people of the South to-day.

The gentleman from Indiana [Mr. PURNELL] in his remarks a few minutes ago was wondering why the cotton mills have become so sympathetic toward this type of legislation which is proposed for the relief of farmers. May I state to the gentleman from Indiana and to the Members representing the New England States that the cotton mills of this country realize that unless we rehabilitate agriculture and do something to save the great agricultural South which is now facing bankruptcy, that the cotton mills of this country will soon go into the hands of receivers. No wonder that day in and day out the banks of this country are being closed. A few days ago the great banking interests of Michigan, Ohio, Maryland, and Arkansas called a moratorium with the hope that they may be able to reopen their doors under some arrangement whereby they may be able to save the deposits for their customers and continue in the banking business.

You can continue to pour into these corporations, into these banks, and into these railroads funds you have provided through the Reconstruction Finance Corporation, but until Congress passes constructive legislation proposing to rehabilitate agriculture and bring about fair prices for farm products on a basis with industrial products, it will be just like putting that much money into a rat hole.

We have heard quite a lot about creating a new board in discussing this bill. It is generally thought that perhaps the present Farm Board will be a thing of the past in the very near future. That is the main reason why we did not designate the present Farm Board in this bill. The board we propose to create under this bill will not be a salaried board, nor will it be any expense to the Government. If you place this proposition in the hands of the present Farm Board, now operating, it would cost the Government quite a lot of money. The present Farm Board tried to stabilize agricultural products, especially cotton, without any attempt to restrict production. We all realize that they made an absolute failure. In the passage of the farm marketing act I stated that it would be impossible to stabilize cotton on a fixed price unless you could control production.

Now what do we propose to do under this bill? We voted out the domestic allotment plan proposing to restrict production, and pass the adjustment charge, or increase in price, on to the consuming public. Under this bill we simply propose to take over the cotton now in the hands of certain governmental agencies which is already pooled and available for the operation of the plan set forth in this bill. In other words, we say to the farmers of the South: "If you will reduce your production 30 per cent or 40 per cent we will allocate to you out of this pool of cotton the number of bales you would have made had you planted or produced the same number of bales this year that you produced last year."

What will this mean to the farmer? It will mean he will not have to buy fertilizer for the acreage not planted in cotton, which is one of his largest items of expense; that he can plant on this acreage hay, corn, vegetables, and various other crops that he would be able to use in the way of feeding his family, his tenant farmers, and his livestock. If this bill works as we expect it to work, and if farmers will take advantage of same and carry out their agreements, we would bring about a reduction in production of 2,500,000 bales of cotton, which would mean a higher price, not only for the cotton allocated to farmers but also on cotton produced this year. This is the inducement that we hold out to cotton farmers under the bill. This will naturally restore the purchasing power of the great agricultural South, and inasmuch as we are consumers of your western products, flour, meat, and mules, it will mean much to you.

I see what is in the mind of the gentleman from New York [Mr. Clark] when I referred to the planting of other crops on the acreage that will be taken out of the production of cotton. May I say to my friend that the gentleman from Minnesota [Mr. Andresen] put into the bill an amendment perfectly satisfactory to the dairy interests, which he repreprice.

sents, whereby we could not plant the acreage that would not be planted in cotton with any crop that would interfere with the national basic crops.

After the passage of this bill, we propose to take this cotton over at the market price, whereas if the Federal Government, through these agencies, continues to hold this cotton and we have an increased production during 1933—and we will have—we are going to find the Federal Government eventually dumping on the market this cotton that could be used to reduce production, as contemplated by the bill, and it will be dumped on the market at a price much lower than the price of cotton to-day. In other words, this bill is a protection to the Government to the extent of, at least, the present market price of cotton. It is very necessary at this time to reduce the production of cotton. Do you know that if we did not plant a single acre of cotton his year we would have enough surplus cotton on hand to supply the demand for cotton for the next 12 months?

It is impossible for farmers to reduce their acreage on their own initative, but this bill provides an inducement for them to reduce, and only those agreeing to and who really carry out their contracts will participate under the plan.

This cotton will eventually be sold, if we shall have succeeded in reducing production, at a greater price than the market price to-day, and that difference in price will be given to the farmer as an inducement not to plant his full acreage in cotton or buy additional fertilizer to produce more.

Mr. Chairman, I am a large farmer down in South Carolina. If this bill should be put through and the board should say to me, "Mr. Fulmer, reduce your production by 100 or 200 bales and we will allocate this much cotton to you at the market price, and carry same, giving you the difference in any increased price brought about because of the operation of this bill," I certainly would accept, because I would know that in reducing production it would bring about an advance in price. In the meantime, I would not have to buy fertilizer to put on that acreage. I would then be permitted to grow other crops for the purpose of feeding livestock and producing food for my tenant farmers, whereas to-day the tenants have to grow cotton because that is practically the only money crop in that section, and in a great many instances, they wind up short of feed and food products.

Mr. COLE of Iowa. Mr. Chairman, will the gentleman yield?

Mr. FULMER. I yield.

Mr. COLE of Iowa. It occurs to me that what the Government is doing, as explained by the gentleman from South Carolina, is buying options for the farmers on 3,000,000 bales of cotton. If the price goes up the planters will get the profit but if the price goes down the Government will foot the bill.

Does not this bill put the farmers into a gambling operation with the Government footing the losses and the planters getting the profits if there are any?

Mr. FULMER. Not at all, may I say to the gentleman. Suppose this bill fails of passage and the price of cotton goes down, who is going to take the loss on the cotton now in the hands of the Government? Naturally, it will come out of the Government. If the plan succeeds we will reduce production to the amount of cotton that is taken over by this board, which will insure the present market price to the Government and will not only be getting the Government out of the cotton business, but, as stated, will go a long way in putting cotton farmers, cotton mills, and other lines of business on the road to normal prosperity. The beauty of this whole plan is that we propose to help farmers do that which is necessary but which they are unable to do, and without cost to the Government. I tried to induce the Farm Board, during the first of the fall of 1931, to put into operation this identical plan, but they refused. Had this plan been put into operation then, we would now be receiving 8 or 10 cents per pound for cotton instead of the prevailing The gentleman from New York spoke against this bill, stating that he was fearful that it would be a drain on the Treasury of the United States. In the meantime I understand he is absolutely behind a proposition fostered by the owners of the Land O'Lakes dairy products of Wisconsin, whereby the Government will appropriate millions of dollars for the purpose of renting farm lands from the agricultural West and South, paying these farmers \$5 per acre rent as an inducement to cut production of wheat, cotton, and corn.

It appears from this plan, as advocated by the minority leader, Mr. SNELL, that he is willing to vote millions out of the Treasury as a direct subsidy, hoping to accomplish what we propose to accomplish under our plan without cost to the Government.

Mr. CHRISTGAU. Mr. Chairman, will the gentleman yield?

Mr. FULMER. I yield.

Mr. CHRISTGAU. Before a cotton farmer reduces his acreage should he not have assurance that a sufficient number of farmers, to make the effort effective, will do likewise? Otherwise, how can he be assured of any increase in price?

Mr. FULMER. We are not fearful at all that farmers will not take advantage of this plan, which, as stated, would offer them a profit on that which they did not actually produce, thus saving the expense of fertilizer, and being permitted to plant other crops that will be needed on the farms. It is possible to reduce acreage and still have a large production on account of favorable seasons, and so forth. If this happens, and there is no financial advantage on the part of the farmer in taking his option, he will simply refuse it. You state if this should happen it will leave the Government holding the bag. May I state that the Government will not be in any worse condition if this happens than it will be if the bill fails to pass? May I say to the committee that the farmers of the South, the cotton mills, the banking interests, and every other line of business are absolutely behind this proposition?

For your information I will state that the legislature of my State passed a resolution indorsing this legislation.

I want to beg my friends of the West to join with us in the passage of this legislation. I feel sure if the plan is successful that not only will it mean the saving of the homes of the farmers of the South but it will mean that you of the West will begin to receive your share of the benefits on account of the purchasing on the part of my people of your flour, meat products, and mules, all of which will tend to restore the purchasing power of your people.

[Here the gavel fell.]

Mr. WHITTINGTON. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. WHITTINGTON. Is debate on this bill limited to 30 minutes a side?

The CHAIRMAN. Yes; that is the limitation set under the rule.

Mr. HAUGEN. Mr. Chairman, I yield five minutes to the gentleman from New York [Mr. CLARKE].

Mr. CLARKE of New York. Mr. Chairman, as far as I am concerned, coming from one of the outstanding dairy centers of the United States, I claim that the producers of all agricultural commodities are entitled to equality in treatment from their Government, no more no less. The crux of this bill is inequality, because it fails to recognize the producers of other agricultural commodities that are in just as great distress as cotton. I know what distress our dairy farmers are going through. There is no politics in this bill as far as I am concerned, but I claim there is a matter of good faith in our Agriculture Committee. The chairman of this committee has not kept faith with his own committee. because right in this Chamber he promised me that he would have a meeting to which he would bring the specialists and the experts from the Department of Agriculture to give us the details regarding what the expenses would be, where the obligations were, and full information.

Mr. JONES. The gentleman knows we had that meeting and I presented the reports containing the information

which the gentleman requested. It was the day before that the gentleman interrogated me.

Mr. CLARKE of New York. It was the day after they appeared before our committee.

Mr. JONES. The gentleman is mistaken, that is all.

Mr. CLARKE of New York. I think I know as well as the gentleman what happened, and I know about the gentleman's promises. The gentleman remembers talking with me in the back of the room here.

Mr. JONES. I remember it, but that was the day before the meeting. The gentleman asked me to get a report from the Department of Agriculture, and I not only got that but I got a report from the Farm Board as well and presented them to the committee, and they are right here now.

Mr. CLARKE of New York. I claim the gentleman did not present these to the committee, and other members of the committee tell me that such detailed information has been lacking even down to this minute in the presentation of this bill to the committee. There has been no detailed information given.

Mr. JONES. As a matter of fact, the gentleman was not at that meeting. The gentleman was out of town when that happened.

Mr. CLARKE of New York. There has been no detailed information given with regard to where this cotton is stored, the amount of cotton stored, and the bankers interested in it.

Mr. BULWINKLE. Will the gentleman yield?

Mr. CLARKE of New York. I can not yield now.

So I say that in view of this situation we are entitled to the facts. When we have the facts, then we can decide, rightly or wrongly, on this bill.

Now, what else is wrong with it? I will tell you what is wrong with it. This discrimination that they talk about is the great fundamental error. When we had the allotment plan before this House, what was it that I objected to then? The same discrimination that I object to now. You then limited the allotment plan to five agricultural commodities only, and you were discriminating against the producers of other agricultural commodities.

I claim that agriculture, by and large, should have the recognition it is entitled to and that you should not come in here in the last four days of a session of Congress and try to thrust down our throats something that is discriminatory, and we are lacking in information about.

This is so fundamentally wrong that it disturbs me in a number of ways, and how any Member of this House, coming from a community that does not produce cotton, can face his own farmers as badly in want as your cotton farmers are, and say to them, "Yes; I voted for cotton, relying on a political promise that we would put this cotton bill through, and, by and by, when the Kingdom of Heaven dawns, we will get the rest of you fellows in on it," I can not understand. Your constituents are going to rise up in their might, and they ought to, and smite you because you have not played fair by protecting those whom you were sent here to represent.

Mr. ALLGOOD. Will the gentleman yield?

Mr. CLARKE of New York. I am sorry, but I have not time to yield now.

There is another thing about this bill I wish to discuss. They talk about relieving the market. Probably this will relieve the market, but it will relieve some bankers more, or possibly it will not—nobody knows—but if you will just transfer, by some prestidigitatorial political promises of one kind or another, or by some major performances, if you please, this cotton from one place to another, if you will give the bankers a chance to run up with their warehouse receipts and get the money from "Uncle Sam" that is coming to them, under the promise or guise of protecting the producer of the commodity, you will sometime, in the markets of the world, have to meet again this cotton somewhere, and if this is a threat to the market now, it will threaten the market again. [Applause.]

[Here the gavel fell.]

Mr. JONES. Mr. Chairman, I yield myself one minute.

Mr. Chairman, I regret exceedingly that the gentleman takes the position he does. The gentleman did speak to me—and I do not recall whether it was in the committee or on the floor—and asked me about getting this information. I got it and presented it to the committee the morning we met for final consideration of the bill. The gentleman was not there that morning, but I had this information there and read from it to the committee on the day we reported the bill out.

Mr. CLARKE of New York. Will the gentleman yield? Mr. JONES. Yes.

Mr. CLARKE of New York. Chairman Haugen was there that day, and he says the information was not presented.

Mr. JONES. He must have come in late.

Mr. HAUGEN. I beg the gentleman's pardon; I asked for it, and the gentleman said it was not there but that he would get it.

Mr. JONES. The information was there and was read to the committee that morning. If the gentleman made the request to have it read again later, I must have misunderstood him. It is dated February 21, and I presented it that morning. I am sorry there has been any misunderstanding about it. I have copies of these reports, and anybody may see them who wishes to do so.

Mr. HAUGEN. Mr. Chairman, I yield five minutes to the gentleman from Maine [Mr. Snow].

Mr. SNOW. Mr. Chairman, if this Smith bill is enacted into law I predict that within a short time Members of the next Congress will begin to receive demands from farmers producing other farm commodities, asking them to favor legislation setting up new commissions to buy their farm products and gamble with them just as it is proposed to gamble with cotton here to-day. And what answer can be made?

There has been some talk here to-day concerning wheat and cotton and it has been suggested that Members from the wheat-producing States would have gone along with this bill if wheat had been included. Let me say to you that I have been here four years and I am sick and tired of hearing simply talk of cotton and wheat when farm relief is being discussed. There are other agricultural commodities in addition to cotton and wheat. [Applause.] If this bill, instead of dealing with cotton alone, dealt with wheat; or, instead of that, if it simply dealt with corn; or, I will even make bold to say, if it simply dealt with potatoes, I would not go along with it, because it would be unfair to the general farmers of the country.

We all realize the condition of the cotton farmer, but he is not distressed one bit more than 12 or 13 other classes of farmers in this country, and the form of farm relief that should be given in these times of general farm distress is of general farm relief. We should not pick out one set of farmers, comprising about 10 per cent of the farmers of the country, and favor them and allow the remaining 90 per cent of the farmers to still hold the bag. [Applause.]

This bill brought in here by virtue of a rule is opposed by a majority of the Committee on Agriculture. What will the psychological effect be on the remaining 90 per cent of farmers of the country in their destitute condition to-day if this bill passes and they learn that the cotton farmer has been favored and nothing done for them? Why is not the corn, wheat, cattle potato, poultry, truck, dairy, and diversified farmer entitled to equal consideration at this time? If this bill is passed, in all probability no attempt will be made for further farm relief for some time. The only persons appearing before the House Committee on Agriculture in behalf of this bill were two gentlemen from the other end of the Capitol. I asked one of them why he proposed to set up a new commission. His answer was that the commission would serve without pay.

I then asked him if it would be possible to get six gentlemen to serve without pay, unless they were rich men who had nothing else to do and asked why the Farm Board had been left out. He replied that the Farm Board did not stand very well with the farmers in the cotton States. I wonder

why. Stabilization is the answer and here it is proposed to set up another stabilization board.

Many of us opposed to this bill will gladly support any sensible bill which will afford relief to all of the farmers at the same time, but we will not play favorites. There is nothing sacred about the cotton farmer. [Applause.]

[Here the gavel fell.]

Mr. HAUGEN. Mr. Chairman, I yield five minutes to the gentleman from Kansas [Mr. HOPE].

Mr. HOPE. Mr. Chairman, and members of the committee, all the discussion that has taken place on this bill so far has been upon the assumption that this bill is going to make the cotton farmer rich, if we enact it. I do not read in this bill anything of the kind. As a matter of fact, this is not a new plan. If some of you remember what was known as the Walla Walla wheat plan something like a year and a half ago, you will see that exactly the same plan is contemplated here. But the Walla Walla plan had more justification because of the fact that the Stabilization Corporation itself had the wheat on hand. It did not have to go and get it from the cooperatives, or the Red Cross, or from the Department of Agriculture. In order to put that plan in operation we did not have to start a new board. Walla Walla plan was presented to the Farm Board and they turned it down because they thought it would not work, after their economists had given it the most careful study. I studied the Walla Walla plan at that time and I was not convinced it would work, and I frankly told the proponents of the plan that I thought the effect of the Walla Walla plan, if adopted, might be to actually increase wheat acreage. What is likely to happen in this case if you adopt this particular plan? I hold in my hand here a statement some one sent around to us this morning, I presume one of the proponents of the measure, though not signed by anyone, and in this statement it is asserted that unless we pass this bill the acreage of cotton will be increased by from 5 to 10 per cent, and attention is called to all of the capital that is available for cotton production this year. If, in view of the present low price of cotton, the acreage is going to be increased from 5 to 10 per cent, I submit that if you say to the farmers that there is going to be a reduction on the part of some farmers, other farmers will not go into the plan and will increase production.

You are not going to be able to make contracts with all of the cotton farmers; there is not enough cotton to go around. The result will be that you will have some who will cut down production and others who will increase it, and nobody will know until the end of the year what the result will be, whether an increase or a decrease. Besides, production is dependent on weather as well as acreage. In 1930 the production of cotton per acre was 147.7 pounds, and the very next year, 1931, it was 200 pounds. So you could very easily, on account of weather conditions, have an actual increase in production, even assuming you have some acreage reduction as suggestion in this bill.

Mr. LARSEN. Mr. Chairman, will the gentleman yield? Mr. HOPE. No; I do not have the time. What you are doing here is setting up another farm board, an organization to stabilize the price of cotton; an organization which has the power to take over cotton now held by the cotton cooperatives, and make a complete settlement with these cooperatives of the indebtedness which they now owe the Federal Government. The loss on these loans to-day is about \$58,000,000. If you pass this bill, you are giving this board authority to go in and make settlement with these cotton cooperatives without any further investigation on the part of this Congress as to how that indebtedness was incurred, whether such a settlement ought to be made, or whether the cotton cooperatives have other property which could be taken over in payment of this indebtedness to the Government of the United States.

The CHAIRMAN. The time of the gentleman from Kansas has expired.

Mr. JONES. Mr. Chairman, I yield three minutes to the gentleman from Louisiana [Mr. SANDLIN].

Mr. SANDLIN. Mr. Chairman, I would not ask the members of this committee or the Members of the House to vote for any measure which, in their judgment, is not to the interest of their own people, but if you want to determine the issue here purely on a selfish basis, then there are two substantial reasons why you should support the measure. If, as all assume, it will help the price of cotton, what will the people do with the money that they get for this increased price of cotton? They can not eat it. They will have to buy the wheat from the wheat sections or the manufactured articles from the industrial sections. The argument is made here as it is made in the presentation of a tariff measure, that if you make certain sections prosperous by an increased tariff, that other sections, not directly interested, will receive the benefit by the increase in the purchasing power of the people in the prosperous sections.

If this measure is not passed I think any well-informed man on the floor of the House knows that the cotton which the Government has advanced money on will be sold at a material loss to the taxpayers of this country.

Therefore, on those two propositions alone, I appeal to the Members of this House, it matters not from what section they come; on the basis that it will help the buying power of that section of the country and all other sections of the country, and on the basis that the Federal Government and the taxpayers of this Nation will be benefited because of the material reduction in the acreage of cotton in the South, the price of cotton will be advanced. The money loaned on the cotton can be collected, and there will not be a further decline in the price of cotton. [Applause.]

The CHAIRMAN. The time of the gentleman from Louisiana [Mr. Sandlin] has expired.

Mr. HAUGEN. Mr. Chairman, I yield five minutes to the gentleman from Michigan [Mr. HART].

Mr. HART. Mr. Chairman, I am glad to learn that those on the Republican side of the House have learned something from experience. We on the Democratic side went out in the last campaign in the Middle West and sunk them because they were speculating in farm products, but yet we bring before this House a more vicious measure for speculation than was ever contained in the farm marketing act.

Let us see what our candidate for President, the new President, who won upon that issue in the West, said about it. I am reading from the Democratic Campaign Textbook and quoting from Mr. Roosevelt's speech immediately after he landed from that airplane in Chicago and reached the platform:

We should repeal immediately those provisions of law that compel the Federal Government to go into the market to purchase, to sell, to speculate in farm products.

Now, we bring a bill upon this floor which provides for direct speculation in cotton. We not only provide for putting the Government into speculating in cotton, but we bribe and invite each individual cotton farmer to join with us. We ask him to come in and gamble with us in the cotton market. We say to him, "If you will cut down your acreage, while your son raises his, or while he obtains some one else who will go out and raise more cotton, we will give you a certain percentage of this cotton upon which you may speculate, and if you lose we will pay the loss."

Now, that is what this bill does. This bill is also sponsored by the American Cotton Cooperatives. They claim that they were stabilizing when they lost \$60,000,000 of the Government's money. The agricultural marketing act provided that we should stabilize cotton or any other commodity. They did not follow the rules. They went into the market because they believed they could put the market up, and they lost \$60,000,000 of the taxpayers' money. Yet we come in here and agree to take this cotton off their hands on a deal. We do not fix the market price. We say they may come in and deal with us. When the Government gets through with that dealing proposition, you will find this American Cotton Cooperative has segregated some millions of dollars, which they will take back into the market and speculate with and lose again.

Mr. BANKHEAD. Will the gentleman yield? Mr. HART. I yield.

Mr. BANKHEAD. Can the gentleman point out where the adoption of this resolution would increase the loss in cotton already suffered by the Government?

Mr. HART. Nobody can point out whether we will increase or decrease the loss, because you are going into a speculative deal. You can not go into any commodity market unless you are speculating. There is no certainty about these markets. That has been the wrong assumption. That was the assumption of the Federal Farm Board—that they could stabilize; that they could orderly market and carry on the business differently from the ordinary individual. Now they say we will lose some money if we do not carry out this plan.

I say to you that within 30 days I can produce independent dealers in this country who will take this cotton off the market: take it off the hands of the cooperatives and pay the market price for it; men who know what they are doing with it; not a lot of politicians and propagandists who have been handling this deal, but substantial cotton merchants who have been marketing cotton throughout the world for generations; not those who have made their money out of the Federal Treasury, but men with ability to judge the markets; men who know the quality of cotton; men who have built up their trade throughout the world. They will take that cotton off your hands at the market price, and the market will immediately rebound, because the world will have confidence in the men who buy it. To-day you are talking about reestablishing confidence in this country. You will never reestablish confidence by putting Government millions into speculation. [Applause.]

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. JONES. Mr. Chairman, I yield four minutes to the gentleman from Massachusetts [Mr. McCormack].

Mr. McCORMACK. Mr. Chairman, I represent a district in Boston that does not have a farm in it; a district that you could cover from one end to the other by automobile in 20 minutes. I came here about five years ago, determined that the agricultural problem was in such a condition that it required some action, and the establishment of a proper and definite national policy to which all sections of the country could subscribe, in order to bring some relief to the farmer and, through the farmer, relief to the people generally; and as a further result of assisting the farmer, guarantee one of the necessary elements of our national defense in case of war, namely raw materials and foodstuffs for the people of America. I came here five years ago and shortly thereafter a bill to establish the Federal Farm Board came before the House. If there had not been a word of debate, I would have voted for the bill, but after listening to Representatives from the agricultural districts debate that bill for a number of days, I reached the conclusion that they had convinced me beyond any doubt that a vote against that bill was a vote for the best interests of the farmer.

I have been down here ever since, hoping there would be presented some proposition by men representing agricultural districts upon which I could vote affirmatively in aid not only of the farmer but of the establishment of a national policy which would help determine this great question.

We are not confronted with a theory. We are confronted with a condition. A few days ago the allotment bill came into this branch of Congress. I voted against that bill upon the theory that you can not create a legislative substitute for the natural law of supply and demand. I voted against that bill because I did not think it would be for the best interests of the farmer, and of the people generally; that it simply transferred purchasing power to assist the farmer at the expense of a group the members of which were poorer than the average farmer throughout the United States, to wit, the working men of the industrial areas.

This is the first bill I have seen relating to the farmers of America that I think is a step in the right direction; and I am glad to be able on this occasion not only to vote for this bill but to urge the Members on both sides of the aisle to vote for it. The passage of this bill will be a step in the right direction and will contribute toward the solution of the farm question.

I agree that the provisions of this bill should extend to wheat. I would like to see it extended to wheat, but simply because it is not extended to wheat is no reason why those who come from wheat areas should vote against this particular piece of legislation.

If this works well then we can extend it to wheat in the next session. I do not think there is any justification for Members coming from wheat-growing areas to vote against

this bill because it is confined to cotton.

As I view this bill, it is a stimulant to the reassertion of the natural law of supply and demand. It is not a legislative substitute, but it provides an inspiration and is an assistance to a normal return of supply and demand. The times are such that we are justified in experimenting in legislation of this character. At the present time we are confronted with a serious condition which constitutes an emergency. Some 30,000,000 to 40,000,000 people are dependent upon agriculture. This bill, in my opinion, is a step in the right direction and will contribute greatly toward the solution of the great problem which confronts us with reference to cotton, with reference to wheat, when extended, and with reference to agriculture generally.

Coming from a district without a single farm, I urge the passage of this piece of legislation. [Applause.]

[Here the gavel fell.]

Mr. HAUGEN. Mr. Chairman, I yield five minutes to the gentleman from North Dakota [Mr. BURTNESS].

Mr. BURTNESS. Mr. Chairman, during the almost 12 years of my service in this House I have consistently voted for every piece of legislation that has come up intended to be of assistance to agriculture, regardless of the section it would benefit, and it is with considerable regret that I do not find myself in a position to vote for this bill.

In the first place, I have not as yet reached the point where I believe it is advisable for the Federal Government itself to set up a bucket shop to make it easy for producers or farmers to speculate-in fact, to gamble on the market. In the final analysis, that is exactly what this bill contemplates. The only difference between the bucket shop to be set up by the Government under the terms of this bill and the bucket shops we find scattered throughout the country is that in the average bucket shop the speculator takes the chance of profiting or losing in the venture. In this case the cotton farmer is not to take any chance of losing, but only on the profit. The Government is to hold the bag with reference to all losses. Is a bucket shop operated by the Government more respectable than one operated by private parties? Shall the Government invite farmers to buy future options? I say I am not yet ready to subscribe to the Federal Government entering into that kind of business.

I recognize the possibilities of such a system, both good and evil. But if the time comes when the Federal Government is to establish a futures-options market for agricultural products, then, as one representing a section of the country where cotton is not grown, it occurs to me that those of us in other sections ought to have the same privilege, ought to have the right to speculate on the market as the cotton farmer is granted under this bill. Why make flesh of one and fowl of the other?

I feel that the gentleman from Indiana [Mr. PURNELL] brought out very definitely to-day one of the real dangers of enacting this legislation, and that is that to a very definite extent it drives a wedge between the different farming interests of this country with reference to future farm legislation. Oh, I have heard sweet words here emanating from the right side of the aisle indicating that they will. some time in the future, vote for legislation benefiting the agriculture of the rest of the country if this bill is passed. They say they will not be sectional in their viewpoint. When I heard those words I could not help thinking back to the days of 1924 when our agriculture was stagnate

but cotton prices were above parity, and had been so for two or three years. At that time cattle, wheat, hogs, and other commodities were way down below parity in buying power as compared with pre-war times. On June 3. 1924, we voted upon as constructive a bill as has ever been offered on the floor of the House-the first original McNary-Haugen bill. The map tacked up on this blackboard [indicating] shows the result of that vote. The Members representing the congressional districts colored in red voted for the bill. Those representing the districts colored in blue, including all the cotton States, voted against it. Those which are not colored were absent. We were defeated by a vote of 223 to 155. Where was the distinguished gentleman from Alabama [Mr. BANKHEAD] at that time? [Applause.]

Mr. BANKHEAD. Mr. Chairman, will the gentleman yield?

Mr. BURTNESS. I have no time to yield. I have only five minutes.

From what they say to-day it may be that the Members from the Cotton Belt are changing their attitude. I hope they will do so in the future. But, Mr. Chairman, we can judge of the future only by the experience of the past. It is not human nature, after they have obtained what they want—written it upon the statute books—it is not human nature for them then to come back and work with those who have been left out, with those who are not getting what the Cotton Belt is getting from this measure. If this bill is enacted into law, the rest of the country can only whistle in the future. We will not have their help, in my opinion.

I am leaving this House, but I do hope that the next session of Congress will enact farm legislation just as general as it is possible to get it, just as good legislation for every section of the country as you can possibly write, and I hope that the wheat farmer, the livestock farmer, the cotton farmer, and all the other farmers will march here shoulder to shoulder, as they must, fighting for practical needed legislation that will help all American agriculture.

That may be the domestic-allotment plan or something else. Why defeat that bill in this session and take care of only one section of the country? Do not break up the agricultural strength in this House to-day for years to come by passing a bill such as this which, in the first place, is doubtful as to fundamental principles, which raises a very serious question as to whether you are not putting the Government into a kind of business that should not be encouraged but should be frowned upon. The West and the South have worked together well during the past five years. Harmony has prevailed. Stay together. If a general bill such as the allotment plan can not be passed this session, wait until you can get all agriculture working for the kind of a bill that will increase the purchasing power not of one section, even though it be an important one, but of all farm sections of the country. It would be much better to rent some of the marginal lands in all sections and thus help farmers generally without discrimination. When you shall have increased the buying power of agriculture generally, you will have benefited every man, woman, and child in the country. [Applause.]

[Here the gavel fell.]

Mr. BURTNESS. Under leave to extend I attach a table showing plainly that through the last 11 years the wheat sections have suffered worse than has the Cotton Belt. In 1922, 1923, and 1924 the buying power of wheat was much less than in the pre-war period, while that of cotton was higher. You men from the South refused to help us; you were not then interested. True, in 1927 you joined forces with us, for you were then in distress. But even so, your situation has been better than ours in 8 out of 11 years. If your condition should improve through the passage of this bill, I fear you will no longer be interested in our problems. Let us stand together. We want no unfair advantage over you; we desire your cooperation. Let us stand together and pass a general bill that will be helpful to all of us.

The following table is self-explanatory. The base used are prices prevailing from 1909 to 1914, inclusive, which, of course, is 100. The relative situation of wheat and cotton in each year is plainly shown by the index number for wheat and cotton, which in turn must be compared with the index number representing the cost of commodities which farmers buy. I obtained the figures after the debate started upon this bill from the Bureau of Agricultural Economics in the Department of Agriculture.

Year	Wheat	Cotton	Commod- ities farmers buy
922	117	156	152
923	111	218	153
924	125	177	154
925	171	140	159
926	153	122	156
927	136	128	154
928	128	150	156
929	116	143	155
930	92	100	146
931	55	61	126
932	44	47	110
an. 1, 1933	37	45	105

Mr. JONES. Mr. Chairman, I yield three minutes to the gentleman from Massachusetts [Mr. Gifford].

Mr. GIFFORD. Mr. Chairman, I trust that another map will be exhibited showing the result of this vote immediately after it is taken.

I am speaking for the mills of New England. In the district which I represent is a very large cotton-textile manufacturing city. The executives of the mills there appear to be unanimously in favor of this bill. They are willing to pay a proper price to the cotton-growing States of the South. Must this bill fail because it is not a blanket bill taking in wheat, hogs, peanuts, rice, tobacco, and other commodities? [Applause.]

I believe that these cotton-textile manufacturers are practical men. They must have carefully studied this plan and ought to know its probable effect. Should I be justified in taking the attitude of knowing more about it than these manufacturers—an attitude taken by the chairman of the Tariff Commission recently when he claimed that we did not need to raise the tariff rates because of depreciated foreign currencies, at which time he was roundly scored by many members of my party, who maintained that the manufacturers were much better informed than he, concerning their own business conditions. You trusted the men who were actually in business to a greater degree than you did the chairman of the Tariff Commission.

I am willing to vote for this measure because all agree that we can not lose any more money than is already involved.

Call up the Farm Board and ask them about this cotton and they say, "We put up the money, but the cooperatives control. They may pay such salaries as they desire and they control the methods of disposal of the product."

We will at least do away with the fiction of Government ownership and we will have an agricultural board which will at least control the cotton that the Government does, in fact, own. I am asking you from New England to believe that the men who are actually doing the manufacturing wish to have prices stabilized to a certain degree, at least, and I ask you to believe that they know rather more about the subject than we do, who theorize about it. It is insufficient to say that this sort of legislation does not do us any good in the long run.

Mr. KERR. Will the gentleman yield?

Mr. GIFFORD. Yes.

Mr. KERR. Let me suggest to the gentleman that not only the cotton manufacturers in the North but the cotton manufacturers in the South know that when this bill is passed there is a possibility of having a much-enlarged market for their product and that is why they want the bill enacted into law.

Mr. GIFFORD. Give us this measure rather than that allotment bill. [Applause.]

Mr. JONES. Mr. Chairman, I yield one-half minute to the gentleman from Georgia [Mr. Lankford].

Mr. LANKFORD of Georgia. Mr. Chairman, I am very much in favor of this bill, but can not in one-half minute give in detail my reasons. I am anxious that those now living and future generations may know what I think about this legislation, and I therefore ask unanimous consent to extend my remarks in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. LANKFORD of Georgia. Mr. Chairman, it is my desire, when I get more time, to discuss this bill more fully before the final action by the House to-day, and I shall therefore not discuss at this time one or two of the most vital issues but leave them for later discussion.

I favor the pending bill because it more nearly measures up to my standard of real farm relief marketing legislation than any other measure that has ever passed the Senate and come here on its way to final enactment. For many years I have said again and again that in order for farm-marketing legislation to be worthy of the name it must provide for both price elevation and price stabilization. Price stabilization at this time would be anything else than real farm-relief legislation. We must work out some plan to elevate prices, and when they are elevated we can then afford to put into force a proper stabilization arrangement. Now, proper price elevation and proper price stabilization—and, in fact, proper price control—to my mind can only be worked out by a proper control of both production and marketing.

I am in favor of this bill because it has in it a bona fide effort to control production by at least an implied contract system. In this way an effort is made to elevate the prices of cotton. There is, though, no real effort to stabilize the price after it is elevated or increased.

For many years I have been urging in every way possible, both in Congress and out of Congress, that there was but one real farm-relief marketing program, and that was to elevate, stabilize, and control the prices of farm products by a voluntary contract system, controlling both production and marketing of the basic agricultural products. Let both the governmental agency set up to aid the farmer on one hand and the farmer himself on the other hand be under a contract between the two, obligating the farmer to let this agency control the farmer's production and marketing and obligating the agency to insure and in effect guarantee the farmer a fair price for his products. By this arrangement, and by this only, can the farmers of the country name the prices of their products which they sell as fully and completely as others name the prices of what they sell to the farmers. This would be farm economic equality in so far as the farmers and those who sell to them are concerned. Add to this the proper monetization of farm products and farm lands and you would have financial equality between the farmers and the big bankers of the country. But, Mr. Chairman, I have most fully discussed these matters in detail heretofore and shall not do so again at this time. Yes, I am very much in favor of this bill, because I feel that it will be helpful to our farmers, giving them at least some temporary relief, and because it is a step in the direction of the goal of real farm relief.

Let us pass this bill at this time and then let us, at the earliest possible moment, pass some real farm-relief legislation for the farmers and for all the people. Oh, that Congress and the whole country would realize that the Nation can not get out of the valley of despond and leave the farmers in the very depths of financial despair and anguish. Agriculture is the basic industry of our Nation. We must rebuild the foundation before we can rebuild the superstructure. This is the reason why it is so difficult to pass legislation in behalf of the farmers. When we feel that we have helped them, we find that the matter takes a turn and the farmer has not at all received the benefit that his friends had hoped would go to him. The farmer helps

everybody else and everybody else is more or less false to the farmer and do not at all give him a square deal. I certainly hope that the incoming administration will do more for the farmer than has ever been done for him and give him a "new deal."

From the time Adam and Eve were driven out of the Garden of Eden the farmers have done more and received less than any other group that ever lived. The farmer has always been overburdened with burdens that should have been carried by the shoulders of other people, and he has always shown a patience never exhibited by any other man or set of men.

The farmer feeds, clothes, and shelters everybody and pays nearly all the expenses of all the people. The cost of both luxuries and of necessaries of life of the public is, in nearly all instances, charged to and paid by the farmer. He pays practically all the expenses of operation of all the railroads. With very little help he pays all freight, passenger fare, and Pullman charges. This is the reason why the farm problem can not be effectively and permanently solved by cheaper freight rates on farm commodities.

If freight is reduced on wheat, it is increased on some other item or items at the expense of the farmer. It may be increased on manufactured articles; if so, their selling price is increased, and the farmer pays it. If the manufactured articles are bought by some one else, the cost, including the freight, is paid by money already made out of the farmer, or by some laboring man whose salary is charged into the cost of some other article the farmer will eventually buy.

Passenger and Pullman fares almost without exception are paid out of money either made out of the farmer and common people or charged to them in selling price of something they must buy. The Pullman fare, hotel bill, theater tickets, and every known expenditure of millions of traveling men, middlemen, and, in fact, of almost everyone are paid either directly or indirectly by the farmer.

Reduce freight rates, and passenger fares go up, and the farmer pays it. Reduce freight on an article, and it goes up on another article or on Pullman surcharges, and the farmer pays it. The railroads pay freight and tariff on steel and other material used in the maintenance and operation of their lines, and the farmer pays an income on the investment and a profit to the owners.

Billions of dollars are spent in the construction of factories, magnificent buildings, stores, and offices, all of which is charged up in rent. The rent is charged up in expenses and the expenses charged to the wholesaler, then to the retailer, and eventually paid by the farmer.

Lawyer's fees of corporate interests are passed on to and paid by the farmer. The big financial interests spend millions of dollars—money either made out of the farmer or charged up to him—in campaign funds, for newspapers and other propaganda to control legislation. Thus the farmer is forced to make exorbitant expenditures to be used in the working of the ruin of himself and family. The farmer is paying for his shackles, for his blindness, and for his own ruin and annihilation.

The farmer pays for the steel that goes into the railroad bridge, for the steel that goes into skyscrapers in the large cities, and for the steel that goes into the Packard automobile of the millionaire. The farmer pays for the "steal" that goes into the rich man's pocket. He pays for the "steal" that goes into big campaign contributions, and the farmer pays an awful price for the "steal" that is used to pay for propaganda to deceive the farmer and to destroy him. If the farmer is given an advantage in one instance in a tariff schedule, he loses by some other changes and pays the bill. The big interests are protected always at the expense of the farmer. If the farmer gets a better tariff on cow hides, the manufacturer gets more tariff on shoes, and what the farmer gains is taken from him tenfold in the additional cost of shoes. Thus it is as clear to me as the noonday sun that the farmer's problems can never be permanently solved by freight-rate adjustments, tariff tinkering, or debenture legislation.

Some good may come from these things, and I favor doing all possible along these lines, but at last the farmer will never be on a parity with other industries until he can name the price of what he has for sale as fully and completely as this privilege is enjoyed by others, and until he is granted the same financial privileges now accorded the big banks. Many who should be friends of the farmer are deceiving him, robbing him, and making him promises which they never expect to keep.

Surely no one has ever been so true to his nation as the farmer, and yet this Government has all the while been most false to him.

Mr. Chairman, the farmer carries on his broad, honest, industrious shoulders the burdens of the whole world, while all the people of all the earth are not only riding and increasing his burdens in every way possible but are tearing the ground from under his sturdy tread; building pitfalls on every side, and shoving and kicking him about with a greedy, malicious force which he can not master and overcome; binding his hands and feet with fetters which he can not loose; stopping his ears and blinding his eyes with a poison he can not conquer; plundering his property and destroying his morale at every turn by schemes and devices beyond his control, and leading and driving him to a doom and an annihilation which he can not avoid or prevent.

This is an awful picture. I wish it were not true. The farmer has always been robbed by those who do not labor. He has never had a square deal with other industries. I sometimes fear he never will get it. Even in Holy Writ it is recorded:

Woe unto him that buildeth a town with blood and stablisheth a city by iniquity.

This sounds like an indictment of the present hour, made by the farmers of the Nation against those sponsoring some of the present inquitous so-called farm relief proposals. It is not, though, a new cry; it is an indictment that has come down the ages—an indictment against the mightiest and most notorious robbers of all time.

I believe the farmers can, and eventually will, be put on an equality with other industries. I do not want to think otherwise. I sometimes feel, though, that there is very little reason for the hope that is within me.

Mr. JONES. Mr. Chairman, I yield one minute to the gentleman from North Carolina [Mr. Kerr].

Mr. KERR. Mr. Chairman, last August, when the price of cotton advanced to 9 cents, every commodity in this Nation went up with it and followed it as an index. Wheat went up, corn went up, steel went up, copper went up, and all kinds of agricultural products in this country, and the products of all other industry followed cotton.

The purpose of this bill is simply to reduce the acreage in the cotton-producing States of this Nation—overproduction is largely responsible for the prevailing low price of lint cotton—and in this way get a better and a higher price for the cotton which we will make in the coming year, and if you will observe the record as to how other prices follow cotton, you will see that the price of all commodities in this country will follow cotton as it rises. As a consideration for the farmer reducing his acreage we give him the advantage of the rise in the market and let him take a profit upon that cotton allotted him. It is fair and it increases his purchasing power and signally helps every other business on this continent. We will not get back to economic stability in this country until this is done.

I have consistently voted for every farm-relief piece of legislation proposed in this Congress since I have been here, because I represent the outstanding agricultural district of the South, and I want to say to my friends from the West and the North and the East that I intend, as long as I stay here, to vote for all legislation which will tend to improve the economic condition of the great agricultural sections of this country, whether they are in the North or the South, the West or the East. I deeply regret that sectional feeling should have entered into this debate. [Applause.]

[Here the gavel fell.]

gentleman from Wisconsin [Mr. STAFFORD].

Mr. STAFFORD. Mr. Chairman, this is the most gigantic gambling proposition that has ever been proposed to the

Instead of the American Cooperative Cotton Association doing the gambling that cost the Government \$53,000,000 out of the Treasury of the United States in their attempt to boost and hold the price of cotton for the 1929-30 crop and the 1930-31 crop, you are transferring that exploded proposition to a new board.

If I had not served on the special committee to investigate Government competition with private business and listened attentively to Mr. Creekmore, that \$75,000 beauty who is vice president of the American Cooperative Cotton Association, I would not be presumptuous enough to take time at this moment to discuss this bill; but this bill is for the relief of the American Cooperative Cotton Association that in 1929-30 purchased 1,300,000 bales of cotton and of the 1930-31 crop purchased 1,770,000 bales which it now has in its possession, and paid to the farmers 90 per cent of the market price when the price was 15 cents. To-day they are holding the bag.

With loans from the Farm Loan Board of tens of millions of dollars and with loans from the banks of \$10,000,000. this bill is for the direct relief of the Hanover Bank, for the relief of the Chase National Bank, for the relief of the other New York banks from which this cooperative association has obtained loans. You want the Treasury to come to the relief of the banks. You want the Treasury to come to the relief of the American Cooperative Association that to-day has over 3,000,000 bales of cotton hypothecated to secure these extravagant loans, and have the National Government hold the bag. Where is your consistency, except this consistency in wholesale plundering of the

In 1929 and 1930 there was a surplus of 9,000,000 bales; in 1930 and 1931 there was a surplus of 10,000,000 bales; in 1931 and 1932 there was a surplus of 13,000,000 bales; and now you propose by this chimerical piece of economic legerdemain to attempt a curtailment of acreage of 30 per cent, in an endeavor to stimulate the price.

Have you not received enough poison by reason of this artificial attempt against all laws of trade, and against the laws of supply and demand, in trying to artificially stimulate the price by the colossal failure of the Farm Board?

Why, even Mr. Creekmore had to admit that the law of supply and demand determines the price in the last analysis. Never before have I known such a gigantic proposal of sticking the hand into the Treasury for the benefit of private bankers, who have loaned millions to the American Cotton Cooperative Association, which is absolutely bankrupt. The Farm Board has loaned tens of millions to this association with a shoe-string capital of \$79,500, all in the fanatical endeavor to control prices in a falling market.

Mr. PETTINGILL. Did the gentleman say Mr. Creekmore or Mr. Quagmire?

Mr. STAFFORD. He got the Government into a quagmire and now he wants to get from under cover, as this bill proposes. Have you not had enough illustration of the futility of the Government attempting to bolster prices by withdrawing cotton from the market, when you can see from the figures I have given here and from the testimony which I have referred to and which I have here, that such a plan is unworkable?

In these times, of all times, we should be circumspect. When I reentered Congress four years ago I voted against the agricultural marketing act because I had no faith in it and because it was counter to every sound economic principle. As I am leaving Congress, I am going to vote against this gigantic socialistic venture, which not only equals that in its stupidity but goes further into the Treasury and which will entail another loss of millions of dollars of the taxpayers' money. Come out in the open and admit that this

Mr. HAUGEN. Mr. Chairman, I yield five minutes to the is stabilization. It is going to fail, just as your efforts failed and were bound to fail under the agricultural marketing act. [Applause.]

[Here the gavel fell.]

Mr. JONES. I yield five minutes to the gentleman from Arkansas [Mr. GLOVER].

Mr. HAUGEN. Mr. Chairman, S. 5122 creates in the Department of Agriculture a board consisting of six members, appointed by the Secretary of Agriculture, qualified and experienced in either the purchasing, handling, or production of cotton. Members of the board shall receive no compensation for their services, but shall be paid their actual and necessary expenses incurred in the performance of their duties, and shall hold office at the pleasure of the Secretary of Agriculture.

Section 2: Directs the Secretary of Agriculture, the Farm Board, and all other departments and agencies of the Government to (a) sell to said cotton board at such price as may be agreed upon by the Secretary of Agriculture and the board all cotton now owned by them; (b) to make such settlements as are necessary in order to acquire full legal title to all cotton on which money has been loaned or advanced, upon such terms as they may deem fair and just, and to sell this cotton also to the board in the same manner as is provided in the preceding paragraph.

Section 3: The board is authorized to acquire by purchase at the market price the cotton previously given by the Government to the Red Cross Society, and now being sold by that society.

Section 4: The board shall have authority to borrow money on all cotton in its possession or control and deposit as collateral for such loans the warehouse receipts covering such cotton.

Section 5: The Reconstruction Finance Corporation is authorized and directed to advance money and to make loans to the board in such amounts and upon such terms as may be agreed upon by the board and the Reconstruction Finance Corporation, with such warehouse receipts as collateral security.

Section 6: The Secretary of Agriculture is authorized and directed to enter into contracts with producers of cotton to sell to every such producer an amount of cotton in the hands of the board equivalent in amount to the amount of reduction in production of cotton by such producer below the amount produced by him in the preceding crop year, in all cases where such producer agrees in writing to reduce the amount of cotton produced by him in the previous year by not less than 30 per cent, without increase in fertilization

To every such producer so agreeing to reduce his production the Secretary of Agriculture shall deliver an option contract agreeing to sell to said producer an amount of cotton equivalent to the amount of his estimated reduction of the cotton in the possession and control of the board.

The producer is to have the option to buy said cotton at its market value on the day of the execution of his agreement to reduce his production and is to have the right at any time up to the 15th day of December, 1933, to exercise his option upon the proof that he has complied with his contract and with all rules and regulations of the Secretary of Agriculture, by taking said cotton upon payment by him of his option price and all actual carrying charges on said cotton, or the board may sell such cotton for the account of such producer, paying him the excess of the market price at the date of sale over the market price at the date of his contract after deducting all actual and necessary carrying charges: Provided, that in no event shall the producer be held responsible or liable for financial loss incurred in the holding of such cotton or on account of the carrying charges therein.

Section 9: The Secretary of Agriculture is authorized and directed to make the necessary rules and regulations.

Section 6: The Reconstruction Finance Corporation is authorized and directed to advance money to make loans to the board in such amounts as may be agreed upon by the board and the Reconstruction Finance Corporation.

Mind you, loans in unlimited amounts.

Section 7: Authorizes and directs the Secretary of Agriculture to enter into contracts with producers of cotton and to sell to such producers an amount of cotton in the hands of the board, equivalent to the amount of reduction in production of such producer, below the amount produced by him in the preceding crop year, conditioned upon a reduction of not less than 30 per cent without increase in fertilization per acre.

The producer is to have the option to buy said cotton at its market value and to have the right at any time up to the 15th of December, 1933, to exercise his option by taking said cotton upon payment by him of his option price and of actual carrying charges, or the board may sell such cotton for the account of such producer, paying him the excess of the market price over the market price at the date of his contract, after deducting all actual and necessary charges. It also specifically provides that in no event shall the producers be held responsible or liable for financial loss incurred in the holding of such contract or on account of the carrying charges thereof. Indeed, a most liberal contract. Mr. Cotton Grower pays no interest and takes all the profit, if any. If a loss, Uncle Sam pays the bill, whatever it may be.

It is to be noted that the Secretary of Agriculture and the Reconstruction Finance Corporation are not only authorized but directed to do their part. On the other hand, it is quite different with the producer. If the producer voluntarily accepts the bait tendered, he may partake in the anticipated profits without cost; and in case of cost, Uncle Sam pays the bill. The reduction in production is to be accomplished through voluntary agreements. The efforts made to effect voluntary cooperation, control, and curtailment of production in the past have demonstrated with absolute finality that voluntary agreements of either can not be effected. The Farm Board and agricultural groups and many excellent men and women throughout the country have given their time and money in an honest effort toward effecting voluntary cooperation and curtailment of production. No one except the California grape growers, who claim to have succeeded to the extent of 85 per cent in effecting full control, ever succeeded to the extent of 50 per cent. Again the demonstrated unworkable and ever-failing plan is to be experimented with. It is needless to say that a few will, as in the past, come in under the blanket; but the producers who are not so easily tempted and who see the advantage of staying out will express their appreciation and graciously decline the kind offer, and, as usual, a few will enter with expectations of increasing the price of cotton; others, judging from past costly experiences, will buy fertilizer and increase acreage to the fullest degree, and in that case, as in the experiment of the Farm Board to effect voluntary cooperation and control, again we shall be rich in experience and Uncle Sam will, as usual, be short in purse.

For years the Committee on Agriculture and Congress have earnestly endeavored to effect real farm-relief legislation with an eye toward promoting the best interests not only of one section of this country but for the general welfare of not only agriculture but every worthy and legitimate enterprise of our entire land. Numerous measures have passed the two Houses. The major parties at recent conventions renewed their oft-made pledges to place agriculture on a parity with labor and other industries, which pledges were generally accepted as meaning to include all producers, irrespective of party affiliation or of geographical lines. Now, much to the surprise of many, we are invited to the crowning of "King Cotton," and the more important corn, wheat, dairy, and poultry products-yes, even the peanut industry-are to be forsaken. Yes; this measure is of a sectional nature. Why not open your hearts and grant the same relief to the millions of others in dire distress?

Section 3: The board is also authorized to acquire and purchase at the market price the cotton previously given by the Government to the American National Red Cross for relief purposes and now being sold by that society.

Just what the cost to the Government will be the committee had no information, except as was set out in the conference report on H. R. 13607, to authorize the distribution of Government-owned cotton to the American National Red Cross and other organizations for the relief of distress. As stated in the conference report, the cotton was turned over to the Red Cross at the cost price, not, as proposed in this bill, at the market price, the market price being \$32.50 per bale, as I recall it, or \$7.50 a bale in excess of the cost price, and, as stated in the conference report. (See RECORD of February 3, 1933, p. 3306.)

To carry out the provisions of this act the unexpended balance of appropriations made for carrying out the provisions of the joint resolution authorizing the distribution of Government-owned wheat and cotton to the American National Red Cross * * * is authorized to be made immediately available, and in addition the sum of \$4,100,000 is authorized to be appropriated and made immediately available to the Federal Farm Board to be used solely for-

advancing amounts to pay loans held by commercial or intermediate credit banks against cotton which will be released for donations and to retire all storage and carrying charges against cotton, including compression charges, and so forth.

Mr. CHINDBLOM inquired (p. 3308):

With reference to the appropriation directly authorized of \$4,100,000, it is a fact, is it not, that the other \$4,500,000 to be taken out of the revolving fund is also in the nature of an appropriation by the Federal Government?

Chairman Jones stated in reply:

Of course, and this and previous appropriations they have made out of the revolving fund all come out of the Treasury of the United States.

Mr. CHINDBLOM. And, as a matter of fact, the total cost to the Government is the entire amount which the Farm Board paid for

this cotton when it was purchased?

Mr. Jones. No; the Government only has \$4,100,000 new appropriation, and the Farm Board advises that the value of the cotton was \$32.50 per bale, so that there is a considerable equity in it that the Farm Board would be able to use by selling the cotton and paying off the liens itself.

Mr. GLOVER. Mr. Chairman and gentlemen of the committee, I hope I may have your attention for a few minutes in the discussion of this matter. The gentleman who opened the argument in this debate to-day, the gentleman from Indiana [Mr. Purnell], injected some poison into the bill that ought not to have been brought into it. He and others have designated it as a stabilization bill. The distinguished chairman of the Agricultural Committee says, and I agree with him, that this is not a stabilization bill at all. I say to you and others who represent an agricultural community that the thing that caused the failure of your stabilization bill was that you did not have the safety provision that this bill has for the reduction of acreage.

This bill proposes that no one can be benefited by it who does not reduce his acreage.

We have now about 10,000,000 bales of cotton that must be cared for in some way that is now a surplus. Thirty per cent of acreage decrease for three years will take that amount of cotton off the market and will give us a free and open market for this great crop.

The gentleman from Wisconsin [Mr. Stafford], who just took his seat, says that we are trying to get our hands into the United States Treasury. There is nothing in an argument of that kind that can justly be made in this case against this bill. This bill does not cost the Government one penny. The Government now owns this cotton. It is only changing it from one hand to another where it can be used.

If the option of the farmer is not used under this bill to cut acreage, if there is an increase in the price of cotton, the National Government makes a profit. If the farmer exercises it, he makes it.

I was very much surprised at the argument that some of my friends of the Agricultural Committee have made. I am surprised by reason of the previous declarations that they have made. I have heard the expression frequently made, "Go along with us, with our wheat crop, and we will give you for cotton what you want."

Do any of you remember any expressions like that? Oh, | we ask you to-day to support us in this proposition. I believe every one of the Agricultural Committee will say that the South has always gone along with you in every attempt to help your section. There are many of us on the floor to-day who have fought for you people in the West. Why not be consistent?

[Here the gavel fell.]

The CHAIRMAN. The time of the gentleman from Arkansas has expired. All time has expired. The Clerk will read the bill for amendment.

The Clerk read as follows:

That there is hereby created in the Department of Agriculture a cotton board (hereinafter referred to as the board). Such board shall consist of six members, to be appointed by the Secretary of Agriculture, all of whom shall be qualified and experienced in either the purchasing, handling, or production of cotton. The members of the board shall receive no compensation for their services but shall be paid their actual and necessary expenses incurred in the performance of their duties. They shall hold office during the pleasure of the Secretary of Agriculture.

Mr. McGUGIN. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment by Mr. McGugin: Page 5, line 17, after the word "cotton," insert the words "and wheat," and after the word "cotton" in line 21, insert the words "or wheat."

Mr. STAFFORD. Mr. Chairman, I reserve the point of order.

Mr. BANKHEAD. Mr. Chairman, is it the purpose of the gentleman from Wisconsin ultimately to make the point of order?

Mr. STAFFORD. It is my purpose to do so if the gentleman from Texas does not make it.

Mr. BANKHEAD. The gentleman is reserving the point of order. If it is his purpose to make it, I think it should be made.

Mr. STAFFORD. I understand that I have the support of the gentleman from Texas in the point of order.

Mr. JONES. That is correct.

Mr. BANKHEAD. I demand the regular order. The CHAIRMAN. The gentleman from Wisconsin will state his point of order.

Mr. STAFFORD. The point of order is that it is not

The CHAIRMAN. Does the gentleman from Kansas care to be heard on the point of order?

Mr. McGUGIN. No.

The CHAIRMAN. The point of order is sustained.

Mr. McGUGIN. Mr. Chairman, I move to strike out the

The CHAIRMAN. The gentleman from Kansas is recognized for five minutes.

Mr. McGUGIN. Mr. Chairman, it is indeed interesting to see the Committee on Agriculture bring in a bill to take care of cotton which is so worded and phrased that it is not germane to include wheat. It is also interesting to note, and I want it to be in the RECORD, that the gentleman from Texas [Mr. Jones], chairman of the Committee on Agriculture, said that he would make the point of order if the gentleman from Wisconsin did not. It is also interesting to know that the man who took the leadership to obtain this rule, the gentleman from Alabama [Mr. BANKHEAD], insisted on the same point of order. We have it now in the RECORD, proved conclusively, that there is a coalition of southern Democrats from the Cotton Belt, together with Tammany Democrats, together with Massachusetts and New Jersey Republicans, to put through this cotton bill and sell wheat down the river. That is the obvious and patent truth, and it is now in the RECORD for all to read. Those on my right, on the Democratic side, have nothing else to offer than to help put through a coalition which they have made with the Republicans from Massachusetts and New Jersey.

The roll call on the rule shows that. The rule carried by 14 votes, and there were 12 Republicans from Maine, Massachusetts, New Jersey, Rhode Island, and Delaware to the committee, notwithstanding some remarks that were

who voted for that rule and made possible its passage. Without those 12 Republicans from the tariff-protected States, that have been helped in their protection by Republican votes from the Mississippi Valley for the last 40 years, the rule would have been defeated. That is the picture that we find here to-day. We find Massachusetts and New Jersey Republicans turning their backs on the Republicans of the Middle West who voted for 50 years for a tariff for them. Let me say to the Republicans from Massachusetts and New Jersey who have taken this course, you have formed your coalition with the Southern Democrats, and I hope to be able to be on this floor in some good time when I can join in a coalition with the Democrats and vote to put everything made in Massachusetts and New Jersey on the free list.

Mr. GOSS. I do not understand the gentleman to include Connecticut.

Mr. McGUGIN. I have the highest regard and compliment for the gentlemen from Connecticut. I refer particularly to the gentleman from Connecticut, Mr. Goss. He would not join in this conspiracy between the selfish Massachusetts and New Jersey Republicans and the Southern cotton Democracy and Tammany Democracy. [Applause.]

There is something else of interest in this vote. I find the gentleman from Rhode Island [Mr. Aldrich] voting side by side with the gentleman from Texas [Mr. PATMAN] and the gentleman from Mississippi [Mr. Rankin]. So we find at last the banking interests and the inflationists voting together on one bill.

A few weeks ago I voted against increasing tariffs, and for that I was irregular. I was branded as not being a regular Republican. I wonder if it will be conceded that I am a regular Republican to-day, as the Massachusetts and New Jersey delegations are so considered. I wonder if that will be considered when it comes time to make up the committee assignments on the Republican side in the next Congress. The time has come for us to have a show-down and find out whether or not Massachusetts and New Jersey Republicans are national Republicans or sectional Republicans. [Applause.]

I can not seriously criticize these Southern cotton people for robbing the Treasury and grabbing when they have a chance. It seems to be the order of the day for every section and faction to raid the Treasury if possible, but it is inexcusable for these 12 Republican votes from tariff-protected States to line up here shoulder to shoulder with Southern Democracy that has voted against their tariff since the days of the Civil War.

On the vote on the rule, 1 of 2 Rhode Island Republicans voted for the rule, 6 of 10 Massachusetts Republicans, 5 of 8 New Jersey Republicans, and the 1 Delaware Republican did likewise.

The CHAIRMAN. The time of the gentleman from Kansas has expired.

Mr. JONES. Mr. Chairman, after the sulphurous views of the gentleman from Kansas [Mr. McGugin] have cleared, let us investigate what the facts are. If the gentleman from Wisconsin [Mr. STAFFORD] had not made the point of order, I should have done so. Why? There is not any possibility of making this bill apply to wheat, and anyone who undertakes to do so is not for the bill, is not for the principle of the bill, but is throwing obstructions in its way. I am glad that some of the Members from Massachusetts have at last seen the light, and know that they can not permanently prosper unless the producers of their raw material prosper. When this measure was under consideration in the Senate they undertook to get a similar measure to apply to wheat. As a matter of fact there was no accumulation of wheat. At the time that wheat and cotton were taken over into the Stabilization Corporation, all of the wheat was taken over, so that the wheat got the full benefit of it, but only a part of the cotton was taken over, and this is some of the cotton that was not included in the stabilization.

The Government already has outstanding liens on this cotton. I have the amounts of them. They were submitted made, and the committee had the full benefit of the facts in connection with this. The Government has this money on the cotton. We are not buying any cotton. We are simply transferring it to another department where it will be carried as it is now, and a contract will be made to let men have an interest in the profits on any number of bales they may reduce their production.

Mr. SNELL. Will the gentleman yield for a question? Mr. JONES. I yield.

Mr. SNELL. I can not understand why we are merely transferring from one department to another, when, as a matter of fact, the storage-warehouse receipts for 1,500,000 bales of this cotton are held by the banks, and before we get possession of that cotton we must pay over \$27,500,000 in bank loans. That is not simply a transfer. We have got to take that money out of the Federal Treasury.

Mr. JONES. We will have to do that in any event; that is, the cotton will be held for it whether we pass this bill or not.

Mr. SNELL. Very well. Let us get the full facts before the House.

Mr. JONES. That does not apply to the collateralized cotton. But, in any event, that constitutes a lien which can be carried and which will be carried, and which will leave the Government in exactly the same position, except with greater chance for a loss if the bill is not passed than if it is passed.

Mr. SNELL. Yes; but the gentleman said in his statement it was a mere transfer from one department of the Government to the other. I say it is not; there is much more than a transfer in this action.

Mr. JONES. It is a transfer of the legal title, because the Government already has more in it than the market value of it.

Mr. SNELL. It is simply a banking proposition, as I stated on the floor, to help out the banks.

Mr. JONES. No, no; it is a transfer at the present market price, or the market price at the time it is taken over. and then a contract is to be made with a grower for a reduction of his production, which it is hoped will do away with some of the great carry-over, and thus enable the Government to get more out of it, as well as the cotton

Mr. SNELL. That is the only part of the bill that is any good. We are for that; but the gentleman himself presented a bill a few days ago that we thought took us out of the cotton business.

Mr. JONES. I tried to explain that to the gentleman. The gentleman is a brilliant man and has a wonderful mind, but that situation was explained to him at different times and the gentleman still says he does not understand. I do not know of any way on earth that I can give him understanding after having given him the information.

Mr. SNELL. Well, I do not want to say anything personal, but I do not think the whole story of the cotton game was told to the House.

Mr. JONES. I beg the gentleman's pardon. I undertook to explain it just as clearly as I could. All of the cotton owned by the Stabilization Corporation was turned over to the Red Cross.

Mr. SNELL. We did not own it, because we owed over \$8,000,000 on it.

Mr. JONES. Oh, that was clearly stated in the facts presented last summer.

Mr. SNELL. But I am talking about two weeks ago.

Mr. JONES. It was clearly presented on the bill itself, if the gentleman will read that.

Mr. SNELL. I am sorry to have to disagree with the gentleman.

Mr. JONES. And it is stated in the conference report and I stated it on the floor.

Mr. SNELL. When we had the gentleman's bill before the House to give this cotton to the Red Cross, did the gentleman tell the House that we had to pay \$4,100,000 out of the Treasury?

Mr. JONES. I told that in response to the gentleman's own question.

Mr. SNELL. That was afterwards; not at the time.

Mr. JONES. I told it, I think, on the gentleman's question.

Mr. STAFFORD. I beg the gentleman's pardon.

Mr. JONES. It was stated in the committee report and is shown in all the hearings. I thought it was thoroughly understood, the bill itself authorized an appropriation to pay off existing commercial liens.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. McSWAIN. Mr. Chairman. I move to strike out the last two words.

Mr. Chairman, there has been a suggestion that some sinister influence has induced some Members from the textile sections of New England to support this measure. Coming as I do from a district which, according to the statistics for the year 1932, produced the largest number of spindlehours of any single congressional district in the whole United States, I think I can interpret to any fair-minded Member of the House the reasons that have impelled those representatives of the textile interests of New England to support this measure in which the cotton farmers of the South and the cotton manufacturers of the East and of the South are alike and in the same way and to the same degree interested. It is this: It is a mistake to assume that the cotton manufacturer wants low-price cotton. What the cotton manufacturer wants is a market for his product, irrespective of the price of the raw material.

Under conditions that have been prevailing for the last few years, with the price of raw material constantly tumbling, the demand for the finished product has constantly and increasingly fallen off so that the buyers of cotton goods throughout the country and throughout the world have not entered the market for the finished product, thinking that cotton would be cheaper next week and next month and next year, and they would thereby be able to buy cloth and yarn cheaper. Consequently there has been no market for the product. The cotton manufacturer wants to see the cotton producer obtain a fair price for his product which will at least represent the cost of production.

I have no interest in any textile-manufacturing concern from a personal point of view. I do not own, and never have owned, a single share of stock in a cotton-manufacturing concern, but I am in close and intimate touch with all interests, both labor and the managers, in the textile industry of my section of the country, and I know they have no desire to press down the price of cotton so that the manufacturer may obtain it at a cheaper price.

Mr. HOPE. Mr. Chairman, will the gentleman yield?

Mr. McSWAIN. I yield.

Mr. HOPE. Will the gentleman tell us why the cotton spinners who are against the allotment plan are in favor of

Mr. McSWAIN. Yes. I told the gentleman then and I will tell him again. I was against the allotment plan. Why? Because, under the conditions then prevailing and now prevailing, it would be impossible for the manufacturer of cotton to finance the excise tax upon the product of the mills with the consequence that the mills would have been closed for lack of finances, and hundreds of thousands of laborers living on the meager wage obtained from those mills would have been turned out of employment, thus increasing the bread lines of the country.

Mr. HOPE. Will not that be the effect if the price of cotton goes up as a result of the operations of this bill?

Mr. McSWAIN. No; it will not be. They will have no cash excise taxes to pay. As soon as the buyers of finished goods throughout the country know the price is going up they will enter the market as quick bidders for the products of these mills, and they will be able to make contracts by which they can buy cotton to meet the demand.

Mrs. ROGERS. Mr. Chairman, will the gentleman

Mr. McSWAIN. I yield.

Mrs. ROGERS. Is it not true that wheat probably would have been included in this bill had the Federal Government owned any wheat?

Mr. McSWAIN. I think so. Mrs. ROGERS. Is it not also true that the gentleman from Kansas forgot that Massachusetts voted for the Federal Farm Board and other farm-relief measures in an effort to help the wheat growers? The gentleman from Kansas apparently forgot that the only hope of prosperity for the farmers rests in the reestablishment of industrial employment. It is in our industrial population they must find their customers for wheat. It is among the farmers we must find customers for our cotton goods. The time has come to stop sectional bickering. What really helps one group of Americans will help all.

[Here the gavel fell.]

Mr. JONES. Mr. Chairman, I yield five minutes to the gentleman from Texas [Mr. PATMAN].

HELP ALL FARMERS

Mr. PATMAN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I am not thoroughly convinced that I shall vote for this legislation. I have listened to the arguments on both sides, and I expect to continue to listen to the arguments. I am afraid the adoption of such a proposal as this will be in the way of a real relief measure for farmers. It is true we want to help the farmers. Not only do we want to help the cotton farmer, but the wheat farmer, and all other farmers. Purchasing power must be restored. If everybody could buy everything they need there would be no overproduction.

BANKS CLOSING

This morning I was told that all the banks in another State closed their doors. This is the fourth or fifth State in which all the banks have closed their doors. Business is being paralyzed and something must be done about the banking situation.

There is a fundamental cause for the difficulty, and whether we pass this legislation or any other legislation, it is not going to reach the heart of that problem. Rather than considering legislation like the bill now before us, I would favor considering legislation that would reach the heart of the problem.

DEPOSITS IN BANKS

We have in the banks of the Nation to-day \$45,000,000,000 of deposits. Were all the banks of the Nation closed to-day and Government agents should go into the vaults of these banks to get all the money in them, they would find less than \$700,000,000 with which to pay the \$45,000,000,000 of Therefore, there is an insufficient amount of money to properly support their deposits.

I believe the Congress, right now, should seriously consider taking over all the banks in this Nation. Let the Government take over these banks, not as a Government policy but as a necessity, in order to protect the rights of the people of this Nation. It is not right for the people to lose money as they have been losing it, the savings of a lifetime, through failure of banks caused by a few greedy but powerful bankers.

FIVE BILLIONS LOST SINCE 1920

The banks that have been closed since 1920 have been closed not necessarily by reason of any fault of the directors but by reason of a governmental policy of contraction of the currency and credit. Thus far the people have lost more than \$5,000,000,000 since 1920, but this sum is insignificant compared to the large sum of money the people of this Nation are going to lose the next few weeks or the next few months unless radical steps are taken to remedy the situation.

CONFIDENCE MAY BE RESTORED

Were the Government to take over the banking institutions of this Nation and supply them with plenty of money, confidence would be restored immediately. People would have a place where they could put their money and feel when they go to bed at night that it would still be there the next morning.

PEOPLE WILLING TO RISK GOVERNMENT

As evidence of the fact the people are willing to risk the Government I invite your attention to the fact that the Government can obtain all the money it desires now at one-fifth of 1 per cent interest for any kind of a governmental obligation. It makes no difference what kind it is. As further evidence of the fact the people are willing to risk their Government, during the last 18 months they have drawn out more than \$700,000,000 from the banks of this Nation and deposited that money in the postal savings accounts of the various post offices. And if to-day the Government of the United States were to call upon all the banks of the Nation to pay these postal savings deposits the banks would not have enough money in their vaults to pay them and would still owe \$45,000,000,000 in deposits to their depositors. Therefore, there is a necessity for putting money out to the country in some way or in some manner with or without Government banking in order that we may save all the banking institutions, restore confidence, and promote the general welfare. The money and credits that we have that is issued is backed up by about 2 cents on the dollar and the banks are drawing from 5 to 30 per cent interest, annual interest, for its use.

[Here the gavel fell.]

Mr. JONES. Mr. Chairman, I ask unanimous consent that debate on this section and all amendments thereto do now close.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

The pro forma amendment was withdrawn.

The Clerk read as follows:

SEC. 2. The Secretary of Agriculture, the Federal Farm Board, and all other departments and agencies of the Government are hereby directed—

(a) To sell to the said Cotton Board at such price as may be agreed upon by the Secretary of Agriculture and the board all cotton now owned by them.

(b) To take such action and to make such settlements as are necessary in order to acquire full legal title to all cotton on which money has been loaned or advanced, upon such terms as they may deem fair and just, and to sell this cotton also to the board in the same manner as is provided in the preceding paragraph

Mr. HOPE. Mr. Chairman, I offer an amendment. The Clerk read as follows:

Amendment offered by Mr. Hope: Page 6, after line 12, add a new subsection, as follows:

"(c) That in making such settlement the Farm Board shall not give credit to any organization which may be indebted to it, for an amount in excess of the net market value, above all liens of the cotton so transferred."

Mr. HOPE. Mr. Chairman, this amendment is offered in view of the fact that the two cotton cooperatives which now own this cotton are indebted to the Federal Farm Board to the amount of \$68,659,842. There is a loan on this cotton ahead of the Government loan of approximately \$24 a bale. It is worth about \$30 a bale. So when all of this cotton is turned over to the new board, through the agency of the Federal Farm Board, there will be a net indebtedness on the part of these cotton cooperatives to the Federal Farm Board of approximately \$58,000,000.

It is proposed in this bill to give the Farm Board authority to make such settlements as are necessary in order to acquire full legal title to this cotton, and it is the understanding and agreement, as I get it, that in order to secure this cotton the Federal Farm Board will wipe out all of the indebtedness owing to them by these two cotton cooperatives.

Mr. STAFFORD. Will the gentleman yield in that particular?

Mr. HOPE. Briefly.

Mr. STAFFORD. I understand the American Cotton Cooperative Association is capitalized at \$30,000,000, of which amount \$795,000 is subscribed and \$79,500 paid in, and has gotten loans of \$50,000,000 from the Farm Board, and we are now trying to relieve them of this indebtedness.

Mr. HOPE. That is true. These cooperatives have other assets. I do not know how much the other assets amount to, but when this bill was before the Senate it adopted an

amendment compelling these cooperatives to turn all of their other assets over to the Farm Board in making this settlement. I do not want to go that far. That would probably ruin these cooperatives, but I do not believe this House should pass a measure giving the Farm Board absolute authority to make these settlements, and wipe off \$58,000,000 worth of indebtedness, without some further investigation being made as to the ability of these cooperatives to make further payments.

This plan to cancel all the indebtedness owing by these cooperatives to the Farm Board has been tried before. When we had the allotment bill before the Committee on Agriculture there was a section in the bill, as originally written, which proposed to give the Farm Board the same authority. I do not believe the matter should be settled in this way. Possibly, we will have to wipe off all of this indebtedness, but before this is done Congress should have some facts before it, showing how this indebtedness was incurred, the assets of these concerns, and their ability to make some better settlement.

Mr. LANKFORD of Virginia. Will the gentleman yield? Mr. HOPE. Yes.

Mr. LANKFORD of Virginia. To whom is this money. amounting to \$58,000,000 that the gentleman speaks of, due?

Mr. HOPE. It is due the Federal Farm Board. The \$24 per bale that is against this cotton as a first lien is due to various commercial banks. That is the interest the banks have in this legislation. That is the reason Members of this House have been getting wires from banks all over the country, in New York and all the way down the coast, importuning them to support this legislation. It means the banks are going to get out from under and the Government of the United States, through a loan from the Reconstruction Finance Corporation, is going to carry the load. [Applause.]

Mr. JONES. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I hope the gentleman will not handicap the operation of this bill. I know the Government, unfortunately, is in this business and has liens against the cotton, and the only purpose of a hamstringing amendment would be to kill any good effect which the bill may have an opportunity to furnish. I fear the adoption of the gentleman's amendment would destroy any chance of making a fair arrangement whereby some good purpose may be accomplished and yet the Government be protected in so far

Regardless of whether this bill goes into effect, there is some \$67,000,000 that the Government has in liens against this cooperative cotton. There are also approximately 710,000 bales of collateralized cotton in the Department of Agriculture. Somehow, somewhere, this must all be disposed of. My hope is that we may trust them to make fair agreements. This involves a number of details. I hope gentlemen will not vote to put this kind of an amendment on the bill. It will not furnish any additional protection to the Government, and it may hamstring the bill.

If you have to vote against the bill, vote against it, but do not sink a stiletto sheathed in a silk handkerchief in its side.

Mr. HOPE. Will the gentleman yield?

Mr. JONES. Yes. Mr. HOPE. I may say to the gentleman that if I had any idea of hurting these cooperatives I would have offered the same amendment that was offered in the Senate.

Mr. JONES. Amendments like this would destroy the bill, or at least would destroy any chance for the necessary agreements to be made.

I ask for a vote, Mr. Chairman.

The question was taken; and on a division (demanded by Mr. HOPE) there were—ayes 64, noes 113.

So the amendment was rejected.

The Clerk read as follows:

SEC. 3. The board is also hereby authorized to acquire by purchase at the market price the cotton made available by the Government to the American National Red Cross for relief purposes and now being disposed of by that organization.

Mr. JONES. Mr. Chairman, in accordance with the tentative agreement, I move to strike out the section.

The CHAIRMAN. The Clerk will report the amendment. The Clerk read as follows:

Amendment by Mr. Jones: Page 6, lines 13 to 16, inclusive, strike out section 3.

The amendment was agreed to.

The Clerk read as follows:

SEC. 4. The board shall have authority to borrow money upon all cotton in its possession or control and deposit as collateral for such loans the warehouse receipts for such cotton.

Mr. McGUGIN. Mr. Chairman, I move to strike out Section 4.

The CHAIRMAN. The Clerk will report the amendment. The Clerk read as follows:

Amendment by Mr. McGugin: Page 6, lines 17 to 20, strike out section 4.

Mr. McGUGIN. Mr. Chairman, here we are going on with the same old program, borrowing money on cotton, that has already been given away, sold, reacquired, and how much longer we are going to carry on that program I would like to know. I am wondering when the Government of the United States is going to be fortunate enough to sell some of this cotton and get the money.

We have been loaning money to cooperatives, the stabilization corporation and what not and buying and rebuying cotton. Now, we are about to say to the cotton farmer if the price goes down the Government will take the loss, if it goes up the cotton farmer gets the profit.

For the last several years I have been hearing complaints from cotton growers criticizing the cotton exchange, and wheat growers criticizing the board of trade. They want to get wheat and cotton out of gambling.

Here is the worst kind of gambling-the Government is saying to the cotton farmer, "Buy the cotton, and if it goes up you get the money, and if it goes down the Government takes the loss." A father might as well say to the son, "I want to make you an expert gambler, go on the board and buy 100 shares of stock in an Insull corporation, and if it goes up you get the money and if it goes down I will stand the loss."

I am wondering when the Government will be in the position of an old slave after the Civil War in reconstruction days. The slave became a member of the North Carolina Legislature. In those days of corruption he was sitting in his bedroom, some one went along the hallway and heard him laughing. The stranger asked the ex-slave what he was laughing about and he said, "I am jes thinkin', I done been sold 14 times, and this is the first time ebber I did get de money." [Laughter.]

I am wondering when the Government is going to sell some cotton and get the money. We are not going to do it by this bill-borrowing money-and if the price goes down the Government will take the loss, and if it goes up the Government gives the profit to the cotton planter. It would be bad enough if we were going to hold the cotton, but when you tell the board to go ahead and borrow, we are going to suffer a loss.

Where is the ingenious plan where there can be no loss? I do not know how you can borrow money and then tell the cotton planter that if the price goes up he can take the profit, and if it goes down the Government will take the loss. I do not see how you can say there will be no loss.

Here is this whole plan in a nutshell. The Government says to the cotton man, here is a coin, and we will flip it up, and if it comes down heads the cotton man wins, and if it comes down tails maybe the Government breaks even and maybe it loses, depending upon whether or not the price goes down. And now you are authorizing them to borrow money. This section is iniquitous.

Mr. HASTINGS. Mr. Chairman, will the gentleman yield for a question?

Mr. McGUGIN. Yes.

Mr. HASTINGS. Suppose the Government of the United States, as provided in this bill, buys up sufficient cotton to

have a monopoly upon it, does the gentleman believe there is any chance in the world if the Government sells, that it will sell at a loss?

Mr. McGUGIN. The Farm Board tried that and it lost. Mr. JONES. Mr. Chairman, the simple fact is that the Government has loaned money on this cotton and it could force a sale upon it and break the market utterly, and cause the Government tremendous loss as well as lose all opportunity for benefit. If this plan is enacted and it works, it will come as near insuring the cotton market as any step possible to take, and this section simply authorizes an additional detail that is an essential to carrying out the plan.

Mr. McGUGIN. Mr. Chairman, will the gentleman yield?

Mr. JONES. Yes.

Mr. McGUGIN. The gentleman will surely agree, if the Government borrows money on this cotton and it goes down in value, the Government will lose.

Mr. JONES. The Government will lose that way, and certainly if the Government kept it over the market and undertook to sell two or three million bales on the market now, it would lose.

Mr. McGUGIN. If it goes out and borrows money and loses, the taxpayers have to make it up.

Mr. STAFFORD. The report says that it purposes to control nearly 3,000,000 bales of cotton. I assume from that that those 3,000,000 bales are now in the custody of the American Cooperative Association.

Mr. JONES. No; 1,560,000.

Mr. STAFFORD. The testimony of Mr. Creekmore last December was 3,300,000 bales. The gentleman from Oklahoma [Mr. Hastings] suggests that this board is going into the market to buy up all available cotton.

Mr. JONES. We struck that provision out.

Mr. STAFFORD. It was testified that the annual crop is around 15,000,000 bales, and that of the 1929 crop there was a surplus of 9,000,000 bales and of the 1930 crop a surplus of 10,000,000 bales and of the 1931 crop a surplus of 13,000,000 bales. How, by reducing the crop 30 per cent, are you going to prevent surpluses in these times of depression? Is it not a chimerical gamble, with the Government as the gambler?

Mr. JONES. Oh, that was accumulating surplus. The present American carryover in this country is less than 10,000,000 bales. The bill under any circumstances can not do any harm and can not cost the Government any more than it will cost it anyway. We simply want a chance to use this to the advantage of the whole situation rather than the disadvantage.

Mr. STAFFORD. Would not the loss of 3,300,000 bales now controlled by the American Cooperative Association, fall upon that cooperative rather than upon the Government? Are you not transferring the loss to the Government from the banks and the American Cooperative Association?

Mr. JONES. It controls only 1,560,000 bales.

Mr. Chairman, I ask unanimous consent that debate upon this section and all amendments be now closed.

The CHAIRMAN. Is there objection?

There was no objection.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Kansas.

The amendment was rejected. The Clerk read as follows:

Sec. 5. The Reconstruction Finance Corporation is hereby authorized and directed to advance money and to make loans to the board in such amounts and upon such terms as may be agreed upon by the board and the Reconstruction Finance Corporation, with such warehouse receipts as collateral security.

Mr. LANKFORD of Georgia. Mr. Chairman, I move to strike out the last word. I regret very much that many Members of the House are approaching the consideration of this bill from a sectional standpoint. To my mind the farm problem is nation-wide. I have always said that I would vote for any measure for the wheat-growing sections which those people out there agreed upon, regardless of whether cotton was included in the bill or not. When the McNary-Haugen bill, carrying the equalization-fee plan, was passed by the House the first time, it included wheat but did not

include cotton, and I voted for the bill. Then there came up for consideration several bills to vote money to purchase feed and seed for drought sections of the West. That was before there was any general bill for this purpose, and before there was any bill for this purpose for those of us living in the South. I voted for all these measures. Then from time to time there have come up for consideration here bills for the relief of the western part of the country in the way of legislation for irrigation projects. I have always supported those measures which I believed worth while for the people living in the West. Only yesterday there came up for consideration a bill for the relief of the irrigation districts of the West. I came on the floor and supported that bill and am truly glad it passed. The relief of the farmers of the West does not help my people directly, but I do not want this matter handled from a narrow viewpoint. This is no time for sectional bitterness among the friends of the farmers.

It will be a sad day for the farmers of the country when the farmers of the West make war on the farmers of the South, and the farmers of the South make war on the farmers of the West. I feel that those who love the farmers of the West and those who live in the West should vote for this bill for the relief of the farmers of the South. I believe they will be in a much better position to get the support of those from the South when they seek aid in the future. If I were coming back to the next session I would vote for a bill for your relief, regardless of the fact that you voted against this bill. I do not want any ill will between the farmers of those two sections. If the farmers of the West and the farmers of the South ever pass any real relief bill for the farmers of the Nation, it will be done by the farmers of both sections voting together.

The bill to give wheat to the Red Cross came up before the cotton bill did. Those of us from the South voted to give the wheat to the Red Cross before the cotton bill came up for consideration. Then, a little later the bill came up to give cotton to the Red Cross and many of those from the West voted with us on that. What I am pleading for is that you people from the West vote with us on this, and let us in the future continue to vote with you on matters which concern you, just as we hope to do. This is neither the time nor the place for a sectional fight nor for narrow partisanship. Let us all vote for every measure in behalf of the farmers and the average individual citizen regardless of which particular section may be most benefited.

Now, let me say that while I am in favor of this bill, I wish it went much further in many respects. This measure is a step in the right direction and my opposition to it—if it may be classed as opposition—is that it does not go far enough. At this time I wish to only specifically mention the section just read containing one proposal with which I take issue. I hope I may not be misunderstood. I am in favor of this section staying in the bill unless we could get a better one adopted, which I know we can not do at this time. There remains a hard fight before the plan to raise money I would like to see written into this bill is ever written into either this bill or any other, unless the present depression arouses the people more than ever before. This is the very reason why I am availing myself of every possible opportunity to get my idea in this respect before the country.

Now let me read again section 5 of this bill which I now wish to discuss briefly. It is as follows:

The Reconstruction Finance Corporation is hereby authorized and directed to advance money and to make loans to the board in such amounts and upon such terms as may be agreed upon by the board and the Reconstruction Finance Corporation, with such warehouse receipts as collateral security.

Under the law at present the Federal reserve banks can use the warehouse receipts mentioned in this section as the base for the issuance of interest-free money, but neither the farmers, who produced this cotton nor who are now to repurchase it, nor the United States Government, acting for the farmers in this matter, have this right. I contend that farm products should be monetized or used as the base for the issuance of currency just as fully for the farmers as it is now used by the banks of the Nation. Right here is the greatest trouble at this time with the farmer, with our

economic system, and with our Nation. Here is the greatest inequality that ever existed between the farmers and the big bankers of the country. Here is the cause of the depression. Let us remedy this inequality and we will have taken a long step in the solution of the present great economic problem.

Why should not the board, set up under this bill to handle this cotton, have the same right to issue or have issued interest-free currency with this cotton as the base as is now exercised by the big banks? Why should the farmers have to borrow money on their warehouse receipts and the banks have the privilege of issuing interest-free money on the same kind of receipts? Why is this great disparity authorized and sanctioned by Congress?

Under the present system the farmers are taxed out of existence, to raise money for the Reconstruction Finance Corporation, and then the Reconstruction Finance Corporation loans this money at interest back to the farmers or to a governmental agency acting for the farmers in order that this proposal may be carried into effect. In other words the farmer's money is forcibly taken away from him and then reloaned to him at interest on the farmer's own warehouse receipts—receipts on which the big bankers can issue interest-free currency. This is just another case where the farmers get help, but it is so costly and so intermingled with the payment of salaries, the creation of boards, and other red tape until much of the real merit of the proposal is utterly destroyed. Why not let the farmers, through a proper governmental agency, issue the currency in the first instance and thus save all this red tape, expense, and interest. The farmer should be allowed to issue his own currency as fully as the banker does.

This is the way the loans on all farm lands should have been handled. This is the way money should have been raised for the farmers under all activities which have been set up in the name of the farmer but which in effect are only harrassing the farmers, at great cost to the taxpayers and endangering the very existence of our Nation.

Mr. Chairman, under a proper farm relief system whereby the farmers would contract for their acreage of cotton, to-bacco, wheat, corn, and other products to be controlled and further contract for the sale of these products to be controlled, with the Government elevating and stabilizing the price of farm products at a fair price, and coupled with the proper monetization of farm products and farm lands, there would be brought into existence an arrangement putting the farmers of this country more nearly on a parity with the bankers, manufacturers, and other industrialists than ever before. But, Mr. Chairman, this leads me to the discussion of several matters which I have most fully discussed heretofore and which I shall not further discuss at this time.

The CHAIRMAN. The time of the gentleman from Georgia [Mr. Lankford] has expired.

The pro forma amendment was withdrawn.

Mr. GARBER. Mr. Chairman, I offer an amendment, which is at the desk.

The Clerk read as follows:

Amendment offered by Mr. Garber: Page 6, line 26, after the word "security," at the end of line 26, add the following: provided all loans shall be fully and adequately secured."

Mr. GARBER. For information I inquire of the distinguished chairman of the Committee on Agriculture, using the cotton as consideration for the withdrawal of acreage, what will be the curtailment of production?

Mr. JONES. It is not on the basis of acreage. It is on the basis of reduced production over last year's production, and they will have an interest in this pool to the extent they actually reduce the number of actual bales produced under what they produced last year.

Mr. GARBER. What is the estimated curtailment?

Mr. JONES. The curtailment, it is estimated, would be the exact number of bales covered by this bill; about 2,500,-000 bales.

Mr. GARBER. What proportion of the total production?

Mr. JONES. That depends on the production. The average is about twelve or thirteen million bales; so it will be a little better than 20 per cent.

Mr. LaGUARDIA. Will the gentleman yield?

Mr. JONES. I yield.

Mr. LaGUARDIA. That is not the world production?

Mr. JONES. No; I am talking about domestic produc-

Mr. GARBER. As the world's market determines the price, what proportion would the estimated curtailment be of the world's production?

Mr. JONES. The world production ranges around twenty-five to twenty-seven million bales. If this measure accomplishes what is hoped, it would mean about 10 per cent reduction of the total production in the world.

Mr. GARBER. With a 2-year surplus on hand and a third in the making, it is difficult to see anything but additional loss of the tax moneys in relieving the banks of their improvident loans on cotton. There is not any question but what the bill will relieve the banks, but it will be at the expense of the Government. It will simply be another example of "the banks must have theirs first." Oh, yes; it will relieve the Chase National Bank, of New York, and all the other banks with frozen cotton loans. It will be a good relief bill for them.

During my service in the House I have supported every measure for the promotion of the interests of agriculture that has been presented, many times doing so against my better judgment but with the hope that some beneficial results might ensue. I have always taken the position that the initial measure to be enacted in this depression was to increase the prices of farm products and restore the purchasing power to about one-third of our population living on the farms and suburban districts. With that purchasing power taxes would be paid, interest would be paid, part payments would be made upon obligations, all of which would tend to strengthen and rebuild our financial structure. With their purchasing power restored, the people would again become the consumers of the products of industry; capital would again invest and start up the idle factories and reemploy labor.

This has been my program for restoration in contrast to the program of the Government continuing the loan of the money of the taxpayers to the railroads, banks, mortgage and insurance companies, and other financial agencies, including the lending of money to clean out the slum districts of the large cities and rebuild them, and all other impractical proposals of a kindred nature; especially since it now appears that the tremendous weight of this depression is entirely too heavy for the Government to carry upon its credit and upon the ever-diminishing revenues and the ever-increasing deficits.

Up to February 20, 1933, the Federal Government had advanced \$1,788,666,009.12 in cash through the Reconstruction Finance Corporation and had received in the way of repayments on loans made a total of \$347,237,110.60. And let it be remembered that the loans have been made by the Reconstruction Finance Corporation as the agent of the Government under a guaranty of the Government which reads:

In the event that the corporation shall be unable to pay upon demand when due the principal and interest on notes, debentures, bonds, or other such obligations issued by it, the Secretary of the Treasury shall pay the amount thereof, which is hereby authorized to be appropriated out of any moneys in the Treasury not otherwise appropriated, and thereupon, to the extent of the amount so paid, the Secretary of the Treasury shall succeed to all the rights of the holders of such notes, debentures, bonds, or other obligations.

The Reconstruction Finance Corporation has been authorized to issue its notes, debentures, bonds, or other obligations to the extent of \$3,800,000,000, back of every one of which stands the Government, pledged to pay in full.

During this session, with the depression sagging each day, every measure of relief has been predicated upon loans from the Reconstruction Finance Corporation to the extent of billions and billions of dollars, just as though there was not any limit to its funds and just as though there was not any limit to the credit of the Government. It has been made the goat to bear the burden of every proposal for reconstruction.

With the evidence now at hand, showing that the loans already made are becoming more questionable each day and that moratoriums have become necessary to relieve the banks from undue withdrawals, it would seem that the safest course to pursue would be to take immediate action in curtailing the authority of the Reconstruction Finance Corporation to loans for relief to the destitute and needy in the several States and discontinue the making of loans where it clearly appears that such financial accommodations can not and will not check the relentless liquidation that is now going on, and which will continue to the bottom.

My joint resolution now pending before the House Banking and Currency Committee would prohibit the Reconstruction Finance Corporation from making any further loans to the railroads, because we have already advanced them approximately \$350,000,000, the larger portion of which simply went to relieve the banks and insurance companies holding their obligations, and within 60 or 90 days they will be demanding additional loans to meet their coming-due obligations in the amount of not less than \$300,000,000. It thus appears that we will be unable to carry the enormous weight of their financial needs and that sooner or later—it is only a question of time—they will go into the hands of receivers or through bankruptcy proceedings, with all the moneys the Government has advanced, not as a preferred but as a common creditor. Now is the time to stop.

My resolution also prohibits further loans to banks for the same reasons as apply to railroads and to the other agencies enumerated in the act, limiting the authority of the Reconstruction Finance Corporation strictly to the relieving of the distressed in the several States, to feed and clothe the hungry people who are out of employment, to give them work on work projects that will pay for themselves, referred to in the act as "self-liquidating projects."

It is strange that such important legislation as the pending bill could not have been given thorough consideration by the House Agricultural Committee and a bill reported during the session, giving ample time for its consideration. It is now presented with a report that gives but little, if any, definite information essential to its intelligent consideration.

Section 1 creates a board of six members to be appointed by the Secretary of Agriculture. Whew! Another board. Section 2 directs the Secretary of Agriculture, the Fed-

Section 2 directs the Secretary of Agriculture, the Federal Farm Board, and other agencies of the Government to sell to the newly created board all the cotton in their possession at such price as they may agree upon.

Section 3 authorizes the board to borrow money upon the cotton from the Reconstruction Finance Corporation and deposit the warehouse receipts as collateral.

Section 5 directs the Reconstruction Finance Corporation to lend the money to the board—

In such amounts and upon such terms as may be agreed upon by the board and the Reconstruction Finance Corporation with such warehouse receipts as collateral security.

My amendment would limit the loans so made to the requirement of full and adequate security as is required in all the other loans made by the corporation.

Section 6 authorizes the Secretary of Agriculture to enter into an optional contract with the producers of cotton for the sale of such an amount of cotton purchased by the board as the producer will curtail in his production for the year 1933. It provides that the producers of cotton may enter into an optional contract with the board to purchase the quantity of cotton which would have been produced if they had not refrained from limiting their planting. In other words, a cotton grower whose annual production has been a hundred bales, by entering into a contract to limit his production to 50 bales, may obtain an optional contract of purchase of 50 bales of cotton from the board and have the right at any time up to January 1, 1934, to exercise such option. By taking said cotton upon payment by him of his

option price and carrying charges, the board may sell such cotton for the producer, paying him the excess of the market price at the date of sale over the market price at the date of his contract, after deducting all carrying charges—

Provided, That in no event shall the producer be held responsible or liable for financial loss incurred in the holding of such cotton or on account of the carrying charges therein. In his contract of curtailment of production the producer must agree not to use the land withheld from the production of cotton for production of any other nationally produced agricultural commodity or product.

Thus we see, as in too many other cases, the Government handling the tax moneys of the people is required to take all the hazard and risk and hold the sack. It is estimated that the amount of cotton to be taken over will amount to about 3,000,000 bales. Of course the tax moneys of the people will be loaned to pay for all the liens and charges upon this cotton. It has developed that the banks have a total of approximately \$28,000,000 advanced loans to the producers on the cotton. The tax moneys of the people. through the Finance Corporation, are to be loaned to pay these banks. So we see, in the first instance, it is a bankrelief measure, a measure to relieve the banks of their loans to the cotton producers. The cotton is then to be used as a consideration to the cotton producer to curtail his production which he can readily afford to do by taking an option contract wherein he is to receive all the profits, if any, and is guaranteed against paying any of the loss. In other words, the Government having already advanced more money on the cotton than the market price would now afford is now being denied, under the terms of this bill, any chance whatsoever of recouping any of the tax moneys by improved price conditions. All such gains, if any, are to go to the producers who in addition to such considerations are relieved of the expense of their crop production.

We do not believe that the financial condition of the Government will permit of any additional loans or any additional expenditures of the tax moneys in favor of any one class of producers as against the others. An amendment to include wheat in the bill was voted down by the Democratic House majority. If we are justified, under the present precarious financial conditions, to loan the tax moneys for the benefit of the cotton producers, we have the same justification to loan such moneys for the wheat producers, corn producers, hog producers, cattle raisers, and the producers of dairy products. But the House majority selfishly exercising its power in the closing days of the session is opposed to any amendments extending equal financial assistance to the other industries of agriculture. We are opposed to any such narrow, selfish, sectional policy or the exercise of any such power.

We say now the only way to balance the Budget is to stop spending the people's money, to discontinue all unnecessary appropriation, or any additional loans by the Finance Corporation with the exceptions as above stated, and let liquidation take its natural course. The farmers have taken theirs, their accumulations have been swept away, the market values of their properties have been destroyed, the prices of their products have been reduced to approximately 50 per cent of their cost of production. Let all the other industries take the same liquidation and then start anew upon an equality and keep the Government out of business; of attempting to peg the price of bonds or securities or farm products. [Applause.]

Mr. JONES. Mr. Chairman, I rise in opposition to the amendment.

The present law requires adequate security. It does not say "full and adequate." This does not change the law. The gentleman does not understand how these matters are handled. These are warehouse receipts, and the warehouse receipts carry the actual cotton. To say that they shall have further security aside from that absolutely kills any chance of handling it under any circumstances.

Mr. WHITTINGTON. Will the gentleman yield? Mr. JONES. I yield.

Mr. WHITTINGTON. Is it not true that the board will only have the cotton in the warehouses, and that is all the collateral it has?

Mr. JONES. That is all in the world they could put up. and having put that up, the gentleman would hamstring the bill so that it could not operate. The Reconstruction Finance Corporation certainly is going to handle this in a business-like way.

Mr. Chairman, I ask unanimous consent that all debate on this section and all amendments thereto do now close.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Oklahoma?

The amendment was rejected.

The Clerk read as follows:

SEC. 6. The Secretary of Agriculture, under such rules and regulations as he may prescribe, is hereby authorized and directed to enter into contracts with the producers of cotton to sell to any such producer an amount of cotton, in the hands of the board, equivalent in amount to the amount of reduction in production of cotton by such producer below the amount produced by him in of cotton by such producer below the amount produced by him in the preceding crop year, in all cases where such producer agrees in writing to reduce the amount of cotton produced by him in 1933, below his production in the previous year, by not less than 30 per cent, without increase in commercial fertilization per acre.

To any such producer so agreeing to reduce production the Secretary of Agriculture shall deliver a nonnegotiable option contract agreeing to sell to said producer an amount of cotton equivalent.

agreeing to sell to said producer an amount of cotton equivalent to the amount of his estimated reduction of the cotton in the

session and control of the board.

The producer is to have the option to buy said cotton at the average price paid by the board for the cotton procured under sections 2 and 3, and is to have the right at any time up to January 1, 1934, to exercise his option, upon proof that he has complied with his contract and with all the rules and regulations of the Secretary of Agriculture with respect thereto, by taking said cotton upon payment by him of his option price and all actual carrying charges on such cotton; or the board may sell such cotton for the account of such producer paying him the excess of the for the account of such producer, paying him the excess of the market price at the date of sale over the market price at the date of his contract after deducting all actual and necessary carrying charges: Provided, That in no event shall the producer be held responsible or liable for financial loss incurred in the holding of such cotton or on account of the carrying charges therein: Provided further, That such agreement to curtail cotton production shall contain a further provision that such cotton producer shall not use the land taken out of cotton production for the production for sale of any other nationally produced agricultural commodity or product.

Mr. HOLLISTER. Mr. Chairman, I offer an amendment. The Clerk read as follows:

Amendment offered by Mr. Hollister: Page 7, strike out line 18 and the following words on line 19: "procured under sections 2 and 3," and insert in lieu thereof the following: "at the market price at the date of his contract."

Mr. HOLLISTER. Mr. Chairman, I assume that irrespective of how we feel as to the general principle involved in this bill, whether we are for or against the bill as a general measure, we all want it in the best possible shape and in the fairest form it can be gotten into.

The bill at present provides that the producer who takes advantage of his option contract shall acquire his cotton at the average price that it was acquired by the cotton board, and, of course, if he acquires it at that price, he is then able to sell it at the then market price.

The principle behind this bill is a desire to reduce production and, in order to induce the grower to reduce production, to offer him something in the way of a stimulus so that if he and those with him who are cooperating are successful in that reduction he will get a better price.

It has been stated that this will not cost the Government anything, that the Government is due anyway for a large loss. Granted that this may be true, we ought, however, to save something for the Government where we possibly can if we are not interfering with the basic idea back of the bill.

My amendment merely provides that the producer, when he exercises his option, shall pay for it at the fair market price at the time of his contract.

Mr. WHITTINGTON. Mr. Chairman, will the gentleman yield?

Mr. HOLLISTER. Certainly.

Mr. WHITTINGTON. Would not that defeat the very purpose of this bill? If he buys at the market price, there would be no incentive for him making any reduction at all.

Mr. HOLLISTER. The market price at the time he makes his original contract?

Mr. WHITTINGTON. Yes.

Mr. HOLLISTER. The theory of the bill is that this action will reduce production, will keep this cotton off the market, and, therefore, the price will rise. The only question is at what price is one Government body going to acquire this cotton from another Government body?

Mr. WHITTINGTON. That is provided for in the bill.

Mr. HOLLISTER. If the cotton board acquires this cotton from another Government body at the prevailing market price, the matter is definitely settled; but there is no doubt in my mind but that it is necessary to incorporate in the bill some protection against arbitrary action between two branches of the Government. It should not be possible for them to take the cotton and arbitrarily fix a price, for instance, of 3 cents a pound when the market price at the time was 5 cents.

It seems to me this is merely a protection against arbitrary action by two Government boards so that they will not state a given price at which the cotton will be acquired by one of them, which price may be far below the market.

Mr. WHITTINGTON. Is it reasonable to suppose the grower would agree to pay more than the market price for the cotton?

Mr. HOLLISTER. I do not think the gentleman understood me. I want to protect against two Government bodies agreeing on a sale price as between themselves, which price would be considerably less than the market. The grower, on exercise of his option, would then get the benefit of the difference between this arbitrary cost of the cotton and the market price when he ultimately exercises his option. Have I made it clear?

Mr. CLARKE of New York. Mr. Chairman, will the gentleman yield?

Mr. HOLLISTER. Certainly.
Mr. CLARKE of New York. This amendment is simply in the interest of protecting the Government, as I understand it.

Mr. HOLLISTER. That is all that is provided by my amendment, and it seems to me we should try to perfect this bill before it is put in operation.

Mr. JONES. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the difficulty with amendments of this character is that if it became apparent after the bill is enacted that the farmers were going to sign up and before they could actually sign, some of these speculators who watch the trade all the time would bid the market up before they could actually sign and thus defeat the purpose of the bill. As it is, the farmer who is charged up with cotton that is set apart to him is charged what they agree on as the price to the Government plus carrying charges. I think this is fair. Then the speculator could not rush in and drive the market up and thus prevent the farmer getting a contract at what would be a fair price. It might take 30 days or longer to get them all in.

If we are going to pass the bill, let us give the principle a chance to work. I think the Government will be protected, and the only effect of the gentleman's amendment would be to give some speculators an opportunity to destroy any chance the principle of the bill has of operating.

Mr. HOLLISTER. Mr. Chairman, will the gentleman yield for a question?

Mr. JONES. Certainly.

Mr. HOLLISTER. Would it not be fair to have the bill state that price would be taken into consideration?

Mr. JONES. We discussed that in the committee.

danger of two Government agencies getting together and agreeing on a price regardless of the market.

Mr. JONES. There is no appreciable danger of that.

Mr. HOLLISTER. If there is not, then let us protect against it.

Mr. JONES. The matter was carefully considered by the committee, and this seemed to be the fairest way to handle the matter. I hope the gentleman will not insist on his amendment.

Mr. HOLLISTER. I insist on it because it seems to me to be necessary.

Mr. JONES. Mr. Chairman, I ask unanimous consent that all debate on this section and all amendments thereto do now close.

Mr. STAFFORD. Mr. Chairman, I have an amendment. I object.

Mr. ALLGOOD. Mr. Chairman, I object. I have an amendment I wish to offer.

Mr. JONES. Then, Mr. Chairman, I modify my request and ask unanimous consent that all debate on this amendment do now close.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio.

The question was taken; and on a division (demanded by Mr. Hollister) there were—ayes 78, noes 101.

So the amendment was rejected.

Mr. JONES. Mr. Chairman, I ask unanimous consent that all debate on this section and all amendments thereto close in 12 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. BOILEAU. Mr. Chairman, I offer an amendment. The Clerk read as follows:

Amendment offered by Mr. Bolleau: Page 8, line 10, after the word "production," strike out the words "for sale."

Mr. BOILEAU. Mr. Chairman, I believe this is a very important amendment. To my mind this bill, as it is now prepared, is discriminatory. It discriminates against all agricultural commodities with the exception of cotton. It seems to me if we are to pass such a bill providing that some lands which are now utilized for the purpose of raising cotton shall be taken out of production, such lands under no circumstances should be used for the purpose of raising any other commodity or product of agriculture, whether it is being produced for sale or not. To my mind it makes no difference whether any other such commodity that might be planted or produced upon this land is sold or not, all such commodities produced on such land are directly in competition with other agricultural commodities. If the farmer who is now engaged in producing cotton produces cotton exclusively, he must buy his milk and must buy his cheese and must buy his potatoes and his wheat and other things; but if we are going to permit him to take this land that he now uses for the purpose of producing cotton and produce these other commodities, even though they are not produced for sale, we are permitting that amount of such commodities to come into direct competition with farmers who are producing such other agricultural commodities. I believe this provision should be amended so that such lands can not be used to compete with farmers who are not benefited by this bill.

Mr. HOCH. Will the gentleman yield?

Mr. BOILEAU. Yes.

Mr. HOCH. Under the language as it appears now, such a farmer could use the land to raise corn provided he fed the corn to his hogs.

Mr. BOILEAU. Yes; he could use it in any way provided he did not produce it for sale. It would be in direct competition with other farm commodities, and I believe that if the cotton men want this benefit for themselves, they at

Mr. HOLLISTER. What I want to protect against is the | least ought not to saddle anything more on the producers of other commodities.

Mr. GILCHRIST. I had in mind the same question that was asked by the gentleman from Kansas and I desired to point out that the cotton farmers will now raise corn and feed it to their hogs and later on get the benefit of the corn grown in this way without a single compensating factor to the corn farmer.

Mr. BOILEAU. That is absolutely right, and the same thing applies to the dairy farmers and every other class of farmers.

Mr. JONES. Will the gentleman yield?

Mr. BOILEAU. Yes.

Mr. JONES. This is simply intended to apply to the man who may grow a few stalks of corn in his garden or grow a few potatoes for his own use. This was just intended to apply to articles that are not grown for the market.

Mr. BOILEAU. That same farmer is producing a small amount of corn to-day, he has some land he is using for that particular purpose, and we should let him keep on using that same land and not let him put this 30 per cent into the production of other commodities. He now uses part of his land for that purpose and without these words "for sale" he can continue to do so.

Mr. JONES. Maybe this is the only land he has for that purpose.

Mr. BOILEAU. If he is not using the land for that purpose now let him buy these other farm products and help out some other farmer.

Mr. KERR. Will the gentleman yield?

Mr. BOILEAU. Yes.

Mr. KERR. May I ask if it is the gentleman's purpose to support this bill in the event the amendment he has offered is adopted?

Mr. BOILEAU. I am not certain whether I will or not. I am frank to say that I believe this bill is wrong in principle. The gentleman from Alabama gave the only good reason for the passage of this bill, and that was that this might be our last chance to help out cotton. I want to say to you that I believe we ought to stay here and come back next Monday in special session, and help out all agriculture. I am willing to help out cotton, but I want other phases of agriculture helped out with it.

Mr. GREEN. Will the gentleman yield?

Mr. BOILEAU. Yes.

Mr. GREEN. The products to which the gentleman refers are not raised in any surplus quantity where cotton is

Mr. BOILEAU. Let the cotton farmers who want this protection buy some of the things that other farmers raise. There is no reason why they should go into the production of these other crops. [Applause.]

[Here the gavel fell.]

Mr. JONES. Mr. Chairman, I ask recognition for just one minute to state that it is the customary language to say "raised for the market." I do not know that this is a particularly important amendment, but I do not like to vary from the usual form. It is intended they shall not use this land for any competitive crop that is marketed, directly or indirectly.

Mr. GILCHRIST. Why did not the gentleman write the bill in that way?

Mr. JONES. We might put in the words "directly or indirectly," in order to cover the question. I do not want the land used even indirectly in competition with any of these other crops, but I dislike to strike out the words "for sale," because this might interfere with some little thing that a farmer grew even in his garden in these desperate times in order to help him make a living. If the gentleman will change his amendment so that it will say "for sale directly or indirectly," I will be pleased to agree to the amendment. This would cover the feeding proposition.

Mr. BOILEAU. No; I insist upon my amendment.

Mr. JONES. Mr. Chairman, I ask that the amendment

The CHAIRMAN. The question is on the amendment! offered by the gentleman from Wisconsin.

The question was taken; and on a division (demanded by Mr. Boileau) there were 93 ayes and 117 noes.

Mr. BOILEAU. Mr. Chairman, I demand tellers.

Tellers were ordered; and the Chair appointed as tellers Mr. Jones and Mr. Bolleau.

The committee again divided, and the tellers reported that there were 124 ayes and 135 noes.

So the amendment was rejected.

Mr. JONES. Mr. Chairman, in order to correct the text in accordance with the suggestion made by the gentleman from Wisconsin, I will offer the following amendment to page 8, line 10.

The Clerk read as follows:

Page 8, line 10, after the words "for sale" insert the words "directly or indirectly."

The amendment was agreed to.

Mr. ALLGOOD. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Amendment to S. 5122:

"To every landlord so agreeing to reduce or cause to have reduced the production of cotton under the optional provision of this act upon all lands to which said landlord holds title shall be assigned, said assignment to be made by the Secretary of Agriculture directly to said landlord, that number of appropriately

culture directly to said landlord, that number of appropriately designed and numbered metal tags, said tags to be known and accepted as ginning permit tags, one of which shall be fastened securely on the outside of each bale (hereinafter known as the common bale of ginned cotton not exceeding 525 pounds in gross weight) of cotton so produced under the terms of the said landlord's written contract heretofore provided for in this act.

"To every landlord not so agreeing to reduce or cause to have reduced the production of cotton under the optional provision of this act upon all lands to which said landlord holds title shall be assigned, said assignment to be made upon the properly prescribed joint application of said landlord and a duly licensed ginner, and said assignment shall be made by the part-time Federal employee of said district or county commonly known as cotton-gin enumerator or cotton-census enumerator, or some duly authorized agent of the Secretary of Agriculture in the event of the absence of such enumerator, that number of said tags not to exceed by 70 per cent of the number of bales of cotton produced on all said lands cent of the number of bales of cotton produced on all said lands

in the previous year.

"The Secretary of Agriculture is hereby authorized and directed to design and have provided a sufficient number of said ginning permit tags to carry out the provisions of this act.

"The Secretary of Agriculture, under such rules and regulations

"The Secretary of Agriculture, under such rules and regulations as he may prescribe, is hereby authorized and directed to assign the said ginning permit tags under the provisions of this act.

"Any ginner or ginners who separately or jointly with any landlord or landlords make false and/or misleading statements in the application for or assignment of said ginning permit tags shall be charged with a felony and upon conviction thereof shall be fined not more than \$1,000 and imprisoned for a period of not more than they were than two years.

"Any person, firm, or corporation that may hereafter gin a bale of cotton without placing upon said bale or cotton one of the said ginning permit tags as required under the provisions of this act shall be charged with a misdemeanor and upon conviction thereof shall be fined not more than \$500.

"Any purchaser who may hereafter purchase, trade for, or accept title to a bale of cotton ginned under the provisions of this act without first ascertaining if said bale of cotton has upon it one of the said ginning permit tags as provided for in this act shall be charged with a misdemeanor and upon conviction thereof shall be fined not more than \$500 and upon discovery said bale of cotton shall be confiscated.

"The possession of a bale of cotton ginned hereafter and in vio-lation hereof shall constitute prima facie evidence as to the guilt of the ginner who ginned said bale and the owner of said bale in violation of this act and upon discovery said bale shall be con-

Mr. JONES. Mr. Chairman, I make the point of order that the amendment is not germane. If we undertake to limit the amount of ginning, that is an entirely different question to a voluntary production program.

The CHAIRMAN. The Chair is ready to rule. amendment proposed by the gentleman from Alabama deals with the subject of ginning cotton. There is nothing in the bill dealing with ginning cotton. The Chair sustains the point of order.

The Clerk read as follows:

SEC. 8. The Secretary of Agriculture is hereby authorized and directed to make all necessary rules and regulations and to employ such officers and employees as are necessary to execute the provisions of this act

Mr. HOPE. Mr. Chairman, I offer the following amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. Hope: Page 8, line 22, after the word "act," strike out the period, insert a colon, and add the following: "Provided, That no salary or compensation shall be paid to any person in excess of that paid Federal employees for like or similar services."

Mr. JONES. Mr. Chairman, we will accept the amendment.

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

The CHAIRMAN. The question now is on the committee substitute to the Senate bill as amended.

The substitute as amended was agreed to.

The CHAIRMAN. Under the rule the committee will rise. Accordingly the committee rose; and Mr. Woodrum having assumed the chair as Speaker pro tempore, Mr. Davis of Tennessee, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill S. 5122, and that pursuant to House Resolution 397 he reported the bill back to the House with an amendment.

The SPEAKER pro tempore. Under the rule the previous question is ordered on the bill and amendment to final passage. The question is on agreeing to the amendment.

The amendment was agreed to.

The SPEAKER pro tempore. The question is on the third reading of the Senate bill.

The bill was ordered to be read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the

Mr. CLARKE of New York. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 188, nays 183, not voting 55, as follows:

> [Roll No. 1731 YEAS-188

Davis, Tenn. Delaney DeRouen Abernethy Aldrich Allgood Almon Dickinson Dickstein Arnold Auf der Heide Bacharach Dies Disney Dominick Bankhead Barbour Barton Beam Black Doxey Drewry Driver Bland Blanton Bloom Boland **E**llzey **E**slick Boylan Briggs Browning Fernandez Brunner Fishburne Fitzpatrick Flannagan Buchanan Burch Flood Fuller Burdick Busby Busby Byrns Canfield Cannon Carden Carley Fulmer Gambrill Gasque Gavagan Gifford Cartwright Glover Cary Castellow Celler Chapman Chavez Clark, N. C. Cole, Md. Hare Hartley Hastings Collier Hill, Ala. Hill, Wash. Condon Connery Cooper, Tenn. Cox Cross Holmes Howard Huddleston Crowther Crump Cullen Hull, Morton D. Jeffers Johnson, Okla.

Johnson, Tex. Jones Keller Kemp Kennedy N. Y. Kerr Kleberg Kniffin Doughton Douglass, Mass. Lanham Lankford, Ga. Larrabee Larsen Eagle Eaton, N. J. Lea Lehlbach Lichtenwalner Lindsay Estep Evans, Mont. Lovette Lozier McClintic, Okla. McCormack McDuffie McKeown McMillan McReynolds McSwain Major Maloney Mansfield Martin, Mass. May Mead Miller Milligan Goldsborough Green Gregory Hancock, N. C. Mobley Montet Moore, Ky. Murphy Norton, N. J. O'Connor Oliver, Ala. Overton Parker, Ga. Parks, N. Y. Houston, Del.

Parsons

Patman Patterson Perkins Prall Ragon Rainey Ramspeck Rankin Rayburn Reid. Ill. Reilly Rogers, Mass. Rogers, N. H. Rudd Sanders, Tex. Sandlin Seger Seiberling Smith, Va. Smith, W. Va. Somers, N. Y. Spence Steagall Stevenson Stewart Sumners, Tex. Sutphin Swank Tarver
Taylor, Colo.
Taylor, Tenn.
Thomason
Tierney Underwood Vinson, Ga. Vinson, Kv. Warren Wason Weaver Whittington Wilson Wingo Wood, Ga. Woodrum

Wright Yon

NAYS-183 Adkins Dyer Eaton, Colo. Kading Romjue Sanders, N. Y. Schafer Allen Kahn Englebright Kelly, Ill. Schneider Kelly, Pa. Kennedy, Md. Ketcham Andresen Erk Andrew, Mass Evans, Calif. Schuetz Andrews, N. Y. Selvig Fiesinger Kinzer Shallenberger Arentz Finley Knutson Fish Bachmann Foss Kurtz Shreve LaGuardia Lambertson Simmons Sinclair Bacon Baldrige Frear Free Beck Beedy French Garber Lamneck Snell Lankford, Va. Snow Sparks Stafford Stalker Biddle Gibson Leavitt Gilchrist Lonergan Loofbourow Bohn Gillen Boileau Luce Stokes Bolton Brand, Ohio Granfield Ludlow Strong, Pa. Greenwood Griffin McClintock Ohio Stull McFadden Swanson Sweeney Griswold McGugin Brumm Guyer Hadley Burtness Magrady Swick Swing Cable Cable Campbell, Pa. Carter, Calif. Carter, Wyo. Chiperfield Christgau Haines Hall, N. Dak. Millard Taber Temple Moore, Ohio Hancock, N. Y. Morehead Nelson, Me. Nelson, Mo. Thatcher Thurston Timberlake Harlan Christopherson Nelson, Wis. Tinkham Clague Haugen Nolan Treadway Clancy Clarke, N. Y Norton, Nebr. Hawley Turpin Oliver, N. Y. Partridge Watson Weeks Welch Cochran, Mo. Cochran, Pa. Hoch Hoch Hogg, Ind. Hogg, W. Va. Holaday Hollister Cole. Iowa Person West Cole, lowa Colton Connolly Cooper, Ohio Coyle Pettengill Pittenger White Whitley Wigglesworth Williams, Mo. Hooper Polk Hope Hopkins Pratt, Harcourt J. Pratt, Ruth Crail Williamson Purnell Ramseyer Withrow Crosser Horr Hull, William E. Crowe Culkin Jenkins Johnson, Mo. Ransley Reed, N. Y. Wolfenden Wood, Ind. Darrow Davis, Pa. Dowell Johnson, S. Dak. Rich Johnson, Wash. Robin Woodruff Robinson NOT VOTING-55

Kopp Kvale Lambeth Douglas, Ariz. Bowman Brand, Ga. Doutrich Drane Buckee Campbell, Iowa

Gilbert Golder Hall, Ill. Chase Chindblom Collins Hall, Miss. Corning Hornor Curry Davenport Igoe Jacobsen De Priest Dieterich James

Cavicchia

Freeman Fulbright Lewis McLeod Maas Manlove Martin, Oreg. Michener Montague Mouser Niedringhaus Owen Palmisano Johnson, Ill.

Pou Sabath Shannon Sirovich Smith, Idaho Strong, Kans.
Sullivan, N. Y.
Sullivan, Pa.
Summers, Wash.
Underhill Williams, Tex. Wyant Yates

So the bill was passed.

The Clerk announced the following pairs: On this vote:

Mr. Pou (for) with Mr. Wyant (against).
Mr. Sirovich (for) with Mr. Buckbee (against).
Mr. Brand of Georgia (for) with Mr. Campbell of Iowa (against).
Mr. Hall of Mississippi (for) with Mr. Doutrich (against).
Mr. Sullivan of New York (for) with Mr. Kvale (against).
Mrs. Owen (for) with Mr. Kopp (against).
Mr. Drane (for) with Mr. Smith of Idaho (against).
Mr. Collins (for) with Mr. Smith of Idaho (against).
Mr. Montague (for) with Mr. Niedringhaus (against).
Mr. Williams of Texas (for) with Mr. Hall of Illinois (against).
Mr. Igoe (for) with Mr. Underhill (against).
Mr. Gilbert (for) with Mr. McLeod (against).

Additional general pairs:

Mr. Corning with Mr. Cavicchia.
Mr. Martin of Oregon with Mr. Michener.
Mr. Lewis with Mr. Golder.
Mr. Lambeth with Mr. Manlove.
Mr. Palmisano with Mr. Bowman.
Mr. Douglas of Arizona with Mr. Freeman.
Mr. Shannon with Mr. Chase.
Mr. Jacobsen with Mr. Mouser.
Mr. Dieterich with Mr. Strong of Kansas.
Mr. Fulbright with Mr. Sullivan of Pennsylvania.
Mr. Hornor with Mr. Davenport.
Mr. Sabath with Mr. James.
Mr. Cooke with Mr. Curry

Mr. Cooke with Mr. Curry.
Mr. Johnson of Illinois with Mr. De Priest.

Mr. MICHENER. Mr. Speaker, I was in the cloakroom, standing just outside. My attention was called to the fact that my name was called, and I came in, but the Clerk passed on to the next name.

The SPEAKER. The gentleman does not qualify.

Mr. MICHENER. If permitted to vote, I would vote "no." Mr. MANLOVE. Mr. Speaker, I was standing just outside in the cloakroom. If permitted to vote, I would vote " no."

The SPEAKER. The gentleman does not qualify.

The result of the vote was announced as above recorded.

On motion by Mr. Jones, a motion to reconsider the vote by which the bill was passed was laid on the table.

EXTENSION OF REMARKS—THE AMERICAN RAILROADS

Mr. COOPER of Ohio. Mr. Speaker, it is my desire to say a few words to the House respecting the condition of one of the Nation's greatest and most necessary industries—that of railroad transportation. The future of this country and the welfare of its people demand sound solutions for the difficulties which the railroads face. The situation calls for the fullest cooperation between the Federal and State Governments and their regulative authorities, backed by an informed and constructive public opinion.

In discussing railroad matters the subject is often approached from the viewpoint of some particular group of citizens out of the many whose interests or problems are involved—the employees, for instance; or the security owners; the railroad managements; the shippers and receivers of freight; the mines, factories, and other industries whose markets depend upon rail transportation and upon the maintenance of rates which will move the traffic; the employees and owners of these mines, mills, and other industries; the consumers of their output; the enterprises which produce railroad supplies and equipment, and their employees and owners, and so on. The list is far from complete, but it is long enough to show that a full catalogue of those who will be helped or injured by whatever helps or injures the railroads would include the entire population of the country and even involve the security of its industrial and social order.

It is evident also that these various classifications of interests, which are affected by the railroad situation, are in many cases overlapping; that is, the same individual may be, and often is, concerned in more than one way. As a single example, thousands of holders of railroad stocks and bonds are also railroad employees; or, in only too many cases, they are former employees, living in the hope that better days in rail transportation will bring them back to the pay rolls.

Railroad employees to-day number about 1,000,000. That is roughly half as many as there were only a few years ago, yet they are still an army, despite the thinning of their ranks. Including families and other dependents, from five to six million citizens of the United States are being directly supported by railroad pay rolls, even in these times of unparalleled shrinkage in traffic. In normal periods several million more persons-workers and their dependents-were supported by the pay rolls of the industries which produce fuel, other supplies, and equipment for the railroads.

The present predicament and the future outlook of all these people—the railroad workers and ex-workers and their dependents, and the workers and ex-workers in the railroadsupply industries-constitute a national welfare problem to which only the situation and difficulties of the farm population are comparable.

I have the greatest sympathy for the farmer with his mortgage and tax problems and the collapse in the prices of everything that he can produce for sale. Yet I doubt whether the situation of the average distressed farmer is any more disheartening than that of thousands of former railroad employees who are to-day without jobs or means of support of any kind.

The railroad man without a job has nothing but his savings, if any. He is nearly always a town or city dweller, and if you cut off his wages, you cut off his entire resources of existence.

What has become of the million or so of railroad workers, who, through no fault of their own or of the railroad managements, have lost their places in recent years? Some have found employment of a sort in other work, but practically

always at reduced living standards and in only too many cases for pay at or close to the line of bare subsistence. Many thousands have been and are entirely idle—charges upon relations, friends, or the public.

Of the approximately 1,000,000 still at work, it can only be said that literally thousands live in the daily dread that their turn will come next. How precarious the situation has become for great numbers may be judged from the fact that on some of the largest railroad systems, where seniority agreement are in effect with the employees, it is necessary in many important departments, to have more than 30 years' service in order to remain on the pay rolls. Numerous instances have been recorded where, under the strictest interpretation of seniority rights affecting a given group of employees, men with even 40 or more years of service have been laid off because they stood at the bottom of the roster of those who were left.

I mention these matters, not because I expect Congress to legislate railroad men back into their jobs, or because I think railroad men have any claim to preferred consideration over workers who have devoted their lives to other essential industries, but because I think it is essential that Congress and the public, in rightful concern over the plight of the farmer, should not lose sight of the situation and problems of railroad and railroad-supply workers, and their dependents. Their problem should be as much a matter of national concern as that of the farmers.

Let us turn now from the employees of the railroads to the owners of these great properties, which have been dedicated and are essential to the public service. Let us consider their stock and bond holders and who they may be. In theory, a bondholder of a railroad is a kind of secured creditor, one who has advanced capital upon the security of some form of mortgage or pledge. In practice, especially under existing circumstances, the bondholder is really only a preferred class of owner and we may consider his situation and that of the stockholder as one problem.

According to the accepted estimates, there are in round figures 1,000,000 holders of railroad bonds and 800,000 holders of railroad stocks. Those who seek to make political capital out of assailing any and every form of accumulated property, particularly when in corporate form, make a common practice of referring to railroad bond and stock holders as if they were in large or major part rich and powerful individuals, well able to look out for themselves. I am sure that even men who for their own ends try to present such a picture know that it is not an accurate one.

The individual holder of railroad securities certainly has rights which should be properly respected and protected. To do so is one of the functions of government, as much as in the case of any other form of rightfully owned property. But in the extent of the interests involved, the holdings of individuals are far overshadowed by the interest of the public as a whole in the ownership of these securities by great institutions formed to protect and promote the public welfare. For instance, life-insurance companies and mutual-savings banks hold more than \$5,000,000,000 in railroad securities, or about a quarter of all the outstanding stocks and bonds of all the railroad companies in the United States put together. These securities form an important part of the investments which are the security behind more than 50,000,000 insurance policies and 13,000,000 savingsbank deposits.

On the very conservative estimate that at least half of these 50,000,000 insurance policies carry benefits to persons other than the policyholders themselves, we have, through this one source, not less than 75,000,000 of our people whose protection and welfare are directly dependent upon the financial soundness of railroad securities. And who can say how many persons there are whose future welfare is directly or indirectly dependent upon those 13,000,000 savings-bank accounts, which in their turn are in considerable part dependent, for their future worth, upon railroad investments?

Besides the insurance companies and savings funds nearly every bank, trust company, hospital, college, school of tech-

nical training, religious, charitable, and welfare institution has at least some of its funds—usually a substantial part—invested in the railroads.

The real truth of the matter is that all of our citizens, whether they appreciate the fact or not, are directly or indirectly interested in railroad stocks and bonds. In actuality they are railroad-security owners, if not in their own names, then by proxy.

What we have in this country is not, I am thankful to say, public ownership of the railroads, in the sense of ownership by the Government. We have what is far better and sounder, ownership by the public, either as individual investors or through their institutions.

I have already mentioned the purchases of the railroads. Let me return to that important subject for a few further observations. Vast, indeed, is the scope of railroad purchasing power when traffic is moving freely. Under conditions of stability they are the mainstay of our great basic industries, taking a quarter of all the bituminous coal, a fifth of the oil, a fifth of the forest products, a sixth of the iron and steel. Economists place the normal buying power of the railroads at 16 or 17 per cent of the country's total. Can our business men or our farmers, the latter of whom are dependent for their markets chiefly upon industrial centers, permit that vital and basic buying power in the Nation to be needlessly crippled?

I am citing these facts, which cover only a part of the situation, not in order to base upon them a plea for Congress to subsidize the railroads, even as an emergency measure. I have no fear that rail transportation is becoming obsolete. It is no more becoming obsolete than the steel industry is. And when general business revives, traffic will come back to the rails just as surely as orders will come back to the mills.

I am not making a sentimental plea for the railroads. Nor am I suggesting that they should be treated better in the future for any reasons of pity or sympathy.

Why regulate the railroads in every detail but permit their competitors to operate practically unregulated, in complete disregard of the fact that they are engaged in business just as much "affected with a public interest" as is the business of the railroads?

Why permit great trucks to take the "cream" of the freight business—the high-paying, low-cost traffic—leaving to the railroads the "skim milk," which, as common carriers, they must haul when and where the shipper directs, whether it pays or not?

Why give the trucks on the highways and the barges on the artificially constructed inland waterways free, or partly free, rights of way, maintained and improved at public expense, while the railroads must own, maintain, and improve their own rights of way and pay taxes as well?

As far as the Federal Government is concerned, I advocate that Congress, with the least possible delay, exercise its constitutional power to regulate all interstate commercial transportation. Congress has possessed this authority ever since the Constitution was adopted in 1787, but has never exercised it at all in the case of the highways and in the case of water transport only in nominal degree. Railroads did not come into existence until more than 40 years after the Constitution was adopted, yet Congress has regulated their rates and practices in almost every possible respect.

I realize that in the case of highway transportation the principal responsibility for detail matters of regulation must fall upon the several States. It is highly encouraging to note that the legislatures of a number, responsive to the manifest will of their citizens, are now unmistakably awakening to these responsibilities. But Federal regulation of all traffic which crosses State borders will be just as necessary as it was in the case of the railroads if we are to produce a workable and effective system for the proper control of highway transportation throughout the country.

If it is in the interest of the public to have railroad rates stable and publicly known, and to forbid discriminations in railroad service—which no intelligent man now disputes what possible argument can be advanced that the same

situation does not apply with respect to transportation service rendered by trucks and busses? The thing that is regulated is the service of transportation—the moving of things and persons from one place to another. In so far as the need for regulation is concerned, what difference can lie in the vehicle by which the service is performed?

Highway transport regulation requires not only control of rates and practices, but also policing in the interest of public safety. The appalling loss of life on the highways 34,400 recorded fatalities in 1931; over 150,000 people killed in five years-makes it evident that safety is one of the important questions. Growing realization of this situation, I believe, accounts among other things for the movement, which I believe is destined to sweep the Nation, for barring the highways to the use of great trucks of freight-car size and limiting the length of truck and trailer trains. Happily, the legal power of the States to protect their citizens is beyond question. In upholding a newly enacted statute in the State of Texas, the Supreme Court of the United States recently said:

It is well-established law that the highways of the State are public property; that their primary and preferred use is for private purposes, and that their use for purposes of gain is special and extraordinary, which, generally at least, the legislature may prohibit or condition as it sees fit.

In conclusion, let me say I advocate placing the transportation agencies by bus or truck under the Interstate Commerce Commission, with the railroads. That is where they properly belong.

The commission is our great governmental authority on transportation. To sacrifice the value of its accumulated experiences of 45 years, by placing some of our transportation agencies under other governmental bodies, would be a costly error. Let us not commit it. Let us safeguard and utilize that invaluable experience. Let us consolidate the responsibilities and insist upon commensurate results.

PAPER MANUFACTURED FROM CORNSTALKS—EXTENSION OF REMARKS

Mr. GILLEN. Mr. Speaker, ladies and gentlemen of the House, your attention is called to Concurrent Resolution No. 52, just introduced by me, to require the Joint Committee on Printing to investigate and report on the feasibility of using paper made from cornstalks for printing the Congressional RECORD and other Federal publications and uses.

Since our supply of wood pulp is rapidly diminishing and our forests are becoming depleted, a new supply of pulp should be developed and its use encouraged. If the Government will take the lead, there is no question but that the use of cornstalks in the manufacture of print paper can be made practical and economical and a new market created for corn products.

My attention was first attracted to the possibilities of the use of corn products in the making of print paper some two or three years ago when the editor of the Herald, of Greencastle, Ind., put out one issue of this newspaper on print paper made from cornstalks, then manufactured, as I remember it, at Danville, Ill. I afterwards made mention of this in some of my public addresses and directed attention to the possibilities involved and expressed the hope that our Government would lend a helping hand if necessary. It is with this thought in mind that I have introduced this resolution.

The Department of Agriculture, under date of June, 1929, issued a bulletin entitled "Farm Wastes for Paper and Board Making," which reviews the history and experiments made in this industry and gives much valuable information and data concerning it.

It is earnestly hoped that the Joint Committee on Printing will be given authority to make the proposed investigation, to the end that a new market may be found for corn products and which will supplement the kinds of pulp now being used.

HAVE FAITH IN AMERICA

Mr. FISH. Mr. Speaker, I ask unanimous consent to extend my remarks made on Washington's birthday.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. FISH. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address delivered by myself at the annual Washington's Birthday celebration of the Sons of the Revolution, held at Carnegie Hall, New York, on Wednesday morning, February 22, 1933:

Hall, New York, on Wednesday morning, February 22, 1933:

It is an honor and a distinct privilege to be invited here this morning to speak to the Sons of the Revolution at this large patriotic gathering in celebration of Washington's birthday. Last year the people of the United States commemorated the two hundredth anniversary of the birth of George Washington throughout the Nation. We can well afford in the midst of our present-day difficulties to take to heart and for our guidance those characteristics and principles of George Washington that made him the greatest figure in American history.

When the Declaration of Independence was written by that great Democrat, Thomas Jefferson, it was a mere scrap of paper until George Washington, through his leadership, courage, determination, and faith translated it into a political actuality: Our republican form of government—the Government of the United States—to-day the oldest continuous government in the world.

My main message to the Sons of the Revolution and, through them, to the American people over the radio, in the midst of our acute economic depression and the afflictions that go with it, is to uphold the same principles as shown by Washington under more trying conditions, and above all to maintain our faith in the traditions and ideals that have been handed down to us, and in our free institutions and republican form of government.

trying conditions, and above all to maintain our faith in the traditions and ideals that have been handed down to us, and in our free institutions and republican form of government.

There was never a time when there was more need for faith in ourselves, faith in our institutions, both economic and political, and faith in America than at the present time. Men and women of radical persuasion—communists, socialists, pink intellectuals, and radical college professors—have been going around this country in the last few years talking to groups of young people and particularly to women, telling them that everything was wrong and rotten and corrupt in our democratic institutions, and that our economic system was brutal and oppressive to the wage earner, and that everything that had been handed down to us by Washington, Jefferson, Lincoln, and Roosevelt was wrong and should be scrapped for some temporary form of foreign dictatorship—socialism, communism, or fascism.

The answer to all the charges made by those who would undermine the faith of the American people in their own institutions and Government is that for the last 50 years our wage earners have been the best paid, the best housed, the best fed, the best clothed, and the most contented in the world, and that at any time within the last 50 years if we had let down our immigration barriers, millions upon millions of foreigners would have flocked to the United States; and if Soviet Russia, where these American visioneries without any experience in business or government.

barriers, millions upon millions of foreigners would have housed to the United States; and if Soviet Russia, where these American visionaries, without any experience in business or government, find everything beautiful and peaceful, should let down her bar-riers to-morrow, one-half of her terrified population would try to get out within 30 days.

Fifty years ago American labor worked 12 and 14 hours a day on a pitiful wage scale and standard of living. Step by step the various State legislatures and the Congress of the United States, at the demands of the American people, have gradually brought about shorter hours for labor, provided better wages and more sanitary working conditions, and have enacted child labor laws, sanitary working conditions, and have enacted child labor laws, workmen's compensation laws, and now old age pension laws. We still have in America the same capacity, the same intelligence, and the same patriotism to solve all our economic problems as we have done in the past, for the best interests of all the American people, without recourse to socialism, communism, or fascism, and we propose to continue to solve our problems as we have in the past along purely American lines. We do not propose to surrender our civil, economic, and political liberties, including freedom of speech and of the press, for any foreign form of freedom of speech and of the press, for any foreign form of dictatorship.

When we emerge from this depression—as emerge we will, through the courage, hard work, and faith of the American people—I hope and urge that prosperity will be passed around to a greater degree than it has been in the recent past; that labor shall be given larger benefits and a greater share of the fruits of their labor. The rank and file of the American people, including the unemployed, have been loyal and faithful to our institutions in the midst of this depression, because they know from past experience that under them they have been better off than any other people in the world.

experience that under them they have been better off than any other people in the world.

I urge more specifically that when we get back to normal times the American wage earners be provided with security insurance in their industrial life by requiring corporations in the various States employing labor to provide adequate health, life, and retirement insurance for all their employees. One of the greatest tragedles of our economic collapse is that men who have worked 25, 30, and 35 years for the same corporation, to build up the wealth and greatness of our Nation, have been let out on a day's notice, without any pay or retirement to maintain their family or home. or home.

In these days of mass production and industrialization we must take steps to see that such a situation as exists now shall not happen again. If security insurance had been in effect for the

last 30 years, the economic situation in the country would not be one-half so appalling. I do not deny that there are still evils and abuses in our economic system, but they can be corrected and remedied just as they have been in the past for the best interests of all the American people.

We must not permit ourselves to be led astray by false remedies that seek to destroy both our political and economic system, but rather to use our influence and abilities to stabilize and improve our economic system, which is erroneously called "capitalism" by its opponents as a word of reproach and opprobrium.

talism" by its opponents as a word of reproach and opprobrium. In the United States labor as well as capital, are both "capitalists." A man who owns his house, car, and garage is just as much a capitalist as the man who owns a bank. The difference between our economic system and communism or socialism is the difference between individual liberty and compulsion.

Let us make every effort to wipe out any abuses and evils that exist in both our political and economic systems by further liberalization of our laws and make changes where necessary for the public good. Let us make the fight within our own American institutions rather than follow the revolutionary and false doctrines advocated by Karl Marx in Germany in 1848, at a time when labor had no civil, economic, or political rights. There is no room in America for those who advocate class hatred and destruction of private property. I agree with Theodore Roosevelt, when tion of private property. I agree with Theodore Roosevelt, when

The more we condemn unadulterated Marxian socialism, the stouter should be our insistence on thoroughgoing social reforms."

Civilization is confronted with the solution of economic prob-

Civilization is confronted with the solution of economic problems far more serious than at any time since we obtained our
independence as a Nation. I whole-heartedly commend the declaration of the Pope in behalf of social and industrial justice and
in favor of a more equitable distribution of wealth. It is our
manifest duty to see that industrial justice and human rights
prevail in these United States. If our country is worth dying for
in time of war, it must be worth living for in time of peace.

Although I am bitterly opposed to a dictatorship based on force
and arms, I would favor in this serious economic crisis, giving
extensive powers to President-elect Roosevelt to reorganize the
departments of the Government in an effort to reduce expenditures; and also temporary power to cut Federal appropriations in
the interest of economy and the welfare of the American people
and the financial stability of the Treasury of the United States.

During the World War partisanship was put aside. I believe
that the present emergency is far more serious than at any time
in the World War, and that Republicans and Democrats should

that the present emergency is far more serious than at any time in the World War, and that Republicans and Democrats should combine in combating the depression and its manifold evils and help solve the economic problems for the benefit of the American people. We might well adopt a moratorium on partisan politics, or a kind of political armistice from now until the end of the year. What is lacking in the country to-day is confidence, and every effort must be made, above and beyond partisanship, to uphold the integrity and stability of our economic and political institutions. institutions

institutions.

What is needed is a ringing statement from President-elect Roosevelt that there will be no experimentation with unsound money, and that the budget will be balanced through cutting Federal expenditures and new taxes will be enacted, if necessary, I hope and pray that the Democratic Party, under his leadership, will seek the solution of our distressing economic problems on sound American principles, free from foreign importations or contalistic experiments.

socialistic experiments.

As war clouds gather in the Far East, the American people con-As war clouds gather in the Far East, the American people continue to be in favor of minding their own business and are bitterly opposed to any policy that involves policing the world. They would be very much opposed to sanctions or laying embargoes against Japan or taking any steps that would lead to war. The fact that they do not approve of Japan's seizure of Manchuria does not warrant our drifting into war with Japan under a policy of bluff and bluster. It is quite evident that the League of Nations is anxious to have the United States hold the bag and tell Japan that she must get out of Manchuria. It would be the height of stupidity for America to permit itself to be used by the League of Nations to pull its chestnuts out of the fire and to attempt to force Japan out of Manchuria, where they have treaty rights stronger than those claimed by us under the have treaty rights stronger than those claimed by us under the Monroe Doctrine in Central America and Haitl.

How can the United States, which seized Panama, lay down the

law to Japan, or how can England and France, both of which have carved out large slices of territory for themselves in Africa and Asia since the World War? We have plenty of troubles at home without seeking more in far away Manchuria. If Soviet Russia wants to mix in the Manchurian mess, where she has spe-

Russia wants to mix in the Manchurian mess, where she has special interests, that is her business and not ours.

Let's keep our hands off Manchuria, and stick to our traditional open-door doctrine for China. And above all, let us quit sticking our tongue out and making noses at Japan. It is a silly and childish performance and gets nowhere, but does lead to enmity that may eventuate in war, which neither the United States nor Japan wants.

It must be self-evident that a Nation that can not protect its own citizens in Nicaragua against a handful of bandits, must not try to police Manchuria or bluff Japan. No one in America wants war with Japan. It would be criminal folly and nothing to be gained, even if we won. For Heaven's sake, let us stick to our

own knitting.

Since the day we withdrew our Marines in Nicaragua to the seaport towns, a few years ago, when six American civilians were butchered in cold blood, our influence in world affairs has dwin-

dled away until it has reached a vanishing point. What a difference from the policy of Theodore Roosevelt of "Perdicaris alive or Raisuli dead"; or of Woodrow Wilson in two interventions in Mexico. I am one of those who favored withdrawing the Marines from Nicaragua, particularly if they were not to be used to punish those guilty of murdering defenseless American citizens. The craven policy of sounding retreat was a turning point in our world influence. It would be preposterous, having failed to protect American lives or to punish the guilty, now to issue ultimatums over Manchuria.

issue ultimatums over Manchuria.

I am in favor of building our Navy up to the full 5-5-3 ratio, and maintaining it there, as equal in efficiency to any navy in the world. It is our first line of defense and our best protection, both world. It is our first line of delense and our best protection, both against war with any nation or in case of war being thrust upon us. I am mindful of the words of Bourke Cockran, that a second-best navy is like a second-best hand at poker. It is not worth a damn. This does not mean that I do not favor reaching an agreement with Great Britain to cut the size of both navies practically in half, but at the same time maintaining the 5-5-3 ratio, and the in half, but at the same time maintaining the 5-5-3 ratio, and the same proportional national defense. I hope the approaching wardebt adjustment with Great Britain will result in a mutual saving of over \$100,000,000 a year in our naval budget, and give us the same relative naval defense. If we do not insult Japan in the meanwhile, she would be glad to reduce proportionately, in view of her crushing burdens of taxation, and so would France and Italy

If Great Britain would enter into a mutual agreement whereby we can cut \$100,000,000 from our naval budget annually, I would we can cut \$100,000,000 from our naval budget annually, I would favor reducing her war debt payments to us by \$100,000,000. The net result would be that we would have the same proportional naval defense and would not be canceling the war debts at the expense of our taxpayers. There is no question but that we should make a substantial concession to Great Britain, which has already paid us almost a billion and a half dollars, or 75 per cent of all the war-debts payments made to us. She stands in a different caterory, the control of the characters and its caterory. gory than any of the other debtor nations, and is entitled to fair. just, and honorable treatment at our hands. We asked her to pay 80 per cent of her war debt, whereas the other debtor nations were required to pay from 25 per cent for Italy to 50 per cent for France. The French debt settlement only amounts to the total sums of money that we loaned France after the Armistice, which

were not for purposes of winning the war, but for rehabilitation.

I favor adequate national defense—a small, efficient regular Army, a large federalized National Guard, and believe that for a free and representative government the safest, soundest, cheapest, and most democratic form of national defense is to continue the Reserve Officers Training Corps, organized reserves, and

tinue the Reserve Officers Training Corps, organized reserves, and the citizens' military training camps.

I am opposed to the Borah embargo on arms resolution, empowering the President to enter into an agreement with one or more countries to lay embargoes on munitions of war against another nation. I am positive it would have involved the United States in serious difficulties, if not war, if any attempt was made to apply such an embargo against Japan or any nation with a powerful navy. With this in view, I offered an amendment to the resolution when it was considered by the Committee on Foreign Affairs of the House of Representatives, which was carried by a big vote, to limit the embargo proposal to American countries. Under the Monroe doctrine we have a moral duty to use our influence to limit conflicts in Central and South America.

countries. Under the Monroe doctrine we have a moral duty to use our influence to limit conflicts in Central and South America. I am convinced if we tried laying embargoes on arms in Europe or Asia that we would end up holding the bag and be called upon to do the fighting. I am enthusiastically in favor of a multilateral agreement among all nations similar to the Briand-Kellogg pact to renounce war, almed to outlaw the sale and shipment of any munitions of war, both in peace and in war.

If Congress should pass the Borah embargo on arms resolution unamended before adjournment on March 4, it would be immediately interpreted as being aimed against Japan and add further fuel to the mounting flames of discord and hostility. Such a resolution is not a step toward peace, but toward war. It will not prevent war in China, but may drag us into it. It amounts to nothing more than a weak attempt to have the United States determine the aggressor nation, which has never yet succeeded. Historians are still disputing what nation caused the World War.

determine the aggressor nation, which has never yet succeeded. Historians are still disputing what nation caused the World War. Just a week ago a cowardly and dastardly attack was made upon President-elect Franklin D. Roosevelt. The American people were greatly shocked, but at the same time rejoiced and were relieved that the protecting hand of Providence stood between the life of the President elect and the bullet of the would-be assassin. I hope that this near tragedy will call the attention of the American people to the condition of utter importance and assassin. I nope that this hear tragedy will call the attention of the American people to the condition of utter impotence and powerlessness of the various departments of the Government to investigate or even keep in contact with revolutionary activities of those who would destroy our republican form of Government

of those who would destroy our republican form of Government by force and violence.

I appeal to this audience and to the radio audience to write or telegraph their Representatives and Senators to vote for the Eslick bill, H. R. 8378, which provides for an investigation of both aliens and native born who advocate the assassination of public officials and the overthrow of the Government by force and violence, and the Dies bill, H. R. 12044, which has passed the House of Representatives and is pending in the Senate, that provides for deportation of alien communists who urge the overthrow of our republican form of government by force and violence. These alien communists do not fear our police, our courts, or our jails. The only thing that they fear is to be deported back home, which the Dies bill provides. Dies bill provides.

The people of New York State love and revere the memory of George Washington and seek to refresh their memories and to commemorate his glorious deeds while serving for almost three years during the Revolutionary War at Newburgh and along the banks of the Hudson River.

banks of the Hudson River.

I believe the people of our State will be interested to know that I recently requested the Postmaster General to issue a commemorative postage stamp, with an engraving of Washington's head-quarters at Newburgh, in celebration of the one hundred and fiftieth anniversary of the formal proclamation of peace with the British, which was made on the 19th of April, 1783. He assured me of his cooperation, and asked me to submit views of the old headquarters, which still exists, which I have done. It was also from these headquarters that the patriot army was disbanded after the proclamation of peace. I have every reason to believe that President-elect Franklin Roosevelt, who comes from the congressional district in which Newburgh is situated, will be glad to cooperate in expediting the issuance of this commemorative stamp on or before April 19.

When the Declaration of Independence was written by Thomas

When the Declaration of Independence was written by Thomas Jefferson there were few, if any, republics in the world. Even when Lincoln made his immortal Gettysburg speech there were

when Lincoln made his immortal Gettysburg speech there were still few republics in the world. Since then monarchies have been toppling over right and left and republics have come into being, based on our principles of government. Our free institutions and republican form of government are still the hope and aspiration of the struggling masses of mankind, whether they be in Italy, Soviet Russia, India, China, or Japan.

Let us rededicate ourselves on this celebration of the two hundred and first birthday of George Washington, to the proposition that a government of the people, by the people, and for the people shall not perish from the earth. Let us reaffirm our belief in our republican form of government, because it is the soundest, fairest, wisest, most honorable, and best form of government ever devised by the mind of man. Let us cherish it and defend it against all our enemies, both from within and without, and serve notice on socialists, communists, or fascists that we still have faith in America and in our republican form of government, which is the best on earth.

ABSENCE OF MEMBER

Mr. MORTON D. HULL. Mr. Speaker, the gentleman from Illinois [Mr. CHINDBLOM] is ill to-day and is absent for that reason.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. Craven, its principal clerk, announced that the Senate had agreed to the report of the Committee of Conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 14199), entitled "An act making appropriations for the military and nonmilitary activities of the War Department for the fiscal year ending June 30, 1934, and for other purposes.'

The message also announced that the Senate had agreed to the amendment of the House to the amendment of the Senate numbered 14 to the bill (H. R. 13872), entitled "An act making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1934, and for other purposes."

ORDER OF BUSINESS

The SPEAKER. The Chair would like to make a statement. There are a number of bills on the Consent Calendar that have not been called for some time. The Chair thinks it might accommodate a number of Members and possibly facilitate the passage of some bills if we might use 20 or 30 minutes in calling the Consent Calendar, with the understanding that when a bill is called there is to be no reservation of objection and no conversation concerning it. If a Member intends to object, he will object, so that we can complete this calendar. Otherwise it would require probably

If there is any time remaining after the call of the Consent Calendar, the Chair will recognize gentlemen in charge of House bills with Senate amendments, to ask unanimous consent to either concur in the Senate amendments or to ask for a conference.

Is there objection?

Mr. STAFFORD. Mr. Speaker, I understand it is the desire of the Speaker to call bills on the Consent Calendar, unobjected to?

The SPEAKER. Unobjected to. Is there objection? There was no objection.

CONSERVATION OF WILD LIFE, FISH, AND GAME

The SPEAKER. The Clerk will call the first bill on the Consent Calendar.

The Clerk called the first bill, S. 263, to promote the conservation of wild life, fish, and game, and for other purposes.

The SPEAKER. Is there objection? Mr. STAFFORD. Mr. Speaker, I object.

NATURALIZATION LAWS

The Clerk called the next bill, H. R. 10274, to amend the act approved March 2, 1929, entitled "An act to supplement the naturalization laws, and for other purposes" (45 Stat. 1512).

Mr. JENKINS. Mr. Speaker, I object.

ADVANCES UNDER RECONSTRUCTION FINANCE CORPORATION ACT TO PRODUCERS OF LIVESTOCK

The Clerk called the next bill, H. R. 10673, to provide that advances under the Reconstruction Finance Corporation act may be made to producers of livestock and to dairy farmers.

Mr. STAFFORD. Mr. Speaker, that bill has already been passed. I object.

CLAIM OF OSAGE NATION AGAINST UNITED STATES

The Clerk called the next bill, H. R. 2352, amending the act entitled "An act authorizing the Court of Claims to hear, determine, and render judgment in the civilization fund claim of the Osage Nation of Indians against the United States," approved February 6, 1921 (41 Stat. 1097).

Mr. JENKINS. Mr. Speaker, I object.

HOMESTEAD RIGHTS

The Clerk called the next bill, S. 4029, to restore homestead rights in certain cases.

Mr. STAFFORD. Mr. Speaker, I object.

RELIEF OF DISTRESS DUE TO UNEMPLOYMENT, ETC.

The Clerk called the next bill, H. R. 12097, for the relief of distress due to unemployment, to create a committee for Federal, State, and local cooperation in placing qualified unemployed persons on unoccupied farms for the purpose of growing subsistence food crops during the continuance of the unemployment emergency.

Mr. LaGUARDIA. Mr. Speaker, I object.

SUBCONTRACTORS ON PUBLIC-BUILDING PROJECTS

The Clerk called the next bill, H. R. 9921, to require contractors on public-building projects to name their subcontractors, material men, and supply men, and for other

Mr. LaGUARDIA. Mr. Speaker, I object.

SIX MONTHS' DEATH GRATUITY

The Clerk called the next bill, H. R. 6734, to amend an act entitled "An act to authorize payment of six months' death gratuity of dependent relatives of officers, enlisted men, or nurses whose death results from wounds or disease not resulting from their own misconduct," approved May 22, 1928.

Mr. LaGUARDIA. Mr. Speaker, I object.

ADMINISTRATION OF JUSTICE IN THE NAVY

The Clerk called the next bill, H. R. 5352, to provide for the better administration of justice in the Navy.

Mr. BLANTON. Mr. Speaker, I object.

COMPENSATION OF EMPLOYEES FOR INJURIES

The Clerk called the next bill, H. R. 92, to amend an act entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes," approved September 7, 1916, and acts in amendment thereof.

Mr. JENKINS. Mr. Speaker, I object.

GRAZING AND RANGE DEVELOPMENT

The Clerk called the next bill, H. R. 13559, authorizing the Secretary of the Interior to enter into a cooperative agreement or agreements with the State of Idaho and private owners of lands within the State of Idaho for grazing and range development, and for other purposes.

Mr. STAFFORD. Mr. Speaker, I object.

TRANSFER OF POWDER

The Clerk called the next bill, H. R. 12047, to provide for the transfer of powder and other explosive materials from deteriorated and unserviceable ammunition under the control of the War Department to the Department of Agriculture for use in land clearing, drainage, road building, and other agricultural purposes.

Mr. STAFFORD. Mr. Speaker, I have some amendments to offer. I have no objection.

There being no objection, the Clerk read the bill, as

Be it enacted, etc., That the act entitled "An act to authorize the Secretary of War to exchange deteriorated and unserviceable ammunition and components, and for other purposes," approved June 1, 1926 (U. S. C., title 10, pp. 1209 and 1210), is hereby amended by adding at the end thereof a section to read as follows:

"Sec. 3. In the administration of sections 1 and 2 of this act, as amended, the Secretary of War is authorized and directed to transfer the powder and other explosive materials from such deteriorated and unserviceable ammunition and components thereof to the Secretary of Agriculture for distribution and sale by the Secretary of Agriculture. No expense in connection with such distribution and sale shall be borne by the War Department, and the Secretary of Agriculture shall reimburse the Secretary of War for the powder and explosive materials transferred under this section in amounts equal to the credits the Secretary of War would have received in an exchange under sections 1 and 2 of this act. Amounts so reimbursed are authorized to be made available for the expenditure by the War Department for ammunition or components thereof. The President is authorized to suspend the provisions of this section in case of national emergency.

Mr. STAFFORD. Mr. Speaker, I offer an amendment. The Clerk read as follows:

Amendment offered by Mr. STAFFORD: Page 1, line 6, after the figures "1926," insert "44 Stat. 680"; in same line, in the parenthesis, strike out "pp." and insert "secs."; and also in the same line, after the figures "1209," strike out the word "and" and insert a comma.

The amendment was agreed to.

Mr. STAFFORD. Mr. Speaker, I offer the following substantive amendment.

The Clerk read as follows:

Amendment offered by Mr. Stafford: On page 2, line 5, after the word "sale," insert "in such amounts and at such times as the latter may determine."

The amendment was agreed to.

Mr. STAFFORD. Mr. Speaker, I offer another amendment.

The Clerk read as follows:

Amendment offered by Mr. Stafforn: Following the last amendment, insert "to farmers at not less than cost under such regulations as he may prescribe for use in land clearing, drainage, road building, and other agricultural purposes."

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

EXTENSION OF REMARKS-H. R. 14199

Mr. GOSS. Mr. Speaker, I ask unanimous consent to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

Mr. GOSS. Mr. Speaker, the Army appropriation bill as passed by the House contains two of the most unjust and unfair provisions yet proposed in Congress. The one is the Taber amendment, which denies to Army officers, active and retired, the right granted them for many years to count certain other service than active commissioned service for pay purposes.

The pay readjustment act was passed by Congress in 1922 after most exhaustive investigation and hearings based on the following principles, as stated by the committee:

The compensation is commensurate with duties and responsibilities attached to rank, yet provides for increases due to increased experience and efficiency apart from rank. It protects the Government in the case of abnormally rapid promotion and the individual in the case of abnormally slow promotion. * * * Finally, it automatically and satisfactorily protects the interests of National Guard and reserve officers * * *.

This amendment would completely disrupt this act and bring about a most inequitable pay situation, and one entirely contrary to the principles upon which the pay act was founded.

Its effect in grades and amounts for the fiscal year 1934 is substantially as follows:

13 colonels 480 lieutenant colo- nels 1, 247 majors 1, 372 captains 906 first lieu-		543 colonels Nothing. 217 lieutenant colonels Nothing. 1, 286 majors Nothing. 2, 356 captains Nothing. 1, 863 first lieutenants_ Nothing.
tenants	66, 360	
4,017 Total		
1, 200 retired officers_ National Guard	897, 515	1,360 retired officers_ Nothing.
officers Reserve Corps	195, 504	
officers	100,000	
	3, 023, 998	

No brigadier general or major general, or any other active officer commissioned prior to 1904, would lose one cent.

Less than 3 per cent of the colonels lose anything.

One thousand three hundred and seventy-two, or less than 37 per cent of the captains on the active list, bear \$1,065,130, or more than 58 per cent of the loss.

One thousand two hundred and forty-seven, or less than 50 per cent of the majors bear \$564,214, or more than 30 per cent of the loss.

Eighty-nine per cent, or \$1,629,344, of the entire reduction for the active list is borne by about 40 per cent of the captains and majors. In other words, less than 22 per cent stand 89 per cent of the reduction.

More than 60 per cent of these officers came up from the

Twenty-three per cent graduated from the Military or Naval Academy.

Fourteen per cent came from the National Guard.

The annual individual losses in many cases are staggering. Some majors lose \$1,716; some captains \$1,903, which combined with their other losses—pay cut and reduction in rental and subsistence allowances—will make a total loss of almost 50 per cent.

Losses in grades range as follows:

Colonels, from nothing to \$967.64.

Lieutenant colonels, from nothing to \$1,215.96.

Majors, from nothing to \$1,716.

Captains, from nothing to \$1,903.20.

More than 46 per cent of the retired officers are affected, and it is a tragic fact that most of them were retired for physical disability. Some lose one-third of their pay.

The major portion of the sacrifice will be borne by officers commissioned just before, during, and after the World War. This group constitutes in general the promotion "hump," all of whom had World War service. They face a bleak future now on promotion. To add this additional burden seems unduly unfair and unjust.

An officer must make provision for his family in case of his death. The only methods open to one on a salary are life insurance, purchase of a home on monthly installments, and savings, such as building and loan. Most of these officers are now making such provision by carefully budgeting their salaries. By drastic economy they are able to stand the normal economy reductions. But with reductions of the magnitude this amendment would impose many must lose the equity in their homes, let their life insurance lapse, and drop their savings, a result not short of disaster to them.

Throughout this crisis Army officers have accepted without complaint any cut Congress feels is necessary to apply to all Government personnel. And this despite the fact that due to rental and subsistence allowance reductions they, in common with the other uniformed services, stand a greater cut than other Government personnel; and despite the further fact that in the past 25 years their pay has been increased but 11 per cent, while increases of other Government personnel during that period range from 25 per cent to 187 per cent.

But this amendment presents an entirely different picture. Discrimination against them is accentuated. It would constitute virtual repudiation by the Government of a longstanding pact with its sworn defenders. It gives rise to a general apprehension that notice is thus served of the Government's intention to depart from the practice of more than a century and disregard prior commitments and inducements at will. Should this apprehension change to conviction, the effect in the uniformed services would be well nigh demoralizing.

The other provision is the Connery amendment, which would deny pay to retired officers whose income is in excess of \$3,000.

For three-quarters of a century active-duty pay and retirement pay have been part and parcel of the same general question. Retired pay has always been considered in fixing active-duty pay resulting in a considerable reduction in the latter. This reduction represents the officer's contribution to his retired pay.

This amendment would make the officer's right to his previously earned pay dependent upon a contingency having no connection with public service. In principle it would repudiate the understandings and agreements this Government maintained with the retired officer during the entire period of his active service, the terms of which he has fully performed on his part.

His retired pay is an exceedingly modest stipend, but 89 receiving more than \$5,000 per year. The remainder ranging from a few hundred dollars to \$4,500, with only brigadier generals and colonels of over 30 years' active service receiving the latter amount.

Retired pay ends with the officer's death. Most of these officers have no other income save what they can earn. To make decent provision for their family they must seek employment. This amendment denies them that right, granted to every other American citizen, without being drastically penalized should their labors prove remunerative to the limited extent of just over \$3,000. It places a premium on indolence and idleness and penalizes thrift and industry.

Throughout the business world retirement on liberal annuities is recognized as a sound business principle. Such annuities are never denied because through thrift the recipient has laid aside some savings for his declining years or is able to put those declining years to some remunerative use.

During their many years of active service Army officers have no opportunity of engaging in other remunerative avocations, professions, or business. They are limited to their Army duties, and in most cases to their Army incomes. Those few who from inheritance or gifts from wealthy families have outside means easily could escape the effect of this amendment by transfer to wife or other relative. But the less fortunate, whose only means of supplementing his income is by his own efforts, has no escape.

The amendment is susceptible to much more drastic constructions, under which no retired pay could be drawn if an officer's income from all sources exceeds \$3,000. This well might result in pauperizing a physically disabled officer.

Both amendments passed the House without hearings. No committee had investigated them; their effects were not explained. They were acted upon hurriedly and without record vote, and certainly with little appreciation of the facts. However, the Senate committee, being fully apprised of the facts concerning them and their effects, has reported the bill with both of these amendments stricken out.

Army officers are confident that when the other Members of Congress know the facts they, too, will see the justice of their elimination and will not permit the injustice their retention would impose.

An Army officer's work is not a job but a career, a life work of devotion to duty. This engenders a keenly developed sense of justice. He has confidence that his Government will preserve that sense of justice.

That complete confidence in the definite commitments and inducements of his Government is the corner stone of his very existence. Destruction of that confidence would be a national tragedy.

SCHOOL BOARD, FRAZER, MONT.

The Clerk called the next bill, H. R. 7532, to provide funds for cooperation with the school board at Frazer, Mont., in the completion of the high-school building there to be available to Indian children of the Fort Peck Indian Reservation. Mr. JENKINS. Mr. Speaker, I object.

SCHOOL BOARD, WOLF POINT, MONT.

The Clerk called the next bill, H. R. 9064, to provide funds for cooperation with the school board at Wolf Point, Mont., in the extension of the public-school building to be available to Indian children of the Fort Peck Indian Reservation.

Mr. STAFFORD. Mr. Speaker, I object.

COLUMBIA NATIONAL FOREST

The Clerk called the next bill, S. 1492, an act to add certain lands to the Columbia National Forest in the State of Washington.

Mr. BLANTON. Mr. Speaker, I object.

LOWER BRULE INDIAN RESERVATION

The Clerk called the next bill, H. R. 13007, a bill providing for the restoration of an Indian agent for the Lower Brule Indian Reservation.

Mr. LaGUARDIA. Mr. Speaker, I object.

GEN. CASIMIR PULASKI

The Clerk called the next bill, H. R. 6490, authorizing the erection of a memorial to Brig. Gen. Casimir Pulaski at Savannah, Ga.

There being no objection, the Clerk called the bill, as

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to erect at Savannah, Ga., a suitable tablet or marker to commemorate the heroic services rendered during the Revolutionary War by Brig. Gen. Casimir Pulaski, who died from wounds received at the siege of Savannah on October 11, 1770.

Sec. 2. There is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of \$5,000 to carry out the provisions of this act.

With the following committee amendment:

Page 1, line 9, after the word "hereby," insert "authorized to be."

The amendment was agreed to.

With the further committee amendment:

In line 11, strike out "\$5,000" and insert in lieu thereof

Mr. JENKINS. Mr. Speaker, I offer an amendment striking out "\$2,500" and inserting in lieu thereof "\$500."

The Clerk read as follows:

Amendment offered by Mr. Jenkins to the committee amendment: Strike out "\$2,500" and insert in lieu thereof "\$500."

The amendment to the committee amendment was agreed to.

The committee amendment, as amended, was agreed to. The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

AMENDMENT OF THE IMMIGRATION ACT

The Clerk called the next bill, H. R. 13811, to amend section 23 of the immigration act of February 5, 1917 (39 Stat. 874).

Mr. STAFFORD. Mr. Speaker, I object.

BRIDGE ACROSS THE DELAWARE RIVER AT BUSHKILL, PA.

The Clerk called the next bill, H. R. 14030, authorizing the Bushkill Bridge Co., its successors and assigns, to construct, maintain, and operate a bridge across the Delaware River at or near Bushkill, Pa.

Mr. LaGUARDIA. Mr. Speaker, I object.

BRIDGE ACROSS THE COLUMBIA RIVER IN OREGON

The Clerk called the next bill, H. R. 14109, authorizing The Dalles Bridge Co., its successors and assigns, to construct, maintain, and operate a bridge across the Columbia River at a point approximately 5 miles upstream from the city of The Dalles, in the State of Oregon, to a point on the opposite shore in the State of Washington.

Mr. LAGUARDIA. Mr. Speaker, I object.

BRIDGE ACROSS THE OHIO RIVER IN GALLATIN COUNTY, ILL.

The Clerk called the next bill, H. R. 14134, to extend the times for commencing and completing the construction of a bridge across the Ohio River at or near Shawneetown, Gallatin County, Ill., and a point opposite thereto in Union County, Ky.

Mr. SCHAFER. Mr. Speaker, I object.

BRIDGE ACROSS THE MISSOURI RIVER NEAR BROWNVILLE, NEBR.

The Clerk called the next bill, S. 5235, to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Brownville, Nebr.

Mr. SCHAFER. Mr. Speaker, I object.

BRIDGE ACROSS THE MISSOURI RIVER NEAR RULO, NEBR.

The Clerk called the next bill, H. R. 14126, authorizing John C. Mullen, John H. Hutchings, both of Falls City, Nebr., and .William Shepherd, of Rulo, Nebr., his or their heirs, legal representatives, and assigns, to construct, maintain, and operate a bridge across the Missouri River at or near Rulo, Nebr.

Mr. SCHAFER. Mr. Speaker, I object.

MODOC NATIONAL FOREST, CALIF.

The Clerk called the next bill on the Consent Calendar, H. R. 188, to extend the provisions of the forest exchange act, approved March 20, 1922, to certain lands adjacent to the Modoc National Forest in the State of California.

Mr. BLANTON. I object.

APPROPRIATION FOR RETURN TO PHILIPPINE ISLANDS OF UNEM-PLOYED FILIPINOS

The Clerk read the next resolution on the Consent Calendar, House Joint Resolution 577, a joint resolution to provide for the return to the Philippine Islands of unemployed Filipinos resident in the continental United States, to authorize appropriations to accomplish that result, and for other purposes.

Mr. JENKINS. I object.

OTOE AND MISSOURIA TRIBES OF INDIANS

The Clerk called the next bill on the Consent Calendar, S. 4578, conferring jurisdiction on the Court of Claims to adjudicate the rights of the Otoe and Missouria Tribes of Indians to compensation on the basis of guardian and ward.

Mr. STAFFORD. I object.

INCREASE IN THE LIMIT OF COST OF ONE AIRCRAFT CARRIER

The Clerk read the next bill on the Consent Calendar, H. R. 14243, to authorize an increase in the limit of cost of one aircraft carrier.

Mr. SCHAFER. I object.

HAWAII NATIONAL PARK

The Clerk read the next bill on the Consent Calendar, S. 4374, an act to empower the superintendent of the Hawaii National Park to perform the functions now performed by the United States commissioner for the said national park, and for other purposes.

Mr. BLANTON. I object.

AGRICULTURAL ENTRY OF LANDS WITHDRAWN, CLASSIFIED, OR REPORTED AS CONTAINING MINERALS

The Clerk read the next bill on the Consent Calendar, H. R. 13745, to provide for agricultural entry of lands withdrawn, classified, or reported as containing any of the minerals subject to disposition under the general leasing law or acts amendatory thereof or supplementary thereto.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That lands withdrawn, classified, or reported as valuable for any of the deposits subject to prospecting, leasing, or development under the general leasing act of February 25, 1920, or acts amendatory thereof or supplementary thereto, shall be subject to appropriation, location, selection, entry, or purchase if otherwise available in the form and manner and subject to the receivations provisions limitations and conditions of ject to the reservations, provisions, limitations, and conditions of the act of Congress approved July 17, 1914 (38 Stat. L. 509; U. S. C., title 30, sec. 123)

With the following committee amendments:

On page 4, line 4, strike out the words "any of the deposits" and insert in lieu thereof the following: "sodium and/or sulphur

On page 1, line 11, after the end of the line add the following: "Provided, however, That lands lying within the geologic structure of a field, or withdrawn, classified, or reported, as valuable for any of the minerals named herein and/or in any of said acts, or upon which leases or prospecting permits have been applied for or granted, for the production of any of such minerals, shall not be subject to such appropriation, location, selection, entry, or purchase unless it shall be determined by the Secretary of the Interior that such disposal will not unreasonably interfere with operations under said leasing acts."

The committee amendments were agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

TO LEASE CONCESSIONS ON RESERVOIR SITES, INDIAN IRRIGATION PROJECTS

The Clerk read the next bill on the Consent Calendar, H. R. 5070, to authorize the Secretary of the Interior to lease concessions on reservoir sites and other lands in connection with Indian irrigation projects.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Interior be, and he is hereby, authorized in his discretion to lease concessions on reservoir sites and other lands under his jurisdiction in connection with irrigation projects being constructed or operated and mainwith irrigation projects being constructed or operated and maintained for the benefit of Indians: Provided, That such concessions may be leased by the Secretary of the Interior under such rules and regulations as he may prescribe, for such considerations and for such periods of time as he may deem proper, the term of no concession to exceed a period of 10 years: Provided further, That the funds derived from such leases shall be available for use in accordance with the existing laws and regulations in the operation and maintenance of the trigostion projects with which they are and maintenance of the irrigation projects with which they are connected.

With the following committee amendment:

Strike out all after the enacting clause and insert:
"That the Secretary of the Interior, after consultation with the Indians involved, be, and he is hereby, authorized in his discretion indians involved, oe, and he is hereby, authorized in his discretion to grant concessions on reservoir sites, reserves for canals or flowage areas, and other lands under his jurisdiction in connection with irrigation projects constructed or being constructed or operated and maintained for the benefit of Indians, and to lease such lands for agricultural, grazing, or other purposes: Provided, That such concessions may be granted, or lands leased by the Secretary of the Interior under such rules and regulations as he may prescribe for such considerations and for such periods of time as he of the Interior under such rules and regulations as he may prescribe, for such considerations and for such periods of time as he may deem proper, the term of no concession to exceed a period of 10 years: Provided further, That the funds derived from such concessions or leases, except funds so derived from Indian tribal property for which the tribe has not been compensated, shall be available for use in accordance with existing laws in the operation and maintenance of the irrigation projects with which they are connected. The funds so derived from Indian tribal property shall be deposited to the credit of the proper tribe."

Amend the title so as to read: "To authorize the Secretary of the Interior to grant concessions on reservoir sites and other lands in connection with Indian irrigation projects and to lease the lands in such reserves for agricultural, grazing, and other purposes."

Mr. LAGUARDIA. Mr. Speaker, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. LaGuardia: Page 2, line 8, after the word "with," insert "and consent of."

The amendment was agreed to.

Mr. STAFFORD. Mr. Speaker, I offer the following amendment.

The Clerk read as follows:

Amendment offered by Mr. STAFFORD: Page 2, line 14, after the word "and," insert the word "also"; and, after the word 'leased," insert the word "any."

The amendment was agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

WATER SUPPLY, NAVAL STATION, GUANTANAMO BAY

The next business on the Consent Calendar was the bill (H. R. 14201) to authorize the Secretary of the Navy to make a long-term contract for the supply of water to the United States Naval Station at Guantanamo Bay, Cuba.

Mr. SCHAFER. I object.

ADMISSION OF WYOMING

The next business on the Consent Calendar was the bill (S. 3475) to amend section 5 of the act approved July 10, 1890 (28 Stat. 664), relating to the admission into the Union of the State of Wyoming.

Mr. BLANTON. I object.

OSAGE INDIANS, OKLAHOMA

The next business on the Consent Calendar was the bill (S. 3085) relating to the tribal and individual affairs of the Osage Indians of Oklahoma.

Mr. DISNEY. I object.

CONFERRING DEGREE OF BACHELOR OF SCIENCE, NAVAL ACADEMY

The next business on the Consent Calendar was the bill (H. R. 13367) to confer the degree of bachelor of science upon graduates of the Naval Academy.

Mr. BLANTON. I object.

LI PO-TIEN

The next business on the Consent Calendar was the bill (H. R. 14323) authorizing an appropriation to the Government of China for the account of Li Po-tien.

Mr. SCHAFER. Mr. Speaker, I object.

INTERNATIONAL MONETARY CONFERENCE, LONDON

The next business on the Consent Calendar was House Joint Resolution 536, authorizing an appropriation for participation by the United States in an international monetary and economic conference to be held in London.

Mr. BLANTON. Mr. Speaker, I object.

NAVY RATION

The next business on the Consent Calendar was the bill (H. R. 14438) to effect needed changes in the Navy ration.

The SPEAKER. Is there objection?

There was no objection.

The SPEAKER. There is a similar Senate bill on the Speaker's desk, and, without objection, the Clerk will report

There was no objection, and the Clerk read the Senate bill, as follows:

Be it enacted, etc., That sections 1580 and 1581, Revised Statutes, as amended by the act of June 29, 1906, and the act of March 2, 1907 (34 Stat. 570, 571, 1193; U. S. C., title 34, secs. 902, 903, 906), are hereby repealed.

The Navy ration issued to each person entitled thereto shall consist of the following daily allowance of provisions: 8 ounces of biscuit or 12 ounces of soft bread or 12 ounces of flour; 12 ounces of preserved meat or 14 ounces of salt or smoked meat or 20 ounces of fresh meat or fresh fish or poultry; 12 ounces of dried vegetables or 18 ounces of canned vegetables or 44 ounces of fresh vegetables; 4 ounces of dried fruit or 10 ounces of canned fruit or 6 ounces of preserved fruit or 16 ounces of fresh fruit. fruit or 6 ounces of preserved fruit or 16 ounces of fresh fruit; 2 ounces of cocoa or 2 ounces of coffee or one-half ounce of tea; 4 ounces of evaporated milk or 1 ounce of powdered milk or 4 ounces of evaporated milk or 1 ounce of powdered milk or one-half pint of fresh milk, together with 1.6 ounces of butter, 1.6 ounces of cereals or rice or starch foods, one-half ounce of cheese, 1.2 eggs, 1.6 ounces of lard or lard substitute, two-fifths of a gill of oils or sauces or vinegar, 5 ounces of sugar and such quantities of baking powder and soda, flavoring extracts, mustard, pepper, pickles, salt, sirup, spices, and yeast as required.

Sec. 2. Any article comprised in the Navy ration may be issued in excess of the authorized quantity: Provided, That there be an underissue of the same value in some other article or articles.

Sec. 3. The Secretary of the Navy is authorized to increase the above-stated allowances on those vessels and stations having an allowed complement of less than 150 men and subsisting on a ration allowance, when, in his opinion, such vessels and stations are operating under conditions which warrant such increases.

Sec. 4. The Secretary of the Navy is authorized to fix the limit of the cost of rations on destroyers, submarines, mine sweepers, tugs, aircraft, and other vessels and stations subsisted under the direction of commanding officers.

direction of commanding officers.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

A similar House bill was ordered laid on the table.

WATER LEVELS OF LAKE OF THE WOODS

The next business on the Consent Calendar was Senate Joint Resolution 124, to provide for the determination of claims for damages sustained by the fluctuation of the water

levels of Lake of the Woods in certain cases, and for other purposes.

Mr. BLANTON. Mr. Speaker, I object.

COST OF FUTURE TRADING

The next business on the Consent Calendar was Senate Joint Resolution 108, to authorize and direct the Secretary of Agriculture to investigate the cost of maintaining the present system of future trading in agricultural products and to ascertain what classes of citizens bear such cost.

Mr. STAFFORD. Mr. Speaker, I object.

CONFERENCE ON AERIAL LAW

The next business on the Consent Calendar was House Joint Resolution 568, authorizing an appropriation for the expenses of participation by the United States in the Third International Conference on Private Aerial Law to be held in Rome, Italy, in 1933.

Mr. BLANTON. I object.

NEW AIR MAIL CONTRACT

The next business on the Consent Calendar was House Resolution 359, opposing the letting of new air mail contracts or renewals or extensions of existing contracts until the committee authorized by the House of Representatives submits its report.

Mr. SCHAFER. I object.

PURCHASE OF ALLOTMENTS OF DECEASED INDIANS

The next business on the Consent Calendar was the bill H. R. 14059, authorizing the Secretary of the Interior, in behalf of Indians, to purchase the allotments of deceased Indians, and for other purposes.

The SPEAKER. Is there objection?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Interior be, and he hereby is, authorized, in his discretion and under such rules and regulations as he may prescribe, to purchase the trust or otherwise restricted allotments of any deceased Indian, for resale by him to other Indians on time payments extending over a period of not to exceed 20 years; and the Secretary of the Interior may, in his discretion, prescribe such reasonable rate of interest for the use of such funds as he may deem necessary or advisable. The proceeds derived from the sale of such lands shall be subject to disposition for the benefit of the heirs of the deceased allottee in accordance with existing law

SEC. 2. Appropriations are hereby authorized, in such amount as may be necessary, to carry out the purpose of this act, and all payments by purchasing Indians shall be credited to the fund from which appropriated on the books of the Treasury, and shall again be available for such purposes without reappropriation by Con-

SEC. 3. Where Indian tribal funds are appropriated for the purposes of this act, and any land is bought with such funds, such land may, in the discretion of the Secretary of the Interior and with the consent of the tribal council or other tribal authorities, be assigned to unallotted members of the tribe without requiring repayment therefor, or sold by the Secretary of the Interior to such member pursuant to sections 1 and 2 hereof.

SEC. 4. Title to all land so acquired shall be conveyed to purchasers under this act by appropriate deed, or other evidence of title, with such restrictions on alienation, taxation, or encumbrance as the Secretary of the Interior may prescribe, and no such land shall hereafter be sold or encumbered without his approval: Provided, however, That no part of any appropriations made pursuant hereto shall be used for the purchase of land for any person who is of one-fourth or less than one-fourth degree of Indian blood.

Mr. STAFFORD. Mr. Speaker, I offer an amendment. The Clerk read as follows:

Amendment offered by Mr. Stafford: Page 1, line 6, after the word "Indian," insert the following: "where it is not practicable to have devolution of the allotment to the heirs or to make partition thereof among them."

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third

Mr. SCHAFER. Mr. Speaker, I ask for the reading of the engrossed copy of the bill.

The SPEAKER. The engrossed copy is not here. The bill will go over until to-morrow.

RELIEF OF WATER USERS ON IRRIGATION PROJECTS

The Clerk called the next bill, H. R. 14432, to extend temporary relief of water users on irrigation projects on Indian reservations, and for other purposes.

The SPEAKER. Is there objection?

There was no objection.

The SPEAKER. The Chair is advised there is a similar Senate bill (S. 5525). Without objection, the Clerk will report the Senate bill.

There was no objection.

The Clerk read as follows:

Be it enacted, etc., That the Secretary of the Interior is authorized and directed to extend to water users on Indian irrigation projects like relief to that provided in an act approved April 1, 1932, applying to water users under the reclamation law for the remaining half of such charges due for the calendar year 1932 and for all similar charges to become due for the calendar year 1933, the said Secretary to issue appropriate regulations for the carrying out of the provisions of this act.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

A similar House bill was laid on the table.

DEGREE OF BACHELOR OF SCIENCE ON GRADUATES OF NAVAL, MILITARY, AND COAST GUARD ACADEMIES

The Clerk called the next bill, H. R. 14282, to confer the degree of bachelor of science upon graduates of the Naval, the Military, and the Coast Guard Academies.

Mr. BLANTON. Mr. Speaker, I object.

TEXAS CENTENNIAL CELEBRATION

The Clerk called House Joint Resolution 596, authorizing the President, under certain conditions, to invite the participation of other nations in the Texas centennial celebration, providing for the admission of their exhibits, and for other purposes.

Mr. STAFFORD. Mr. Speaker, I object.

BRIDGE ACROSS MISSISSIPPI RIVER AT OR NEAR BATON ROUGE, LA.

The Clerk called the next bill, H. R. 14378, to extend the times for commencing and completing the construction of a bridge across the Mississippi River at or near Baton Rouge, La.

Mr. SCHAFER. Mr. Speaker, I object.

BRIDGE ACROSS OHIO RIVER NEAR SISTERSVILLE, W. VA.

The Clerk called the next bill, H. R. 14462, to extend the times for commencing and completing the construction of a bridge across the Ohio River at or near Sistersville, Tyler County, W. Va.

Mr. SCHAFER. Mr. Speaker, I object.

BRIDGE ACROSS POTOMAC RIVER AT OR NEAR DAHLGREN, VA.

The Clerk called the next bill, H. R. 14303, authorizing the George Washington-Wakefield Memorial Bridge Corporation, its successors and assigns, to construct, maintain, and operate a bridge across the Potomac River at or near Dahlgren, Va.

Mr. SCHAFER. Mr. Speaker, I object.

SALE OF SURPLUS COAL FOR DISTRIBUTION TO THE NEEDY

The Clerk called the next business, House Joint Resolution 526, authorizing the Secretary of the Navy to sell surplus coal at nominal prices for distribution to the needy.

Mr. STAFFORD and Mr. BLANTON objected.

BRIDGE ACROSS MERRIMAC RIVER AT OR NEAR PLUM ISLAND POINT, MASS.

The Clerk called the next bill, H. R. 14537, authorizing Essex Shore Way (Inc.), its successors and assigns, to construct, maintain, and operate a bridge across the Merrimac River at or near Plum Island Point, Mass.

Mr. LAGUARDIA. Mr. Speaker, I object.

RETAIL LIQUOR DEALERS' STAMP TAX

The Clerk called the next bill, H. R. 12843, to change the name of the retail liquor dealers' stamp tax in the case of retail drug stores or pharmacies.

Mr. BLANTON. Mr. Speaker, I object.

INDIAN SERVICE

The Clerk called the next bill, H. R. 14648, providing for an alternate budget for the Indian Service, fiscal year 1935.

The SPEAKER. The Chair is advised that there is a similar Senate bill. Without objection, the Clerk will read the Senate bill.

There being no objection, the Clerk read the Senate bill, as follows:

Be it enacted, etc., That in addition to the estimates of appropriations for the Bureau of Indian Affairs transmitted in the Budget for the fiscal year 1935 in the customary order and arrangement there shall be submitted for the consideration of Congress an alternate arrangement of such estimates with a view to simplification and clarity of presentation and consideration thereof.

The bill was ordered to be read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

A similar House bill was laid on the table.

UNITED STATES ROANOKE COLONY COMMISSION

The Clerk called the next bill, H. R. 14412, to enable the United States Roanoke Colony Commission to carry out and give effect to certain plans for the comprehensive observance of the three hundred and fiftieth anniversary of the birth of English-speaking civilization in America.

Mr. BLANTON. Mr. Speaker, I object.

PROTECTION OF MIGRATORY BIRDS

The Clerk called the next bill, H. R. 11991, to authorize the Attorney General and the Secretary of the Treasury to turn over to State agencies, for use in the enforcement of laws for the protection of migratory birds, forfeited vessels acquired by the Department of Justice and Treasury Department and no longer needed for official use.

Mr. SCHAFER. I object.

IMPORTATION OF MILK AND CREAM

The Clerk called the next bill, H. R. 14569, to regulate the importation of milk and cream and milk and cream products into the United States for the purpose of promoting the dairy industry of the United States and protecting the public health.

Mr. LaGUARDIA. Mr. Speaker, I object.

POWER SITES

The Clerk called the next bill, S. 277, defining and regulating power sites upon the Blackfeet Reservation, in the State of Montana.

Mr. STAFFORD. Mr. Speaker, I object.

SCHOOL BOARD, SHANNON COUNTY, S. DAK.

The Clerk called the next bill, S. 2340, to provide funds for cooperation with the school board of Shannon County, S. Dak., in the construction of a consolidated high-school building to be available to both white and Indian children.

Mr. SCHAFER. Mr. Speaker, I object.

INDIAN SERVICE

The Clerk called the next bill, S. 3654, to authorize turning over to the Indian Service vehicles, vessels, and supplies seized and forfeited for violation of liquor laws.

Mr. SCHAFER. Mr. Speaker, I object.

CALIFORNIA STATE PARK SYSTEM

The Clerk called the next bill, H. R. 14534, to provide for the selection of certain lands in the State of California for the use of the California State park system.

Mr. BLANTON. Mr. Speaker, I object.

BRIDGE ACROSS NEW YORK BAY BETWEEN BROOKLYN AND STATEN ISLAND

The Clerk called the next bill, H. R. 14631, authorizing the Interboro Bridge Co., its successors and assigns, to construct, maintain, and operate a bridge across New York Bay between Brooklyn and Staten Island.

Mr. LaGUARDIA. Mr. Speaker, I object.

AMENDMENT OF THE DISTRICT OF COLUMBIA CODE

The Clerk called the next bill, S. 100, to amend section 586c of the act entitled "An act to amend subchapter 1 of

chapter 18 of the Code of Laws for the District of Columbia relating to degree-conferring institutions," approved March 2, 1929.

Mr. LaGUARDIA. Mr. Speaker, I object.

TAX ON FURS

The Clerk called the next bill, H. R. 14532, to amend section 604 of the revenue act of 1932 relating to the tax on furs.

Mr. STAFFORD. Mr. Speaker, I object.

CIVIL-SERVICE POSITIONS

The Clerk called the next bill, H. R. 14410, to amend section 3 of the act of May 28, 1928, relating to salary rates of certain civil-service positions.

Mr. BLANTON. Mr. Speaker, I object.

NATIONAL FORESTS IN THE STATE OF IDAHO

The Clerk called the next bill, H. R. 14226, for the inclusion of certain lands in the national forests in the State of Idaho, and for other purposes.

Mr. STAFFORD. Mr. Speaker, I object.

UNIVERSITY OF ARIZONA

The Clerk called the next bill, H. R. 14181, to provide for the selection of certain lands in the State of Arizona for the use of the University of Arizona.

Mr. JENKINS. Mr. Speaker, I object.

WATERWAY IMPROVEMENTS

Mr. STAFFORD. Mr. Speaker, I ask unanimous consent that a bill that was overlooked may be reverted to. The gentleman from Texas [Mr. Mansfield] had a bill on the calendar that was not called. It was unwittingly skipped.

The SPEAKER. The gentleman from Wisconsin asks unanimous consent to return to a bill, which the Clerk will report by title.

The Clerk read as follows:

House Joint Resolution 533, amending provisions in river and harbor laws relating to local cooperation in the prosecution of waterway improvements.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

Mr. MANSFIELD. Mr. Speaker, I ask unanimous consent that a similar Senate joint resolution (S. J. Res. 235) may be considered in lieu of the House joint resolution.

There being no objection, the Clerk read the Senate joint resolution, as follows:

Senate Joint Resolution 235

Resolved, etc., That when the authorization of a project of river and harbor improvement requires that local interests shall contribute a specific sum of money toward its cost, the Secretary of War, subject to the approval of the Board of Engineers for Rivers and Harbors, may reduce the sum to be contributed to an amount which shall be in the same ratio to the amount of the required contribution as the actual cost of the work to which said contribution is applicable bears to its original estimated cost as set forth in the project document: Provided, That the reduction hereby authorized shall not extend to contributions heretofore made.

Mr. MANSFIELD. Mr. Speaker, I offer an amendment. The Clerk read as follows:

Amendment offered by Mr. Mansfield: In lines 6 and 7, on page 1, after the word "War," strike out the words "subject to the approval of the Board of Engineers for Rivers and Harbors" and insert in lieu thereof the following: "upon the recommendation of the Chief of Engineers."

The amendment was agreed to.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

A similar House joint resolution was laid on the table.

WAR DEPARTMENT APPROPRIATION BILL

Mr. COLLINS. Mr. Speaker, I present the following conference report for printing under the rule.

The Clerk read the title of the bill (H. R. 14199) making appropriations for the military and nonmilitary activities of the War Department for the fiscal year ending 1934, and for other purposes.

Mr. BLANTON. Mr. Speaker, I would like to ask the gentleman a question. What was done with the Senate amendment appropriating \$22,000,000 for boys' camps throughout the country?

Mr. COLLINS. It was disagreed to.

AMENDMENT OF REVISED STATUTES RELATING TO THE DISTRICT OF COLUMBIA

Mrs. NORTON. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill H. R. 13378, an act to amend sections 416 and 417 of the Revised Statutes relating to the District of Columbia, and agree to the Senate amendment.

The SPEAKER. Is there objection?

There was no objection.

The Senate amendment was read, as follows:

Page 1, line 6, strike out "five hundred" and insert "one hundred."

The Senate amendment was agreed to.

OLEN H. PARKER

Mr. VINSON of Georgia. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 9473) for the relief of Olen H. Parker, with Senate amendment, and agree to the Senate amendment.

The SPEAKER. Is there objection?

There was no objection.

The Clerk read the Senate amendment, as follows:

Page 1, line 9, strike out all after "Provided" down to and including "act," in line 11, and insert "That no compensation, retirement pay, back pay, pension, or other benefit shall be held to have accrued prior to the passage of this act."

The Senate amendment was agreed to.

JOHN HUNTZ ROLOFF

Mr. VINSON of Georgia. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill H. R. 9272, an act to correct the rating of John Huntz Roloff, Fleet Naval Reserve, with a Senate amendment, and agree to the Senate amendment.

The SPEAKER. Is there objection?

There was no objection.

The Clerk read the Senate amendment, as follows:

Page 2, line 4, strike out all after "Provided," down to and including "act" in line 6, and insert "That no compensation, retirement pay, back pay, pension, or other benefit shall be held to have accrued prior to the passage of this act."

The Senate amendment was agreed to.

The SPEAKER. The Chair wishes to state that in recognizing these gentlemen for the purpose of asking unanimous consent to concur in Senate amendments, that in each case his committee has asked him to make the request.

Mr. VINSON of Georgia. That is correct.

The SPEAKER. The Chair wants to make the statement so that gentlemen may know that when he recognizes a Member for that purpose his committee has authorized it.

JACK C. RICHARDSON

Mr. VINSON of Georgia. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill H. R. 8120, an act for the relief of Jack C. Richardson, and agree to the Senate amendment.

The SPEAKER. Is there objection?

There was no objection.

The Clerk read the Senate amendment, as follows:

Page 1, strike out lines 4 to 5, inclusive, and down to and including "\$143.04" in line 6, and insert "That there is hereby authorized to be appropriated out of any money in the Treasury not otherwise appropriated, the sum of \$143.04 to be paid to Lieut. Jack C. Richardson, United States Navy."

The Senate amendment was agreed to.

JOHN O'NEIL

Mr. VINSON of Georgia. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill H. R. 5989,

an act for the relief of John O'Neil, with a Senate amendment thereto, and agree to the Senate amendment.

The Clerk read the Senate amendment, as follows:

Page 1, line 9, strike out all after "Provided," down to and including "act," in line 10, and insert "That no compensation, retirement pay, back pay, pension, or other benefit shall be held to have accrued prior to the passage of this act."

The SPEAKER. Is there objection?

There was no objection.

The Senate amendment was agreed to.

ELMO K. GORDON

Mr. VINSON of Georgia. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 2844) for the relief of Elmo K. Gordon, with a Senate amendment thereto, and agree to the Senate amendment.

The Clerk read the Senate amendment, as follows:

Page 1, line 7, after "hereby," insert "authorized to be."

The SPEAKER. Is there objection?

There was no objection.

The Senate amendment was agreed to.

Mr. BLANTON. Mr. Speaker, I want to ask the gentleman from Georgia a question.

Mr. VINSON of Georgia. I yield.

Mr. BLANTON. Do any of these bills passed by the House provide that no payments of any kind shall be made hereafter?

Mr. VINSON of Georgia. It provides that, instead of using the formal expression of the House, it shall say, "no compensation, back pay, or allowance."

Mr. BLANTON. That is not an answer to my question. Under the Senate amendment, after the passage of this bill, these men can draw a pension or can draw back pay or compensation. Is there a change in any of these bills since they were amended by the Senate from what the House proposes to do as to compensation or pension?

Mr. VINSON of Georgia. There is not.

HENRY DIXON LINEBARGER

Mr. VINSON of Georgia. Mr. Speaker, I make the same request with respect to the bill (H. R. 2599) for the relief of Henry Dixon Linebarger.

The Clerk read the Senate amendment, as follows:

Page 1, line 8, strike out all after "1919" down to and including "act." in line 10, and insert "Provided, That no compensation, retirement pay, back pay, pension, or other benefit shall be held to have accrued prior to the passage of this act."

The Senate amendment was agreed to.

GEORGE BRACKETT CARGILL, DECEASED

Mr. VINSON of Georgia. Mr. Speaker, I make the same request with reference to the bill (H. R. 5548) for the relief of George Brackett Cargill, deceased.

The Clerk read the Senate amendment, as follows:

Page 1, line 8, strike out all after "Provided," down to and including "act," in line 10, and insert "That no compensation, retirement pay, back pay, pension, or other benefit shall be held to have accrued prior to the passage of this act."

The SPEAKER. Is there objection?

There was no objection.

The Senate amendment was agreed to.

JOHN E. DAVIDSON

Mr. VINSON of Georgia. Mr. Speaker, I make the same request with respect to the bill (H. R. 9326) for the relief of John E. Davidson.

The Clerk read the Senate amendment, as follows:

Page 1, line 11, strike out all after "Provided," down to and including the word "act," in line 13, and insert "That no compensation, retirement pay, back pay, pension, or other benefit shall be held to have accrued prior to the passage of this act."

The SPEAKER. Is there objection?

There was no objection.

The Senate amendment was agreed to.

WILLIAM JOSEPH LACARTE

Mr. VINSON of Georgia. Mr. Speaker, I make the same request with respect to the bill (H. R. 6409) for the relief of William Joseph LaCarte.

The Clerk read the Senate amendment, as follows:

Page 1, strike out line 11, and down to and including "act," in line 12, and insert "That no compensation, retirement pay, back pay, pension, or other benefit shall be held to have accrued prior to the passage of this act."

The SPEAKER. Is there objection?

There was no objection.

The Senate amendment was agreed to.

WILLIAM JOSEPH VIGNEAULT

Mr. VINSON of Georgia. Mr. Speaker, I make the same request with respect to the bill (H.R. 792) for the relief of William Joseph Vigneault.

The Clerk read the Senate amendment as follows:

Page 1, line 9, strike out all after "vided," and down to and including "act" in line 10, and insert: "That no compensation, retirement pay, back pay, pension, or other benefit shall be held to have accrued prior to the passage of this act."

The SPEAKER. Is there objection?

There was no objection.

The Senate amendment was agreed to.

Mr. VINSON of Georgia. Mr. Speaker, I make the same request with respect to the bill (H. R. 1936) for the relief of Sydney Thayer, jr.

The Clerk read the Senate amendment as follows:

Page 1, line 12, strike out all after "further," down to and including "act" in line 14, and insert: "That no compensation, retirement pay, back pay, pension, or other benefit shall be held to have accrued prior to the passage of this act."

The SPEAKER. Is there objection?

There was no objection.

The Senate amendment was agreed to.

BRIDGE ACROSS MISSOURI RIVER, KANSAS CITY, KANS.

The SPEAKER. At the request of the gentleman from Missouri [Mr. Milligan] the Chair lays before the House the following Senate concurrent resolution which the Clerk will report.

The Clerk read as follows:

Senate Concurrent Resolution 44

Resolved, by the Senate (the House of Representatives con-curring), That the action of the Speaker of the House of Repre-sentatives and of the Vice President of the United States in signing the enrolled bill (H. R. 14500), to extend the time for completing the construction of a bridge across the Missouri River at or near Kansas City, Kans., be and the same is hereby rescinded.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

Mr. McSWAIN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 11035) for the relief of Price Huff, with Senate amendments, disagree to the Senate amendments, and ask for a conference.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina [Mr. McSwain]? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. FITZPATRICK, MAY, and COCHRAN of Pennsylvania.

REPEALING OBSOLETE SECTIONS OF REVISED STATUTES

Mr. HARLAN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 9877) to repeal obsolete sections of the Revised Statutes omitted from the United States Code, with a Senate amendment, and agree to the Senate amendment.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 7, strike out "R. S. 5599."

The Senate amendment was agreed to.

HERMAN H. BRADFORD

Mr. ALLGOOD. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 4039) for

the relief of Herman I. Bradford, with Senate amendments, and concur in the Senate amendments.

The SPEAKER. Is there objection to the request of the gentleman from Alabama [Mr. Allgood]?

There was no objection.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 1, line 8, strike out "\$451.55" and insert "\$337."
Page 1, line 10, strike out all after "1919" down to and including "1928," in line 1, page 2.

The Senate amendments were agreed to.

ANNIE M. EOPOLUCCI

Mr. ALLGOOD. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 5150) for the relief of Annie M. Eopolucci, with a Senate amendment, and concur in the Senate amendment.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Strike out all after the enacting clause and in lieu thereof insert the following: "That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to Annie M. Eopolucci, out of any money in the Treasury not otherwise appropriated, the sum of \$20 per month, in a total amount of not to exceed \$5,000, such payments to be in full settlement of all claims against the Government for the death of her son, John E. Eopolucci, who, while serving as a member of the armed guard of the United States Navy on the steamship *Aztec*, lost his life when said steamship was torpedoed and sunk on April I, 1917, this while in the active service of the United States."

The Senate amendment was agreed to.

ANNUAL ASSESSMENT WORK ON MINING CLAIMS IN ALASKA

Mr. SMITH of West Virginia. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the resolution (H. J. Res. 533) providing for the suspension of annual assessment work on mining claims held by location in the United States and Alaska, with Senate amendments, disagree to the Senate amendment, and agree to the conference asked by the Senate.

The Clerk read the title of the House joint resolution.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

Mr. STAFFORD. Reserving the right to object, Mr. Speaker, on yesterday evening when the gentleman preferred this request, I asked the privilege to have the matter go over so as to examine the Senate amendment. At that time I said in private conversation to the gentleman that I was opposed to the Senate amendment. I have examined it since and I wish to state that I am thoroughly in accord with the Senate amendment, and take issue with the position of some Members who are opposed to it. I wished to make that statement for the Record.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. Evans of Montana, Parsons, and Arentz.

EXTENSION OF REMARKS

Mr. WARREN. Mr. Speaker, I ask unanimous consent to extend my remarks in the Record to include a short open letter to Congress by Dr. Clarence Poe, editor of the Progressive Farmer, one of the great publications of the country.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina [Mr. Warren]?

Mr. STAFFORD. Mr. Speaker, I object.

PERMISSION TO ADDRESS THE HOUSE

Mr. MAPES. Mr. Speaker, I ask unanimous consent to proceed for five minutes.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

THE MICHIGAN DELEGATION IN THE HOUSE

Mr. MAPES. Mr. Speaker, when the Speaker's gavel falls at 12 o'clock noon next Saturday to mark the end of this Congress, Michigan will lose temporarily the services in this body of a large part, and the best part, of its delegation. In the order of seniority of service, those who will leave us at that time are:

EARL C. MICHENER, of the second district, a lawyer and parliamentarian of the first rank, with 14 years of continuous service to his credit, who has, during that time, won for himself a place of recognized leadership in this body, surpassed by none and equaled by few. He has served brilliantly as a member of the Committees on the Judiciary and Rules. He has been untiring in his work for his district, and has brought to his service, at all times, industry, intelligence, and ability of the highest character. [Applause.]

JOHN C. KETCHAM, of the fourth district, with 12 years of continuous service to his credit. Mr. Ketcham perhaps has the widest personal State acquaintance and reputation of any one in the delegation. For many years before coming to Congress he was a leader in agricultural activities of the State and since coming to Congress, while taking an active part in legislation generally, he has been recognized as an authority on questions relating to agriculture. Earnest, industrious, and able, he is a forceful and ready debater, an influential and valuable Member of this body, whose presence and counsel here will be greatly missed. [Applause.]

ROBERT H. CLANCY, of the first district, with eight years of service to his credit. Mr. CLANCY represents in part metropolitan Detroit. He has always been alert and active in looking after the interests of his constituents. He has exceptional aptitude and ability as an organizer. His service has been of the utmost benefit of his district and State. [Applause.]

Frank P. Bohn, of the eleventh district, with six years of continuous service to his credit. Before entering public life Representative Bohn was a distinguished doctor of medicine with an unusually successful and lucrative general practice. State senator for four years, a banker, a man of exceptionally strong character and good judgment, a counselor and friend, he has impressed himself upon the membership of this body the same as he has upon the community in which he lives. He enjoys the respect, confidence, and esteem of every one who knows him here and at home to an extent which it is the privilege of few to enjoy. [Applause.]

SEYMOUR H. PERSON, of the sixth district, a successful lawyer, and State senator for four years, with two years of service to his credit here. Mr. PERSON is a careful and earnest student of public affairs, a man of high purpose, character, and ability. His service in Congress has been during one of the most trying times in our Nation's history, perhaps the most trying, as far as the experience of the individual Member is concerned, for a generation at least. We have all come to admire him and to respect his judgment. His retirement will be a distinct loss. [Applause.]

It is not necessary to attempt here to evaluate the services in detail of these colleagues. Each, in his own individually, characteristic, and personal way, has made his impress and has performed his duties as a Member of this body faithfully, conscientiously, and with ability. I said at the beginning that Congress and the country would lose their services temporarily after the 4th of March. I said temporarily, because, while some of them have no idea now of reentering public life, I suspect that the constituents of every one of them will insist upon his returning to this body at the next election.

In behalf of the entire Michigan delegation in the next Congress, I extend to them sincere best wishes for their future happiness and prosperity. [Applause.]

REMOVING EXISTING DISCRIMINATIONS INCIDENTAL TO CERTAIN LAND GRANTS

The SPEAKER. The Chair is advised that there was an error made in a bill which was signed by the President on the 14th day of this month, and takes the privilege of laying before the House Senate Joint Resolution 259, which the Clerk will report.

The Clerk read as follows:

Senate Joint Resolution 259

Joint resolution to amend the act entitled "An act to remove existing discriminations incident to certain land grants and to subject them to the same conditions that govern other land grants of their class," approved February 14, 1933

Resolved, etc., That the act entitled "An act to remove existing discriminations incident to certain land grants and to subject them to the same conditions that govern other land grants of their class," approved February 14, 1933, be, and the same is hereby, amended by striking out "July 2, 1866" where it occurs therein and inserting in lieu thereof "July 27, 1866."

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

PERMISSION TO ADDRESS THE HOUSE

Mr. MARTIN of Oregon. Mr. Speaker, I ask unanimous consent to address the House for three minutes.

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

There was no objection.

JUSTICE M. C. GEORGE

Mr. MARTIN of Oregon. Mr. Speaker, it is my sad duty to announce to the House the death of a distinguished Republican of my home city, who was a Member of this House half a century ago, namely, M. C. George. Judge George was the first of a long line of Republican Congressmen who represented our State in this House, succeeding, when he came here in 1880, Gov. John Whitacre.

When Judge George was 2 years old his family came to Oregon by covered wagon. They settled on a homestead near the present site of Lebanon. He was born on a farm in Noble County, Ohio, May 13, 1849. Judge George attended Santiam Academy and Willamette University, came to Portland to study law, and was admitted to the bar in 1875. He was elected to the State senate in 1876, and in 1880 to the position of Oregon's one Representative in the Forty-seventh Congress.

At the time of his death Judge George was, so far as known, the only surviving Member of the National House of Representatives elected in that year.

Judge George also served in the Forty-eighth Congress, and after that he declined to run for renomination. He visited Congress in the spring of 1930, observing the fiftieth anniversary of his service there.

After Judge George left Congress, he practiced law for several years in Portland and then went on the bench, where he served until he retired from active life and lived highly honored in retirement the rest of his years. He lived to the ripe old age of 84.

EXTENSION OF REMARKS—IS AMERICAN INDUSTRY TO BE THE VICTIM OF DEPRECIATED FOREIGN CURRENCIES? IS AMERICAN LABOR TO BE FORCED FROM THE ENVIABLE LIVING STANDARD IT HAS ALWAYS ENJOYED? ONLY TIME CAN TELL

Mr. CROWTHER. Mr. Speaker, I ask unanimous consent to extend my remarks on depreciated currency.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. CROWTHER. Mr. Speaker, depreciated foreign currencies are serving as stepladders to assist the foreign producers to scale the United States tariff wall. Several bills were introduced in the first session of the Seventy-second Congress: H. R. 8557 by Mr. Crowther, H. R. 8688 by Mr. Hawley, and in the second session H. R. 13999 by Mr. Hill. The purpose of this proposed legislation was to reestablish the tariff rates on imports that had been reduced by depreciated foreign currencies. At the public hearings held by the Ways and Means Committee, some 50 witnesses testified, and 20 briefs were filed.

The opposition to the passage of this remedial legislation came almost entirely from the so-called converting paper mills who were enjoying a material advantage by purchasing their wood pulp from European countries who had gone off the gold standard and materially depreciated their currencies.

The industries hardest hit by depreciated currencies include pottery, steel, rugs and carpets, toys, metal novelties, salmon, tuna and sardine canning, electric-storage batteries, pig iron, coke, anthracite coal, paper and fiber, electric equipment and lamps, and textiles of cotton, wool, silk, and rayon.

Nearly every State in the Union is seriously affected by the resulting competition and from Maine to California American producers raised their voices in protest against the demoralization of local markets and industries due to the depreciation of foreign exchange. Two serious problems were presented: First, the unfair competition the American producers were suffering from, and, second, the loss in revenue to the Treasury by decreased customs collections. The most conservative estimate submitted evidenced a loss of \$20,000,000 in revenue annually under present foreign-currency values.

An article valued at £1 with a 50 per cent ad valorem duty entered the port of New York in 1930 at \$4.86 plus \$2.43, or a landed cost of \$7.29. With the pound at \$3.40 plus the 50 per cent duty of \$1.70, the article's landed cost is \$5.10, a differential of \$2.19.

What can the American producer do to retain his share of the business? Cheapen the product and reduce wages. He must act on one or possibly both of these alternatives unless he throws up the sponge and quits. If he follows the line of least resistance and quits, that means another contribution to the unemployment tragedy.

Professor Kemmerer, of Princeton University, made the following statement in a personal note to Director of Customs Eble:

I believe that the artificial stimulation of export trade by means of currency inflation is a policy that in the long run hurts the country adopting it, for it exploits home labor and results in the country giving an increased amount of its own home products for a decreased amount of foreign products. However, I think that for a short time it strengthens the country's power to compete with other countries for foreign markets. In this way it acts like a sort of export bounty, and in its effects is like dumping. It really is not a fair kind of competition. It is punching below the belt. In the case of imports from countries adopting this policy, I think it would be perfectly logical for countries remaining on the gold standard to apply the principles of antidumping countries.

In the French "Congressional Record" of November 14, 1931, the following statement appears:

The fall in value of the monetary units of certain countries has made it necessary to make provisions for the application of compensation surtaxes for exchange variations in order to protect our market against the influx of exports from those countries.

In another part of this report they say further-

The complaints from numerous national industries have recently taken on an increasingly urgent character. After an intensive study of the situation the government has deemed that it could no longer postpone the application of protective steps intended to avoid the crowding of our markets and great difficulties for our industries.

Both these statements have in substance been the basic argument of the proponents of this legislation. The Democratic majority however seem perfectly satisfied with existing conditions. They acknowledge that all ad valorem rates in the present tariff law are reduced in exact ratio to the depreciation of currency in the countries of export. Their contention that specific duties are raised, simply begs the question. To be sure, they represent a higher rate when translated into ad valorem equivalent, but in the great reduction in landed cost which, after all, is the competitive factor, the chief element is the lowered invoice price which even plus the specific duty totals a landed cost which it is impossible for American producers to meet in fair competition. While the specific duties as I have illustrated are increased as to their ad valorem percentage, the Treasury does not receive any additional revenue. They collect in specific duties what we intended they should collect under the Hawley-Smoot law. In collecting ad valorem duties the Treasury loses revenue on every transaction involving imports from countries with depreciated currencies.

It must be a matter of regret to the people of this country that a proposition of acknowledged merit should have been made a political football. The resulting slashes in our tariff rates seemed entirely satisfactory to the Democratic side of the House. That these rates were being automatically reduced as a result of foreign nations deserting the gold standard, seemed to them to be an ideal development. It saved them the time and trouble of preparing and introducing a tariff bill in conformity with their pre-election declarations and promises. They are looking forward to the international conference which under the "new deal" is to cut down our tariff rates and naturally they feel that nothing should be done to embarass their delegates who are to sit in at the conference.

Only to a limited degree was real protection accorded to American industry and labor in the Hawley-Smoot law. The principal factor in the adjudication of appeals to the Tariff Commission is consideration of the different in production costs here and abroad.

A few years ago in addition to this difference the Republican Party's platform added this sentence: "Together with a reasonable profit to American industries." In my estimation nothing less than that is real protection. The present law is a competitive tariff, but as a result of foreign depreciated currencies the element of even fair competition has vanished.

If these free-trade internationalists succeed in breaking down the policy of protective tariff, there will be a day of reckoning with American labor. Is American industry to be the victim of such procedure? Is American labor to be forced from the enviable living standard it has always enjoyed? Only time can tell.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows: S. 246. An act for the relief of Galen E. Lichty; to the Committee on Claims.

ENROLLED BILLS SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled a bill and joint resolution of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 7716. An act to amend the radio act of 1927, approved February 23, 1927, as amended (U. S. C., Supp. V, title 47, ch. 4), and for other purposes; and

H. J. Res. 138. Joint resolution for the relief of the State

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 1752. An act to authorize an appropriation for the purchase of land in South Dakota for use as camp sites or rifle ranges for the National Guard of said State;

S. 2654. An act to allow credit in connection with homestead entries to widows of persons who served in certain Indian wars:

S. 4008. An act to amend article 5 of the act of Congress approved June 7, 1897, relating to the approval of regulations for preventing collisions upon certain harbors, rivers, and inland waters of the United States; and

S. 5417. An act to extend the operation of the act entitled "An act for the temporary relief of water users on irrigation projects constructed and operated under the reclamation law," approved April 1, 1932.

BILLS PRESENTED TO THE PRESIDENT

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee did, on this day, present to the President for his approval bills of the House of the following titles:

H.R. 2601. An act for the relief of William Mathew Squires;

H. R. 5367. An act for the relief of Jerry V. Crane;

H. R. 6270. An act for the relief of Alexander F. Sawhill;

H. R. 7432. An act to authorize the Interstate Commerce Commission to delegate certain of its powers;

H. R. 10749. An act to authorize acceptance of proposed donation of property in Maxwell, Nebr., for Federal building purposes;

H. R. 11980. An act authorizing the President to make a posthumous award of a distinguished-flying cross to Glenn H. Curtiss, deceased, and to present the same to Lua Curtiss, mother of the said Glenn H. Curtiss, deceased;

H.R. 12769. An act to provide an additional authorization for the acquisition of land in the vicinity of Camp Bullis, Tex.:

H.R. 12977. An act to amend section 808 of Title VIII of the revenue act of 1926, as amended by section 443 of the revenue act of 1928;

H. R. 13026. An act to amend chapter 231 of the act of May 22, 1896 (29 Stat. 133, sec. 546, title 34, U. S. C.);

H. R. 13750. An act to regulate the bringing of actions for damages against the District of Columbia, and for other purposes;

H. R. 13960. An act to amend the description of land described in section 1 of the act approved February 14, 1931, entitled "An act to authorize the President of the United States to establish the Canyon De Chelly National Monument within the Navajo Indian Reservation, Ariz.";

H. R. 14204. An act to amend section 653 of the Code of Law for the District of Columbia;

H. R. 14321. An act to authorize the Secretary of the Treasury, in his discretion, to acquire a new site in Huntsville, Ala., and to construct a building thereon for the accommodation of the courts, post office, and other Government offices:

H. R. 14363. An act making appropriations for the Departments of State and Justice and for the judiciary and for the Departments of Commerce and Labor for the fiscal year ending June 30, 1934, and for other purposes;

H. R. 14461. An act to provide for placing the jurisdiction, custody, and control of the Washington city post office in the Secretary of the Treasury; and

H. R. 14489. An act relating to the construction of a Federal building at Mangum, Okla.

ADJOURNMENT

Mr. WARREN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 40 minutes p. m.) the House adjourned until to-morrow, March 1, 1933, at 11 o'clock a. m.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. McLEOD: Committee on the District of Columbia. H. R. 14670. A bill to provide for the furnishing of food to children attending schools in the District of Columbia; with amendment (Rept. No. 2172). Referred to the Committee of the Whole House on the state of the Union.

Mr. GILBERT: Committee on the Library. S. 5625. An act authorizing an appropriation to provide for the completion of the George Rogers Clark Memorial at Vincennes, Ind.; without amendment (Rept. No. 2173). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. KERR: Committee on War Claims. S. 4326. An act for the relief of R. S. Howard Co. (Inc.); without amendment (Rept. No. 2174). Referred to the Committee of the Whole House.

Mr. HARE: Committee on War Claims. Senate Joint Resolution 194. Joint resolution conferring jurisdiction upon the Court of Claims to render findings of facts in the claim of the Mack Copper Co.; with amendment (Rept. No. 2175). Referred to the Committee of the Whole House.

Mr. PATMAN: Committee on the District of Columbia. H. R. 14725. A bill authorizing the Commissioners of the District of Columbia to grant a permit for the construction of an oil and gasoline pipe line; without amendment (Rept. No. 2176). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H. R. 8057. A bill for the relief of Ruth Relyea; with amendment (Rept. No. 2178). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H. R. 14331. A bill for the relief of the J. M. Dooley Fireproof Warehouse Corporation, of Brooklyn, N. Y.; with amendment (Rept. No. 2179). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of Rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. MILIGAN: A bill (H. R. 14787) to authorize the construction of certain bridges and to extend the times for commencing and/or completing the construction of other bridges over the navigable waters of the United States; to the Committee on Interstate and Foreign Commerce.

By Mr. GLOVER: A bill (H. R. 14788) to amend the act entitled "An act limiting the privileges of the Government free bathhouse on the public reservation at Hot Springs, Ark., to persons who are without and unable to obtain the means to pay for baths," approved March 2, 1911; to the Committee on the Public Lands.

By Mr. McLEOD: A bill (H. R. 14789) to amend the act of July 1, 1898, entitled "An act to establish a uniform system of bankruptcy throughout the United States," as amended; to the Committee on the Judiciary.

By Mr. LEA: Joint resolution (H. J. Res. 613) to amend the act entitled "An act to remove existing discriminations incident to certain land grants and to subject them to the same conditions that govern other land grants of their class," approved February 14, 1933; to the Committee on Interstate and Foreign Commerce.

By Mr. THATCHER: Joint resolution (H. J. Res. 614) proposing an amendment to the Constitution of the United States providing for the method of amending it; to the Committee on the Judiciary.

MEMORIALS

Under clause 3 of Rule XXII, memorials were presented and referred as follows:

Memorial of the Senate of the State of Oklahoma, memorializing Congress to take early action removing the Federal gasoline tax, leaving taxation of gasoline sales exclusively as a State function; to the Committee on Ways and Means.

Memorial of the Legislature of the State of New Mexico, memorializing Congress to enact legislation allowing home owners to borrow directly from the Government upon a plan similar to the Federal land loan act; to the Committee on Banking and Currency.

Memorial of the Legislature of the State of North Dakota, memorializing Congress to remove the pressure under which the farmers are struggling and thus preserve peace and order in a great country; to the Committee on Banking and Currency.

Memorial of the Legislature of the State of Wisconsin, memorializing Congress for higher tariff on dairy products; to the Committee on Ways and Means.

Memorial of the Legislature of the State of Wisconsin, memorializing Congress to enact legislation for the nomination of candidates for President and Vice President in a primary election; to the Committee on Election of President. Vice President, and Representatives in Congress.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

10731. By Mr. BEAM: Resolution of the General Assembly of the State of Illinois on the question of farm mortgages and foreclosures; to the Committee on Banking and Currency.

10732. Also, resolution adopted by the Chicago Federation of Labor, relative to appropriation for the Customs Service; to the Committee on Appropriations.

10733. By Mr. BIDDLE: Petition of members of Phillips-Jones Post, No. 1349, Veterans of Foreign Wars, Lewistown, Pa., opposing any changes in veterans' legislation as recommended by the Economy League and the United States Chamber of Commerce, and favoring immediate and full payment of the adjusted-service certificates and enactment of the widows and orphans' pension bill; to the Committee on World War Veterans' Legislation.

10734. By Mr. CLARKE of New York: Petition of Frances E. Willcox and 17 residents of Smyrna, N. Y., opposing any legislative act that would legalize alcoholic liquors stronger than one-half of 1 per cent; to the Committee on the Judiciary.

10735. By Mr. DEROUEN: Petition of the police jury of the parish of Acadia, State of Louisiana, praying that immediate relief be provided by the United States Congress by legislation permitting the reshaping of Federal land-bank loans so that a very serious condition will not result by an immense amount of land being taken over by the Federal land bank; to the Committee on Banking and Currency.

10736. By Mr. CONDON: Petition of Thomas W. Allard, Robert B. Hough, Anna L. Kempf, Henry A. White, William E. Gould, Geragas Keshdaian, Albert Atwood, Louis Servant, James Mahan, and 687 other citizens of Rhode Island, protesting against any repeal or modification of existing legislation beneficial to Spanish war veterans, their widows or dependents; to the Committee on World War Veterans' Legislation.

10737. By Mr. GIBSON: Petition of Vergennes Post, No. 14, American Legion, Department of Vermont, indorsing and supporting the recommendations of the War Policies Commission; to the Committee on Military Affairs.

10738. Also, petition of West River Valley Post, No. 16, American Legion, Department of Vermont, opposing any of the proposed reductions in benefits now paid and against any revision in the privileges now accorded by law to veterans of all wars; to the Committee on World War Veterans' Legislation.

10739. By Mr. GRIFFIN: Petition of Gilbert Lovell, of the Presbyterian Board of Christian Education, opposing an appropriation of \$2,000,000 to the War Department for the care of unemployed young men in citizens military training camps; to the Committee on Appropriations.

10740. By Mr. HOUSTON of Delaware: Resolution of the Newark Woman's Christian Temperance Union, Newark, Del., referring to the motion-picture industry; to the Committee on the Judiciary.

10741. By Mr. KVALE: Petition of Monday Study Club, Slayton, Minn., urging enactment of bill 1079 and Senate Resolution 170; to the Committee on Interstate and Foreign Commerce.

10742. By Mr. LAMBERTSON: Petition signed by Dr. O. O. Barker and 15 other citizens of Effingham, Kans., protesting against the carrying of firearms; to the Committee on Interstate and Foreign Commerce.

10743. By Mr. MEAD: Petition of Buffalo Flour Club, Buffalo, N. Y., protesting against the proposed domestic allotment plan; to the Committee on Agriculture.

10744. By Mr. SMTTH of West Virginia: Resolution of the Charleston City Council, Charleston, W. Va., requesting legislation in Congress which would authorize the Postmaster General to issue a special series of stamps commemorating the one hundred and fiftieth anniversary of the naturalization of Thaddeus Kosciusko; to the Committee on the Post Office and Post Roads.

10745. Also, resolution of the Smith-Thompson Post, American Legion, Dunbar, W. Va., opposing legislation for the reduction of appropriations for national defense; to the Committee on Appropriations.

10746. By Mr. SWICK: Petition of Charles D. Boggs, 428 Line Avenue, Ellwood City, Lawrence County, and 25 other residents of the fourth ward of Ellwood City, Pa., urging the enactment of the stop-alien amendment providing for the

exclusion of 6,280,000 aliens in the apportionment of congressional districts; to the Committee on the Judiciary.

10747. By Mr. TREADWAY: Petition of citizens of West-field, Mass., favoring the elimination of aliens in making future apportionments for congressional districts; to the Committee on the Judiciary.

10748. By Mr. WITHROW: Memorial of the Legislature of the State of Wisconsin, memorializing Congress to change the laws governing officers' retirement pay so that no such pay will be allowed to anyone who receives a salary or other income of \$4,800 or more, and that the money thus saved be used to pay the soldiers' bonus in cash to veterans who are unemployed and in dire need; to the Committee on Ways and Means.

10749. By the SPEAKER: Petition of W. Bissell Thomas, accusing Jesse C. Adkins and F. Dickinson Letts, associate justices of the Supreme Court of the District of Columbia, of malfeasance in office; to the Committee on the Judiciary.

SENATE

WEDNESDAY, MARCH 1, 1933

(Legislative day of Tuesday, February 28, 1933)

The Senate met at 10.30 o'clock a. m., upon the expiration of the recess.

THE JOURNAL

Mr. FESS. Mr. President, I ask unanimous consent for the approval of the Journal of February 28.

The VICE PRESIDENT. Without objection, that order will be made.

CALL OF THE ROLL

Mr. FESS. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Sen-

ators answered to their names:

Coolidge Copeland Costigan Dale Ashurst Johnson Robinson, Ind. Russell Schall Austin Bailey Bankhead Kendrick Schuyler Keyes Sheppard Shortridge Smith Dickinson Barbour King La Follette Lewis Dill Bingham Fletcher Logan McGill Smoot Steiwer Black Blaine Frazier Stephens Swanson Thomas, Idaho Thomas, Okla. Townsend Borah Bratton George Glass McKellar McNary Metcalf Brookhart Broussard Bulkley Glenn Moses Neely Goldsborough Gore Grammer Hale Harrison Bulow Norris Trammell Tydings Vandenberg Nye Oddie Byrnes Capper Caraway Hastings Hatfield Patterson Pittman Walcott Walsh, Mass. Carey Hayden Hebert Reed Robinson, Ark. Clark Connally Watson

Mr. LA FOLLETTE. I wish to announce that the senior Senator from Minnesota [Mr. Shipstead] is unavoidably absent. I ask that this announcement may stand for the day.

Mr. NORRIS. I desire to announce that my colleague the junior Senator from Nebraska [Mr. Howell] is necessarily detained because of illness. I will let this announcement stand for the day.

The VICE PRESIDENT. Eighty-four Senators have answered to their names. A quorum is present.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its clerks, announced that the House had agreed to the concurrent resolution (S. Con. Res. 44) rescinding the action of the Speaker of the House and the Vice President of the United States in signing the enrolled bill H. R. 14500.

The message also announced that the House had passed, without amendment, bills and a joint resolution of the Senate of the following titles:

S. 5525. An act to extend temporary relief to water users on irrigation projects on Indian reservations, and for other purposes:

S. 5622. An act providing for an alternate budget for the Indian Service, fiscal year 1935;

S. 5675. An act to effect needed changes in the Navy ration; and

S. J. Res. 259. Joint resolution to amend the act entitled "An act to remove existing discriminations incident to certain land grants and to subject them to the same conditions that govern other land grants of their class," approved February 14, 1933.

The message further announced that the House had agreed to the amendments of the Senate to the bill (H. R. 4039) for the relief of Herman H. Bradford.

The message also announced that the House had severally agreed to the amendment of the Senate to each of the following bills of the House:

H.R. 792. An act for the relief of William Joseph Vignesult:

H.R. 1936. An act for the relief of Sydney Thayer, jr.; H.R. 2599. An act for the relief of Henry Dixon Linebarger:

H.R. 2844. An act for the relief of Elmo K. Gordon;

H. R. 5150. An act for the relief of Annie M. Eopolucci;

H. R. 5548. An act for the relief of George Brackett Cargill, deceased;

H. R. 5989. An act for the relief of John O'Neil;

H.R. 6409. An act for the relief of William Joseph La-Carte;

H.R. 8120. An act for the relief of Jack C. Richardson; H.R. 9272. An act to correct the rating of John Hunt

H.R. 9272. An act to correct the rating of John Huntz Roloff, Fleet Naval Reserve;

H. R. 9326. An act for the relief of John E. Davidson;

H. R. 9473. An act for the relief of Olen H. Parker;

H.R.9877. An act to repeal obsolete sections of the Revised Statutes omitted from the United States Code; and

H.R. 13378. An act to amend sections 416 and 417 of the Revised Statutes relating to the District of Columbia.

The message further announced that the House had passed the following bill and joint resolution, each with an amendment, in which it requested the concurrence of the Senate:

S.5122. An act to provide for the purchase and sale of cotton under the supervision of the Secretary of Agriculture: and

S. J. Res. 235. Joint resolution amending provisions in river and harbor laws relating to local cooperation in the prosecution of waterway improvements.

The message also announced that the House had disagreed to the amendment of the Senate to the joint resolution (H. J. Res. 533) providing for the suspension of annual assessment work on mining claims held by location in the United States and Alaska; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. Evans of Montana, Mr. Parson, and Mr. Arentz were appointed managers on the part of the House at the conference.

The message further announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 11035) for the relief of Price Huff, asked for a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. Fitzpatrick, Mr. May, and Mr. Cochran of Pennsylvania were appointed managers on the part of the House at the conference.

The message also announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 5070. An act to authorize the Secretary of the Interior to grant concessions on reservoir sites and other lands in connection with Indian irrigation projects and to lease the lands in such reserves for agricultural, grazing, or other purposes;

H. R. 6490. An act authorizing the erection of a memorial to Brig. Gen. Casimir Pulaski at Savannah, Ga.;

H. R. 12047. An act to provide for the transfer of powder and other explosive materials from deteriorated and unserviceable ammunition under the control of the War Department to the Department of Agriculture for use in land clearing, drainage, road building, and other agricultural purposes: and

H. R. 13745. An act to provide for agricultural entry of lands withdrawn, classified, or reported as containing any of the minerals subject to disposition under the general leasing law or acts amendatory thereof or supplementary

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills and joint resolution, and they were signed by the Vice President:

S. 1752. An act to authorize an appropriation for the purchase of land in South Dakota for use as camp sites or rifle ranges for the National Guard of said State;

S. 2654. An act to allow credit in connection with homestead entries to widows of persons who served in certain Indian wars:

S. 4008. An act to amend article 5 of the act of Congress approved June 7, 1897, relating to the approval of regulations for preventing collisions upon certain harbors, rivers, and inland waters of the United States;

S. 5417. An act to extend the operation of the act entitled "An act for the temporary relief of water users on irrigation projects constructed and operated under the reclamation law," approved April 1, 1932;

H. R. 7716. An act to amend the radio act of 1927, approved February 23, 1927, as amended (U. S. C., Supp. V, title 47, ch. 4), and for other purposes; and

H. J. Res. 138. Joint resolution for the relief of the State of Idaho.

SUPPLEMENTAL ESTIMATE FOR LEGISLATIVE ESTABLISHMENT (S. DOC. NO. 211)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, transmitting, without revision, a supplemental estimate of appropriations pertaining to the legislative establishment, fiscal year 1933, amounting to \$15,000, for expenses of inquiries and investigations, which, with the accompanying papers, was referred to the Committee on Appropriations and ordered to be printed.

COMPACT BETWEEN THE STATES OF WYOMING AND IDAHO (S. DOC. NO. 212)

The VICE PRESIDENT laid before the Senate a letter from the Secretary of the Interior, transmitting a report dated February 24, 1933, from Robert Follansbee, Federal representative, pursuant to the act (46 Stat. 1039) (January 19, 1931) granting the consent of Congress to compacts or agreement between the States of Wyoming and Idaho with respect to the boundary line between said States, which, with the accompanying paper, was referred to the Committee on Public Lands and Surveys and ordered to be printed.

ECONOMIC ANALYSIS OF FOREIGN TRADE OF THE UNITED STATES IN RELATION TO THE TARIFF

The VICE PRESIDENT laid before the Senate a letter from the chairman of the United States Tariff Commission transmitting in further response to Senate Resolution 325, practically all of the remainder of the manuscript in answer to the requirements of paragraphs 1, 2, 3, 4, 6, and 9, and some of the material in response to paragraphs 5 and 7 of the resolution, which, with the accompanying papers, was referred to the Committee on Finance.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate a letter from the Governor of North Carolina, transmitting certified copy of a joint resolution of the Legislature of the State of North Carolina, which, with the accompanying resolution, was referred to the Committee on Finance and ordered to be printed in the RECORD, as follows:

STATE OF NORTH CAROLINA, Raleigh, February 24, 1933.

The Hon. Charles Curtis,

Vice President, Washington, D. C.

MY DEAR MR. Curtis: I have the honor to transmit a certified copy of a joint resolution requesting Congress to refrain from a further invasion of sources of taxation heretofore enjoyed by the States, and that the Congress balance its Budget without further increase in the tax levies.

Respectfully yours,

J. C. B. EHRINGHAUS, Governor of North Carolina.

Resolution 18

A joint resolution requesting Congress to refrain from a further invasion of sources of taxation heretofore enjoyed by the States, and that the Congress balance its Budget without further increase in the tax levies

Whereas during the past decade the expenses of all units of local, State, and National Governments have increased to such huge and unprecedented sums as to become burdensome to our huge and unprecedented sums as to become burdensome to our people, since no people can contribute more than a reasonable proportion of its income in the aggregate to the support of government, no matter by whom levied nor differing as to whether such taxes be direct or indirect, privilege or excise; and Whereas all local units of our State government are largely decreasing their tax levies under pressure of the distressing conditions and by way of partial answer to the wailing cries of our people that taxes be reduced and that government become less burdensome: and

burdensome; and

Whereas our State government has been compelled to relieve the landowners and farmers of a proportion of the tax levies for the support of public education, as provided for under the constitution, thereby necessitating the tapping of any new sources of revenue that could be found and which appear to have been exhausted, making it necessary to make drastic reductions in the expenses of our State government; and

Whereas in balancing our budget it is becoming necessary to eliminate all bureaus not absolutely vital to the functions of our

government; and

government; and

Whereas in a further effort to balance our budget drastic and far-reaching reductions are being made in the vital functions of our government to such an extent as to seriously threaten the ability of our State to carry on its program of education, public welfare, construction and maintenance of highways, and other necessary functions reserved to it under the constitution; and

Whereas the Congress during the past year, in an effort to balance its Budget, under its privilege to levy excise taxes found it necessary to levy such taxes as 1 cent per gallon on gasoline, 4 cents per gallon on lubricating oils, 3 per cent consumers' tax on privately produced electricity; and

privately produced electricity; and
Whereas the levying of such taxes is reflected in the decreased consumption of such commodities, in that our people are becoming tax conscious, and our sources of revenue are being depleted; which excise-tax levies, if retained, added to, and increased, will ultimately result in the complete absorption of the revenue from

sources now enjoyed by the States, resulting in the inability of the States to function: Now, therefore, be it

Resolved by the house of representatives (the senate concurring), That the Congress of the United States be, and it is hereby, requested to refrain, in so far as possible, from a further invasion

of the sources of revenue now enjoyed by the States.

SEC 2. That it remove, as soon as it may find it possible to do so, the present excise tax on gasoline, lubricating oils, consumers' tax on electricity, and other similar taxes inserted in its revenue bill of 1932.

SEC. 3. That the Congress balance its Budget in so far as possible by further economies in government and without additional excise-tax levies.

SEC. 4. That a certified copy of this resolution be forwarded by Governor Ehringhaus to the Congress of the United States and to

each of the Members thereof from North Carolina.

SEC. 5. That this resolution be in full force and effect from and after its ratification.

In the general assembly, read three times and ratified this 20th day of February, 1933.

A. H. Graham,
President of the Senate.
R. L. Harris,
Speaker of the House of Representatives.

STATE OF NORTH CAROLINA,

DEPARTMENT OF STATE.

I. Stacey W. Wade, secretary of state of the State of North Caro-

lina, do hearby certify the foregoing and attached three sheets to be a true copy from the records of this office.

In witness whereof I have hereunto set my hand and affixed

my official seal.

Done in office at Raleigh this 23d day of February, A. D. 1933.

STACEY W. WADE. Secretary of State.

The VICE PRESIDENT also laid before the Senate the following concurrent resolution of the Legislature of the State of South Dakota, which was referred to the Committee on Agriculture and Forestry:

Senate Concurrent Resolution 1 (introduced by Mr. Gilliland)

A concurrent resolution relating to Senate bill 1197, known as the Frazier bill, and the enactment of the domestic allotment plan

Whereas it is an indisputable fact that this Nation can not, as

Whereas it is an indisputable fact that this Nation can not, as a whole, secure or enjoy prosperity until the large number of its citizens who are dependent upon agriculture for a living are given assistance in securing a fair return for their labor and investment, and until this can be accomplished, also are given assistance in carrying the heavy burden of existing agricultural debts; and Whereas it is the opinion and belief of the Legislature of the State of South Dakota that these objects can best be accomplished by the prompt passing of Senate bill No. 1197, known as the Frazier bill, to liquidate and refinance agricultural indebtedness, and by the enactment of the domestic allotment plan for reducing surplus production and securing a fair price for agricultural products: Be it therefore

Resolved by the senate (the house of representative concurring)

Resolved by the senate (the house of representative concurring) That we respectfully urge the Congress of the United States to speedily enact the Frazier bill and the domestic allotment plan in

speedily enact the Frazier bill and the domestic allotment plan in order to avoid a collapse of our basic industry and all industries dependent upon it; be it further

Resolved, That the Congress of the United States is respectfully petitioned to expedite such legislation; and be it further

Resolved, That the Secretary of the Senate is directed to supply copies of this resolution to each of the Senators and Representatives in Congress and to the governor of each of the United States with the request that it be transmitted to the legislature of each State.

President of the Senate.
JOE ATKINS, Secretary of the Senate. GEORGE ABILD, Speaker of the House. H. Bodery, Chief Clerk of the House.

The VICE PRESIDENT also laid before the Senate the following concurrent memorial of the Legislature of the State of Utah, which was referred to the Committee on Public Lands and Surveys:

> STATE OF UTAH, SECRETARY OF STATE.

I, M. H. Welling, secretary of state of the State of Utah, do hereby certify that the following is a full, true, and correct copy of Senate Concurrent Memorial No. 2, memorializing Congress to pass House bill 11816 for the regulation and control of the public range of the United States and for the creation of grazing districts by the Secretary of the Interior under the direct supervision of the users of the public range, as passed by the twentieth legislature and approved by the governor February 23, 1933, as appears on file in my office.

on file in my office.

In witness whereof I have hereunto set my hand and affixed the great seal of the State of Utah, at Salt Lake City, this 25th day of February, 1933.

M. H. WELLING Secretary of State.

Memorializing Congress to pass House bill 11816 for the regulation and control of the public range of the United States and for the creation of grazing districts by the Secretary of the Interior under the direct supervision of the users of the public range Be it resolved by the Legislature of the State of Utah (the gover-

nor concurring therein), That-

Whereas there is urgent necessity for the enactment of proper legislation by the Congress of the United States for some regulatory control over the public range lands in the Western States, for the purpose of protecting the overuse of said grazing lands, and to stabilize the livestock interests thereon; and

Whereas the Colton grazing bill, introduced in the House of Representatives by the Hon. Don B. Colton as H. R. 11816, has been generally approved by the Western States, in which is situated the great bodies of grazing lands in the United States; and

Whereas the said Colton bill has been closely studied and analyzed by the livestick interests of Utah, and several local reserves have been organized by livestock interests of Utah, for the purpose of operating under the said Colton bill, and such interests are urging the immediate passage of the said Colton bill, and it is generally believed to be to the best interest of the people of Utah that the said Colton bill be enacted into the law: Be it therefore

Resolved, That we respectfully urge the House of Representatives and the Senate of the United States to pass, and the President to approve, H. R. 11816 (by Don B. Colton) for the control and regulation of the public range during the present session of the Congress, to the end that its provisions may become effective at the earliest possible date; be it further

Resolved, That the Secretary of State forward certified copies of this memorial to the Speaker of the House of Representatives, the President of the Senate of the United States, and to the President of the United States, and to Utah's congressional delegation.

The foregoing Senate Concurrent Memorial No. 2 was publicly read by title and immediately thereafter signed by the president of the senate, in the presence of the house over which he presides, and the fact of such signing duly entered upon the journal this 16th day of February, 1933.

J. FRANCIS FOWLES, President of the Senate.

Attest:

LYMAN S. RICHARDS, Secretary of the Senate.

The foregoing Senate Concurrent Memorial No. 2 was publicly read by title and immediately thereafter signed by the speaker of the house, in the presence of the house over which he presides, and the fact of such signing duly entered upon the journal this 16th day of February, 1933.

I. A. SMOOT, Speaker of the House.

Attest:

ERNEST R. McKay, Chief Clerk of the House.

Received from the senate this 17th day of February, 1933. Approved February 23, 1933.

HENRY H. BLOOD, Governor.

Received from the governor, and filed in the office of the secretary of state this 23d day of February, 1933.

M. H. WELLING, Secretary of State.

The VICE PRESIDENT also laid before the Senate a telegram from Carson City, Nev., signed by W. G. Greathouse, embodying a joint resolution passed by the Legislature of the State of Nevada, which was ordered to lie on the table and to be printed in the RECORD, as follows:

CARSON CITY, Nev., February 28, 1933.

Hon. CHARLES CURTIS.

Washington, D. C .: The following resolution approved by Nevada Legislature to-day: "Senate joint resolution memorializing Congress to not close the

United States mint at Carson City, Nev. " To the honorable the Senate and House of Representatives of the

"To the honorable the Senate and House of Representatives of the United States in Congress assembled:

"The Legislature of the State of Nevada hereby respectfully represents that—

"Whereas the closing of the United States mint at Carson City, Nev., would be a calamity both to the mining industry and every business interest of this State, it being an imperative necessity to mine operators and prospectors with small quantities of bullion which they must sell to keep their activities going, and any arrangement by which such bullion would have to be shipped to assay offices at a distance would not be feasible; and

"Whereas the business of said mint in the past year has doubled and for no reason is its closing justified: Now, therefore, be it

"Resolved by the Senate and the Assembly of the State of Nevada, That we earnestly entreat Congress to reconsider its action and to continue the appropriation for the United States mint at Carson City, Nev."

Carson City, Nev."

W. G. GREATHOUSE.

The VICE PRESIDENT laid before the Senate resolutions adopted by the Legislature of the State of North Dakota, favoring the passage of legislation known as the Frazier farm relief bill, and the passage of legislation to create a farm debt commission to refinance farm loans so as to correspond with losses during the past 12 years, etc., which were referred to the Committee on Banking and Currency.

(See resolutions printed in full when presented to-day by Mr. FRAZIER.)

The VICE PRESIDENT also laid before the Senate resolutions adopted by the Central Trades and Labor Council of New Orleans, La., opposing a continuance of the investigation by a Senate committee of the Louisiana senatorial election of 1932 and the spending of additional money therefor, which were referred to the Committee to Audit and Control the Contingent Expenses of the Senate.

He also laid before the Senate a letter in the nature of a memorial from Dr. Victor B. Stassi, of New Orleans, La., remonstrating against a continuance of the investigation by a Senate committee of the Louisiana senatorial election of 1932 and the spending of additional money therefor, which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate.

He also laid before the Senate resolutions of the Common Council of the City of Blue Island, Ill.; the Common Council of the City of Revere, Mass.; the Common Council of the City of Schenectady, N. Y.; and the Common Council of the City of Milwaukee, Wis., favoring the passage of legislation authorizing the issuance of a special series of postage stamps

of the denomination of 3 cents, commemorative of the one hundred and fiftieth anniversary of the naturalization as an American citizen and appointment as brevet brigadier general of the Continental Army on October 13, 1783, of Thaddeus Kosciusko, which were referred to the Committee on Post Offices and Post Roads.

He also laid before the Senate a telegram in the nature of a petition from the National Association of Merchant Tailors of America, New York City, N. Y., praying for the prompt passage of the so-called Dies bill, being the bill (H. R. 12044) to provide for the exclusion and expulsion of alien communists, which was ordered to lie on the table.

He also laid before the Senate a memorial of sundry citizens of Des Moines, Iowa (assembled in mass meeting under the auspices of the International Labor Defense), remonstrating against the passage of the so-called Dies bill, being the bill (H. R. 12044) to provide for the exclusion and expulsion of alien communists, which was ordered to lie on the

Mr. CAPPER presented resolutions adopted by the Woman's Missionary Society of St. Paul's Methodist Episcopal Church South, of Washington, D. C., the Methodist Episcopal Church of Palco, and local chapters of the Woman's Christian Temperance Union of Almena, Clayton, Eureka, and Kingsdown, all in the State of Kansas, favoring the passage of legislation to regulate and supervise the motionpicture industry, which were ordered to lie on the table.

Mr. RUSSELL presented a resolution adopted by Cobb County Post, No. 2681, Veterans of Foreign Wars, of Marietta, Ga., favoring a moderate and reasonable inflation of the currency and the payment of adjusted-compensation certificates of World War veterans as a means of quickly and generally distributing such inflated currency, thereby alleviating the present economic distress of the people, which was referred to the Committee on Banking and Currency.

He also presented a resolution adopted by Cobb County Post, No. 2681, Veterans of Foreign Wars, of Marietta, Ga., indorsing the "Buy American" movement, which was ordered to lie on the table.

Mr. COPELAND presented a resolution adopted by the American Legion Auxiliary, Yonkers Post, No. 7, of Yonkers, N. Y., opposing proposed reductions in veterans' appropriations and protesting against the methods and proposals of the National Economy League and the United States Chamber of Commerce with respect thereto, which was referred to the Committee on Finance.

He also presented the memorial of G. E. Manning and sundry other citizens of Oakfield, N. Y., remonstrating against the adoption of the so-called Couzens amendment to the Army appropriation bill, providing for the establishment of camps for the youth of the Nation and making appropriation therefor, which was ordered to lie on the table.

He also presented the memorial of the Woman's Foreign Missionary Society of the Methodist Episcopal Church of Sodus Point and sundry other citizens, all in the State of New York, remonstrating against the passage of legislation legalizing the manufacture and sale of beer and liquors with an alcoholic content stronger than one-half of 1 per cent, which was ordered to lie on the table.

Mr. FRAZIER. I present resolutions adopted by the Legislative Assembly of the State of North Dakota setting forth their opinions upon the farm situation and asking certain relief, which I ask may be printed in the RECORD and appropriately referred.

The resolutions were referred to the Committee on Banking and Currency, and, under the rule, ordered to be printed in the RECORD, as follows:

Senate Resolution A-6 (introduced by Senator Martin) Be it resolved by the Legislative Assembly of the State of North Dakota:

Whereas ever since the order of the Federal Reserve Board, in May, 1920, calling for a contraction of the currency the farmers have witnessed the loss of their land through foreclosure until many counties in this State have had 80 per cent of all farms foreclosed; and

Whereas during the past two years this process of paying every-thing and receiving nothing for their crops has brought about a

condition where to finish paying debts is mathematically impossible and the loss of their property and homes is now merely a matter of days; and

Whereas every attempt on the part of the Government to supply Federal loans has been intrusted to the directors and attaches of

the Twin City banks, with jurisdiction over this territory; and Whereas these directors have manipulated the extension of these Government loans for the purpose of collecting their own loans, and through the process no new money has been available to

the farmers; and
Whereas through mortgages, insurance policies, and other
charges the farmer has been so securely bound that he is now
unable to extricate himself; and

Whereas all of these conditions thus accumulated and occurring together have caused the farmers to lose faith in the Government and the officials who have administered it during the past 12 years, and are now in almost open rebellion; and
Whereas the farmers have no further hope than to save their

homes and families from utter ruin, and have openly banded together to protect these homes by the use of force, acting collectively; and

Whereas any attempt to prevent them from congregating and using any means, peaceful or otherwise, to protect their families will inevitably culminate in disorders and insurrections: Therefore

be it

Resolved, That we petition Congress to be advised of the situation that it may act speedily and wisely to remove the pressure under which the farmers are struggling and thus preserve peace and order in a great country. To this end we ask Congress to

pass the following legislation:

1. The Frazier bill and a farm debt commission that will refinance the farms and scale down farm debts to correspond with farm losses during the past 12 years.

2. That the distribution of Government finance agencies be taken away from the manipulation of bankers and placed in the hands of directors whose only ambition shall be to actually aid agriculture.

3. That the Patman bill be passed, paying the soldiers by the

ssuance of Treasury notes.

4. That the Wheeler bill be passed remonetizing silver, which will remove from the hoarded money of the country the unwarranted and stupendous premium which it now commands.

5. The apportionment plan in which we insist upon the cost of production; be it further

Bestleyd That Congress take full notice of this receipt and

Resolved, That Congress take full notice of this warning and at least partially understand that we have reached a crisis in the handling of our farm problem, and it now becomes the duty the handling of our farm problem, and it now becomes the duty of public officials to rise above party and command enough patriotism to rescue this country from the grip of the international bankers, who, because of an insatiate desire to accumulate more wealth, are fast driving the greatest Government on earth upon the rocks of destruction; be it further

*Resolved**, That copies of this resolution be forwarded to our Members in Congress and to the Speaker of the House and to the

Mr. SMOOT presented the following concurrent memorial of the Legislature of the State of Utah, which was ordered to lie on the table:

STATE OF UTAH, OFFICE OF SECRETARY OF STATE. I, M. H. Welling, secretary of state of the State of Utah, do hereby certify that the following is a full, true, and correct copy of Senate Concurrent Memorial No. 7, a memorial to the Congress of the United States protesting against the Bratton amendment to the Treasury and Post Office bill eliminating the Salt Lake veterans' hospital and regional offices at Salt Lake City as appears

on file in my office.

In witness whereof, I have hereunto set my hand and affixed the great seal of the State of Utah at Salt Lake City, this 21st day of February, 1933.

M. H. WELLING Secretary of State.

A memorial to the Congress of the United States protesting against the Bratton amendment to the Treasury and Post Office bill eliminating the Salt Lake veterans' hospital and regional offices at Salt Lake City

Be it resolved by the Legislature of the State of Utah (the governor concurring therein):

Whereas there is an urgent need for retention of the veterans' hospital and regional offices at Salt Lake City maintained to serve

a large section of the intermountain region not otherwise served; and

Whereas it is proposed by an amendment to the Treasury and Post Office bill, in conference between the Houses of Congress of the United States, such amendment being known as the Bratton amendment, to abolish such regional offices and to close such hospital: Now, therefore, be it

Resolved by the Legislature of the State of Utah in regular session assembled, That the Congress of the United States be urgently requested to refrain from any act closing such regional offices and veterans' hospital at Salt Lake City; be it further Kesolved, That the secretary of state forward copies of this memorial to Utah's delegation in Congress.

J. Francis Fowles.

J. FRANCIS FOWLES, President of the Senate. The foregoing Senate Concurrent Memorial No. 7 was publicly read by title and immediately thereafter signed by the speaker of the house, in the presence of the house over which he presides, sides, and the fact of such signing duly entered upon the journal this 18th day of February, 1933.

LYMAN S. RICHARDS.

Secretary of the Senate.

I. A. Smoor,

Speaker of the House.

The foregoing Senate Concurrent Memorial No. 7 was publicly read by title and immediately thereafter signed by the president of the senate, in the presence of the house over which he preand the fact of such signing duly entered upon the journal this 20th day of February, 1933.

Attest:

ERNEST R. McKay,

Chief Clerk of House.

Received from the senate this 20th day of February, 1933. Approved February 20, 1933.

HENRY H. BLOOD, Governor.

Received from the governor and filed in the office of the secretary of state this 21st day of February, 1933. M. H. WELLING

Secretary of State.

Mr. BRATTON presented the following joint memorials of the Legislature of the State of New Mexico, which were ordered to lie on the table:

House Joint Memorial 2 (introduced by Jack M. Potter)

A memorial memorializing the Congress of the United States to include in the plan for an adequate flood control of the Mississippi River area the construction of flood-control reservoirs on the Dry Cimarron River within the State of New Mexico

Whereas the Congress of the United States, on May 15, 1928, passed a flood control act for the purpose of controlling the devastating floods in the lower Mississippi River; and

Whereas stream control, not only in the lower Mississippi Val-ley, but throughout the entire water bed of the entire Mississippi River, is necessarily a part of an adequate plan, to solve this situation: and

Whereas control by reservoirs of tributary streams for the purpose of withholding and controlling flood and waste waters, as well as for irrigation and other beneficial uses, is a necessary part

well as for irrigation and other beneficial uses, is a necessary part of an adequate plan for the control of the Mississippi Valley; and Whereas the Dry Cimarron River in Colfax and Union Counties, N. Mex., a tributary of the Mississippi, annually contributes large and disastrous amounts of flood waters to the Mississippi under

Mhereas the hydrographic survey of the Dry Cimarron River in New Mexico, made by the State of New Mexico, shows three dam sites for flood-control reservoirs, which are sufficient and adequate

sites for flood-control reservoirs, which are sufficient and adequate for control of all waters arising in New Mexico:

Now, therefore, the Eleventh Legislature of the State of New Mexico does hereby request the Congress of the United States, and all bureaus and departments of the Federal Government, to include in the plans for Mississippi Valley flood control the construction of the said three flood-control reservoirs on the Dry Cimarron River in the State of New Mexico; and be it Resolved, That a copy of this memorial be forwarded to the Hon. Sam Bratton, and Hon. Branson Cutting, Senators of New Mexico, and to the Hon. Dennis Chavez, Representative in Congress from the State of New Mexico.

ALVAN N. WHITE.

ALVAN N. WHITE, Speaker of the House of Representatives.

Attest:

GEO. W. ARMIJO, Chief Clerk of the House of Representatives. TAYLOR E. JULIEN, President pro tempore of the Senate.

Attest:

F. E. McCulloch,

Chief Clerk of the Senate.

Approved by me this 23d day of February, 1933.

ARTHUR SELIGMAN,

Governor of New Mexico.

House Joint Memorial 4 (introduced by Willis Ford)

A memorial to Congress to allow home owners to borrow directly from the Government upon a plan similar to the Federal land

Whereas under present conditions all industries and all prop

Whereas under present conditions all industries and all property owners are being encouraged, except the home owner, for whom little or no relief is being provided; and

Whereas because of such conditions, people, rather than attempt to have and own their homes, are turning away from the individual homes and living in apartments, hotels, tenements, and other rented property; and

Whereas it is essential to the public welfare and vital to our American civilization that the building and owning of individual homes be encouraged among our people: Now, therefore, be it Resolved, That the Legislature of the State of New Mexico does hereby memorialize the Congress of the United States to pass such legislation as will allow the individual to borrow directly from the Government of the United States, through such agencies as

may be established, for the purpose of building, buying, or improving the home, under a plan similar to that allowed farmers under the provisions of the Federal farm loan act; and be it further Resolved, That a copy of this memorial be sent to our Senators and Representatives in Congress and to the presiding officers of both Houses of the United States Congress

ALVAN N. WHITE, Speaker of the House of Representatives.

Attest:

GEO. W. ARMIJO, Chief Clerk of the House of Representatives. TAYLOR E. JULIEN, President pro tempore of the Senate.

Attest:

F. E. McCulloch, Chief Clerk of the Senate. Approved by me this 21st day of February, 1933.

ARTHUR SELIGMAN. Governor of New Mexico.

BOULDER CANYON LAKE AND PARK

Mr. ODDIE. Mr. President, in opposition to S. 5637, introduced for the establishment, development, and administration of the Boulder Canyon National Reservation and the development and administration of the Boulder Canyon Project Federal Reservation and for other purposes, I made a brief statement before a subcommittee of the Committee on Public Lands and Surveys of the Senate on February 24, 1933, which I submit for the RECORD, as follows:

The very title of this act indicates its extreme complexity. It assembles a number of problems, the solutions of which should be made entirely separate and the subjects of separate bills. It will be six or seven years before the lake is created and the officials of the State of Nevada and its representatives in Congress should be given full opportunity to investigate the question of forming a national park surrounding the lake. There is no apparent need for hurry in this matter and the people of Nevada should be fully informed of every detail concerning it before legislation is finally expected.

On February 15, 1933, the Federal District Court, District of Nevada, dismissed the complaints in the pending tax suits by the Six Companies (Inc.) so that that company is now liable for the Six Companies (Inc.) so that that company is now liable for the payment of taxes on the property at the Hoover Dam. Having failed to win in the courts, the Secretary of the Interior has conceived and is now pressing this legislation for action to create a national park, and to establish an exclusive jurisdiction reservation, all for the purpose of circumventing and evading the sovereignty and the laws of the State of Nevada. Having lost in the pending tax cases, the Secretary of the Interior now seeks in behalf of the Six Companies (Inc.) to accomplish by way of legislation what he failed to accomplish through the courts. There is no way that this act can be amended to the satisfaction of the State of Nevada. The whole basis upon which the legislation is built is too complex and involved, and I therefore strongly oppose reporting this bill in this Congress.

On the question of the attempt made by the Secretary of the Interior to create a reservation of exclusive Federal jurisdiction and his activities in behalf of the Six Companies (Inc.) in prosecuting their suits against the officials of the State of Nevada, I made an extended statement in the Senate on February 15, 1933, pages 4126 to 4138 of the Congressional Record of that date. This was before the news was received of the dismissing of the complaints in the pending tax suits by the Federal district court.

The Secretary of the Interior wrote me on February 25, 1933, concerning this statement, and I submit his letter for the RECORD, together with my reply:

THE SECRETARY OF THE INTERIOR, Washington, February 25, 1933.

Hon. TASKER L. ODDIE,

United States Senate.

My Dear Senator Oddie: My attention has been called to a statement made by you yesterday before one of the committees of the Senate regarding the proposed reservation in connection with the Hoover Dam area.

Evidently you have not understood just what we have been trying to do at Boulder City and in the surrounding area. The Federal Government must accept full responsibility for this construction town. We have endeavored to make it clean, decent, and a wholesome place for American families of small means. We have wholesome place for American families of small means. We have maintained the reservation with care, not only to safeguard the welfare of the worker on the job but it has also been necessary for us, because of the Nevada laws and customs, to fight off the bootlegger, the prostitute, and the gambler. Judging by what is going on in other parts of Nevada, without our special efforts not only would the bootlegger and the prostitute and the gambler be admitted to our construction city, but the costs of the project would be increased and the authorities of the Federal Government would have to accept responsibility for conditions that to say the would have to accept responsibility for conditions that, to say the least, would be undesirable and unwholesome.

All other questions are of secondary consideration in a matter of this kind, having to do with human welfare and with the dignity of the Federal Government.

Very sincerely yours,

RAY LYMAN WILBUR.

FEBRUARY 28, 1933.

Hon. RAY LYMAN WILBUR,

Secretary of the Interior, Washington, D. C.
MY DEAR MR. SECRETARY: Your letter of February 25, 1933, expressing such great solicitude for the workers at Hoover Dam is indeed difficult to reconcile in the light of the many things you have done to assist the Six Companies (Inc.), the private contractor, the builder of the dam, in its attempt to evade the tax and mine safety laws of Nevada and thus unjustly fatten itself at the expense of the people of the State and the lives and welfare of the

workers at Boulder City.
In attempting to create the so-called Boulder Canyon project Federal reservation of exclusive Federal jurisdiction on inadequate constitutional and statutory premises you provided the Six Companics (Inc.), the contractor, with the pretext which that company cited in its suits to evade the payment of taxes to Clark County and the State of Nevada and the mine safety laws. Fur-County and the State of Nevada and the mine safety laws. Furthermore, at the expense of the taxpayer you supplied Federal legal assistance to the private company in directing the counsel of the Reclamation Service to file an amicus curiæ brief in its behalf. Through your request the Attorney General also filed an amicus curiæ brief in support of the Six Companies (Inc.), additional and most effective Federal counsel at no cost to the

Company.

Your position and that of the Six Companies (Inc.), which you sustained in this matter, was recently completely overruled by the Federal district court in dismissing the tax suits. In the bill which you are now proposing it is apparent that you are attempting to accomplish by legislation that which the Federal court has

recently refused to grant.

The Government in these cases would not have received any of the savings in tax payments and by the use of dangerous but cheaper methods of construction. The Six Companies (Inc.), however, would have benefited at the expense of the State and at nowever, would have benefited at the expense of the State and at the greater risk of loss of life and injury to the workers at the dam. When you say in defense of your action in attempting to create an exclusive Federal-jurisdiction reservation, "not only to safeguard the welfare of the worker on the job" and your official acts have been so detrimental to the best interests of the worker, it leaves only one conclusion, that your letter of professed solicitude for the welfare of the worker is only a smoke screen to hide

tude for the welfare of the worker is only a smoke screen to hide your efforts in behalf of the Six Companies (Inc.).

All of these disclosures emphasize the great necessity for an immediate and thorough investigation of your department, the Six Companies (Inc.), and the relationship existing between this Government enterprise and those having dealings with it.

It ill becomes a Federal official in your position to make a misleading and unjust attack on a sovereign State. I resent your misrepresentations regarding conditions in Nevada, as well as your prejudiced defense of the conditions existing at Hoover Dam which have resulted in much unnecessary loss of life, human suffering, and misery for which your department and the Six Companies (Inc.) are responsible.

Very sincerely yours,

Tasker L. Oddie.

TASKER L. ODDIE.

MISSOURI RIVER BRIDGE, KANSAS

Mr. CAPPER. Mr. President, I enter a motion to reconsider the vote by which the bill (H. R. 14500) to extend the time for completing the construction of a bridge across the Missouri River at or near Kansas City, Kans., was passed. I move that the House of Representatives be requested to return the papers to the Senate for the purpose of having the bill corrected.

The VICE PRESIDENT. Is there objection? The Chair hears none, and that order will be made.

REPORT OF PUBLIC BUILDINGS COMMISSION (S. DOC. NO. 210)

Mr. SMOOT. Mr. President, as chairman of the Public Buildings Commission, I submit the annual report of that commission, as is done every year, and I ask that it may be printed, with the illustrations, as a public document and referred to the Committee on Public Buildings and Grounds.

The VICE PRESIDENT. Without objection, that order will be made.

REPORTS OF COMMITTEES

Mr. COPELAND, from the Committee on the District of Columbia, to which was referred the bill (S. 4928) to provide fees to be charged by the recorder of deeds of the District of Columbia, reported it without amendment and submitted a report (No. 1324) thereon.

Mr. CAPPER, from the Committee on the District of Columbia, to which was referred the bill (H. R. 6402) to further regulate banking, banks, trust companies, and building and loan associations in the District of Columbia, and

for other purposes, reported it without amendment and submitted a report (No. 1326) thereon.

Mr. SCHUYLER, from the Committee on Naval Affairs, to which was referred the bill (S. 3789) for the relief of Benjamin Wright, reported it with amendments and submitted a report (No. 1327) thereon.

Mr. SMITH, from the Committee on Agriculture and Forestry, to which was referred the joint resolution (H. J. Res. 434) to authorize and direct the Secretary of Agriculture to provide additional facilities for the classification of cotton under the United States cotton standards act, reported it without amendment.

Mr. ASHURST, from the Committee on Public Lands and Surveys, to which was referred the bill (S. 5664) to amend an act approved March 4, 1929 (45 Stat. 1548), entitled "An act to supplement the last three paragraphs of section 5 of the act of March 4, 1915 (38 Stat. 1161), as amended by the act of March 21, 1918 (40 Stat. 458), reported it without amendment and submitted a report (No. 1329) thereon.

Mr. TOWNSEND, from the Committee on Claims, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

H.R. 2935. An act for the relief of J. R. Reimer (Rept. No. 1330); and

H. R. 7278. An act for the relief of Joseph Vigliotti (Rept. No. 1331).

Mr. STEIWER, from the Committee on Claims, to which was referred the bill (H. R. 5214) for the relief of Withycombe Post, No. 11, American Legion, Corvallis, Oreg., reported it without amendment and submitted a report (No. 1332) thereon.

Mr. COOLIDGE, from the Committee on Claims, to which was referred the bill (H. R. 657) for the relief of Peter Bess, reported it without amendment and submitted a report (No. 1333) thereon.

Mr. BROOKHART, from the Committee on Claims, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

H. R. 3694. An act for the relief of Ada B. (Gould) Gollan (Rept. No. 1334); and

H. R. 10170. An act authorizing adjustment of the claim of Joseph T. Ryerson & Son (Inc.) (Rept. No. 1335).

Mr. CAPPER, from the Committee on Claims, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

H. R. 5444. An act to provide an additional appropriation as the result of a reinvestigation, pursuant to the act of February 2, 1929 (45 Stat. 2047, pt. 2), for the payment of claims of persons who suffered property damage, death, or personal injury due to the explosions at the naval ammunition depot, Lake Denmark, N. J., July 10, 1926 (Rept. No. 1336):

H. R. 6774. An act to authorize amendment of the act of February 25, 1927, for the payment of damages caused by reason of the overflow of the Rio Grande on August 17, 1921 (Rept. No. 1337);

H. R. 6381. An act for the relief of Escha Whittington Casey (Rept. No. 1338); and

H.R. 3848. An act for the relief of Ed Symes and wife, Elizabeth Symes, and certain other citizens of the State of Texas (Rept. No. 1339).

Mr. WHITE, from the Committee on Claims, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

H. R. 973. An act for the relief of John L. Dunn (Rept. No. 1340):

H. R. 1203. An act for the relief of Edward J. O'Neil (Rept. No. 1342);

H. R. 1206. An act for the relief of George Beier (Rept. No. 1343):

H.R. 2217. An act for the relief of the Bethel Cemetery Co., the Presbyterian Church, Harold S. Stubbs, George Morgan, Edward Stapp, William J. Howard, David J. Seacord, Mary L. McIntire, Emma E. Foard, Herbert C. Hannigan, Sisters of St. Baisl, Edward Bedwell, and Rachel A. Loveless (Rept. No. 1344); and

(Rept. No. 1345).

Mr. WHITE also, from the Committee on Claims, to which was referred the bill (H. R. 7040) for the relief of Sadie Bermi, reported it with an amendment and submitted a report (No. 1341) thereon.

Mr. LOGAN, from the Committee on Claims, to which was referred the bill (S. 4773) for the relief of Capt. Guy M. Kinman, reported it with an amendment and submitted a report (No. 1346) thereon.

He also, from the same committee, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

H. R. 2294. An act for the relief of C. A. Cates (Rept.

H. R. 3626. An act for the relief of John I. Lowe (Rept. No. 1348);

H. R. 5947. An act for the relief of John Moore (Rept.

H. R. 6275. An act for the relief of Howard McKee (Rept.

H. R. 7128. An act for the relief of Della O'Brien (Rept. No. 1351);

H. R. 8215. An act for the relief of the National Bank of Commerce, El Dorado, Ark. (Rept. No. 1352); and

H. R. 8217. An act for the relief of the First National Bank of El Dorado, Ark. (Rept. No. 1353).

Mr. NYE, from the Committee on Public Lands and Surveys, to which was referred the bill (H. R. 13745) to provide for agricultural entry of lands withdrawn, classified, or reported as containing any of the minerals subject to disposition under the general leasing law or acts amendatory thereof or supplementary thereto, reported it without amendment and submitted a report (No. 1355) thereon.

WATER RESOURCES OF THE SACRAMENTO, SAN JOAQUIN. AND KERN RIVERS, CALIF.

Mr. THOMAS of Idaho, from the Committee on Irrigation and Reclamation, submitted a report, pursuant to the resolution (S. Res. 177) authorizing an investigation of the subject of the utilization of the water resources of the Sacramento, San Joaquin, and Kern Rivers, in California (submitted by Mr. Johnson and agreed to June 27, 1932), which was ordered to be printed as Report No. 1325.

INVESTIGATION OF RENTAL CONDITIONS IN THE DISTRICT OF COLUMBIA

Mr. CAPPER, from the Committee on the District of Columbia, submitted a report pursuant to the resolution (S. Res. 248) to investigate rental conditions in the District of Columbia, which was ordered to be printed as Report

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. FRAZIER:

A bill (S. 5697) making it a crime to represent oneself to be an Indian, and providing punishment therefor; to the Committee on Indian Affairs.

By Mr. WHEELER:

A bill (S. 5698) granting certain public lands to the State of Montana for the use and benefit of the Northern Montana College, and for other purposes; to the Committee on Public Lands and Surveys.

By Mr. NORRIS:

A bill (S. 5699) to amend the act of July 1, 1898, entitled "An act to establish a uniform system of bankruptcy throughout the United States," as amended; to the Committee on the Judiciary.

By Mr. ODDIE:

A bill (S. 5700) to extend the mining laws of the United States to the Death Valley National Monument in California, and for other purposes; to the Committee on Public Lands and Surveys.

By Mr. BINGHAM:

A joint resolution (S. J. Res. 260) to validate an act of the fourth special session of the twelfth legislature of

H. R. 7038. An act for the relief of Frances Southard | Puerto Rico entitled "An act authorizing the Governor of Puerto Rico to guarantee repayment, in the name of the people of Puerto Rico, of loans made by the Reconstruction Finance Corporation to the agricultural credit corporations of the island of Puerto Rico, and for other purposes," approved October 21, 1932; to the Committee on Territories and Insular Affairs.

HOUSE BILLS REFERRED

The following bills were severally read twice by their titles and referred as indicated below:

H.R. 5070. An act to authorize the Secretary of the Interior to grant concessions on reservoir sites and other lands in connection with Indian irrigation projects and to lease the lands in such reserves for agricultural, grazing, or other purposes; to the Committee on Indian Affairs.

H. R. 6490. An act authorizing the erection of a memorial to Brig. Gen. Casimir Pulaski at Savannah, Ga.; to the Committee on the Library.

H. R. 13745. An act to provide for agricultural entry of lands withdrawn, classified, or reported as containing any of the minerals subject to disposition under the general leasing law or acts amendatory thereof or supplementary thereto; to the Committee on Public Lands and Surveys.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Chaffee, one of its clerks, announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 14724) making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1934, and for other purposes, asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. Ayres, Mr. Oliver of Alabama, Mr. Douglas of Arizona, Mr. French, and Mr. Taber were appointed managers on the part of the House at the conference.

The message also announced that the House had agreed to the amendment of the Senate to the bill (H. R. 14359) to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, and acts amendatory thereof and supplementary thereto.

The message further announced that the House had passed a bill (H. R. 14059) authorizing the Secretary of the Interior, in behalf of Indians, to purchase the allotments of deceased Indians, and for other purposes, in which it requested the concurrence of the Senate.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills and joint resolution, and they were signed by the Vice President:

S. 5233. An act to provide for the protection of national military parks, national parks, battlefield sites, national monuments, and miscellaneous memorials under the control of the War Department;

S. 5469. An act to provide for the creation of the Morristown National Historical Park in the State of New Jersey, and for other purposes;

S. 5525. An act to extend temporary relief to water users on irrigation projects on Indian reservations, and for other purposes:

S. 5622. An act providing for an alternate budget for the Indian Service, fiscal year 1935;

S. 5675. An act to effect needed changes in the Navy

H.R. 792. An act for the relief of William Joseph Vigneault:

H. R. 1936. An act for the relief of Sydney Thayer, jr.;

H.R. 2599. An act for the relief of Henry Dixon Linebarger:

H. R. 2844. An act for the relief of Elmo K. Gordon;

H. R. 4039. An act for the relief of Herman H. Bradford;

H.R. 5150. An act for the relief of Annie M. Eopolucci;

H. R. 5548. An act for the relief of George Brackett Cargill, deceased:

H. R. 5989. An act for the relief of John O'Neil;

H.R. 8120. An act for the relief of Jack C. Richardson;

Roloff, Fleet Naval Reserve;

H. R. 9326. An act for the relief of John E. Davidson;

H. R. 9473. An act for the relief of Olen H. Parker;

H. R. 9877. An act to repeal obsolete sections of the Revised Statutes omitted from the United States Code:

H. R. 13378. An act to amend sections 416 and 417 of the Revised Statutes relating to the District of Columbia;

H. R. 13872. An act making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1934, and for other purposes; and

S. J. Res. 259. Joint resolution to amend the act entitled "An act to remove existing discriminations incident to certain land grants and to subject them to the same conditions that govern other land grants of their class," approved February 14, 1933.

HOUSE BILL PLACED ON THE CALENDAR

The bill (H. R. 14059) authorizing the Secretary of the Interior, in behalf of Indians, to purchase the allotments of deceased Indians, and for other purposes, was read twice by its title and ordered to be placed on the calendar.

NAVAL APPROPRIATIONS

The VICE PRESIDENT laid before the Senate the action of the House of Representatives disagreeing to the amendments of the Senate to the bill (H. R. 14724) making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1934, and for other purposes, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. HALE. I move that the Senate insist on its amendments, agree to the conference asked by the House, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Vice President appointed Mr. Shortridge, Mr. Hale, Mr. Keyes, Mr. Glass, and Mr. Broussard conferees on the part of the Senate.

LOCAL COOPERATION IN PROSECUTION OF WATERWAY IMPROVE-

The VICE PRESIDENT laid before the Senate the amendment of the House of Representatives to the joint resolution (S. J. Res. 235) amending provisions in river and harbor laws relating to local cooperation in the prosecution of waterway improvements, which was, on page 1, lines 6 and 7, to strike out "subject to the approval of the Board of Engineers for Rivers and Harbors" and insert "upon the recommendation of the Chief of Engineers."

Mr. BULKLEY. I move that the Senate concur in the House amendment.

The motion was agreed to.

MESSAGES FROM THE PRESIDENT-APPROVAL OF BILLS AND JOINT RESOLUTION

Messages in writing from the President of the United States were communicated to the Senate by Mr. Latta, one of his secretaries, who announced that the President had approved and signed the following acts and joint resolution:

On February 28, 1933:

S. 2148. An act for the relief of Clarence R. Killion; and

S. 5339. An act authorizing the Secretary of War to convey certain properties to the county of Arlington, State of Virginia, in order to connect Lee Boulevard with the Arlington Memorial Bridge, and for other purposes.

On March 1, 1933:

S. 88. An act to authorize the Postmaster General to investigate the conditions of the lease of the post-office garage in Boston, Mass., and to readjust the terms thereof;

S. 466. An act for the relief of the Allegheny Forging Co.; S. 4327. An act for the relief of Lizzie Pittman; and

S. J. Res. 48. Joint resolution to authorize the acceptance on behalf of the United States of the bequest of the late William F. Edgar, of Los Angeles County, State of California, for the benefit of the museum and library connected with the office of the Surgeon General of the United States Army.

PROPOSED OCEAN MAIL CONTRACT

The Senate resumed the consideration of the resolution (S. Res. 375) submitted by Mr. Black February 27, request-

H.R. 9272. An act to correct the rating of John Huntz | ing the Postmaster General to postpone the awarding of a contract for ocean mail service from Philadelphia-Baltimore to Liverpool-Manchester, which is as follows:

> Whereas specifications have been issued by the Postmaster General calling for bids on March 1 for an ocean mail contract from Philadelphia-Baltimore to Liverpool-Manchester, route No. 58-B, which involves the establishment of a new steamship service and the payment by the Government of about \$1,000,000 per annum for 10 years, or \$10,000,000 in mail money, and also involves the selling of vessels by the United States Lines Co. for a reported price of \$500,000 each, which were recently purchased from the Shipping Board for \$131,250 each; and

Shipping Board for \$131,250 each; and
Whereas this proposed new steamship service competes with
other American services already established at a great cost to the
Government, which services also receive mail pay; and
Whereas it is understood this new line is to be operated by the
International Mercantile Marine Co. (Inc.), which already receives
large subsidies from the Government, while at the same time
operating foreign-flag lines competing with American lines; and
Whereas it appears that there has not been and will not be
sufficient time to fully investigate the economic necessity of such

sufficient time to fully investigate the economic necessity of such line or the propriety of granting a mail contract on March 1 next, and as the matter of ocean mail contracts is to be generally investigated by a committee of the Senate; and

Whereas the Merchant Fleet Corporation reported on February

6, 1933, that this steamship service is not justified: Now, therefore,

be it

Resolved, That the Postmaster General be requested to post-pone the awarding of the said mail contract until the matter can be more fully investigated and the soundness of the proposition more completely determined from the standpoint of the Government's interest and all the facts and circumstances involved.

The VICE PRESIDENT. The question is on agreeing to the resolution.

Mr. REED. Mr. President, during the debate upon this resolution yesterday many charges of fraud and corruption were made. It was charged that the contract in question would be invalid if made, and many strong adjectives were used. I suppose it is always so that at the end of a feverish session of this sort strong language is used which is not always justified by the facts of the case.

I do not intend to take much time, but I want briefly to try to show how utterly unwarranted were the charges of fraud or corruption that were made here yesterday. Of course, if they were justified, the contract would be no good whatsoever. The Attorney General now in office, or he who is about to come into office, would immediately move to set the contract aside. The Court of Claims would not enforce There would be no effect whatsoever in concluding the contract. But I want to show how utterly unwarranted were the charges.

We heard it said yesterday that the concern which is seeking the postal subvention is owned by J. P. Morgan & Co. and the Chase National Bank, who, by reason of their occupations, must be tainted with the faults which have recently been shown up regarding other but different bankers, as if it proved every bricklayer to be a felon to show that some one bricklayer had been convicted of a felony. Then it was argued that the fact that haste was being shown in the conclusion of the contract was conclusive evidence that it was fraudulent and corrupt.

It was stated that this \$10,000,000 which was to be taken out of the United States Government in the course of 10 years was being stolen from the Government, and finally it was implied, if not stated, that any of us who would vote against the resolution would partake of the taint and the corruption which underlie the whole transaction.

Mr. President, I should like to consider a few of the facts. About 30 years ago the firm of J. P. Morgan, headed by the elder Morgan, did superintend the organization of the International Mercantile Marine, and, as I recall my financial history, that was the one conspicuous, outstanding failure among the great accomplishments of J. P. Morgan the elder. It never did succeed. It was always limping along. It had a burst of prosperity, as did every other shipowner, during the closing years of the war, but all the rest of the time it was just barely managing to stay alive.

About three years ago there was formed in New York a firm called the Roosevelt Steamship Co. (Inc.), and the organizers of that were a group of young men who had nothing whatever to do with J. P. Morgan & Co., or the International Mercantile Marine, except that the father of one of them, Mr. P. A. S. Franklin, was a high official of the International Mercantile Marine; but the organizers were these young men, Kermit Roosevelt and a group of his friends, including Vincent Astor, who supplied a good part of the capital.

After they had organized that Roosevelt Steamship Co. (Inc.) they conceived the idea of buying control of the International Mercantile Marine, not by private transaction but by buying the stock in the open market, and these young men, straining their credit to the utmost, except possibly Astor—I do not know whether he strained his or not, but I am told the others did—bought enough International Mercantile Marine stock in the open market some three years ago to secure control of that corporation.

When they got it, they found in its list of directors the names of J. P. Morgan and Charles Steele, Mr. Morgan's partner. But when they came to look up the stock list, they found that Mr. Morgan owned only one share of stock and that Mr. Charles Steele owned only one share; and if any Senator cares to verify that, he will find the complete stock list of this corporation printed in the Senate hearings on the Treasury and Post Office appropriation bill of last year, and that shows J. P. Morgan the owner of one share, and J. P. Morgan & Co. the owners of no shares.

Discovering that these young men had bought control of this company by this process, Mr. Morgan and Mr. Steele more than two years ago sent in their resignations from the board and the resignations of both of them were immediately accepted. That is the present connection of J. P. Morgan with the International Mercantile Marine. do not know whether he ever sold his one share of stock or whether he still has it, but out of this great number of shares, 615,000 of them being outstanding, J. P. Morgan owns one share, unless he has sold it within the last two years, and I do not know whether he has or not. He has not been a director for two years, nor has Mr. Steele. So that if it be true that the presence of J. P. Morgan on the board of the corporation makes all these contracts fraudulent-and it seems to me the reasoning from cause to effect in that premise is a little violent-if that be true, still this contract is not so tainted, because he has not been on the board for two years.

Mr. BLACK. Mr. President, will the Senator yield?

Mr. REED. I yield.

Mr. BLACK. I do not desire to take the Senator's time, but I understood him to say that Morgan had not been on the board for three years.

Mr. REED. For over two years, I am told.

Mr. BLACK. Then a letter I find in the record, which the Senator has, evidently gave wrong information. It is on page 424 of the record.

Mr. REED. I have it open before me.

Mr. BLACK. It is dated March 7, 1932.

Mr. REED. That is correct. That is a letter from the chairman of the Shipping Board inclosing to the chairman of the House committee the latest list of directors and the latest stock list that he has for this corporation. Evidently he was sending on a list that was not up to date.

Mr. BLACK. That shows that Mr. Morgan was a director. I did not understand the Senator to say, did I—and I do not want to delay him at all—

Mr. REED. I am glad to answer the Senator's questions. Mr. BLACK. That these young gentlemen he mentions had the controlling stock in the International Mercantile Marine?

Mr. REED. Quite so; they did.

Mr. BLACK. This record shows that each one of them has 12,500 shares out of a total of 615,000.

Mr. REED. They have told me that they bought control more than two years ago in the open market. In what names the stock may be, I do not know. I saw some brokers' accounts in large numbers of shares, and it may be that some of their stock is carried in that way.

Mr. BLACK. The Senator is familiar with this record, however, which does show, if it is correct, that they do not own a majority, but only a small portion of the stock.

Mr. REED. I am familiar with the record, which shows that not more than some forty or fifty thousand shares are in their names; yes.

Mr. BLACK. Out of some 615,000 shares.

Mr. REED. Yes; but they or anybody else may own stock that is in a broker's name, and I am relying entirely upon their statement to me last night that they bought control of the company in the open market some three years ago; and that Mr. Morgan and Mr. Steele resigned from the board more than two years ago.

Some stress was placed by the Senator from Tennessee [Mr. McKellar] yesterday upon the fact that the International Mercantile Marine owned some eight ships, or thereabouts, which flew the British flag, and which were subject to commandeering by the British Government in the case of the war needs of that Empire. That was completely and effectually answered by the senior Senator from New York [Mr. Copeland] when he showed that away back in the boom days of 1920, when shipping was at a premium, the International Mercantile Marine wanted to sell those ships and get rid of them so as to have nothing but ships flying the American flag, and at the personal request of President Wilson the ships were not then sold, but were retained by the company.

Mr. COPELAND. Mr. President, will the Senator yield? Mr. REED. I yield.

Mr. COPELAND. May I add this statement to what I said yesterday? Not alone did President Wilson act to interfere with the sale of the ships to a British company, but a move was made for our Shipping Board to buy those ships and have them transferred to the American flag, and actually a contract was drawn up. Then, because economy was thought of, it was decided not to do that. In other words, the ships were left in the hands of the International Mercantile Marine much against the desire of that outfit and in spite of every effort on their part to dispose of them. Further than that, repeatedly and continuously since that time they have tried to divest themselves of the ownership of ships for which there is no demand in the world.

Mr. REED. I thank the Senator. I think it is very clear from the facts that have been brought out by the Senator from New York that it certainly can not be charged that there is any culpability in the International Mercantile Marine still having title to those ships which fly the British flag. They have been trying for nearly 15 years to get rid of them and, for causes altogether apart from their own desires, they have been prevented from doing so.

Now, let us take the picture as it confronts a citizen of Philadelphia and the railroads which enter that port. Philadelphia is connected to-day with Liverpool by two lines of steamers: First, a collection of little boats extremely slow, of small carrying capacity, operated by the Cunard Line; second, another group of very small boats, very slow, operated by Francis Whitten & Co. Both of those establishments are prominent British-owned shipping companies. If an exporter of meats, for example, is asked to ship his meat to England by way of Philadelphia, he looks about him to see what steamer service is available. He finds these two lines of small slow boats which consume more than two weeks, I am told, in making the voyage. Of course, he says, 'I will not ship by Philadelphia. I will send my meats on to New York or to some other port where I can get decently rapid lines of ships." It is very natural that he should take that course. I should add also that the two lines have no refrigerating facilities, and obviously such a shipment, particularly in the summer season, would be a foolish one for an American exporter to make. That is just an illustration of the present handicap.

Seeing that situation, this group of young men, headed by Mr. Kermit Roosevelt, thought they saw an opportunity. They found that the United States Lines, a subsidiary of the International Mercantile Marine, owned two old transports, two vessels which in war time had been used as transports for American troops. They are in pretty good condition in spite of their age. Their mechanical equipment is good. They are capable of about 16 knots speed, and with an out-

lay of about \$125,000 on each of them they can be made into very proper, effective, serviceable cargo and passenger steamers. Their passenger accommodations have not been rehabilitated since war days and, of course, would have to be put in shape. That would cost about \$125,000 each.

These young men, finding that the ships could be bought from the subsidiaries, interested the Pennsylvania Railroad, the Baltimore & Ohio Railroad, and the Reading Railroad, all of which have Philadelphia terminals, in putting up the money or having it put up to make the down payment on the purchase of those ships. The Philadelphia Mail Steamship Co. was organized at the instance of those three railroads. They have made a contract with the United States Lines for the purchase of the two transports and the possible purchase of two more ships also owned by the United States Lines for the same service.

Having done that, they applied to the Shipping Board for permission to institute this service, stopping at Hampton Roads or Norfolk, then at Baltimore, then at Philadelphia, and thence to Liverpool. Some question arose as to whether the service should be weekly or fortnightly. If the service were weekly, the mail pay under going rates would be about \$1,000,000 a year for the two ships, or about \$500,000 per ship, but if the service is fortnightly, as seems probable, because that is what is preferred by the Post Office Department, the subsidy will be only one-half as much. Instead of being \$1,000,000 a year it will be \$500,000 a year or \$250,000 to each ship. It is highly probable that the fortnightly service will be all that the Post Office Department will authorize.

The proposition was put up to the Shipping Board and at a meeting attended by each of the three members of the Shipping Board and by the president of the Merchant Fleet Corporation and by Mr. Chauncey Parker, the general counsel, as well as some other officials of the board, these facts were laid before the board. The board unanimously approved the project, and said that the line was a desirable one and that it was well for America to take control of that route, which obviously it will do. I am told that within recent days both the Cunard and the Francis Whitten people have stated that if this line begins operation they will have to quit, because they can not compete with 16-knot modern steamships with the little ships they have in the service, and they have both stated that they would go out of the service. Instead of being a British monopoly it will become an American monopoly.

The Shipping Board heard all that; heard the amount of freight that it is possible to originate in Chesapeake Bay, at Baltimore, and at Philadelphia; and unanimously approved it. Joining in that approval was Admiral Cone, the Democratic member of the Shipping Board.

Then the matter went to a board composed of the chairman of the Shipping Board, the Postmaster General, the Secretary of the Navy, and the Secretary of Commerce, and that board unanimously approved the project. There was not any secrecy about this. There was no undue hurry. The matter has been investigated for many weeks. Finally, on the authority of those two boards, invitations for bids were sent out by mail inviting people to come in and bid on the operation of the route. After those invitations had been mailed it was discovered that there were certain contradictory statements in them, certain errors in the specifications laid down in the proposal, and a telegram was sent to each of the addressees of the mail communications calling attention to the errors in the letter which had been mailed to him. That is the foundation for the statement made yesterday that the invitation to bid had been sent out by telegraph. It was only the correction of the errors that went out by telegraph. If it had not been for those errors all of the bids would have been in and the contract would have been let to the best bidder on the 20th day of February and this controversy would not be here at all. But because of the clerical mistakes in the invitation and the necessity for correcting them by that subsequent telegram, the date for filing the bids had to be postponed until noon of March 1, to-day.

It has been suggested that the haste which is shown, the unreadiness to postpone the whole business at the suggestion of one Senator, shows of itself a corrupt motive or some concealed impropriety in the transaction. I ask the Senate to consider the merits of that argument. On next Saturday noon the present Government of the United States becomes completely overturned and a new Government takes its place. Obviously a new Shipping Board will come into office. Obviously new Secretaries of Commerce and of the Navy and a new Postmaster General will come into office. They will be confronted with the complete rebuilding of their departments in all probability. They have to learn the details of a thousand matters of pending business. It is perfectly obvious that it will take many months for that new crew to learn its job. It will be months before they will be able to give an instant's thought to this matter.

Is it any wonder that these young men, who are pressing forward with this proposal, which to them seems entirely sound, which has been reviewed and found sound by all of these Federal officials, should be impatient at the prospect of many months of delay? I grant, Mr. President, that these Democratic officials when they come into office will be men of high integrity and will discharge their duties conscientiously. I grant all that and I should expect rather confidently that when they get to it their verdict would be exactly the same as that of all the present high officials who have unanimously said the proposal is all right.

Mr. NORRIS. Mr. President-

The VICE PRESIDENT. Does the Senator from Pennsylvania yield to the Senator from Nebraska?

Mr. REED. I am glad to yield to the Senator.

Mr. NORRIS. The Senator is touching upon a point in the debate now that has interested me from the beginning. I do not profess to have any knowledge about it, but I do confess that I feel that a contract of this magnitude, extending over a long term of years—10 years, I understand—ought not to be passed on by officials just a day or so before they are going out of office.

I am not impressed with the Senator's argument that it is going to take six months to reach this matter. It seems to me the proper thing to do, to avoid all possibility of any suspicion of anything being wrong about it, is to delay it for 30 days or such matter. I do not believe it would take more than that time. I do not like the idea of the Postmaster General, just on the eve of his going out of office, approving a contract of this magnitude extending over a period of years.

I know nothing about the facts the Senator has narrated. I assume the Senator has them all correct, and it would seem on the face of it that there is nothing wrong about it. But a delay of 30 days, it seems to me, would not hinder or interfere with the new officials who are coming into office and who will pass on it and they ought to be allowed an opportunity to do it. That is the thing that impresses me more than anything else.

Mr. REED. I am afraid the Senator's assumption that they would do it in 30 days would not be borne out by the events.

Mr. NORRIS. I should think they could do it in five or six days. I said 30 days because necessarily it would take some time for them to get squared around in their offices. It certainly would not take more than a few hours to look over the record, and if they found it all right they could approve it.

Mr. REED. Well, Mr. President, it has taken weeks for the present officials to study the case. The new Democratic Cabinet heads and other officials are going to be confronted with the whole problem of reorganization of their departments, with budgetary questions, with problems arising out of the depression, and I should be greatly surprised if they were able to give one single moment's consideration to this matter for six months. After all, why should all the business of the Government suspend merely because somebody else has been elected?

I was in warm sympathy with the lame-duck constitutional amendment so well and ably and persistently presented by the Senator from Nebraska [Mr. Norris], and I! took pleasure in voting for it over and over again as it came before the Senate several times, but in any system, even under his worthy amendment, there is bound to be a hiatus between the election of the new Government and the going out of the old, and it is surely not a correct governmental principle that all work shall stop during that interval.

If no Democrats had taken part in this transaction, I should say that there might be some possible partisan advantage to be gained here, but everybody in the Senate Chamber, Mr. President, and everybody who knows anything about the Shipping Board, concedes the integrity and the fearlessness of Admiral Cone, who is the Democratic member of that board, and it is almost offensive to him to suggest that he is conniving in something which is wrong and which the Democratic administration would not continue.

Mr. FESS. Mr. President, will the Senator yield?

Mr. REED. I yield. Mr. FESS. I am glad the Senator is making the statement he is. Anyone listening to what was said vesterday. as I listened while presiding over the body, that this action had to be taken by noon to-day in order that it might be done under the administration of Postmaster General Brown. would think there was something ulterior on the part of the Postmaster General. I have reread the language that was used in debate yesterday, and there can not be any other inference from it than that the Postmaster General is in the midst of a corrupt deal. Yet the Senator is making a statement that the Postmaster General is simply acting in accordance with the approval of the Shipping Board and with the approval of the other two Cabinet members associated with him in the matter and is merely a routine officer performing his duty without reference to any discretion in the matter at all.

Mr. REED. The Senator is exactly right, except in one respect. It is true that this matter originated before the Shipping Board, and of course the Postmaster General had nothing to do with that. It is true that the proposition was put into its present form by discussions with the Shipping Board and, after the Shipping Board had approved it, it passed it up to a board of four officials, one of whom was the Postmaster General, another of whom was the Secretary of Commerce, another of whom was the Secretary of the Navy, and the fourth was the chairman of the Shipping Board, Mr. O'Connor. That board passed in review upon what the Shipping Board had previously done, and that board unanimously, including the Postmaster General, found that it was all right. So far as I can learn, that was the Postmaster General's first contact with this matter. It did not originate with him. He was not the deus ex machina of this plan. It originated with Kermit Roosevelt and his partner, and they put it up to the Shipping Board after they had made arrangements with the three railroads to incorporate the Philadelphia Mail Steamship Co. It was only after all that had happened, and after the Shipping Board, including Admiral Cone, had passed favorably upon this proposal, that it was brought to the attention of Postmaster General Brown.

It is popular in these concluding days of the administration to speak of Postmaster General Brown as if he were the personal devil of the administration. That seems to be stylish. Some of us know that there is no sense in that attitude, but even if Postmaster General Brown were as bad as the most eloquent of our Democratic adversaries has ever said, granting all that, he can not be blamed for this, because he had nothing to do with it at all except, as a member of that last board, to review the proposal and to sign the contract when it is put before him, as I hope it will be in a little while.

Mr. FESS. I thank the Senator.

Mr. REED. I thank the Senator for his suggestion.

Mr. President, there will be wonder, perhaps, at the earnestness that I show in this matter. I think the explanation of it may be considered to be this: Let me say, to begin with, that I never heard of the Philadelphia Mail Steamship Co. until about the third day of last month

when they came down here for a hearing before the Shipping Board. I was busy in the Senate, and I could not go to the hearing, but I asked Mr. Huntley, my secretary, to represent me. The junior Senator from Pennsylvania [Mr. Davis] was there for a few minutes at the beginning of the hearings and then had to leave. All the Representatives in Congress from Philadelphia were there, because there is great public interest in this matter. There is desperate unemployment in Philadelphia at this minute; those people are going to have to find another meal to-day and not eight months from to-day; and anything we can do to help business in Philadelphia it is our obvious duty to do.

I became more interested in this question when I discovered that from the time William Penn sailed up the Delaware River in 1681, right down to the year 1915, there never was a time when Philadelphia lacked direct ocean communication with Great Britain. Throughout those centuries there never was a year when she was without it, until in 1915 the disturbances of the war and the plotting of competing lines, which I do not need to go into here because it is all past history, caused the collapse of the steamship company that was operating out of Philadelphia. So from 1915 down to recent years when the Cunard and the Furness Withy lines began sending miserable little slow steamers to Philadelphia, that city has been without any direct communication. The same thing, to a considerable extent, has been true of Baltimore, I understand, and it is only in recent years that Baltimore has begun to take its proper position as an Atlantic seaboard city.

Is it any wonder that the Representatives of Pennsylvania, of Maryland, and of Virginia, who realize that this line will help them by touching at Norfolk or at Hampton Roads, feel an intense interest to see this bargain carried on to consummation?

It is not that we are trying to play any trick on the Government; it is not that Mr. J. P. Morgan, from the middle of his "spider web," is concocting some scheme to extort an unjustified bounty from the United States. He has no more to do with it than I have with the government of Timbuktu. He does not stand to profit from it in any possible degree, and to come here and to charge that J. P. Morgan and the Chase National Bank are behind this scheme is simply making a wild statement for which there is not one iota of substance or foundation.

Mr. BLACK. Mr. President, will the Senator yield? The VICE PRESIDENT. Does the Senator from Pennsylvania yield to the Senator from Alabama?

Mr. REED. I yield to the Senator.

Mr. BLACK. Mr. President, the Senator made the statement that there is no basis for the statement made by me. Does he desire to yield now to have me insert in the RECORD the list of directorships held by officers of this company, which he says is controlled by young men, showing their connection with numerous Morgan banks and numerous Morgan

Mr. REED. The Senator put that in the RECORD yesterday. Mr. BLACK. No; I did not, but I have it all here from the directory of directories.

Mr. REED. Yes; I know the Senator has that. The Senator has an old list of the directors of the International Mercantile Marine.

Mr. BLACK. I am not talking about the International Mercantile Marine. I am talking about the young president-young Mr. Franklin, as the Senator has said. He is a director or otherwise connected with the following corporations: Atlantic Mutual Insurance Co., Atlantic Transport Co., Columbian Steamship Co., Engineers' Public Service Co., National City Bank, National Surety Co., Northern Insurance Co. of New York, Ocean Transport Co. (Inc.), Santander Navigation Corporation, Seamen's Bank for Savings in the City of New York, Terminal Warehouse Co., Western New York & Pennsylvania Railway Co., White Rock Mineral Springs Co., and New York Indemnity Co.

I can take each one of the men that the Senator referred to as "this young group," and can show that some of them

are directors in Morgan banks, in the Chase National Bank, I in the National City Bank, and in all the various Morgan interests that were shown by what the Senator referred to as the "spider web" a few minutes ago.

Mr. REED. If the Senator will show that they are directors of J. P. Morgan & Co., he is performing a wonder, because J. P. Morgan & Co. is a partnership and they do not have any directors.

Mr. BLACK. I did not say "J. P. Morgan & Co." I said banks and other vehicles used by J. P. Morgan & Co. through interlocking directors. J. P. Morgan, of course, does not operate the Guaranty Trust Co. under the name of J. P. Morgan & Co., but everybody knows he operates it; and I can show the Senator that some of these young men to whom he refers are directors in the Guaranty Trust Co., some of them in the Chase National Bank, some of them in the National City Bank, and other corporations, which it was shown a short time ago were all interlocking with each other and are the beneficiaries of the subsidies which the Government pays.

Mr. REED. If the Senator thinks that that kind of argument proves anything. I am going to leave him to the gratification of his own eloquence.

Mr. BLACK. Would the Senator object to my reading the list of directorships held by Mr. John W. Hanes?

Mr. REED. I do not object at all. It rather brightens up my speech.

Mr. BLACK. Mr. Hanes is a director in the Vick Chemical Co., Motor Improvements (Inc.), Investors Equity Co., Reynolds Investing Co., Reynolds Metals Co., General Realty & Utilities Corporation, Aviation Corporation, Selected Industries (Inc.), Commercial National Corporation, Reybarn Co. (Inc.), U. S. Foil Co., Thompson-Starrett Co., Roosevelt Field (Inc.), Marine Union Investors (Inc.), Bankers' Trust Co., Case, Pomeroy & Co., Thomas Young Nurseries (Inc.), Vick Financial Co., Southern Corporation, and Bankers Co.

I can show the Senator, if he wants me to show it, that he is also director in Stone & Webster Co. and various other interests that were mentioned a few days ago. These are simply some of the young men the Senator says have control of this purely philanthropic movement.

Mr. REED. As I said before, if that proves anything to the Senator, he is welcome to it, and he will doubtless find that they belong to some clubs and churches, too.

Mr. BLACK. Yes: I find that some of them are connected with churches, and I can show that some of these young men also are connected as directors with various publications.

Mr. REED. The Senator must mean then that the Philadelphia Steamship Co. is going to be controlled by the White Rock Mineral Springs Co. and No. 1 Broadway Corporation and the Presbyterian Church.

Mr. BLACK. Yes; if there is any money to be gathered in more than they have already fleeced the public out of; that is correct.

Mr. BAILEY. Mr. President-

The VICE PRESIDENT. Does the Senator from Pennsylvania yield to the Senator from North Carolina?

Mr. REED. I yield.

Mr. BAILEY. I should like to ask the Senator from Alabama a question for my own information. Would the Senator be in favor of this contract and its execution of it by the Postmaster General if the institutions to which he has referred were not interested, as he alleges?

Mr. BLACK. I would not be in favor of this contract under any circumstances or conditions.

Mr. BAILEY. That is what I thought. So the mention of these institutions, then, is mainly by way of prejudice; it is not by way of argument?

Mr. BLACK. No. The mention of these men is, if the Senator from Pennsylvania will yield-

Mr. REED. I yield. Mr. BLACK. It is because of the fact that the Senator from Pennsylvania made a statement that they were not connected in any way with the Morgan interests or the International Mercantile Marine.

Chase National Bank or the National City Bank, and I brought this in to show that they are. That was the object. Mr. BAILEY. So that the matter is wholly incidental and

does not relate to the merits of the question? Mr. BLACK. I desire to state that I would be opposed to this contract whoever might make it, and that it is my belief that the particular group to which I have referred are the ones who are behind the vast stripping of the taxpayers of this country by the subsidies which have heretofore been granted; that there is a scheme and a system on their part which they have utilized to the fullest extent, and that the overwhelming portion of the great subsidies which have heretofore been paid have gone into their pockets for their private profit.

Mr. BAILEY. And still, as the Senator says, he would be against this contract if all the institutions and men to whom he refers were eliminated from the contract.

Mr. BLACK. The Senator is correct. I would be against it because I believe it is wrong, because I believe it is unjust, and further because I do not personally believe there would have been any effort to get through such a contract if this group had not been behind it. I do not think it could have gotten to first base.

Mr. BAILEY. I was trying to find out what relation these institutions and corporations and men had to this contract. I do not get that.

Mr. BLACK. If the Senator will yield further, I will state that it is by reason of the fact that they are directors of the company which will operate these steamships.

Mr. BAILEY. Still, that does not relate them to the con-

Mr. BLACK. It relates them to the controversy to this extent: It is my judgment that an investigation of the subsidy will show that there has been an unfair system and scheme planned and devised, largely by the master minds in this group of banking interests in New York, and that they have taken advantage of that situation and wielded their immense power to extract the taxpayers' money, as they say, legally, through subsidies; but according to my belief, while some of it may be within the law, it is wrong none the less.

Mr. BAILEY. But the Senator does not relate these corporations and men to the controversy itself or to the contract. He would be against the contract under any circum-

Mr. BLACK. I would be against this contract; and I do not think the ordinary citizen who depends upon selfinitiative and his own ability to make his living ever would have proposed any such contract. I think it is only those who have been accustomed to growing wealthy, not by their own initiative and their own aggressiveness and their own ability, but by chicanery and manipulation of stocks, privileges, and high tariffs fostering monopolies, and that this is a part of the same old system that has been going on, and is legalized graft.

Mr. BAILEY. Nevertheless, if the corporation getting the contract were owned by poor and unknown men, the Senator would still be opposed to it?

Mr. BLACK. I would still be opposed to this contract. My own judgment is that poor men never would have had any chance to get anywhere with it.

Mr. REED. Mr. President, there is one other fact in this matter which has not been alluded to by anybody, and that is that the International Mercantile Marine and the Roosevelt Steamship Co. (Inc.) will not participate in this mail subvention at all. It will go entirely to the Philadelphia Mail Steamship Co.; so that even if Mr. Morgan still owns his one share, and even if he had not resigned as a director two years ago, and even if, by ownership of that one share and his membership on the board. he controlled the International Mercantile Marine, he would not get a single penny of these mail payments that are to be made. It will go entirely to this little Philadelphia company, the Philadelphia Mail Steamship Co., because it has the mail contract and gets the mail pay, and not the

There we are. Out of a few suspicions and a few big | names has been built a perfect mountain of imaginary crime. There is not one iota of proof to sustain the statement so often made here yesterday that this contract is

Mr. ROBINSON of Arkansas. Mr. President, will the Senator yield?

Mr. REED. Gladly.

Mr. ROBINSON of Arkansas. Passing over the immediate subject of the Senator's discussion, what has the Senator to say about the proposal to rush these contracts through on the 1st of March-contracts which will bind the Government for a period of 10 years; contracts which might rest upon their merit and be passed over two or three days and be considered by the incoming administration, which is to have charge of the Government for the next four years? Are there any circumstances which make the matter emergent and which demand action to-day at 12 o'clock, just 25 minutes from this time, rather than subsequent to the 4th of March?

Mr. REED. I am very glad indeed that my friend has asked that question, Mr. President, because when he was called from the floor I had tried to explain that.

Mr. ROBINSON of Arkansas. I will not ask the Senator to repeat it. I was called out, as the Senator says.

Mr. REED. It will be well worth my while to answer it again, because doubtless there are other Senators here who did not hear the statement at that time.

They have been working on this contract for weeks, Mr. President. It was finally brought up to the Shipping Board and by them examined most thoroughly. Hearings were had, and a unanimous vote taken by the Shipping Board, including Admiral Cone.

We know that the Shipping Board is certain to be changed in personnel after the 4th of March. We are led to expect that Admiral Cone will be kept on as the Democratic chairman. Those who know his work say that he has earned it; but, obviously, one of the Republicans will be dropped and a Democrat put on in his place.

The next step after the Shipping Board had acted after that hearing was that the matter then was taken before a board of review of four persons, consisting of the chairman of the Shipping Board, the Secretary of Commerce, the Secretary of the Navy, and the Postmaster General. That was the Postmaster General's first contact with this matter, by the way; and that board of review was similarly unanimous in passing upon the matter.

The bids have been sent out. They were sent out a considerable time ago by mail. Then they had to be corrected by telegram. If that had not been so, this whole matter would have been cleaned up on February 20; but, because of a clerical error in the invitations, telegrams had to be sent out, and that is the reason for the delay to the 1st of

The matter has taken weeks to work up to this point and to arrive at this conclusion. If we should wait until after the 4th of March we would have to start in again at the very bottom, with new officials coming into new duties which they will necessarily take time to master. I grant that the subject will meet with the same fairness when they get around to it that it is meeting with now; but it will be many months before the new Democratic officials, in the pressure of their work, will be able to give it the thorough attention that it needs, and we are desperately in need of the work. Philadelphia needs this steamship service. I explained while the Senator was out how we are utterly unable to compete with the two British lines there to-day, but how both of them will be mastered by these new swift steamers; and it means an immense lot of business for Philadelphia. That is my reason for haste.

Mr. ROBINSON of Arkansas. Mr. President, will the Senator yield?

Mr. REED. Gladly.

Mr. ROBINSON of Arkansas. It seems to me, notwithstanding the circumstances to which the Senator has re-

ferred, that if the Government is to be bound for a period of 10 years respecting these contracts, the administration which is just coming in ought to be given an opportunity to pass upon them. In other words, what is the haste? What is the meaning of the language read into the RECORD by the Senator from Alabama [Mr. Black] yesterday or some previous day in which it was stated that unless these contracts are made before the present administration goes out they will not be made at all? Why is it assumed that that is the case?

Mr. REED. I did not see that statement. I saw the statement that there was need for haste; yes.

Mr. ROBINSON of Arkansas. The statement was read into the RECORD by the Senator from Alabama, and I called the attention of the Senate to it yesterday, that it is imperative that every possible haste be made-

Mr. REED. That is right.

Mr. ROBINSON of Arkansas. That the contract be closed on this date, the 1st of March; that otherwise the contract probably will not be made at all.

Mr. NORRIS. Mr. President-

The VICE PRESIDENT. Does the Senator from Pennsylvania yield to the Senator from Nebraska?

Mr. REED. I do.

Mr. NORRIS. If I may interject, I think the Senator from Pennsylvania himself in substance made that statement yesterday.

Mr. REED. I did not mean to couple the latter part.

Mr. ROBINSON of Arkansas. Assuming, as the Senator has stated, that fair consideration will be given to the matter after the 4th of March, how is it that the conclusion is reached by those making the contract that it will not be entered into unless entered into immediately?

Mr. REED. That is not my conclusion, Mr. President.

Mr. NORRIS. Mr. President-

The VICE PRESIDENT. Does the Senator from Pennsylvania further yield to the Senator from Nebraska? Mr. REED. I do.

Mr. NORRIS. In the Congressional Record of yesterday the Senator from Pennsylvania is quoted as saying:

Does the Senator remember the touching consideration that Pennsylvania got from the last Democratic administration? Does not the Senator know full well that this contract never will be signed on any terms for any Philadelphia concern?

Mr. REED. I must confess that the Senator has made his point. We all make statements in the heat of debate that we wish we had not made, and that is the case here. [Laughter.]

Mr. ROBINSON of Arkansas. The Senator does not wish, then, to stand on that statement?

Mr. REED. No; I do not think so. I will admit that the joke is on me there; but, Mr. President, here is a very serious factor, speaking of the humorous side of this matter: If this contract is executed now, to run for 10 years, it is only right and just that that should be done, because for 6 out of those 10 years it will be a Republican administration that will have to work under it; whereas if we postpone its execution to March 4 this 10-year contract will be executed by a Democratic administration, which will have only four years' control of it.

Mr. ROBINSON of Arkansas. Mr. President, will the Senator yield?

Mr. REED. I yield.

Mr. ROBINSON of Arkansas. The Senator from Pennsylvania is indulging in a form of classic humor that does not amuse me. [Laughter.]

Mr. REED. I would not expect it to amuse the Senator from Arkansas. I should expect it to pain him to the heart. [Laughter.]

Mr. ROBINSON of Arkansas. May I add that while I recognize the Senator as a great Senator and an able lawyer, I do not regard him as a prophet.

Mr. REED. I have never posed as being a prophet, Mr. President. I have discovered that most human beings who do get themselves into trouble, and that is why I do not think the slightest attention should be paid to the prophecy | read by the Senator from Nebraska [Mr. Norris] a minute ago.

Mr. COPELAND. Mr. President-

The VICE PRESIDENT. Does the Senator from Pennsylvania yield to the Senator from New York?

Mr. REED. I yield to the Senator.

Mr. COPELAND. I desire to ask the Senator a question. I do not know whether he heard what I said yesterday about the efforts being made by British shipping interests to control the action of the coming economic conference.

Mr. REED. No. Mr. President; I was called from the Chamber shortly after the Senator began.

Mr. COPELAND. To repeat just a word I said yesterday, the British Chamber of Commerce for Shipping, at a meeting a few days ago, formulated resolutions to be presented to the British Government, and, among other of these resolutions, was one which provided for an appeal to the British Government to have the delegates who are to serve in the economic conference-and some of whom are to come here for conversations before—to make every effort to induce the delegates of other countries to band together with the British delegates against all these aids for shipping which we have undertaken in this country.

I think this is no reflection upon the British Government but it does demonstrate that British shipping interests are striving in every possible way to hamstring the American merchant marine.

Mr. REED. There is no question about that.

Mr. COPELAND. I want to ask the Senator this question: What will be the effect upon those advocates of that policy in the British shipping interests if it is heralded abroad, reported in the London Times and other papers, that the United States Senate has passed a resolution condemning the authorities of our Government in continuing the policy which we established when we passed the Jones-White Act?

Mr. REED. I should think they would be very much enheartened by the news.

Mr. COPELAND. Naturally so.

Mr. REED. And I should think the Cunard Line and the Furness-Withy Line, who will continue to hold their monopoly of the Philadelphia-Baltimore-Liverpool service, would be perfectly delighted to know that the American Senate had prevented an American line from competing with them.

Mr. COPELAND. It seems to me, if the Senator will bear with me, that that is sure to be the effect. I remember that at one time Stevenson, in his philosophical idea of things, when asked what he would do if he were suddenly told that he was to die to-morrow, said, "Well, it would be my duty then to do to-day exactly as I had expected to do to-morrow."

As I conceive the duty of officials, in theory, at least, they do not know that the administration is ending. The business of Government must go on. There are certain measures now which, to my knowledge, are pending before the Shipping Board which have to do with the extension of loans. It is not right for the Shipping Board to stop functioning because we are to have a change of administration on the 4th of March. I do think that it is a very unfortunate thing that this particular important contract should have been acted upon at so late a time.

Mr. REED. But this is of small importance compared with a lot that have gone through without any such fuss. Mr. COPELAND. That is true, and, of course, if this had

gone through six months ago there would not have been a

Mr. REED. Not a word.

Mr. COPELAND. But I am greatly concerned, for if we pass this resolution-and with certain whereases in it I would not be unwilling to vote for it, perhaps—I fear that we would be doing the shipping industry in America great harm by that sort of thing.

Mr. REED. I think we would. But I think I ought to say here, in justice to the Senator from Alabama, that I do not for one moment believe that he is trying to help the British

not his motive, and he does not need to disclaim it, because I will do that for him.

Mr. COPELAND. If the Senator will bear with me, I will say so, too.

Mr. REED. But I am sure that what the Senator is trying to do would be of vast benefit to the Cunard and Furness-Withy lines, and would be of great injury to American shipping, and would substantially handicap us in the coming economic conference.

We are going to find the nations of Europe ganging up on us in many things, and this is one of many. I would be sorry to see the American Senate furnish fuel for their fire by taking such action as is proposed.

Mr. BLAINE. Mr. President, will the Senator yield?

Mr. REED. I yield.

Mr. BLAINE. It gets down to this with me: Is there any real necessity for any further extension of the ocean mail service? The present facilities have taken care of all the needs in the past, and will they not take care of them in the future? As I look over the schedule, it seems that some of the ships carry only a few pounds of mail.

Mr. REED. It is true of some lines that they are carrying only a few hundred pounds, but providing for the carriage of the mails was not the only motive the Congress had in enacting the Jones-White law. We wanted to see the American flag flying on the seven seas, and we took the only possible way of doing it.

Mr. BLAINE. In these times there are a lot of things we can not do that we would like to do.

Mr. REED. I agree with that.

Mr. BLAINE. This may be one of them.

Mr. REED. I do not think this is one of them, and the Shipping Board after an examination of the project is unanimous in saying it is not one of them.

Mr. COPELAND. Mr. President, will the Senator from Pennsylvania yield to me?

Mr. REED. I yield.

Mr. COPELAND. I think the Senator from Pennsylvania is entirely right when he says what he does about the purpose of the Jones-White Act. When we debated the matter here in the Senate, we never contended for a moment that the mail pay was for actual service rendered alone. Our endeavor was to build up an effective American merchant marine. We have conditions to deal with different from those in other lands. It costs two or three times as much to build an American ship in an American shipyard as it does to build one abroad. By reason of the La Follette Acts, which were intended, and properly so, to guard American seamen, it costs more to operate a ship under the American flag, because there are restrictions on the hours of labor, and requirements as to the air space, and sanitary provisions, which are not in the shipping laws of other countries. So, when we discussed all these matters in connection with the Jones-White Act, we frankly said that the object was more than simply to pay for the poundage of the mail. It was in order that there might be built up an American merchant marine, so that American manufacturers and merchants and agriculturalists could send their products in American bottoms and receive raw materials in this country in American bottoms. That was the purpose.

Mr. REED. Mr. President, the Senator has described exactly what will happen if this contract goes through. The Furness-Withy Co. will withdraw its small, slow boats from the Philadelphia service. The Cunard Line has stated that it will do the same thing. They both admit that those small ships will be replaced by two fast, modernized American ships, which will keep up a sufficient service under the American flag to take care of the whole route. How can any American doubt the desirability of that? That will mean the employment of American sailors, it will mean increased activity in the ports which are served by these lines. Hampton Roads, Baltimore, Philadelphia, all will take on new life because of it. How can any American want to postpone that for months in times like these by taking such action as is proposed? When we were asked to give relief shipping industry as against the American. I know that is | to other communities we did not hang back and say, "Oh, you a month from now." We have cooperated with the other States in giving aid as promptly as we could, and we ask the same treatment now of our sister States.

The suggestion is made that the Shipping Board and these Cabinet heads should not act before the 4th of March on this matter. If we apply that suggestion to other activities of the Government, we will see how wrong it is. Do we stop voting here because we are to go out of office on the 4th of March? Do Senators cease from voting and speaking and remain passive, and let their successors perform all their functions? Of course they do not. The accumulation of business during the three months of the interim would be too great. Every day, in every department of the Government, discretionary decisions are being made, and that will continue right up to the 4th of March, and it ought to, in any administration. I should say the same thing four years from now, when the Democratic departments will be continuing their activities right up to the 4th of March. It has to be done.

In the Treasury Department, in the Bureau of Internal Revenue, hundreds of decisions are being made right now and will continue to be made up to the 4th of March, and that was done by the Democrats in 1921, and properly so. I never could discover that there was anything worse in the quality of those decisions than had been found in the quality of the decisions made before the election.

SEVERAL SENATORS. Vote! Vote!

Mr. REED. I would rather not have a vote now. Let us take up something else.

Mr. ROBINSON of Arkansas. Mr. President, I would like to ask the Senator if we can not take a vote now. We have been told these contracts will be entered into at 12 o'clock.

Mr. REED. That is true.

Mr. ROBINSON of Arkansas. Of course, we all know that the Senator can occupy the floor until after 12 o'clock and further complicate the matter, but I am wondering whether the Senator wishes to do that.

Mr. REED. Mr. President, I do not want the Senate to take action on this resolution. I have tried in all sincerity to explain the facts this morning, and there has not been any time I have been speaking when there have been more than 20 Senators present. That is not through any discourtesy toward me, but it is because they are all exceedingly busy. But if we take a vote on the resolution now, it will necessarily be an uninformed vote, except on the part of those few Senators who have done me the honor to listen to my statement of facts this morning.

It is a senseless thing for me to be wasting time prolonging argument on this. I have talked to the point and nothing but the point since the Senate met this morning. But I have stated my entire knowledge of the matter, and while I do not intend to permit a vote, I would suggest that it would be wise on the part of the Senate to occupy itself in something useful instead of compelling me to waste time.

Mr. ROBINSON of Arkansas. May I ask the Senator what he means by the statement that he will not permit the Senate to vote, after he has announced that he has concluded his argument?

Mr. REED. I do not think it is fair or right, or within the province of the Senate, to interfere with this administrative act, and I shall argue that phase of the matter at some length, unless the Senate wishes to take up some other matter at this time.

Mr. ROBINSON of Arkansas. May I say to the Senator, if he will be good enough to yield to me just a second-

Mr. REED. I yield.

Mr. ROBINSON of Arkansas. That it occurs to me that he is doing just the thing which from time to time has been done here by other Senators. After the debate has been fairly exhausted, he announces his purpose to take advantage of the rule of the Senate which permits one who gets the floor to talk as long as he pleases on any subject he chooses to speak about, and thus prevent a decision by the Senate. It occurs to me that we ought to have a vote on

well, we will postpone it to the new Congress and give it to this resolution, and that the Senator is hardly in a position to say that he will not permit the Senate to act.

> Mr. REED. Mr. President, I have been a member of the Senate for 10 years, and I have seen filibusters carried on from both sides of the aisle. I remember vividly when we had before us a measure called the Dyer antilynching bill. and the Democratic leader at that time, Senator Underwood, rose and stated frankly that there was to be a filibuster, that that bill would never be permitted to come to a vote. We saw the absurd spectacle of the Senate being forced to spend two weeks in a discussion of the question whether the approval of the Journal of the first day should be had.

> Mr. ROBINSON of Arkansas. Mr. President, will the Sen-

Mr. REED. In just a moment. My good friend the Senator from Mississippi [Mr. HARRISON] improved the occasion by speaking for hours upon the question whether the Chaplain's prayer should be included in full in the Journal of the

In spite of the absurdity of the situation, I will say, if I may, that he made a most extraordinarily clever and amusing speech, but it was not so amusing to those who were responsible for the business that was pressing for action.

Now I yield to the Senator from Arkansas.

Mr. ROBINSON of Arkansas. The Senator now announces his purpose to follow the very example which he condemns.

Mr. REED. It is a dreadful example and I am sorry the Senator forces me to follow it. I might say that I do not approve at all of the rule permitting unlimited debate. I should be strongly in favor of a rule which would not permit me to do what I am doing at this minute, deliberately preventing a vote on this resolution. I am doing it because I am apprehensive that the Senate would probably take snap judgment, because most of the Senators who sit here have not heard the arguments and because I think in all probability the snap judgment, which I am apprehensive would be taken, would be an injustice to the State which I represent and to its neighbor States, Maryland and Virginia.

Mr. ROBINSON of Arkansas. Mr. President, will the Senator yield further?

Mr. REED. Certainly.

Mr. ROBINSON of Arkansas. The Senator admits that if the Senate should take a vote it would agree to the reso-

Mr. REED. No: I do not admit it at all.

Mr. ROBINSON of Arkansas. Then, what did the Senator mean by saying the Senate would take snap judgment?

Mr. REED. I am apprehensive it would do so. I can be apprehensive of it without knowing it. The Senator called attention a few minutes ago that I am not a prophet, and he thinks I would make a very poor one, so I am not going to try to prophesy what the vote would be, but I feel apprehensive.

Mr. ROBINSON of Arkansas. I know the Senator is a poor prophet when he undertakes to say what will be the result of the political election four years hence. [Laughter.]

Mr. REED. Oh, Mr. President, that is not a prophecy; it is a certainty. [Laughter.]

Mr. ROBINSON of Arkansas. The Senator has again demonstrated a peculiar quality of assurance. [Laughter.]

Mr. REED. I am so confident of that event that I do not feel the need of proving my assertion or calling any witnesses to substantiate my statement.

Mr. THOMAS of Oklahoma, Mr. FESS, and others addressed the Chair.

The VICE PRESIDENT. Does the Senator from Pennsylvania yield; and if so, to whom?

Mr. REED. I will yield first to the Senator from Oklahoma, who rose first, I believe.

Mr. THOMAS of Oklahoma. I want to ask the Senator from Pennsylvania a question to see if I understand his purpose. The Senator is now engaged in what is sometimes termed a filibuster?

Mr. REED. For about half an hour. I shall not talk nearly as long as the Senator from Oklahoma did in his last flibuster.

Mr. THOMAS of Oklahoma. The Senator will talk long enough to accomplish his purpose?

Mr. REED. Yes.

Mr. THOMAS of Oklahoma. That is all I have ever tried to do. If that is true, the Senator is occupied at this time in endeavoring to keep the Senate from going on record on a matter as to which, in the opinion of the Senator, they would make a mistake if they did go on record at this time.

Mr. REED. Oh, no, Mr. President; not at all.

Mr. THOMAS of Oklahoma. I understand the Senator's position to be that if we should take a vote on the pending resolution, we would probably pass the resolution and that would be a mistake.

Mr. REED. No; not at all. I am apprehensive the Senate might do so. The Senator will understand that a good many Senators heard the arguments yesterday when, if I may say it in slang, "the bloody shirt was waved" and it was explained that this must necessarily be corrupt because J. P. Morgan & Co. and the Chase National Bank were behind it. I have demonstrated this morning that the Chase National Bank and J. P. Morgan & Co. have not anything whatever to do with it, but most of the Senators did not hear me. They were busy on other matters.

Mr. BLACK. Mr. President, will the Senator yield?

Mr. REED. Certainly.

Mr. BLACK. I have been here and heard the Senator, but I did not hear the Senator make any such demonstration.

Mr. REED. The Senator's reasoning abilities and mine do not seem to march in common.

Mr. BLACK. I thank the Senator.

Mr. THOMAS of Oklahoma. Mr. President, may I ask the Senator a further question?

The VICE PRESIDENT. Does the Senator from Pennsylvania yield further to the Senator from Oklahoma?

Mr. REED. I yield.

Mr. THOMAS of Oklahoma. I understood the Senator to say that he does not approve of filibusters and that filibusters are wrong fundamentally, but that occasionally, in order to keep the Senate from doing an unwise act, it is necessary to have a filibuster for the purpose indicated.

Mr. REED. Oh, no; not quite that. In order to keep the Senate from doing a greater wrong I am resorting to the somewhat preposterous custom of filibustering for half an hour.

Mr. THOMAS of Oklahoma. Of course the Senator feels that he is justified in that filibuster?

Mr. REED. I am justified in doing what I am doing to prevent a greater wrong.

Mr. THOMAS of Oklahoma. Will the Senator please explain to the Senate, so it may appear in the Record and harmonize his position in being opposed to a rule which permits unlimited debate, and then taking advantage of the rule when, as he has just stated, he feels justified in so doing?

Mr. REED. I think we ought to be doing something useful, and I am going to be in favor of remaining in session a half hour later to-night so the country will not be the loser by this proceeding.

Mr. THOMAS of Oklahoma. I have just succeeded in getting an interpretation from the Senator, because since I have been here he has engaged in the same kind of filibuster, as well as others.

Mr. REED. The Senator does not reproach me for it?

Mr. THOMAS of Oklahoma. Oh, no! I am not criticizing the Senator. It is the only weapon we have. I have used it myself. All that I have been able to obtain at the hands of the Senate I have obtained through a filibuster.

Mr. BLACK. Mr. President-

The VICE PRESIDENT. Does the Senator from Pennsylvania yield to the Senator from Alabama?

Mr. REED. Certainly.

Mr. BLACK. I understand the Senator to say he is only going to filibuster half an hour?

Mr. REED. About that long.

Mr. BLACK. Then, may I ask the Senator if he has any assurance from Mr. Walter F. Brown that he is going to sign the contract at 12.30 o'clock?

Mr. REED. I have not had the slightest communication with Mr. Brown.

Mr. BLACK. Did the Senator have that assurance from the gentleman with whom he talked over the long-distance telephone in connection with this contract?

Mr. REED. The Senator is making a statement which I am sure that he would regret after reflection, but I will answer his question. I did not talk to anybody over the long-distance telephone.

Mr. BLACK. I understood the Senator to say that he did. Mr. REED. No.

Mr. BLACK. I beg the Senator's pardon.

Mr. REED. Not on this or any other subject.

Mr. BLACK. I understood the Senator to say he did so talk last night.

Mr. REED. Oh, no.

Mr. BLACK. Then I withdraw that part of my statement.

Mr. REED. And I withdraw the sharpness with which I replied.

Mr. BLACK. I desire to ask the Senator if he had any assurance from the gentleman with whom he talked, where-ever he talked with him—

Mr. REED. The facts I gave to the Senate to-day were given to me yesterday and this morning by a vice president of the International Mercantile Marine. The statement that I was going to speak until 12.30 o'clock was based on an assurance from my secretary that this matter would be acted on by that time.

Mr. BLACK. Will the Senator state to whom his secretary talked and from whom he got that assurance?

Mr. REED. He does not say in his memorandum to me. Mr. BLACK. Would the Senator object to reading it aloud?

Mr. REED. Yes; I do. I do not think that is required. Mr. BLACK. I understand that the Senator has assurance indirectly through his secretary that if he can keep the Senate from acting until 12.30 o'clock there will be action on this matter by Postmaster General Brown.

Mr. REED. No; I have not said anything of the sort. I will read the memorandum of my secretary:

The Shipping Board probably will break up about 12.30.

That is the extremely interesting message from my secretary.

Mr. BLACK. The Senator is willing for us to vote at 12.30?

Mr. REED. I do not care what the Senate does, but I do not intend that it shall apply lynch law to the city of Philadelphia.

Mr. BLACK. So far as that is concerned, the Senator may continue until he gets tired, but we take the position that this is looting the Treasury; and we would prefer, even if the Senator's statement is correct, to have happened what he has said would happen rather than to have a looting of the Treasury.

Mr. FESS. Mr. President-

Mr. REED. I am glad to yield to the Senator from Ohio.
Mr. FESS. I am interested to know, in the light of the
background of facts that the Senator has given of the procedure leading up to the signing of this contract, whether
the Senator from Pennsylvania or any Senator would feel
that if the Senate would take a vote now and vote adversely,
that would have any effect whatever upon signing the contract, even though we did it before the contract is signed.
I would like to know whether the Senator feels that the
contracting parties would pay any attention to what we
might do in the light of the facts the Senator has now

Mr. REED. I am glad the Senator asked that question. I have not talked with the Postmaster General about this, and I do not know how he feels about it. But if I were Postmaster General, I should pay no attention whatsoever to the passage of the resolution by the Senate. Here is the reason why I would not do so: The Congress, with the approval of the President, has enacted the Jones-White law. If I, as an executive official, should be convinced of the fairness and legality of a proposed contract and of its advantages to the United States, I should go ahead and not permit Congress, by a resolution of one branch of it without the acquiescence of the other branch and without the approval of the President, to repeal that act in effect. If I were the Postmaster General, I would not pay the slightest attention to the pending resolution if it were passed.

Mr. ROBINSON of Arkansas. Mr. President-

The VICE PRESIDENT. Does the Senator from Pennsylvania yield to the Senator from Arkansas?

Mr. REED. Certainly.

Mr. ROBINSON of Arkansas. In view of what the Senator has now stated, will he consent to a vote at 12.30 o'clock?
Mr. REED. Yes.

Mr. ROBINSON of Arkansas. Very well. I ask unanimous consent that the unfinished business be temporarily laid aside and that the Senate proceed to the consideration of the District of Columbia appropriation bill, and that at 12.30 o'clock p. m. we take a vote on the pending resolution without further debate.

Mr. REED. Mr. President, I hope that will be agreed to.

Mr. McNARY. Mr. President, I gave notice a few days ago of my desire and intention to propose taking up a House bill having to do with the development of American air transport services overseas. I want to make it the unfinished business and then lay it aside temporarily to take up the appropriation bill. I would like to have the Senator include in his request that provision with reference to the House bill to which I have adverted.

Mr. ROBINSON of Arkansas. I had hoped to get consideration during the day of a bill which was discussed at some length here the other day, the bill (S. 5639) providing for loans or advances by the Reconstruction Finance Corporation for the purpose of securing a postponement of the foreclosure of certain mortgages for a period of two years, and for other purposes. I am sure that we ought to be able to dispose of that in a short time.

Mr. McNARY. I want to cooperate with the Senator, and I am sure that the bill will take only a short time. If he will modify his proposal to include the House bill to which I have referred, H. R. 8681, I shall be glad to consent.

Mr. ROBINSON of Arkansas. How long does the Senator think it will take to dispose of that bill?

Mr. McNARY. I think we can dispose of it in a short time.
Mr. ROBINSON of Arkansas. Does the bill involve a subsidy?

Mr. McNARY. No. It has passed the House and has a national importance. It provides for no subsidy. It does not take effect until three years from the time it shall be passed.

Mr. ROBINSON of Arkansas. I will modify my requests with that assurance and the assurance of Senators on this side of the Chamber, who are familiar with it, that the bill which the Senator from Oregon has in mind will not require very much time. Of course, while it is under consideration one can move to proceed to the consideration of another matter. I ask that we proceed to the consideration of the bill referred to by the Senator from Oregon, H. R. 8681, to develop American transport services overseas, and so forth, and that at 12.30 o'clock p. m. to-day we vote on the resolution of the Senator from Alabama without further debate.

The VICE PRESIDENT. Is there objection?

Mr. BLACK. Mr. President, may I ask what the bill of the Senator from Oregon is?

Mr. McNARY. It is to develop American air transport services overseas.

Mr. BLACK. Much as I regret to do it and interested as I am in securing a vote on the resolution which I have offered, I can not believe that it is proper to couple the Senator's measure with the pending proposal of the Senator from Arkansas, because that bill raises again the question of subsidy by mail contracts.

Mr. McNARY. I think not.

Mr. BLACK. Very well. I shall not object, but I understand it does.

Mr. BORAH. Mr. President, may I understand the situation with reference to the matter which the Senator from Arkansas mentions, the postponement of mortgage foreclosures. Is that included in the unanimous-consent agreement and is it to follow consideration of the bill which the Senator from Oregon mentions?

Mr. McNARY. No; that was not included, but I think the general opinion among Senators is that it should be.

Mr. ROBINSON of Arkansas. Mr. President, because of the conversations being carried on in the Chamber it was impossible to hear the statement of the Senator from Oregon. Will he repeat it?

Mr. McNARY. I stated that the Hull-Walcott bill is not included in the proposal of the Senator from Arkansas, but I think it is the general consensus of opinion that it should be.

Mr. ROBINSON of Arkansas. I will state to the Senator from Idaho and to the Senator from Oregon, too, that if the bill to which the Senator from Oregon refers, the bill to develop American air transport services overseas, should require any considerable length of time in discussion, and if the expectation of the Senator from Oregon is not met, I shall move, if someone else does not do so, to proceed to the consideration of Senate bill 5639 having relation to the post-ponement of mortgage foreclosures.

Mr. COPELAND. Mr. President, reserving the right to object, may I ask the Senator from Alabama if he will strike from his resolution the whereases which I discussed with him privately?

Mr. BLACK. I am perfectly willing to eliminate a part of them.

Mr. COPELAND. A parliamentary inquiry

The VICE PRESIDENT. The Senator will state it.

Mr. COPELAND. When it comes time to vote on this question, would it be proper then to make any changes in the resolution which is pending?

The VICE PRESIDENT. Under the rule the resolution must be agreed to first; then the question comes on agreeing to the preamble, and it may then be amended or rejected. If the preamble were stricken out first, there would have to be some changes made in the body of the resolution.

Mr. COPELAND. May I ask the Senator from Alabama if he will not make the changes in order that we may not be estopped when the time comes for the vote and be unable to vote upon the modifications?

Mr. BLACK. I do not want the Senator to be estopped and I do not understand that the Senator from Arkansas intended that we should do anything except vote upon the resolution or any amendment that might be proposed.

Mr. ROBINSON of Arkansas. I do not think I said that. I include the words "any amendment that may be offered." Let us save a little time, if we can.

Mr. COPELAND. Mr. President, a parliamentary inquiry. The VICE PRESIDENT. The Senator will state it.

Mr. COPELAND. Would it be in order to offer an amendment before we vote?

The VICE PRESIDENT. It would be, as the Chair understands the Senator from Arkansas now to frame his request, the words "or any amendment thereto" having been added. Is there objection?

Mr. FRAZIER. Mr. President, there is pending on the calendar House bill 13991, commonly known as the allotment bill. It seems to me that there should be some time given to that bill at this session. It has passed the House; it was considered by the Committee on Agriculture and Forestry of the Senate for, I think, two or three weeks;

hearings were held on it; it was amended somewhat. I should like to get the bill before the Senate and, at least, have it discussed on the floor and some action taken upon it at this session. At the first opportunity I am going to move that the Senate proceed to the consideration of that

The VICE PRESIDENT. Is there objection to the request of the Senator from Arkansas [Mr. Robinson] as modified? The Chair hears none, and it is so ordered. The Chair lays before the Senate a bill, the title of which will be stated.

The CHIEF CLERK. A bill (H. R. 8681) to develop American air transport services overseas, to encourage the construction in the United States by American capital of American airships for use in foreign commerce, and to make certain provisions of the maritime law applicable to foreign commerce by airship.

PURCHASE AND SALE OF COTTON BY THE GOVERNMENT

Mr. McNARY. Mr. President, before yielding to the consideration of the District of Columbia appropriation bill, I ask the Chair to lay before the Senate a message from the House of Representatives.

The VICE PRESIDENT laid before the Senate the amendment of the House of Representatives to the bill (S. 5122) to provide for the purchase and sale of cotton under the supervision of the Secretary of Agriculture, which was to strike out all after the enacting clause and insert in lieu thereof the following:

That there is hereby created in the Department of Agriculture a cotton board (hereinafter referred to as the board). Such board shall consist of six members, to be appointed by the Secretary of Agriculture, all of whom shall be qualified and experienced in either the purchasing, handling, or production of cotton. The members of the board shall receive no compensation for their services but shall be paid their actual and necessary expenses incurred in the performance of their duties. They shall hold office during the pleasure of the Secretary of Agriculture.

Sec. 2. The Secretary of Agriculture, the Federal Farm Board, and all other departments and agencies of the Government are

hereby directed—

(a) To sell to the said cotton board at such price as may be agreed upon by the Secretary of Agriculture and the board all

cotton now owned by them.

(b) To take such action and to make such settlements as are necessary in order to acquire full legal title to all cotton on which money has been loaned or advanced, upon such terms as they may deem fair and just, and to sell this cotton also to the board in the same manner as is provided in the preceding para-

graph hereof. SEC. 3. The board shall have authority to borrow money upon all cotton in its possession or control and deposit as collateral for such loans the warehouse receipts for such cotton.

SEC. 4. The Reconstruction Finance Corporation is hereby authorized and directed to advance money and to make loans to the board in such amounts and upon such terms as may be agreed upon by the board and the Reconstruction Finance Corporation, with such warehouse receipts as collateral security. SEC. 5. The Secretary of Agriculture, under such rules and reg-

SEC. 5. The Secretary of Agriculture, under such rules and regulations as he may prescribe, is hereby authorized and directed to enter into contracts with the producers of cotton to sell to any such producer an amount of cotton, in the hands of the board, equivalent in amount to the amount of reduction in production of cotton by such producer below the amount produced by him in the preceding crop year, in all cases where such producer agrees in writing to reduce the amount of cotton produced by him in 1933, below his production in the previous year, by not less than 30 per cent, without increase in commercial fertilization per acre per acre.

To any such producer so agreeing to reduce production the Sec-

ther provision that such cotton producer shall not use the land taken out of cotton production for the production for sale, directly or indirectly, of any other nationally produced agricultural commodity or product.

SEC. 6. The board shall sell the cotton held by it at its discretion: Provided, That it shall dispose of all cotton held by it by March 1, 1935: Provided further, That the board is authorized to sell unlimited amounts, at any time a price equivalent to not less than 10 cents basis middling seven-eighths inch staple at the ports can be procured.

SEC. 7. The Secretary of Agriculture is hereby authorized and directed to make all necessary rules and regulations and to employ such officers and employees as are necessary to execute the provisions of this act: *Provided*, That no salary or compensation shall be paid to any person in excess of that paid to Federal employees for like or similar services.

Mr. McNARY. I move that the Senate concur in the House amendment.

The VICE PRESIDENT. The question is on the motion of the Senator from Oregon.

Mr. GORE. Mr. President, the Senator from Utah [Mr. King] took quite an interest in this bill, and I understand offered certain amendments to it. I believe he is not in the Chamber. Is it in order to object to the motion?

Mr. McNARY. Mr. President, I had not heretofore noted the absence of the Senator from Utah. Of course, I do not want to take advantage of his absence.

Mr. GORE. I object if the request is for unanimous consent.

The VICE PRESIDENT. Objection does not carry the matter over.

Mr. KING entered the Chamber.

Mr. McNARY. I note the Senator from Utah has returned to the Chamber, and I ask the clerk again to state the title of the bill in the amendment of the House to which I have moved to concur.

The VICE PRESIDENT. The title of the bill will be stated.

The CHIEF CLERK. A bill (S. 5122) to provide for the purchase and sale of cotton under the supervision of the Secretary of Agriculture.

The VICE PRESIDENT. The question is on the motion of the Senator from Oregon that the Senate concur in the House amendment.

Mr. KING. Mr. President, I am surprised at the action of the House in respect to the measure which is now before us, and I can not understand the haste with which the bill is being pressed for passage in this body. The measure passed by the Senate dealing with the cotton in the hands of certain Government agencies contained a number of provisions which afforded some little protection to the Government and to the people. The House discarded the Senate bill and has transmitted to the Senate the measure now before us. Perhaps my observations are a little too general for the reason that I have not had an opportunity to read the House bill and have not learned of many of its provisions. I am advised that the House has written practically a new bill, in which, as stated, important provisions of the Senate bill were eliminated.

Mr. SMITH. Mr. President, will the Senator allow me to interrupt him?

Mr. KING. In a moment. In order that I may be advised of the provisions of the bill before us, I desire to have the clerk read it for my information if not for the information

To any such producer so agreeing to reduce production the Secretary of Agriculture shall deliver a nonnegotiable option contract agreeing to sell to said producer an amount of cotton equivalent to the amount of his estimated reduction of the cotton in the possession and control of the board.

The producer is to have the option to buy said cotton at the average price paid by the board for the cotton procured under section 2 and is to have the right at any time up to January 1, 1934, to exercise his option, upon proof that he has compiled with his contract and with all the rules and regulations of the Secretary of Agriculture with respect thereto, by taking said cotton upon payment by him of his option price and all actual carrying charges on such cotton; or the board may sell such cotton for the account of such producer, paying him the excess of the market price at the date of his contract after deducting all actual and necessary carrying charges: Provided, That in no event shall the producer be held responsible or liable for financial loss incurred in the holding of such cotton or on account of the carrying charges therein: Provided further, That such agreement to curtail cotton production shall contain a fursible for financial cost of the senate. It is my opinion that very few Senators know the action of the House or the terms of the bill now before us. I now yield to the Senator from South Carolina.

Mr. SMITH. Mr. President, there was in the bill a provision for the purchase of Red Cross cotton which is now being edit to the Senator from South Carolina.

Mr. SMITH. Mr. President, there was in the bill a provision for the purchase of Red Cross cotton which is now being offered, as I understand, below the market. The Senator from Utah objected to that, and that provision went out. Section 4, providing that the cotton might be purchased from farmers who were being distressed by the banks, also over the market price at the date of his contract after whence the provided from farmers who were being distressed by t

options, and that by March, 1935, the cotton shall all be disposed of and the Government be relieved of its holdings.

As matters now stand, Mr. President, the Senator will appreciate that if the Government dumps its cotton on the market, with the conditions now existing, it will further depress the price. If the Government gets out of it, and turns it over to the farmers whose options will be exercised on that cotton, and that cotton alone, and who will reduce their acreage in accordance with their options taken, it will get rid of the surplus to that extent; the acreage will be reduced, and, therefore, there will not be any reproduction of the surplus, and benefit will inure to the entire country if cotton rises in price in consequence thereof, which we all confidently believe it will.

I have heard no objections from any parties interested in cotton, from the man who makes the cloth down to the man who grows the raw material; and those of us who are dependent upon the proceeds from the sale of cotton have all worked earnestly to bring about a satisfactory bill on this subject. We have agreed on it; it has passed the House; it has passed the Senate; and it is the universal opinion that it may be the beginning of the break in the deadlock of the commodity-price depression.

Mr. GORE. Mr. President-

The VICE PRESIDENT. The Senator from Utah has the floor. Does he yield to the Senator from Oklahoma?

Mr. KING. I yield.

Mr. GORE. I desire to ask the Senator from South Carolina if the bill as it comes back from the House prohibits the Government from making any future purchases of

Mr. SMITH. Mr. President, under the present set-up this bill provides that all the cotton the Government has shall be disposed of to the farmers who may take the options. What the Government may do under the law I am not advised or what else Congress may do I am not advised. but I want to state to the Senator here and now that one of the depressing influences on the cotton market for the last three years has been the holding of this Government cotton without the trade knowing when and where and how it would be disposed of. It was for that reason that I drafted this bill, hoping that we might dispose of such cotton in such manner as to be of benefit to the growers by giving them a stake in it and also relieving the Government of its holdings.

Mr. GORE. Mr. President, I do not believe the Senator quite understood my question. As I understand from his statement, however, the bill, as it comes from the House, does require the Government to dispose of all its cotton by a certain date in 1935?

Mr. SMITH. Yes. Mr. GORE. I think that is desirable. The point I was inquiring about is this: Can the Government, under this measure as it comes back from the House, make additional purchases of cotton on the market?

Mr. SMITH. It can not purchase an additional bale. Mr. GORE. That was the point I had in mind, and that was my first question. I think the Senator misunderstood

Mr. SMITH. The Government can not purchase an additional bale. It is restricted entirely to the disposition of the cotton it now has; that is all.

Mr. GORE. I thought-from the statement I understood the Senator to make in conversation with him-that that was the point, and I desired that point to go into the RECORD.

Mr. SMITH. It is in the RECORD. There is no such intimation in the bill, and there is no possibility of the Government buying a bale outside. The bill simply provides for the disposition of the cotton it already has on hand.

Mr. GORE. The Government disposes of what it already has in hand by a fixed date, and makes no purchase in addition to that?

Mr. SMITH. That is correct.

Mr. GORE. That relieves my mind on those points, and, while I still do not favor the bill, it greatly diminishes my objection to it.

Mr. KING. Mr. President, in order that all may learn of the material changes made by the House, I again request that the bill be read.

The VICE PRESIDENT. The Secretary will read the amendment from the House of Representatives in the bill passed by the Senate.

The amendment of the House of Representatives was again read.

PROPOSED OCEAN MAIL CONTRACT

The Senate resumed the consideration of the resolution (S. Res. 375) submitted by Mr. Black on February 27, 1933, requesting the Postmaster General to postpone the awarding of a contract for ocean mail service from Philadelphia-Baltimore to Liverpool-Manchester.

The VICE PRESIDENT. The hour of 12.30 o'clock having arrived, under the unanimous-consent agreement a vote is to be had upon the resolution offered by the Senator from Alabama [Mr. Black].

Mr. BLACK. Mr. President, I desire to withdraw a part of the resolution, and offer an amendment to it.

The VICE PRESIDENT. The Senator can modify his

Mr. BLACK. Beginning on line 9 of the preamble with the words "which were recently purchased from the Shipping Board," and going down to and through and including the second paragraph on the second page, ending with the words "is to be generally investigated by a committee of the Senate; and," I desire to withdraw that part of the preamble.

The VICE PRESIDENT. The Senator modifies his reso-

Mr. BLACK. Now, Mr. President, I desire to add, after the word "investigated" on line 3 of the resolution, the words "by the Senate."

The VICE PRESIDENT. The Senator further modifies his resolution.

Mr. COPELAND. Mr. President, I ask the Senator from Alabama if he will also omit the last "whereas" before the resolution?

Mr. BLACK. I do not desire to omit the last "whereas," because it is based on a report that I have on my desk.

Mr. COPELAND. Mr. President, I do not think the Senate has before it any-

The VICE PRESIDENT. No debate is in order. The Senate is to vote on the resolution at half-past 12. The Senator may offer an amendment.

Mr. COPELAND. Mr. President, my thought about the matter is that this resolution ought not to contain, in its preamble, any matter which is not-

Mr. BLACK. Mr. President, a point of order.

The VICE PRESIDENT. Debate is not in order. The Senator can offer an amendment.

Mr. COPELAND. Very well. I move to amend the resolution by striking out the last of the "whereases."

The VICE PRESIDENT. That motion will not be in order until after the original resolution is voted upon. The preamble must be voted on after the resolution is acted upon.

The question is upon agreeing to the resolution, as modified.

Mr. BLACK. I call for the yeas and nays.

The yeas and nays were ordered, and the Chief Clerk proceeded to call the roll.

Mr. LOGAN (when his name was called). I have a general pair with the junior Senator from Pennsylvania [Mr. DAVIS], who is absent. I do not know how he would vote. I therefore withhold my vote.

Mr. McNARY (when his name was called). I have a general pair with the junior Senator from Tennessee [Mr. HULL]. Not knowing how he would vote, I withhold my

Mr. PATTERSON (when his name was called). I have a general pair with the junior Senator from New York [Mr. Wagnerl, who is unavoidably absent from the Chamber.

Not knowing how he would vote, I withhold my vote. If I felt free to vote, I should vote "nay."

Mr. SHORTRIDGE (when his name was called). I have a general pair with the senior Senator from Montana [Mr. Walsh). Not knowing how he would vote, I am not at liberty to vote.

The roll call was concluded.

Mr. McKELLAR (after having voted in the affirmative). I have a general pair with the junior Senator from Delaware [Mr. Townsend], which I transfer to the senior Senator from Arizona [Mr. ASHURST], and will allow my vote to stand.

Mr. STEPHENS. I am paired with the junior Senator from Indiana [Mr. Robinson]; but I am assured that he would vote as I shall vote upon this question, and therefore I am free to vote. I vote "yea."

Mr. SHEPPARD. I desire to announce that the Senator from Arizona [Mr. ASHURST], the Senator from Illinois [Mr. LEWIS], the Senator from Tennessee [Mr. HULL], the Senator from Louisiana [Mr. Long], and the Senator from North Carolina [Mr. REYNOLDS] are detained from the Senate on official business.

Mr. HASTINGS. I desire to announce the absence of my colleague the junior Senator from Delaware [Mr. Town-SEND] on business of the Senate.

Mr. NORRIS. My colleague [Mr. Howell] is absent on account of illness.

Mr. FESS. I desire to announce the following general

The Senator from Maine [Mr. WHITE] with the Senator from North Carolina [Mr. REYNOLDS]; and

The Senator from New Jersey [Mr. KEAN] with the Senator from Louisiana [Mr. Long].

I also desire to announce that the Senator from Michigan [Mr. VANDENBERG] and the Senator from Nebraska [Mr. Norris] are detained from the Senate in a committee meeting.

The result was announced—yeas 45, nays 28, as follows: YEAS-45

Hayden Bankhead Caraway Barkley

Clark Connally Coolidge Costigan Dill Blaine Bratton Fletcher Brookhart Frazier Broussard Bulkley

George Glass Gore Harrison

Dickinson

Lewis

Logan

Norbeck

Johnson Kendrick King La Follette McGill McKellar Neely Nye Pittman

Robinson, Ark.

Russell

Hebert

Metcalf

Keyes

Swanson Thomas, Okla Trammell Tydings Walsh, Mass. Wheeler

Schall

Smoot Steiwer Thomas, Idaho

Walcott

Schuyler

Sheppard Smith Stephens

NAYS-28 Hatfield

Austin Bailey Barbour Bingham Carey Copeland Dale

Ashurst

Couzens

Cutting

Howell

Hull

Bulow

Byrnes

Capper

Fess Glenn Goldsborough Grammer Hale Hastings Kean

Oddie NOT VOTING-23 Norris Patterson Reynolds Robinson, Ind. Shipstead Shortridge

Townsend Vandenberg Wagner Walsh, Mont. White

So Mr. Black's resolution, as modified, was agreed to. The PRESIDING OFFICER (Mr. Fess in the chair). The question now is on the preamble of the resolution, as modified.

Mr. TYDINGS. Mr. President

The PRESIDING OFFICER. Debate is not in order. The question is on agreeing to the preamble as modified.

The preamble, as modified, was agreed to.

The resolution and preamble, as modified and agreed to, are as follows:

Whereas specifications have been issued by the Postmaster General calling for bids on March 1 for an ocean mail contract from Philadelphia-Baltimore to Liverpool-Manchester, route No. 58 B. which involves the establishment of a new steamship service and the payment by the Government of about \$1,000,000 per annum for 10 years, or \$10,000,000 in mail money, and also involves the

selling of vessels by the United States Lines Co. for a reported

price of \$500,000 each; and
Whereas the Merchant Fleet Corporation reported on February 6,
1933, that this steamship service is not justified: Now, therefore, be it

Resolved, That the Postmaster General be requested to postpone the awarding of the said mail contract until the matter can be more fully investigated by the Senate and the soundness of the more completely determined from the standpoint of Government's interest and all the facts and circumstances

Mr. TYDINGS. Mr. President, I desire to make a short statement in reference to the vote I have just cast.

As everyone knows, this steamship line, if put into effect, would run out of the port of Baltimore together with Philadelphia and Norfolk. I should like very much to see this line inaugurated. In normal times perhaps my vote might have been different; but with the depleted condition of the United States Treasury, with the Budget in its present state of \$4,000,000,000 unbalance, I feel that we should not duplicate services which are already being well cared for. The mail will go to England and to Europe from New York and from Baltimore and from Philadelphia as it has been going for these many years; and I do not feel that this new line, with its million-dollar-a-year charge upon the Federal Treasury, is a proper measure to be voted upon favorably at this time.

Mr. GORE. Mr. President, it may be too late to take effective action. The deed may be done. The contract may be signed. An empty and exhausted Treasury may have been further exhausted upon the stroke of the clock at high noon. The Postmaster General may have cut through redtape entanglements and accelerated the speed which ordinarily characterizes the business of the Government.

In any event, I desire to move that the Secretary of the Senate be directed to notify the President, the Postmaster General, and the Shipping Board at once of the action just taken on this resolution.

The PRESIDING OFFICER. The question is on the motion of the Senator from Oklahoma.

The motion was agreed to.

REMOVAL OF RESTRICTIONS ON OPEN-MARKET TRADING IN GRAIN FUTURES ON CHICAGO BOARD OF TRADE

Mr. WHEELER. Mr. President, on yesterday I submitted a resolution, Senate Resolution 376, which went over under the rule, the senior Senator from Oregon [Mr. McNary] having objected to its consideration and said he would take it up to-day. He informs me now that he has no objection to the resolution. It is a resolution calling upon the Agricultural Department for certain information.

Mr. ROBINSON of Arkansas. This is a mere resolution of inquiry?

Mr. WHEELER. A resolution of inquiry, that is all; and the senior Senator from Oregon [Mr. McNary] tells me that he has no objection to it. It only asks for information from the department.

The PRESIDING OFFICER. The clerk will read the resolution for the information of the Senate.

The resolution (S. Res. 376) was read, considered, and agreed to, as follows:

Whereas it is desirable to get the opinion of the Secretary of Agriculture as to whether or not the 500,000 bushels limitation required to be reported upon by operators on boards of trade should be fixed by law or allowed to be made variable by orders

of the Secretary; and
Whereas on October 24, 1932, there was lifted and suspended
the restrictions on open-market trading in grain futures on the Chicago Board of Trade by order of the Secretary of Agriculture;

Whereas these restrictions upon short selling in 1927 for a short time were suspended; and

Whereas prices after both such suspensions declined to the advantage of the speculative short seller and to the disadvantage

advantage of the speculative short seller and to the disadvantage of producers; and

Whereas the decline in prices, following the order of the Secretary of Agriculture on October 24, 1932, reached lower levels than had theretofore ever been recorded: Be it

Resolved, That the Secretary of Agriculture is hereby directed to ascertain the facts and report to the Senate, giving full and complete answer to the following questions and such others as may occur to him as being pertinent to this matter:

(1) What was the purpose of suspending on October 24, 1932, the reports from board of trade members required pursuant to the grain futures act of the accounts of speculators and short

(2) Were these reports suspended on recommendation of the present chief of the grain futures department, or were they suspended on request of members of the Chicago Board of Trade or other exchanges? If the latter, who were these parties and what was their position in the market at that time? Were they long or short? If short, did they buy in at a profit when prices later

(3) What was the effect upon wheat prices of the suspension of the restrictions? What was the position in the market of those affected by the suspension, at the time and just prior to suspension? What has been their position since?

(4) To what extent have big speculators been active in wheat futures transactions during the drastic price declines of the past two or three years? Have they been dealing on the long or the short side of the market, and to what extent?

Resolved further, That the Secretary of Agriculture in such report shall make a full disclosure of the names and addresses of all persons and firms that have held a speculative short position in wheat futures on the Chicago Board of Trade equal to or in excess of 1000 000 bushels at any time during the past two or in excess of 1,000,000 bushels at any time during the past two or three years, while prices have suffered unprecedented declines, and shall indicate which of these, if any, were also found on the short side of the market during that period in 1927 when the restrictions were lifted the first time.

The preamble was agreed to.

PURCHASE AND SALE OF COTTON BY THE GOVERNMENT

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Oregon [Mr. McNary].

Mr. KING obtained the floor.

Mr. BRATTON. A parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. BRATTON. What is the motion of the Senator from Oregon?

The PRESIDING OFFICER. The Senator from Oregon moves to concur in the House amendment to Senate bill No. 5122, and the Senator from Utah has the floor.

Mr. KING. Mr. President, the Senator from South Carolina stated, if I understood him correctly, that there was no objection to the House bill now before us. I have before me the record of the proceedings of the House of Representatives of yesterday, and I discover that 183 Members of the House voted against the bill and only 188 voted for it. There was some sharp debate, evidencing opposition to the policies which are imbedded in this bill and to substantially all of its provisions.

Mr. President, I associate myself with the able Representatives who, in the debate yesterday, excoriated this bill, showed its unsatisfactory provisions, and the maze of difficulty and confusion into which we would plunge the Government and the cotton industry by its passage.

In the bill just read—and I shall refer in a moment to some of the statements made by two or three of the Representatives-I discovered that there had been eliminated in the House section 2 of the Senate bill, which, upon motion of the Senator from Tennessee, was incorporated in the measure. I shall refer to that in a moment.

The bill as it passed the House also contains the words, "and directed" which had been stricken from the bill in the Senate, so that now the Reconstruction Finance Corporation is not only authorized to lend money for this fantastic, unsound, and speculative scheme and adventure, but it is directed to lend money to this new board created by the bill which is to take the place of the Farm Board, the stabilization organization, and the A. C. C. A. organization—these pyramided organizations which have been created and organized directly or indirectly by Congress. This language seeks to compel the Reconstruction Finance Corporation to loan its funds to the new board to be set up under this bill.

The bill transfers some of the duties of the Farm Board, and the Stabilization Corporation, and the A. C. C. A., to which I have referred, to another Federal board, which is given extensive powers, including the right to borrow money ad libitum from the Reconstruction Finance Corporation.

Mr. President, there is something inexplicable, something which seems to me unfair and unjust, in inserting provisions which the Senate had stricken from the bill for the protec-

tion of the Treasury, and putting into the bill, as the House did, a provision compelling the Reconstruction Finance Corporation to lend, we do not know how much money, millions, perhaps tens of millions, of dollars to another Federal board with authority, in some respects, greater and more dangerous than that given to the Farm Board.

My information is that there are two and three million bales of cotton which will come under the control of this board, and upon which there are to-day liens and obligations aggregating tens of millions of dollars.

Mr. JOHNSON. Mr. President, will the Senator yield?

Mr. KING. I yield.

Mr. JOHNSON. I have been looking at the RECORD, but I have been looking at it very casually and hastily. Is it a fact that yesterday in the House an amendment was attached to the bill by which it would become obligatory upon the Reconstruction Finance Corporation to lend this money?

Mr. KING. I would like to look at the bill.

Mr. JOHNSON. I observe on page 5269 of the RECORD, for instance, an amendment that was presented, as follows: "The Reconstruction Finance Corporation is hereby authorized and directed." Is that the amendment to which the Senator refers?

Mr. KING. The Senator is correct.

Mr. JOHNSON. It reads:

The Reconstruction Finance Corporation is hereby authorized and directed to advance money and to make loans to the board in such amounts and upon such terms as may be agreed upon by the board and the Reconstruction Finance Corporation, with such warehouse receipts as collateral security.

May I inquire of the Senator whether there is any other collateral that is taken by the Reconstruction Finance Corporation save the warehouse certificates?

Mr. KING. Mr. President, the Senator is an able lawyer, and if I understand him, he interprets the language as requiring the Reconstruction Finance Corporation to make loans in unlimited amounts to the new Federal board, with which it may discharge the millions of dollars of liens upon the cotton purchased by the Farm Board, the Stabilization Corporation, and the American Cotton Cooperative Association and obtain title to the same; and that such loans must be made upon no security or collateral other than warehouse

The Senate bill authorized loans to the new board by the Reconstruction Finance Corporation, but it left that organization full power to determine whether loans should be made. and if so, the terms upon which they should be made. It did not "direct" loans to be made, nor did it attempt to prescribe the security or collateral required on the loans to which the board should agree. I appreciate that all efforts to amend this bill will be unavailing. It has been predetermined that it shall pass, that the Senate bill shall be repudiated even in this body wherein it originated, and the unsound measure now before us shall be hurried to the President. It is to be hoped that it will fail to receive his signature.

As stated, there were attempts to incorporate in the Senate bill some few safeguards and to afford some modicum of protection to the Government. But such efforts are to be frustrated and the Government again to be projected into unsound schemes and enterprises which are, in my view, at variance with our theories of economics and government and in contravention of the rights of individuals and without constitutional warrant.

In my opinion, the plan embodied in the pending measure possesses many of the infirmities and evils of the so-called Farm Board act and embarks the Government upon an unsafe and turbulent sea of perilous experimentation. All precepts to which we have given heed, all theories of government to which we have averred attachment, all constitutional axioms and practices are discarded and ignored in the bill which this body will soon crown with its benediction.

This bill is founded upon the theory that private initiative is at an end, that the rightful authority of citizens to govern themselves and manage their own affairs is inadequate in this age, that all of the political and economic views upon which we and our fathers have relied are no longer to be followed. Paternalism, or Socialism, or both, are to supplant the democratic policies and philosophy upon which our country has advanced to the highest station among the nations of the earth.

Mr. Hoover's Farm Board was an assault upon our economic and political structure, and has created demoralization, not alone in the fields of agriculture but in all departments of our economic and political life. It introduced unsound principles and dangerous economic and political policies, undermined the faith and confidence of many of the people in a proper individualism and in the duties and functions of States and local governments, and reversed the political philosophy upon which our institutions rest.

This bill goes far beyond the Farm Board act, in Federal usurpations and devitalizing paternalism. The Federal Government is to engage in the cotton business upon a stupendous scale. It is to use the moneys taken from the people by taxation or borrowed from them upon its issued securities to purchase several million bales of cotton. It is to discharge liens and obligations upon these cotton reserves; it is acquiring the legal title to the same by the expenditure of tens of millions of dollars; it is to sell the cotton as and when its officials determine, fixing the prices for the same, as well as the terms upon which sales are to be made.

The general board can destroy the cotton market or unsettle cotton prices and cause such violent fluctuations as to destroy all private activities in the buying and selling of this product. It can affect the prices of all cotton textiles and all commodities into which cotton enters. It can use the power given it by this bill to coerce or cajole farmers to limit cotton production, as well as production of agricultural commodities that enter into the agricultural markets.

Under this bill speculation and gambling in cotton are not only possible but inevitable.

If it had been suggested a few decades ago that the National Government exercise the authority granted by this bill it would have aroused fierce opposition.

Mr. BYRNES. Mr. President, will the Senator yield to

Mr. KING. Yes.

Mr. BYRNES. What the Senator from California inquired was as to whether or not the Reconstruction Finance Corporation secured as collateral for such a loan anything other than the warehouse receipts for cotton.

Mr. JOHNSON. That is exactly what I was inquiring.

Mr. BYRNES. I so understood the Senator. The language of the bill as it now stands provides that such warehouse receipts shall be accepted as collateral security, but authorizes the board to reach a determination as to the terms under which those loans can be made. For instance, a warehouse receipt for cotton may be based upon a price of 6 cents a pound, and a bale of cotton would be worth \$30. Terms would be arrived at as to the loan to be made upon such warehouse receipt. That is what the bill for which my colleague is responsible provides.

Mr. JOHNSON. Mr. President, will the Senator from Utah yield to me?

Mr. KING. I yield.

Mr. JOHNSON. I am seeking information, and I would like to inquire whether the Senator from South Carolina reached the construction he has just suggested by virtue of the amendment that is found on page 5269 and which was yesterday adopted by the House?

Mr. BYRNES. I am referring to the bill only as it is written, with the language which authorizes and directs the Reconstruction Finance Corporation to advance money and to make loans to the board in such amounts and upon such terms as may be agreed upon by the board and the Reconstruction Finance Corporation. That was the intent of it.

Mr. JOHNSON. Mr. President, if the Senator from Utah will yield further, that is exactly what the board is authorized and directed to do, so far as security may be concerned. But I will ask the Senator from South Carolina to follow the last clause, "with such warehouse receipts as collateral security." That is, the Reconstruction Finance Corporation is

authorized and directed to make loans upon such terms as may be agreed upon by the board and the Reconstruction Finance Corporation, "with such warehouse receipts as collaterial security."

Mr. SMITH. Mr. President, may I explain the matter to the Senator?

Mr. JOHNSON. I would be very glad to have the Senator do so.

Mr. KING. I yield.

Mr. SMITH. That is a custom which has been universal, even before we had the Reconstruction Finance Corporation. It means this, that they will take the warehouse receipts, and will agree with the Reconstruction Finance Corporation as to what proportion of the value of the cotton they will advance and yet be perfectly safe. In other words, if the cotton is worth \$30 a bale, they are justified, if they so agree, to advance within 1 or 2 cents a pound of its market value. That is all it means, and every cotton man knows that that is universally done. That is all it would do.

Mr. KING. Mr. President, it is obvious that there is some difference of opinion as to the meaning of this new provision, and I think the questions propounded by the Senator from California should be seriously considered. The average reader, or judge, in the construction of the language of this section, would say that the Reconstruction Finance Corporation was limited in the collateral which it was to exact for making a loan to the taking of the warehouse receipt.

Mr. GEORGE. Mr. President, will the Senator yield?

Mr. KING. In a moment. If it had been intended that the board might require collateral in addition to the warehouse receipts, why did not those who drafted the provision, add words, clearly stating that in addition to warehouse receipts, other collateral might be required?

I now yield to the Senator from Georgia.

Mr. GEORGE. Mr. President, if the Senator will permit me a moment, I think we may dispose of this as a practical proposition. The board would have no other assets except the cotton it bought. It could offer nothing but the cotton.

Mr. KING. It will have its notes, its credits, whatever it has, little or much.

Mr. GEORGE. It is not authorized to borrow a penny except to take over this cotton. It has no assets except the cotton. It would have no collateral to offer except the cotton. The language very clearly shows that the cotton is to be the only thing the Reconstruction Finance Corporation is to make a loan on. But even if the language did not carry that very clear implication, the cotton board would have neither the power to borrow except to buy cotton, nor security to offer except the cotton actually purchased.

Mr. KING. Does the Senator assume that it will make no profits upon some of the sales, and that such profits, which might consist of notes or personal property or other collateral, might not be utilized?

Mr. GEORGE. It is not contemplated that they would make a profit. It is simply for the purpose of disposing of two lots of cotton. It is limited entirely to two already accumulated by the Government and on which the Government has already advanced the full market value of the cotton. While the Reconstruction Finance Corporation is authorized to make loans, the money will go directly into the other pocket of the Government, that is, into another agency.

Mr. KING. May I inquire of the Senator if the Hanover Bank and many other banks have not made extensive loans to the A. C. C. A. upon this cotton, loans aggregating tens of millions of dollars, in addition to the loans which the Government has made to the stabilization corporation and the A. C. C. A., all of which practically have been lost?

Mr. GEORGE. The A. C. C. A. has lost money. The Farm Board has lost money. That is lost beyond all recovery. What they have, so far as this matter is concerned, is a certain lot of cotton which is worth its market value and no more than its market value. I think, although I do not make the statement positively, that the Reconstruction Finance Corporation has already financed the cotton in the

hands of this particular Government agency, perhaps not in | they may not raise any agricultural products for sale, difull, but certainly in large measure.

Mr. McKELLAR. Mr. President-

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Tennessee?

Mr. KING. I yield.

Mr. McKELLAR. Let me call attention to the fact that this is putting the cotton already owned by the Government in the hands of a commission for the purpose of making smaller the next year's yield of cotton. The Government has this cotton and owns it. By utilizing it in the way pointed out the board will make a contract with the planters of cotton by which they will reduce the amount of cotton

raised next year.

Everybody admits that the cotton owned now has an unhappy effect on the price. It depresses the price all the time. It injures the cotton farmer in that way. By properly managing the surplus which the Government now owns, as it will go into the hands of this board, it can be utilized for making contracts for the present year with the producers of cotton, which will minimize or reduce the yield of cotton this next year and therefore help the cotton farmer—or at least not hurt him. He will be allowed to buy the cotton already in his district as cheaply as he could raise it to save his life. He will be permitted to raise other crops, feed crops and so forth, and he will be greatly benefited. We all realize that the farmers are in a bad fix and especially the cotton farmers. We must get the bill through now if it is to have any effect on the ensuing crop, the crop that is being put in the ground now in some of the far South territory. We are very anxious to get it done.

Mr. KING. Let me ask the Senator, in view of the statement just made that this would take land out of cultivation, whether the Senator is accurate? As I heard the bill read, and I have had no opportunity to analyze it because it has been brought here without an opportunity for us to examine it, I interpret it as providing that lands which have heretofore been producing cotton, if withdrawn under the terms of the bill, could not be used for nationally produced agricul-

tural commodities for sale directly or indirectly.

Mr. McKELLAR. Like wheat or corn, for instance. Yes; we do not want to interfere with those commodities. Under the bill there is no reason in the world why the farmers can not raise more hay, more vegetable crops, more small grains of every kind. There is no reason why they should not do it and I have no doubt they will. They will raise things to be consumed on the farm that will give them a better living at home while, by means of limiting the cotton crop, they will get a better price for their chief money crop, which is cotton.

Mr. KING. Then if I understand the Senator we are to use the Reconstruction Finance Corporation and the power of the Government to force contracts—perhaps that is too strong a term-to obtain contracts from the farmers under the terms of which, in order to get the benefits of this bill and of money from the Reconstruction Finance Corporation, through the power of the Federal Government, they must enter into agreements not only to not grow cotton upon land which they own, but that they will not grow any other agricultural crops that might be for sale directly or indirectly in the markets of nationally produced agricultural products.

Mr. McKELLAR. Oh, no; it does not go that far. For instance, they could not use the land to greatly increase the wheat crop.

Mr. KING. Why not?

Mr. McKELLAR. There are several reasons for that, but the principal and best reason is that we can not produce wheat profitably on cotton land even in good times.

Mr. KING. The Senator now concedes that a producer of cotton could not raise wheat if he were to enter into a contract under the provisions of this bill; so it comes down to this, that we are requiring farmers who have produced cotton to agree, first, in order to get the benefit of the act, to grow no more cotton during the period prescribed, upon lands upon which cotton has been produced; and, secondly,

rectly or indirectly, in the markets of nationally produced agricultural products. As the Senator said, they may not produce wheat and may not of course produce corn. There are many other agricultural commodities which find markets nationally and internationally, and they may not produce crops of that character upon their lands. They must, as the Senator said, produce only those things which they consume upon the farm, garden vegetables and so forth, that would not enter into competition with nationally produced agricultural commodities.

Mr. BYRNES. Mr. President-

The VICE PRESIDENT. Does the Senator from Utah yield to the Senator from South Carolina?

Mr. KING. I yield.

Mr. BYRNES. Is the Senator objecting because he is interested in the cotton farmer, or is he objecting because he says the Reconstruction Finance Corporation would not proceed to fix the security, or is he objecting because he believes it would increase the production of wheat and do injury to the wheat farmer?

Mr. KING. I am objecting to the whole scheme contemplated by this bill for some of the reasons I have imperfectly

Mr. BYRNES. Just on general principles?

Mr. KING. I am objecting because I think it an unwise, unsound, and speculative venture; that it is inconsistent with our political institutions and our economic policies: that it will strengthen paternalism and contribute to the development of highly objectionable and dangerous socialistic

Mr. BYRNES. First, as to the warehouse receipts, the Reconstruction Finance Corporation now can lend money to banks upon the collateral security of such banks and under the Federal reserve law.

Mr. KING. It can if it wants to do so.

Mr. BYRNES. It has the authority to do so.

Mr. KING. But it is not compelled to do so.

Mr. BYRNES. No: but it will accept warehouse receipts for cotton notes if such warehouse receipts have been pledged as security for the notes.

As to the other objection, that it would require cotton farmers to make the contract, no representative from a cotton State is objecting to it.

As to the third statement that it might cause the growing of wheat, under the language of the bill, the farmer may not produce any nationally produced crop except for his own consumption. He can not produce it for sale.

So I think all three objections thus far stated by the Senator are really answered by the provisions of the bill.

Mr. KING. The failure of a call on States to protest against this measure does not prove that it is wise or should be enacted into law. Many persons have not opposed unsound policies or measures, either from a failure to fully comprehend their significance or inherent dangers or by reason of indifference, or from supposed benefits that might be

The junior Senator from South Carolina and his colleague [Mr. Smith] are adepts at legislation and language. They are persuasive on the floor and in private conversation. But I am not persuaded to follow them in support of this bill, But my objection to the bill is fundamental. I think it projects the Government into speculation into the cotton business with all its problems and uncertainties, into agricultural activities, to a degree wholly inconsistent with the functions and authority of the Federal Government and which is not only a bad precedent, but in the end will injuriously, if not disastrously, affect the cotton market and the farmers themselves.

Mr. SMITH. Mr. President, will the Senator yield? The VICE PRESIDENT. Does the Senator from Utah yield to the senior Senator from South Carolina?

Mr. KING. I yield.

Mr. SMITH. The Senator is thoroughly aware that unfortunately the Government is already in the cotton business and we are trying to get it out. The Government has the cotton. That cotton has a depressing influence on the market. Nobody knows how or when or where it may be disposed of. Were the Government to attempt right now to put the 3,000,000 bales of cotton on the market, it would depress it far below the distressing price at the present time.

Let us go a step further. If the Government does not dispose of it under the terms of this bill, it must hold it. It has the cotton. If another crop is made approximating a normal crop, it stands to lose still further 2 or 3 cents a pound, or perhaps \$30,000,000 additional.

Mr. KING. The Senator is making a speech in my time, but I consent.

Mr. SMITH. The Senator does not object to getting the light, and I am trying to show him the light.

Mr. KING. Very well; proceed, as I am always desirous of obtaining light.

Mr. SMITH. Here is the Government with 3,000,000 bales of cotton. If it does not dispose of it, under the terms of the bill it must dispose of it with possibly a normal crop coming on to add to that tremendous surplus. Under the terms of the bill we say we will take out of the surplus the 3,000,000 bales of cotton and distribute it amongst the farmers in lieu of that much production. Therefore we will have 3,000,000 bales out of the surplus, 3,000,000 bales curtailed out of production, and the Government out of the business, the farmer having a stake in cotton which under depressed conditions he has not disposed of, thereby relieving the situation from both ends, both as to surplus, because we take 3,000,000 bales out of the surplus, and as to production, because we take 3,000,000 bales out of production.

If the Senator does not think that this is going to get the Government out of the cotton business and put it back in the hands of the cotton farmers and then provide for its distribution when the cotton year comes on in October, 1933, then I am afraid he does not understand the purposes of the bill. We hope that the application of the bill will inevitably be that the farmers will dispose of their cotton—not the board, but the farmers. The farmers have an option that they have gained by virtue of signing a contract that they will not produce cotton on cotton land.

The wheat people came in and said, "You will plant that land in wheat." We said, "All right; we will provide that the land can not be planted in anything that will come in competition with that which you are producing."

Mr. McKELLAR. Mr. President, may I add just a word to what the Senator from South Carolina has said? I invite the attention of the Senator from Utah to section 7 of the bill, which provides:

The board shall sell the cotton held by it at its discretion: Provided, That it shall dispose of all cotton held by it by March 1, 1935.

In other words, it provides for disposition of the surplus cotton now in the hands of the Government, and I believe it is the best way that has been suggested by anyone for the Government to get out of the cotton business.

Mr. KING. Let me ask the Senator why the House struck out the provision which called for the sale of the cotton before August 15, 1933, and extended the period to January 1, 1934?

Mr. McKELLAR. I want to say to the Senator that I much prefer the provisions of the Senate bill to those of the bill as it passed the House, but time is the essence of the existing situation. If this matter is postponed until the next session of Congress it will be impossible to carry it out this year. It is of the most intense importance that the bill, if it is passed at all, should be passed at this session of Congress. Therefore I am willing to accept the terms of the bill as it passed the House, not because I believe it is better than the Senate bill, but because it is necessary to get the measure through immediately. I do not believe the House bill is hedged about in the way I would like to see it done.

Two amendments which I offered were left out and the amendment of the Senator from Utah, which was a good amendment, was also left out. I should be very happy to

have these amendments inserted at a later date, but planting time is upon the growers in southern Texas, and in southern Florida, and unless we get this bill through we shall lose the entire good effect of the proposed legislation for this year.

Mr. KING. Mr. President, it would seem that I should yield to the eloquent, fervent appeals of the three able Senators who are pleading for this bill, particularly when I sit in such close proximity to them. Their presence is overaweing, their eloquence persuasive; and nevertheless, my power of resistance still exists; I am opposed to the bill and shall vote against it. Notwithstanding my regard for the Senators and my knowledge that they sincerely believe that this proposed legislation will be productive of good. I can not share the optimistic views they express. We have so often of late followed policies foreign to our traditions and practices and beliefs-so at variance with our theories of government and its relation to individuals and private business-that in this period of depression we seem to lose our balance and wander into devious and dangerous paths. The hope of some temporary relief, through some expedient or experiment, allures us from the safe but perhaps hard and rugged road. In my opinion this bill tends to perpetuate evils which have grown up under the Federal Farm Board, under its maladministration and unwise policies.

This scheme projects the Government again into the buying and selling of agricultural commodities; it sets up another Farm Board without some of the powers which the present board posseses but without limitation upon the drafts which the new board may make upon the Reconstruction Finance Corporation. There is no limitation. It may be millions, it may be tens of millions that may be required in order to release this cotton from the liens and mortgages and other obligations to which it must respond.

One would think, Mr. President, that we had had enough experience of the Government engaging in activities of this character. One would suppose, with the wrecks caused by the Farm Board, its maladministration, and the evil and calamitous consequences of its activities, that we would not care to embark upon another enterprise which promises disaster.

Mr. President, I return to the point I was discussing when the Senators projected themselves into the debate and presented their views in favor of this measure. I make no criticism of them, of course, and regret that I find myself so much opposed to the views of Senators for whom I entertain high regard. But, believing the bill to be unwise, I regard it as my duty to enter my protest against its enactment into law.

As I have said, I have no expectation of defeating the bill. There are forces in its favor which will overcome all opposition in this body. I understand that many northern cotton users, not improperly, are associating themselves in the movement to secure the passage of this bill, and a combination between the New England States and some cotton States is one which it is difficult to defeat. I think that both the cotton-mill men and the cotton producers are making a serious mistake in backing this bill.

It may be that the textile-mill operators hope to secure the cotton cheaper under this plan than if they had to go out on to the market and buy it; that if they can make some sort of a composition or reach an understanding with the Federal board to be created, they may expect to obtain their cotton at prices below market prices; but as to that I shall not speculate. At any rate, there is, as I understand, a sort of fellow feeling, an association—and not improperly—between the interests to which I have referred, the millmen and some cotton producers, and they are seeking the passage of this bill.

I return now, Mr. President, to the question, Why did the other House insert a provision that will be construed as compulsory and require the Reconstruction Finance Corporation to loan the millions and tens of millions of dollars that may be required to release this cotton from the liens and the obligations now imposed upon it? Why did they not leave it as other persons who are seeking credit from the

Reconstruction Finance Corporation are left, to make terms and to obtain, if they can, from the Reconstruction Finance Corporation upon business lines credit, instead of compelling the Reconstruction Finance Corporation to open up the Treasury of the United States and to make loans whether they will or not?

If this organization shall come with warehouse receipts, the Reconstruction Finance Corporation, as the bill undoubtedly is to be interpreted, will be compelled to extend credit without any limitation upon the amount which may be demanded. I object to that provision; and, in view of the fact, Mr. President, that the Senate considered the subject and heard the statement of the Senator from Michigan and the Senator from Connecticut in opposition to the words "and directed." as well as subsequent observations which were made, I find no reason for the Senate's position to be repudiated other than that proper and adequate security that would satisfy reasonably prudent trustees of the Government, the directors of the Reconstruction Finance Corporation, can not be offered, and therefore it was deemed best to require the trustees, against their will perhaps, to extend credit to the new organization which we are creating by this bill.

I protest against this amendment. It is unwise; it is unjust to the Government; it is unfair to the taxpayers of the United States. If another measure were to be introduced which directed the Reconstruction Finance Corporation to loan to everybody or to anybody or to any organization, railroad or bank, there would be a loud protest here. It would be said that it was unwise and unsound legislation.

The Senator from Tennessee offered an amendment when the bill was before this body providing that the cotton should be sold before August 15 of this year. That period has now been extended. Why? Was it in order to give additional time for speculation? Of course it will be said it is for the purpose of in some way preserving a reasonable market; but, Mr. President, we will have upon our hands for this long period of time several million bales of cotton to disturb the market, to depress prices, and to hang as a sword of Damocles, so to speak, over the entire textile industry of the United States which depends upon cotton.

That has been one of the evils of the Farm Board and of the Stabilization Corporation. The Farm Board went into the market and speculated in cotton; it speculated in wheat; it tried to get a corner upon cotton and upon wheat; it tried to peg prices, and the result was that the Government lost more than \$300,000,000 in the wild orgy of speculation and in other unsound and wholly indefensible practices. Yet, with that experience before us, we propose to create another organization to engage in speculation-for that is what this means-and, more than speculation, to coerce the farmers to accept certain terms, for instance, not to use their own land as they see fit, not only not to grow cotton but to refrain from growing any other agricultural commodity that may come into competition with the agricultural commodities of other portions of the United States. As I have said, this plan is unsound and indefensible upon principles of recognized economics or accepted views as to the functions of the Federal

I said a moment ago in reply to the statement of the Senator from South Carolina, that everybody had assented to this bill, that in the House of Representatives it was passed by a majority of 5 votes. I want to show, Mr. President, that some of the strong men of that body pointed out some of the evils of this measure. I read a few sentences from the remarks of Representative Hart, of Michigan, a courageous and able exponent of sound economic principles as they apply to agriculture and to business generally. He stated:

We on the Democratic side went out in the last campaign in the Middle West and sunk them—

Referring to the Republicans—

because they were speculating in farm products, but yet we bring before this House a more vicious measure for speculation than was ever contained in the farm marketing act.

Let us see what our candidate for President, the new President, who won upon that issue in the West, said about it. I am reading from the Democratic Campaign Textbook and quoting from Mr. Roosevelt's speech immediately after he landed from that airplane in Chicago and reached the platform:

"We should repeal immediately those provisions of law that compel the Federal Government to go into the market to purchase, to sell, to speculate in farm products."

We not only have not repealed those provisions but we are now supplementing that organization by another, and drawing upon the Treasury of the United States, and compelling the Reconstruction Finance Corporation to dip into it and take out money for speculative purposes, and to take it out without limitation.

Now, we bring a bill upon this floor which provides for direct speculation in cotton. We not only provide for putting the Government into speculating in cotton but we bribe and invite each individual cotton farmer to join with us. We ask him to come in and gamble with us in the cotton market. We say to him, "If you will cut down your acreage, while your son raises his, or while he obtains some one else who will go out and raise more cotton, we will give you a certain percentage of this cotton upon which you may speculate, and if you lose we will pay the loss."

This bill invites gambling and speculation; and, as usual, the Government of the United States stands at the cross-roads to pay all the losses. We are not very consistent, Mr. President. We are not following Democratic principles as to the functions of government and the limitations imposed upon it; nor are we in harmony with the Democratic platform or with the declarations of our candidate for the Presidency, who will soon enter the White House.

Now, that is what this bill does. This bill is also sponsored by the American Cotton Cooperatives.

He ought to have said "one cooperative," the American Cotton Cooperative Association, this Creekmore corporation; this organization which has contributed to the payment of Mr. Creekmore \$75,000 a year salary or compensation, which he controls and which he desires to perpetuate; and this organization, which is dominated by him, is demanding that it shall not surrender any of these profits illegitimately obtained in speculation at the expense of the Government, instead of turning them over to the Farm Board to reduce pro tanto the claim which the board has against the American Cotton Cooperative Association and the Stabilization Corporation for the more than \$150,000,000 which legally and equitably it has against them.

They claim that they were stabilizing when they lost \$60,000,000 of the Government's money.

It is more than \$60,000,000, may I say—\$20,000,000 first appropriated to pay the defunct, bankrupt cotton cooperatives of the South, 11 out of the 13, as I now recall, having become bankrupt. The Farm Board paid their debts to the extent of twenty millions. Then \$63,000,000 were lost, and then ninety millions were lost, through the speculations and folly of the Stabilization Corporation under the direction of the Farm Board in cooperation with the A. C. C. A.

Yet we come in here and agree to take this cotton off their hands on a deal. We do not fix the market price. We say they may come in and deal with us. When the Government gets through with that dealing proposition, you will find this American Cotton Cooperative has segregated some millions of dollars, which they will take back into the market and speculate with and lose again.

He was interrupted by Mr. BANKHEAD:

Will the gentleman yield?

And after having yielded, Mr. Bankhead propounded this question:

Can the gentleman point out where the adoption of this resolution would increase the loss in cotton already suffered by the Government?

Mr. Hart. Nobody can point out whether we will increase or decrease the loss, because you are going into a speculative deal. You can not go into any commodity market unless you are speculating. There is no certainty about these markets. That has been the wrong assumption. That was the assumption of the Federal Farm Board—that they could stabilize; that they could orderly market and carry on the business different than the ordinary individual would. Now they say we will lose some money if we do not carry out this plan.

I say to you that within 30 days I can produce independent dealers in this country who will take this cotton off the market; take it off the hands of the cooperatives and pay the market price for it; men who know what they are doing with it; not a lot of politicians and propagandists who have been handling this deal, but substantial cotton merchants who have been marketing cotbut substantial cotton merchants who have been marketing cotton throughout the world for generations; not those who have made their money out of the Federal Treasury, but men with ability to judge the markets; men who know the quality of cotton; men who have built up their trade throughout the world. They will take that cotton off your hands at the market price, and the market will immediately rebound, because the world will have confidence in the men who buy it. To-day you are talking about reestablishing confidence in this country. You will never reestablish confidence by putting Government millions into speculation.

Mr. President, those are caustic and critical words, but I am inclined to think they are within the field of facts.

Mr. President, I ask leave to insert as a part of my remarks excerpts from addresses by Representatives STAF-FORD and HOPE yesterday in the House on this measure.

The VICE PRESIDENT. Without objection, it is so ordered.

The matter referred to is as follows:

The matter referred to is as follows:

Mr. Stafford. Mr. Chairman, this is the most gigantic gambling proposition that has ever been proposed to the Congress.

Instead of the American Cooperative Cotton Association doing the gambling that cost the Government \$53,000,000 out of the Treasury of the United States in their attempt to boost and hold the price of cotton for the 1929-30 crop and the 1930-31 crop, you are transferring that exploded proposition to a new board.

If I had not served on the special committee to investigate Government competition with private business and listened attentively to Mr. Creekmore, that \$75,000 beauty who is vice president of the American Cooperative Cotton Association, I would not be presumptuous enough to take time at this moment to discuss this bill; but this bill is for the relief of the American Cooperative Cotton Association that in 1929-30 purchased 1,300,000 bales of cotton and of the 1930-31 crop purchased 1,770,000 bales which it now has in its possession, and paid to the farmers 90 per cent of the market price when the price was 15 cents. To-day they are holding the bag.

With loans from the Farm Loan Board of tens of millions of dollars and with loans from the banks of \$10,000,000, this bill is

dollars and with loans from the banks of \$10,000,000, this bill is for the direct relief of the Hanover Bank, for the relief of the Chase National Bank, for the relief of the other New York banks from which this cooperative association has obtained loans. You want the Treasury to come to the relief of the banks. You want want the Treasury to come to the relief of the banks. You want the Treasury to come to the relief of the American Cooperative Association that to-day has over 3,000,000 bales of cotton hypothecated to secure these extravagant loans, and have the National Government hold the bag. Where is your consistency, except this consistency in wholesale plundering of the Treasury?

In 1929 and 1930 there was a surplus of 9,000,000 bales; in 1930 and 1931 there was a surplus of 10,000,000 bales; in 1931 and 1932 there was a surplus of 13,000,000 bales; and now you propose by this chimerical piece of economic legerdemain to attempt a curtailment of acreage of 30 per cept in an endeavor to stimulate the

tailment of acreage of 30 per cent in an endeavor to stimulate the price.

Have you not received enough poison by reason of this artificial attempt against all laws of trade and against the laws of supply and demand in trying to artificially stimulate the price by the colossal failure of the Farm Board?

Why, even Mr. Creekmore had to admit that the law of supply and demand determines the price in the last analysis. Never before have I known such a gigantic proposal of sticking the hand into the Treasury for the benefit of private bankers, who have loaned millions to the American Cotton Cooperative Association, which is absolutely bankrupt. The Farm Board has loaned tens of millions to this association with a shoe-string capital of \$79.500 all in the fountied endeavor to control prices of follows. \$79,500, all in the fanatical endeavor to control prices in a falling market. Have you not had enough illustration of the futility of the Government attempting to bolster prices by withdrawing cotton from the market, when you can see from the figures I have given here and from the testimony which I have referred to and

given here and from the testimony which I have referred to and which I have here, that such a plan is unworkable?

In these times, of all times, we should be circumspect. When I reentered Congress four years ago I voted against the agricultural marketing act, because I had no faith in it and because it was counter to every sound economic principle. As I am leaving Congress, I am going to vote against this gigantic socialistic venture, which not only equals that in its stupidity but goes farther into the Treasury and which will entail another loss of millions of dellars of the taynayers' money. Come out in the open and of dollars of the taxpayers' money. Come out in the open and admit that this is stabilization. It is going to fail, just as your efforts failed and were bound to fail under the agricultural marketing act. [Applause.]

Mr. Hope. Mr. Chairman and members of the committee, all the discussion that has taken place on this bill so far has been upon the assumption that this bill is going to make the cotton farmer rich, if we enact it. I do not read in this bill anything of the kind. As a matter of fact, this is not a new plan. If some of you remember what was known as the Walla Walla wheat

plan something like a year and a half ago, you will see that exactly the same plan is contemplated here. But the Walla Walla plan had more justification because of the fact that the Stabilization Corporation itself had the wheat on hand. It did not have to go and get it from the cooperatives, or the Red Cross, or from the Department of Agriculture. In order to put that plan in operation we did not have to start a new board. The Walla Walla operation we did not have to start a new board. The Walla Walla plan was presented to the Farm Board and they turned it down because they thought it would not work, after their economists had given it the most careful study. I studied the Walla Walla plan at that time and I was not convinced it would work, and I frankly told the proponents of the plan that I thought the effect of the Walla Walla plan, if adopted, might be to actually increase wheat acreage. What is likely to happen in this case if you adopt this particular plan? I hold in my hand here a statement some one sent around to us this morning, I presume one of the proponents of the measure, though not signed by anyone, and in this statement it is asserted that unless we pass this bill the this statement it is asserted that unless we pass this bill the acreage of cotton will be increased by from 5 to 10 per cent, and attention is called to all of the capital that is available for cotton production this year. If, in view of the present low price of cotton, the acreage is going to be increased from 5 to 10 per cent, I submit that if you say to the farmers that there is going to be a reduction on the part of some farmers, other farmers will not go into the plan and will increase production.

You are not going to be able to make contracts with all of the You are not going to be able to make contracts with all of the cotton farmers; there is not enough cotton to go around. The result will be that you will have some who will cut down production and others who will increase it, and nobody will know until the end of the year what the result will be, whether an increase or a decrease. Besides, production is dependent on weather as well as acreage. In 1930 the production of cotton per acre was 147.7 pounds, and the very next year, 1931, it was 200 pounds per acre. So you could very easily, on account of weather conditions, have an actual increase in production, even assuming you have some acreage reduction as suggested in this bill.

What you are doing here is setting up another farm board, an

you have some acreage reduction as suggested in this bill.

What you are doing here is setting up another farm board, an organization to stabilize the price of cotton; an organization which has the power to take over cotton now held by the cotton cooperatives, and make a complete settlement with these cooperatives of the indebtedness which they now owe the Federal Government. The loss on these loans to-day is about \$58,000,000. If you pass this bill, you are giving this board authority to go in and make settlement with these cotton cooperatives without any further investigation on the part of this Congress as to how that indebtedness was incurred, whether such a settlement ought to be made, or whether the cotton cooperatives have other property which could be taken over in payment of this indebtedness to the Government of the United States.

Mr. KING. Mr. President, since coming into the Chamber I have received a communication from a prominent resident of the South who has just obtained a copy of this bill as it passed the House; and in this communication he says:

I have just read the Smith cotton bill as amended by the House Agricultural Committee and reported to the House.

It passed the House, may I say, as it was reported.

The House committee removed all the safeguards and made the measure vicious in an important way. Were the House measure to prevail, the A. C. C. A. could keep all its assets and be relieved, at taxpayers' expense, of all its obligations.

Under the House measure there would be a new brand of uncertainty, trade fear, and concern, and in all likelihood American cotton would further decline in value.

The bill as passed by the Senate, if amended to include provision for a definite and known selling policy—say sales in lots not exceeding 500 bales, so as to attract many buyers, and in monthly quantities not exceeding 100,000 bales so as not to glut the market—would, I feel, bring about new confidence and a better market

But if finally adopted as the House has amended it, it would simply wreck all that remains of constructive marketing facilities.

But, Mr. President, as I have indicated, appeals of that character fell upon deaf ears in the House, and the bill which eliminated the safeguards provided in the Senate bill passed, but with a majority of only five.

Mr. President, as the bill is before us, it provides that this board can make any character of settlement it desires with the American Cotton Cooperative Association. I have before me some data showing the speculative activities of that association; that it would go and buy and sell, and sell and buy, in order to make a profit, and when losses occurred it would charge them to the Stabilization Corporation and load them upon the Farm Board, or, when there were profits, they would be put on a shelf by themselves, to be appropriated by Mr. Creekmore and the organization with which he is affiliated. They want now to keep those profits, no one knows how much-four, five, six, or ten millions; I have heard various amounts—they want to keep those profits,

though the A. C. C. A., through its manipulations and activities, contributed to the loss of more than \$150,000,000 through the activities of the Farm Board and its subsidiaries in buying and selling cotton in the United States, first \$20,000,000, then \$63,000,000, then \$90,000,000, and we do not know what accumulating losses have occurred since those figures were submitted.

Mr. Creekmore's A. C. C. A. is a paper organization. It is not a cooperative. It is a corporation for speculation. Farmers do not own it. It is owned by a coterie that have derived profits from its operations. I have before me two volumes of the testimony taken by the Shannon committee in which the activities of Mr. Creekmore's organization are revealed. They show, in my judgment, a record that can not be defended.

Mr. Creekmore has been before various committees of the House and the Senate, admitting his compensation of \$75,000 a year; admitting, as is shown by the record and by the hearings before the committee of which the Senator from Oregon [Mr. McNary] is the chairman, that other members of that organization were receiving ten, fifteen, and twenty thousand dollars a year. They want to maintain this A. C. C. A. They want to seize upon or hold whatever profits have been realized from their activities, though their activities have resulted in losses of tens of millions of dollars to the Treasury, instead of turning what assets they have back to the Farm Board, and receiving credit, of course, upon the obligations of the A. C. C. A. and the Stabilization Corporation to the Farm Board.

But for some reason some concern was manifested in behalf of the American Cotton Cooperative Association. The Senate was determined that it should disgorge any funds in its possession and unanimously decided that it should not retain any of the speculative profits which it now holds, but that it should be compelled to turn them back to the Farm Board. The House struck out this provision, and Mr. Creekmore and the American Cotton Cooperative Association are to retain the speculative profits in their

Mr. President, this organization lost many millions in its wild speculations and passed the losses on to the Stabilization Corporation and the Farm Board.

Mr. President, I am disappointed in the action of the House. I feel sure that the Senator from Tennessee [Mr. McKellar] is equally dissatisfied with its action. I feel sure that all Senators who have investigated this matter, the policies and principles involved, must regret the action of the House.

I have said all that I care to say. Nothing will avail. This bill is slated to go through, but I want to register my opposition to it. I protest against projecting the Government again into the buying and selling of commodities and speculating in the market. I protest against creating another board which will, I believe, involve our Government in further losses and in further complications and will be utterly ineffective in bringing relief and benefit to the cotton producers of the United States or to agriculture

The VICE PRESIDENT. The question is on the motion of the Senator from Oregon [Mr. McNary] that the Senate concur in the amendment of the House of Representatives. The motion was agreed to.

LOANS IN PUERTO RICO BY THE RECONSTRUCTION FINANCE CORPORATION

Mr. BINGHAM. Mr. President, I report back favorably from the Committee on Territories and Insular Affairs the joint resolution (S. J. Res. 260) to validate an act of the fourth special session of the Twelfth Legislature of Puerto Rico entitled "An act authorizing the Governor of Puerto Rico to guarantee repayment, in the name of the people of Puerto Rico, of loans made by the Reconstruction Finance Corporation to the agricultural credit corporations of the Island of Puerto Rico, and for other purposes," approved October 21, 1932, and I submit a report (No. 1329) thereon.

Mr. President, this would authorize the Governor of Puerto Rico to guarantee the repayment, in the name of the people of Puerto Rico, of loans made by the Reconstruction Finance Corporation. It was thought they had the right to pass this law. It is a wise and a just law. This joint resolution would merely validate the law they have passed. There is no objection to it: there is need for haste, and I ask unanimous consent for the immediate consideration of the joint resolution.

The VICE PRESIDENT. The joint resolution will be reported for the information of the Senate.

The joint resolution was read, as follows:

Whereas the fourth special session of the Twelfth Legislature of Puerto Rico passed an act entitled "An act authorizing the Governor of Puerto Rico to guarantee repayment, in the name of the people of Puerto Rico, of loans made by the Reconstruction Finance Corporation to the agricultural credit corporations of the island of Puerto Rico, and for other purposes," approved by the Governor of Puerto Rico on October 21, 1932, and which reads as follows:

"SECTION 1. The Governor of Puerto Rico is hereby authorized and empowered to guarantee to the Reconstruction Finance Corporation of Puerto Rico is hereby authorized and empowered to guarantee to the Reconstruction Finance Corporation Finance Fina

and empowered to guarantee to the Reconstruction Finance Corporation created by the act of the Congress of the United States known as the Reconstruction Finance Corporation act, in the name of the people of Puerto Rico, the repayment of loans made by said corporation under the provisions of said act, and amendments thereto, to the agricultural credit corporations organized in

Puerto Rico.

"Sec. 2. The total sum of any guaranty or guaranties given by the Governor of Puerto Rico to the Reconstruction Finance Corporation under the provisions of section 1 of this act shall not

exceed \$500,000.

"SEC. 3. In acting in accordance with the authorization hereby conferred the Governor of Puerto Rico shall furnish the guaranties hereby authorized, in such form and under such terms as may be mutually agreed upon between him and the Reconstruction Finance Corporation.

"Sec. 4. All laws or parts of laws in conflict herewith are hereby

repealed.

SEC. 5. It is hereby declared that an emergency exists requiring that this act shall take effect immediately, and it shall, therefore, take effect immediately after its approval by the governor."

And
Whereas counsel for the Reconstruction Finance Corporation has
held that this act is contrary to the organic act of Puerto Rico; and

Whereas it is convenient to the welfare of the agricultural interests of the island of Puerto Rico to permit the guaranty by the government of Puerto Rico of loans by the Reconstruction Finance to agricultural credit corporations organized under

Corporation to agricultural credit corporations organized under the laws of the island; and Whereas according to section 34 of the organic act of Puerto Rico approved March 2, 1917, the Congress of the United States reserves the power and authority to validate or annul all laws enacted by the Legislature of Puerto Rico: Therefore be it Resolved, etc., That the act of the fourth special session of the Twelfth Legislature of Puerto Rico entitled "An act authorizing the Governor of Puerto Rico to great the control of the temperature of Puerto Rico and the Twelfth Legislature of Puerto Rico entitled "An act authorizing the Governor of Puerto Rico to great Puerto Rico and the Twelfth Legislature of Puerto Rico and Twelfth Rico and T

Governor of Puerto Rico to guarantee repayment, in the name of the people of Puerto Rico, of loans made by the Reconstruction Finance Corporation to the agricultural credit corporations of the island of Puerto Rico, and for other purposes," approved by the Governor of Puerto Rico on October 21, 1932, is hereby validated.

Mr. ROBINSON of Arkansas. Mr. President, I ask that the Senator from Connecticut make a brief explanation of the measure

Mr. BINGHAM. Mr. President, the Reconstruction Finance Corporation was authorized by the Congress to make loans to Puerto Rico. In order that they might do so properly, as to other States, it was necessary for the Legislature of Puerto Rico to pass an act authorizing the governor to prepare such papers as would guarantee the payment of the loan. It was ruled by the counsel for the Reconstruction Finance Corporation that the Governor of Puerto Rico and the legislature did not have authority to enact such legislation under the organic act without validation by the Congress of the United States.

Mr. ROBINSON of Arkansas. And this gives that authority?

Mr. BINGHAM. This joint resolution does not give any authority, but it validates the act as it passed the legislature. Mr. ROBINSON of Arkansas. Very well, Mr. President;

I see no objection to it.

There being no objection, the Senate proceeded to consider the joint resolution, which was ordered to be engrossed for a third reading, read the third time, and passed.

The preamble was agreed to.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Haltigan, one of its clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 13520) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1934, and for other purposes.

The message also announced that the House insisted upon its amendment to the bill (S. 5337) to amend the Federal farm loan act, as amended, to permit loans for additional purposes, to extend the powers of Federal land banks in the making of direct loans, to authorize upon certain terms the reamortization of loans by Federal and joint-stock land banks, and for other purposes, disagreed to by the Senate; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. Steagall, Mr. Stevenson, Mr. Goldberough, Mr. McFadden, and Mr. Strong of Kansas were appointed managers on the part of the House at the conference.

DISPOSITION OF DETERIORATED EXPLOSIVES

The VICE PRESIDENT. The Chair lays before the Senate a bill from the House of Representatives and calls the attention of the Senator from Wisconsin [Mr. La Follette] to it.

The bill (H. R. 12047) to provide for the transfer of powder and other explosive materials from deteriorated and unserviceable ammunition under the control of the War Department to the Department of Agriculture for use in land clearing, drainage, road building, and other agricultural purposes, was read the first time by its title and the second time at length, as follows:

Be it enacted, etc., That the act entitled "An act to authorize the Secretary of War to exchange deteriorated and unserviceable ammunition and components, and for other purposes," approved June 1, 1926 (44 Stat. 680; U. S. C., title 10, secs. 1209, 1210), is hereby amended by adding at the end thereof a section to read as follows:

"Sec. 3. In the administration of sections 1 and 2 of this act, as amended, the Secretary of War is authorized and directed to transfer the powder and other explosive materials from such deteriorated and unserviceable ammunition and components thereof to the Secretary of Agriculture for distribution and sale in such amounts and at such times as the latter may determine, to farmers at not less than cost, under such regulations as he may prescribe, for use in land clearing, drainage, road building, and other agricultural purposes, by the Secretary of Agriculture. No expense in connection with such distribution and sale shall be borne by the War Department, and the Secretary of Agriculture shall reimburse the Secretary of War for the powder and explosive materials transferred under this section in amounts equal to the credits the Secretary of War would have received in an exchange under sections 1 and 2 of this act. Amounts so reimbursed are authorized to be made available for the expenditure by the War Department for ammunition or components thereof. The President is authorized to suspend the provisions of this section in case of national emergency."

Mr. LA FOLLETTE. Mr. President, this bill proposes to reestablish a policy of selling defective explosives to farmers which was in operation from 1920 to 1928. During that period deteriorated explosives in the possession of the War Department were transferred to the Department of Agriculture and sold to farmers for use in blasting, principally in clearing land. The provision worked very well during the eight years it was on the statute books. The revolving fund created in the Department of Agriculture to carry on the work was augmented by approximately \$67,000 at the end of the period, due to the fact that the department charged a few cents per hundred more than the cost.

Under this bill it will be possible for the deteriorated explosives which are now, under the law, exchanged with the companies which manufacture explosives, to be turned over to the Department of Agriculture and the policy resumed of permitting these explosives to be sold to the farmers who desire to purchase them for land clearance.

There will be no expense to the War Department, nor will there be any loss to the Government, judging by past experience under the law as it was in operation from 1920 to 1928.

So far as I know, there is no opposition to the bill. It has passed the House of Representatives. General Hof, Chief of Ordnance, appeared and testified that the War Department had no objection to the bill providing an amendment was inserted which has been incorporated in the measure.

In view of the shortness of time before the adjournment, I ask unanimous consent for the immediate consideration of the bill. I have conferred with the chairman of the Committee on Agriculture and Forestry, the Senator from Oregon [Mr. McNary], who had charge of the legislation when it was previously enacted, and he is in agreement that the legislation is properly drawn, and that it is wise to enact the measure.

Mr. KING. Mr. President, will the Senator yield?

Mr. LA FOLLETTE. I yield.

Mr. KING. Has the Senator considered the wisdom of providing that, upon request of farm organizations, the War Department should turn over these deteriorated explosives? The point I have in mind is this, that we are perpetuating or creating another Federal agency in the Department of Agriculture, and the farmers have to go to the Department of Agriculture, if we do not arrange that they shall go to the places where explosives are obtained, without the interposition of an agency the cost of which, of course, would be upon the Federal Government.

Mr. LA FOLLETTE. Mr. President, I will say to the Senator from Utah that my understanding is that the manner in which these explosives were made available to farmers heretofore under the law, from 1920 to 1928, was somewhat as follows: Arrangements were made by the department, through the agricultural colleges and experiment stations; and, through them, the agricultural county agents ascertained how many farmers in a particular area desired to purchase these deteriorated explosives suitable only, as I understand it, for blasting purposes.

They then certified the amount which was desired to be purchased in the particular community, the shipments were made, and a charge was made by the department sufficient to cover all of the cost; and, as I stated a moment ago, at the end of the 8-year period there was \$67,000 more money in the fund than at the time it was created, which I think should be some assurance to the Senator that this would not put any inordinate expense upon the Government.

At this particular time in many of these areas where lands are owned and awaiting clearance, the Senator knows there has been some influx of unemployed, people returning to their homes, and I believe that furnishing these explosives at reasonable prices would enable many of those who have thus returned to their homes to clear more land and to provide products for their own subsistence.

Mr. KING. Mr. President, I have no objection to the bill. I suggest to the Senator that a case was brought to my attention—I am not sure whether it involved explosives or not—in which it was claimed that some defective explosive was delivered and in handling it the person who got it was injured and insisted that the Government should pay for the injuries which he sustained. I suggest that the Department of Agriculture, if it does not do so, should take proper releases from persons who obtain these explosives, so that there will be no comeback on the Government.

Mr. LA FOLLETTE. So far as I know, Mr. President, no such claim has ever been given any serious consideration. Of course, persons handling explosives may be injured. Explosives are dangerous if handled by one who is not familiar with them. But, judging by previous experience, I think it is fair to state that these defective explosives were very helpful, and we can hope for a similar efficient administration of this provision of law if it is passed.

The VICE PRESIDENT. Is there objection to the request of the Senator from Wisconsin that the Senate proceed to consider the bill?

There being no objection, the Senate proceeded to consider the bill, which was ordered to a third reading, read the third time, and passed.

AIR TRANSPORT SERVICES

The Senate resumed the consideration of the bill (H. R. 8681) to develop American air transport services overseas, to encourage the construction in the United States by American capital of American airships for use in foreign commerce, and to make certain provisions of the maritime law applicable to foreign commerce by airship.

Mr. KING. Mr. President, I object to the consideration

of the bill.

The VICE PRESIDENT. The bill has been heretofore laid before the Senate, and was temporarily laid aside.

Mr. KING. I shall have to ask for a quorum.

Mr. BINGHAM. Will not the Senator withhold that for a moment?

Mr. KING. Certainly.

Mr. BINGHAM. It is my intention to ask that the bill now pending be temporarily laid aside and that we take up the District appropriation bill, which I have been holding back for two or three days, in order to allow other matters to go through. It is very important that we get this appropriation bill passed.

Mr. JOHNSON. Mr. President, will the Senator yield to me to make a motion?

Mr. BINGHAM. Certainly.

REGULATION OF INTERSTATE COMMERCE IN PANAMA CANAL

Mr. JOHNSON. Yesterday there came to us from the House Senate bill 4491, duly passed by the House with certain amendments. Thereupon, at the request of some of the members of the Committee on Commerce, which committee had reported the bill originally, I asked that the Senate disagree to the amendments of the House, that there be a conference, and that conferees be appointed. Conferees were thus appointed. The papers have not yet, I understand, gone over to the House. If they have, I want now to move that they be returned, because those who then asked that a conference be held now ask that the amendments be concurred in and that the bill become a law finally by action of the Senate.

I move first, Mr. President, that we rescind the action of the Senate by which conferees were appointed; and, if the papers have gone to the House, that they be recalled.

Mr. KING. Mr. President, to what bill does the Senator refer?

Mr. JOHNSON. The Senator from Florida [Mr. Fletcher] will recall Senate bill 4491, a shipping bill, which was passed by the Senate last year. The bill went to the House, and has been passed by the House now with certain amendments. I have just explained that it was asked of me by certain members of the Committee on Commerce that a conference be held, and acting for the Commerce Committee I made the motion; but those who then made the request have this morning told me that the amendments are satisfactory to them; and fearing that there would be no legislation of the character they desire, they have asked that the amendments of the House be concurred in and accepted, and on behalf of the committee I make this motion.

Mr. KING. I have no objection.

The VICE PRESIDENT. Without objection, the request of the Senator will be granted.

Mr. JOHNSON. I move now, Mr. President, that the amendments of the House on that bill be concurred in.

The VICE PRESIDENT. The Senator from California moves that the Senate concur in the House amendments to House bill 4491.

The motion was agreed to.

POSTPONEMENT OF MORTGAGE FORECLOSURES

Mr. ROBINSON of Arkansas. Mr. President, those who have indicated that they are especially interested in the bill (S. 5639) providing for loans or advances by the Reconstruction Finance Corporation for the purpose of securing the postponement of the foreclosure of certain mortgages for a period of two years, and for other purposes, have reached an agreement under which I think the bill can be passed without further debate.

Mr. BROOKHART. Mr. President, I am interested. What is the agreement?

Mr. ROBINSON of Arkansas. The agreement is to strike out section 5 which has relation to the advancing of \$100,-000,000 to the joint-stock land banks. The whole section is to go out.

Mr. BROOKHART. Of course, I would much prefer to have the whole section remain in the bill, but I am for the bill with the section out.

Mr. ROBINSON of Arkansas. We propose to strike out that section and I think we can dispose of the bill and thus assure some chance of action by the body at the other end of the Capitol.

Mr. REED. Mr. President, will the Senator permit a question?

Mr. ROBINSON of Arkansas. Certainly.

Mr. REED. Does the amendment now proposed strike out the provision which allows the payment of mortgage interest and principal in the form of joint-stock land bank notes?

Mr. ROBINSON of Arkansas. Yes; the whole provision relating to the advance to joint-stock land banks in section 5 goes out of the bill under the arrangement, and if consent is given for just a few minutes I think we can dispose of the bill. I ask unanimous consent for the present consideration of the bill.

Mr. JOHNSON. Mr. President, may I inquire if this is what is known as the Hull-Walcott bill?

Mr. ROBINSON of Arkansas. That is the bill.

The VICE PRESIDENT. Is there objection to the request of the Senator from Arkansas? The Chair hears none.

The Senate resumed the consideration of the bill (S. 5639) providing for loans or advances by the Reconstruction Finance Corporation for the purpose of securing the postponement of the foreclosure of certain mortgages for a period of two years, and for other purposes.

Mr. ROBINSON of Arkansas. Mr. President, pursuant to the statement which I just made I move to amend by striking out section 5 of the bill and to renumber the sections.

Mr. McNARY. Mr. President, will the Senator yield just a moment?

The VICE PRESIDENT. Does the Senator from Arkansas yield to the Senator from Oregon?

Mr. ROBINSON of Arkansas. Certainly.

Mr. McNARY. Has the matter been submitted to the Senator from Tennessee [Mr. Hull] and the Senator from Connecticut [Mr. Walcott], the authors of the bill?

Mr. ROBINSON of Arkansas. It has not been submitted to the Senator from Tennessee [Mr. Hull], but I understand it is satisfactory to the other Senators interested.

Mr. BARKLEY. Mr. President, that provision was not contained in the bill as introduced by the Senator from Tennessee. It was added by the committee just before the bill was reported and I am satisfied that its elimination would be satisfactory to the Senator from Tennessee.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Tennessee to strike out section 5.

The amendment was agreed to.

The VICE PRESIDENT. If there are no further amendments the question is, Shall the bill be engrossed and read a third time?

The bill was ordered to be engrossed and to be read a third time.

The bill was read the third time and passed.

PRICE HUFF

The VICE PRESIDENT laid before the Senate the action of the House of Representatives disagreeing to the amendments of the Senate to the bill (H. R. 11035) for the relief of Price Huff, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. REED. Mr. President, I was told that the House had amended the Senate amendments.

The VICE PRESIDENT. The House disagreed to the amendments of the Senate and have asked for a conference.

Mr. REED. I move that the matter be referred to the Committee on Military Affairs.

The motion was agreed to.

Mr. McNARY. Mr. President, may I ask the Senator from Pennsylvania a question?

Mr. REED. Certainly.

Mr. McNARY. At the time his request was submitted my attention was distracted. Did his request have reference to the War Department appropriation bill?

Mr. REED. No; it is a small private bill. Mr. McNARY. Very well.

DISTRICT OF COLUMBIA APPROPRIATIONS

Mr. BINGHAM. Mr. President, I ask unanimous consent that the unfinished business may be temporarily laid aside and that the Senate proceed to the consideration of the District of Columbia appropriation bill.

The VICE PRESIDENT. Is there objection?

There being no objection, the Senate proceeded to consider the bill (H. R. 14643) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1934, and for other purposes, which had been reported from the Committee on Appropriations with amendments.

Mr. BINGHAM. Mr. President, I ask unanimous consent that the formal reading of the bill be dispensed with, that the bill be read for amendment, and that the committee amendments be first considered.

The VICE PRESIDENT. Without objection, it is so ordered.

MEDICINAL LIQUORS

Mr. COPELAND. Mr. President, a parliamentary inquiry. The VICE PRESIDENT. The Senator will state it.

Mr. COPELAND. Will the Chair tell me how I may bring up and get consideration of a bill relating to the prescribing of medicinal liquors? Can it be done by motion? I do not wish to displace the District of Columbia appropriation bill. Will the Chair please inform one who is ignorant of the particular procedure how he may get the bill before the Senate?

The VICE PRESIDENT. The only way is by unanimous consent or by motion, which would displace the appropria-

Mr. COPELAND. I ask unanimous consent that after the disposal of the District of Columbia appropriation bill and the bill of which the Senator from Oregon [Mr. McNary] is in charge, the Senate shall proceed to consider the bill (H. R. 14395) relating to the prescribing of medicinal liquors.

Mr. ASHURST. Mr. President, I rise to request order. There is so much confusion in the Chamber that it is impossible to hear what is going on.

The VICE PRESIDENT. The Senate will be in order. Will the Senator from New York repeat his request?

Mr. COPELAND. I ask unanimous consent that after the disposition of the District of Columbia appropriation bill and the bill of which the Senator from Oregon [Mr. Mc-NARY] is in charge, the Senate shall proceed to the consideration of the bill (H. R. 14395) relating to the prescribing of medicinal liquors. I ask that that bill may be made the order of business at that time.

The VICE PRESIDENT. Is there objection?

Mr. McNARY. Mr. President, there is so very much confusion in the Chamber I could not hear the Senator. What was his request?

The VICE PRESIDENT (rapping for order). The Senate will please be in order. The Senator from New York will restate his request.

Mr. COPELAND. I ask unanimous consent that after the disposition of the District of Columbia appropriation bill and the present unfinished business, the bill (H. R. 14395) relating to the prescribing of medicinal liquors may be made the order of business.

The VICE PRESIDENT. Is there objection?

Mr. ODDIE. After that is disposed of I ask that the gasoline tax bill be laid before the Senate.

The VICE PRESIDENT. We must dispose of one matter at a time. Is there objection to the request of the Senator from New York?

Mr. BROOKHART. I object.

Mr. COPELAND. Mr. President, a parliamentary inquiry. The VICE PRESIDENT. The Senator will state it.

Mr. COPELAND. The Senator from Iowa objected to the proposed unanimous-consent arrangement. Would it be in order to move that that arrangement be entered into?

The VICE PRESIDENT. It would take a two-thirds vote to make the bill a special order.

Mr. COPELAND. I am not sure that it would be wise to make such a motion at this time.

Mr. LONG. Mr. President, a parliamentary inquiry. The VICE PRESIDENT. The Senator will state it.

Mr. LONG. Would it not be possible by a majority vote to proceed to the consideration of the medicinal liquor bill now?

The VICE PRESIDENT. The Chair stated that it might be done by a majority vote, but that it would set aside and displace both the pending appropriation bill and the unfinished business.

Mr. BLAINE. Mr. President, may I appeal to the Senator from Iowa? The medicinal liquor bill is not a wet or dry proposition. It has been agreed to generally. It is agreed to by the Prohibition Bureau, by the Attorney General, by the Bureau of Internal Revenue, and I know of no opposition from any dry organization. If the Senator will read the report submitted to the House he will learn the reasons why it is important to have the bill passed. I hope the Senator will withdraw his objection.

Mr. BROOKHART. Mr. President, I have just taken some expert advice-medical advice, too-on the bill and I have had some experience in the courts on the medicalprescription stuff. I am not impressed by the statement of the Senator from Wisconsin, so I can not withdraw my objection.

Mr. LONG. Mr. President, may I be allowed to inform the Senator from Iowa that I believe it would help improve what we are getting in the District of Columbia at the present time and would not lessen the quantity.

Mr. BROOKHART. The Senator is more of an expert on that matter than I am. [Laughter.] I insist upon my objection.

The VICE PRESIDENT. Objection is made. The clerk will state the first amendment to the District of Columbia appropriation bill.

DISTRICT OF COLUMBIA APPROPRIATIONS

The Senate resumed the consideration of the bill (H. R. 14643) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1934, and for other purposes.

The Chief Clerk proceeded to read the bill.

The first amendment of the Committee on Appropriations was, on page 2, line 7, before the words "is appropriated," to strike out "\$6,500,000" and insert "\$9,500,000," so as to read:

Be it enacted, etc., That in order to defray the expenses of the District of Columbia for the fiscal year ending June 30, 1934, any (not including the proportionate share of the States in any revenue arising as the result of the expenditure of appropriations made for the fiscal year 1924 and prior fiscal years) now required by law to be credited to the District of Columbia and the United States in the same proportion that each contributed to the activity or source from whence such revenue was derived shall be gradited whall to the District of Columbia derived shall be credited wholly to the District of Columbia, and, in addition, \$9,500,000 is appropriated, out of any money in the Treasury not otherwise appropriated, to be advanced July 1, 1933, and all the remainder out of the combined revenues of the District of Columbia, namely.

The VICE PRESIDENT. The question is on agreeing to the amendment.

POSTPONEMENT OF MORTGAGE FORECLOSURES

Mr. BLAINE. Mr. President, I was anxious to obtain the floor on yesterday, but I did not want to interfere with the passage of the resolution which was then pending. It is not my purpose to discuss the amendment which has just been reported to the District of Columbia appropriation bill, and I hope I shall occupy only a very brief period of the time of the Senate.

On Monday, when the so-called bankruptcy bill was before the Senate, it had been my intention to offer an amendment thereto. The amendment which I had intended to offer had been printed. I did not know that the Senate would complete consideration of the so-called bankruptcy bill on Monday evening. However, it was necessary for me to leave the Chamber about 5 o'clock, and after that hour the bankruptcy bill was passed and thus I had no opportunity to offer the amendment which I had intended to offer.

I then had intended to offer it as an amendment to the so-called Hull-Walcott bill (S. 5639) providing for loans or advances by the Reconstruction Finance Corporation for the purpose of securing the postponement of the foreclosure of certain mortgages for a period of two years. I have been necessarily absent from the Chamber for a while, and I am just this minute informed that that bill was passed a few moments ago. There was no quorum call. I am very much interested in that bill. I therefore find myself in a position where I can not offer to that bill the amendment which I had intended to offer to the bankruptcy bill. Therefore, I am persuaded to move that the vote by which the Hull-Walcott bill was passed shall be reconsidered.

There were a number of Senators who were interested in the bill, but there was no quorum called. I understand that does not excuse a Member in any respect whatever, but in the confusion that exists here on the floor it is sometimes impossible to know what business the Senate is really transacting. I do not understand why there should be any urge for haste; at least there ought to be an opportunity to consider such important legislation. For that reason, I move that the vote by which the bill was passed be reconsidered.

The VICE PRESIDENT. The Chair will suggest that the motion should be entered now, the bill not being before the Senate at this time.

Mr. BLAINE. May I inquire where the bill is, Mr. President?

The VICE PRESIDENT. The Senator might move to proceed to the consideration of the motion to reconsider, but that would displace the pending appropriation bill, unless it were done by unanimous consent.

Mr. BLAINE. I should like to know whether the bill is in the Senate or where it may be, so that we may know what course to pursue.

The VICE PRESIDENT. The Chair is just informed that the bill is in the office of the Secretary of the Senate.

Mr. BORAH. Mr. President, may I suggest to the Senator from Wisconsin, if it will serve his purpose, that he simply enter the motion to reconsider and let us consider the proposition later. Would that be satisfactory to the Senator?

Mr. BLAINE. I ask unanimous consent that the vote by which the bill was passed may be reconsidered.

The VICE PRESIDENT. Is there objection to the request of the Senator from Wisconsin that the vote whereby the amendment was agreed to and the bill passed may be reconsidered?

Mr. ROBINSON of Arkansas. Mr. President, I gave notice yesterday and to-day that at the first possible opportunity the bill to which the Senator from Wisconsin refers would be brought before the Senate. I took the first opportunity to do that. An arrangement was entered into which made the bill satisfactory to those who have been heretofore opposing it. There are only two days of the session remaining. If any opportunity is to be afforded the House of Representatives to consider this bill, which is designed to stop for a period of two years foreclosures of farm mortgages, the bill must get to the House at a very early hour. I hope the Senator from Wisconsin will not insist upon reconsidering the vote by which the bill was passed. If he does so it may defeat all prospect for the legislation.

What is the amendment that the Senator wishes to propose? I understood him to say it had relationship to the bank-ruptcy act.

Mr. BLAINE. The amendment I have mentioned is the same as Senate bill 5640, a bill to liquidate, finance, and refinance agricultural indebtedness. It was particularly germane not only to the bankruptcy bill but also to the Hull-Walcott bill bearing upon the same subject, dealing with the same proposition. I want to say to the Senator from Arkansas that it is not my purpose to delay the passage of the Hull-Walcott bill. I am, indeed, unfortunate in this that I am not privileged to be on the Senate floor at all times, and while I do not offer that as an excuse, yet, Mr. President, it was understood here this morning that after the disposal of the Black resolution we would take up the bill, as I understand, that came over from the House of Representatives relating to some subsidy for ocean mail service by lighter-than-air craft, and that that bill would be temporarily laid aside for the consideration of the bill making appropriations for the District of Columbia. Resting upon that assumption, I was absent from the Chamber when the Hull-Walcott bill was called up, considered by unanimous consent, and disposed of.

Mr. President, as I understand, the bill has not been messaged to the other House. If I should enter a motion to reconsider, would that have the effect of retaining the bill in the possession of the Senate?

The VICE PRESIDENT. It would.

Mr. BLAINE. Mr. President, I am not anxious to retain that bill in the Senate for any great length of time; it is not my purpose to delay its consideration; but if I am forced into this situation, then, Mr. President, I shall enter the motion.

Mr. ROBINSON of Arkansas. Mr. President-

The VICE PRESIDENT. Does the Senator from Wisconsin yield to the Senator from Arkansas?

Mr. BLAINE. I yield.

Mr. ROBINSON of Arkansas. As I understand, the bill to which the Senator refers, which he seeks now to incorporate into the measure which recently passed the Senate relating to the suspension of farm-mortgage foreclosures, was referred to the Committee on Banking and Currency, and no action whatever was taken by that committee. It is apparent to me that to reopen this question and inject into it so large a proposition as is involved in the bill of the Senator from Wisconsin will result in the failure of all legislation relating to mortgage foreclosures. I should like very much, of course, to accede to the suggestion of the Senator from Wisconsin for reconsideration, but it occurs to me that the bill which he seeks to incorporate as an amendment to the measure already passed is one of very great importance.

The subject matter of this bill has been under consideration by the Banking and Currency Committee of the Senate for some weeks; the committee is continuing its hearings on the subject; it has made no report, and I am morally sure that if the question shall be reopened the only result of doing so will be to deprive the body at the other end of the Capitol of all opportunity to consider the proposed legislation for the suspension of farm-mortgage foreclosures as provided in the so-called Hull-Walcott bill.

I hope the Senator will treat his bill as an independent proposition and not insist upon attaching it as an amendment to the bill that has already passed, for to do that, as already stated, would make necessary reconsideration and probably provoke a prolonged discussion in the Senate. Only two days remain of the session, and that is little enough time; indeed, it is too little time for the body at the other end of the Capitol to act on the so-called Hull-Walcott bill. It is certain that to open this very large proposition, which is of very great importance, and which is incorporated, perhaps, in a half dozen measures before the Committee on Banking and Currency, will be to encompass the defeat of all such legislation. I hope the Senator from Wisconsin can see his way clear to treat his own bill independently.

Mr. BLAINE. I would be very happy to follow the suggestion of the Senator from Arkansas, but I have a deep

sense of responsibility respecting legislation for the aid of agriculture. In my humble opinion, the bill which I introduced, which was referred to the Committee on Banking and Currency, goes to the very root of the difficulties that confront agriculture, while all other bills that have passed the Congress or passed the Senate or passed the House of Representatives are largely in the nature of attempts to extend the time when debts will finally come due and must be paid, to create additional debtor classes, and to heap a greater burden upon agriculture even than it now bears.

I do not regard the bill to which I refer as one that needs a great deal of explanation. It is a very simple proposition. I undertake to adjust the present machinery of the Federal land-bank system to the plan which is outlined in the bill, and it seems to me, Mr. President, notwithstanding the fact that this bill is before the Committee on Banking and Currency, that it should be taken up and considered by the Senate.

I wish to recur to the so-called bankruptcy bill and to state that one section of that bill, as I recall, received no hearing whatever at the hands of any committee. I refer to the railroad section of the bill, which was not considered by the Judiciary Committee; in fact, as I understand, only one section of that bill was given consideration there; that was the individual-debtor section, and that received scarcely any consideration whatever by the Judiciary Committee, indeed, not more than 15 minutes being devoted to the consideration of that bill. Yet there was a persistent and insistent demand here that that legislation should be considered by the Senate.

The character of the bill to which I refer is of far more importance to agriculture than all the legislation, embracing some 30 bills, that has passed the Congress in very recent years. It ought to be given consideration.

Therefore, Mr. President, if we are to give the farmers of this country any hope whatever for the restoration of agriculture, it must be through some plan by which the capital structure will be reorganized and the entire system of financing agriculture will be reorganized. It is not going to be reorganized and saved through any system of advancements whereby additional debtor classes and additional agricultural obligations are created. There has not been a single bill passed by this Congress in the six years during which I have been here that has, in fact, reduced agricultural indebtedness one penny. The effect of every bill looking toward the financing of agriculture that has passed the Congress has been to increase agricultural indebtedness in this country, and to heap higher interest upon interest, compounded interest, and debts upon debts.

So, Mr. President, when this great industry faces the situation so familiar to all of us, I think the Senate of the United States can take a few hours in the consideration of a bill which goes to the proposition of an entire refinancing plan for agriculture in America.

Now, Mr. President, I desire briefly, for the information of the Senate, to outline the provisions of the bill.

Under section 2—I am speaking now of S. 5640, introduced by myself—the Federal Farm Loan Board is directed to liquidate, finance, and refinance all farm mortgages and farm indebtedness, and to extend credit to farmers eligible under the Federal farm loan act, which eligibility is set forth in paragraph 6 of section 12 of the Federal farm loan act.

Mr. President, a parliamentary inquiry. I assume that my motion to reconsider has been entered.

The PRESIDING OFFICER (Mr. Dickinson in the chair).

It has

Mr. CLARK. Mr. President, a parliamentary inquiry: As I understand, the Senator from Wisconsin has made a motion to reconsider, or given notice of an intention to make a motion.

The PRESIDING OFFICER. He has entered the motion. Mr. CLARK. Then he has made the motion?

The PRESIDING OFFICER. He has entered the motion.

Mr. CLARK. Then, Mr. President, if he has made the
motion to reconsider, a further parliamentary inquiry: Is

a motion to lay the motion to reconsider on the table now in order?

The PRESIDING OFFICER. It is.

Mr. CLARK. Then, Mr. President, I move to lay on the table the motion to reconsider.

Mr. BLAINE. Mr. President, I have not yielded the floor, and the Senator from Missouri has simply trespassed upon my good nature. I am not unwilling to yield for a question.

Mr. CLARK. But, Mr. President, as I understand the situation, the Senator from Wisconsin originally gave notice of a motion to reconsider, proceeded to address himself to the subject matter which he desired reconsidered, and now proceeds to enter the motion, at which time a motion to lay on the table should be in order.

Mr. JOHNSON. Mr. President, a parliamentary inquiry. The PRESIDING OFFICER. It is the understanding of the Chair that a motion to lay the motion to reconsider on the table is in order.

Mr. BLAINE. I have not made a motion.

Mr. JOHNSON. I make a parliamentary inquiry, Mr. President.

The PRESIDING OFFICER. The Senator will state it.

Mr. JOHNSON. If merely a motion to reconsider has been entered, how is it possible to move to lay it on the table before the motion is made?

Mr. CLARK. The Chair stated-

Mr. JOHNSON. I think the Chair is in error.

Mr. CLARK. That is what I was trying to find out. The Chair stated that the motion to reconsider had been entered, had been made. Therefore a motion to lay it on the table should be in order.

Mr. JOHNSON. My understanding of what the Senator from Wisconsin has done is simply to propose a motion to reconsider, and not to enter a motion or make a motion to reconsider at this time.

Mr. NORRIS. Mr. President, a parliamentary inquiry. The PRESIDING OFFICER. The Senator will state it.

Mr. NORRIS. Is it not necessary, in order to make a motion to lay on the table, that the Senator should have the floor when he makes it? Can he interject, without getting permission of the Senator who has the floor, and make that motion?

The PRESIDING OFFICER. The Senator from Nebraska is correct.

Mr. CLARK. But, Mr. President, the Senator from Wisconsin originally gave notice of an intention to make a motion to reconsider, and then interrupted his own speech to make the motion to reconsider, at which time a motion to lay on the table should be in order without obtaining the floor from the Senator from Wisconsin.

The PRESIDING OFFICER. In the opinion of the Chair, the Senator from Wisconsin did not yield the floor except for a parliamentary inquiry, which is always in order, but not for the purpose of making a motion to lay on the table. The Senator from Wisconsin still has the floor.

Mr. WALCOTT. Mr. President, a parliamentary inquiry: Do I understand that the motion for reconsideration has actually been declared adopted?

Mr. BINGHAM. Oh, no!

The PRESIDING OFFICER. No.

Mr. WALCOTT. Then it is merely before the Senate. It has merely been entered.

The PRESIDING OFFICER. Just entered.

Mr. BINGHAM. Mr. President, a point of order. I did not understand the Senator from Wisconsin to make any motion but to give notice of his intention to make the motion at some future time.

Mr. BLAINE. I entered the motion. The motion can be made later on and passed upon.

Mr. FESS. Mr. President, will the Senator yield?

Mr. BLAINE. I yield.

Mr. FESS. I think there was confusion at the desk. The Senator from Wisconsin has not made a motion to reconsider. He has simply announced that he entered the motion. The entering of the motion is not subject to tabling; and that was the confusion.

Senator from Wisconsin has not made his motion to reconsider-

Mr. FESS. He has not.

Mr. CLARK. I do not contend that I am entitled to make a motion to lay on the table. If he has made it, I submit that I am entitled to make a motion to lay on the table.

Mr. FESS. That is correct.

Mr. CLARK. That was the substance of my parliamentary inquiry to the Chair.

Mr. ROBINSON of Arkansas. Mr. President, I inquire of the Senator from Wisconsin whether he made a motion to reconsider.

Mr. BLAINE. I desired to enter a motion to reconsider. Mr. ROBINSON of Arkansas. The Senator merely gave notice that he would make a motion. That simplifies the

Mr. BARKLEY. Mr. President, a further parliamentary inquiry in order to clarify the situation. What is the technical difference between entering a motion and making a

The PRESIDING OFFICER. As the Chair understands. in practical effect there is no particular difference; but the Senator from Wisconsin has had the floor all the time, and has not yielded it for any purpose.

Mr. BARKLEY. He could not give notice of a motion and enter a motion and then make the motion, all with the same holding of the floor.

Mr. ROBINSON of Arkansas. He has not done that.

Mr. FESS. Mr. President, will the Senator yield to me? The PRESIDING OFFICER. Does the Senator from Wisconsin yield to the Senator from Ohio?

Mr. BLAINE. I do.

Mr. FESS. The difference is that entering the motion to reconsider suspends it, and it may not be called up after the adjournment of the Senate unless some one makes the

Mr. ROBINSON of Arkansas. Why, Mr. President, a Senator entering a motion to reconsider may make the motion within two days unless some other Senator gets the floor and makes it sooner. Any Senator has the right to make the motion, having voted in the affirmative, if he can get the floor.

Mr. FESS. Mr. President, there is some confusion. Anyone can make the motion to reconsider within two days; but if he enters it, then he can make it within a year afterwards if he wants to. That is why we enter the motion; and the entering of this motion can defeat this legislation entirely.

Mr. BARKLEY. The entering of a motion may postpone action indefinitely.

Mr. FESS. Certainly.

Mr. LONG. Mr. President-

The PRESIDING OFFICER. The Senator from Wisconsin has the floor.

Mr. BLAINE. As I understand the parlimentary situation, the bill is still in the Senate.

The PRESIDING OFFICER. That is correct.

Mr. BLAINE. Now, Mr. President, I will proceed with an explanation of Senate bill 5640, which I had intended to offer as an amendment to the Hull-Walcott bill.

While probably repeating, I point out that under section 2 the Federal Farm Loan Board is directed to liquidate, finance, and refinance all farm mortgages and farm indebtedness, and to extend credit to farmers eligible under the Federal farm loan act, which eligibility is set forth in paragraph 6 of section 12 of the Federal farm loan act, providing that loans shall be made to any person who is engaged or is about to engage in the cultivation of the farm proposed to be mortgaged, with not exceeding 3 per cent interest and 1 per cent on the principal per annum.

The maximum loan is fixed at \$15,000, but preference shall be given to applications for loans of \$5,000 and under. This limitation is necessary in order to prevent the financing of corporate farming and to discourage speculation in farm

Mr. CLARK. There is no dispute about that. If the | lands. The bill limits the financing to the farmer-owned and farmer-operated farm.

The facilities of the Federal land banks shall be used for the purpose of carrying out this act.

Under Section 3, the funds with which to carry out the refinancing of agriculture shall be provided by the issuing of farm-loan bonds by the Federal farm-loan system, through the Federal Farm Loan Board and the Federal land banks, the bonds to bear interest at the rate of not to exceed 3 per cent, and to be secured by first mortgages on farms. The Treasurer of the United States is authorized to invest the proceeds of the franchise tax received from the Federal reserve system, amounting now to about \$150,000,000, to support the par value of the bonds.

Under Section 4, if all the farm-loan bonds are not readily purchased, then the Federal land banks shall present the remainder to the Federal reserve banks, which shall forthwith issue and deliver to the Federal land banks Federal reserve bank notes, which are now provided for by the Federal reserve act. Federal-reserve-bank notes are of substantially the same character as Federal-reserve notes and other currency issued against securities and collateral. This provision does not introduce into our monetary system any different character of currency than is now possible under existing laws.

One-half of all payments of interest are to be placed in a sinking fund invested in municipal, State, or United States Government bonds, to assure the stability of the bonds and also as an assurance against defaults in the honds

The Federal Farm Loan Board is to continue as the governmental agency to supervise the Federal land banks.

By section 6 of the bill, a board of agriculture, consisting of four members from each land-bank district, to be elected by the farmers in a practical and democratic way, is created. Such board of agriculture will be the liaison officers between the farmers and the Federal Farm Loan Board and the Federal land banks, and will directly represent the farmer borrowers. That board will meet annually, and each member is paid a reasonable per diem with necessary traveling expenses while on official business.

Such board of agriculture will select an executive committee consisting of three as the immediate and direct representatives of the board of agriculture, and thus the representatives of the borrowing farmers, and they shall be paid a salary of \$7,500 a year and traveling expenses while on official business. The executive committee will conduct the general business in behalf of the board of agriculture and the borrowing farmers.

The details of the method of electing the board of agriculture and selecting the executive committee thereof are provided for in sections 7, 8, 9, and 10.

Sections 11, 12, and 13 specify in broad terms the powers and duties of the board of agriculture and the executive committee thereof. The trouble now respecting agricultural loans through any Federal agency is that bureaucratic organizations have been built up, without much regard for agricul-

The board of agriculture and the executive committee, being direct representatives of the borrowing farmers, will emphasize at all times the fact that agriculture is the foundation of our economic structure.

The executive committee of the board of agriculture is to counsel with and supervise the work of the liquidating, financing and refinancing of farm mortgages and farm indebtedness, and shall have power, in case of crop failure or other emergency, to extend the time payments due on loans from time to time for a period not exceeding three years, provided that the mortgagor pays the taxes and insurance premiums on the mortgaged property.

The bill is brief and readily understood. Practically all of the red tape under the Federal farm loan act is eliminated. There will be no stock issued by the Federal land banks, and the Federal land banks will be put in a position to liquidate and settle farm mortgages owned by them or by any other financial institution or by individuals, and thus

liquidation can proceed without severe shock to farmers who are now swamped with farm indebtedness.

For future farming, as to all future loans, the plan set up under this proposal will be a separate and distinct organization, using the facilities of the Federal Farm Loan Board, an existing governmental agency, as the administrative agency, in cooperation with the board of agriculture and the executive committee thereof, for long-term financing. All other Federal farm-loan agencies or undertakings will liquidate, through the usual processes, and will cease to function, without further or other legislation, except temporary emergency agencies. Such agencies always have existed and always will exist whenever there is an emergency that should be met. But as to long-term financing, all governmental agencies of every character will go out of business in the usual processes of liquidation.

I understand that the refinancing of farm mortgages will not exceed from a billion to two billion dollars a year, and as the Federal reserve bank notes are issued, such issue, in the course of banking practices, will gradually retire other currency issues, or the various currency issues will be interchangeable, to accommodate agriculture, commerce, and industry.

The plan is not designed as an inflationary measure. have endeavored to divorce the financing of farmers from all inflationary proposals. Inflationary proposals should be considered separate and aside from the proposals contained in the bill, as the refinancing of agriculture should not be caught in the jam of the controversy over inflationary measures.

I ask that the bill be printed in full in the RECORD at this place in my remarks.

The PRESIDING OFFICER. Is there objection?
There being no objection, the bill was ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That this act shall be known by the title "the farm loan act."

SEC. 2. The Federal Farm Loan Board is hereby authorized and directed to liquidate, finance, and refinance farm mortgages and other farm indebtedness now existing and to make loans and extend credit to farmers eligible under the Federal farm loan act, as amended, secured by first mortgages on farms, to an amount equal to 80 per cent of the fair value of such farms, including the land mortgaged and the value of insurable buildings and improve-ments thereon, through the facilities of the Federal farm-land banks and national farm-loan associations, and to make all neces-

banks and national farm-loan associations, and to make all necessary rules and regulations for the carrying out of the purposes of this act: Provided, however, That the amount of loans to any one borrower shall in no case exceed a maximum of \$15,000, nor shall any one loan be for a less sum than \$100, but preference shall be given to applications for loans of \$5,000 and under, such loans to be made at a rate not to exceed 3 per cent interest and 1 per cent principal per annum.

SEC. 3. The funds with which to carry out the provisions of section 2 hereof shall be provided by the issuing of farm-loan bonds by the Federal farm-loan system, through the Federal Farm Loan Board and Federal land banks, as now provided by law, which bonds shall bear interest at the rate of not to exceed 3 per cent per annum and be secured by first mortgages on farms. Such bonds, after delivery to the Federal Farm Loan Board, may by it be sold at par to any individual or corporation, or to any by it be sold at par to any individual or corporation, or to any State, National, or Federal reserve bank, domestic or foreign, or to the Treasurer of the United States. The Treasurer of the United States is authorized to invest the proceeds of the franchise tax received from the Federal reserve system to support the par value of the bonds issued pursuant to this act.

SEC. 4. In case all of said farm-loan bonds are not readily purchased the Federal land banks shall present the remainder to such Federal reserve bank or banks as the Federal Farm Loan Board and the Federal Reserve Board shall designate, and said reserve bank or banks shall forthwith issue and deliver to the aforesaid land banks Federal reserve bank notes, as now provided by law, to an amount equal to the par value of such bonds as are presented. Such farm-loan bonds are to be offered by Federal reserve banks and accepted by Federal reserve agents as the sole security for all Federal reserve bank notes issued under the provisions of this act: Provided, however, That bonds issued prior to the effective date of this act under the Federal farm loan act shall not participate in any of the funds, securities, or benefits provided for in this act.

SEC. 5. The Federal land banks shall turn over one-half of all payments of interest and principal on such farm-loan bonds, for which the Federal reserve banks issue Federal reserve bank notes, to the reserve banks holding such bonds, and shall be by them reinvested as a sinking fund in municipal or State bonds and in bonds of the United States Government, to meet defaults in such bonds and to assure against the depreciation of such bonds.

SEC. 6. There is hereby created a board of agriculture consisting of four members from each land-bank district, elected by sisting of four members from each land-bank district, elected by the farmers of such districts, who shall be elected biennially by delegates selected by a mass convention of at least 10 farmers in each county or parish within the United States, who are indebted and declare it to be their intention to take advantage of this act: Provided, however, That all elections held subsequent to the year 1933 shall be participated in solely by members of the national farm-loan associations, and that in the election of members of the board of agriculture each district delegate shall be eligible to cast as many votes as there are members in his national deligible to cast as many votes as there are members in his national farm-loan association, county, or parish convention.

SEC. 7. The district delegates so elected shall meet at the situs of their respective land banks and elect four members of the

of their respective land banks and elect four members of the board of agriculture, who shall hold their offices from the date of such election and for a period of two years from March 4 following, and who shall receive \$15 per diem and necessary traveling expenses and subsistence while on official business, to be paid by the United States Government.

SEC. 8. The Federal Farm Loan Board is hereby authorized and directed to give public notice, through the Federal land banks, to the farmers of each county or parish of the time and place of holding the first county or parish convention, which shall be held at the seat of government of each county or parish; and it shall at the same time give notice of the first convention of the district delegates, to be held in the city in which the land bank is located, notice of such convention to be given at an early date after the passage of this act. after the passage of this act.

SEC. 9. The farmers attending such county or parish convention and the district delegates attending such district convention shall organize and make such rules and regulations for their procedure as they deem necessary or convenient, and shall elect a president and a secretary and make arrangements for such other and future conventions as they may deem necessary, and they shall at all times cooperate and assist the board of agriculture, the Federal Farm Loan Board, the Federal land banks, and national farm-loan associations in carrying out the provisions of this act: Provided, That subsequent to the 1933 elections all national farm-loan associations shall succeed to the powers and duties heretofore conferred upon parish and county conventions.

SEC. 10. Immediately after their election the members of the board of agriculture, upon call of the Federal Farm Loan Board, shall meet at Washington, D. C., and organize by electing a chairman and a secretary, and they shall make such rules and regulations as they deem necessary and expedient in carrying out the purposes of this act. They shall elect an executive committee of three, none of whom shall be members of the board of agriculture, who shall hold their office at the will of said board, and who shall receive a salary of \$7.500 per annum, and necessary traveling expenses and subsistence while on official business, to be paid by the United States Government.

SEC. 11. The members of the board of agriculture shall report to the executive committee the progress of liquidating, financing, and refinancing farm mortgages and farm indebtedness in their respective districts.

SEC. 12. The executive committee of the board of agriculture shall counsel with and supervise the work of liquidating, financing, and refinancing farm mortgages and farm indebtedness by the Federal Farm Loan Board and the Federal Reserve Board. They shall report any member of the farm loan system or the Federal Reserve Board who neglects, hinders, or delays the carrying out of the provisions of this act to the President of the United

States, who may thereupon remove any such person.

SEC. 13. The executive committee of the board of agriculture shall have power in case of crop failures or other emergency to extend the time payments due on loans made under this act from time to time for a period not exceeding three years, provided that the mortgagor pays the taxes and insurance premiums on

the mortgaged property.

SEC. 14. The provisions of the Federal farm-loan system and the Federal reserve banking system shall apply as far as applicable in carrying out of the provisions of this act; and all laws or parts of laws in conflict herewith are for the purpose of this act repealed.

Sec. 15. There is hereby authorized to be appropriated a sum sufficient to carry out the provisions of this act.

Mr. BLAINE. Mr. President, this bill, as every Senator will appreciate, is germane to the Hull-Walcott bill. I shall analyze the Hull-Walcott bill. I do not recall the amendments which have been adopted, but they do not affect materially the bill as it was reported to the Senate.

What does the Hull bill do? It is to be administered through the Reconstruction Finance Corporation. The Reconstruction Finance Corporation is to make available half a billion dollars, that is, \$500,000,000, for what purpose? To lend to the farmer? No. To lend to the mortgagor? No. To whom is the loan to be made? Under the Hull-Walcott bill the loan is to be made to the creditor of the farmer, to be made to the mortgagee, and that mortgagee, I assume, may be a bank, an investment company, a life insurance company, any corporation or any individual. So the Hull-Walcott bill is not a measure to refinance agriculthat it is a bill to create another class of debtors.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. BLAINE. I yield.

Mr. BARKLEY. The Senator realizes, of course, that it has been the policy of Congress, in providing funds to be loaned by the Reconstruction Finance Corporation, to provide that they shall accept primary security in return for the loans. The farmers who are intended to be protected or relieved by this measure are those who already have first mortgages on their farms, and who have been unable to pay the interest or amortization or taxes for a period of 6 or 12 months, as the case may be.

Manifestly, where a farmer has already given, either to a land bank, or a joint-stock land bank, or to an insurance company, or to any other organization or to an individual, a first mortgage on his farm, he could not give another first mortgage, and the Government has never yet been willing or consented to accept second security for the money which it lends.

Therefore, in order to make this bill of any service whatsoever to delinquent farmers, it was necessary to make the loan to somebody who could give the Government equal security with that which they hold themselves, and only in cases where the lender to the farmer has paid the taxes, or taken care of the delinquent interest or amortization, can this money be loaned in lieu of the loan to the farmer, because he can not give to the Government a first mortgage on his property, somebody else holding a first mortgage from him. That is the reason why this bill provides that the money shall be loaned by the Reconstruction Finance Corporation to the mortgagee, because the mortgagor is not in a position to give the Government any security that is

Mr. BLAINE. Mr. President, I am well aware of the situation which the Senator describes, but I wonder whether the Senator from Kentucky can with his mind's eye get a picture of the farmer with a first mortgage on his farm who is in default in interest, principal, and taxes. Of what benefit is it going to be to that farmer to have additional advances made by the Government of the United States through this intermediary body? The Senator ought to know that the cost involved in the transaction is a cost that is going to be paid by the farmer, when the mortgagee consents to do what is prescribed. So it is an attempt simply to heap upon the farmer another burden.

Mr. BARKLEY. Mr. President, there would not only be no additional cost, but the farmer would get a material reduction in the interest which he would have to pay to the mortgagee, and he would get an assurance that there would be no foreclosure proceedings instituted for at least two years. In the present circumstances, when we are trying to pass some legislation to hold off foreclosures until Congress can pass a permanent law for refinancing farm mortgages, and get a rate of interest of 4 per cent, something to enable the farmer to feel safe for at least two years would certainly be of some benefit and some relief to the distressed farmers of this country.

Mr. BLAINE. Mr. President, the Senator from Kentucky has not in his mind's eye this farmer to whom I refer.

Mr. BARKLEY. Mr. President, I have had nothing else in my mind's eye for weeks. I know all about him. He exists in my State, no less than in Wisconsin, and in all the other parts of the country. The mail of all of us has been burdened with the pleas of the farmers, who are being put off their farms by foreclosure proceedings, to do something to relieve them; if we can not do something for permanent relief at this session, to do something temporarily, until we can pass a permanent act.

Mr. BLAINE. Mr. President, I still insist that the Senator has not this farmer in his mind's eye. He can ride along the beautiful paved highways of the State of Kentucky and see the farmsteads as he goes along, but I fear that the Senator from Kentucky has not been in very close communication with many farmers in the United States. I think that if the Senator had had some recent experience with

ture. There can be nothing else read out of the bill than | lending agencies, he would have found that neither the farmer nor the mortgagee could turn his hand without somebody taxing him for some charge and for some costs. Whatever the provisions of this bill may be, it will be found that in the end there will be necessity for abstracts, the examination of the abstracts, appraisals, expenditures of every class and character, and somebody will have to pay the bill; and in the past, with respect to all these projects, it has been Mr. Farmer who has paid the freight. What assurance is there that the farmer is protected against that burden by anything in this bill? There is none at all.

Of course, Farmer Jones always pays the freight. It is true that he would receive a reduction in interest on a small portion of debt. A loan might be made for default for more than six months in the payment of mortgage interest and principal due under the terms of the mortgage and delinquent taxes in arrears for more than 12 months, and during the 2-year period the rate of interest, is 4 per cent; but on the balance of the debt-that is, the greater portion of the debt-the old rate, compounded, per-

haps, will continue.

Mr. President, under the provisions of the Hull-Walcott bill, for two years there is a postponement of the defaulted interest and principal and taxes. After the 2-year period has gone by, what happens to the farmer? I again ask the Senator from Kentucky [Mr. Barkley] to place in his mind's eye the farmer. Two years have passed by. Not one dollar has the debt been reduced. In the meantime there has been an accumulation of taxes. The same old rate of interest, all the way from 5 to 8 per cent, on the balance of the principal, which constitutes the largest part of the farmer's indebtedness, is grinding on. For the 2-year period that interest on the balance of the principal is not discharged under the bill. Moreover, during the 2-year period, while the farmer is struggling along, 4 per cent interest is charged on a small portion of the indebtedness, but the interest upon the interest on the balance of the principal is piling higher and higher. At the end of two years what do we have?

We will assume a farmer's mortgage of \$10,000. We will assume that his default is \$1,000. The \$1,000 principal in default, and taxes and interest, bears 4 per cent interest. Then we have \$9,000 in addition to the \$1,000 in default, and interest upon that at the old rate. At the end of the first year of the 2-year period we have the interest upon the interest. We have the accumulation of taxes during the two years. At the end of the 2-year period we have all these accumulations of interest, taxes, interest upon the principal plus the defaulted interest, principal, and taxes, and the interest upon those items, heaped upon the farmer.

Can any Senator for one moment conscientiously suggest to a farmer in debt to the extent of \$10,000 that he is being offered a single item or penny of relief? I doubt if there is a Senator on the floor of the Chamber at this time who would have the courage-no, the dishonesty, if you pleaseto suggest to a farmer that he will receive any relief whatever so far as the actual financial condition of the farmer is concerned. It is preposterous. It is worse than preposterous. It is deception. How long are we going to continue thus to deceive the farmer?

Mr. FLETCHER. Mr. President-

The PRESIDING OFFICER. Does the Senator from Wisconsin yield to the Senator from Florida?

Mr. BLAINE. I yield.

Mr. FLETCHER. What the Senator is pointing out would depend altogether on the regulations of the Reconstruction Finance Corporation. There is nothing in the law that requires them to make these charges. The law does not require a reduction of the interest.

Mr. BLAINE. The original indebtedness still continues to bear the original rate of interest fixed in the bond or the note the farmer has given.

Mr. FLETCHER. Only the advances due to the Reconstruction Finance Corporation that take up the interest, installments, and taxes.

Mr. BLAINE. That is 4 per cent.

Mr. FLETCHER. Under the farm loan act the borrower has to pay 8 per cent.

Mr. BLAINE. Yes; he is getting a small reduction on the interest, taxes, and the installment unpaid, which is a very small portion of the total indebtedness. He is getting that reduction for two years, but point out to me what substantial relief that is to the farmer.

Mr. FLETCHER. It stops foreclosure for two years. No one can foreclose his mortgage.

Mr. BLAINE. Oh, it stops the foreclosure! Better that the foreclosure had proceeded than to chain that farmer to servitude of more debts for two years. Relief to agriculture? No. Mr. President, it is deception.

Mr. President, the proposal in the Hull-Walcott bill is a moratorium, but it is a moratorium in the true sense. It means financial death to agriculture and to the farmer who is driven to accept this type of deceptive legislation. Then Senators urge the necessity of the bill immediately going to the House, that it should not be delayed for a single moment, that it should not be considered for any length of time, that no amendments should be considered, but it should be driven through the Congress.

I submit if we would have an upturn in affairs in the next year or in the next two years, so that the farmer might receive cost of production plus a reasonable profit for the products of his farm, then indeed it might serve the farmer some to stay the possibility of foreclosure, even though such a harsh measure is applied. But when agriculture has a capital structure such as was builded during the war, such as was builded during the period of inflation, it is unfair to the present generation of farmers, it is a crime against the future generations of farmers, to tie the farmers and the future generations of farmers to a capital structure, the support of which will mean absolute and abject slavery for the farmers. The farmer's back is bent under the present load of debt. Under the scheme proposed by the Hull-Walcott bill his back will break under the added load of debt.

My objection to the bill to which I called attention, the additional charge to the farmer, can be dismissed. I simply pointed out the fact that some one is going to pay those charges. But that is not the material weakness of the bill. In fact I could waive that. My objection is that it is being represented to the farmer, and the farmer is being deceived into believing that we are extending him aid by creating another class of debtors and putting the farmer deeper in debt.

Mr. LONG. Mr. President-

The PRESIDING OFFICER. Does the Senator from Wisconsin yield to the Senator from Louisiana?

Mr. BLAINE. I yield.

Mr. LONG. I am not very well posted on the provisions of the bill, but I have understood that the bill would grant a two-year extension on mortgages and reduce the rate of interest. That is all I thought the bill did. I thought it allowed the farmers an extension of their mortgages for two years instead of foreclosing them now, and reduced the rate of interest from 8 per cent to 4 per cent. I would like to see a lot more done for the farmer, but it does that much, does it not?

Mr. BLAINE. Yes; but how much is that?

Mr. LONG. It is not enough.

Mr. BLAINE. It is nothing. It is worse than nothing.

Mr. LONG. Oh, I do not agree to that.

Mr. BLAINE. It is a moratorium, it is true, but it is financial death to the farmer. It means financial sacrifice to the farmer, binding him for two years to more debts.

Mr. LONG. Is it not better to give him two years than to close him out now?

Mr. BLAINE. A farmer who is going to be closed out in two years ought not be deceived. He ought to save, presently, something from the wreck. To deceive him for another two years is placing him under a system of involuntary servitude for that period

tary servitude for that period.

Mr. WALCOTT. Mr. President—

The PRESIDING OFFICER. Does the Senator from Wisconsin yield to the Senator from Connecticut?

Mr. BLAINE. I yield.

Mr. WALCOTT. The term "involuntary servitude," it seems to me, is pretty far-fetched. I shall take only a moment of the time of the Senator from Wisconsin, but he has just stated that it would be better for the farmers to have their farm mortgages foreclosed now than to be placed under the conditions of the bill. He now suggests that to have their mortgages extended for two years puts them in a condition of "involuntary servitude."

Mr. BLAINE. Let me interrupt the Senator. I do not want the Senator in my time to lead the Senate to believe that this bill does what he is now saying it will do. The Senator is evidently not very familiar with the bill that he prepared or assisted in preparing. The bill does not reduce the rate of interest on the mortgage debt. It simply reduces the interest on that part of the debt—that is, the delinquent taxes, the defaulted interest, and the default in installment payments—but the interest on the balance of the debt which constitutes the main portion of the principal indebtedness. The rate of interest, if it is 8 per cent, continues throughout those two years and the taxes and compounded interest mount higher and the total debt increases.

Mr. WALCOTT. Mr. President, that is perfectly correct. I do not claim that there is any reduction in the interest or the principal of the debt, and, in my own time, I shall explain it further, but I do claim that the bill, if enacted, will afford an enormous moral and mental relief to the thousands upon thousands of mortgagors who have had their mortgages foreclosed and those who are facing foreclosure; and I can show the enormous increase in the number of those mortgagors and the importance of bringing them quick temporary relief while we work out some permanent plan. This bill, I claim, will afford that relief.

Mr. BLAINE. Mr. President, the Senator when he first interrupted me, as I recall, said that when I used the language "involuntary servitude" I was using pretty strong language. There is no other or truer characterization of this measure than that it is "involuntary servitude" for two years for the farmer. His consent is not obtained but only the consent of the mortgagee. The mortgagor is led to believe he is getting something; a deception is being worked upon him; the farmer is being fooled. The Senator knows and I know that no farmer under this bill, should it become a law, is going to receive a single dollar by which he can discharge his indebtedness. Can there be any other result? I am not claiming the Senator is engaged in any personal deception; it is a legislative deception; and it is not the intent of course of any Senator personally to offer this as a deceptive piece of legislation; but nevertheless it is deceptive legislation; it is fooling the farmer, and I have undertaken to point out wherein it fools the farmer.

Mr. WALCOTT. Mr. President, will the Senator yield to me for a moment?

The PRESIDING OFFICER. Does the Senator from Wisconsin yield to the Senator from Connecticut?

Mr. BLAINE. I yield.

Mr. WALCOTT. It not only is not deception, but if the farmer does not wish to accept the offer which this bill would allow to be tendered him he does not have to do so. There is nothing forced on the farmer. It is a purely voluntary act on his part; and that offer, if he chooses to accept it, will bring him the relief that his farm and his home can not be taken away from him for two years while Congress is considering a more permanent measure. If that is deception, then I do not know the meaning of the word. That, to my mind, is a kindness, although it is not saving any dollars of his with the exception of foregoing a part of the interest which he has to pay to the mortgagee. The Senator from Wisconsin and I agree entirely on that. It is not expected to be charity, but it is offering him something that has real value for his mental and moral relief and for his actual financial relief, provided conditions get better in the next two years and the prices of his commodities pick up and allow him again to earn money.

Mr. BLAINE. Mr. President, I am quite sure the farmers of this country will be very happy; they will be delighted; indeed, they will be cheered when they learn from the lips of the Senator from Connecticut that this is to be a "moral

and a mental relief" to agriculture. Agriculture is not deficient either in mentality or morality; and the farmer does not need either the "moral relief" or the "mental relief" that these guardians of the farmer want to extend to him. God pity the farmer if he is to have this guardianship extended over his life and the life of his family even for the period of two years. I thought the cat would soon get out of the bag if we could have this bill considered for a reasonable time.

Mr. WHEELER. Mr. President-

The PRESIDING OFFICER. Does the Senator from Wisconsin yield to the Senator from Montana?

Mr. BLAINE. Yes; I yield.

Mr. WHEELER. All we have been giving the farmer in the last four years is moral and mental relief, is it not?

Mr. BLAINE. Yes, and that is what the farmer has been getting for a long time from business men and bankers who have wrecked the country and who have wrecked our economic structure. The farmer has been receiving gratuitous advice from those gentlemen, and now he is to receive the guardianship of other gentlemen in the Senate and in the House of Representatives.

Mr. President, I perhaps have used some very strong language, but I think it is justifiable. Oh, it is true that the farmer must sign up something, I presume, on the dotted line. He has got to acknowledge his poverty of course, he must go to the Reconstruction Finance Corporation and acknowledge his poverty. That is true. He will do that voluntarily, I presume; yes, he must execute and acknowledge a certificate setting out the facts as to his default in the payment of taxes; he must certify that he has not paid the interest; he must certify that he has not paid the installments which are due, and the mortgagee is thereupon to be paid such delinquent taxes in accordance with the terms of the mortgage.

So the farmer must come as a beggar on his knees and certify to his poverty, so that the mortgagee may be put in the debtor class as an intermediary between the Reconstruction Finance Corporation and the farmer, and then it is said that this is offering relief to agriculture. If I were at a crossroads or on the farm, my characterization of this legislation would be expressed in one word—bunk!

I think I know something about the farmers—at least the farmers in my State. It has been my privilege to live among the farmers during my lifetime and to have undertaken to serve agriculture of my State, as I understood it, not only in a personal way but also in an official way and also in a neighborly way; and I think I understand something about agriculture. I think I understand something about the mental operations of the farmers—the organized farmers and the unorganized farmers. During the 4 years-yes; during the last 12 years-of agitation I have yet to find a single communication from an individual farmer, either from my own State or any other State of the Union, ever suggesting that the Congress of the United States should undertake to perpetrate upon the farmers of this country the deception that is contained in the bill known as the Hull-Walcott bill. After the farmer has dragged himself through his poverty and made complete confession of that poverty before some notary public or some other official, after he has certified to his poverty and to his distress, then the mortgagee may obtain a loan from the Reconstruction Finance Corporation.

Now, let us take a few more views of the farmer; let us look at him back upon the farm. Perhaps the mortgagee was his predecessor upon that farm; perhaps the mortgagee was once a farmer who operated that farm and sold it to the mortgagor. Mr. President, it ought to be obvious to anyone that that neighbor, who himself perhaps has no other means of support than the interest upon that mortgage, who, perhaps, has retired and for the few more years he has to live upon this earth has a little income from this mortgage; certainly he can not be expected to join in the humiliation of the farmer and in effect in his involuntary servitude. Ah, Mr. President, if you so expect, you do not know the American farmer; you misjudge him.

It may be a bank that is the mortgagee. Will that bank take advantage of this ill-advised proposal? Scarcely. If that particular bank holds one or several mortgages, it is inconceivable that it is going to handle the individual cases. I am just analyzing what takes place back in the country among the farmers. No; the bank will go to the Reconstruction Finance Corporation and obtain a lump sum, or else it will not continue long in business in that agricultural community; at least it will not continue long to have the support of that agricultural community.

If it is an insurance company—a great life-insurance company, or a small life-insurance company, or any character of insurance company—is it conceived for one moment that that insurance company is going to ask these individual farmers to confess their property and certify to their distress? Certainly not. That is inconceivable.

Then I ask, Is it some financial institution, or a building and loan association? While I am speaking of the farmer now, what I have said can be applied as well to the home owner in so far as the bill authorizes him to confess his poverty and his distress. Can any Senator conceive of any financial institutions, building and loan associations, or other similar institutions, asking the individual home owner or the individual farmer to certify to his distress and his poverty? No.

Well, then, let me ask, what other creditor of the farmer or the home owner is going to go through this process? I can conceive of none. I can conceive of no mortgage creditor of the farmer who would ever consent to undertake this kind of a scheme for agricultural relief.

Mr. President, when the bill is analyzed, when it is subjected to consideration of its detailed operation in practical effect, I can come to no other conclusion than that it is a mere pretense, a sham, a deception, and unworthy of the time of Congress to consider its passage or approval.

Mr. President, we hear much complaint in these days about the Congress. I have heard in private conversation and I have heard on the floor of the Senate some strong intimations in severe criticism of the press gallery, of the newspapers of this country, because of their attitude toward the Congress and the criticisms that are made; but I want this afternoon frankly to advise the Senate and the United States that back upon the farms there is almost an entire lack of confidence, not only in the Congress but in government. That lack of confidence arises not through ill will toward democracy, not through ill will toward parties, not through ill will toward Members of the Congress—but that lack of confidence arises because of the repeated deceptions that have been imposed upon the farmers of this country by the Congress and by Presidents and by Cabinets.

I am not surprised that the farmers take the law into their own hands. I am not surprised that they resort to force to protect their homes and their firesides. I am not surprised that they go on strike. I am surprised that they have not gone further in protecting their homes and their firesides. When I suggest that even though their action may involve violence, it involves also a higher law, the right of self-preservation.

Mr. President, this sort of legislation for the farmer has been going on for quite a considerable time. As I said the other day, as I understand, there were some 30 measures, all bearing the robe and cloak of farm relief. To those measures we have added two more—one, the so-called debtors' provision; another, the Hull-Walcott bill; and I think, Mr. President, that I can no better serve the people of my country than to review the last two proposals of farm relief.

Mr. President, I have very inadequately described the Hull-Walcott bill. I have discussed it only from the standpoint of the farmer. It does more than harm to him; it is harmful to the country. It is harmful to the credit of the United States. During the last few months there have been attempts to raid the Treasury of the United States, through the Reconstruction Finance Corporation, and we find the credit of our Government sagging; we find its bonds

falling below par; and if this sort of thing continues for any length of time, the Government of the United States will find itself where it, too, will need to resort to insolvency proceedings. I am not going into that feature of the bill.

I shall take some time to poke a little fun at the so-called farm-relief debtor bill.

Mr. KING. Mr. President, does the Senator mean the Hull bill?

Mr. BLAINE. No; the bankruptcy bill for the relief of farmers. I want to point out these matters for this reason: I do not know whether it will receive general consideration by the press, but I want to emphasize that practically every piece of legislation that has been passed under the cloak of being in aid of agriculture to-day finds agriculture deeper and deeper in the mire of distress and debt. Why?

Mr. President, the larger portion of those measures can be characterized only as I have characterized the Hull-Walcott bill. From the standpoint of relief, they were merely bunk. The farmers of the country know that language, and appreciate the force of it, and have expressed it with a greater degree of force than I can express it.

Now, let us look at some more of this bunk—"Relieving the farmer"—"Moratorium"—"Saving his home from fore-closure"—"Saving his home from sheriff's sale." Let us see what some of the proposals are.

No one has pointed out how a single foreclosure is going to be prevented under the Hull-Walcott bill; and, if prevented, nothing has been brought to the attention of the Senate that persuades me that at the end of two years he will be any better off than he is to-day. My own conviction is, as I have pointed out, that the farmer will be in far greater distress, with more debts, more obligations, and a heavier burden to carry.

The Hull-Walcott bill is only one futile method of extending a moratorium to the farmer. I want to point out another scheme, the bankruptcy bill.

Section 77 of the bankruptcy bill provides that courts of bankruptcy are authorized, upon petition of at least 15 farmers within any county who certify that they intend to file petitions under that section, to appoint for such county one or more—now, note—one or more referees to be known as conciliation commissioners.

"Conciliation commissioners"—one or more in each county of the United States!

Well, I can envision what is going to happen. You know, we have a lot of farm leaders in this country. Many of them have been honest, sincere, and determined leaders, men who have not for one moment misled or betrayed their fellow farmers; but we get a new growth of farm leaders every once in a while nearly everywhere. It will be found under this bill that it will be that character of "savior" for the farmer who will be running around in the several counties of the United States with a petition to be signed by 15 farmers, and when he gets that petition signed he will file it with the court of bankruptcy; and immediately, he being the leader of the county, the one man interested in protecting the farmers of the county, he will be appointed conciliation commissioner as a matter of course, because he will have the indorsement of these 15 farmers.

This job is not to be laughed at in these days of unemployment. That is the method by which a conciliation commission is initiated. But, of course, the bill is very careful to provide that no individual shall be eligible to appointment as a conciliation commissioner unless he is eligible for appointment as a referee in addition, and, in addition, is a resident of the county, familiar with agricultural conditions, not engaged in the farm-mortgage business, or the business of financing farmers, or transactions in agricultural commodities, or the business of marketing or dealing in agricultural commodities. It is very careful to provide the qualifications for a conciliation commissioner. But I think the country can be assured that there will be enough gentlemen seeking the jobs who will be able to qualify for the jobs.

Now, what happens? We have the 15 farmers who are all going into this form of bankruptcy. It is said it is not bankruptcy, that this is a debtor section. I can conceive no distinction between an individual who undertakes to discharge his debts under this method and the individual who undertakes to discharge his debts under an ordinary bankruptcy proceeding or through an insolvency proceeding.

It does not make any difference by what name he is called, he is a man who can not pay his debts. He is to be pitied. But they did not want to stigmatize him as a bankrupt, so they call him a debtor. That is a great consolation to the man who is in debt and who is in poverty. It is a great satisfaction, I am sure, Mr. President, to be able to realize the distinction between yourself as a debtor who can not pay his debts and as a bankrupt. It is a fine distinction, but I presume these conciliation commissioners will be able to work out that distinction. I doubt whether the farmer will ever be able to detect it. He is too keen for that, he has too much common sense. He is not imbued with this everlasting overflow of "bunk," and he sees things as they are. He faces the sun as it rises. His eyes are clear, and his mind is honest.

Not only is a conciliation commissioner provided for but the court may appoint a supervising conciliation commissioner, and the importance of this Senators will be able to ascertain a little later in my discourse, or in the debate upon this question.

The supervising conciliation commissioner is to have such functions as the court may by order specify. There is to be a conciliation commissioner appointed, a supervising conciliation commissioner appointed, and now we will ascertain the process.

Upon the filing of any petition by a farmer or creditor under this section there shall be paid a fee of \$10 to the clerk of the court.

That is to go into the Treasury of the United States, I presume. But that is only one ten-dollar bill for each farmer. The conciliation commissioner under this bill will receive for his services, including his expenses, \$10 for each case docketed and submitted to him. That is to be paid out of the Treasury of the United States. Note that the conciliation commissioner will receive \$10 for each of these cases. But that is not all. The supervising conciliation commissioner will receive for his services a per diem allowance, to be fixed by the court, but not in excess of \$5 a day, together with sustenance and travel expenses in accordance with the law applicable to the Department of Justice.

That is, he will get his \$5 a day, he will receive his Pullman fare, his hotel bill, his taxicab fees, his porter charges, and all those other little white metal pieces which he may or may not pay out during his travel in and among the counties of the State. That is all to be paid out of the Treasury of the United States.

As I understand, under this bill there can be just as many supervising conciliation commissioners as the court desires to select. Let us see just what happens. There are 48 States in the Union. I do not know how many counties there are in the 48 States, but it must run into quite a considerable number—I would assume into the thousands. So we will have the conciliation commissioner for each county, a number of supervising conciliation commissioners, and those gentlemen are to supervise the farmer while the farmer is getting himself out of debt. I will point out how they proceed, how they supervise, the tremendous power they will have. I want to be absolutely accurate.

Note the provision, Mr. President, if the creditors at any time desire supervision over the farming operations of a farmer—this is enough to make a farmer scream—the cost of such supervision shall be borne by the creditors or the farmer. Think of an honest farmer out there in his field having these officials attached to him. While he plows the soil in the spring, and plants his seed, cultivates the corn and the cotton, and harvests the corn and the cotton, here is a supervising conciliation commissioner over here and a supervising conciliation commissioner over there getting \$5 a day and expenses for supervising the farmer.

exactly the absurdity of the law and not my characterization of it that makes it ridiculous.

Let us see what else there is:

But in no case shall the farmer pay more than one-half of the cost of this supervision.

That is real relief for the farmer. He is protected to the extent of one-half the cost of these supervisors. This is the bill which the Senate passed not very long ago-just a few days ago.

What can we expect the farmer to think of a Congress which writes into legislation—and I am speaking seriously now-that kind of "bunk"? I am not surprised that a legislative body falls into disrespect when it passes that character of legislation.

Mr. President, that is not all. There are many details of this bill which I can not take the time to discuss. Not being satisfied with bringing the farmer under this section, the exemption of the farmer under the individual-debtor section was taken out by amendment, so that he is brought under the two provisions. Therefore the farmer has three ways in which to go into bankruptcy: First, under the general bankruptcy act, under a voluntary proceeding; second, under the individual-debtor section; third, under the so-called farmerdebtor relief provision.

I am speaking now only of the last method by which he can go into bankruptcy. Unfortunately, however, the third method does not discharge him from his debts. That is the unfortunate situation, perhaps, a farmer may face. I shall confine my discussion to this one method.

The bill provides that not more than half of the cost of supervision shall be charged against the farmer. I do not know who drafted this bill, but very shortly after the provision splitting the costs 50-50 it seeks to protect him from all the charges in these conciliation-commissioner cases. That is a wise provision. He will get the supervision of the conciliation commissioner and the supervising conciliation commissioner without paying anything for it, unless he agrees to pay one-half of the cost; but the Government says he must not pay more than one-half of the cost for that supervision. That is very generous to him.

The Supreme Court of the United States, under this act, will have to take a course in agriculture. I can not see any escape from that.

This great court, on the bench of which, of course, there are no farmers, is to issue general orders to govern the administration of the office of conciliation commissioner. Here is a conciliation commissioner over in Posey County or some other county, and this great judicial organization must prescribe rules for the conduct of his office. Mr. President, a mere recital of the bill without any expression of opinion must convince anyone that its provisions are perfectly ludicrous, silly, ridiculous.

After five years, thanks to something or somebody, there will come an end to the conciliation commissioner and the supervising conciliation commissioner. By that time the law will have expired by its own terms unless another Congress renews or extends it. That is one redeeming feature about it. But let us examine briefly what may be done within those five years.

A petition may be filed by any farmer or by any creditor of such farmer. Do not worry about the farmer's part of it. He probably will not bother himself about this act excepting to obey the subpæna and order of the court. A petition may be filed by any creditor of a farmer stating that the farmer is insolvent—that is, bankrupt—and unable to meet his debts, and that it is desirable to effect a compromise or an extension of time to pay his debts. The purpose of the bill, I assume, is to bring about a composition of debts or to bring about an extension of the time within which to pay the debts. The first undertaking would be a laudable one, but does anyone think for a moment that the creditors of a farmer, who are usually the local merchants, the local implement dealers, perhaps the local doctor, possibly a note at the bank-those are about the only creditors the farmer has-does anyone assume that creditors of that character

Do you say that is ridiculous? It is ridiculous, but it is are going to compromise any more quickly or expeditiously under a conciliation commissioner than they would voluntarily? Common sense leads us to a conclusion with respect to that matter. The character of creditors of the farmer is such that they would compromise without having this tin-pan county conciliation commissioner intervening.

But that is the purpose exactly. We can come to the same conclusion respecting the extension of time for the payment of the farmer's debts. I am not complaining about that, but let us see what we have to go through. Let us see the processes through which the farmer must go before there is any possibility of composition or an extension of the terms for the payment of the debts.

He must answer. Then he must file an inventory of his estate. The bill enshrouds the farmer with a great deal of protection, saying that no attorney shall be necessary to appear in his behalf. When the farmer confronts this petition, when he must file a schedule and inventory, when he is subpensed to go to court to be examined, I dare say that he will never escape the necessity of consulting a lawyer. It is not what the bill says he may not require. It will be what the farmer in his own mind believes to be for his own best interests and protection.

Then he must file an inventory of his estate. I do not know why the drafters of the bill did not say his debts instead of an inventory of his estate. One would think he was a millionaire living up on the Hudson River in his grand estate. But he has to file an inventory of this country estate of his. Then he is marched off to court. He is subpænaed. In my own State he will be required in some cases to travel nearly 400 miles before he can get to court. The railroad fare is \$3.60 or \$3.80 for each and every hundred miles, and in addition he will have to pay his overnight hotel bills; but when he is commanded he must go to court and be examined.

The creditors, being somewhat suspicious of the farmer, then appoint a committee to submit to the conciliation commissioner a supplementary inventory of the farmer's estate. Why, Mr. President, the bill must have been drawn by somebody who lives on Fifth Avenue and practices law in the twenty-third story of a Wall Street office building, but whose knowledge of agriculture would seem to indicate that he might have obtained it when he visited a menagerie or the zoo, where he probably had seen a sacred ox. There is to be this inventory of the farmer's estate and a supplementary inventory of the farmer's estate. Then the proceedings are gone through, and the conciliation commissioner, who has general supervision, as I shall point out, fixes the time within which application for confirmation shall be made, and then various other proceedings follow.

Let me point out that after the filing of the petition and prior to the confirmation or any other disposition of the composition or extension proposal by the court, the court is empowered to "exercise such control over the property of the farmer as the court deems in the best interest of the farmer and his creditors." Read that to a farmer who is in debt. Just read that one sentence in the bill to a farmer who is burdened with debt and get his opinion of this character of legislation. The court is to exercise such control over the property of the farmer as the court deems to the best interest of the farmer and his creditors. Why, Mr. President, before I succeeded in having an amendment adopted to the bill providing for his exemptions and allowances, the bill as originally drafted, apparently drafted by some one who knows nothing about agriculture or agricultural conditions, would have placed under the control of the court every stitch of his clothing, every article of his personal property, and the homestead of the farmer as well.

Mr. President, the point I make respecting that is that those who drafted and initiated this legislation were not thinking about the farmer. The supervision by the court is not exclusive. I should qualify that. From the standpoint of the rule of law the court's control is exclusive, but the bill gives additional control or other control or supplemental control over the farmer's property to another official, and I shall now turn to that paragraph of the bill. I do not have the original draft of the bill before me so I are not give the reference, but I believe it is under subdivision or subsection (h).

It is not so under this proposed law. He is tied down to a servitude so long as his creditors may persuade the court that there is an opportunity for them to drain from him.

Under that paragraph the composition or extension proposal—

may also include specific undertakings by the debtor during the period of the extension, including provision for payments on account, and may provide—

This is the control feature-

for supervisory or other control by the conciliation commissioner over the farmers' affairs.

They are bound to get the farmer controlled; first, by the courts without his consent; second, by the conciliation commissioner with his consent; and, third—the control has not yet ceased; after this general control by the courts, and after this supervisory or other control; whatever that is nobody knows—there is to be "supervisory control and other control" over the farmers' affairs. Then, to tie this thing down, to nail it down, to clinch the nails, and be certain that the farmer would be under complete and absolute protection and guardianship, there is a provision in the bill giving blanket control to the court. I will read that paragraph. It is subdivision (n)—

The filing of a debtor's petition or answer seeking relief under this section shall—

Remember now that the filing of a petition for relief—that is, a petition by the creditor, a petition by the man to whom the farmer owes money—the filing of a petition by that man subjects the farmer—

and his property, wherever located, to the exclusive jurisdiction of the court.

Ah, they were certain to protect and aid the farmer!

Mr. President, the general bankruptcy law was a very carefully and intelligently drafted proposal. A great deal of time was taken in the drafting and consideration of that law. We do not find any such silly provisions in that law. A farmer may come under that law voluntarily if he so desires; but when the creditor of the farmer once files a petition under this proposed law, the farmer has no other course which he can follow, and no other proceeding which he may undertake. He is hog-tied by this proposed legislation which is going to become a law, as I understand, even as soon as this afternoon.

Mr. President, I presume I should have discussed this bill before it passed. I have no other excuse to make than that I was unable to be in the Chamber at that time for reasons that are well known to many of the Senators. I did not have the opportunity. So I do not regard it as unfair to the Senate, under the circumstances, to criticize this bill, as I think it justly deserves criticism.

So, Mr. President, under the original draft of this bill, without the amendment which I submitted and which was adopted, protecting the farmer as to his exemptions and allowances, the court would have had exclusive jurisdiction not only of the farmer but also of all his property. The filing of the petition pleading for relief under this section shall subject the farmer and his property wherever located to the exclusive jurisdiction of the court.

The farmer is to be subjected to these tender mercies. What does that provision mean in law? It is a double-barreled proposition. First, it subjects the farmer to the exclusive jurisdiction of the court, and that means the person of the farmer; that means the farmer's household; that means his wife; that means his children; that means his hired man; that means the help upon the farm—the control of the farmer. So it may be possible for the court, under that broad power, to put the farmer in servitude during the period for the consideration of the composition. That may be a year, it may be two years, it may be five years under this bill, and there would be no escape from it.

Under the present bankruptcy law the farmer may file his petition in a voluntary proceeding, select his exemptions, his personal property, his homestead, abandon all the rest of his property, and make himself free from the very moment that there has been an adjudication of bankruptcy.

It is not so under this proposed law. He is tied down to a servitude so long as his creditors may persuade the court that there is an opportunity for them to drain from him the last drop of blood, to extract from him the last ounce of energy, to take from him and his family every opportunity of freedom of choice. That is the legal effect of that provision.

Whether or not the Supreme Court of the United States would sustain it, I do not know; but our Supreme Court, as I recall, has said that under the broad power of enacting uniform bankruptcy laws the Congress might even provide death as a penalty for the violation of the law. This proposed legislation must be sustained, if it shall be sustained at all, upon the theory that Congress is legislating under the power to enact uniform laws on bankruptcy. exercising that power, and under the power conferred upon the court by subdivision (n), the court could command the farmer to stay upon his farm, to cultivate that farm, and do any act in connection with the conduct of that farm that might be prescribed by the court. The farmer's failure to obey would mean punishment for contempt, and that would mean a jail sentence. Yet that is the kind of a law, that is the kind of an act, that was proposed in the Senate and passed by the Senate.

What I have said has reference to the person of the farmer. The provision to which I have alluded, of course, would authorize a court in imposing involuntary servitude upon the farmer by way of punishment for the violation of an order of the court.

Do not mistake what may be done under this provision. The power is there, and the power once possessed by a court is usually exercised by a court. Make no mistake about that, either.

That is the person of the farmer; and, of course, that will go to his family so far as the farmer exercises control over his household. That means his children under 21 years of age. That means that those who are in his employment must obey, or they may be subjected to the penalty for disobedience.

Now, the control of his property: I will repeat the provision—

The filing of a petition pleading for relief under this section shall subject the farmer and his property, wherever located, to the exclusive jurisdiction of the court.

If the House does not strike out the amendment which I offered, and which was adopted here, protecting the farmer in his right to his exemptions and allowances, there is some protection left to the farmer. If the House should fail to concur in that amendment, Mr. President, then the legal effect of this provision is that every piece of property, personal and real, belonging to the farmer or belonging to his family, will be under the control of the court. There never has been, in the history of the United States, the enactment of legislation of this kind that has gone so far to jeopardize the personal rights and the property rights of any single class in this country as does this bill; and yet this bill is paraded as aid to agriculture, while denying to the farmer his elementary constitutional rights!

Then, Mr. President, the leader on the Democratic side pleads with me not to disturb the Hull-Walcott bill, to give it a chance to be passed in the House. Let us not consider legislation that is of particular relief to the farmer, that goes to the root of his problem, that will discharge his debts, that will permit him to unload that burden of debt, is in effect his plea.

Mr. President, it seems to me that the Senate and the Congress might better turn their attention to other things than these temporary measures. Oh, I understand that they are designed by Senators honestly. They believe that they will serve the public; but I think it has been demonstrated now for a year and more that every piece of emergency legislation that has been enacted has driven us deeper and deeper and wider into this depression.

We have proposed here a Reconstruction Finance Corporation that was to save the banks; and in this country to-day there are four or five States where the governors of

the States have closed the banks. There has arisen a condition where this Congress has authorized the Comptroller of the Currency, with the approval of the Secretary of the Treasury, to close every national bank in every State where the same power may be exercised by the State.

Mr. President, I need not review these failures; but these failures ought to be a warning to the Senate that we can not continue this kind of legislation without destroying the confidence of the people in their Government and eventually destroying this Government. Let me frankly say, Mr. President, that a government that can not respond to the demands of our people to save them, their homes, and their property is not worth preserving. If that be treason, make the most of it.

Then, Mr. President, notwithstanding that, great party leaders will plead here that we should not reconsider the bill to which I directed my attention at the beginning of this debate.

Mr. President, it has not been my purpose during this session of the Congress to delay the Congress in any respect. I think the Members on both sides will concur in the statement that so far as I have been able personally to facilitate the carrying on of the business of the Senate, I have made every effort to expedite action in the Senate. I do not intend at this late hour to delay action upon any proposition; but I felt that I owed a duty to the men and women upon the farms, among whom I have lived a lifetime, whom I love, whom I respect. That duty that I owed to them was to challenge the Senate of the United States and the Congress of the United States in their onward rush of deceiving the farmers of my country.

So, Mr. President, if I may be able to obtain a favorable vote when I make the motion to reconsider the Hull-Walcott bill, I shall offer as an amendment bill S. 5640, not a bill designed to postpone any debt, not a bill to create a new class of debtors, not a bill to heap interest upon interest, and defaults upon defaults, and compounded interest thereon, but a bill designed to reconstruct the capital structure of agriculture and to advance funds at a rate of interest that agriculture can pay.

I have reviewed very briefly the provisions of the bill which I shall offer as an amendment. I do not care to prolong the debate further, as it will be but a few moments when I shall be required to leave the Chamber again for the evening. So. Mr. President, I trust that we may proceed with the regular order, and perhaps to-morrow morning we can take up the question of a reconsideration of the Hull-Walcott bill, and then a consideration of the amendment which I shall propose.

Mr. CLARK. Mr. President, a parliamentary inquiry. The VICE PRESIDENT. The Senator will state it.

Mr. CLARK. Has the Senator from Wisconsin made his motion to reconsider?

The VICE PRESIDENT. The Chair understands that the Senator has simply given notice that he will file a motion to reconsider.

Mr. CLARK. Then, Mr. President, I move to reconsider the vote by which the Hull-Walcott bill was passed.

Mr. ROBINSON of Arkansas. Mr. President, I move to lay that motion on the table.

Mr. BLAINE. Mr. President-

The VICE PRESIDENT. The motion is not debatable.

Mr. BLAINE. I desire to make an inquiry of the Senator from Arkansas. Does the Senator from Arkansas assume that that parliamentary procedure is going to expedite the business of the Senate during the balance of the session?

Mr. President, I understand that the motion is not debatable. I will make my comment afterward.

The VICE PRESIDENT. The question is on the motion of the Senator from Arkansas to lay on the table the motion of the Senator from Missouri.

The motion to lay on the table was agreed to.

Mr. BLAINE. Mr. President, in view of the extraordinary haste and the very unusual attitude that has been exhibited on the floor of the Senate this afternoon, I desire to serve

notice that from now on, as long as I can be present in the Senate Chamber, no other Senator shall be denied the opportunity to which in good conscience he is entitled.

DISTRICT OF COLUMBIA APPROPRIATIONS

The Senate resumed the consideration of the bill (H. R. 14643) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1934, and for other purposes.

The VICE PRESIDENT. The question is on the amendment of the committee on page 2, which has already been

stated.

Mr. KING. I ask to have the amendment restated.

The VICE PRESIDENT. The amendment will be restated.

The CHIEF CLERK. On page 2, line 6, after the word "addition," it is proposed to strike out "\$6,500,000" and insert "\$9,500,000," so as to make the paragraph read:

That in order to defray the expenses of the District of Columbia for the fiscal year ending June 30, 1934, any revenue (not including the proportionate share of the United States in any revenue arising as the result of the expenditure of appropriations made for the fiscal year 1924 and prior fiscal years) now required by law to be credited to the District of Columbia and the United States in the same proportion that each contributed to the activity or source from whence such revenue was derived shall be credited wholly to the District of Columbia, and, in addition, \$9,500,000 is appropriated, out of any money in the Treasury not otherwise appropriated, to be advanced July 1, 1933, and all the remainder out of the combined revenues of the District of Columbia, namely:

Mr. KING. Mr. President, I do not intend to consume more than a minute.

I am very much opposed to this amendment, increasing the Federal appropriation for the District of Columbia from \$6,500,000 to \$9,500,000. I think that the District of Columbia, which is in better financial condition than any other part of the United States, with lower taxes than any other section of the United States, ought not to impose upon the Federal Government and upon the taxpayers of the United States this additional burden.

The appropriation carried in the bill as it came from the House I regard as liberal and entirely just and adequate; and I am opposed to taxing the people of the United States further in order to relieve the people of the District of Columbia from taxation.

The VICE PRESIDENT. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The reading of the bill was resumed.

The next amendment of the Committee on Appropriations was under the heading "General expenses, Executive Office," on page 3, line 18, after the word "services," to strike out "\$105,520" and insert "\$134,070," so as to read:

Building inspection division: For personal services, \$134,070;

The amendment was agreed to.

The next amendment was, on page 3, line 20, after the word "services," to strike out "\$35,600" and insert "\$36,920," and in line 21, after the words "in all," to strike out "\$35,900" and insert "\$37,220," so as to read:

Plumbing inspection division: For personal services. \$36,920; two members of plumbing board, at \$150 each; in all, \$37,220.

The amendment was agreed to.

The next amendment was, under the subhead "Care of District Building," on page 4, line 3, after the word "labor," to strike out "\$76,860" and insert "\$79,710," and in line 4, after the words "in all," to strike out "\$91,860" and insert "\$94,710," so as to read:

For personal services, including temporary labor, \$79.710; service of cleaners as necessary, not to exceed 48 cents per hour, \$15,000; in all \$94.710:

The amendment was agreed to.

The next amendment was, under the subhead "Office of superintendent of weights, measures, and markets," on page 5, line 17, to increase the appropriation for maintenance and repairs to markets from \$7,000 to \$7,300.

The amendment was agreed to.

The next amendment was, under the subhead "Municipal architect's office," on page 6, line 2, after the word "services," to strike out "\$60,700" and insert "\$66,000, including not to exceed \$1,500 for employment of engineering or other professional services, by contract or otherwise, and without reference to section 3709 of the Revised Statutes (U. S. C., title 41, sec. 5) or the classification act of 1923, as amended," so as to read:

For personal services, \$66,000, including not to exceed \$1,500 for employment of engineering or other professional services, by contract or otherwise, and without reference to section 3709 of the Revised Statutes (U. S. C., title 41, sec. 5) or the classification act of 1923, as amended.

Mr. KING. Mr. President, I desire to register my disapproval of this amendment. I see no reason for augmenting the very liberal appropriation carried in the measure as it came from the House. No explanation has been given to justify this increased appropriation.

The VICE PRESIDENT. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The next amendment was, under the subhead "Public Utilities Commission," on page 6, line 17, after the word "services," to strike out "\$37,565" and insert "\$89,400," so as to read:

For two commissioners, people's counsel, and for other personal services, \$89,400, of which amount not to exceed \$5,000 may be used for the employment of expert services by contract or otherwise and without reference to the classification act of 1923, as amended.

Mr. CAPPER. Mr. President, on page 6, I move to strike out, on line 17, "\$89,400" and insert in lieu thereof "\$92,837."

Then on the same page, line 20, after the words "as amended," I move to strike out the period and insert a comma and the words "and of which amount not to exceed \$688 shall be immediately available."

This would provide for obtaining additional information on housing in the District of Columbia.

The PRESIDING OFFICER. The clerk will state the amendment.

The CHIEF CLERK. On page 6, line 17, to strike out "\$89,400" and insert "\$92,837," and on line 20 to strike out the period and insert a comma and the words "and of which amount not to exceed \$688 shall be immediately available," so as to read:

PUBLIC UTILITIES COMMISSION

For two commissioners, people's counsel, and for other personal services, \$92,837, of which amount not to exceed \$5,000 may be used for the employment of expert services by contract or otherwise and without reference to the classification act of 1923, as amended, and of which amount not to exceed \$688 shall be immediately available.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The next amendment was, on page 6, after line 23, to strike out—

No part of the appropriations contained in this act shall be used for or in connection with the preparation, issuance, publication, or enforcement of any regulation or order of the Public Utilities Commission requiring the installation of meters in taxicabs: Provided, That this prohibition shall not be construed to affect any order or part of an order of such Public Utilities Commission other than with respect to the requirement of the installation of such meters.

And in lieu thereof to insert:

No part of the appropriations contained in this act shall be used for or in connection with the preparation, issuance, publication, or enforcement of any regulation or order of the Public Utilities Commission requiring the installation of meters in taxicabs if the initial rate exceeds 25 cents for the first 2 miles, or portion thereof, and 10 cents a mile thereafter: Provided, That this prohibition shall not be construed to affect any order or part of an order of such Public Utilities Commission other than with respect to the requirement of the installation of such meters.

Mr. KING. Mr. President, I ask the Senate to amend the committee amendment by striking out, on page 7, lines 7 to 16.

The amendment to the amendment was rejected.

The amendment was agreed to.

The next amendment was, under the subhead "Department of vehicles and traffic," on page 9, line 2, to increase the appropriation for personal services from \$68,320 to \$73,780.

The amendment was agreed to.

The next amendment was, on page 9, line 7, after the word "commissioners," to strike out "\$63,200" and insert "\$77,640," so as to read:

For purchase, installation, and modification of electric traffic lights, signals and controls, markers, painting white lines, labor, maintenance of nonpassenger-carrying motor vehicles and such other expenses as may be necessary in the judgment of the commissioners, \$77,640:

The amendment was agreed to.

The next amendment was, under the subhead "Register of wills," on page 10, line 14, to increase the appropriation for personal services in the office of register of wills from \$60,000 to \$68,490.

Mr. KING. Mr. President, is there any reason for increasing the appropriation for the Register of Wills?

Mr. BINGHAM. Mr. President, several representatives of the bar association of the District of Columbia, and various other associations of lawyers of the District, appeared before us and urged that this amendment be made. The office is self-supporting, and in order to maintain the office as an efficient organization, it will be necessary to have this increase.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

The next amendment was, on page 10, line 21, after the word "periodicals," to strike out "\$8,000" and insert "\$10,000," so as to read:

For miscellaneous and contingent expenses, telephone bills, printing, typewriters, photostat paper and supplies, including laboratory coats and photographic developing room equipment, towels, towel service, window washing, street-car tokens, furniture and equipment and repairs thereto, and purchase of books of reference, law books, and periodicals, \$10,000.

The amendment was agreed to.

The next amendment was, under the subhead "Recorder of deeds," on page 10, line 23, after the word "services," to strike out "\$48,585, including recopying or photostating old land records of the District of Columbia," and insert "\$97,170, of which \$6,000 shall be available only for recopying old land records of the District of Columbia," so as to read:

For personal services, \$97,170, of which \$6,000 shall be available only for recopying old land records of the District of Columbia.

Mr. KING. Mr. President, is there any justification for doubling the appropriation for the recorder of deeds?

Mr. BINGHAM. Mr. President, for some reason unknown to us the House cut the appropriation recommended by the Budget in half, and at the earnest request of the Democratic members of the Committee on Appropriations the appropriation was put back at the figures recommended by the Budget.

Mr. KING. May I ask the Senator what the appropriation for this office last year was?

Mr. BINGHAM. The appropriation for last year was \$97,170, with the legislative furlough taken out, and the Budget recommended the same amount this year.

The Senator may remember that I spoke to him about the necessity of getting through Congress legislation permitting the recorder of deeds to charge proper fees, so that the office would be self-supporting. In the opinion of the committee, there is no necessity for this office being a burden on the taxpayers, since the services rendered should be paid for. I think the Senator agreed with me, and agreed that as soon as possible in the new Congress legislation would be suggested providing for fees in this office which would make it self-supporting. If the provision inserted in the bill in the House were left in it, the recorder of deeds would have to discharge half the clerks in that office.

Mr. KING. I agree with the Senator that there is no defense for imposing upon the taxpayers the cost of main-

taining this office. Those who have deeds and other legal instruments recorded ought to be compelled to pay for the recording, and I assumed that had been the case. I shall not object, in view of the fact that legislation will be necessary in order to compel the establishment of the fee system for recording deeds and other legal instruments.

Mr. TRAMMELL. Mr. President, may I ask whether or not any fees are charged at the present time in this office?

Mr. BINGHAM. Fees are charged, but they are very in-

adequate, less than in any other city.

Mr. TRAMMELL. The suggestion of fees always provokes a question of doubt in my mind. I have seldom known of the instance of a city or county-and I presume the same thing is true in the District of Columbia-where the fees, instead of not being adequate, as a rule are not excessive. It is possible they charge about all the fees they can charge, and all the freight the traffic will bear at present, and that is the reason why they do not increase the fees. I always look with a good deal of suspicion on the idea of increasing fees.

Do the fees from this office go into the Treasury or go to

some officer?

Mr. BINGHAM. The fees are covered into the Treasury. Mr. TRAMMELL. They are all covered into the

Mr. BINGHAM. Yes. But the fees at present are only 50 cents for the first 200 words. Even in the small village in which I live in Connecticut the fee for recording a small deed is 75 cents, where there is very little to be done; but in the District of Columbia the fee is only 50 cents for the first 200 words, and only 15 cents for each additional hundred words. The Senator will realize that is not an adequate charge; and the bill proposed, which I trust may some day be passed, would provide for a fee of \$1 for the first 200 words.

Mr. TRAMMELL. Probably the existing fees are a little low. I know, however, that in localities not nearly so large and extensive in population and in transfers of property and litigation as the District of Columbia, the fees in total amount are enormous, but the rate is not very much above that charged here. I do not imagine the rate would be very much above what it is to maintain the office without calling on the Government to supplement the funds, as is the case at the present time. I think the office ought to be self-sustaining, but I do not believe there is any justification for any very great increase in the fees.

The VICE PRESIDENT. The question is on agreeing to the amendment.

The amendment was agreed to.

The next amendment was, on page 11, line 11, after the word "expenses," to strike out "\$10,000" and insert "\$12,000," so as to read:

For miscellaneous and contingent expenses, including telephone service, printing, binding, rebinding, repairing, and preservation of records; typewriters, towels, towel service, furniture and equipment and repairs thereto; books of reference, law books and periodicals, street-car tokens, postage, not exceeding \$100 for rest room for sick and injured employees and the equipment of and medical supplies for said rest room, and all other necessary incidental expenses, \$12,000.

The amendment was agreed to.

The next amendment was, under the heading "Contingent and miscellaneous expenses," on page 11, line 19, after the word "exceed," to strike out "\$2,000" and insert "\$3,000," and on page 12, line 3, after the word "officer," to strike out "\$27,000" and insert "\$31,000," so as to read:

For checks, books, law books, books of reference, periodicals, newspapers, stationery; surveying instruments and implements; drawing materials; binding, rebinding, repairing, and preservation of records; ice; repairs to pound and vehicles, not to exceed \$500; traveling expenses not to exceed \$3,000, including payment of dues and traveling expenses in attending conventions when authorized the Commissioners of the District of Columbia; expenses by the Commissioners of the District of Columbia; expenses authorized by law in connection with the removal of dangerous or unsafe and insanitary buildings, including payment of a fee of \$6 per diem to each member of board of survey, other than the inspector of buildings, while actually employed on surveys of dangerous or unsafe buildings; and other general necessary expenses of District offices; \$31,000.

The amendment was agreed to.

The next amendment was, on page 12, line 10, after the name "District of Columbia," to strike out "\$55,875" and insert "\$65,000," so as to read:

For printing and binding, including the printing of the report on the power needs of the District of Columbia, \$65,000.

The amendment was agreed to.

The next amendment was, on page 13, line 16, after the word "ambulances," to insert "and except as otherwise specifically authorized in this act," so as to make the proviso

Provided, That no passenger-carrying automobile, except busses, patrol wagons, and ambulances, and except as otherwise specifically authorized in this act, shall be acquired under any provision of this act, by purchase or exchange at a cost, including the value of a vehicle exchanged, exceeding \$650. No motor vehicles shall be transferred from the police or fire departments to any other branch of the government of the District of Columbia.

The amendment was agreed to:

The next amendment was, under the subhead "Employment service," on page 16, line 6, after the name "District of Columbia," to strike out "\$10,207" and insert "\$10,950," so as to read:

For personal services and miscellaneous and contingent expenses required for maintaining a public employment service for the District of Columbia, \$10,950.

The amendment was agreed to.

The next amendment was, under the heading "Street and road improvement and repair," on page 17, line 7, after the word "services," to strike out "\$176,990" and insert \$189,680," so as to read:

Salaries, highways department: For personal services, \$189,680.

The amendment was agreed to.

The next amendment was, on page 17, line 16, after the word "vehicles," to strike out "\$199,030" and insert "\$224,030," so as to read:

For assessment and permit work, paving of roadways under the permit system, and construction and repair of sidewalks and curbs around public reservations and municipal and United States buildings, including purchase or condemnation of streets, roads, and alleys, and of areas less than 250 square feet at the intersection of streets, avenues, or roads in the District of Columbia, to be selected by the commissioners, and including maintenance of nonpassenger-carrying motor vehicles, \$224,030.

The amendment was agreed to.

The next amendment was, under the subhead "Gasoline tax, road and street improvements and repairs," on page 19, after line 4, to insert:

Northwest: Oliver Street, Broad Branch Road to Nevada Avenue,

The amendment was agreed to.

The next amendment was, on page 19, after line 6, to

Northwest: Nevada Avenue, Nebraska Avenue to Thirty-sixth Street, \$7,200.

The amendment was agreed to.

The next amendment was, on page 19, after line 8, to

Northwest: Forty-sixth Street, Fessenden Street to Davenport Street, \$10,350.

The amendment was agreed to.

The next amendment was, on page 19, after line 10, to insert:

Northwest: Davenport Street, Forty-sixth Street to Fortyseventh Street, \$6,400.

The amendment was agreed to.

The next amendment was, on page 19, after line 12, to

Northwest: Elliott Street, Forty-sixth Street to Forty-seventh Street, \$6,400.

The amendment was agreed to.

The next amendment was, on page 19, after line 14, to

Northwest: Forty-ninth Street, Albemarle Street to Chesapeake Street, \$12,750.

The amendment was agreed to.

The next amendment was, on page 19, after line 16, to insert:

Northwest: Forty-ninth Street, Massachusetts Avenue to Albemarle Street, \$8,000.

The amendment was agreed to.

The next amendment was, on page 19, after line 18, to insert:

Northwest: Walbridge Place, Park Road to Adams Mill Road, \$6,900.

The amendment was agreed to.

The next amendment was, on page 19, after line 20, to insert:

Northwest: Twelfth Street, Rittenhouse Street to Sheridan Street, \$5,800.

The amendment was agreed to.

The next amendment was, on page 19, after line 22, to insert:

Northwest: Twenty-sixth Street, Virginia Avenue to New Hampshire Avenue, \$9,800.

The amendment was agreed to.

The next amendment was, at the top of page 20, to insert:

Northwest: Sixteenth Street, Columbia Road to Tiger Bridge, \$105,000.

Mr. KING. Mr. President, I ask the Senate to reject this amendment.

The amendment was rejected.

The next amendment was, on page 20, after line 2, to insert:

Northwest: Rittenhouse Street, Georgia Avenue to Twelfth Street, \$3,000.

The amendment was agreed to.

The next amendment was, on page 20, after line 4, to insert:

Southeast: Park Place, Twenty-fifth Street to approximately 300 feet east, \$2,800.

The amendment was agreed to.

The next amendment was, on page 20, after line 6, to insert:

Southeast: Palmer Place, Twenty-fifth Street to approximately 350 feet east, \$3,200.

The amendment was agreed to.

The next amendment was, on page 20, after line 8, to insert:

Northeast: Twenty-third Place, E Street to approximately 300 feet south, \$3,500.

The amendment was agreed to.

The next amendment was, on page 20, after line 10, to insert:

Northeast: E Street, Twenty-third Place to alley east of Twenty-fourth Street, \$5,200.

The amendment was agreed to.

The next amendment was, on page 20, after line 12, to insert:

Northwest: Seventh Street, Nicholson Street to Oglethorpe Street, \$2,900.

The amendment was agreed to.

The next amendment was, on page 20, after line 14, to insert:

Northwest: Nicholson Street, Sixth Street to Seventh Street, \$4,000;

The amendment was agreed to.

The next amendment was, on page 20, after line 16, to insert:

Northwest: Longfellow Street, Second Street to Third Street, \$8,100;

The amendment was agreed to.

The next amendment was, on page 20, after line 18, to insert:

Northwest: Tuckerman Street, Second Place to Third Street, \$3.500:

The amendment was agreed to.

The next amendment was, on page 20, after line 20, to insert:

Northwest: Tuckerman Street, Eighth Street to Ninth Street, \$5,200:

The amendment was agreed to.

The next amendment was, on page 20, after line 22, to insert:

Northwest: Dahlia Street, Georgia Avenue to Ninth Street, \$2,900;

The amendment was agreed to.

The next amendment was, at the top of page 21, to insert:

Northwest: Eighth Street, Aspen Street to Butternut Street, \$4,600;

The amendment was agreed to.

The next amendment was, on page 21, after line 2, to insert:

Northwest: Ninth Street, Aspen Street to Butternut Street, \$4,600;

The amendment was agreed to.

The next amendment was, on page 21, after line 4, to

Northeast: Randolph Street, Bladensburg Road to Twenty-fourth Street, \$11,500;

The amendment was agreed to.

The next amendment was, on page 21, after line 6, to insert:

Southeast: First Street, N to O Streets, \$8,000;

The amendment was agreed to.

The next amendment was, on page 21, after line 7, to insert:

Southeast: O Street, First Street to Second Street, \$8,000.

The amendment was agreed to.

The next amendment was, on page 21, after line 9, to insert:

Southeast: Second Street, N Street to O Street, \$8,000.

The amendment was agreed to.

The next amendment was, on page 21, after line 10, to

Northwest: Reservoir Road, Foxhall Road to Conduit Road,

The amendment was agreed to.

The next amendment was, on page 21, after line 12, to insert:

Northwest: Thirty-first Street, Chesapeake and Ohio Canal to K Street and South Street, Thirty-first Street to Wisconsin Avenue, \$7,400.

The amendment was agreed to.

The next amendment was, on page 21, after line 15, to insert:

Northwest: Conduit Road, Reservoir Road to District line, \$194.000.

The amendment was agreed to.

The next amendment was, on page 21, after line 17, to insert:

Southeast: Good Hope Road, Minnesota Avenue to Alabama Avenue, \$10,000.

The amendment was agreed to.

The next amendment was, on page 21, after line 19, to insert:

Northwest: Grading Porter Street, from Connecticut Avenue to Klingle Road, \$15,000.

The amendment was agreed to.

The next amendment was, on page 21, after line 21, to insert:

P Street Bridge: For the construction of a bridge to replace the existing bridge in line of P Street over Rock Creek in accordance with plans and profile of said work to be approved by the Commissioners of the District of Columbia, including construction of and changes in sewer and water mains, employment of engineering or other professional services, by contract or otherwise, and without reference to section 3709 of the Revised Statutes (U. S. C., title 41, sec. 5) or the classification act of 1923, as amended, and

engineering and incidental expenses, \$250,000: Provided, That any street-railway company using said bridge shall install thereon at its own expense an approved standard underground trolley system of street-car propulsion, and at its own expense shall thereafter maintain such underground construction and bear the cost of surfacing, resurfacing, and maintaining in good condition the space between the railway tracks and 2 feet exterior thereto as provided by law: Provided further, That if the Washington Railway & Electric Co. desires to maintain street-car operation during the construction of the bridge, the said company will construct and maintain at its expense a detour trestle constructed in accordance with plans approved by the Commissioners of the District of Columbia and at such time as they may be directed to do so.

The amendment was agreed to.

The next amendment was, on page 23, line 9, after the word "necessary," to strike out "\$200,000" and insert "\$290,000," so as to read:

For construction of curbs and gutters, or concrete shoulders in connection with all forms of macadam roadways and adjustment of roadways thereto, together with resurfacing and replacing of base of such roadways where necessary, \$290,000.

The amendment was agreed to.

The next amendment was, on page 23, line 12, after the word "material," to strike out "\$450,000" and insert "\$550.000." so as to read:

For the surfacing and resurfacing or replacement of asphalt, granite block, or concrete pavements with the same or other approved material, \$550,000.

Mr. KING. Mr. President, I shall not move to strike out any of these other items under the head of "Street improvements," but I may state that I have had many complaints during the past few days about some of these so-called extensions and improvements. May I say that in going over the city it has been my opinion that many streets that have adequate pavements are resurfaced and repaved at an expense that is wholly unnecessary. I do not agree with many of the activities and the so-called improvements of those who are looking after the streets. I think there are too many streets that are paved which ought not to be paved, and too many improvements when improvements are not needed. I shall certainly urge the Committee on the District of Columbia, in the future, to pay more attention to the streets, and to prevent many of these activities which I regard as extravagancies and abuses in the paving of the streets of Washington.

Mr. TRAMMELL. Mr. President, while we are speaking of this matter of streets, I may say that it has been my observation that many of the streets here in Washington deteriorate very rapidly, indicating either poor construction or improper construction or excessively bad climatic conditions, which cause the streets to deteriorate very rapidly

If I did not occasionally visit other cities where there are about similar climatic conditions, I might charitably attribute the condition of the streets to the climatic conditions; but, finding that the streets in other places seem to hold up better and seem to be more evenly laid and constructed than in Washington, I sometimes wonder why it is that they have such bad success in constructing streets here and why it is the streets do not endure longer than they do.

It seems to me that it would be wise for those in charge of street construction in the city of Washington to see that the streets are built according to proper specifications and that there is absolute fulfillment of the requirements of the contracts, if that is not true to-day.

The matter of road construction in the District is one where there have been all kinds of opportunities for neglect and slighting of compliance with requirements to make firstclass streets that have some endurance. I have seen streets that were paved in Washington which in 2 or 3 or 4 years would go bad. It is very seldom that we find a street paved in Washington that is not full of waves, even newly paved streets. It seems there is something wrong with the street paving in Washington.

Mr. KING. Mr. President, I supplement what the Senator has said, and I am associating myself with him in general in his observations. I can not approve and shall vote against

this enormous increase from \$1,741,350 to \$2,849,350 under the head of street improvements.

Mr. BINGHAM. Mr. President, may I say to the Senator from Utah that this money all comes out of the gasoline-tax fund? It is collected from the users of automobiles for the purpose of keeping the District streets in repair. If it had not been that there was plenty of money in the gasolinetax fund to do it, the committee would not have approved it.

Mr. KING. Mr. President, I think a proper and adequate reply to the comment of the Senator from Connecticut would be that if the gasoline tax is too high it should be. lowered, or if we are collecting more from the gasoline tax than can providently be expended in street improvement, we should amend the law and devote a part of that tax fund to relieving the homes and personal property of our citizens from taxation

I believe that there have been rather injudicious expenditures on the streets in Washington during the past few years. The complaint made by the Senator from Florida [Mr. TRAMMELLI is one which has been brought to my attention not once but a thousand times during the past two or three years. When I ride over the streets I find conditions which justify the Senator from Florida in making the complaint. I think there ought to be some changes in the organization that deals with our streets here. I believe that merely because we have a large fountain from which to draw, namely, the gasoline tax, we are not justified in expending it in this extravagant way. If there is too much collected, let us lower the tax or put the money in the Treasury and use it to relieve home owners of the burden of taxation which is upon them.

Mr. TRAMMELL. Mr. President, I do not know personally any of the District Commissioners or any of those occupying higher positions of responsibility in the District government, but I sometimes think that those who administer the affairs of the city, a city of approximately 600,000 population, have very little regard for the public interests.

A few moments ago the Senate adopted an amendment dealing with taxicab meters. Every time we have had an issue come before the Congress relative to the question of taxicabs, the charges to be made, and the rules and regulations which are to be imposed on those who operate taxicabs, I have noticed that the city officials invariably align themselves with a large taxicab company in the city, which everybody knows-whether the commissioners do or not-has tried for years to monopolize the taxicab business of the city of Washington.

About a year ago an outrageous proposition was made. The commissioners adopted the policy of requiring every taxicab to operate with a meter and to operate at certain rates, while most of the men engaged in the operation of taxicabs thought the rates then existing were all right and practically all of them had abandoned the use of meters. Many of the men who represent the independent taxicab operators and companies had never had any meters whatever. The result of the order issued by the commissioners was to require the installation of taxicab meters. They also increased the license tax for tags for taxicabs. A great majority of the men operating taxicabs in the city of Washington own their own cars or have bought them on credit or else have leased them. They had this additional increased tax imposed upon them and also the necessity of the cost of installing meters. The imposition was sufficient, although it has not yet been enforced through the courts, to drive a number of energetic, worthy, deserving men out of their jobs where they were trying to make a living in an honest way.

I can not understand the purpose of such a move on the part of the commissioners, except that it was to try to assist this big taxicab company, which has always insisted on high rates for taxicab service, which has always wanted meters and insisted upon every requirement on the part of the commissioners that would make it more difficult for the poor man without any means of any consequence to engage in the taxicab business. Of course, everybody knows it is not in the public interest to have regulations that would increase taxicab rates 40 to 75 per cent.

I was very much in sympathy with the action of the House when they prohibited the using of this fund for the purpose of increasing taxicab rates and requiring taxicab owners to install meters. That, in my opinion, would have been a very decided advantage to the one large taxicab company operating in the city, and would at once have succeeded in driving from an honest employment and vocation hundreds of taxicab drivers in the city who either own their own cars or operate in a mutual cooperative association. So far as I am concerned, I am very much in favor of the House provision, and regret very much that the Senate struck out that limitation.

The VICE PRESIDENT. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The reading of the bill was resumed.

The next amendment of the Committee on Appropriations was, on page 23, line 16, after the name "Highway Bridge." to insert "and not to exceed \$10,000 for surveys, engineering investigations, and preparation of plans for a viaduct or bridge in the line of New Hampshire Avenue over the tracks of the Baltimore & Ohio Railroad," and in line 21, after the word "vehicles," to strike out "\$87,500" and insert "\$122,500," so as to read

For construction, maintenance, operation, and repair of bridges, including \$45,000, or so much thereof as may be necessary, for replacement of the fender pile system of the Highway Bridge, and not to exceed \$10,000 for surveys, engineering investigations, and preparation of plans for a viaduct or bridge in the line of New Hampshire Avenue over the tracks of the Baltimore & Ohio Railroad, and including maintenance of non-passenger-carrying motor vehicles, \$122,500.

The amendment was agreed to.

The next amendment was, on page 24, line 1, after the word "work," to strike out "\$750,000" and insert "\$840,000," so as to read:

For current work of repairs to streets, avenues, roads, and alleys, including the reconditioning of existing gravel streets and roads, and including the purchase, exchange, maintenance, and operation of non-passenger-carrying motor vehicles used in this work, \$840,000.

The amendment was agreed to.

The next amendment was, on page 24, line 5, after the figures "\$30,000," to insert a comma and the following: "and the commissioners, under such conditions as they may prescribe, are further authorized to utilize the existing testing laboratory of the highways department for making tests of all materials for other departments and activities of the District government," so as to make the proviso read:

Provided, That the Commissioners of the District of Columbia, Provided, That the Commissioners of the District of Columbia, should they deem such action to be to the advantage of the District of Columbia, are hereby authorized to purchase a municipal asphalt plant at a cost not to exceed \$30,000, and the commissioners, under such conditions as they may prescribe, are further authorized to utilize the existing testing laboratory of the highways department for making tests of all materials for other departments and activities of the District government.

The amendment was agreed to.

The next amendment was, on page 24, line 19, after the word "exceed," to strike out "\$1,741,350" and insert "\$2,849,350," so as to read:

In all, not to exceed \$2,849,350, to be immediately available; to be disbursed and accounted for as "Gasoline tax, road and street improvements and repairs," and for that purpose shall constitute one

The amendment was agreed to.

The next amendment was, under the subhead "Miscellaneous road and street improvements and repairs," on page 25, line 19, after the name "District of Columbia," to strike out the colon and the following additional proviso:

Provided further, That the amount expended hereunder shall not exceed \$250,000.

The amendment was agreed to.

The next amendment was, on page 26, after line 15, to strike out:

No part of the appropriations contained in this act shall be used for the operation of a testing laboratory of the highways department for making tests of materials in connection with any activity of the District government.

The amendment was agreed to.

The next amendment was, on page 28, line 9, after the word "expenses," to strike out "\$500,000" and insert "\$625,-000," and in line 11, after the word "exceed," to strike out \$750,000" and insert "\$1,250,000," so as to read:

Calvert Street Bridge over Rock Creek Park: For construction of a bridge to replace the Calvert Street Bridge over Rock Creek, including necessary changes in water and sewer mains, and including the employment of engineering or other professional services, by contract or otherwise, without reference to section 3709 of the Revised Statutes (U. S. C., title 41, sec. 5), or the classification act of 1923, as amended, and engineering and incidental expenses, \$625,000, and the commissioners are authorized to enter into contract or contracts for construction of said bridge at a cost not to exceed \$1,250,000.

The amendment was agreed to.

The next amendment was, under the subhead "Trees and parkings," on page 29, line 11, after the word "items," to strike out "\$81,600" and insert "\$102,000," so as to read:

For contingent expenses, including laborers, trimmers, nurserymen, repairmen, teamsters, hire of carts, wagons, or motor trucks, trees, tree boxes, tree stakes, tree straps, tree labels, planting and care of trees on city and suburban streets, care of trees, tree spaces, purchase and maintenance of non-passenger-carrying motor vabilies, and miscellaneous trees. vehicles, and miscellaneous items, \$102,000.

The amendment was agreed to.

The next amendment was, under the heading "Sewers," on page 29, line 23, after the word "work," to strike out \$206,863" and insert "\$226,000," so as to read:

For cleaning and repairing sewers and basins, including the replacement of the following motor trucks: One at not to exceed \$650; one at not to exceed \$750; one at not to exceed \$2,000; for operation and maintenance of the sewage pumping service, including repairs to boilers, machinery, and pumping stations, and employment of mechanics and laborers, purchase of coal, oil, waste, and other supplies, and for the maintenance of non-passenger-carrying motor vehicles used in this work, \$226,000.

The amendment was agreed to.

The next amendment was, on page 29, line 25, after the word "basins," to strike out "\$159,400" and insert "\$192,-000," so as to read:

For main and pipe sewers and receiving basins, \$192,000.

The amendment was agreed to.

The next amendment was, on page 30, line 4, after the word "exceed," to strike out "\$2,000; \$368,200" and insert \$3,500; \$494,500," so as to read:

For suburban sewers, including the maintenance of non-passenger-carrying motor vehicles used in this work, and the replacement of the following motor trucks: Three at not to exceed \$650 each; one at not to exceed \$3,500; \$494,500.

The amendment was agreed to.

The next amendment was, on page 30, after line 11, to insert:

For the control and prevention of the spread of mosquitoes in the District of Columbia, including personal services, operation, maintenance, and repair of motor-propelled passenger-carrying vehicles, purchase of oil, and other necessary expenses, \$28,800: Provided, That such mosquito control and prevention work as the Commissioners of the District of Columbia may deem necessary in the areas under control of the Director of Public Bulldings and Public Parks of the National Capital may be carried on by that officer and the actual cost of such work reimbursed from this appropriation: Provided further, That such portion of this appropriation as the commissioners may deem necessary may be transferred to the Public Health Service of the Treasury Department for direct expenditure for the objects herein specified. For the control and prevention of the spread of mosquitoes in

The amendment was agreed to.

The next amendment was, under the heading "Collection and disposal of refuse," on page 31, line 15, to strike out "\$400,000" and insert "\$485,000," so as to read:

For dust prevention, sweeping, and cleaning streets, avenues, alleys, and suburban streets, under the immediate direction of the commissioners, and for cleaning snow and ice from streets, sidewalks, crosswalks, and gutters, in the discretion of the commissioners, including services and purchase and maintenance of equipment, rent of storage rooms; maintenance and repair of stables; hire and maintenance of horses; hire, purchase, maintenance, and repair of wagons, harness, and other equipment; maintenance and repair of non-passenger-carrying motor-propelled livery, blacksmithing, extra labor, new boxes, maintenance of weblicles necessary in cleaning streets and purchase of motor-propelled street-cleaning equipment; and necessary incidental expenses, \$485,000.

The amendment was agreed to.

The next amendment was, on page 31, line 22, after the word "expenses," to strike out "\$840,000" and insert '\$1,025,000," so as to read:

To enable the commissioners to carry out the provisions of existing law governing the collection and disposal of garbage, dead animals, night soil, and miscellaneous refuse and ashes in the District of Columbia, including inspection; fencing of public and private property designated by the commissioners as public dumps; and incidental expenses, \$1,025,000, including not to exceed \$14,000 for repair and improvement of the garbage-reduction

The amendment was agreed to.

The next amendment was, on page 32, after line 7, to strike out:

No part of the funds appropriated in this act shall be available for the operation of high-temperature incinerators for the disposal of combustible refuse.

The amendment was agreed to.

The next amendment was, under the subhead "Public playgrounds," on page 32, line 12, after the word "services," to strike out "\$106,930" and insert "\$109,630," so as to

For personal services, \$109.630.

The amendment was agreed to.

The next amendment was, on page 32, line 21, after the word "truck," to strike out "\$33,330" and insert "\$38,950, of which \$5,000 shall be available for putting the Northeast Playground in condition for play purposes," so as to read:

For general maintenance, repairs and improvements, equipment, supplies, incidental and contingent expenses of playgrounds, including labor and maintenance of one motor truck, \$38,950, of which \$5,000 shall be available for putting the Northeast Playground in condition for play purposes.

The amendment was agreed to.

The next amendment was, on page 33, line 5, after the word "term," to strike out "\$27,209" and insert "\$28,980,"

For the maintenance and contingent expenses of keeping open during the summer months the public-school playgrounds, under the direction and supervision of the commissioners; for special and temporary services, directors, assistants, and janitor service during the summer vacation, and, in the larger yards, daily after school, hower during the school term, 22,000. school hours during the school term, \$28,980.

The amendment was agreed to.

The next amendment was, on page 33, line 7, after the word "pools," to strike out "\$2,680" and insert "\$2,760," so as to read:

For supplies, repairs, maintenance, and necessary expenses of operating three swimming pools, \$2,760.

The amendment was agreed to.

The next amendment was, on page 33, line 9, after the word "maintenance," to strike out "\$3,250" and insert "\$4,000"; and in line 11, after the word "grounds," to strike out "\$1,150; in all, \$5,000" and insert "\$1,400; in all, \$6,000," so as to read:

Bathing pools: For superintendence, \$600; for temporary services, supplies, and maintenance, \$4,000; for repairs to buildings, pools, and upkeep of grounds, \$1,400; in all, \$6,000.

The amendment was agreed to.

The next amendment was, under the heading "Electrical department," on page 33, line 18, to increase the appropriation for personal services under the electrical department. from \$125,725 to \$128,520.

The amendment was agreed to.

The next amendment was, on page 34, line 2, after the word "items," to strike out "\$24,000" and insert "\$30,000," so as to read:

For general supplies, repairs, new batteries and battery supplies, telephone rental and purchase, telephone service charges, wire and cable for extension of telegraph and telephone service, repairs of lines and instruments, purchase of poles, tools, insulators, brackets, pins, hardware, cross arms, ice, record book, stationery,

The amendment was agreed to.

The next amendment was, on page 34, line 9, after the name "Metropolitan police department," to strike out \$24,760" and insert "\$27,760," so as to read:

For placing wires of fire alarm, police patrol, and telephone services underground, extension and relocation of police-patrol and fire-alarm systems, purchase and installing additional lead-covered cables, labor, material, appurtenances, and other neces-sary equipment and expenses, including not to exceed \$4,100 for increased telephone facilities for the Metropolitan police department, \$27,760.

The amendment was agreed to.

The next amendment was, on page 35, line 1, after the word "controls," to strike out "\$962,000" and insert "\$862,000, together with \$25,000 of the unexpended balance of the appropriation for this purpose for the fiscal year 1933," so as to read:

Lighting: For purchase, installation, and maintenance of public lamps, lamp-posts, street designations, lanterns, and fixtures of all kinds on streets, avenues, roads, alleys, and public spaces, part all kinds on streets, avenues, roads, alleys, and public spaces, part cost of maintenance of airport and airway lights necessary for operation of the air mail, and for all necessary expenses in connection therewith, including rental of storerooms, extra labor, operation, maintenance, and repair of motor trucks, this sum to be expended in accordance with the provisions of sections 7 and 8 of the District of Columbia appropriation act for the fiscal year 1912 (36 Stat., pp. 1008–1011, sec. 7), and with the provisions of the District of Columbia appropriation act for the fiscal year 1913 (37 Stat., pp. 181–184, sec. 7), and other laws applicable thereto, and including not to exceed \$26,000 for operation and maintenance of electric traffic lights, signals, and controls, \$862,000, together with \$25,000 of the unexpended balance of the appropriation for this purpose for the fiscal year 1933:

The amendment was agreed to.

The next amendment was under the heading "Public schools," on page 35, line 22, after the word "superintendents," to strike out "\$606,027" and insert "\$609,600," so as to read:

For personal services of administrative and supervisory officers in accordance with the act fixing and regulating the salaries of teachers, school officers, and other employees of the Board of Education of the District of Columbia, approved June 4, 1924 (43 Stat. pp. 367-375), including salaries of presidents of teachers colleges in the salary schedule for first assistant superintendents,

The amendment was agreed to.

The next amendment was, on page 35, line 25, to include the appropriation for personal services of clerks and other employees of the public schools from \$150,425 to \$153,230.

The amendment was agreed to.

The next amendment was, on page 36, line 6, to strike out "\$36,033" and insert "\$38,600," so as to read:

For personal services in the department of school attendance and work permits in accordance with the act approved June 4, 1924 (43 Stat. pp. 367-375), the act approved February 5, 1925 (43 Stat. pp. 806-808), and the act approved May 29, 1928 (45 Stat. p. 998), \$38,600.

The amendment was agreed to.

The next amendment was on page 36, line 10, after the word "class," to strike out "seven" and insert "eleven," so as to read:

For personal services of teachers and librarians in accordance with the act approved June 4, 1924 (43 Stat. pp. 367-375), including for teachers colleges assistant professors in salary class 11, and professors in salary class 12, \$5,996,414.

The amendment was agreed to.

The next amendment was, on page 36, after line 20, to

No part of any appropriation made in this act shall be paid to any person employed under or in connection with the public schools of the District of Columbia who shall solicit or receive, or permit to be solicited or received, on any public-school premises, any subscription or donation of money or other thing of value from any pupil enrolled in such public schools for presentation of testimonials to school officials or for any purpose except such as may be authorized by the Board of Education at a stated meeting upon the written recommendation of the superintendent

The amendment was agreed to.

The next amendment was, under the subhead "Care of buildings and grounds," on page 39, line 11, to strike out "\$825,035" and insert "\$829,600," so as to read:

For personal services, including care of smaller buildings and rented rooms at a rate not to exceed \$96 per annum for the care of each schoolroom, other than those occupied by atypical or ungraded classes, for which service an amount not to exceed \$120 per annum may be allowed, \$829.600.

The amendment was agreed to.

The next amendment was, on page 40, line 1, after the word "power," to strike out "\$250,000" and insert "\$245,000," so as to read:

For fuel, gas, and electric light and power, \$245,000.

The amendment was agreed to.

The next amendment was, under the subhead "Furniture," on page 40, line 7, after the name "Phelps Vocational School," to strike out "\$30,000" and insert "\$45,000," and, in line 10, after the words "in all," to strike out "\$53,840" and insert "\$68,840," so as to read:

For completely furnishing and equipping buildings and additions to buildings, as follows: School in Foxhall Village, \$3,200; Logan School, \$6,000; Phelps Vocational School, \$45,000; Keene School, \$6,000; Bancroft School, \$5,600; Douglass-Simmons assembly-gymnasium and M Street Junior High School gymnasium, \$3,040; in all, \$68,840, to be immediately available and to continue available until June 30, 1935.

The amendment was agreed to.

The next amendment was, on page 41, after line 8, to insert:

For the purchase of books and equipment for the teachers colleges, \$10,000.

The amendment was agreed to.

The next amendment was, on page 42, after line 2, to strike out-

No part of the appropriations herein made for the public schools of the District of Columbia shall be used for the free instruction of pupils who dwell outside the District of Columbia: *Provided*, That this limitation shall not apply to pupils who are enrolled in the schools of the District of Columbia on the date of the approval of this act.

And in lieu thereof to insert:

The children of officers and men of the United States Army, Navy, and Marine Corps, and children of other employees of the United States stationed outside the District of Columbia shall be admitted to the public schools without payment of tuition.

The amendment was agreed to.

The next amendment was, on page 43, line 3, after the word "trucks," to strike out "\$330,000" and insert "\$380,000," so as to read:

For repairs and improvements to school buildings, repairing and renewing heating, plumbing, and ventilating apparatus, installation and repair of electric equipment, and installation of sanitary drinking fountains, and maintenance of motor trucks, \$380,000, of which amount \$100,000 shall be immediately available.

The amendment was agreed to.

The next amendment was, under the subhead "Buildings and grounds," on page 43, line 25, to strike out "\$85,000" and insert "\$105,000," so as to read:

For the erection of an 8-room building on a site already appropriated for in the vicinity of the Logan School, \$105,000.

The amendment was agreed to.

The next amendment was, on page 44, line 3, to strike out "\$140,000" and insert "\$166,000," so as to read:

For the construction of an addition to the Deal Junior High School, including 10 classrooms and 1 gymnasium, \$166,000.

Mr. KING. Mr. President, this item and the items following for the construction of an addition to the Browne Junior High School and for beginning the construction of a senior high school, increasing the appropriation from \$433,000 to \$500,000, raised the limit from \$1,000,000 to \$1,200,000. It seems to me that with the reduction in wages, the reduction in prices of building materials and various commodities entering into the construction of schools, there is no necessity for increasing the limit from \$100,000 to \$300,000 and no reason for increasing the other costs in the items just referred to.

I shall be glad to hear from the Senator from Connecticut with respect to the matter.

Mr. BINGHAM. Mr. President, the testimony before the committee which led us to restore the Budget figures was that, while it is true that costs have come down, the Budget estimate is very much less than it would have been for building the same class of schools two or three years ago. The Budget has taken full consideration of the very much lowered cost of building materials. The House arbitrarily cut down still further the item, and we were informed that the schools could not be built properly at the lower figure.

With regard to the item beginning in line 7, on page 44, for a senior high school in the Reno section, which is to be called the Woodrow Wilson High School, on the floor of the House the Budget estimate of \$500,000 was cut to \$433,000. The testimony before the committee was that this reduction would result in one month's delay in the opening of the school. It is expected that this school building will be completed and ready for occupancy one year from the coming fall, but if the appropriation shall be left at the figure provided by the House it will be impossible to get this school open in time for the beginning of the fall term.

With regard to the amount within which the building must be constructed, the Budget estimated the figure at \$1,300,000 because that was about the figure within the limits of which the last senior high-school building was constructed. That building was constructed for very much less than the original estimate on account of the lower cost of building material; and undoubtedly, as the construction of the new senior high school proceeds, if costs continue to decrease, in next year's appropriation bill it will not be necessary to appropriate the entire balance, but a smaller

It was pointed out to the committee, however, by the architect and by the engineer-commissioner that if the cost were limited to \$1,000,000 it would be necessary to make this school very much less attractive and effective than it ought to be, considering its importance and its position on one of the great parkways and one of the most conspicuous sites in the city. We were shown some drawings, and I can assure the Senator that there is nothing extravagant about the school. It will be built wisely at the lowest possible figure. I think the Senator will find, on investigation, that the probabilities are that it will not cost \$1,300,000, but that is the best figure at which we could arrive, considering the cost of the last senior high school.

Mr. KING. Mr. President, if there is any one thing in connection with which I am willing to be extravagant it is in the construction of schoolhouses. I take a great interest in the school system here, and have been very anxious to see proper buildings constructed. However, it has seemed to me, as I have visited some of them, that the architectural features have not always been such as to excite admiration, and I have felt that the cost of the ground upon which some of the buildings have been erected has been entirely too great and that some of the construction contracts have been too high.

Of course I can not criticize these items because I have not had the advantage of the testimony which has been adduced before the various committees, but it has seemed to me, in this particular period, with lower costs, that these prices were a little high.

The PRESIDING OFFICER. The question is on agreeing to the amendment reported by the committee.

The amendment was agreed to.

The reading of the bill was resumed.

The next amendment of the Committee on Appropriations was, on page 44, line 6, after the word "gymnasium," to strike out "\$140,000" and insert "\$166,000," so as to read:

For the construction of an addition to the Browne Junior High School, including 10 classrooms and 1 gymnasium, \$166,000.

The amendment was agreed to.

The next amendment was, on page 44, line 9, after the words "in the Reno section," to strike out "\$433,000" and

insert "\$500,000," and in line 11, after the word "exceed," to strike out "\$1,000,000" and insert "\$1,300,000," so as to

For beginning the construction of a senior high-school building at Forty-first and Chesapeake Streets NW., in the Reno section, \$500,000, and the commissioners are authorized to enter into conor contracts for such building, at a cost not to exceed \$1,300,000.

The amendment was agreed to.

The next amendment was, on page 44, line 12, after the words "in all," to strike out "\$798,000" and insert "\$937,-000." so as to read:

In all, \$937,000, to be immediately available and to be disbursed and accounted for as "Buildings and grounds, public schools," and for that purpose shall constitute one fund and remain available

The amendment was agreed to.

The next amendment was, on page 45, after line 3, to

For the purchase of school building and playground sites, as follows:

For the purchase of additional land at the Phelps Vocational

School for elementary-school purposes, \$67,000.

For the purchase of additional land at the Syphax School, \$25,000; in all, \$92,000.

The amendment was agreed to.

The next amendment was, in the item for salaries of the Metropolitan police, on page 46, line 12, to increase the appropriation for personal services from \$115,450 to \$117,100.

The amendment was agreed to.

The next amendment was, on page 46, line 14, to increase the appropriation for fuel for the Metropolitan police from \$7,000 to \$8,000.

The amendment was agreed to.

The next amendment was, on page 47, line 12, after the words "harbor patrol," to strike out "\$79,210" and insert "\$84.000," so as to read:

For miscellaneous and contingent expenses, including rewards For miscellaneous and contingent expenses, including rewards for fugitives, purchase of gas equipment and firearms, maintenance of card system, stationery, city directories, books of reference, periodicals, newspapers, telegraphing, telephoning, photographs, rental and maintenance of teletype system and labor-saving devices, telephone service charges, purchase, maintenance, and servicing of radiobroadcasting systems, including \$11,000 for use only in purchasing, maintaining, and servicing additional radio receiving sets for automobiles and the purchase and installation of radio input system in the several precinct stations, bureaus, and offices, purchase of equipment, gas, ice, washing, meals for prisoners. input system in the several precinct stations, bureaus, and offices, purchase of equipment, gas, ice, washing, meals for prisoners, medals of award, not to exceed \$300 for car tickets, furniture and repair thereto, beds and bed clothing, insignia of office, police equipments and repairs to same, and mounted equipment, flags and halyards, storage of stolen or abandoned property, and traveling and other expenses incurred in prevention and detection of crime and other necessary expenses, including expenses of harbor patrol, \$84,000, of which amount not exceeding \$2,000 may be expended by the major and superintendent of police for prevention and detection of crime, under his certificate, approved by the commissioners, and every such certificate shall be deemed a sufficient voucher for the sum therein expressed to have been expended.

The amendment was agreed to.

The next amendment was, on page 48, line 1, after the word "condemned," to strike out "\$72,200" and insert "\$75,000," and in line 3, after the word "wagons," to insert "and not to exceed \$2,800 for two police cruisers," so as to

For purchase, exchange, and maintenance of passenger-carrying and other motor vehicles and the replacement of those worn out in the service and condemned, \$75,000, including not to exceed \$2,000 for two patrol wagons and not to exceed \$2,800 for two police cruisers.

The amendment was agreed to.

The next amendment was, on page 48, at the end of line 9, to strike out "\$45,000" and insert "\$54,000," so as to read:

Uniforms: For furnishing uniforms and other official equipment prescribed by department regulations as necessary and requisite in the performance of duty to officers and members of the Metropolitan police, including cleaning, alteration, and repair of articles transferred from one individual to another, \$54,000.

The amendment was agreed to.

The next amendment was, under the heading "Fire department, miscellaneous," on page 49, at the end of line 19, to strike out "\$20,000" and insert "\$26,000," so as to read:

Uniforms: For furnishing uniforms and other official equipment prescribed by department regulations as necessary and requisite in the performance of duty to officers and members of the fire department, including cleaning, alteration, and repair of articles transferred from one individual to another, \$26,000.

The amendment was agreed to.

The next amendment was, on page 50, line 1, after the word "tools," to strike out "\$42,740" and insert "\$45,740," so as to read:

For repairs to apparatus, motor vehicles, and other motor-driven apparatus, fire boat and for new apparatus, new motor vehicles, new appliances, employment of mechanics, helpers, and laborers in the fire department repair shop, and for the purchase of necessary supplies, materials, equipment, and tools, \$45,740: Provided, That the commissioners are authorized, in their discretion, to build or construct, in whole or in part, fire-fighting apparatus in the fire-department repair shop.

The amendment was agreed to.

The next amendment was, on page 50, line 19, to increase the appropriation for fuel for the fire department from \$20,000 to \$23,000.

The amendment was agreed to.

The next amendment was, on page 50, line 23, to increase the appropriation for contingent expenses, etc., for the fire department from \$20,000 to \$25,000.

The amendment was agreed to.

The next amendment was, under the heading "Health department," on page 52, line 9, after the word "expenses," to strike out "\$32.820" and insert "\$34.820," so as to read:

For the maintenance of a dispensary or dispensaries for the treatment of indigent persons suffering from tuberculosis and of indigent persons suffering from venereal diseases, including payment for personal services, rent, supplies, and contingent expenses, \$34.820

The amendment was agreed to.

The next amendment was, on page 53, line 25, after the word "milk," to strike out "\$6,600" and insert "\$8,000," so as to read:

For contingent expenses incident to the enforcement of an act relating to the adulteration of foods and drugs in the District of Columbia, approved February 17, 1898 (30 Stat. 246-248), an act to prevent the adulteration of candy in the District of Coact to prevent the adulteration of candy in the District of Columbia, approved May 5, 1898 (30 Stat. 398), an act for preventing the manufacture, sale, or transportation of adulterated or misbranded or poisonous or deleterious foods, drugs, medicines, and liquors, and for regulating traffic therein, and for other purposes, approved June 30, 1906 (34 Stat. 768-772), and an act to regulate, within the District of Columbia, the sale of milk, cream, and ice cream, and for other purposes, approved February 27, 1925 (43 Stat. 1004-1008), including traveling and other necessary expenses of dairy-farm inspectors; and including not to exceed \$100 for special services in detecting adulteration of drugs and foods, including candy and milk, \$8,000.

The amendment was agreed to.

The next amendment was, on page 54, line 3, after the word "exceed," to strike out "\$312" and insert "\$480," so as to make the proviso read:

Provided, That inspectors of dairy farms may receive an allowance for furnishing privately owned motor vehicles in the performance of official duties at the rate of not to exceed \$480 per annum for each inspector.

The amendment was agreed to.

The next amendment was, on page 54, line 13, after the word "supplies," to strike out "\$45,000" and insert "\$48,-330," so as to read:

Child welfare and hygiene: For maintaining a child-hygiene service, including the establishment and maintenance of child-welfare stations for the clinical examinations, advice, care, and maintenance of children under 6 years of age, payment for personal services, rent, fuel, periodicals, and payment for personal services, rent, fuel, periodicals, and supplies, \$48,330.

The amendment was agreed to.

The next amendment was, under the heading "Courts and prisons," on page 57, line 8, after the word "exceeding," to strike out "3" and insert "7," and in line 9, after the word "exceeding," to strike out "23" and insert "19," so as to read:

For not exceeding 7 criers, not exceeding 19 deputy marshals who act as balliffs, clerks of jury commissioners, and per diems of jury commissioners, and for expenses of meals and lodging for jurors in United States cases, and of balliffs in attendance upon

same when ordered by the court, \$46,740: Provided, That the compensation of each jury commissioner for the fiscal year 1934 shall not exceed \$250.

The amendment was agreed to.

The next amendment was, under the heading "Public welfare—Division of Child Welfare," on page 60, line 8, after the word "expenses," to strike out "\$3,000" and insert "\$4,000," so as to read:

Administration: For administrative expenses, including placing and visiting children, city directory, purchase of books of reference and periodicals not exceeding \$50, and all office and sundry expenses, \$4,000; and no part of the money herein appropriated shall be used for the purpose of visiting any ward of the Board of Public Welfare placed outside the District of Columbia and the States of Virginia and Maryland; and a ward placed outside said District and States of Virginia and Maryland shall be visited not less than once a year by a voluntary agent or correspondent of said board, and that said board shall have power, upon proper showing, in its discretion, to discharge from guardianship any child committed to its care.

The amendment was agreed to.

The next amendment was, under the heading "General administration, workhouse and reformatory, District of Columbia," on page 62, line 21, after the word "services," to strike out "\$290,540" and insert "\$326,090," so as to read:

For personal services, \$326,090.

The amendment was agreed to.

The next amendment was, on page 63, line 5, after the word "items," to strike out "\$300,000" and insert "\$340,-000," so as to read:

For maintenance, care, and support of inmates, rewards for fugitives, discharge gratuities provided by law, medical supplies, newspapers, books, books of reference, and periodicals, farm implements, tools, equipment, transportation expenses, purchase and maintenance of livestock and horses, purchase, exchange, maintenance, operation, and repair of non-passenger-carrying vehicles and motor bus; fuel for heating, lighting, and power, and all other necessary items, \$340,000.

The amendment was agreed to.

The next amendment was, on page 63, at the beginning of line 8, after the word "necessary," to strike out "utilities" and insert "utilities, and," and in line 9, after the figures "\$46,000," to insert a comma and "together with a further sum of not exceeding \$54,000 of the unexpended balance of the appropriation for maintenance, care, and support of inmates, and so forth, workhouse and reformatory, District of Columbia, contained in the District of Columbia appropriation act for the fiscal year 1932," so as to read:

For continuing construction of permanent buildings, including sewers, water mains, roads, and other necessary utilities, and for equipment for new buildings, \$46,000, together with a further sum of not exceeding \$54,000 of the unexpended balance of the appropriation for maintenance, care, and support of inmates, and so forth, workhouse and reformatory, District of Columbia, contained in the District of Columbia appropriation act for the fiscal year 1932.

The amendment was agreed to.

The next amendment was, on page 63, line 18, after the word "enterprises," to strike out "\$20,000" and insert "\$28,000," so as to read:

For repairs to buildings and grounds, and maintenance of utilities, marine and railroad transportation facilities, and mechanical equipment not used in industrial enterprises, \$28,000.

The amendment was agreed to.

The next amendment was, under the subhead "Tuberculosis Hospital," on page 65, line 15, to increase the appropriation for personal services in the tuberculosis hospital from \$80,200 to \$81,300.

The amendment was agreed to.

The next amendment was, on page 65, line 22, after the word "items," to strike out "\$49,000" and insert "\$61,000," so as to read:

For provisions, fuel, forage, harness, and vehicles, and repairs to same, gas, ice, shoes, clothing, dry goods, tailoring, drugs and medical supplies, furniture and bedding, kitchen utensils, medical books, books of reference, and periodicals not to exceed \$200, temporary services not to exceed \$1,000, maintenance of motor truck, and other necessary items, \$61,000.

The amendment was agreed to.

The next amendment was, on page 65, line 24, after the word "sidewalks," to strike out "\$4,000" and insert "\$4.750," so as to read:

For repairs and improvements to buildings and grounds, including roads and sidewalks, \$4,750.

The amendment was agreed to.

The next amendment was, under the subhead "Children's Tuberculosis Sanatorium," on page 66, line 5, to strike out "\$25,000" and insert "\$35,000," so as to read:

For personal services, maintenance, and other necessary expenses, including maintenance of motor vehicles and the purchase and maintenance of horses and wagons, \$35,000.

The amendment was agreed to.

The next amendment was, on page 66, line 7, after the word "exceed," to strike out "\$1,950" and insert "\$3,000," and at the end of line 9, to strike out "\$40,000" and insert "\$60,000," so as to read:

For completely furnishing and equipping the Children's Tuberculosis Sanatorium, including not to exceed \$3,000 for the purchase of one nonpassenger and two passenger-carrying motor vehicles (including one bus), \$60,000.

The amendment was agreed to.

The next amendment was, under the subhead "Gallinger Municipal Hospital," on page 66, line 13, after the word "labor," to strike out "\$323,816" and insert "\$329,830," so as to read:

Salaries: For personal services, including not to exceed \$2,000 for temporary labor, \$329,830.

The amendment was agreed to.

The next amendment was, on page 66, line 24, after the word "vehicles," to insert "for purchase, not exceeding \$3,500, and maintenance of one motor ambulance," and on page 67, line 2, after the word "expenses," to strike out "\$190,909" and insert "\$210,000," so as to read:

For maintenance of the hospital; for maintenance of the quarantine station, smallpox hospital, and public crematorium, including expenses incident to furnishing proper containers for the reception, burial, and identification of the ashes of all human bodies of indigent persons that are cremated at the public crematorium and remain unclaimed after 12 months from the date of such cremation; for maintenance and purchase of horses and horse-drawn vehicles; for medical books, books of reference and periodicals, not to exceed \$500; for maintenance of non-passenger-carrying motor vehicles; for purchase, not exceeding \$3,500, and maintenance of one motor ambulance; and for all other necessary expenses, \$210,000.

The amendment was agreed to.

The next amendment was, on page 67, line 4, after the word "grounds," to strike out "\$9,300" and insert "\$9,500," so as to read:

For repairs and improvements to buildings and grounds, \$9.500, including not to exceed \$3,500 for the rearrangement of the electric service and wiring at the Gallinger Municipal Hospital and the jail for master metering, for the erection of a structure to house metering and switching equipment, and for the purchase of electric meters.

The amendment was agreed to.

The next amendment was, on page 67, after line 8, to insert:

For completing construction at Gallinger Municipal Hospital of an additional ward building for contagious diseases, \$290,000.

The amendment was agreed to.

The next amendment was, under the subhead "District Training School," on page 67, line 18, after the word "labor," to strike out "\$82,030" and insert "\$85,110," so as to read:

For personal services, including not to exceed \$1,000 for temporary labor, \$85,110.

The amendment was agreed to.

The next amendment was, on page 67, at the end of line 22, to strike out "\$80,000" and insert "\$90,000," so as to read.

For maintenance and other necessary expenses, including the maintenance of non-passenger-carrying motor vehicles, the purchase and maintenance of horses and wagons, farm machinery and implements, \$90,000.

The amendment was agreed to.

The next amendment was, on page 67, line 24, to strike out "\$8,750" and insert "\$9,750," so as to read:

For repairs and improvements to buildings and grounds, \$9,750.

The amendment was agreed to.

The next amendment was, at the top of page 63, to insert: For purchase and exchange of one 2-ton motor truck, \$1,200.

The amendment was agreed to.

The next amendment was, under the subhead "Industrial Home School for Colored Children," on page 68, line 4, after the word "services," to strike out "\$34,280" and insert "\$35,490," and in line 5, after the words "in all," to strike out "\$34,780" and insert "\$35,990," so as to read:

Salaries: For personal services, \$35,490; temporary labor, \$500; in all, \$35,990.

The amendment was agreed to.

The next amendment was, on page 68, line 10, after the word "materials," to strike out "\$20,000" and insert "\$31.500," so as to read:

For maintenance, including purchase and maintenance of farm implements, horses, wagons, and harness, and maintenance of non-passenger-carrying motor vehicles, and not to exceed \$1,250 for manual-training equipment and materials, \$31,500.

The amendment was agreed to.

The next amendment was, on page 68, line 12, to strike out \$2,000" and insert "\$2,660," so as to read:

For repairs and improvements to buildings and grounds, \$2,660.

The amendment was agreed to.

The next amendment was, under the subhead "Industrial Home School," on page 68, line 22, after the word "vehicle," to strike out "\$20,000" and insert "\$23,000," so as to read:

For maintenance, including care of horses, purchase and care of wagon and harness, maintenance of non-passenger-carrying motor vehicle, \$23,000.

The amendment was agreed to.

The next amendment was, under the subhead "Home for Aged and Infirm," on page 69, line 8, after the word "vehicles," to strike out "\$60,000" and insert "\$70,000," so as to read:

For provisions, fuel, forage, harness, and vehicles and repairs to same, ice, shoes, clothing, dry goods, tailoring, drugs and medical supplies, furniture and bedding, kitchen utensils, and other necessary items, and maintenance of non-passenger-carrying motor vehicles, \$70,000.

The amendment was agreed to.

The next amendment was, under the subhead "Emergency relief," on page 69, after line 21, to strike out—

To enable the Board of Public Welfare to provide for the relief of all needy persons not otherwise provided for by appropriations herein made to such board, \$625,000, payable wholly from the revenues of the District of Columbia.

And in lieu thereof to insert:

For the purpose of affording relief to residents of the District of Columbia who are unemployed or otherwise in distress because of the existing emergency, to be expended by the Board of Public Welfare of the District of Columbia by loan, employment, and/or direct relief, in the discretion of the Board of Commissioners and under rules and regulations to be prescribed by the board and without regard to the provisions of any other law, payable from the revenues of the District of Columbia, \$625,000: Provided, That not to exceed 8 per cent of such amount shall be available for administrative expenses, including necessary personal services.

The amendment was agreed to.

The next amendment was, under the heading "Militia," on page 74, line 18, after the word "services," to strike out "\$17,417" and insert "\$24,750"; in line 19, after the word "labor," to strike out "\$6,000" and insert "\$6,650; pay of troops other than Government employees, \$10,000"; and on page 75, line 20, after the word "service," to strike out "\$8,400; in all, \$31,817" and insert "\$13,000; in all, \$54,400," so as to make the paragraph read:

For personal services, \$24,750; temporary labor, \$6,650; pay of troops other than Government employees, \$10,000; for expenses of camps, including hire of horses for officers required to be mounted, and for the payment of commutation of subsistence for enlisted men who may be detailed to guard or move the United States property at home stations on days immediately preceding and immediately following the annual encampments; damages to pri-

vate property incident to encampment; reimbursement to the United States for loss of property for which the District of Columbia may be held responsible; cleaning and repairing uniforms, arms, and equipment; instruction, purchase, and maintenance of athletic, gymnastic, and recreational equipment at armory or field encampments, not to exceed \$500; practice marches, drills, and parades; rent of armories, drill halls, and storehouses; fuel, light, heat, care, and repair of armories, offices, and storehouses; machinery and dock, including dredging alongside of dock; construction of buildings for storage and other purposes at target range; telephone service; printing, stationery, and postage; horses and mules for mounted organizations; maintenance and operation of passeger and non-passenger-carrying motor vehicles; street-car fares (not to exceed \$200) necessarily used in the transaction of official business; not exceeding \$400 for traveling expenses, including attendance at meetings or conventions of associations pertaining to the National Guard; and for general incidental expenses of the service, \$13,000; in all, \$54,400.

The amendment was agreed to.

The next amendment was, under the heading "Public buildings and public parks, general expenses, public parks," on page 77, line 3, after the word "exceed," to strike out "two" and insert "four," and in line 6, after the words "and so forth," to strike out "\$406,820" and insert "\$481,-820." so as to read:

General expenses: For general expenses in connection with the maintenance, care, improvement, furnishing of heat, light, and power of public parks, grounds, fountains, and reservations, propagating gardens and greenhouses under the jurisdiction of the Office of Public Buildings and Public Parks of the National Capital, including \$5,000 for the maintenance of the tourists' camp on its present site in East Potomac Park, and including personal services of seasonal or intermittent employees at per diem rates of pay approved by the director, not exceeding current rates of pay for similar employment in the District of Columbia; the hire of draft animals with or without drivers at local rates approved by the director; the purchase and maintenance of draft animals, harness, and wagons; contingent expenses; city directories; communication service; car fare; traveling expenses, professional, scientific, technical, and law books; periodicals and reference books; blank books and forms; photographs; dictionaries and maps; leather and rubber articles for the protection of employees and property; the maintenance, repair, exchange, and operation of not to exceed four motor-propelled passenger-carrying vehicles and all necessary bicycles, motor cycles, and self-propelled machinery; the purchase, maintenance, and repair of equipment and fixtures, etc., \$481,820.

The amendment was agreed to.

The next amendment was, on page 77, line 7, after the word "exceeding," to strike out "\$25,000" and insert "\$35,000"; in line 11, after the word "exceed," to strike out "\$25,000" and insert "\$75,000"; and in line 13, after the word "sections," to strike out "C and D" and insert "C, D, and G," so as to make the proviso read:

Provided, That not exceeding \$35,000 of the amount herein appropriated may be expended for placing and maintaining portions of the parks in condition for outdoor sports and for expenses incident to the conducting of band concerts in the parks; not exceeding \$75,000 for the improvement and maintenance as recreation parks of Sections C, D, and G, Anacostia Park; not exceeding \$30,000 for the improvement of the Rock Creek and Potomac connecting parkway; and not exceeding \$10,000 for the erection of minor auxiliary structures.

The amendment was agreed to.

The next amendment was, under the heading "National Capital Park and Planning Commission," on page 78, after line 2, to strike out:

For reimbursement to the United States in compliance with section 4 of the act approved May 29, 1930 (46 Stat. 482), as amended, \$1,000,000.

The amendment was agreed to.

The next amendment was, on page 78, line 18, after the word "periodicals," to strike out "\$35,000" and insert "\$36.800," so as to read:

For each and every purpose, except the acquisition of land, requisite for and incident to the work of the National Capital Park and Planning Commission as authorized by the act entitled "An act providing for a comprehensive development of the park and playground system of the National Capital," approved June 6, 1924 (U. S. C., title 40, sec. 71), as amended, including personal services in the District of Columbia, maintenance, operation, and repair of motor-propelled passenger-carrying vehicles, not to exceed \$1,500 for printing and binding, not to exceed \$500 for traveling expenses and car fare of employees of the commission, and not to exceed \$300 for professional, scientific, technical, and reference books, and periodicals, \$36,800.

The amendment was agreed to.

The next amendment was, under the heading "National Zoological Park," on page 79, line 13, after the word "periodicals," to strike out "\$200,000" and insert "\$210,200," so as to read:

For roads, walks, bridges, water supply, sewerage, and drainage; grading, planting, and otherwise improving the grounds, erecting and repairing buildings and inclosures; care, subsistence, purchase, and transportation of animals; necessary employees; traveling and incidental expenses not otherwise provided for, including not to exceed \$2,000 for travel and field expenses in the United States and foreign countries for the procurement of live specimens and for the care, subsistence, and transportation of specimens obtained in the course of such travel; maintenance and operation of one motor-propelled passenger-carrying vehicle required for official purposes; for the purchase, issue, operation, maintenance, repair, and exchange of bicycles and non-passenger-carrying motor vehicles, revolvers and ammunition; not exceeding \$2,500 for purchasing and supplying uniforms to park police, keepers, and assistant keepers; not exceeding \$100 for the purchase of necessary books and periodicals, \$210,200, no part of which sum shall be available for architect's fees or compensation.

The amendment was agreed to.

The next amendment was, on page 79, after line 14, to insert:

The Commissioners of the District of Columbia and the Regents of the Smithsonian Institution are hereby directed to cause a study to be made as to the desirability of charging fees for admission to the National Zoological Park and to report thereon to Congress at the opening of the next regular session.

The amendment was agreed to.

The next amendment was, under the heading "Water service: Washington Aqueduct," on page 80, line 15, after the word "therewith," to strike out "\$400,000" and insert "\$443,000." so as to read:

For operation, including salaries of all necessary employees, maintenance and repair of Washington Aqueducts and their accessories, including Dalecarlia, Georgetown, McMillan Park, first and second High Service Reservoirs, Washington Aqueduct tunnel, the filtration plants, the pumping plants, and the plant for the preliminary treatment of the water supply, ordinary repairs, grading, opening ditches, and other maintenance of Conduit Road, purchase, installation, and maintenance of water meters on Federal services, purchase, care, repair, and operation of vehicles, including the purchase and exchange of one passenger-carrying motor vehicle at a cost not to exceed \$650; purchase and repair of rubber boots and protective apparel, and for each and every purpose connected therewith, \$443,000.

The amendment was agreed to.

The next amendment was, on page 81, line 5, after the word "exceed" where it occurs the second time, to strike out "\$1,600" and insert "\$2,000"; in line 6, after the word "exceed," to strike out \$2,000" and insert "\$3,000"; and in line 13, after the word "maintenance," to strike out "\$300,000" and insert "\$323,160," so as to read:

For maintenance of the water department distribution system, including pumping stations and machinery, water mains, valves, fire and public hydrants, and all buildings and accessories, and motor trucks, and the replacement by purchase and/or exchange of the following motor-propelled vehicles: Three 750-pound trucks, not to exceed \$550 each; one 1½-ton truck, not to exceed \$700; one 3-ton truck, not to exceed \$2,000; and one 5-ton truck, not to exceed \$3,000; purchase of fuel, oils, waste, and other materials, and the employment of all labor necessary for the proper execution of this work; and for contingent expenses, including books, blanks, stationery, printing and binding not to exceed \$2,000, postage, purchase of technical reference books and periodicals, not to exceed \$275, and other necessary items, \$7,500; in all for maintenance \$233,160, of which not exceeding \$30,000 shall be available for continuing a survey of water waste in the distribution system, including personal services, and not exceeding \$5,000 shall be available for operation of pumps at Bryant Street pumping station upon interruption of service from Dalecarlia pumping station.

The amendment was agreed to.

The next amendment was, on page 81, line 21, after the word "system," to strike out "\$200,000" and insert "\$240,-000," so as to read:

For extension of the water department distribution system, laying of such service mains as may be necessary under the assessment system, \$240,000.

The amendment was agreed to.

The next amendment was, on page 82, line 2, after the name "District of Columbia," to strike out "\$110,000" and insert "\$124,540," so as to read:

For installing and repairing water meters on services to private residences and business places as may not be required to install meters under existing regulations, as may be directed by the commissioners; said meters at all times to remain the property of the District of Columbia, \$124,540.

The amendment was agreed to.

The next amendment was, on page 82, line 4, after the word "hydrants," to strike out "\$20,000" and insert "\$21,-100," so as to read:

For installing fire and public hydrants, \$21,100.

The amendment was agreed to.

The next amendment was, on page 87, after line 12, to strike out:

SEC. 6. No part of the appropriations contained in this act shall be used to pay any increase in the salary of any officer or employee of the District of Columbia by reason of the reallocation of the position of such officer or employee to a higher grade since June 30, 1932, by the Personnel Classification Board or the Civil Service Commission.

The amendment was agreed to.

Mr. BINGHAM. Mr. President, by direction of the committee, I am authorized to offer the amendment which I send to the desk. It proposes to incorporate in the bill language which has been in the bill in preceding years, and the committee saw no reason why it should not be in the bill this year.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 2, line 10, after the word "Columbia," it is proposed to insert the following:

And the tax rate in effect in the fiscal year 1933 on real estate and tangible personal property subject to taxation in the District of Columbia shall not be decreased for the fiscal year.

Mr. KING. Mr. President, I inquire the reason for that amendment, in view of the change in the valuation of property and the rather unprecedented financial situation in the District of Columbia. It may be wise, but I can conceive of contingencies that might necessitate some rearrangement of the fiscal system and a refinancing.

Mr. BINGHAM. It has been the practice, Mr. President, for the past few years, particularly since the adoption of the lump-sum contribution, to take away from the commissioners the option of lowering the District taxes. The committee felt, in view of the fact that the Government made a contribution to the District, and the District asked for certain expenditures sometimes larger than we thought necessary, that they should come out of District taxes, and that the people of the District should not come back on us to lower their taxes and take advantage of the situation to have the Government make a larger contribution. Why the House left out the provision this year, I do not know. It was believed wise to put it back. In the opinion of the committee, the way to reduce taxes in the District is to make the assessment come a little nearer the value of the property rather than to reduce the tax rate.

Mr. KING. I shall not object, but I want to say very frankly that, so far as I am concerned, I would be willing to give greater powers to the commissioners to deal with the matters within the District, and thus relieve Congress of many of the questions and problems that are now presented to it for consideration.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. BINGHAM. I offer another amendment and ask that it may be stated.

The PRESIDING OFFICER. The amendment will be stated

The CHIEF CLERK. On page 8, line 13, it is proposed to strike out "\$51,250" and insert "\$59,250," and on the same page, line 15, to strike out "\$50,500" and insert "\$58,500." Mr. KING. Is there any reason for that amendment?

Mr. BINGHAM. We took this item, which is for the District Employment Service, out of the independent offices appropriation bill, with the idea that it should be put in this bill.

to the amendment.

The amendment was agreed to.

Mr. BINGHAM. I have another amendment, which is a mere correction of language in the bill.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 21, after line 17, it is proposed to insert the following:

For grading, including construction of necessary culverts and retaining walls, the following.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. BINGHAM. I offer another amendment by direction of the committee.

Mr. KING. Mr. President, may I ask the Senator whether the amendments which he is tendering now have been agreed to by the committee?

Mr. BINGHAM. They have been agreed to by the committee.

The PRESIDING OFFICER. The amendment offered by the Senator from Connecticut on behalf of the committee will be stated.

The CHIEF CLERK. On page 44, after line 11, it is proposed

For completing the erection of a junior high-school building on

For completing the erection of a junior high-school building on a site already purchased for that purpose at Nineteenth Street and Minnesota Avenue SE., in Anacostia, \$175,000.

Not to exceed \$45,000 of the unexpended balance of the reappropriation for rehabilitation of the Wilson Teachers College, contained in the District of Columbia appropriation act, fiscal year 1933, is hereby made immediately available and shall continue available until June 30, 1934, for the improvement of the central heating plant for the M Street Junior High and Douglass-Simmons Schools.

Mr. BINGHAM. This amendment is designed to permit the completion of a building already under way.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. BINGHAM. I offer another amendment by direction of the committee.

The PRESIDING OFFICER. The amendment will be

The CHIEF CLERK. On page 63, after line 18, it is proposed to insert the following:

To provide a working capital fund for such industrial enterprises as may be approved by the Commissioners of the District of Columbia, \$46,000: Provided, That the various departments and institutions of the District of Columbia and the Federal Government may purchase, at fair market prices, as determined by the commissioners, such surplus products and services as meet their requirements; receipts from the sale of products and services shall be deposited to the credit of said working capital fund, and said fund, including all receipts credited thereto, shall be used as a revolving fund for the fiscal year 1934 for the purchase and repair of machinery, tools, and equipment, purchase of raw materials and manufacturing supplies, purchase, maintenance, and operation of non-passenger-carrying vehicles, purchase and maintenance of horses, and purchase of fuel for manufacturing purposes; for freight, personal services, and all other necessary expenses; and for the payment to inmates or their dependents of such pecuniary earnings as the commissioners may deem proper. To provide a working capital fund for such industrial enterprises such pecuniary earnings as the commissioners may deem proper

Mr. KING. Mr. President, I will ask the Senator for an explanation of that amendment.

Mr. BINGHAM. Mr. President, this item has been in the bill for several years. The Senator will realize that at Lorton, where the District reformatory is located, and at Occoquan, where the other institution called the workhouse is located, it is necessary to give the prisoners something to do. They may make bricks; they make automobile tags, and so forth. Under the existing law the products of the workhouse and the reformatory may be sold in the open market to anyone, but this limits the sale to the Federal Government and its institutions and the institutions of the District of Columbia. It also provides \$46,000 for a revolving fund to be used for the purchase of materials, and so

The PRESIDING OFFICER. The question is on agreeing | forth, in these institutions. It has been customary to put the item in the bill, and the commissioners felt very strongly about the necessity for it.

Mr. KING. I do not disagree; but I was wondering whether it was the purpose to increase the activities of the institutions referred to.

Mr. BINGHAM. No; not at all, Mr. President. As a matter of fact, this provision limits the sale to public institutions of the Government and the District of Columbia.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Connecticut on behalf of the committee.

The amendment was agreed to.

Mr. BINGHAM. Mr. President, I ask unanimous consent that the clerk may correct all totals in the bill.

The PRESIDING OFFICER. Without objection, that order will be made. The bill is before the Senate and open to amendment.

Mr. BLACK. Mr. President, may I ask the Senator from Connecticut where is the provision which reinstates the old meter system for taxicabs in Washington?

Mr. BINGHAM. Mr. President, there is no provision that reinstates the old meter system which used to enable a taxicab to charge something like 80 cents for a trip from the railroad station or the Capitol to the Mayflower Hotel. The meter system suggested by the committee would limit the rate to 25 cents for the first 2 miles or a fraction thereof and 10 cents a mile thereafter.

Mr. BLACK. May I ask the Senator on what page that amendment is found?

Mr. BINGHAM. It is found on page 7, lines 11 and 12. Mr. BLACK. Mr. President, have we voted on that amendment?

Mr. BINGHAM. That amendment was adopted when we reached page 7.

Mr. BLACK. I desire to move to reconsider the vote by which that amendment was agreed to.

The PRESIDING OFFICER. Without objection, the vote by which the amendment was agreed to will be reconsidered. Mr. BINGHAM. Mr. President, I offered no objection to the Senator's request for reconsideration.

Mr. BLACK. I understood that

Mr. President, I am not sufficiently familiar with the facts to go into any extended argument on this amendment; but I do know that I have ridden in a number of taxicabs, and I have yet to find the first taxicab driver who is independent of the larger taxicab union who has not expressed himself to me as being opposed to being forced to raise the rates above the 20 cents which they now charge. At this time, when the banks are declaring moratoriums all over the United States, when people are harder pressed than they ever have been in the history of this country, I do not see why we should by legislation attempt to force a higher taxicab in the city of Washington.

Mr. BORAH. Mr. President, is this the provision in the bill which undertakes to put meters upon taxicabs?

Mr. BLACK. It is. It undertakes to reinstate the meters. Mr. BORAH. I agree with the Senator. I suppose I have canvassed a hundred taxicab drivers, and I have yet to find the first one who is in favor of it.

Mr. McKELLAR. Mr. President-

Mr. BORAH. Let me ask whether this is not a change of the law.

Mr. BLACK. It states:

No part of the appropriations contained in this act shall be

It is an express statement of law in an appropriation bill. It seems to me that probably it is subject to a point of order, but I am not raising that point.

Mr. BINGHAM. Mr. President, the language to which the Senator refers was put in by the House:

No part of the appropriations contained in this act shall be used for or in connection with the preparation, issuance, publication, or enforcement of any regulation or order of the Public Utilities Commission requiring the installation of meters in taxicabs—

Obviously that is new legislation, but the House put it in. What the Senate did was to add to that an amending clause so that the Public Utilities Commission could not require the installation of meters—

if the initial rate exceeds 25 cents for the first 2 miles, or portion thereof, and 10 cents a mile thereafter.

That is the language.

Mr. BORAH. That is general legislation.

Mr. BINGHAM. It is an amendment to the legislation put in the bill by the House.

Mr. BORAH. Yes; but it is clearly legislation.

Mr. BINGHAM. It is a limitation, Mr. President.

Mr. BORAH. Yes; but it seems to me general legislation.
Mr. McKELLAR. Mr. President, will the Senator yield
to me?

Mr. BLACK. I yield.

Mr. McKELLAR. I want to say that there are hundreds of perfectly splendid young men—I know some of them who are college men—who find that the only way they can make a living is to run these independent taxicabs. This is an effort to squeeze out everybody except the large concerns which are vitally interested in it for themselves, of course.

Mr. BORAH. Of course it is.

Mr. McKELLAR. But I do not think we ought to agree to the amendment, and I hope it will not be agreed to.

I want to add this, if I may make a parliamentary inquiry: Is this provision subject to a point of order? If it is, I am going to make the point of order.

The PRESIDING OFFICER. It is an amendment to the House provision, and the House provision makes this language in order.

Mr. McKELLAR. I hope it will be voted down, then. I am sorry it is not subject to a point of order.

Mr. KEAN. Mr. President, will the Senator yield to me? Mr. BLACK. I yield to the Senator from New Jersey.

Mr. KEAN. At the committee hearing the names of more than 400 taxicab drivers were presented, asking that meters go on. To-day I have ridden in three taxicabs, and I asked the driver of each one of them, and each one of them said that he prefers the meters.

The trouble with the situation in Washington is that there is a taxicab company here which rents the taxicabs to its men for \$4 a day. There is no financial responsibility. There are more accidents in Washington than in any other city in the United States in proportion to its size; and there is no protection whatever to the public against these taxicab drivers as the matter now stands.

Mr. BORAH. Mr. President, it is all right to require liability insurance, and I should be perfectly willing to support a proposal which would put into effect an insurance requirement; but this is a case where there may be 400 in favor of it but there are 400 who are opposed to it, and the 400 who are opposed to it are the independent young fellows who are seeking under the most adverse circumstances to make a living by running independent taxicabs. As one of them said to me the other day, "When that goes into effect, I go out of business." It is the protection of the young fellows who are trying to make a living in that way that I think we ought to take into consideration.

Mr. BYRNES. Mr. President, will the Senator yield to

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from South Carolina?

Mr. BLACK. Yes; I yield.

Mr. BYRNES. I want to say to the Senator from Idaho that those independents, the young men to whom the Senator refers, will be forced as a result of this legislation to buy meters, and they have not the money with which to buy them. The object is to drive them out of business.

Mr. BORAH. Exactly.

Mr. BYRNES. Just at this time we are being furnished splendid taxicab service, at lower rates than in any other city in the country. The object of this amendment is to increase taxi fares at a time when people have less money to pay for taxi fares than ever before.

Mr. KEAN. Mr. President, will the Senator yield to me for a moment?

The PRESIDING OFFICER. To whom does the Senator from Alabama yield?

Mr. BORAH. I supposed I had the floor, but I have not. Mr. BLACK. I yield to the Senator from Idaho. I am perfectly willing to yield the floor. I wanted the matter to be discussed.

Mr. BORAH. I do not desire to take the floor away from the Senator.

Mr. BLACK. I am perfectly willing to give the Senator the floor.

Mr. KEAN. Mr. President, will the Senator yield to me, just to reply?

Mr. BORAH. I yield to the Senator.

Mr. KEAN. Forty-five dollars is the price of a meter, and they can pay it in monthly installments.

Mr. BORAH. Yes; and the young fellow is already trying to pay for his taxicab in monthly installments, and if the Senator would listen to the stories of some of them who are undertaking to do that he would not want to add \$45 to what they now have to pay.

Here is a young man who is paying his way through school through the effort of running a taxicab. It is proposed to add \$45 a year to his expenses; and for whose benefit is the \$45? It is for the benefit of the combination, not the independent young fellow.

Mr. KEAN. It is for the benefit of the public. Will the Senator yield to me?

Mr. BORAH. I yield.

Mr. KEAN. So far as these young men go, I want to say that most of them that I have talked to have been in favor of a taximeter, and a lot of the people who ride in the cabs are in favor of a taximeter, because at the present time if you get in a cab at the Union Station they will say, "We are now on a zone system," and you soon get to the limits of the zone, and the Mayflower Hotel is four zones away, and they charge you 80 cents. We have had that kind of testimony.

Mr. BORAH. Mr. President, I do not know where that kind of testimony came from, and I do not know who is responsible for it; but I know that for 20 cents these young men haul you anywhere within the District, and you feel as though you were taking money out of their pockets when you pay them.

Mr. KEAN. I agree to that.

Mr. BORAH. Mr. President, if this matter is going on to-night, I am going to call for a quorum. I insist that the facts shall be presented.

Mr. BLACK. Mr. President, I called attention to this matter, and asked for the reconsideration, in order that we might vote to strike out the amendment. I believe the Senate will vote to strike it out. I believe it is wholly unjustified. I have been told by the boys who drive these taxicabs that there are very few companies that sell meters, and that it is a meter company that in the main has sought to bring about the reinstatement of meters.

Mr. BORAH. The Pittsburgh company that makes these meters is very much interested in the matter, I presume.

Mr. BLACK. I do not say that with any degree of criticism for the Senators who favor this amendment. I am simply stating the idea that the boys have who drive these taxicabs; I do know, however, whoever is for it or whoever is against it, that this would increase the present taxicab rates in Washington. I do know that the people are not able to stand increases at this time. If there should be any change, they should be decreased. I know also, from the boys I have talked to, that the independent drivers, those who are making their living out of using and driving one car, have expressed their vigorous opposition to this proposal to reinstate meters.

Mr. BYRNES. Mr. President, will the Senator yield? Mr. BLACK. I yield.

Mr. BYRNES. The Senator is not in favor of reducing the compensation of the employees of the Departments and at the same time increasing the cost of their transportation, is he?

Mr. BLACK. Why, of course it is not fair. We have had a movement here to decrease the wages of Government employees, and they have been decreased; and now here comes a proposition to raise the price of their taxicab fares.

I ride in taxicabs. Nobody can make me believe that 25 cents is cheaper than 20 cents. I ride in a taxicab to the zone in which I live, out several miles, and it costs 40 cents. I rode the same distance with the old meter system—they claim now that this is not like the old meter system—and it cost me \$2.05. This may not be intended to reinstate the old meter system, but it will eventually lead to that very thing, and it will eventually lead to the big taxicab companies's raising the price when they have squeezed out the little taxicab drivers.

Mr. BYRNES. Mr. President, under the meter system, when you step in the taxicab how much does the meter show? About 25 cents, does it not?

Mr. BLACK. You start off at 25 cents. Before you go a foot you start off with 25 cents.

I do not know about the 400 signatures referred to by the Senator from New Jersey. They may have had 400 signatures signed to something; but if you will go out here now and get a taxicab and ride down the street with some boy who owns his car, you will find that he is not favorable to being coerced into a system which will place him at the mercy of the larger taxicab companies; but, even if he were, we are not justified in raising taxicab rates now.

Mr. SMITH. Mr. President, if the Senator will allow me, I have taken pains to inquire from the drivers of the different taxicabs in which I have ridden—I use them every day—and I have not yet found one who was not protesting against the reinstatement of the meter system.

Mr. KEAN. All I can say is that I have ridden to-day in three taxicabs whose drivers took the other view.

Mr. CAPPER. Mr. President, will the Senator yield?

Mr. BLACK. I yield the floor.

Mr. CAPPER. Mr. President, I think the demand for the meter comes very largely from the two big companies that are trying to control the situation in Washington.

My impression is practically in line with that of the Senator from Idaho and others, that the majority of the taxi drivers here do not want the meter system, and that the two big companies are trying to crowd out the independents.

I received to-day the letter I have in my hand from an independent driver who is very much interested in this matter; and I will say that the overwhelming sentiment, as I get it, is against the meter so far as these independent drivers are concerned. In this letter he says:

The Public Utilities Commission's meter recommendation means about a 40 per cent increase in rates, and a decrease in riders of from 50 to 75 per cent. About 2,000 cabs carry their own insurance. The meters will force from 1,000 to 3,000 men out of work, and the meters will mean more accidents.

Mr. BYRNES. Mr. President, will the Senator yield for a minute? It will help the street-car system; will it not?

Mr. CAPPER. To be sure. The street-car companies, too, are very persistent in their efforts.

Mr. ROBINSON of Arkansas. Mr. President, will the Senator yield for a question?

Mr. CAPPER. I yield.

Mr. ROBINSON of Arkansas. Does the Senator know of a city in the United States where there is better and cheaper taxicab service than has been afforded to the city of Washington during the last 12 months?

Mr. CAPPER. I do not; and I think it has been greatly improved in the last year, and the situation is better than it was under the old system.

Mr. McKELLAR. This is just another effort to subsidize some special interest, that is all.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee.

Mr. BORAH. I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. SMITH. Mr. President, may the entire question be stated?

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee, which will be stated.

The CHIEF CLERK. On page 6, line 24, the committee proposes to strike out lines 24 and 25, down to the end of line 6 on page 7, and to insert:

No part of the appropriations contained in this act shall be used for or in connection with the preparation, issuance, publication, or enforcement of any regulation or order of the Public Utilities Commission requiring the installation of meters in taxicabs if the initial rate exceeds 25 cents for the first 2 miles, or portion thereof, and 10 cents a mile thereafter: Provided, That this prohibition shall not be construed to affect any order or part of an order of such Public Utilities Commission other than with respect to the requirement of the installation of such meters.

Mr. BLACK. A parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. BLACK. A negative vote will be a vote to strike the meter provision out, will it not?

Mr. McKELLAR. No; to strike out the Senate committee amendment.

The PRESIDING OFFICER. A negative vote will be a vote to reinsert the House provision.

Mr. COPELAND. Mr. President, I do not intend to let this matter go to a vote until the whole truth, founded on the testimony, has been presented to the Senate.

It is all very well to impute motives of dishonor or other motives to those who take a different view from the views which have been stated here so vigorously this afternoon, but I assure the Senate that there is quite another side to this question, and if it is the desire of the Senate to listen to me, and to take the time, I shall be glad to speak, or wait until to-morrow, as the Senate pleases.

Mr. President, the most extravagant statements have been made here to-day, founded on questions propounded to a few taxicab drivers. A little while ago the Senator from Arkansas [Mr. Robinson], my leader, asked the question, "Have we not better and cheaper taxicab service in the District of Columbia than anywhere else in the country?" The answer given him was "Yes." I dispute that. We have here probably cheaper taxicab service than in any city of the same size or of larger size in the country, but there is no worse service anywhere than here. There is no service which contributes so much to accidents in the streets. There is no service anywhere which contributes so much to the distress of the drivers.

The committee received evidence to the effect that many of the drivers of taxicabs in this city are being supported by the missions. Men strive here to have the farmer get a proper price for his product, who desire to have the farmer receive for his wheat and corn the cost of production, and, if possible, a little profit, but with the taxicab business, these taxicab drivers can hardly live, even the fortunate ones, and there are hundreds of them who are being cared for in part by charity.

Of course, Senators may reflect, "Well, now, my fare has been 20 cents, but under the meter system it will be 35 cents." If a Senator is willing to have that fact influence his vote, that is his business; it is not mine.

Mr. BORAH. Mr. President, will the Senator yield? Mr. COPELAND. I yield.

Mr. BORAH. I am thinking about the fellow who owns his taxicab, or is trying to own his taxicab, who tells me that he will be put out of business if this provision goes into effect, and that he now is making a living. A poor living, but still a living. I could bring to the Senator a number of young men who are perfectly willing to go on record to that effect. I do not suppose there are very many Senators who ride home with a man who hauls them for 20 cents who content themselves with paying merely 20 cents. I doubt very much if there are very many, if any, Senators who do that. But I am anxious that the young man who is undertaking to make his living by driving a taxicab be not put out of business, and I am particularly

anxious that the combination which is against him be not |

Mr. COPELAND. Mr. President, the Senator from Idaho is usually right on large matters, but I say to him in all kindness that on this small matter he is mistaken.

Mr. BORAH. This is no small matter to the man who has no other way of making a living. The right or chance to earn a living is no small matter.

Mr. COPELAND. Let me say to the Senator that the men before the committee fighting against this were the big taxicab companies of the city.

Mr. BORAH. Let me tell the Senator that the big taxicab fellows are not against it. I have been informed many times that it is the big companies who are arguing the matters. I am sure I can demonstrate that fact if given an opportunity.

Mr. COPELAND. I will be very happy to hear the Senator attempt to demonstrate it, because I sat through the hearings, and I saw the representatives of the big companies

Mr. BORAH. Very well. I know how the big companies present their men to the committees. They do not themselves go, but the big companies are in favor of this proposition. Why should they not be? It means putting out of business the independent men who are making a living.

Mr. COPELAND. The Senator speaks as if the rate in this city were 20 cents all over the city. As a matter of fact, we have a zone system here. It so happens that the Senator lives within the one zone.

Mr. BORAH. It so happens that the Senator lives within the limits of the city, and that is the zone.

Mr. COPELAND. If the Senator thinks that one can go anywhere in this city, under the present system, for 20 cents, there is no man in the Senate more mistaken than the Senator

Mr. BORAH. I say to the Senator that I go home every night, and my secretary goes home every night, and either go within the limits of the city, and could go, if we had a mind to do so, for 20 cents.

Mr. COPELAND. The Senator goes within the first zone of the city. If he had occasion to cross Wisconsin Avenue,

he would pay another 20 cents.

Mr. BORAH. Suppose we cross the Million Dollar Bridge, as it is called, and go on the other side of the canyon; is that still in the zone?

Mr. COPELAND. Until you get to a certain point a quarter of a mile beyond the canyon; then you get into

Mr. BORAH. I feel that I could bring the Senator plenty of testimony to prove that the Senator is mistaken.

Mr. COPELAND. I will be very glad to hear the testimony, because I listened to an abundance of testimony, and I can stand some more, particularly if it justifies the position which the Senator from Idaho takes, which is a mistaken position, and he will find it to be so when he studies the evidence.

Mr. REED. Mr. President, will the Senator yield to me? Mr. COPELAND. I yield.

Mr. REED. My home is 3 miles from the Capitol, and the taxicab fare at present is 20 cents. I am thoroughly convinced that no operator of a taxicab can make such a trip and even begin to pay expenses, to say nothing of taking care of his own personal needs. Naturally, as the Senator from Idaho has said, no one would dream of asking for such a ride for the bare 20 cents. But I have talked with a great many of these men, and their distress is evident. They are threadbare, and ragged, and pinched, and if a man is trying to support a family on any such scale of wage, it is obviously impossible for him to do more than keep body and soul together. I feel ashamed of myself every time I take such a trip in a cab labeled "20-cent Yet, there must be many people who would not dream of paying more than the stipulated rate of 20 cents. I am sure every Senator here feels the way I do about it.

Mr. BORAH. Mr. President, the Senator must bear in mind that while that is true, any number of rides for 20

cents are for two or three blocks, or half a dozen blocks, and it is by such fares, the men explain to me, they make their living. If all of the trips were these long rides about which the Senator speaks, of course they could not make a living. But a person may get in a taxicab here and drive down two or three blocks, or half a dozen blocks for 20 cents. It is through these short trips that the drivers make their money.

Mr. REED. Mr. President-

The PRESIDING OFFICER. Does the Senator from New York yield to the Senator from Pennsylvania?

Mr. COPELAND. I yield.

Mr. REED. I talked to a taxicab driver over in front of the Senate Office Building about noon to-day. He told me he had had one fare this morning and his fare gave him no tip. He had to spend the 20 cents to buy 2 gallons of gasoline. He did not have one red copper cent to get himself any lunch. He told it without any complaint as if it were the ordinary day's experience. I do not see how we can contemplate such a situation imperturbably.

Mr. McKELLAR. Mr. President, will the Senator yield? The PRESIDING OFFICER. Does the Senator from New York yield to the Senator from Tennessee?

Mr. COPELAND. I yield.
Mr. McKELLAR. The remedy is not in putting in meters. If the existing fare is too low, let us give them a better fare; but when we require them to install meters we legislate for the benefit of the big taxicab company here.

Mr. BINGHAM. Mr. President, there are a number of Senators who have expressed their desire that the matter of the taxicab situation go over until to-morrow. I wonder if the Senator from New York may find it convenient to continue his discussion to-morrow morning at 10 o'clock?

Mr. COPELAND. Very well. Mr. BINGHAM. Will the Senator yield to me at this time to move a recess until 10 o'clock to-morrow morning?

Mr. COPELAND. Certainly.

Mr. McKELLAR. Mr. President, before the Senator moves a recess may I say to Senators present that the hearings on the appropriation bill, at page 204, contain the names of those who came before the committee in what I conceive to be opposition to the independent taxicab drivers and. indirectly at least, favoring an increase in taxicab rates. The names are disclosed in the statement of Thomas W. Littlepage on behalf of the citizens' joint transportation committee, he being the chairman of that committee. His statement is as follows:

Mr. Chairman, this committee is a citizens' joint transportation committee made up with a view of attempting to help work out the traffic and transportation system in the District of Columbia. The representatives on this committee represent the Washing-

ton Board of Trade, the Merchants and Manufacturers Association, the Federation of Churches, the Typothetæ, the Federation of Civil Associations, the Cosmopolitan Club, the Zonta Club, the Quota Club, the Kiwanis, the Optimist Club, and the chamber of commerce.

NAVAL APPROPRIATIONS-CONFERENCE REPORT

Mr. SHORTRIDGE submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 14724) making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1934, and for other purposes, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendment numbered 2. That the House recede from its disagreement to the amendment of the Senate numbered 5, and agree to the

Amendment numbered 1: That the House recede from its disagreement to the amendment of the Senate numbered 1. and agree to the same with an amendment as follows: Restore the matter stricken out by said amendment, amended to read as follows: "(None of which shall be available for increased pay for making aerial flights by more than eight nonflying officers or observers, to be selected by the Secretary | of the Navy)"; and the Senate agree to the same.

Amendment numbered 3: That the House recede from its disagreement to the amendment of the Senate numbered 3, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert ", but nothing herein shall be construed as preventing the voluntary employment in any such capacity of a retired enlisted man or a transferred member of the Fleet Naval Reserve without additional expense to the Government"; and the Senate agree to the same.

Amendment numbered 4: That the House recede from its disagreement to the amendment of the Senate numbered 4, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$744,794"; and the Senate agree to the same.

> SAMUEL M. SHORTRIDGE, FREDERICK HALE, HENRY W. KEYES, CARTER GLASS, E. S. BROUSSARD, Managers on the part of the Senate.

> W. A. AYRES, W. B. OLIVER. BURTON L. FRENCH. JOHN TABER, Managers on the part of the House.

Mr. SHORTRIDGE. I move the adoption of the report. The report was agreed to.

LANDS IN RAPIDES PARISH, LA.

Mr. ROBINSON of Arkansas. I ask unanimous consent for the consideration of the bill (H. R. 11242) to relinquish the title of the United States in and to lands in Rapides Parish, State of Louisiana. The bill is unanimously reported by the Committee on Public Lands and Surveys. It is favorably reported on by the Commissioner of the General Land Office and by the Department of the Interior.

There being no objection, the bill was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That all the right, title, and interest of the United States in and to section 57, township 4 north, range 1 west, Louisiana meridian, Rapides Parish, La., containing 1354/100 acres, as shown on a plat of survey made by A. C. Phelps, deputy surveyor, approved March 13, 1839, by H. F. Williams, surveyor general for the district of Louisiana, and segregated thereon as a devable expression by a red the segregated thereon as a eral for the district of Louisiana, and segregated thereon as a double concession, be, and the same is hereby, released, relinquished, and confirmed by the United States to J. Taylor Compton, T. Maddox Compton, Ursula Compton Craig, and the legal representatives of J. M. Armstrong, and to their respective heirs and assigns forever: Provided, That the said parties shall first submit to the Secretary of the Interior satisfactory evidence of long continuous possession of the said land under claim or color of title, together with payment for the said land at the rate of \$1.25 per acre.

SEC. 2. That when the required evidence and payment have been made a patent shall issue for the said described land to J. Taylor Compton, T. Maddox Compton, Ursula Compton Craig, and the legal representatives of J. M. Armstrong: Provided, That such patent shall only amount to a relinquishment of any right, title, and interest of the United States in and to the land.

AWARDS OF THE MIXED CLAIMS COMMISSION, ETC.

Mr. GLASS. I ask unanimous consent for the consideration of the bill (H. R. 12328) to authorize the assignment of awards entered by the Mixed Claims Commission, United States and Germany, the Tripartite Claims Commission, and the War Claims Arbiter. I will state that this bill was unanimously reported by the House committee and unanimously adopted in the House, and it has the unanimous report of the committee of the Senate.

There being no objection, the bill was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That subsection (g) of section 2 of the settlement of war claims act of 1928 is hereby amended by adding at the end thereof a new paragraph to read as follows:

"(5) In the case of an assignment of an award, or an assignment (prior to the making of the award) of the claim in respect

of which the award was made, by any such person, made in writing, duly acknowledged, and filed with the application for payment, such payment shall be made to the assignee."

SEC. 2. Subsection (k) of section 3 of such act is hereby amended by adding at the end thereof a new paragraph to read

as follows:

(5) In the case of an assignment of an award, or an assign-"(5) In the case of an assignment of an award, or an assignment (prior to the making of the award) of the claim in respect of which the award was made, by any such person, made in writing duly acknowledged, and filed with the application for payment, such payment shall be made to the assignee."

SEC. 3. Subsection (f) of section 5 and subsection (h) of section 6 of such act are hereby amended by striking out "(4)" where it occurs in such subsections and inserting in lieu thereof "(5)."

CORRECTIONS IN ENROLLMENT OF AMENDMENT TO BANKRUPTCY ACT

Mr. HASTINGS submitted the following concurrent resolution, which was read, considered, and agreed to:

Resolved by the Senate (the House of Representatives concurring), That in the enrollment of the bill (H. R. 14359) to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, and acts amendatory thereof and supplementary thereto, the Clerk of the House is authorized to make the following necessary changes in the Senate engrossed amendment:
On page 1, line 6, beginning with "by," strike out through the word "and" in line 7.

On page 1, line 14, strike out "74 and 75" and insert in lieu thereof "74, 75, and 77."

On page 19, line 16, strike out "or compositions"; and in lines 21 and 24, strike out the words "or composition."

On page 39, line 12, strike out the figure "76."

On page 41, line 9, beginning with the word "railroad," strike out through the period in line 11.

out through the period in line 11.

ENROLLED BILLS PRESENTED

Mr. VANDENBERG, from the Committee on Enrolled Bills, reported that on to-day, March 1, 1933, that committee presented to the President of the United States the following enrolled bills and joint resolution:

S. 1752. An act to authorize an appropriation for the purchase of land in South Dakota for use as camp sites or rifle

ranges for the National Guard of said State;

S. 2654. An act to allow credit in connection with homestead entries to widows of persons who served in certain

S. 4008. An act to amend article 5 of the act of Congress approved June 7, 1897, relating to the approval of regulations for preventing collisions upon certain harbors, rivers, and inland waters of the United States;

S. 5233. An act to provide for the protection of national military parks, national parks, battlefield sites, national monuments, and miscellaneous memorials under the control of the War Department;

S. 5417. An act to extend the operation of the act entitled An act for the temporary relief of water users on irrigation projects constructed and operated under the reclamation law," approved April 1, 1932;

S. 5445. An act to extend the times for commencing and completing the construction of a bridge across the Rio Grande at or near Rio Grande City, Tex.;

S. 5469. An act to provide for the creation of the Morristown National Historical Park in the State of New Jersey, and for other purposes:

S. 5525. An act to extend temporary relief to water users on irrigation projects on Indian reservations, and for other purposes:

S. 5622. An act providing for an alternate budget for the Indian Service, fiscal year 1935;

S. 5675. An act to effect needed changes in the Navy

S. J. Res. 259. Joint resolution to amend the act entitled "An act to remove existing discriminations incident to certain land grants and to subject them to the same conditions that govern other land grants of their class," approved February 14, 1933.

MESSAGE FROM THE HOUSE .

A message from the House of Representatives by Mr. Chaffee, one of its clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 14199) making appropriations for the military and nonmilitary activities of the War Department for the fiscal year ending June 30, 1934, and for other purposes; that the House had receded from its disagreement to the amendments of the Senate Nos. 11, 32, 33, and 40 to the said bill, and concurred therein; that the House had receded from its disagreement to the amendments of the Senate Nos. 5, 9, 16, and 18, and had concurred therein severally with an amendment, in which it requested the concurrence of the Senate; that the House insisted upon its disagreement to the amendments of the Senate Nos. 6, 7, 8, 12, 22, 23, 27, 29, 30, 31, 36, 37, and 41; that the House requested a further conference with the Senate on the disagreeing votes of the two Houses thereon; and that Mr. Collins, Mr. WRIGHT, Mr. PARKS, Mr. BARBOUR, and Mr. CLAGUE were appointed managers on the part of the House at the further conference.

The message also announced that the House had receded from its disagreement to the amendments Nos. 1, 2, 3, 4, 5, 6, and 10 to the bill (H. R. 14458) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1934, and for other purposes, and concurred therein; that the House insisted upon its disagreement to the amendments of the Senate Nos. 7, 8, 9, and 11 to the said bill; that the House agreed to the further conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. Woodrum, Mr. Boylan, and Mr. SUMMERS of Washington were appointed managers on the part of the House at the further conference.

WAR DEPARTMENT APPROPRIATIONS

Mr. REED. Mr. President, I ask that the action of the House of Representatives on the War Department appropriation bill may be laid before the Senate.

The PRESIDING OFFICER (Mr. Fess in the chair) laid before the Senate the action of the House of Representatives, which was read in part, as follows:

> IN THE HOUSE OF REPRESENTATIVES, March 1, 1933.

Resolved, That the House recede from its disagreement to the mendments of the Senate Nos. 11, 32, 33, and 40 to the amendments of the Senate Nos. 11, 32, 33, and 40 to the bill (H. R. 14199) entitled "An act making appropriations for the military and nonmilitary activities of the War Department for the fiscal year ending June 30, 1934, and for other purposes," and

concur therein.

That the House recede from its disagreement to the amendment Senate No. 5 and concur therein with the following

Page 8 of the engrossed bill, lines 21, 22, and 23, strike out "which shall draw interest at the rate of 3 per cent per annum, and such fund, including interest accruals" and insert "and such fund."

Mr. REED. I move that the Senate concur in the amendment of the House to the amendment of the Senate numbered 5.

Mr. VANDENBERG. Mr. President, will the Senator indicate to me, before any of these motions are put, at what point the so-called Couzens amendment will arise for consideration in respect to the handling of boys in cantonments?

Mr. REED. I am going to ask that that matter go to conference. I will ask for the appointment of conferees on those items on which the House persists in disagreeing. That will be one of the items which will go to the new conference.

Mr. VANDENBERG. In other words, there is nothing in the program of the Senate now which contemplates the foreclosure of further action on that amendment?

Mr. REED. That is correct.

The PRESIDING OFFICER. The question is on the motion of the Senator from Pennsylvania to concur in the amendment of the House to the amendment of the Senate numbered 5.

The motion was agreed to.

The legislative clerk read from the House action, as follows:

That the House recede from its disagreement to the amendment of the Senate No. 9, and concur therein with the following amendment:

In lieu of the matter stricken out and inserted by said amendment insert "conviction has been affirmed by an appellate court unless approved by the Secretary of War.'

Mr. REED. I move that the Senate concur in the amendment of the House to Senate amendment No. 9.

The motion was agreed to.

The legislative clerk read from the House action, as follows:

That the House recede from its disagreement to the amendment of the Senate No. 16, and concur therein with the following amendment: Restore the matter stricken out by said amendment amended by inserting in lieu of the amount named therein "\$2.700.000." \$2,700,000.

Mr. REED. I move that the Senate concur in the amendment of the House to the amendment of the Senate No. 16. The motion was agreed to.

The legislative clerk read from the House action, as

That the House recede from its disagreement to the amendment of the Senate No. 18, and concur therein with the following amendment: In lieu of the matter inserted by said amendment insert "\$11,383,865."

Mr. REED. I move that the Senate concur in the amendment of the House to the amendment of the Senate numbered 18

The motion was agreed to.

The legislative clerk read from the House action, as follows:

That the House insists upon its disagreement to the amend-

ments of the Senate numbered 6, 7, 8, 12, 22, 23, 27, 29, 30, 31, 36, 37, and 41.

The House asks a further conference with the Senate on the disagreeing votes of the two Houses thereon and appoints Mr. Collins, Mr. Wright, Mr. Parks, Mr. Barbour, and Mr. Clague to be the managers on the part of the House at said conference.

Mr. REED. On those amendments, just stated, I move that the Senate insist on its amendments, request a further conference with the House on the disagreeing votes of the two Houses, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. Reed, Mr. BINGHAM, Mr. STEIWER, Mr. CUTTING, Mr. KENDRICK, Mr. McKellar, and Mr. Fletcher conferees on the part of the Senate at the further conference.

RECESS

Mr. BINGHAM. Mr. President, I move that the Senate take a recess until 10 o'clock to-morrow morning.

The motion was agreed to; and (at 6 o'clock and 7 minutes p. m.) the Senate took a recess until to-morrow, Thursday, March 2, 1933, at 10 o'clock a. m.

HOUSE OF REPRESENTATIVES

WEDNESDAY, MARCH 1, 1933

The House met at 11 o'clock a. m.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

O God of our fathers, Thy sovereign mercy and Thy daily providences are the overarching and the undergirding realities of our fondest hopes. It is through care divine that we are still treading our accustomed pathways; we thank Thee; how great are our obligations. O fill our breasts with the mightiest meanings until the laws of truth and charity become native in the depths of our souls. Forgive our trespasses; bury them in the sea of forgetfulness and remember them against us no more forever. May our labors be as fruitful vines, whose leaves shall be for the healing of the wounds of our Nation. In all of our relations to our high calling may we follow the teachings of the Man of Galilee. In His name we pray. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Craven, its principal clerk, announced that the Senate disagrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 14458) entitled "An act making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices for the fiscal year ending June 30, 1934, and for other purposes."

The message also announced that the Senate had passed with amendments, in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 14724. An act making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1934, and for other purposes.

PURCHASE OF ALLOTMENTS OF DECEASED INDIANS

The SPEAKER. The Clerk will read the engrossed copy of the bill (H. R. 14059) authorizing the Secretary of the Interior in behalf of Indians to purchase the allotments of deceased Indians, and for other purposes.

Mr. SNELL. Mr. Speaker, may I ask what is this bill? The SPEAKER. It is a bill that was considered yesterday by unanimous consent, but, later on, the gentleman from Wisconsin [Mr. Schafer] asked for the reading of the engrossed copy.

Mr. STAFFORD. Mr. Speaker, I ask unanimous consent that the reading of the engrossed copy may be dispensed

with.

The SPEAKER. Is there objection?

There was no objection.

The question was taken, and the bill was passed. A motion to reconsider was laid on the table.

AMENDMENT OF THE BANKRUPTCY ACT

Mr. SUMNERS of Texas. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 14359) entitled "An act to amend an act entitled 'An act to establish a uniform system of bankruptcy throughout the United States,' approved July 1, 1898, and acts amendatory thereof and supplementary thereto," with a Senate amendment, and concur in the Senate amendment.

The Clerk read the title of the bill.

Mr. SNELL. Mr. Speaker, reserving the right to object, I think some of the gentlemen on this side desire to ask some questions in regard to this matter and have a little explanation of the amendment. So far as I am personally concerned, I do not intend to object to consideration at this time, but I think perhaps the gentleman ought to explain the amendment.

The SPEAKER. Let the Clerk report the Senate amendment. It seems to the Chair that is the best information that could be given the House.

Mr. DYER. The amendment is quite long and it will require some time to read it.

Mr. BLANTON. It ought to be read, I do not care how long it takes. There are some most important matters in this Senate bill.

Mr. DYER. I agree with the gentleman about that.

Mr. BLANTON. And they ought not to be in there, and we should take them out.

Mr. TARVER. Mr. Speaker, reserving the right to object, if this is to be done by unanimous consent, there is no use taking up time in reading the amendment, because unless the amendment is made available for examination by the Members of the House I expect to object. It would be a useless consumption of time if unanimous consent is desired.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. BLANTON. Mr. Speaker, I reserve the right to object, to ask the gentleman from Texas [Mr. Sumners] a question. What is the gentleman going to do about the provision of the Senate amendment that prevents receivers of railroads from in any way changing the status and wages of employees? With that in the bill there can be no sane reorganization. That provision ought to go out of the bill. If the employees of railroads are more important than the 120,000,000 people of the United States, the country ought to find it out.

The SPEAKER. Permit the Chair to make this statement for the benefit of the House. In collaboration with the gentleman from Texas [Mr. SUMNERS] and the gentleman from New York [Mr. SNELL], and other gentlemen interested in this legislation who are members of the Judiciary Committee, an effort was made to bring about consideration of this amendment by unanimous consent in order to save the time of the House. As a matter of fact, it is a privileged matter and can be called up by the gentleman from Texas as a matter of right. Under clause 2 of Rule XXIV, House bills with Senate amendments which do not require consideration in the Committee of the Whole may be disposed of on motion by direction of the committee originally reporting the House bill. The gentleman from Texas is entitled to recognition on a privileged matter, but it is a question of whether or not the House wants to grant unanimous consent in order to facilitate consideration of the amendment.

Mr. BLANTON. Mr. Speaker, a parliamentary inquiry. The SPEAKER. The gentleman will state it.

Mr. BLANTON. If this unanimous-consent request is granted, is not the whole matter still in the control of the chairman of the committee calling up the bill and can he not move the previous question at any time to shut off debate?

The SPEAKER. Certainly.
Mr. BLANTON. He can keep Members from having any time, whether we proceed under unanimous consent or upon his motion to recede and concur, which he can make at any

The SPEAKER. He certainly can.

Mr. BLANTON. For this reason we were hopeful we might get some agreement whereby we could call the amendment up by unanimous consent and the gentleman from Texas [Mr. Sumners] would grant us time on some provisions in the amendment that we are fundamentally against.

The SPEAKER. That is entirely with the gentleman from Texas.

Mr. BLANTON. If the gentleman from Texas can assure us we will be given some time, we will gladly go along with

Mr. SUMNERS of Texas. Mr. Speaker, there is no disposition on the part of the chairman to prevent a complete understanding of the amendment.

Mr. BLANTON. Mr. Speaker, with that assurance, I withdraw my objection.

Mr. TARVER. Mr. Speaker, I reserve the right to object to ask the chairman of the committee if it is not true that there has been stricken from this bill by amendment in the Senate the provision which would have authorized the courts to grant extensions of time to individual debtors without the approval of the majority in number and amount of creditors.

Mr. SUMNERS of Texas. There has been such an amendment.

Mr. TARVER. In my opinion that is the only provision of the bill which would have been of any benefit to the farming class of this country, and this being true, as one Member of the House, I certainly would not be willing to give unanimous consent to agreeing to an amendment carrying with it such provision.

Mr. MICHENER. Mr. Speaker, there is something in here that I am not familiar with. I appreciate the necessity of this legislation and of expediting the matter. Why can we not agree to this?

The SPEAKER. Will the gentleman permit the Chair to make a suggestion? There is just one amendment, and the gentleman from Texas can call up the bill and have the amendment read. The gentleman from Texas would have an hour, and he can yield to whom he may desire and then move the previous question on the adoption of the amend-

Mr. MICHENER. My thought was that we might save the reading of the amendment, have the gentleman from Texas explain to the House what it means and just what is accomplished by the amendment, and by so doing we might get through in less than an hour.

Mr. SUMNERS of Texas. Mr. Speaker, in view of the difficulty in getting unanimous consent, I call up the bill H. R. 14359, to establish a uniform system of bankruptcy throughout the United States.

Mr. BLANTON. Mr. Speaker, this is a very important matter, and I think we ought to have a quorum. I make the point that there is no quorum present.

The SPEAKER. The gentleman from Texas makes the point that no quorum is present. The Chair will count. [After counting.] One hundred and sixty-three Members present, not a quorum.

Mr. SUMNERS of Texas. Mr. Speaker, I move a call of the House.

The motion was agreed to.

The doors were closed, the Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 174]

Aldrich	De Rouen	Igoe	Rayburn
Bacharach	Dickstein	Johnson, Ill.	Robinson
Bankhead	Dieterich	Johnson, Okla.	Sanders, N. Y.
Bloom	Dominick	Johnson, S. Dak.	
Boland	Douglas, Ariz.	Kading	Schuetz
Brand, Ga.	Doutrich	Keller	Selvig
Brand, Ohio	Eaton, Colo.	Kemp	Shreve
Buchanan	Erk	Kvale	Sirovich
Buckbee	Estep	Lambertson	Smith, Idaho
Burdick	Fishburne	Lehlbach	Strong, Kans.
Busby	Flood	Lewis	Sullivan, N. Y.
Campbell, Iowa	Freeman	McLeod	Sullivan, Pa.
Campbell, Pa.	Fulbright	Maas	Taylor, Tenn.
Canfield	Fulmer	May	Temple
Carter, Wyo.	Gasque	Milligan	Thurston
Cartwright	Golder	Montague	Underhill
Chapman	Griffin	Moore, Ohio	Wason
Chase	Guver	Mouser	Weaver
Chindblom	Hall, Ill.	Nelson, Wis.	Wolcott
Cole, Iowa	Hall, Miss.	Niedringhaus	Wolfenden
Cooke	Hall, N. Dak.	Oliver, Ala.	Wood, Ga.
	Hardy	Owen	Wood, Ind.
Coyle	Hare	Perkins	Yates
Crail	Carrier Street, Street	Pettengill	Yon
Crump	Haugen	Prall	
Curry	Hornor	Pratt, Harcourt J.	
Davennort	Hull, William E.	Fiate, Harcourts.	

The SPEAKER. Three hundred and twenty-four Members have answered to their names. A quorum is present. On motion of Mr. Sumners of Texas, further proceedings

under the call were dispensed with.

The SPEAKER. The Clerk will report the amendment. Mr. McKEOWN. Mr. Speaker, can we not agree upon the reading of only that part of the amendment that is in disagreement between the House and the Senate?

The SPEAKER. The Clerk can not distinguish the differences between the House and the Senate.

Mr. SUMNERS of Texas. Mr. Speaker, I ask unanimous consent that the reading of the Senate amendment be dispensed with and that it be printed in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

The amendment is as follows:

Resolved, That the bill from the House of Representatives, H. R. 14359, entitled "An act to amend an act entitled 'An act to establish a uniform system of bankruptcy throughout the United States,' approved July 1, 1898, and acts amendatory thereof and supplementary thereto," do pass with the following amendment: Strike out all after the enacting clause and in lice thereof ment: Strike out all after the enacting clause and in lieu thereof insert the following:

"That the act of July 1, 1898, entitled 'An act to establish a uniform system of bankrutpcy throughout the United States,' as amended by the acts of February 5, 1903, June 15, 1906, June 25, 1910, March 2, 1917, January 7, 1922, May 27, 1926, and February 11, 1932, be, and it is hereby, amended by repealing sections 12 and 13 thereof and by adding thereto a new chapter to read as follows:

"'CHAPTER VIII

" PROVISIONS FOR THE RELIEF OF DEBTORS

"'SEC. 73. Additional jurisdiction: In addition to the jurisdic-SEC. 73. Additional jurisdiction: In addition to the jurisdiction exercised in voluntary and involuntary proceedings to adjudge persons bankrupt, courts of bankruptcy shall exercise original jurisdiction in proceedings for the relief of debtors, as provided in sections 74 and 75 of this act.

"'SEC. 74. Compositions and extensions: (a) Any person excepting a corporation may file a petition, or, in an involuntary proceeding before adjudication, an answer within the time limited by section 18(b) of this act, accompanied in either case, unless further time is granted, by his schedules, stating that he is insol-

vent or unable to meet his debts as they mature, and that he desires to effect a composition or an extension of time to pay his debts. The term "debt" for the purposes of an extension prodebts. The term "debt" for the purposes of an extension proposal under this section shall include all claims of whatever character against the debtor or his property, including a claim for future rent, whether or not such claims would otherwise constitute provable claims under this act. Upon the filing of such a petition or answer the judge shall enter an order either approving it as properly filed under this section, if satisfied that such petition or answer complies with this section and has been filed in good faith, or dismissing it. If such petition or answer is approved, an order of adjudication shall not be entered except as provided in subdivision (1) of this section: Provided, however, That in staving the action for adjudication in an involuntary pro-That in staying the action for adjudication in an involuntary proceeding the court shall make such stay conditional upon such terms for the protection and indemnity against loss by the estate as may be proper, and that in any other proceeding under this section the court may, as the creditors at the first meeting may direct, impose similar terms as a condition of delaying the appointment of a trustee and the liquidation of the estate. Any appointment of a trustee and the liquidation of the estate. Any person by or against whom a petition is filed shall be referred to in the proceedings under this section as "debtor." The term "creditor" shall include for the purposes of an extension proposal under this section all holders of claims of whatever character against the debtor or his property including a claim for future rent, whether or not such claims would otherwise constitute provable claims under this act. A claim for future rent shall constitute a provable debt and shall be liquidated under section 63(b) of this act.

63(b) of this act.

"'(b) After the filing of such petition or answer the court may upon reasonable notice to creditors and attorneys of record appoint a custodian or receiver, who shall inventory the debtor's estate and exercise such supervision and control over the conduct of the debtor's business as the creditors at any meeting or

the court shall direct.

"'(c) The custodian or receiver, or if none has been appointed, the court, shall promptly call the first meeting of creditors, stating in the notice that the debtor proposes to offer terms of composition or extension, and inclosing with the notice a summary of the inventory, a brief statement of the debtor's in-debtedness as shown by the schedules, and a list of the names and addresses of the secured creditors and the 15 largest unsecured creditors, with the amounts owing to each as shown by the schedules. Any creditor may appear at or before the first meeting and controvert the facts alleged in the petition. In such case the court shall determine as soon as may be the issues pre-sented, without the intervention of a jury, and unless the mate-rial allegations are sustained by the proof shall dismiss the petition.

"'(d) At the first meeting (1) the debtor may be examined; (2) the creditors may nominate a trustee, who shall thereafter be appointed by the court in case it becomes necessary to liquidate the estate as provided in subdivision (1) of this section; and (3) the court shall, after hearing the parties in interest, fix a reasonable time within which application for confirmation shall be made. The court may later extend such time for cause shown, and may require as a condition of such extension additional terms for the protection of and indemnity against loss by the

estate as may be proper.

"'(e) An application for the confirmation of a composition or extension proposal may be filed in the court of bankruptcy after, extension proposal may be filed in the court of bankruptcy after, but not before, it has been accepted in writing by a majority in number of all creditors whose claims if unsecured have been allowed, or if secured are proposed to be affected by an extension proposal, which number must represent a majority in amount of such claims; and the money or security necessary to pay all debts which have priority unless waived and the costs of the proceedings, and in case of a composition the consideration to be paid by the debtor to his creditors, have been deposited in such place as shall be designated by and subject to the order of the court.

as shall be designated by and subject to the order of the court.
"'(f) A date and place, with reference to the convenience of
the parties in interest, shall be fixed for a hearing upon each application for the confirmation of the composition or extension proposal, and such objections as may be made to its confirmation.

"(g) The court shall confirm the proposal if satisfied that (1) it includes an equitable and feasible method of liquidation for

It includes an equitable and feasible method of liquidation for secured creditors whose claims are affected and of financial rehabilitation for the debtor; (2) it is for the best interests of all creditors; (3) that the debtor has not been guilty of any of the acts or failed to perform any of the duties which would be a ground for denying his discharge; and (4) the offer and its acceptance are in good faith, and have not been made or procured except as herein provided, or by any means, promises, or acts herein forbidden. In application for extensions the court shall require proof from each creditor filing a claim that such claim is free from usury as defined by the laws of the place where the debt is contracted. is contracted.

"'(h) The terms of an extension proposal may extend the time of payment of either or both unsecured debts and secured debts the security of which is in the actual or constructive posdebts the security of which is in the actual or constructive possession of the debtor or of the custodian or receiver, and may provide for priority of payments to be made during the period of extension as between secured and unsecured creditors. It may also include specific undertakings by the debtor during the period of the extension, including provisions for payments on account, and may provide for supervisory or other control over the debtor's business or affairs during such period by a creditors' committee or otherwise, and for the termination of such period under certain specified conditions: Provided, That the provisions of this section shall not affect the allowances and exemptions to debtors as are provided for bankrupts under title 11, chapter 3, section 24, of the United States Code, and such allowances and exemptions shall be set aside for the use of the debtor in the manner provided for kenkrupts.

vided for bankrupts.

"'(i) Upon its confirmation an extension proposal shall be binding upon the debtor and his unsecured and secured creditors affected thereby: Provided, however, That such extension or composition shall not reduce the amount of or impair the lien of any secured creditor, but shall affect only the time and method

of its liquidation.

of its liquidation.

"'(j) Upon the confirmation of a composition the consideration shall be distributed as the court shall direct, and the case dismissed: Provided, That the debts having priority of payment under title 11, chapter 7, section 104, of the United States Code, for bankrupt estates, shall have priority of payment in the same order as set forth in said section 104 under the provisions of this section in any distribution, assignment, composition, or settlement herein provided for. Upon the confirmation of an extension proposal the court may dismiss the proceeding or retain jurisdiction of the court may dismiss the proceeding or retain jurisdiction of the debtor and his property during the period of the extension in order to protect and preserve the estate and enforce the terms of the

to protect and preserve the estate and enforce the terms of the extension proposal.

"'(k) The judge may, upon the application of the parties in interest, filed at any time within six months after the composition or extension proposal has been confirmed, set the same aside and reinstate the case, if it shall be made to appear upon a trial that fraud was practiced in the procuring of such composition or extension, and that knowledge thereof has come to the petitions since the confirmation, thereof

"'(1) If (1) the debtor shall fail to comply with any of the terms required of him for the protection of and indemnity against loss by the estate; or (2) the debtor has failed to make the required deposit in case of a composition; or (3) the debtor's proposal has not been accepted by the creditors; or (4) confirmation has been denied; or (5) without sufficient reason the debtor defaults in any payment required to be made under the terms of an faults in any payment required to be made under the terms of an extension proposal when the court has retained jurisdiction of the debtor or his property, the court may appoint the trustee nominated by the creditors at the first meeting, and if the creditors shall have falled to so nominate, may appoint any other qualified person as trustee to liquidate the estate. The court shall in addition adjudge the debtor a bankrupt if satisfied that he commenced or prolonged the proceeding for the purpose of delaying creditors and avoiding an adjudication in bankruptcy, or if the confirmation of his proposal has been denied. No order of liquidation or adjudication shall be entered in any proceeding under this section instituted by or against a wage earner or a person engaged chiefly in farming or the tillage of the soil unless the wage earner or a person engaged chiefly in farming or the tillage wage earner or a person engaged chiefly in farming or the tillage of the soil consents.

"'(m) The filing of a debtor's petition or answer seeking relief under this section shall subject the debtor and his property, wherever located, to the exclusive jurisdiction of the court in which the order approving the petition or answer as provided in subdivision (a) is filed. In proceedings under this section, except subdivision (a) is filed. In proceedings under this section, except as otherwise provided therein, the jurisdiction and powers of the court, the title, powers, and duties of its officers and, subject to the approval of the court, their fees, the duties of the debtor, and the rights and liabilities of creditors, and of all persons with respect to the property of the debtor and the jurisdiction of appellate courts shall be the same as if a voluntary petition for adjudication had been filed and a decree of adjudication had been entered on the day when the debtor's petition or answer was filed and any decree of adjudication thereafter entered shall have the same effect as if it had been entered on that day.

"'(n) In addition to the provisions of section 11 of this act for the staving of pending suits, the court, on such notice and on such

"'(n) In addition to the provisions of section 11 of this act for the staying of pending suits, the court, on such notice and on such terms, if any, as it deems fair and equitable, may enjoin secured creditors who may be affected by the extension proposal from proceeding in any court for the enforcement of their claims until the extension has been confirmed or denied by the court.

"'(o) The judges of the courts of bankruptcy shall appoint sufficient referees to sit in convenient places to expedite the proceedings under this section.

"'(p) Involuntary proceedings under this section shall not be taken against a wage earner.

taken against a wage earner.

taken against a wage earner.

"'SEC. 75. Agricultural compositions and extensions: (a) Courts of bankruptcy are authorized, upon petition of at least 15 farmers within any county who certify that they intend to file petitions under this section, to appoint for such county one or more referees to be known as conciliation commissioners, or to designate for service in such county a conciliation commissioner previously appointed for an adjacent county. In case more than one conciliation commissioner is appointed for a county, each commissioner shall act separately and shall have such territorial jurisdiction within the county as the court shall specify. A conciliation commissioner shall have a term of office of one year and may be removed by the court if his services are no longer needed or for other cause. No individual shall be eligible to appointment as a removed by the court if his services are no longer needed or for other cause. No individual shall be eligible to appointment as a conciliation commissioner unless he is eligible for appointment as a referee and in addition is a resident of the county, familiar with agricultural conditions therein, and not engaged in the farmmortgage business, the business of financing farmers or transactions in agricultural commodities, or the business of marketing or dealing in agricultural commodities or of furnishing agricultural supplies. In each judicial district the court may, if it finds it

necessary or desirable, appoint a suitable person as a supervising conciliation commissioner. The supervising conciliation commissioner shall have such supervisory functions under this section as the court may by order specify.

"'(b) Upon filing of any petition by a farmer under this section there shall be paid a fee of \$10 to be transmitted to the clerk of the court and covered into the Treasury. The conciliation commissioner shall receive as compensation for his services, including all expenses, a fee of \$10 for each case docketed and submitted to him, to be paid out of the Treasury. A supervising conciliation commissioner shall receive, as compensation for his services, a per diem allowance to be fixed by the court, in an amount not in excess of \$5 per day, together with subsistence and travel expenses in accordance with the law applicable to officers of the Department of Justice. Such compensation and expenses shall be paid out of the Treasury. If the creditors at any time desire superout of the Treasury. If the creditors at any time desire supervision over the farming operations of a farmer, the cost of such supervision shall be borne by such creditors or by the farmer, as may be agreed upon by them, but in no instance shall the farmer be required to pay more than one-half of the cost of such superbe required to pay more than one-half of the cost of such supervision. Nothing contained in this section shall prevent a conciliation commissioner who supervises such farming operations from receiving such compensation therefor as may be so agreed upon. No fees, costs, or other charges shall be charged or taxed to any farmer or his creditors by any conciliation commissioner or with respect to any proceeding under this section, except as hereinbefore in this section provided. The conciliation commissioner may accept and avail himself of office space, equipment, and assistance furnished him by other Federal officials, or by any State, county, or other public officials. The Supreme Court is authorized to make such general orders as it may find necessary properly to govern the administration of the office of conciliation commissioner and proceedings under this section; but any district court of the United States may, for good cause shown and in the interests of justice, permit any such general order to be waived.

"'(c) At any time within five years after this section takes effect, a petition may be filed by any farmer, stating that the farmer is insolvent or unable to meet his debts as they mature, and that it is desirable to effect a composition or an extension of

farmer is insolvent or unable to meet his debts as they mature, and that it is desirable to effect a composition or an extension of time to pay his debts. The petition or answer of the farmer shall be accompanied by his schedules. The petition and answer shall be filed with the court, but shall, on request of the farmer or creditor, be received by the conciliation commissioner for the county in which the farmer resides and promptly transmitted by him to the clerk of the court for filing. If any such petition is filed, an order of adjudication shall not be entered except as provided hereinafter in this section.

"'(d) After the filing of such petition or answer by the farmer.

'(d) After the filing of such petition or answer by the farmer,

"'(d) After the filing of such petition or answer by the farmer, the farmer shall, within such time and in such form as the rules provide, file an inventory of his estate.

"'(e) The conciliation commissioner shall promptly call the first meeting of creditors, stating in the notice that the farmer proposes to offer terms of composition or extension, and inclosing with the notice a summary of the inventory, a brief statement of the farmer's indebtedness as shown by the schedules, and a list of the names and addresses of the secured creditors and unsecured creditors, with the amounts owing to each as shown by the schedules. At the first meeting of the creditors the farmer may be examined, and the creditors may appoint a committee to submit to the conciliation commissioner a supplementary inventory of the farmer's estate. The conciliation commissioner shall, after hearing the parties in interest, fix a reasonable time within which application for confirmation shall be made, and may later extend such time for cause shown. After the filing of the petition and such time for cause shown. After the filing of the petition and prior to the confirmation or other disposition of the composition or extension proposal by the court, the court shall exercise such control over the property of the farmer as the court deems in the best interests of the farmer and his creditors.

"'(f) There shall be prepared by, or under the supervision of, the conciliation commissioner a final inventory of the farmer's estate, and in the preparation of such inventory the commissioner shall give due consideration to the inventory filed by the farmer and to any supplementary inventory filed by a committee of the

creditors

"'(g) An application for the confirmation of a composition or extension proposal may be filed in the court of bankruptcy after but not before (1) it has been accepted in writing by a majority in number of all creditors whose claims have been allowed, including secured creditors whose claims are affected, which number shall represent a majority in amount of such claims, and (2) the money or security precessary to pay all debts which have the money or security necessary to pay all debts which have priority unless waived, and in case of a composition, the consideration to be paid by the farmer to his creditors has been deposited in such place as shall be designated by and subject to the

order of the court.

"'(h) A date and place, with reference to the convenience of the parties in interest, shall be fixed for a hearing upon each application for the confirmation of the composition or extension proposal and upon such objections as may be made to its con-

firmation.

"'(i) The court shall confirm the proposal if satisfied that (1) it includes an equitable and feasible method of liquidation for secured creditors and of financial rehabilitation for the farmer; (2) it is for the best interests of all creditors; and (3) the offer and its acceptance are in good faith, and have not been made or procured except as herein provided, or by any means, promises, or acts herein forbidden. In applications for extensions the court shall require proof from each creditor filing a claim that such

claim is free from usury as defined by the laws of the place where

the debt is contracted.

"'() The terms of a composition or extension proposal may extend the time of payment of either secured or unsecured debts, or both, and may provide for priority of payments to be made during the period of extension as between secured and unsecured creditors. It may also include specific undertakings by the farmer during the period of the extension, including provisions for payments on account, and may provide for supervisory or other control by the conciliation commissioner over the farmor other control by the conciliation commissioner over the farmer's affairs during such period, and for the termination of such period of supervision or control under conditions specified: Provided, That the provisions of this section shall not affect the allowances and exemptions to debtors as are provided for bankrupts under title 11, chapter 3, section 24, of the United States Code, and such allowances and exemptions shall be set aside for the use of the debtor in the manner provided for bankrupts.

"'(k) Upon its confirmation a composition or extension pro-

for the use of the debtor in the manner provided for bankrupts.

"'(k) Upon its confirmation a composition or extension proposal shall be binding upon the farmer and his secured and unsecured creditors affected thereby: Provided, That such composition or extension shall not reduce the amount of nor impair the lien of any secured creditor, but shall affect only the time and method of its liquidation.

"'(1) Upon the confirmation of a composition the consideration shall be distributed under the supervision of the conciliation commissioner as the court shall direct, and the case dis-

tion commissioner as the court shall direct, and the case dismissed: Provided, That the debts having priority of payment under title 11, chapter 7, section 104, of the United States Code, for bankrupt estates, shall have priority of payment in the same order as set forth in said section 104 under the provisions of this section in any distribution, assignment, composition, or settlement herein provided for. Upon the confirmation of an extension proposal the court may dismiss the proceeding or retain extension proposal the court may dismiss the proceeding or retain jurisdiction of the farmer and his property during the period of the extension in order to protect and preserve the estate and enforce through the conciliation commissioner the terms of the extension proposal. The court may, after hearing and for good cause shown, at any time during the period covered by an extension proposal that has been confirmed by the court, set the same aside, reinstate the case, and modify the terms of the extension proposal.

proposal.

"'(m) The judge may, upon the application of any party in interest, file at any time within six months after the composition or extension proposal has been confirmed, set the same aside and reinstate the case, if it shall be made to appear upon a trial that fraud was practiced in the procuring of such composition or extension, and that knowledge thereof has come to the petitioners since the confirmation thereof.

"'(n) The filing of a petition pleading for relief under this section shall subject the farmer and his property, wherever located, to the exclusive jurisdiction of the court. In proceedlocated, to the exclusive jurisdiction of the court. In proceedings under this section, except as otherwise provided herein, the jurisdiction and powers of the court, the title, powers, and duties of its officers, the duties of the farmer, and the rights and liabilities of creditors, and of all persons with respect to the property of the farmer and the jurisdiction of the appellate courts, shall be the same as if a voluntary petition for adjudication had been filed and a decree of adjudication had been entered on the day when the farmer's petition or answer was filed.

"(0) Except upon petition made to and granted by the judge

when the farmer's petition or answer was filed.

"'(o) Except upon petition made to and granted by the judge after hearing and report by the conciliation commissioner, the following proceedings shall not be instituted, or if instituted at any time prior to the filing of a petition under this section, shall not be maintained, in any court or otherwise, against the farmer or his property, at any time after the filing of the petition under this section, and prior to the confirmation or other disposition of the composition or extension proposal by the court:

"'(1) Proceedings for any demand, debt, or account, including any money demand;

any money demand;

"'(2) Proceedings for foreclosure of a mortgage on land, or for cancellation, rescission, or specific performance of an agreement for sale of land or for recovery of possession of land;

"'(3) Proceedings to acquire title to land by virtue of any

tax sale; Proceedings by way of execution, attachment, or garnish-

"(4) Proceedings by way of execution, attachment, or garmsnment;
"(5) Proceedings to sell land under or in satisfaction of any
judgment or mechanic's lien; and
"(6) Seizure, distress, sale, or other proceedings under an
execution or under any lease, lien, chattel mortgage, conditional
sale agreement, crop payment agreement, or mortgage.

"(p) The prohibitions of subdivision (o) shall not apply to
proceedings for the collection of taxes, or interest or penalties
with respect thereto, nor to proceedings affecting solely property
other then that used in farming operations or comprising the other than that used in farming operations or comprising the home or household effects of the farmer or his family.

"'(q) A conciliation commissioner shall upon request assist any farmer in preparing and filing a petition under this section and in all matters subsequent thereto arising under this section

and in all matters subsequent thereto arising under this section and farmers shall not be required to be represented by an attorney in any proceeding under this section.

"'(r) For the purpose of this section and section 74, the term "farmer" means any individual who is personally bona fide engaged primarily in farming operations or the principal part of whose income is derived from farming operations, and includes the personal representative of a deceased farmer; and a farmer shall be deemed a resident of any county in which such farming operations occur. operations occur.

"'SEC. 76. Extensions or compositions made pursuant to the foregoing provisions of this chapter shall extend the obligation of any person who is secondarily liable to any person for the prompt payment of such debt or debts, or any part thereof, and a copy of the order confirming such extension or composition, certified as required by the provisions of law with reference to judgments and proceedings in courts of the United States, shall be sufficient evidence that such extension or composition has been confirmed in any suit or proceeding brought against any such person so liable.

been confirmed in any suit or proceeding brought against any such person so liable.

"'SEC. 77. Reorganization of railroads engaged in interstate commerce: (a) Any railroad corporation may file a petition stating that the railroad corporation is insolvent or unable to meet its debts as they mature and that it desires to effect a plan of reorganization. The petition shall be filed with the court in whose territorial jurisdiction the railroad corporation, during the preceding six months or the greater portion thereof, has had its principal executive or operating office, and a copy of the petition shall at the same time be filed with the Interstate Commerce Commission hereinafter called the commission: Provided, That when any railroad, although engaged in interstate commerce, lies Commission hereinafter called the commission: Provided, That when any railroad, although engaged in interstate commerce, lies wholly within one State, such proceedings shall be brought in the Federal district court within the State in which the railroad is located. The petition shall be accompanied by payment to the clerk of a filing fee of \$100, which shall be in addition to the fees required to be collected by the clerk under other sections of this act. Upon the filing of such a petition, the judge shall enter an order either approving it as properly filed under this section, if satisfied that such petition complies with this section and has been filed in good faith, or dismissing it if not so satisfied. If the petition is so approved, the court in which such order approving the petition is entered shall, during the pendency of the proceedings under this section and for the purposes thereof, have exclusive jurisdiction of the debtor and its property wherthe proceedings under this section and for the purposes thereof, have exclusive jurisdiction of the debtor and its property wherever located. The railroad corporation shall be referred to in the proceedings as a "debtor." Any corporation, the majority of the capital stock of which having power to vote for the election of directors is owned, either directly or indirectly through an intervening medium, by any railroad corporation filing a petition as a debtor under this section, or substantially all of whose properties are operated by such a debtor under lease or operating agreement may file, with the court in which such other debtor had filed such a petition, and in the proceeding upon such petition under this section, a petition stating that it is insolvent or unable to meet its debts as they mature and that it desires to effect a plan of reorganization in connection with, or as a part of, the plan of reorganization of such other debtor; and thereupon such court shall have the same jurisdiction with respect to it, its property and its creditors and stockholders as the court has with respect to such other debtor. Creditors of any railroad corporation having claims or interests aggregating not less than 5 per cent of all the indebtedness of such railroad corporation as 5 per cent of all the indebtedness of such railroad corporation as shown in the latest annual report which it has filed with the commission at the time when the petition is filed, may, if the railroad corporation has not filed a petition under this section, but subject to first having obtained the approval of the Interstate Commerce Commission after heaving upon notice to such but subject to first having obtained the approval of the Interstate Commerce Commission, after hearing, upon notice to such railroad corporation, file with the court in which such railroad corporation might file a petition under the provisions of this section, a petition stating that such railroad corporation is insolvent or unable to meet its debts as they mature and that such creditors propose that it shall effect a reorganization; upon such filing of such a petition copies thereof shall be filed with the commission and served by the petitioning creditors forthwith upon the railroad corporation; the railroad corporation shall, within 10 days after such service, answer such petition; if such answer shall admit the jurisdiction of the court, that the claims of the petitioning creditors constitute the amounts necessary to entitle them to file such petition under this section, and that the railroad corporation is either insolvent or unable to meet its debts as they mature, the court shall, upon the filing of the the railroad corporation is either insolvent or unable to meet its debts as they mature, the court shall, upon the filing of the recommendations of the commission in writing, enter an order approving the petition as properly filed under this section if satisfied that it complies with this section and has been filed in good faith, or disapprove it if not satisfied; and if so approved the proceedings thereon shall continue with like effect as if the railroad corporation had itself filed petition under this section; if such answer shall deny either the jurisdiction of the court or that the claims of the petitioning creditors constitute such necessary amounts or that the railroad corporation is insolvent or unable to meet its debts as they mature, the court shall summarily try the issues, and if after the filing of the recommendations of the commission in writing it shall find that the petition complies with this section, and has been filed in good faith, the court shall enter an order approving the petition as properly filed court shall enter an order approving the petition as properly filed under this section, and the proceedings thereon shall continue with like effect as if the railroad corporation had itself filed a petition under this section; otherwise the court shall dismiss the petition.

petition.

"'(b) A plan of reorganization within the meaning of this section (1) shall include a proposal to modify or alter the rights of creditors generally, or of any class of them, secured or unsecured, either through the issuance of new securities of any character or otherwise; (2) may include, in addition, provisions modifying or altering the rights of stockholders generally, or of any class of them; (3) shall provide adequate means for the execution of the plan, which may, so far as may be consistent with the provisions of sections 1 and 5 of the interstate commerce act as amended,

include the transfer or conveyance of all or any part of the property of the debtor to another corporation or to other corporations or the consolidation of the properties of the debtor with those of another railroad corporation, or the merger of the debtor with any other railroad corporation and the issuance of securities of either the debtor or any such corporation or corporations, for cash, or in exchange for existing securities, or in satisfaction of claims or rights, or for other appropriate purposes; and (4) may deal with all or any part of the property of the debtor. The term "securities" shall include evidences of indebtedness, either secured or unsecured, bonds, stocks, certificates of beneficial interest therein, and certificates of beneficial interest in property. The term "stockholders" shall include the holders of voting trust certificates. The term "creditors" shall, except as otherwise specifically provided in this section, include, for all purposes of this section and of the reorganization plan, its acceptance and confirmation, all holders of claims, interests, or securities of whatever character against the debtor or its property, including claim for

firmation, all holders of claims, interests, or securities of whatever character against the debtor or its property, including claim for future rent, whether or not such claims, interests, or securities would otherwise constitute provable claims under this act.

"'(c) Upon approving the petition as properly filed the judge (1) may temporarily appoint from a panel of standing trustees qualified for such service to be selected and designated in advance by the commission a trustee or trustees of the debtor's estate, who shall have all the title and, subject to the control of the judge and consistently with the provisions of this section, shall exercise all the powers of a trustee appointed pursuant to section 44 or any other section of this act, and subject to the section 44 or any other section of this act, and, subject to the judge's control and the jurisdiction of the commission as provided by the interstate commerce act, as amended, shall have the power to operate the business of the railroad corporations; (2) shall fix the amount of the bond of such trustee or trustees and require the debtor, the trustee, or trustees to give such notice as the order may direct to creditors and stockholders and to cause publication thereof to be made at least once a week for two successive weeks of a hearing to be held within 30 days after such appointment, at which hearing or any adjournment thereof the appointment, at which hearing or any adjournment thereof the judge may make permanent such appointment, or may terminate it and may, in the manner herein provided for the appointment of trustees, appoint a substitute trustee or substitute trustees, and in the same manner may appoint an additional trustee or additional trustees, and shall fix the amount of the bond of the substitute or additional trustee or trustees; the trustee or trustees and their counsel shall receive such compensation as the judge may allow within a maximum approved by the commission; (3) may for cause shown, and with the approval of the commission, in accordance with section 20 (a) of the interstate commission, in accordance with section 20 (a) of the interstate commerce act as amended, authorize the trustee or trustees to issue certificates for cash, property, or other consideration approved by the judge, for such lawful purposes and upon such terms and conditions and with such security and such priority in payments over existing obligations, secured or unsecured, as might in an equity receivership be lawful; (4) shall require the debtor, at such time or times as the judge may direct and in lieu of the schedules required by section 7 of this act, to file such schedules and submit such other information as may be necesschedules and submit such other information as may be necessary to disclose the conduct of the debtor's affairs and the fairness of any proposed plan; (5) shall determine a reasonable time within which the claims and interests of creditors and stockholders may be filed or evidenced and after which no such claim holders may be filed or evidenced and after which no such claim or interest may participate in any plan except on order for cause shown; the manner in which such claims and interests may be filed or evidenced and allowed, and, for the purposes of the plan and its acceptance, the division of creditors and stockholders into classes according to the nature of their respective claims and interests; (6) shall cause reasonable notice of such determination, or of the dismissal of the proceedings, or the allowance of fees or expenses, to be given creditors and stockholders by publication or otherwise; (7) if a plan of reorganization is not proposed or accepted, or, if proposed and accepted, is not confirmed, within such reasonable time as the judge may, upon cause shown and after considering any recommendation which has been filed by the commission, allow, may dismiss the proceeding; (8) may, within such maximum limits as are fixed by the commission, as within such maximum limits as are fixed by the commission, as elsewhere provided in subdivision (f) of this section, allow a reasonable compensation for the services rendered and reimburseelsewhere provided in subdivision (f) of this section, allow a reasonable compensation for the services rendered and reimbursement for the actual and necessary expenses incurred in connection with the proceeding and plan by officers, parties in interest, reorganization managers, and committees or other representatives of creditors or stockholders, and the attorneys or agents of any of the foregoing, and by such assistants as the commission with the approval of the judge may specially employ; and (9) may on his own motion or at the request of the commission refer any matters for consideration and report, either generally or upon specified issues, to one of several special masters who shall have been previously designated to act as special masters in any proceedings under this section by order of any circuit court of appeals and may allow such master a reasonable compensation for his services. The circuit court of appeals of each circuit shall designate three or more members of the bar as such special masters whom they deem qualified for such services, and shall from time to time revise such designations by changing the persons designated or reducing or adding to their numbers, as the public interest may require: *Provided, however*, That there shall always be three of such special masters qualified for appointment in each circuit who shall in their respective circuits hear any matter referred to them under this section by a judge of any district court. For all purposes of this section claims against a

railroad corporation which would have been entitled to priority over existing mortgages if a receiver in equity of the property of the debtor had been appointed by a Federal court at the date of the filing of the petition hereunder shall be entitled to such priority, and holders of such claims shall be treated as a separate class of creditors. If in any case in which the issues have not already been tried under the provisions of subdivision (a) of this section any of the debtor's creditors shall, prior to the hearing provided for in subdivision (c), clause (2), of this section, appear and controvert the facts alleged in the petition, the judge shall determine, as soon as may be, the issues presented by the pleadings, without the intervention of a jury, and unless the material allegations of the petition are sustained by the proofs shall dismiss the petition. Any creditor or stockholder shall be heard on the question of the permanent appointment of any trustee or trustees, the proposed recommendation, approval, or confirmation of any reorganization plan, and upon filing a petition for leave to intervene on such other questions arising in the proceeding as the judge shall determine. The debtor, or the trustees if appointed, shall within 15 days or, upon cause shown, such other time as may be directed by the judge, prepare (1) a list of all known bondholders and creditors of, or claimants against, a debtor or its property, and the amounts and character of their debts, claims, and securities, and the last known post-office address or place of business of each creditor or claimant, and (2) a list of the stockholders of the debtor, or the last known post-office address or place of business of each. The contents of such lists shall not constitute admissions by the debtor or the trustees in a proceeding under this section or otherwise. Such lists shall be open to the inspection of any creditor or stockholder of, or claimant against, the debtor, during reasonable business hours, upon application to the debtor or trustees, as the cause may be.

"'(d) Before creditors and stockholders over existing mortgages if a receiver in equity of the property of the debtor had been appointed by a Federal court at the date of the filing of the petition hereunder shall be entitled to such

report stating the reasons for such modification. Thereafter the plan of reorganization recommended by the commission shall be submitted in such manner as the commission may direct to the creditors and stockholders of the debtor for acceptance or rejection, together with the report or reports of the commission thereon; and the commission may at the same time afford an opportunity to accept or reject any other plan of reorganization

filed as in this subdivision (d) provided.

"'(e) A plan of reorganization shall not be finally approved by the commission until it has been accepted in writing and such "'(e) A plan of reorganization shall not be finally approved by the commission until it has been accepted in writing and such acceptance has been filed in the proceeding by or on behalf of creditors helding two-thirds in amount of the claims of each class whose claims or interests would be affected by the plan, and by or on behalf of stockholders of the debtor holding two-thirds of the stock of each class: Provided, however, That if adequate provision is made in the plan for the protection of the interests, claims, and liens of any class of creditors or stockholders in the manner provided in clauses (5) and (6) of subdivision (g) of this section, then the acceptance of the plan by such class of creditor or stockholders shall not be requisite to the approval of the plan: And provided further, That the acceptance of stockholders shall not be requisite to the confirmation of the plan if (1) the judge shall have determined (a) that the corporation is insolvent, or (b) that the interests of stockholders will not be adversely affected by the plan, or (c) that the debtor has pursuant to authorized corporate action accepted the plan, and its stockholders are bound by such acceptance. For the purposes of this section acceptance by a creditor or stockholder shall include acceptance in writing executed by him; or acceptance by his duly authorized attorney or committee acting under authority executed by him subsequent to the recommendation of the plan by the commission. Upon acceptance of the plan in accordance with the provisions of this subdivision (e) the commission may, without further proceedings, grant authority for the issue of any securities, assumption of obligations, transfer of any property, or consolidation or merger of properties, to the extent contemplated by the plan consistent with the purposes of the interstate commerce act, as amended. If the United States of America is directly a creditor or stockholder, the Secretary of the Treasury is hereby authorized to accept or reject a plan in respect of the inter

to accept or reject a plan in respect of the interests or claims of the United States.

"'(f) If the plan recommended by the commission is accepted as provided in subdivision (e), the commission shall thereupon certify the plan to the court, together with its approval thereof and that the same has been so accepted, together with a report of the proceedings before it and its conclusions thereon. If the plan accepted as provided in subdivision (e) differs from the plan recommended by the commission, it shall, upon acceptance, be

submitted to the commission, which shall hear all interested parties upon such notice and subject to such rules and regulations as it shall prescribe. If after such hearing the commission determines that the accepted plan in its opinion is equitable and will mines that the accepted plan in its opinion is equitable and will not discriminate unfairly in favor of any class of creditors or stockholders; will be financially advisable; will meet the requirements of subdivision (g) of this section; and will be compatible with the public interest; the commission shall thereupon certify the plan to the court, together with its approval thereof and that the same has been duly accepted, and together with a report of the proceedings before it and its findings and conclusions thereon. The commission shall also, after hearing if necessary, fix the maxinum compensation and reimbursement which may be allowed by the court pursuant to clause (8) of subdivision (c) of this section: Provided, That unless good and sufficient reasons appear therefor no allowance for fees or compensation shall be made to officers of corporations who have acted as managers or in any capacity in corporations who have acted as managers or in any capacity in connection with the reorganization when such corporation had an interest in the matter. No plan of reorganization shall be confirmed in any proceeding under this section except upon the approval of the Interstate Commerce Commission certified to the court. If the commission shall decline to issue such a certificate, it shall file in the proceeding its decision, specifying the particular grounds upon which it bases its disapproval of the plan.

(g) Upon such approval by the commission, and after hear (g) Opon such approval by the commission, and after near-ing such objections as may be made to the approved plan, the judge shall confirm the plan if satisfied that (1) the approved plan complies with the provisions of subdivision (b) of this section, is equitable and does not discriminate unfairly in favor of any class of creditors or stockholders; (2) all amounts to be section, is equitable and does not discriminate unfairly in favor of any class of creditors or stockholders; (2) all amounts to be paid by the debtor or by any corporation or corporations acquiring the debtor's assets, for services or expenses incident to the reorganization and cost of financing, have been fully disclosed and are reasonable, or are to be subject to the approval of the judge; (3) the offer of the plan and its acceptance are in good faith and have not been made or procured by any means or promises forbidden by this act; (4) the approved plan provides for the payment of all costs of administration and other allowances made by the court, except that compensation or reimbursement provided for in subdivision (c), clause (8), of this section may be paid in securities provided for in the plan if those entitled thereto will accept such payment and the court finds such compensation reasonable; (5) the approved plan provides, with respect to stockholders of any class the acceptance of which is requisite to the confirmation of the plan, and who would not become bound by the plan under the provision of subdivision (h) of this section, adequate protection for the realization by them of the value of their equity, if any, in the property of the debtor dealt with by the plan either by a sale of the property at not less than a fair upset price, or by appraisal and payment in cash either of the value of their stock or, at the objecting stockholder's election, of the value of the securities, if any, allotted to such stock under the plan; (6) the plan provides with respect to any class of creditors the acceptance of which is requisite to the confirmation of the plan, and who would not become bound by the plan under the provisions of subdivision (h) of this section, adequate protection for the realization by them of the value of their securition of the plan, and who would not become bound by the plan under the provisions of subdivision (h) of this section, adequate protection for the realization by them of the value of their securities, liens, and claims, either (a) by the sale of such property subject to their liens, if any, or (b) by the sale free of such liens at not less than a fair upset price, and the transfer of such liens to the proceeds of such sale, or (c) by appraisal and payment in cash of either the value of such liens and claims or, at the objecting creditors' election, the value of the securities allotted to such liens and claims under the plan. Section 57, clause (h), of this act shall be applicable to the appraisal of securities under this section, and the value of the unpaid balance shall be apof this act shall be applicable to the appraisal of securities under this section, and the value of the unpaid balance shall be appraised as an unsecured claim; and (7) the debtor, and every other corporation issuing securities or acquiring property under the plan, is authorized by its charter or by applicable State or Federal laws, upon confirmation of the plan, to carry out the plan. In the case of a sale or appraisal under clause (5) or (6) of this subdivision (g) the court shall refer to the commission for its consideration and determination the amount to be fixed as the unset price and the appraisal of any securities.

for its consideration and determination the amount to be fixed as the upset price and the appraisal of any securities.

"'(h) Upon such confirmation the provisions of the plan shall be binding upon (1) the corporation, (2) all stockholders if the judge shall have determined (a) that the corporation is insolvent, or (b) that the interests of stockholders will not be adversely affected by the plan, or (c) that the debtor has pursuant to authorized corporate action accepted the plan and its stockholders are bound by such acceptance, (3) all stockholders of each class of which two-thirds in amount shall have accepted the plan, (4) all creditors whose claims are payable in cash in full under the plan, (5) all creditors entitled to priority under subdivision (c) of this section, whose claims are not payable in cash in full under the plan, provided two-thirds in amount of such creditors shall have accepted the plan in writing filed in the proceeding, (6) all other unsecured creditors, provided two-thirds in amount of such creditors shall have accepted the plan in writing filed in the proceeding, and (7) all secured creditors of each class of which two-thirds in amount shall have accepted the plan. The confirmation of the plan shall discharge the debtor from its debts except as provided in the plan. Upon confirmation of the plan by the judge, the debtor and other corporations affected by the plan, or organized or to be organized for the purpose of carrying out the plan between the plan is the commission have organized or to be organized for the purpose of carrying out the plan, shall, subject to the jurisdiction of the commission, have

full power and authority to put into effect and carry out the plan and the orders of the judge relative thereto, the laws of any State or the decision or order of any State authority to the contrary notwithstanding. In the event that the judge should disaprove the plan he shall file an opinion stating his reasons therefor.

"'(1) The provisions of sections 721, 722, 723, 724, and 725 of the revenue act of 1932 shall not apply to the issuance, transfers, or exchange of securities or filing of conveyances to make effective any plan of reorganization confirmed under the provisions

of this section.

'(j) Upon the confirmation of the plan the property dealt with by the plan, when transferred and conveyed to the debtor or other corporation or corporations provided for by the plan, or if no by the plan, when transferred and conveyed to the debtor or other corporation or corporations provided for by the plan, or if no trustee or trustees have been appointed when held by the debtor pursuant to the plan, shall, as the court may direct, be free and clear of all claims of the debtor, its stockholders and creditors, except such as may consistently with the provisions of the plan be reserved in the order confirming the plan or directing such transfer and conveyance, and the court may direct the trustee or trustees, or if there be no trustee or trustees the debtor, to make any such transfer and conveyance, and may direct the debtor to join in any such transfer or conveyance made by the trustee or trustees. Upon the termination of the proceeding a final decree shall be entered discharging the trustee or trustees, if any, making such provisions as may be equitable, and closing the case.

"'(k) If a receiver of all or any part of the property of a corporation has been appointed by a Federal or State court, whether before or after this amendatory act takes effect, the railroad corporation may nevertheless file a petition or answer under this section at any time thereafter, but if it does so and the petition is approved the trustee or trustees appointed under the provisions of this section shall be entitled forthwith to possession of such property, and the judge shall make such orders as he may deem equitable for the protection of obligations incurred by the receiver and for the payment of such reasonable administrative expenses and all calmans.

equitable for the protection of obligations incurred by the receiver and for the payment of such reasonable administrative expenses and allowances in the prior proceeding as may be fixed by the court appointing said receiver within maximum limits approved by the commission. If a receiver has been appointed by a Federal or State court prior to the dismissal under subdivision (c), clause (7), of a proceeding under this section, the judge may include in the order of dismissal appropriate provisions directing the trustee to transfer possession of the debtor's property within the territorial jurisdiction of such court to the receiver so appointed, upon such terms as the judge may deem equitable for the protection of obligations incurred by the trustee and for the payment of administrative expenses and allowances in the proceeding hereunder. For the purposes of this section the words "Federal court" shall include the district courts of the United States and of the Terri For the purposes of this section the words "Federal court" shall include the district courts of the United States and of the Territories and possessions to which this act is or may hereafter be applicable, the Supreme Court of the District of Columbia, and the United States Court of Alaska.

"'(1) In addition to the provisions of section 11 of this act for the staying of pending suits against the debtor, such suits shall be further stayed until after final decree the judge may, upon notice and for cause shown, enjoin or stay the commencement or continuance of any judicial proceeding to enforce any lien upon the estate until after final decree.

"'(m) A certified copy of an order confirming a plan of reor-

"'(m) A certified copy of an order confirming a plan of reorganization shall be evidence of the jurisdiction of the court, the regularity of the proceedings, and the fact that the order was made. A certified copy of an order directing the transfer and conveyance of the property dealt with by the plan as provided in subdivision of the property dealt with by the plan as provided in subdivision (j) of this section shall be evidence of the transfer and conveyance of title accordingly, and if recorded shall impart the same notice that a deed if recorded would impart.

that a deed if recorded would impart.

"'(n) In proceedings under this section 76 and consistent with the provisions thereof, the jurisdiction and powers of the court, the duties of the debtor and the rights and liabilities of creditors, and of all persons with respect to the debtor and his property, shall be the same as if a voluntary petition for adjudication had been filed and a decree of adjudication had been entered on the day when the debtor's petition was filed.

"'(o) No judge or trustee acting under this act shall change the wages or working conditions of railroad employees, except in the manner prescribed in the railroad labor act, or as set forth in the memorandum of agreement entered into in Chicago, Ill., on January 31, 1932, between the executives of 21 standard labor organizations and the committee of nine authorized to represent class 1 railroads. railroads

"'(p) No judge or trustee acting under this act shall deny or in any way question the right of employees on the property under his jurisdiction to join the labor organization of their choice, and it shall be unlawful for any judge, trustee, or receiver to interfere in any way with the organizations of employees, or to use the funds of the railroad under his jurisdiction, in maintaining so-called company unions, or to influence or coerce employees in an effort to induce them to join or remain members of such company unions.

"'(q) No judge, trustee, or receiver acting under this act shall require any person seeking employment on the property under his jurisdiction to sign any contract or agreement promising to join or to refuse to join a labor organization; and if such contract has been enforced on the property prior to the property coming under the jurisdiction of said judge, trustee, or receiver, then the said judge, trustee, or receiver, as soon as the matter is called to his attention, shall notify the employees by an appropriate order that said contract has been discarded and is no longer binding on them

in any way.

"'(r) The term "railroad corporation" as used in this act means
"the railroad engaged in the transportation of any common carrier by railroad engaged in the transportation of persons or property in interstate commerce, except a street, suburban, or interurban electric railway which is not operated as a part of a general railroad system of transportation or which does not derive more than 50 per cent of its operating revenues from the transportation of freight in standard steam railroad freight equipment. Railroad or railway corporations excluded from the provisions of this section shall be subject to the provisions of section 75 of this act.

"'(s) In proceedings under this section, claims for personal injuries to employees of a railroad corporation, and claims of personal representatives of deceased employees of a railroad corporation arising under State or Federal laws, shall be preferred claims against the assets of such railroad corporation, in receivership or in reorganization as herein provided, such claims to be subordinate only to costs of administration of such receivership or reorganization.

ganization.

"SEC. 2. This act shall take effect and be in force from and after the date of its approval, and shall apply as fully to debtors, their stockholders and creditors, whose interest or debts, whether secured or unsecured, have been acquired or incurred prior to such date, as to debtors, their stockholders and creditors, whose interest or debts have been acquired or incurred after such date. Proceedings under section 1 of this act may be taken in proceedings in bankruptcy which are pending on the effective date of this act.

"SEC. 3. In all bankruptcy proceedings the officers and agents in charge of the bankrupt funds are authorized to deposit the same without limit as to amount in the postal savings depositories at the prescribed interest rate in all cases where local banks are unable or unwilling to give the required security. Such deosit or any portion thereof may be withdrawn as required in the

bankruptcy proceedings.'

Mr. SUMNERS of Texas. Mr. Speaker, this is the situation with regard to this bill: As everyone knows, there are only two days remaining in this session of Congress. This bill has been amended in the Senate. The most important change has been the elimination of the section dealing with corporations.

You all remember that when it passed the House the bill contained three main divisions: The provision of the bill dealing with individuals, the provisions of the bill dealing with corporations, and the provision of the bill dealing

specifically with railroads.

The central purpose of this proposed legislation is to make it possible for reorganizations and readjustments to be effected and to bring about the suspension of the operation of the laws dealing with the enforcement of collections, particularly during the period of negotiation and attempted settlement.

In the Senate the provisions of the bill dealing with corporations were stricken out. I believe that the provisions of the bill dealing with individuals have not been materially changed, except as to the provisions of the bill dealing with farmers. There has been a very considerable change there.

Mr. TARVER. Mr. Speaker, will the gentleman yield?

Mr. SUMNERS of Texas. In a moment. The provision of the bill dealing with railroads has been changed in its mechanics to some degree, but that change I believe will not be regarded by any student of the bill as being important.

One Senate amendment has caused considerable discussion. It is an amendment with regard to which there is a definite difference of opinion, and that is the amendment dealing with railroad employees. The bill as it comes to you now undertakes to hold in effect and operative the general law now governing the relationship between the railroads and their employees, and keeps effective the machinery under which railroads in their ordinary operations change their wage scale, and so forth, as between themselves and their employees.

The bill with regard to farmers has been changed. I do not know how many Members here are familiar with the original proposition dealing with agricultural adjustment, as the matter was presented to the Committee on the Judiciary for consideration. The original suggestion was, there should be appointed in each one of the counties a special referee or adjuster, whatever you may want to call him, whose business it was to assist everybody in interest to try and bring about an adjustment of the indebtedness of the farmer as between the farmer and his creditors. The House

did not include that in its bill. That plan modified has been incorporated in the Senate amendment.

I yield now to the gentleman from Georgia.

Mr. TARVER. Mr. Speaker, I may have misunderstood the gentleman, but I understood him to state that no substantial changes had been made in the bill relative to the portion of it dealing with the individual debtor. Was I correct in my understanding of the gentleman's statement?

Mr. SUMNERS of Texas. I am not sure about my statement, but will the gentleman please direct an inquiry to me?

Mr. TARVER. In the bill as it passed the House originally on page 4, subsection (e), second division, there was contained a provision by which the court might grant an extension of time to the individual debtor irrespective of whether he was able to secure the consent of a majority in number and amount of his creditors or not.

Mr. SUMNERS of Texas. Yes.

Mr. TARVER. That provision has been stricken from the bill, and even under the conciliation plan effective as to farmers, an approval of a majority in number and amount of creditors is required.

Mr. SUMNERS of Texas. Yes.

Mr. TARVER. Does the gentleman not recognize the fact that the major portion of the indebtedness of practically every farmer in this country is represented by one mortgage? If he could get the consent of the mortgagee, he would not have to go into bankruptcy and take the benefits of this bill, and if he can not get the consent of the mortgagee, it would do him no good under its provisions. Are you not proposing to consent to eliminate the only provision in the bill that could possibly help the American farmer?

Mr. SUMNERS of Texas. The gentleman is correct in his statement that under the Senate amendment a majority

in amount of the creditors must be obtained.

Mr. TARVER. Does the gentleman think that any benefit could flow to the American farmer under the provisions of this bill, which has been heralded as a great farm-relief measure? I want to know what part of the bill is going to help the distressed American farmer. It looks to me like a railroad bill as at present drawn.

Mr. BALDRIGE. Mr. Speaker, will the gentleman yield?

Mr. SUMNERS of Texas. Yes.

Mr. BALDRIGE. I want to know whether or not there was any discussion concerning one sentence in the bill, which I will read, on page 45.

Mr. TARVER. Mr. Speaker, I would like the gentleman from Texas to answer my question, if it may be permitted.

Mr. SUMNERS of Texas. I considered the gentleman's question more in the light of a statement of his own interpretation of the bill.

Mr. TARVER. No; I asked the gentleman what portion of the bill could possibly help the American farmer. That,

I think, is a definite, concrete question.

Mr. SUMNERS of Texas. I say candidly to my colleague that that provision of the bill is no more acceptable to me than it is to the gentleman from Georgia. I would not go so far as to say that the farmers may not get some benefit under the bill. I believe that states my view about it. I am very candid with the House about the bill. There are many things in it that I do not like. I think it is not as good a bill as it was when it left the House. Gentlemen can offer objections to the bill just the same as I can, or anybody else, because they are in the bill. The sole question before the House to-day is, Will we take the bill, with its objections, or take no bill? That is all there is to it.

Mr. BALDRIGE. Mr. Speaker, will the gentleman yield? Mr. SUMNERS of Texas. Yes.

Mr. BALDRIGE. On page 45, subsection (h), I read the following:

The terms of an extension * * * may provide for priority of payments to be made during the period of extension as between ecured and unsecured creditors.

Mr. SUMNERS of Texas. That is the old bill.

Mr. BALDRIGE. That means he must pay the unsecured creditors before he can pay the secured creditors?

Mr. SUMNERS of Texas. No; I do not think so.

Mr. BALDRIGE. Now, what does that clause mean?

Mr. SUMNERS of Texas. If the gentleman will read a little further in the bill, he will find, under specific language, that the relationship between the secured and unsecured creditors, first and second liens, and so forth, may not be disturbed.

Mr. BALDRIGE. So this will not change the contractual relations between the secured and the unsecured?

Mr. SUMNERS of Texas. No, sir.

Mr. LAGUARDIA. But right there let the RECORD show that the purpose here is that the bill specifically gives the judge the power to defer payments to secured creditors. Let me repeat that so that there will be no misunderstanding about it. It specifically gives the judge the power to defer payments to secured creditors.

Mr. SUMNERS of Texas. That is on the same philosophy that the certificates of receivers of a going concern are allowed to be paid in preference.

Mr. GOLDSBOROUGH. Will the gentleman yield?

Mr. SUMNERS of Texas. I yield. Mr. GOLDSBOROUGH. There are many Members who feel it was a great mistake to pass that part of the Reconstruction Finance Corporation act which helped the railroads; who feel the country would be much better off if the railroads were now operating under receiverships. While I and other Members want to go along, if this is a railroad bill it will cause a great deal of hesitation. If it is a bill to keep the railroads running that are obviously insolvent, then I do not think we ought to pass it. I would like the gentleman to comment on that.

Mr. SUMNERS of Texas. May I make this suggestion to the gentleman? I suppose no harm could be done by the statement being made on the floor of the House that there are a number of railroads in very acute distress. I believe it is recognized that those railroads will have to be reorganized in effect. They will have to be reorganized under some such plan as is provided in this bill, or reorganized under the plan that is now in operation. Gentlemen who are advised know that under the plan now in operation there is in this country a thing that amounts almost to a reorganization racket, and it is hoped, also, that under this plan it will very much expedite reorganization. Now, speaking of this being a railroad bill-

Mr. GOLDSBOROUGH. I want to say that I was simply asking for information.

Mr. SUMNERS of Texas. Yes. I understand. To be candid about it, this is the situation: If those railroads begin to go into the hands of receivers now nobody knows what will happen to the insurance companies. Nobody knows how far that thing is going. The situation is regarded by the present administration, by Mr. Roosevelt and his associates, and I believe I may say it is regarded by members of the Interstate Commerce Commission and the committee dealing with railroads, as being a very serious situation.

Mr. BLANTON. Will the gentleman yield?

Mr. SUMNERS of Texas. I yield.

Mr. BLANTON. My colleague knows that the Senate has added subdivision "(o)" on page 78 of this bill, which is a very important item. Can we not eliminate that from the gentleman's motion to recede and concur?

Mr. SUMNERS of Texas. Speaking generally, there are several amendments with regard to which the members of the Committee on the Judiciary do not agree with the

Mr. BLANTON. The gentleman will yield me five minutes on that a little later?

Mr. SUMNERS of Texas. Yes. I will yield very shortly. The gentleman from Missouri [Mr. Dyer], the ranking minority member on the Committee on the Judiciary, and I may say nearly everybody interested in this proposed bill, on yesterday had conversation with Members of the Senate with regard to the situation. I know a great many of us were especially anxious to reinstate the provision dealing with corporations; but, when we had concluded our conversation with Members of the Senate, we were convinced and they were convinced that to send this bill back to the

Senate now, this near the conclusion of the session, would mean that we would have no bill at this session. Those who are best advised with regard to the condition that confronts the country—and that does not mean only people connected with the railroads, but it means those who are connected with this administration and those who will be connected in great responsibility with the incoming administration-all insist that under the circumstances these objections should be waived and we should permit the Senate bill to become a law. Everyone we come in contact with who is in a position to speak advisedly, those who had most serious objection to some of the provisions in the bill and those who have special objection to the provision to which the gentleman from Texas has referred, insist that this Senate bill should become

Mr. DYER. Will the gentleman yield?

Mr. SUMNERS of Texas. I yield.

Mr. DYER. I was going to ask the gentleman when he concluded if he would yield me some time. There are several gentlemen here who desire to be heard.

Mr. SUMNERS of Texas. I will be glad to yield time to the gentlemen.

Now, I promised to yield to the gentleman from Texas [Mr. Blanton] five minutes. I want to be protected, Mr. Speaker, in not losing the floor. I yield to the gentleman from Texas [Mr. BLANTON].

Mr. BLANTON. Mr. Speaker, I want to call the attention of the House to subdivision (o), on page 78, which the Senate has added to this bill, and which reads as follows:

(o) No judge or trustee acting under this act shall change the wages or working conditions of railroad employees, except in the manner prescribed in the railroad labor act, or as set forth in the memorandum of agreement entered into in Chicago, Ill., on January 31, 1932, between the executives of 21 standard labor organizations and the committee of nine authorized to represent class 1 railroads.

If you put this provision in the bill there is not going to be any sane reorganization of railroads. The railroads now are busted because they can not pay expenses. They can not pay the wages that are provided for in those agreements and in the present act. Many of the railroads now, instead of charging 4 cents per mile passenger fare, are petitioning for the right to reduce their fare to 2 cents per mile so that they may compete with busses. The Texas & Pacific Railway Co., which runs 900 miles from El Paso to Texarkana and connects there with the Missouri Pacific that goes on to St. Louis, now has a petition before the railway commission asking permission to reduce its rate to 2 cents per mile: Why? So they can get passengers to ride their empty trains.

If you put this provision in this bill to prevent receivers and trustees under the court from exercising business judgment in this matter you are absolutely shutting the door to any sane reorganization of the railroads.

We are cutting down expenses in every line of business and endeavor. Salaries and wages are being cut in every line of business in the United States. There must be cuts in the railroad business. There must be cuts from the top downward of the officials of the railroads. There must be decided cuts along all the lines of expenditure by railroads, including salaries of employees, if you please, if the railroads continue to exist. Why, they have been forced to lay off thousands of railroad employees all over the United States. Is it not better to cut the wages of all of them than to lay off half or two-thirds of them, without jobs, without salaries, without any income whatever? I submit that to you as a proper inquiry.

I hope the gentleman from Texas [Mr. Sumners] will so amend his motion as to eliminate subdivision (o). He says he is not in favor of all the provisions of this Senate bill. He says he does not like this Senate bill. There is not a man on this floor to-day who will get up here and say that he likes this Senate bill in toto. He will say he does not like this provision or he does not like that provision. Has not the time come when on the floor of this House we shall quit voting for bills we do not like?

I am not going to vote any more for bills I do not like. We are not here just to pass bills, but to pass good bills only. I do not like provisions in this bill. I am not going to vote to recede and concur, and thereby adopt the Senate bill, just to get the passage of a bad bill. I am not going to vote for any more conference reports when they embrace unwise legislation. We ought to stop that. That is what the people are demanding of us. We have been passing too many bills that we do not like and that the people do not like, and I am going to vote against the motion to recede and concur, for in doing so we will pass the Senate bill.

Mr. McKEOWN. Mr. Speaker, will the gentleman yield? Mr. BLANTON. I yield to the gentleman from Oklahoma. Mr. McKEOWN. That simply provides that during the time they are undergoing reorganization they shall not

change the present law.

Mr. BLANTON. Which may continue for two years, and the gentleman knows that. The gentleman ought to be as frank about it as he was when he wrote that long report on the California judge.

[Here the gavel fell.]

Mr. SUMNERS of Texas. Mr. Speaker, I yield seven minutes to the gentleman from Georgia [Mr. Tarver].

Mr. TARVER. Mr. Speaker, the gentleman from Texas [Mr. Blanton], who has just addressed the House, spoke of voting for or against the conference report. I am sure the membership of the House understands the parliamentary Membership of the House understands the parliamentary situation. There is no conference report here. No conference has been had. The motion is to concur in a Senate amendment of 41 pages which has never received the consideration of the Committee on the Judiciary.

My position is that a conference should be had and that in view of the vital differences existing between the measure as it passed the House and as it passed the Senate some effort ought to be made to reconcile those differences and to improve the legislation before the House is asked, without an opportunity even to read it, much less consider it, to adopt in toto the 41-page amendment passed by the Senate and which substitutes certain language for the entire House bill.

Mr. Speaker, they got this bill through the Committee on the Judiciary, and in my judgment they got the necessary two-thirds to suspend the rules in the House by representing to the committee and to the House that this was a bill in the interests of our farmers and would constitute, in a measure, farm relief. They never could have gotten this bill reported from the Committee on the Judiciary, in my judgment, had they not incorporated in the bill a provision by which courts where they felt justified in so doing, and felt it would be in the interests of all parties concerned, might grant extensions of time to individual debtors, although a majority in number and amount of the creditors did not consent thereto. That was the only provision of this bill which could be of any benefit to the distressed American farmer. Why? Simply because in ninety-nine cases out of one hundred the major portion of his indebtedness is represented by one mortgage. If he could get the consent of that mortgagee it would not be necessary for him to go into bankruptcy as is proposed here in effect. They do not call it bankruptcy, but it is nothing more nor less than that. A rose by another name smells as sweet. It would not be necessary for him to invoke the aid of this proposed legislation if he could get the approval of that mortgagee who owns the majority of his indebtedness; and if he can not get that approval it will not be worth while for him to go into bankruptcy, because in the first portion of this bill dealing with the ordinary individual debtor and in that portion dealing with conciliation commissioners he is required to obtain the approval of the majority in number and amount of his creditors.

Something was said by the gentleman from New York [Mr. LaGuardia] with reference to the authority of the court to extend the due dates of secured indebtedness. This authority does not exist except where there is secured the approval of a majority in number and amount of the creditors, secured and unsecured.

There is a plethora of language here intended to create the impression that this bill is going to do something for the farmer. The major portion of the bill proposed contains language which refers to him and to this conciliation business, whatever that may be, but, Mr. Speaker, this is a railroad bill. The impetus behind this bill from its inception has been the interests of the railroads; and the only reason anything was tacked on it for the benefit of the farmer, or for his apparent benefit, was to get the votes of the Members of this House necessary in the opinion of the proponents of the measure to secure the passage of the bill. After it passed the House in that way, and without consideration except for 40 minutes, without discussion, without opportunity for amendment, over in the Senate that sole provision for the benefit of the American farmer is inconspicuously slipped out of the bill and you have before you now a measure intended solely, in my judgment, in the interests of the railroads of this country.

I am not opposed to the enactment of legislation which may be necessary for railroad reorganization, sound legislation, wise legislation. We have not had an opportunity to consider whether this legislation is of that character or not, but if it is of that character then I insist we ought not permit it to be rushed through this Congress and nothing done for another class of people, the American farmer, who certainly is much more in need of help, if it can be legislatively given, than the American railroad, and who can be helped in this bill, if the railroads can be helped.

Let us vote down this motion to concur in the Senate amendment. Let conferees be appointed on the part of the House in regular course and let them endeavor to bring back to us for consideration some measure which may afford relief to that class of our people who are to-day losing their homes by the hundreds of thousands.

Are we going to legislate solely in the interest of American railroads? Why, the chairman of the committee says that unless you pass this you will not pass anything. I do not know about that. My observation is that those in charge of the machinery can give you an opportunity to pass something at any time they see fit; but it is no argument in favor of the passage of a 41-page bill that most of you have not read to say that if you do not pass it you will never have an opportunity to pass anything.

[Here the gavel fell.]

Mr. SUMNERS of Texas. Mr. Speaker, I desire to submit a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. SUMNERS of Texas. Mr. Speaker, I desire to yield 20 minutes to the gentleman from Missouri [Mr. Dyer] to be controlled by him in its distribution on the other side.

The SPEAKER. The gentleman has that right.

Mr. SUMNERS of Texas. Mr. Speaker, I yield 20 minutes to the gentleman from Missouri [Mr. Dyer].

Mr. DYER. Mr. Speaker, if I may be permitted, may I submit a unanimous-consent request that the time be extended one-half hour, 15 minutes of such time to be controlled by the gentleman from Texas and 15 minutes by myself. There is great demand for discussion of this bill, and as it is a very important matter, I think 30 minutes of additional time could well be used.

Mr. SUMNERS of Texas. Mr. Speaker, we came in at this particular time under a promise to certain other gentlemen.

Mr. OLIVER of New York. Mr. Speaker, I object to the request.

Mr. DYER. Mr. Speaker, I yield six minutes to the gentleman from New York [Mr. LaGuardia].

Mr. LaGUARDIA. Mr. Speaker, I am quite in sympathy with the statement made by the gentleman from Georgia [Mr. Tarver], but there is no misrepresentation about this bill. Nobody said that anything contained in this bill is going to entirely relieve the farmer in his present plight. There is legislation pending for that; there are resolutions pending for that.

We all know that the farmer's as well as the home owner's mortgages must be refunded. He can not continue to pay 6, 8, and 10 per cent interest. I was in the hope that something along such lines could be done in this Congress. If it is not done within the next few hours, just as sure as we are sitting here it will have to be done in the early days of the next Congress. It is hardly fair, however, to say that the bill has no relief provisions for the farmer or the individual. It has many. I am confident that any judge knowing the economic conditions of the country will have no difficulty in understanding the intent of Congress. Once the petition is filed the judge has the power to stay all creditors. We have gone so far as to empower the judge to defer payments to secured creditors. We have provided machinery for conciliation between debtors and creditors. Surely creditors will have sense to realize that they must enter such conferences in a spirit of conciliation or else have extensions of payments granted against them. I will admit that the bill, of course, is not the piece of legislation that can bring about economic readjustment. It is not intended for that. It will, I hope, grant some relief, some breathing time until the necessary legislation for permanent relief is enacted by this or the next Congress.

This bill goes as far as the consensus of the lawyers in this and the other body would permit us to go to bring relief to the farmer. I do not entirely agree with the conclusions of my colleagues—I was in a minority.

It is quite true that the main proposition as the bill now stands is railroad reorganization. There are not any of the so-called managers of the railroads that are in favor of this bill. There is very little to choose here, Mr. Speaker. Within the next few days several railroads—it is now no secret—will be in the hands of receivers. This is your choice. Are you going to leave the management of the reorganization and receivership of these railroads in the hands of the gang that has ruined the railroads, or are you going to take it out of the hands of that gang—and I am going to name them in a few minutes—and put such control and supervision in the hands of a Government agency, the Interstate Commerce Commission?

Up to date, Mr. Speaker, the reorganization of these railroads has been under the absolute control of J. P. Morgan and Kuhn, Loeb & Co. and their henchmen, Mitchell, Whitney, Swayne, and Sutherland, and like ilk.

Look at the reports of the Supreme Court and observe the lawyers that have appeared in these cases and you will see the gang that has controlled these railroads.

Some of the railroad managers are against this measure. The lobbyist of the Pennsylvania Railroad was out in the lobby yesterday talking to some Members against the labor provision.

Now, Mr. Speaker, what does the labor provision do? All that it does, Mr. Speaker, is to make the existing law applicable to the trustees; that is all. The same law that exists now for operating railroads is made applicable to trustees. Why? For the same reason that it was necessary to pass the yellow dog contract law to curb some Federal judges.

This makes it impossible for a two-by-four partial, unfair Federal judge to evade the law. Mr. Speaker, the same provision, in general terms, was contained in the House bill. We had a proviso there that existing law, as contained in the labor railway act, was applicable, but the Senate put that provision in such plain language that a Federal judge could understand it and could not misconstrue it. This is all there is to the labor provision.

Lest there be any misunderstanding or any attempt to distort or misconstrue the purpose and intent of the bill in certain sections, I want to take this opportunity to make clear the intent of Congress in one or two minor provisions. As to the panels of trustees, personally I prefer the House provision. There is, however, very little difference, more in the wording than in effect. The bill now provides that trustees must be appointed from a panel of trustees selected by the Interstate Commerce Commission. This does not mean that the Interstate Commerce Commission must necessarily publish a long panel of trustees. It simply means that the Interstate Commerce Commission may look around

and may have certain individuals who they believe are qualified on their own list, and as the occasion arises and as cases come in court they will make from this panel recommendations to the court of a few names from which the court may select.

I want to make it clear that the Interstate Commerce Commission retains all the control, all the supervision, all the powers, and all the duties over trustees appointed under the provisions of this bill that it now has over operating railroads. The mere fact that we refer to certain provisions of the labor law and to certain provisions of the transportation act in no way can be construed as relieving trustees of all the duties and supervision now provided in the law as I have just stated.

I also want to point out that the consent of creditors as provided in section E must be in writing.

Mr. Speaker, the gentleman from Texas [Mr. Sumners], who is extremely conservative, safe, and sound, made reference to the holding of railroad securities. Unless we put the reorganization of railroads under strict supervision and under honest management, we do not know to what extent these securities may be impaired. If some of the stock manipulators are against the bill, I am sure the savings banks of the country are in favor of it.

Of course, the law does not go as far as I would like to see it go. I would like to see the entire reorganization taken from the courts and placed in the Interstate Commerce Commission. There is a division of opinion whether we can legally and constitutionally do this. I believe we can and that eventually Congress will. We had to submit to the majority views on this question, but we did put the absolute power and the final word-let there be no mistake about this-in the hands of the Interstate Commerce Commission, and have so tied it that the court can not amend, can not alter, can not modify a reorganization plan. The approval by the Interstate Commerce Commission of the plan is essential and indispensable. We have taken the views in the minority opinion in the Chicago, Milwaukee & St. Paul Railroad case, even to the extent that all incidental and indirect costs, expenses, and fees are subject to the control of the Interstate Commerce Commission, and have written that into the law.

In this case, you will remember over \$7,000,000 was spent in reorganization. The same gang that is now seeking to defeat this bill appeared as attorneys or counsels or managers in that case and received over \$1,600,000 in fees. There you had a plan approved by the Interstate Commerce Commission and another modified plan approved by the court. This would be impossible under this bill.

So, all that the House has to decide at this late hour, Mr. Speaker, is whether or not, receiverships being inevitable, under present conditions, we can, as far as the law permits, control these reorganizations, prevent the abuses of the past, prevent the mulcting of these railroads, and in the public interest put this under the proper and honest supervision of the Interstate Commerce Commission. [Applause.]

Mr. DYER. Mr. Speaker, I yield two minutes to the gentleman from Ohio [Mr. COOPER].

Mr. COOPER of Ohio. Mr. Speaker, it was not my intention to say anything on this measure at this time, but after the speech of the gentleman from Texas [Mr. Blanton], whose stock in trade seems to be to stand on this floor and make an attack on labor, and especially organized labor, I desire to say a few words regarding his objections to the measure before the House at this time.

What was it that he complained of in this bill? Six or eight years ago Congress passed the railroad labor act, which provided that the railroad management and the employees, acting together in conference, must agree by contract to a settlement relating to wages, working conditions, and so forth.

Last year the railway employees and the managers met in Chicago. They signed a contract relating to wages and working conditions, which lasts until that contract is changed by both parties concerned. The only thing this bill does is to say that the contract which was signed by the railroad employees and the railroad managers last year in Chicago, and which is binding on both parties, shall not be changed by the judge who has charge of the bankruptcy proceeding.

The railroad workers have been loyal; they have accepted a reduction of 10 per cent in wages, and not more than 50 per cent of them are employed to-day. They have been conservative and patriotic through this depression. There has been no strikes or serious labor trouble in their ranks for many years. At all times have they kept the arteries of commerce open.

[Here the gavel fell.]

Mr. DYER. Mr. Speaker, I yield three minutes to the gentleman from New York [Mr. Parker].

Mr. PARKER of New York. Mr. Speaker, the controversial part of this bill, according to the gentleman from Texas, is the labor provision. I had something to do with drawing the so-called railroad labor act, as I happened to be chairman of the Committee on Interstate and Foreign Commerce when it was drawn. I do not claim any credit for the bill personally. The bill was an agreement between the executives of the railroads on the one hand and the brotherhoods on the other. That is the way the bill was drawn, and we have had no railroad strikes since.

Now, this amendment simply reenacts the law that was passed six or eight years ago. That is all that it does.

There are some provisions in this amendment put on by the Senate that I personally do not like, but nevertheless there is a tremendous amount of good in the bill. If we do not agree to the Senate amendments, you lose every bit of benefit there is in the bill.

The gentleman from Georgia spoke about the farmers. You and I know that no farmer whose books are clean, who does not owe a lot of store bills, is going to have his mortgage foreclosed. It is the outside bills that bring about foreclosure of mortgages in nine cases out of ten.

Mr. GARBER. Will the gentleman yield?

Mr. PARKER of New York. Yes.

Mr. GARBER. The Government has loaned to the railroads \$350,000,000 or more. What protection does this bill give the Government?

Mr. PARKER of New York. It protects the Government just as much as the Government is protected now, no more and no less. But, as the gentleman from New York wisely said, your reorganizations, your receiverships have been tremendously expensive. Hundreds of millions of dollars have been paid out which can be saved if this bill is passed as it is.

Mr. DYER. Mr. Speaker, I yield three minutes to the gentleman from Michigan [Mr. Michener].

Mr. MICHENER. Mr. Speaker, like all the other speakers, I do not agree with many of the provisions in the bill, and, be it understood, this is not the bill that left the House. It is said that there is some good in this bill. Undoubtedly there is. But the real purpose of the bill in the beginning was the reorganization of corporations generally. That is the way the matter started. Then Mr. LaGuardia proposed a reorganization of the railroads, and Mr. McKeown took care of the farmer. Now the thing has been modified so that this really is a reorganization of the railroads. I do not know just what will be accomplished under the provisions of the bill in the reorganization of railroads, but I know that you can not reorganize railroads and keep the railroads operating as a paying business unless you cut the expenses of the railroads. There is no question about that. However, there are some good features in the bill. I was going to oppose it, but after talking with men on both sides of the question, I do not feel that I want to assume the responsibility of doing a single thing which might in any way withhold aid in the reorganization, the rehabilitation, yes, in even permitting the railroads to continue to operate. The Government does not want the railroads. The people do not want governmental operation of railroads. We had our experience in that. It looks as though it might be coming, and if this will do a single thing to prevent that which I

believe would be a catastrophe in the long run, I am going along with it. I am not going to oppose the Senate amendments, but I am not in favor of many of these provisions. There is much of good in the bill as amended. There is a possibility of needed relief; much of the expense of reorganization is lessened, a shorter route is provided. I am not prepared to say that the unwholesome part of the bill outweighs its benefits. It is at least a step in the right direction. Enough is liable to happen to the railroads under any conditions, and I am not prepared to assume any responsibility of what might happen if this bill does not become a law at this session.

Mr. DYER. Mr. Speaker, as stated by the gentleman from Michigan [Mr. MICHENER], this legislation does not meet the unanimous support of the committee which in the first instance brought it upon the floor of the House. There is great difficulty even in the consideration of legislation of this character. A great many Members of the House even now do not appreciate, in my judgment, the far-reaching situation which confronts us in the enactment of this legislation into law. We have been considering emergency legislation during this session of Congress. We have been striving to find some way by which we can help relieve the serious situation that confronts business, generally speaking. In this bill we have endeavored to be helpful to the farmers, and it does help the farmer. It does not, of course, give to them an absolute moratorium, and I have never favored that. I do not favor it for any business or for any individual. The Senate, in its wisdom or unwisdom, took out of the bill that part referring to corporations. So we have it now dealing with individuals and with railroad corporations.

I do not agree with those who would say that this is a railroad bill. I do not know whether the railroads want this bill or not. There may be some opposed to it; but, Mr. Speaker, we are legislating here in the interest of the American people, and not in the interest of any individual or any business or any corporation. We must consider it from the standpoint of the whole people. Railroad properties have depreciated and their securities have depreciated and their income has depreciated, and as a result many of them have already in a large measure been confronted with great difficulties. We have a bill here that the Senate has agreed to. We have a bill here that we think the President will approve, and therefore we have the opportunity to-day to enact legislation that will be, in my opinion, very helpful under conditions that may arise. I do not agree with my friend, the gentleman from New York [Mr. LaGuardia], that we should take away from the courts the entire jurisdiction of matters affecting the reorganization of railroads. I have great regard and great respect for our great Federal judiciary. I realize that the Interstate Commerce Commission should be given much authority to assist and to help in the work that must be done.

Mr. BRIGGS. Mr. Speaker, will the gentleman yield? Mr. DYER. Yes.

Mr. BRIGGS. I understand that much of this proposal for bankruptcy of railroads is to avoid receiverships and the expense incident thereto. Is there any safeguard to avoid the accumulation or allowance of huge fees by the Federal courts?

Mr. DYER. Yes; that is one of the things that alone is worthy of the careful consideration of this House. There have been outrageous expenses involved in receiverships and in the reorganization of railroads. There is no doubt about that. This, in my opinion, will lessen the expense to a great extent, and these railroads, if they must be reorganized, can be reorganized without putting the stockholders and others to the great expense involved in previous cases.

Mr. Speaker, notwithstanding the imperfections of the legislation, notwithstanding the objections which have been urged against some of the things that have been put in in the Senate, I urge the passage of this legislation. It is our duty to-day to agree to the motion made by the gentleman from Texas, accept the Senate amendments, and send the bill to the White House, so that it may become a

law before the adjournment of this Congress, and that whatever good there is in this may accrue to the people of this country and the business that it seeks to help.

Mr. SUMNERS of Texas. Mr. Speaker, I yield two minutes to the gentleman from New York [Mr. Celler].

Mr. CELLER. Mr. Speaker, I shall vote for this bill. However, there was eliminated from it a provision which we in New York are particularly interested in, and which naturally affects the jurisdiction in the district courts throughout the country. There was eliminated from the House bill a provision which was aimed directly at the Irving Trust Co. in New York, which, by virtue of the cowardly surrender on the part of the district judges in New York, has been set up as a monopoly, as the sole receiver in all bankruptcy-receivership cases, so that the Irving Trust Co. at this moment is receiver in over 5,000 cases. This bill will greatly augment that number of receiverships.

Mr. LaGUARDIA. Will the gentleman yield?

Mr. CELLER. I yield.

Mr. LaGUARDIA. It was not in opposition to the gentleman's provision. It went out with the whole section.

Mr. CELLER. I should say that we put it in the House bill, and the Senate Judiciary Committee had a provision in their bill striking at the Irving Trust Co.; but by virtue of the corporation section being eliminated, this provision was also eliminated.

I serve notice, after conference with some Senators and some Members of the House interested in this proposition, that I will demand in the new session a provision similar to the one we put in the bankruptcy bill to prevent the Irving Trust Co. from extending its monopoly to cover every case of a receivership nature in New York. The Irving Trust Co. now operates theaters, hotels, match factories, textile mills, haberdashery shops, drug stores, and so forth. It runs all kinds and manners of business, and it has no right to do it. It should stick to its own knitting—banking.

Practically all the bar associations in New York are opposing the practice. This bank, to give you an idea of its activities, operates the United Cigar Stores, Lerner Dress Shops, Owl Drug Stores, Whelan Drug Co., Wallach Bros. haberdashery shops, Kreuger & Toll match factories, movie houses—in fact, every line of industry and business.

I solemnly remind these judges appointing the Irving Trust that we have impeached judges who have persistently appointed the same receiver in a multiplicity of cases. The House of Representatives frowns upon the practice. The Judiciary Committee frowns upon the practice. That committee initiates all impeachment and disciplinary proceedings. These remarks shall serve as a warning.

The SPEAKER. The time of the gentleman from New York has expired. All time has expired.

Mr. SUMNERS of Texas. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is, Shall the House recede and concur in the Senate amendment?

The question was taken, and the Speaker announced the yeas seemed to have it.

Mr. TARVER. Mr. Speaker, I demand the yeas and nays. The yeas and nays were refused.

Mr. BLANTON. Mr. Speaker, I ask for a division. The House divided, and there were—yeas 207, nays 26.

So the motion to recede and concur was agreed to.

On motion by Mr. DYER, a motion to reconsider the vote
by which the motion was agreed to was laid on the table.

NAVY DEPARTMENT APPROPRIATION BILL

Mr. AYRES. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 14724) making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1934, and for other purposes, with Senate amendments, disagree to the Senate amendments, and ask for a conference.

The SPEAKER. Is there objection to the request of the before any branch-banking provision was incorporated in it. gentleman from Kansas [Mr. Ayres]? [After a pause.] The provision finally adopted by the Senate only provides

The Chair hears none, and appoints the following conferees: Messrs. Ayres, Oliver of Alabama, Douglas of Arizona, French, and Taber.

PERMISSION TO ADDRESS THE HOUSE

Mr. STEAGALL. Mr. Speaker, I ask unanimous consent to address the House for 15 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Alabama [Mr. STEAGALL]?

There was no objection.

Mr. STEAGALL. Mr. Speaker, on day before yesterday the gentleman from South Dakota [Mr. Johnson] was interrupted on the floor by the gentleman from Texas [Mr. Blanton], who inquired if the gentleman from South Dakota did not think that if we could get the Senate to pass the bank deposit guarantee bill passed by the House we would be able to stop wholesale bank failures.

The gentleman from South Dakota replied that if the House had brought out the Glass bill and passed the Glass bill sent to us by the Senate and now pending in the Banking and Currency Committee, we would not have banks breaking all over the United States. I interrupted the gentleman from South Dakota, but his time expired before I was permitted to conclude my inquiries.

The gentleman from South Dakota evidently shares the opinion expressed by the President of the United States in a recent message to this House in which he stated in substance that the only constructive measure looking toward the restoration of confidence in the banks of the country was embodied in the so-called Glass bill. That was rather a remarkable statement to come from the President of the United States—the head of the administration and the leader of his party. As a Democrat I appreciate the implied compliment to the great leader from Virginia, Senator Glass, who enjoys to such high degree the admiration and confidence of the people of the country. I gladly join the President in any compliment to the illustrious Senator from Virginia.

I imagine the people of the United States were somewhat surprised at the confession of a President that he and his administration and the great leaders of the party now in power must give credit to a Democrat for the only constructive piece of banking legislation offered in this time of national depression and distress. But let us see. I wanted to ask the gentleman from South Dakota what there was in the Glass bill that he thought would relieve the existing emergency. I did not have the time. I wanted to call to his attention the fact that with two possible exceptions there is not in that measure anything that is regarded even by its author as emergency legislation. Certain it is that the provision for separating affiliates from national banks five years from now would not relieve the anxiety that exists in the Nation to-day. I am in favor of that provision of the bill, I am in favor substantially of every provision in that bill except one, and I think this is true of the entire membership of the Committee on Banking and Currency of the

We do not regard that bill as emergency legislation or as adequate relief legislation under existing conditions.

There is one provision in the bill that is in the nature of emergency legislation. The provision to which I refer is the one which establishes a liquidating plan for closed banks, but surely no one would contend that we can relieve our present distress by anything that may be done with closed banks. The Congress incorporated in the Reconstruction Finance Corporation act a provision authorizing loans upon the assets of closed banks and allocating \$200,000,000 for such loans. This was done over the protest and opposition of the present administration, and the corporation has on hand \$150,000,000 available for such loans.

The only other provision in the bill which could be considered as emergency legislation is its branch-banking provision. Just here I want to say that that measure was introduced twice in the Senate and reported for consideration before any branch-banking provision was incorporated in it. The provision finally adopted by the Senate only provides

branch-banking relief in nine States of the Union, and | every one of those nine States permits the establishment of branch banks under State law.

Where is there logic, where is there reason, where is there any relief in extending branch banking in the United States to 9 States that already have it and denying it to the 39 States that do not have such relief? If branch banking is good for the emergency, why limit it to nine States-and to States that already have it? If branch banking is a good thing for the country, why not adopt it and make it applicable to every State in the Union?

The truth is branch banking is the greatest evil in our banking system and the worst problems that confront us at this hour are presented in connection with branch banking. That is what is the matter with Michigan. Michigan was ramified by branch banks, group banks, and chain banks, so that we found ourselves in a situation where one bank failure, one bank's embarrassment, one quarrel over monopoly control of banking in Michigan, we are advised, precipitated the crash that came in that State and the unfortunate results that have followed.

Branch banking brought us trouble in Georgia; it brought us trouble in South Carolina; it brought us trouble in Kentucky; it brought trouble in New York; it brought trouble in Michigan; it has brought it everywhere. The records will show that in Canada, where they have only 10 banks, with several thousand branches, their losses in proportion to assets have been greater than the losses in the United States. Branch banking is monopoly banking. If it is extended in this country it will ultimately undermine and destroy the Federal reserve system.

Now, what is the situation? I hold in my hand and I am going to ask permission to incorporate in the RECORD a list of 20 measures which have passed the House during the present Congress and have been finally enacted-all save 2 that are still pending in the Senate.

BILLS AND RESOLUTIONS REPORTED BY BANKING AND CURRENCY COM-MITTEE OF THE HOUSE, SEVENTY-SECOND CONGRESS, FIRST SESSION

H. R. 6172. Federal land banks, additional capital. Reported from Banking and Currency. December 18, 1931; Report No. 11. Union Calendar. Passed House December 19, 1931. Reported in Senate, amended, January 7, 1932. Banking and Currency Report No. 37. Passed Senate, amended, January 13, 1932. Sent to conference January 15, 1932. House agrees to conference report January 21, 1932. Senate agrees to conference report January 21, 1932. Senate agrees to conference report January 21, 1932. Approved January 23, 1932. Public Law No. 3.

H. R. 7360 (H. Res. 99) (S. 1). Reconstruction Finance Corporation, establish. Reported from Banking and Currency. January 9, 1932; Report No. 36. Union Calendar. Passed House January 15, 1932. Reported in Senate January 16, 1932. Passed Senate, amended, January 18, 1932. Sent to conference January 19, 1932. House agrees to conference report January 22, 1932. Senate agrees to conference report January 22, 1932. Public Law No. 2. H. R. 6172. Federal land banks, additional capital. Reported

Public Law No. 2

Public Law No. 2.

H. R. 9203 (S. 3616). Federal reserve system, "free gold." Reported from Banking and Currency. February 13, 1932; Report No. 475. Union Calendar. Passed House February 15, 1932. Passed Senate, amended, February 19, 1932. Sent to conference February 20, 1932. House agrees to conference report February 26, 1932. Senate agrees to conference report February 26, 1932. Approved February 27, 1932. Public Law No. 44.

H. R. 8694 (S. 4851). National banks, borrow from National Credit Corporations. Reported from Banking and Currency. March 9, 1932; Report No. 756. Union Calendar. Passed House June 27, 1932. Passed Senate June 30, 1932. Approved July 2, 1932. Public

1932 Passed Senate June 30, 1932. Approved July 2, 1932. Public Law No. 245.

H. R. 11362 (H. Res. 221). Banks, guaranty fund. Banking and Currency. April 19, 1932; Report M. Calendar. Passed House May 27, 1932. 1932; Report No. 1085. Union

Calendar. Passed House May 27, 1932. Report No. 1085. Union Calendar. Passed House May 27, 1932.

H. R. 11499. Federal reserve system, dollar purchasing power. Reported from Banking and Currency. April 22, 1932; Report No. 1103. Union Calendar. Passed House May 2, 1932. Reported in Senate, amended, June 1, 1932. Banking and Currency; Report No. 757.

H. R. 8931 (S. 2409). Federal intermediate-credit banks, money. Reported from Banking and Currency. April 25, 1932; Report No. 1125. Union Calendar. Laid on table May 16, 1932. S. 2408 passed in lieu.

H. R. 12280 (H. Res. 253) (S. 2959) (H. J. Res. 479) (H. R. 12768) H. R. 1220 (H. Res. 255) (B. 2505) (H. J. Res. 476) (H. R. 12708). Federal home-loan banks, create. Reported from Banking and Currency, May 25, 1932; Report No 1418. Union Calendar. Passed House June 15, 1932. Reported in Senate, amended, June 20, 1932. Banking and Currency. Passed Senate, amended, July 12, 1932. Sent to conference July 13, 1932. House agrees to conference report July 15, 1932. Senate

agrees to conference report July 16, 1932. House agrees to conference report July 16, 1932. House agrees to Senate amendments July 16, 1932. Approved July 22, 1932. Public Law No. 304.
S. 2409 (H. R. 8931). Federal intermediate-credit banks, money. Reported in Senate April 18, 1932. Banking and Currency; Report No. 570. Passed Senate April 25, 1932. Referred to Banking and Currency April 27, 1932. Passed House May 16, 1932. Approved May 19, 1932. Public Law No. 138.
H. R. 10673 (S. 4780). Reconstruction Finance Corporation, crop planting. Reported from Banking and Currency, June 7, 1932; Report No. 1553. Union Calendar (Union 336).
H. R. 8167. Farmers, farm-loan mortgages, pay. Reported from Banking and Currency, June 8, 1932; Report No. 1555. House Calendar (House 251).

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H. R. 10824. Federal farm loan act, amend to provide mineral rights. Reported from Banking and Currency, June 9, 1932; Report No. 1574. House Calendar. Passed House February 20, 1933.

S. 4574. Virgin Islands, bank act. Reported in Senate May 18, 1932. Banking and Currency; Report No. 705. Passed Senate June 8, 1932. Referred to Insular Affairs, June 10, 1932. Reported June 15, 1932; Report No. 1630. Union Calendar. Passed House, amended, July 14, 1932. Senate agrees to House amendment July 15, 1932. Approved July 19, 1932. Public Law No. 293.

S. 4780 (H. Res. 263) (H. R. 10673). Reconstruction Finance Corporation, crop planting. Reported in Senate June 2, 1932. Bank-

poration, crop planting. Reported in Senate June 2, 1932. Banking and Currency; Report No. 761. Passed Senate June 2, 1932. Referred to Banking and Currency June 3, 1932. Reported June 7, 1932; Report No. 1554. Union Calendar. Passed House, amended, June 18, 1932. Sent to conference July 5, 1932. House agrees to conference report July 15, 1932. Senate agrees to conference report July 15, 1932. (Pocket veto.)

Second session

H. Res. 335. Reconstruction Finance Corporation, report. Reported from Banking and Currency, January 6, 1933; Report No. 1820. Passed House January 6, 1933.

H. R. 14252 (S. 5484). Federal reserve system, "free gold," extend. Reported from Banking and Currency, January 27, 1933; Report No. 1928. House Calendar. Laid on table January 30, 1933. S. 5484 passed in lieu.

S. 5484 (H. R. 14252). Federal reserve system, "free gold," extend. Passed Senate January 21, 1933. Referred to Banking and

tend. Passed Senate January 21, 1933. Referred to Banking and Currency, January 23, 1933. Passed House January 30, 1933. Approved February 3, 1933. Public Law No. 326.

H. R. 13855 (S. 4291). National banks, taxation. Reported from Banking and Currency, January 30, 1933; Report No. 1941. House

House 317.

Calendar. House 317.

H. R. 14689 (H. Res. 392) (S. 5337). Federal land banks, reamortization. Reported from Banking and Currency, February 18, 1933; Report No. 2069. Union Calendar. Laid on table February 27, 1933. S. 5337 passed in lieu.

H. R. 14618. Federal farm loan act, borrowers. Reported from Banking and Currency, February 22, 1933; Report No. 2089. Union Calendar. Theor 522.

Calendar. Union 522.

Mr. GOLDSBOROUGH. And all reported from the Committee on Banking and Currency.

Mr. STEAGALL. All of them reported by the Committee on Banking and Currency. Many of those measures embody intricate and technical legislation of stupendous importance to the economic and business life of the people of the United

This is our answer to any implication that the Committee on Banking and Currency of the House has not been about

I venture to say that, with the exception of the Committee on Military Affairs of the House during the war, there is not to be found a duplicate of this record. I doubt that any other such showing has been made by any committee of this House within the memory of any Member of this body to-day.

What is the situation? The measure to which the gentleman from South Dakota referred was passed in the Senate of the United States on the 25th day of January. It was considered in the Senate of the United States two years. If it requires two years under the able leadership in that body to give proper consideration to that measure to justify its final passage, is the Committee on Banking and Currency of this House dilatory or negligent when it asks at least a few days' opportunity in which to study the provisions of that bill? I dare say the membership of this House will agree with me that such a measure should receive the fullest and freest and most thorough consideration of your committee before we present it to you for approval, and that is what we have undertaken to do.

Mr. SHALLENBERGER. I would suggest that the gentleman make a trade with those fellows over on the other side. If they will pass the gentleman's deposit guaranty bill we will pass the Glass bill, and we would have the whole thing taken care of.

Mr. STEAGALL. I thank the gentleman from Nebraska. I appreciate the position he holds in the confidence of this House.

Mr. SHALLENBERGER. The bills are not in conflict whatever.

Mr. STEAGALL. I do not quite agree that legislation should be worked out as the result of trades or compromises. Each House should give fullest possible consideration to important measures. I want to say that I think the Members of the House, out of due regard for its own labors and the work of its committees, should not forget that we have passed two measures that are to-day the outstanding subjects of interest and consideration by all the thoughtful people of the United States-two bills now pending and awaiting action in the Senate. One of them is the Goldsborough currency expansion bill sent there in June of last year, a conservative measure, a bill which provided no arbitrary inflation of the currency, but simply directed the Federal Reserve Board, the Federal reserve banks, and the Treasury of the United States to use their powers within the scope and limitations of the authority conferred by the Federal reserve act toward restoring a normal price level and thereby a normal condition of business in the United States. These policies were to be worked out and controlled by the conservative membership of the Federal Reserve Board, the Federal reserve banks, and the Treasury of the United States. The bill was supported by many leading bankers and business men, by farm organizations, and by many expert economists.

That measure, instead of being a scheme for wild and reckless inflation of the currency, provides a conservatively controlled method to prevent radical and unwise inflation of the currency and likewise to undertake to arrest and end the destructive results of the deflationary developments that have taken place and are now under way in the United States. The bill sleeps at the other end of the Capitol, where it has been since June of last year.

This House sent another measure to the Senate, a bill which I had the honor to introduce in this House, similar to other measures that I have introduced for 10 or 12 years during each consecutive session of Congress. It would apply a principle to our banking system that is approved and accepted universally in every field of business activity. It is the principle of insurance. I think it should be applied for the protection of bank deposits. I think it should be applied for reasons of fair dealing and common honesty. But beyond all other considerations it should be applied for reasons of public policy. I do not know whether the bill measures up to the requirements of more scientific minds. It was approved by your Committee on Banking and Currency and passed overwhelmingly by the House after several days of debate and consideration. No doubt it could be improved. I think I could improve it. No doubt the Senate could improve it. In any event it embodies the same principles and methods provided in the measure passed by the Senate, which establishes a plan for handling closed banks. So its principle must be sound.

This bill has been pending in the Senate for nearly a year. I make this statement to the House. I have been a Member here a good many years, and never in my experience have I known a bill to be considered in this body that commanded the commendation and support of the people of the United States in all walks of life that has been voiced in favor of this measure. The people of the Nation demand it. They have urged its passage. At last in this hour many of the big bankers of the country recognize the necessity for it and are sending us their appeal for its passage. At one time they thought they did not need it; they thought the failure of small banks an inconsequential thing; they thought that deposit insurance was not necessary to protect big banks. They felt as they did when we were writing the Federal reserve act-they said they did not need it; that it would impose burdens and hardships upon them that they should not be made to bear simply to protect the small banks scat-

tered throughout the land. But in spite of this protest we wrote the Federal reserve law. Without it these banks could not operate to-day; the Government could not conduct its financial operations without it; without it we could not have financed the war. These banks now favor the passage of legislation for the protection of bank deposits, and I dare say that the sentiment of the people of the United States is at last making itself felt in the Senate of the United States. The people of the Nation are demanding the enactment of the bank deposit guaranty bill, which I had the honor to introduce and which was passed by this House nearly a year ago. [Applause.]

Listen, my friends, we can not conduct the business of this country without change of bank credit. Bank credit rests upon bank deposits. Deposits depend upon the confidence of the public. Without it they will not deposit their money in the banks and without confidence the banks can not employ their deposits to supply bank credit for business. Bank credit is being destroyed. We can not revive trade and commerce without the use of bank credit. We do 90 per cent of our business with bank credit. Only 5 or 10 per cent is done with currency. Suppose the picture were reversed and 90 per cent of our business were done with currency and only 5 or 10 per cent with bank credit and we destroyed the same proportion of currency or money as has been destroyed in bank credit in the United States.

[Here the gavel fell.]

Mr. STEAGALL. Mr. Speaker, I ask unanimous consent to proceed for five minutes more.

The SPEAKER. Is there objection?

There was no objection.

Mr. STEAGALL. There would not be anybody left to object to some constructive action to relieve the situation.

Bank credit supports values. This is what is the matter with prices in the United States. Bank credit is not available. This is where our chief trouble is. We can not work out of our difficulties without the use of bank credit. Not only is this true of trade and commerce and the general business of the United States, it is true of the Government, Mr. Speaker. The credit of the Government is linked with bank credit. The Treasury of the United States is dependent upon bank credit to market its bonds and to sustain their value.

If this process of destruction is continued until the Government finds that the support of bank credit which the Treasury enjoys has been removed. I dare not express the fears I have for the embarrassments that will overtake the Treasury of the United States in conducting its financial program. The Treasury can not operate without bank credits. I remind Members who fear inflation that it can not be avoided, if bank credit is completely destroyed. I am opposed to radical inflation, amounting to repudiation. The way to avoid it is to strengthen the credit of the country. This includes bank credit. For these reasons the Government ought to lend its aid and support to a constructive plan for the protection of bank deposits. The losses should be borne ultimately without the use of the Treasury, but the Treasury should supply temporary aid. I am opposed to a Government guaranty of deposits. The bill that we passed provides a plan by which the banks bear the burden of the guaranty, with only temporary aid supplied by the Government, to be reimbursed by funds accumulated by assessments upon the banks over a period of years, which is an easy thing to do under normal conditions.

The Government can not continue to pay off all deposits, as is being done by the Reconstruction Finance Corporation. We could take the losses that confront the Reconstruction Finance Corporation, if present tendencies are to continue, and use it to supplement an assessment against the banks and establish a plan that would stop the wholesale failure of banks and revive bank credit and business in the United States. [Applause.]

One billion dollars tied up in postal savings would be released, and a billion and a half dollars in hoarding would be freed for use in trade and commerce. The foolish policy of inviting and inducing the public to place deposits in postal savings banks has tied up \$1,000,000,000 just as if it were hoarded. Banks can not get funds from the postal savings banks without substituting liquid securities, which count the same as currency. If bank deposits were protected, postal funds would drift into use for trade and commerce. I can cite instances in splendid towns where there are more deposits in postal savings than in the commercial banks. The policy is destructive. But it will continue until we provide a method for protecting the deposits of the people in the banks. This is the first step in the way out of the darkness of this hour. [Applause.]

Mr. BEEDY. Mr. Speaker, I ask unanimous consent that I may be allowed to address the House for 10 minutes.

The SPEAKER. Is there objection?

There was no objection.

The SPEAKER. Before the gentleman from Maine proceeds, let the Chair make this statement. The gentleman from New York [Mr. Snell], the minority leader, asked to have two gentlemen recognized for the purpose of asking unanimous consent to address the House, one the gentleman from Maine [Mr. Beedy] and the other the gentleman from Pennsylvania [Mr. Darrow]. The Chair intends to recognize these gentlemen to ask unanimous consent to address the House for 10 minutes each and then no one else. The gentleman from Tennessee [Mr. Byrns] and other members of the Committee on Appropriations will then undertake to pass some supply bills.

Mr. BEEDY. Mr. Speaker, I desire at the outset to say that there is no member of the Banking and Currency Committee that is fonder of the chairman of our committee than I. I want to make it clear that whatever I now say savors in no way of personalities. It has been a rule of my life, and I have tried to exemplify it, that while I may differ with men, I never permit personalities to enter into my differ-

ences in opinion. [Applause.]

There has been an air of mystery surrounding the failure of our committee to assemble for the purpose of having any hearings whatever on the so-called Glass bill which recently passed the Senate. I must say that my individual curiosity has been aroused by the apparent indifference which those in control of the Banking and Currency Committee of the House have manifested toward such an important banking measure as the so-called Glass bill.

I am at an utter loss to understand why our committee has not been called even to make some move toward hearings on this bill. It was passed by the Senate on the 25th of last January. It was referred to the House Committee on Banking and Currency on the 30th of last January. Since that time our committee has been called into session many times to consider bills of far less importance. The chairman of the committee, however, has not even made a gesture toward consideration of the Glass bill.

To-day the chairman of our committee (the gentleman from Alabama) takes the floor to explain why the committee has done nothing in the way of considering the Glass bill. As I understand him his defense is that we are in an emergency; that the Glass bill is not emergency legislation with the possible exception of the so-called liquidation of failed-banks provision, and that, therefore, he did not deem it necessary to take any action respecting it.

In his attempted defense, I submit that the gentleman from Alabama fails to recognize the principal difficulty in the present emergency. It is apparent to many of us that the chief difficulty of the moment is a continuing lack of confidence in the banking world. Certainly any well-considered banking legislation which aims to correct existing abuses would be a powerful agent in the restoration of the needed confidence.

The Glass bill is the product of the best minds in the banking field of the United States. Not only was much thought given to its preparation, not only were the best experts consulted, but it was given a prolonged and careful hearing before the Senate Committee on Banking and Currency. It only passed the Senate after thorough discussion and the most careful consideration. It is now the consensus of banking opinion in this country that although the Glass

bill is not perfect, yet its provisions are such as would assist in correcting many of the evils revealed in recent banking transactions and would go far toward establishing sound banking policies and general confidence. Few have been heard to say that the passage of the Glass bill would do any harm, while the great majority clamor for its enactment.

Why the persistent and mysterious inaction of the chairman of our Banking and Currency Committee? Why has not the party in control of this House taken some steps to make possible this legislation which, it is generally conceded, would go far toward rehabilitating the country at the present moment?

The main purpose of the Glass bill is to correct abuses and bring about a closer supervision of banking practices to the end that credits may be wisely administered and the speculative use of bank funds be reduced to a minimum.

Do our Democratic friends object to the main purpose of this legislation? I fail to see how they can hope to justify any such objection. If they do not object to the purpose of the legislation, why have they not employed some of the four weeks which have passed since the Glass bill was referred to the Banking and Currency Committee of the House in hearings for the purpose of reporting the bill to the House and recommending its passage?

Do the party in control of this House object to the gradual separation of investment banking from commercial banking? Do they object to the separation of security affiliates from national banks? The Glass bill would accomplish both these purposes. In the light of the scandalous testimony given by the resigned president of the National City Bank of New York before the Senate committee a few days since, I do not see how anybody could justify a failure to pass the legislation which is aimed at a correction of such evils.

Does the chairman of our committee and his associates in control object to the provisions of the Glass bill which would subject security affiliates and holding companies to examination and supervision by the Comptroller of the Currency? Do they object to the provisions limiting hans to security affiliates?

Mr. STEAGALL arose.

Mr. BEEDY. I have only 10 minutes and I hope the gentleman will not interrupt me. I desire to ask him some questions which he can answer in his own time if he sees fit, but, for lack of time, I must now refuse to yield.

Does the chairman of our committee and the party which he represents object to those provisions of the Glass bill which require Federal reserve banks to keep an eye on the loaning policies of member banks, so that they will not encourage undue speculation? Do they object to that section of the bill which prohibits a bank from making loans to its executive officers? Do they object to the provisions of the bill which give the Comptroller of the Currency authority to remove—after a hearing before the Federal Reserve Board—any bank officer or director who continues to violate banking laws or uses unsound banking practices?

I do not believe that any man or any party can justify a failure to make even an attempt to give to the country, in this hour of its distress, a law which seeks to correct these evils, all too evident, alas, in recent times. I maintain that all these provisions which are written in the Glass bill as it passed the Senate are much needed in this hour of the Nation's travail.

Mr. GOLDSBOROUGH. Mr. Speaker, will the gentleman vield?

Mr. BEEDY. I have only 10 minutes, and I must ask to be excused

The SPEAKER. The gentleman declines to yield.

Mr. BEEDY. If the gentleman could get me five more minutes, I shall be glad to yield.

The SPEAKER. The gentleman has declined to yield.

The SPEAKER. The gentleman has declined to yield.

Mr. BEEDY. Mr. Speaker, surely there can be no objection on the part of my Democratic colleagues to that provision of the Glass bill which provides for the organization of

a liquidating corporation to assist in a more speedy and eco-

nomical liquidation of suspended banks, resulting in a fuller measure of relief to depositors.

The gentleman in his speech this afternoon admits that this particular feature of the bill partakes of emergency legislation. If he believes in it, why has he not reported some measure to this House providing for fuller relief to depositors in suspended banks?

In January, 1932, I introduced in this House a bill which would have set up permanent machinery for the effective relief of depositors in failed banks through a speedy and economical liquidation of their assets. I was unable even to secure a hearing on the proposed legislation. The party in control of this House has assumed full responsibility for depriving the country of this much-needed legislation from January, 1932, to this very moment.

Recently, when the gentleman from Massachusetts [Mr. Luce] made some reference to this much-needed legislation, gentlemen on the right side of this aisle arose to say that this need had been met by authorizing the Reconstruction Finance Corporation to assist in the liquidation of suspended banks. But, my friends, that answer will not suffice. The provision of law by which the Reconstruction Finance Corporation is authorized to assist suspended banks was a mere temporary expedient. No thoughtful man will be heard to say that it in any way meets the needs as they would have been met by the bill which I introduced or as they might be met if the liquidating corporation were set up as provided in the Glass bill.

The Reconstruction Finance Corporation can only loan money to banks that are "closed, or in process of liquidation, to aid in the reorganization or liquidation of such banks, upon application of the receiver," and so forth. Upon making such a loan the Reconstruction Finance Corporation takes over the best assets of the suspended or failed bank as collateral for the loan and leaves the receiver holding the bag with the poorest assets of the institution. The receiver thereupon faces the necessity of dumping these remaining assets upon a falling market, all to the very great detriment and losses of depositors in such banks. This situation has been continuing for more than a year. Yet the party now in control of this House has failed to pass any legislation relieving the situation; this in the face of an open declaration in its 1932 platform which advocates "quicker methods of realizing on assets for the relief of depositors of suspended banks."

Again I ask, why this failure to take some action on the Glass bill? It provides for organizing a liquidating corporation with power not merely to make a loan on the assets of a failed bank but to purchase the assets of the bank. Such a corporation would then have an opportunity to dispose of the assets in a manner best calculated to serve the interests of the depositors. The best assets could be sold at once. The poorer assets could be pooled with the assets of other failed banks. There would be no necessity of immediate dumping of assets upon the market. The assets could be wisely conserved and disposed of under the most advantageous terms. Surely, a law making possible such a liquidation of the assets of failed banks would go to the very heart of the situation which now obtains. Again I inquire, why this inaction on the part of our Banking and Currency Committee?

Surely, it can not be any objection to the provisions of the Glass bill to which I have called attention. The Democratic platform of 1932, in addition to declaring for further legislation to assist in the liquidation of suspended banks, goes on to advocate—

A more rigid supervision of national banks for the protection of depositors and the prevention of the use of their moneys in speculation to the detriment of local credits.

As I have already pointed out, the Glass bill provides these precise remedies. Yet the chairman of our committee has maintained a most unusual silence and the most astounding inaction, while the Glass bill has languished in the innocuous desuetude of some undiscovered corner in the files of the Banking and Currency Committee.

In his speech of this afternoon the gentleman from Alabama, while he did not say so in as many words, yet left the inference that so long as the Steagall bank guaranty bill slumbers in the inactive files of the Banking and Currency Committee of the Senate, so long shall the Glass bill continue to be scorned and unrecognized by the Banking and Currency Committee of the House.

It seems to me that no such excuse will justify the chairman of our committee in his failure to give its members even an opportunity to vote upon the question of reporting the Glass bill at this session.

I believe that at any time within the past three weeks a majority of the members of the Banking and Currency Committee of this House would have voted to take some action on the Glass bill.

I do not envy our chairman or those who are in control of the legislative program of this House the responsibility which they have taken upon themselves to deprive the country of legislative proposals embodied in the Glass bill, the most of which are in absolute conformity with the Democratic platform declarations of 1932.

What is the real reason for this policy of delay and inaction which is in direct opposition to solemn declarations? Again, I say that my curiosity is aroused. I confess my inability to understand why our committee under the direction of its distinguished chairman the gentleman from Alabama IMr. Steagall has continued in its failure, ever since January 30, last, to take action upon the Glass bill.

If ever there was a time when the country needed legislation providing for a closer supervision of banking by Federal authorities, it is now. If ever there was a time when permanent legislation for the relief of depositors in failed banks was needed, it is now. The party in control owes it to this House and the country to explain its gross failure to meet the trust which has been reposed in it by the American people.

The SPEAKER. The time of the gentleman from Maine has expired.

Mr. DARROW. Mr. Speaker, I ask unanimous consent to address the House for 10 minutes.

The SPEAKER. Is there objection?

There was no objection.

Mr. DARROW. Mr. Speaker, it is my desire to call attention to what I consider to have been a serious mistake in giving publicity to loans made by the Reconstruction Finance Corporation. It has done untold harm and caused all sorts of difficulties, especially in the case of banks.

The Reconstruction Finance Corporation act provided for the publishing of a quarterly report stating the aggregate loans to each class of borrowers provided for and the number of borrowers by States in each case. Such statements were to show the assets and liabilities of the corporation.

This provision was, however, supplemented by a section in the emergency relief and construction act of 1932 for the submission of monthly statements to the President, the Senate, and the House of Representatives—or to the Secretary of the Senate or Clerk of the House of Representatives, if those bodies are not in session—of its activities and expenditures, together with a statement showing the names of the borrowers to whom loans and advances were made and the amount and rate of interest involved in each case.

Under this latter provision the Clerk of the House decided to make these details public.

The publication of loans made during the first month or two of the corporation's operations clearly seems to have been a distinct breach of faith.

The original act imposed severe penalties for the violation of any of its provisions, and a disclosure of the names of the borrowers and the amounts of their loans would have been subject to a fine of not more than \$10,000 or by imprisonment for not more than five years, or both. It is evident, therefore, that banks and other institutions who made application for loans prior to the enactment of the emergency relief and construction act of 1932 had every assurance that the confidence that has always existed in banking between

borrowers and lenders was recognized and would be maintained. The subsequent publication of such loans has involved many of them in more or less trouble.

It should be borne in mind that while banks, and other institutions, make application for loans, it does not follow that they are not entirely sound. Many of them are in need of ready cash because of the frozen condition of their assets, and the purpose of the Reconstruction Finance Corporation was to aid them with ready cash so that they could serve their depositors and borrowers.

The publication of these detailed reports caused serious embarrassment to a number of borrowers. It was the cause of much unjust criticism, inasmuch as in many localities reports were circulated that institutions borrowing were not in good financial condition, when they were perfectly sound. In cases which have come to my attention following the publication of such loans, there resulted the withdrawal of deposits of a greater amount than the loan. I am informed, through a reliable source, that it has caused several hundred banks to close, and that such action could have been avoided had it not been for the publicity given. As a result many banks are not now applying for loans for fear it might be understood by depositors as an element of weakness, whereas on the contrary, such loans show financial soundness. While they would like to make loans, on perfectly sound securities, they do not feel justified in taking the risk; for, as many of them express it, "If we borrow a few hundred thousand from the Reconstruction Finance Corporation, it will cost us many times that amount in deposits." So, it will be seen, Mr. Speaker, that this is destroying the utility of the corporation as far as loans to banks are concerned.

In my opinion the publication of loans made to banks seriously handicaps them in serving their depositors and borrowers, and especially in making loans to business concerns who desire to provide work for their employees.

The entire banking situation is critical; and if these Reconstruction Finance Corporation loans could be made without publicity, the corporation would be able to render a very valuable public service.

I have received scores of protests regarding the great harm this provision has caused, and urgent appeals for the repeal or amendment of this publicity section, a great number of them coming from northern New Jersey.

Being deeply impressed with the urgent need of relief from such restrictions, on February 17 last I introduced a bill, H. R. 14699, to amend the publicity section of the emergency relief and construction act of 1932, as follows:

Such statements and all data contained therein shall be for the confidential information of the President and the Members of the Senate and House of Representatives only and shall not be made public, nor be open to public inspection.

Since the introduction of this bill I have been besieged with telegrams, letters, and resolutions urging its immediate consideration and adoption, not only from banking institutions, but from business organizations as well.

For example, the Philadelphia Board of Trade, in an urgent appeal for such action, states that publicity given loans to banks has frightened depositors, has consequently caused runs on those banks and closed their doors, and that such legislation as I have proposed would materially assist in stabilizing the public mind, would relieve banks of undue pressure, and would afford them the necessary support to assist general business by easing credit to depositors.

From a certain section in Pennsylvania, in an appeal for immediate action, the president of a national bank states:

In this district every bank which had its name published in the last list had difficulty. Three have closed, one has asked a moratorium of its depositors, and the others have had withdrawals. This is concrete evidence of the destructiveness of the publicity.

I could, of course, quote at considerable length from protests which have reached me, which would clearly show that publishing names of banks borrowing from the Reconstruction Finance Corporation serves no good purpose, but that in these abnormal times creates public feeling to the detri-

ment of the banks concerned, as well as creating distrust in local communities.

From President Hoover's message to Congress on February 20 I quote what I consider a clear and concise portrayal of the effect of such publicity:

This publication is destroying the usefulness and effectiveness of the Reconstruction Finance Corporation, is exaggerating fears, and is introducing new elements of grave danger. It is drying up the very sources of credit. The effect of such publication is forcing payment by distressed debtors to replenish bank funds. It is causing the hoarding of money.

A continuation of this publicity will destroy the confidence we have tried so carefully to build up. The discontinuance of this practice would encourage deserving banks to make greater use of the service offered by the Reconstruction Finance Corporation. Let us, therefore, recognize the great harm already caused by such publicity and join in the immediate enactment of legislation of the character I have outlined. [Applause.]

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. Craven, its principal clerk, announced that the Senate had ordered that the House be requested to return to the Senate the bill (H. R. 14500) to extend the time for completing the construction of a bridge across the Missouri River at or near Kansas City, Kans.

The message also announced that the Senate insists upon its amendments to the bill H. R. 14724, entitled "An act making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1934, and for other purposes," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. Shortridge, Mr. Hale, Mr. Keyes, Mr. Glass, and Mr. Broussard to be the conferees on the part of the Senate.

The message also announced that the Senate had passed without amendment a bill of the House of the following title:

H. R. 12047. An act to provide for the transfer of powder and other explosive materials from deteriorated and unserviceable ammunition under the control of the War Department to the Department of Agriculture for use in land clearing, drainage, road building, and other agricultural purposes.

The message also announced that the Senate had agreed to the amendments of the House to bills and a joint resolution of the Senate of the following titles:

S. 4491. An act amending the shipping act, 1916, as amended, for the purpose of further regulating common carriers by water in interstate commerce of the United States engaged in transportation by way of the Panama Canal;

S. 5122. An act to provide for the purchase and sale of cotton under the supervision of the Secretary of Agriculture: and

S. J. Res. 235. Joint resolution amending provisions in river and harbor laws relating to local cooperation in the prosecution of waterway improvements.

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 5639. An act providing for loans or advances by the Reconstruction Finance Corporation for the purpose of securing the postponement of the foreclosure of certain mortgages for a period of two years, and for other purposes.

TREASURY-POST OFFICE APPROPRIATION BILL, FISCAL YEAR 1934

Mr. BYRNS. Mr. Speaker, I present a conference report upon the bill (H. R. 13520) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1934, and for other purposes, and ask unanimous consent that the statement be read in lieu of the report.

The SPEAKER. The gentleman from Tennessee presents a conference report upon the Treasury-Post Office appropri-

read in lieu of the report. Is there objection?

There was no objection.

The Clerk read the statement.

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on amendments numbered 1 to 16, inclusive, of the Senate to the bill (H. R. 13520) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1934, and for other purposes, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as

That the Senate recede from its amendments numbered 3, 4, 7, 8, and 9.

That the House recede from its disagreement to the amendments of the Senate numbered 2, 5, 6, 10, 11, and 13, and agree to the same.

Amendment numbered 1: That the Senate recede from its disagreement to the amendment of the House to the amendment of the Senate numbered 1, and agree to the same.

Amendment numbered 12: That the House recede from its disagreement to the amendment of the Senate numbered 12. and agree to the same with an amendment as follows: Restore the matter stricken out by such amendment, amended to insert in lieu of the sum "\$19,000,000" named in such amendment the sum "\$15,000,000"; and the Senate agree to the same.

Amendment numbered 14: That the Senate recede from its disagreement to the amendment of the House to the amendment of the Senate numbered 14, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the House amendment insert the

"Sec. 4. (a) The provisions of the following sections of Part II of the legislative appropriation act, fiscal year 1933, are hereby continued in full force and effect during the fiscal year ending June 30, 1934, namely, sections 101, 102, 103, 104, 105, 106, 107 (except paragraph (5) of subsection (a) thereof), 108, 109, 112, 201, 203, 205, 206 (except subsection (a) thereof), 211, 214, 215, 304, 315, 317, 318 and 323, and, for the purpose of continuing such sections, in the application of such sections with respect to the fiscal year ending June 30, 1934, the figures '1933' shall be read as '1934'; the figures '1934' as '1935'; and the figures '1935' as '1936'; and, in the case of sections 102 and 203, the figures '1932' shall be read as '1933'; except that in the application of such sections with respect to the fiscal year ending June 30, 1934 (but not with respect to the fiscal year ending June 30, 1933), the following amendments shall apply:

"(1) Section 104(a) is amended by striking out the period at the end thereof and inserting a semicolon and the following: 'and (12) special delivery messengers in the Postal Service'; and section 105(d) (2) is amended by adding at the end thereof the following: 'special delivery messengers in the Postal Service, but in the case of such messengers, the sum of \$400 shall not be included in the calculation of the rate of their compensation for the purposes of this title;'.

"(2) Section 106 is amended by striking out 'except judges whose compensation may not, under the Constitution, be diminished during their continuance in office' and inserting in lieu thereof 'except judges, whose compensation, prior to retirement or resignation, could not, under the Constitution, have been diminished.'

"(3) Section 216 is amended by striking out the period at the end thereof and inserting in lieu thereof a colon and the following: 'Provided further, That no employee under the classified civil service shall be furloughed under the provisions of this section for a total of more than 90 days during the fiscal year 1934, except after full and complete compliance with all the provisions of the civil service laws and regulations relating to reductions in personnel.'

"(4) Section 317 is amended by striking out the period at the end thereof and inserting in lieu thereof a colon and (a) of this act, at the rate of 8% per cent per month re-

ation bill and asks unanimous consent that the statement be the following: 'Provided further, That no part of any appropriation for "public works," nor any part of any allotment or portion available for "public works" under any appropriation, shall be transferred pursuant to the authority of this section to any appropriation for expenditure for personnel unless such personnel is required upon or in connection with "public works." "Public works" as used in this section shall comprise all projects falling in the general classes enumerated in Budget Statement No. 9, pages A177 to A182, inclusive, of the Budget for the fiscal year 1934, and shall also include the procurement of new airplanes and the construction of vessels under appropriations for "Increase of the Navy." The interpretation by the Director of the Bureau of the Budget, or by the President in the cases of the War Department and the Navy Department, of "public works," as defined and designated herein, shall be conclusive.'

"(5) Section 104 (b) and section 106 are amended by striking out '(except enlisted'; section 104 (b) is amended by striking out 'does not include the active or retired pay of the enlisted personnel of the Army, Navy, Marine Corps, or Coast Guard; and '; and section 105 (d) is amended by adding at the end thereof the following new paragraph:

"'(8) The enlisted personnel of the Army, Navy, Marine Corps, and Coast Guard.'

"(b) All acts or parts of acts inconsistent or in conflict with the provisions of such sections, as amended, are hereby suspended during the period in which such sections, as amended, are in effect.

"(c) No court of the United States shall have jurisdiction of any suit against the United States or (unless brought by the United States) against any officer, agency, or instrumentality of the United States arising out of the application, as provided in this section, of such sections 101, 102, 103, 104, 105, 106, 107, 108, 109, or 112, as amended, unless such suit involves the Constitution of the United States.

"(d) The appropriations or portions of appropriations unexpended by reason of the operation of the amendments made in subsection (a) of this section shall not be used for any purpose, but shall be impounded and returned to the Treasury.

"(e) Each permanent specific annual appropriation available during the fiscal year ending June 30, 1934, is hereby reduced for that fiscal year by such estimated amount as the Director of the Bureau of the Budget may determine will be equivalent to the savings that will be effected in such appropriation by reason of the application of this section and section 7.

"SEC. 5. Effective the 1st day of the month next following the passage of this act, in the application of Title I of Part II of the legislative appropriation act, fiscal year 1933, and section 4 of this act, in any case where the annual rate of compensation of any position is in excess of \$1,000, the provisions reducing compensation shall not operate to reduce the total amount paid for any month to any incumbent of any such position unless the total amount earned by such incumbent in such month exceeds \$83.33: Provided, That any such reduction made in any case where the total amount earned by any such incumbent in any month exceeds \$83.33 shall not operate to reduce the total amount to be paid to such incumbent for such month to less than \$83.33.

"SEC. 6. (a) Sections 103 and 215 of the legislative appropriation act, fiscal year 1933, shall be held applicable to the officers and employees of the Panama Canal and Panama Railroad Co. on the Isthmus of Panama, and to officers and employees of the United States (including enlisted personnel) holding official station outside the continental United States, only to the extent of depriving each of them of one month's leave of absence with pay during each of the fiscal years ending June 30, 1933, and June 30, 1934.

"(b) During the fiscal year 1934, deductions on account of legislative furlough shall be made each month from the compensation of each officer or employee subject to the furlough provisions of Title I of Part II of the legislative appropriation act, fiscal year 1933, as continued by section 4 gardless of the number of days of such furlough actually taken by any such officer or employee in any month.

SEC. 7. No administrative promotions in the civil branch of the United States Government or the government of the District of Columbia shall be made during the fiscal year ending June 30, 1934: Provided, That the filling of a vacancy, when authorized by the President, by the appointment of an employee of a lower grade, shall not be construed as an administrative promotion, but no such appointment shall increase the compensation of such employee to a rate in excess of the minimum rate of the grade to which such employee is appointed, unless such minimum rate would require an actual reduction in compensation: Provided further. That the restoration of employees to their former grades or their advancement to intermediate grades following reductions of compensation for disciplinary reasons shall not be construed to be administrative promotions for the purposes of this section. The provisions of this section shall not apply to commissioned, commissioned warrant, warrant, and enlisted personnel, and cadets, of the Coast Guard.

"SEC. 8. All officers and employees of the United States Government or of the government of the District of Columbia who had reached the retirement age prescribed for automatic separation from the service on or before July 1, 1932, and who were continued in active service for a period of less than 30 days after June 30, 1932, pursuant to an Executive order issued under authority of section 204 of Part II of the legislative appropriation act, fiscal year 1933, shall be regarded as having been retired and entitled to annuity beginning with the day following the date of separation from active service, instead of from August 1, 1932, and the Administrator of Veterans' Affairs is hereby authorized and directed to make payments accordingly from the civil-service retirement and disability fund.

"SEC. 9. The allowance provided for in the act entitled "An act to permit payments for the operation of motor cycles and automobiles used for necessary travel on official business, on a mileage basis in lieu of actual operating expenses," approved February 14, 1931 (U. S. C., Supp. V, title 5, sec. 73a), for travel ordered after the date of enactment of this act shall not exceed 2 cents per mile in the case of travel by motor cycle or 5 cents per mile in the case of travel by automobile.

"SEC. 10. Whenever by or under authority of law actual expenses for travel may be allowed to officers or employees of the United States, such allowances, in the case of travel ordered after the date of enactment of this act, shall not exceed the lowest first-class rate by the transportation fa-

cility used in such travel.

"SEC. 11. From and after the date of enactment of this act, the provisions of the act of March 3, 1931 (U. S. C., Supp. V, title 5, sec. 26a), shall not apply to any employees of the Veterans' Administration homes, hospitals, or combined facilities where, in the discretion of the Administrator of Veterans' Affairs, the public interest requires that such employees should be excepted from the provisions thereof. As to those employees excepted from the provisions of the act of March 3, 1931, seven hours shall constitute a workday on Saturday and labor in excess of four hours on Saturdays shall not entitle such employees to an equal shortening of the workday on some other day or to additional compensation therefor.

"Sec. 12. Assignments of officers of the Army, Navy, or Marine Corps to permanent duty in the Philippines, on the Asiatic station, or in China, Hawaii, Puerto Rico, or the Panama Canal Zone shall be for not less than three years. No such officer shall be transferred to duty in the continental United States before the expiration of such period unless the health of such officer or the public interest requires such transfer, and the reason for the transfer shall be stated in

the order directing such transfer.

"SEC. 13. The act entitled 'An act to provide for deducting any debt due the United States from any judgment recovered against the United States by such debtor,' approved March 3, 1875 (U. S. C., title 31, sec. 227), is hereby amended to read as follows:

"'That when any final judgment recovered against the United States duly allowed by legal authority shall be presented to the Comptroller General of the United States for payment, and the plaintiff therein shall be indebted to the United States in any manner, whether as principal or surety, it shall be the duty of the Comptroller General of the United States to withhold payment of an amount of such judgment equal to the debt thus due to the United States; and if such plaintiff assents to such set-off, and discharges his judgment or an amount thereof equal to said debt, the Comptroller General of the United States shall execute a discharge of the debt due from the plaintiff to the United States. But if such plaintiff denies his indebtedness to the United States, or refuses to consent to the set-off, then the Comptroller General of the United States shall withhold payment of such further amount of such judgment, as in his opinion will be sufficient to cover all legal charges and costs in prosecuting the debt of the United States to final judgment. And if such debt is not already in suit, it shall be the duty of the Comptroller General of the United States to cause legal proceedings to be immediately commenced to enforce the same, and to cause the same to be prosecuted to final judgment with all reasonable dispatch. And if in such action judgment shall be rendered against the United States, or the amount recovered for debt and costs shall be less than the amount so withheld as before provided, the balance shall then be paid over to such plaintiff by such Comptroller General of the United States with 6 per cent interest thereon for the time it has been withheld from the plaintiff.'

"SEC. 14. Section 319 of Part II of the legislative appropriation act, fiscal year 1933, is repealed as of June 30, 1932; and the rate of interest to be allowed upon judgments against the United States and overpayments in respect of internal-revenue taxes shall be the rate applicable thereto prior to the enactment of section 319 of such act.

"SEC. 15. Section 322 of Part II, of the legislative appropriation act, fiscal year 1933, is amended by adding at the end of the section the following proviso: 'Provided further, That the provisions of this section as applicable to rentals, shall apply only where the rental to be paid shall exceed \$2,000 per annum."

"SEC. 16. Title IV of Part II of the legislative appropriation act, fiscal year 1933, is amended to read as follows:

"'TITLE IV-REORGANIZATION OF EXECUTIVE DEPARTMENTS " DECLARATION OF STANDARD

"'SEC. 401. The Congress hereby declares that a serious emergency exists by reason of the general economic depression: that it is imperative to reduce drastically governmental expenditures; and that such reduction may be accomplished in great measure by proceeding immediately under the provisions of this title.

"'Accordingly, the President shall investigate the present organization of all executive and administrative agencies of the Government and shall determine what changes therein are necessary to accomplish the following purposes:

"'(a) To reduce expenditures to the fullest extent consistent with the efficient operation of the Government;

"'(b) To increase the efficiency of the operations of the Government to the fullest extent practicable within the

"'(c) To group, coordinate, and consolidate executive and administrative agencies of the Government, as nearly as may be, according to major purposes;

"'(d) To reduce the number of such agencies by consolidating those having similar functions under a single head. and by abolishing such agencies and/or such functions thereof as may not be necessary for the efficient conduct of the Government:

"'(e) To eliminate overlapping and duplication of effort:

"'(f) To segregate regulatory agencies and functions from those of an administrative and executive character.

" ' DEFINITION OF EXECUTIVE AGENCY

"'SEC. 402. When used in this title, the term "executive agency" means any commission, independent establishment, board, bureau, division, service, or office in the executive branch of the Government and, except as provided in section 403, includes the executive departments.

" ' POWER OF PRESIDENT

"'SEC. 403. Whenever the President, after investigation, shall find and declare that any regrouping, consolidation, transfer, or abolition of any executive agency or agencies and/or the functions thereof is necessary to accomplish any of the purposes set forth in section 401 of this title, he may by Executive order—

"'(a) Transfer the whole or any part of any executive agency and/or the functions thereof to the jurisdiction and control of any other executive agency;

"'(b) Consolidate the functions vested in any executive agency; or

"'(c) Abolish the whole or any part of any executive agency and/or the functions thereof; and

"'(d) Designate and fix the name and functions of any consolidated activity or executive agency and the title, powers, and duties of its executive head; except that the President shall not have authority under this title to abolish or transfer an executive department and/or all the functions

"'SEC. 404. The President's order directing any transfer, consolidation, or elimination under the provisions of this title shall also make provision for the transfer or other disposition of the records, property (including office equipment), and personnel, affected by such transfer, consolidation, or elimination. In any case of a transfer or consolidation under the provisions of this title, the President's order shall also make provision for the transfer of such unexpended balances of appropriations available for use in connection with the function or agency transferred or consolidated, as he deems necessary by reason of the transfer or consolidated function or for the use of the agency to which the transfer is made or of the agency resulting from such consolidation.

" SAVING PROVISIONS

"'SEC. 405. (a) All orders, rules, regulations, permits, or other privileges made, issued, or granted by or in respect of any executive agency or function transferred or consolidated with any other executive agency or function under the provisions of this title, and in effect at the time of the transfer or consolidation, shall continue in effect to the same extent as if such transfer or consolidation had not occurred, until modified, superseded, or repealed.

"'(b) No suit, action, or other proceeding lawfully commenced by or against the head of any executive agency or other officer of the United States, in his official capacity or in relation to the discharge of his official duties, shall abate by reason of any transfer of authority, power, and duties from one officer or executive agency of the Government to another under the provisions of this title, but the court, on motion or supplemental petition filed at any time within 12 months after such transfer takes effect, showing a necessity for a survival of such suit, action, or other proceeding to obtain a settlement of the questions involved, may allow the same to be maintained by or against the head of the executive agency or other officer of the United States to whom the authority, powers, and duties are transferred.

"'(c) All laws relating to any executive agency or function transferred or consolidated with any other executive agency or function under the provisions of this title, shall, in so far as such laws are not inapplicable, remain in full force and effect, and shall be administered by the head of the executive agency to which the transfer is made or with which the consolidation is effected.

" ' WINDING UP AFFAIRS OF AGENCIES

"'SEC. 406. In the case of the elimination of any executive agency or function, the President's order providing for such elimination shall make provision for winding up the affairs of the executive agency eliminated or the affairs of the executive agency with respect to the functions eliminated, as the case may be.

" * EFFECTIVE DATE OF EXECUTIVE ORDER

"'Sec. 407. Whenever the President makes an Executive order under the provisions of this title, such Executive order shall be submitted to the Congress while in session and shall not become effective until after the expiration of 60 calendar days after such transmission, unless Congress shall by law provide for an earlier effective date of such Executive order or orders: *Provided*, That if Congress shall adjourn before the expiration of 60 calendar days from the date of such transmission such Executive order shall not become effective until after the expiration of 60 calendar days from the opening day of the next succeeding regular or special session.

" APPROPRIATIONS IMPOUNDED

"'SEC. 408. The appropriations or portions of appropriations unexpended by reason of the operation of this title shall not be used for any purpose but shall be impounded and returned to the Treasury.

" 'TERMINATION OF POWER

"'Sec. 409. The authority granted to the President under section 403 shall terminate upon the expiration of two years after the date of enactment of this act unless otherwise provided by Congress.'

"Sec. 17. The Bureau of Efficiency and the office of chief of such bureau are hereby abolished; and the President is authorized to designate another officer to serve in place of the Chief of the Bureau of Efficiency on any board, commission, or other agency of which the Chief of the Bureau of Efficiency is now a member. All records and property, including office furniture and equipment of the bureau, shall be transferred to the Bureau of the Budget. Appropriations and unexpended balances of appropriations available for expenditure by the Bureau of Efficiency shall be impounded and returned to the Treasury. This section shall take effect at the beginning of the third calendar month after the passage of this act."

And the House agree to the same.

Amendment numbered 15: That the Senate recede from its disagreement to the amendment of the House to the amendment of the Senate numbered 15, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the House amendment insert "18"; and the House agree to the same.

Amendment numbered 16: That the Senate recede from its disagreement to the amendments of the House to the amendment of the Senate numbered 16, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the first of the House amendments insert "19"; and the House agree to the same.

JOSEPH W. BYRNS, WILLIAM W. ARNOLD, LOUIS LUDLOW, WILL R. WOOD

(Excepting air mail appropriation and abolishing Bureau of Efficiency),

M. H. THATCHER

(Excepting air mail appropriation and abolishing Bureau of Efficiency),

Managers on the part of the House.

Tasker L. Oddie,
Reed Smoot,
Hiram Bingham,
L. J. Dickinson,
Henry W. Keyes,
Geo. H. Moses,
Carter Glass,
Kenneth McKellar,
Sam G. Bratton,
James F. Byrnes,
Elmer Thomas,
Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate (Nos. 1 to 16, inclusive) to the bill (H. R. 13520) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1934, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

On No. 1: The House, by a separate vote on this amendment, adopted the Senate provision concerning the fostering of competition and the splitting of awards in the purchase of distinctive paper but provided a limit on price of 32¼ cents per pound in lieu of 35 cents, provided by the Senate. The Senate has receded from the 35-cent limitation and accepted the House figure.

On Nos. 2 and 3, relating to the Customs Service: Makes a technical correction in the text of the appropriation and appropriates \$19,900,000, as proposed by the House, instead of \$17,500,000, as proposed by the Senate, for collecting the revenue from customs.

On No. 4: Appropriates \$30,800,000, as proposed by the House, instead of \$29,800,000, as proposed by the Senate, for expenses of collecting internal revenue.

On No. 5: Makes a technical correction in the text of the appropriation for the Bureau of Engraving and Printing.

On No. 6: Makes a technical correction in the appropriation for freight, etc., under the Public Health Service.

On Nos. 7, 8, and 9, relating to mints and assay offices: Appropriates \$1,250,000, as proposed by the House, instead of \$1,275,000, as proposed by the Senate, and omits, as proposed by the House, the assay offices at Carson City, Nev.; Boise, Idaho; Helena, Mont.; and Salt Lake City, Utah.

On No. 10: Strikes out, as proposed by the Senate, the authority in the House bill for "acquisition of sites or of additional land" in connection with the appropriation for public-building construction.

On No. 11: Provides, as proposed by the Senate, that the American National Red Cross Building may be served with heat from the Government central-heating plant if the Red Cross agrees to bear the expense of connecting the building with Government mains and to pay for heat furnished at rates to be determined by the Secretary of the Treasury at not less than cost.

On No. 12: The House bill appropriated \$19,000,000 for domestic air mail. The Senate struck out the entire paragraph. The conference agreement provides \$15,000,000.

On No. 13: Exempts, as proposed by the Senate, the use of automobiles by the President from the general restriction on the use of Government automobiles.

On amendment No. 14: This amendment contains the provisions relating to the economy act of 1932, and the additional economy provisions contained in the Senate amendment.

TITLE I OF ECONOMY ACT—FURLOUGH PROVISIONS AND COMPENSA-TION REDUCTIONS

Title I of the economy act is continued by the House bill, the Senate amendment, the House amendment to the Senate amendment, and the conference agreement. The House bill added special-delivery messengers to the classes exempted from the definition of officers and employees in section 104 of the economy act. The Senate amendment continues this exemption but includes such messengers within the pay-cut provision and provides that \$400 of their compensation shall be excluded in determining whether their compensation is at a rate in excess of \$1,000 and in determining the amount upon which the 8½ per cent reduction is to be based. The House amendment to the Senate amendment and the conference agreement adopt the Senate provision.

The House bill exempts from deduction the compensation of employees who do not earn \$83.33 per month. The Senate amendment continues this provision, makes it applicable during the remainder of the fiscal year 1933, and provides that there shall be no carry-over from month to month in calculating the amount earned. The House amendment to the Senate amendment and the conference agreement contain the Senate provision.

The following provisions contained in the Senate amendment are not contained in the House bill:

ENLISTED PERSONNEL

The Senate amendment reduces by 8½ per cent the active and retired pay of the enlisted personnel of the Army, Navy, Marine Corps, and Coast Guard, if at a rate of more than \$1,000. The House amendment to the Senate amendment does not contain such a provision. The conference agreement retains the Senate provision.

ANNUAL LEAVE

The Senate amendment permits officers and employees otherwise entitled to less than 24 days' annual leave with pay, whose compensation is reduced, to be granted not exceeding 24 days' leave with pay when no additional expense is entailed. The House amendment to the Senate amendment and conference agreement do not contain this provision.

The Senate amendment provides that officers and employees of the Panama Canal and Panama Railroad on the Isthmus and officers and employees (including enlisted personnel) holding official station outside the continental United States shall be deprived of only one month's leave with pay during 1933 and 1934 under the economy act. The House amendment to the Senate amendment and the conference agreement adopt the Senate provision.

DEDUCTIONS FROM FURLOUGH

The Senate amendment provides that deductions on account of legislative furlough shall be made during 1934 at the rate of 8½ per cent per month regardless of the number of days of such furlough actually taken by the employee in the month. The House amendment to the Senate amendment and the conference agreement adopt the Senate provision.

JUDGES

The Senate amendment does not continue for the fiscal year 1934 the provisions of the economy act reducing to \$10,000 the salaries and retired pay of judges of legislative courts if at a rate exceeding \$10,000 per annum. The House amendment to the Senate amendment and the conference agreement adopt this provision.

The Senate amendment also provides that the retired pay of constitutional judges shall not be reduced during 1934. The House amendment to the Senate amendment and the conference agreement adopt this provision.

TITLE II OF ECONOMY ACT—PROVISIONS AFFECTING PERSONNEL AUTOMATIC INCREASES IN COMPENSATION

The House bill continued for 1934 section 201, which prohibits automatic increases in compensation. The Senate amendment omitted section 201 from the continued sections. The House amendment to the Senate amendment and the conference agreement continue section 201.

ADMINISTRATIVE PROMOTIONS

The House bill rewrote section 202 of the economy act, which prohibits administrative promotions. The House provision provided that a promotion made without authorization of the President to fill a vacancy should not be considered an administrative promotion, and omitted the requirement that the President report to Congress such promotions.

The Senate amendment continued section 202 without the House changes, provided that the restoration of employees to grades formerly held or to intermediate grades following reductions for disciplinary reasons should not be considered prohibited promotions, and provided that the promotion of apprentices should not be considered prohibited promotions.

The House amendment to the Senate amendment and the conference agreement adopt the Senate provision, except that they omit the part of it which requires the President to report to Congress and the part which permits the promotion of apprentices.

FILLING OF VACANCIES

The House bill did not continue for 1934 section 203 of the economy act, which prohibits the filling of vacancies. The Senate amendment did continue this section. The House amendment to the Senate amendment and the conference agreement adopt the Senate provision.

NIGHT DIFFERENTIAL

The House bill continued without change the provisions of section 211 (a) (2) of the economy act which reduces the differential for night work by one-half. The Senate amendment provides that the differential shall be reduced only by one-third instead of one-half. The House amendment to the Senate amendment and the conference agreement adopt the House provision.

ADMINISTRATIVE FURLOUGH

The House bill rewrote section 216 of the economy act, which authorizes administrative furloughs. The Senate amendment continued section 216 and added a provision which provides that an administrative furlough of a civil-service employee for more than 60 days shall not be ordered during 1934 without compliance with the civil-service laws and regulations relating to dismissals. The House amendment to the Senate amendment and the conference agreement contain the substance of the Senate provision except that the period is changed to 90 days and provision is made that the laws relating to "reductions in personnel" must be complied with in lieu of the laws relating to "dismissals from the civil service."

LIMITATIONS ON AMOUNT OF RETIRED PAY

The Senate amendment contained a provision—added to section 212 of the economy act—to the effect that no retired officer of the Army, Navy, Marine Corps, or Coast Guard who in private life receives salary or compensation of \$10,000 or over shall receive any retired pay from the Government of the United States; and that no officer on the active list shall receive from any Government corporation or from any department of the United States Government or from the municipal government of the District of Columbia any compensation in excess of his salary and allowances as an active officer. The House amendment to the Senate amendment and the conference agreement omit the Senate provision.

The Senate amendment contained a further amendment to section 212 of the economy act providing that the limitations on retired pay shall not apply to officers retired for disability incurred in service and directly connected and not by legal presumption with such service, in lieu of the provision now contained in the laws exempting officers retired for disability incurred in combat with an enemy. The House amendment to the Senate amendment and the conference agreement omit the Senate provision.

RETIREMENT ANNUITIES

The Senate amendment inserted a provision which authorizes, in the case of officers and employees of the United States who were retired after July 1, 1932, and whose annuities started August 1, 1932, the payment of retirement annuities from the date of their separation from the service rather than August 1. The House amendment to the Senate amendment and the conference agreement adopt the Senate provision, but add officers and employees of the District of Columbia to the benefited class.

MILITARY TRAVEL

The House bill continued without change section 206 of the economy act (relating to reductions in travel allowance). The Senate amendment struck out subsection (a) of section 206 which provided that actual travel expenses of officers of the services mentioned in the pay adjustment act of 1922 shall be the same as civilian employees. The House amendment to the Senate amendment and the conference agreement adopt the Senate provision.

TRAVEL ALLOWANCES

The Senate amendment inserted a provision that travel allowances of Government officers on vehicles owned by them shall be reduced from 3 to 2 cents per mile in the case of travel by motor cycle and from 7 to 5 cents per mile if such travel is by automobile. The House amendment to the Senate amendment and the conference agreement adopt this provision.

The Senate amendment inserted a provision that travel allowances shall not exceed the lowest first-class rate by the

transportation facility used. The House amendment to the Senate amendment and the conference agreement adopt this provision.

SATURDAY HALF HOLIDAYS IN VETERANS' HOMES

The Senate amendment contained a provision authorizing the Administrator of Veterans' Affairs to require employees of the Veterans' Administration homes, hospitals, and combined facilities to work a full 7-hour day on Saturday where the public interest requires, despite the provision of the Saturday half holiday law; but provided that labor in excess of four hours on Saturday should entitle the employees to an equal shortening of the work day on some other day. The House amendment to the Senate amendment and the conference agreement retain the Senate provision modified to provide that labor in excess of four hours should not entitle the employee to an equal shortening of the work day on some other day or to additional compensation therefor.

ASSIGNMENTS TO PERMANENT DUTY

The Senate amendment contained a provision requiring that assignments of officers of the Army, Navy, and Marine Corps to permanent duty in Hawaii shall be for not less than four years, unless the health of the officer or the public interest requires a transfer. The House amendment to the Senate amendment and the conference agreement retain the Senate provision, but reduce the 4-year period to three years and extend its application to assignments to permanent duty in the Philippines, the Asiatic Station, China, Puerto Rico, and the Panama Canal Zone as well as Hawaii.

SET-OFFS AGAINST CLAIMANTS OTHER THAN JUDGMENT CREDITORS

The Senate amendment amended the act of March 3, 1875, relating to the procedure for set-offs against creditors of the United States, by omitting therefrom language with respect to claims, as distinguished from judgments, that might be construed to deny the Government the right to apply toward liquidation of debts due a debtor, other than a judgment debtor, the amount due the United States, unless the Government reduces its claim to judgment. The effect of the amendment is to limit the application of the statute to judgment creditors. The House amendment to the Senate amendment and the conference agreement retain the Senate provision.

BUREAU OF EFFICIENCY

The Senate amendment abolished the Bureau of Efficiency. The House amendment to the Senate amendment does not contain this provision. The conference agreement adopts the Senate provision.

INTEREST ON JUDGMENTS AND REFUNDS

The Senate amendment repealed section 319 of the economy act of June 30, 1932, relating to interest on judgments and refunds. The House amendment to the Senate amendment omitted this provision. The conference agreement adopts the Senate provision.

APPROVAL OF REFUNDS

The Senate amendment contained a provision which prohibited the Commissioner of Internal Revenue from paying a refund in excess of \$20,000 of internal-revenue taxes until such refund had been approved by the Board of Tax Appeals. The House amendment to the Senate amendment and the conference agreement omit this provision.

PERMANENT ANNUAL APPROPRIATIONS

The Senate amendment provided that after June 30, 1934, permanent specific and indefinite appropriations should be modified so that Congress would appropriate annually for the purposes of these appropriations. The Senate amendment excepted sinking fund and debt service appropriations, certain appropriations for the Soldiers' Home, appropriations of funds derived from assessments on banks, and appropriations for vocational education, for colleges for the benefit of agriculture and the mechanic arts, and for agricultural extension. There was no such provision in the House bill.

The House amendment to the Senate amendment contained the Senate provision except that indefinite appropria-

tions were excluded and the exceptions to the Senate amendment were omitted.

The conference agreement omits the entire section.

RENTALS

The Senate amendment excepts from the provisions of section 322 of the economy act (which requires that premises shall not be rented for an annual rent of more than 15 per cent of the fair market value of the property) cases where the rent to be paid is \$2,000 per annum or less. The House amendment to the Senate amendment and the conference agreement contain the Senate provision.

5 PER CENT REDUCTION

The Senate amendment contains a provision authorizing and directing the heads of departments and establishments to make such reductions in the expenditures of their organizations as will in the aggregate equal at least 5 per cent of the total amount appropriated for them, respectively, in the regular annual appropriation acts. Exception was made in the case of public building construction. In making the reductions no wage cuts, other reduced compensation, or furloughs were to be ordered. The House amendment to the Senate amendment and the conference agreement omit this provision.

REORGANIZATION OF EXECUTIVE DEPARTMENTS

The Senate amendment amends in several particulars Title IV of the economy act relating to the reorganization of executive departments. The principal changes are:

- (1) The President is given the power to "abolish the whole or any part of any executive agency and/or the functions thereof," but he is to have no authority to "abolish or transfer an executive department and/or all the functions thereof."
- (2) The power of each House of Congress to veto the President's Executive order is removed.
- (3) The power of the President is to terminate two years from the enactment of the act.

The House amendment to the Senate amendment and the conference agreement adopt the Senate provision with several amendments designed to perfect the text of the Senate amendment from the standpoint of constitutionality and effective administration. They make no changes in the provisions of the Senate amendment referred to in paragraphs (1), (2), and (3), above.

INVESTIGATION OF WAGE-ADJUSTMENT SYSTEM

The Senate amendment provided for an investigation and report as to the feasibility of establishing a system for adjusting and determining the compensation of civil-service employees on the basis of retail prices and rents. The House amendment to the Senate amendment and the conference agreement omit this provision.

On amendment No. 15: This amendment makes a change in a section number.

On amendment No. 16: The Senate amendment inserted a new section authorizing the Court of Claims to charge fees. The House amendment to the Senate amendment and the conference agreement contain this provision making a change in the section number, requiring the charging of such fees, and making a technical correction in the provision.

JOSEPH W. BYRNS
(5) amendment 14 (economy

(Except as to secs. 4 (A) (5) amendment 14 (economy amendment)),

WILLIAM W. ARNOLD, LOUIS LUDLOW, WILL R. WOOD

(Excepting air mail appropriation and abolishing Bureau of Efficiency),

M. H. THATCHER

(Excepting air mail appropriation and abolishing Bureau of Efficiency),

Managers on the part of the House.

Mr. BYRNS. Mr. Speaker, I move the adoption of the report.

Mr. STAFFORD. Mr. Speaker, will the gentleman yield? Mr. BYRNS. Yes.

Mr. STAFFORD. I think it would be illuminative if the gentleman would kindly indicate wherein the present conference agreement differs from that which the House agreed to when the conference report was last under consideration in the House

Mr. SNELL. Mr. Speaker, will the gentleman give us the main high points of the conference report?

Mr. STAFFORD. I do not think the House is interested in any of the amendments except the amendment that the House voted on the other day.

Mr. BYRNS. While, of course, everything in the bill was in conference, there were really only six propositions remaining in dispute after the previous action of the conferees and the recent action of the House. I shall endeavor to tell the House just what the conferees finally have done. It is unnecessary to say to Members, most of whom have served on conference committees, that a conference frequently means a compromise. We found that to be essentially so with reference to the "economy" amendment (No. 14) and some of the other provisions of the bill.

We were about nine days, including a Sunday, considering this matter, and for the past three days we have been making a final effort to get together. We are now at the end of a session. The conferees felt that if we were to put this bill through, it was important that the conference report be made to-day in order to give the House and the Senate an opportunity to agree to it. Otherwise the bill might and possibly would fail, and as the result of this the reorganization plan which has been provided, and which we hope will give the President the right to make his consolidations and eliminations, might be seriously delayed.

The first matter of difference was the assay offices. You will remember the House the other day voted 218 to 0 to sustain the House conferees in insisting on elimination of the assay offices. The older Members of this House will recall that for many years the House and the Appropriations Committee, under the leadership, I think, first, of Mr. Good, then Mr. Madden, and later Mr. Wood of Indiana, have been endeavoring to eliminate those assay offices, feeling that they were a useless and unnecessary expense. We have eliminated them in the House in the past without difficulty, but each time a few of the Senators have insisted they should be restored, and it was never possible to bring about favorable action. The Senate conferees have yielded upon that, and, as a result, the assay offices will not be continued after July 1. [Applause.]

The next proposition was the subject of air mail. The House appropriated \$19,000,000 for the purpose of carrying air mail during 1934. The Senate, for some reason, cut out the whole amount.

That has been a bone of contention between the conferees of the Senate and the House. I do not mean that all of the Senate conferees favored that action, but we found quite a number who insisted upon it and who were adamant. We have been discussing that matter for two or three days, but finally this morning, when we came to an agreement upon everything else, in order to get this bill through, the House conferees finally yielded to an appropriation of \$15,000,000, which represents a decrease of \$4,000,000 under the amount that the House felt was necessary to carry out the air mail contracts.

Two of the members of the House committee, Messrs. Wood of Indiana and Thatcher, disagreed, but the majority of your conferees with reference to this appropriation felt that the reduction should be made in the interest of putting this bill through and having it become law by next Saturday. Of course, if it should develop later on in the extra session, for instance, that this \$15,000,000 is not sufficient to comply with the contracts which have been made, and if the committee investigating it in the House, headed by the gentleman from New York [Mr. Mead], the special committee in the Senate, and the Postmaster General all agree that there should be more money in order to take care

of the contracts. I take it the Congress will be willing to make the appropriation. But personally, while I favor the \$19,000,000, because that was the amount necessary to cover the contracts. I am not so sure but what they may be able to get along on \$15,000,000, because the Postmaster General has the right now to reduce the compensation paid to these carriers, and I hope he will be able to work out something along that line.

Mr. RAGON. Will the gentleman yield? Mr. BYRNS. I yield.

Mr. RAGON. What was the excuse on the part of the Senate conferees for the elimination of the entire \$19,000,000?

Mr. BYRNS. I can not speak for the other body. I understand they cut out the whole thing, believing such action would insure a complete investigation of all phases of air mail contracts from the beginning to the end. I can not see why we will not get that anyhow from the special investigation by the committees of the two Houses.

Mr. RAGON. As I understand, there has been a contract

let for a line from New York to Dallas for air mail. There has also been a contract let for a line from New York to Jacksonville, Fla., and across to Habana. If I understand it correctly, if the \$19,000,000 were eliminated we might impair that contract to the point where it could not be carried out. It seems to me that in the appropriation of \$19,000,000, with the power we have given the President to make investigations with reference to cutting down expenses and consolidating, we have made all the safeguards necessary to protect the Tresaury against the useless expenditure of this money, and I can not understand the reasons why the conferees even agreed to the \$4,000,000 reduction.

Mr. BYRNS. I am in thorough accord with the gentleman, but I say to him in all seriousness that a majority of the House conferees felt that unless they made this reduction the bill would fail. I wish the gentleman could have seen the efforts made to get the Senate to agree. The gentleman understands they granted \$15,000,000 and we reduced the House amount only \$4,000,000. I think the gentleman would have come to the same conclusion that we did, that unless we agreed to the \$15,000,000 this bill would fail. We felt there was too much involved in the reorganization pro-

visions of this bill to let it fail for \$4,000,000.

As I said a moment ago, we will be here in session again shortly. If the Postmaster General and the different committees feel they can not bring about the reductions to come within the \$15,000,000, and comply with the contracts made by the Government, there will no trouble about getting the extra money.

Mr. McMILLAN. Will the gentleman yield?

Mr. BYRNS. I yield.

Mr. McMILLAN. It is obvious, as the result of this reduction, there will be some reduction in the present activities in the operation of the air mail?

Mr. BYRNS. If there is no additional appropriation made and if there is no reduction in compensation, some will have to be cut out.

Mr. McMILLAN. Has the gentleman any idea or is there any estimate before his committee as to what will be done in that regard?

Mr. BYRNS. No; I can not tell the gentleman. I do not know just what policy the Postmaster General would pursue if such a condition is brought about, but I take it he would apply it to those lines that bring in the least revenue.

Mr. McMILLAN. I take it from the gentleman's statement this reduction was simply an arbitrary reduction without any expression from the department as to what it would do as a result of it.

Mr. BYRNS. That is true. The Budget asked \$20,000,000. The House cut it to \$19,000,000. I have never been able to find where any governmental authority or agency recommended any less sum.

Mr. McMILLAN. In the event the committee finds that there is a contract involved, as suggested by the gentleman from Arkansas, it would find itself in the position of having to ask the special session for a deficiency appropriation to provide for it.

Mr. BYRNS. I do not want to be misunderstood as to that. I said that if the Postmaster General and these two committees should decide that the \$15,000,000 is not sufficient to comply with the contracts made by the Government, I felt sure that Congress would make the appropriation necessary to comply with the Government contracts.

Mr. LOZIER. Answering the inquiry of the gentleman from Arkansas as to the reasons actuating the other body, is it not true that the action of the other body was in recognition of a rapidly rising public sentiment and protest against the unconscionable contracts that are being made by the Post Office Department not only with reference to air mail but with reference to ocean mail? To-day the Postmaster General is preparing to make a contract which would cost the United States Government in the next 10 years more than \$10,000,000 on an ocean mail contract, and I want to say to the gentleman that the action of the Senate is in recognition of a public sentiment which condemns the present policy of the Postmaster General, and in recognition of that protest this body should well consider before they grant any more unconscionable subsidies such as the present bill carries.

Mr. COCHRAN of Missouri. Mr. Speaker, will the gentleman yield?

Mr. BYRNS. I yield.

Mr. COCHRAN of Missouri. The gentleman from Missouri [Mr. Lozier] brought out what I desired to advance. At the present time there are some Senators who want to pass a resolution asking the Postmaster General to hold in abeyance the contracts my colleague talks about. A certain Senator has objected.

I think the House should pass the resolution of the gentleman from New York [Mr. MEAD] and add to it not only air mail but ocean mail and prevent further contracts.

The position developed in the conference is that air mail will get \$15,000,000 or nothing. Is this right?

Mr. BYRNS. Yes. I hope the gentleman will not confuse the two propositions. This conference report has nothing in the world to do with ocean mail contracts. I agree with the gentleman so far as the resolution is concerned. This does not provide for a single new additional contract. The \$19,000,000 was provided only to carry out existing contracts and not for anything that is new.

Mr. COCHRAN of Missouri. The gentleman is in the position of either getting \$15,000,000 or nothing, is he not?

Mr. LAGUARDIA. No.

Mr. COCHRAN of Missouri. The conferees had to yield to \$15,000,000.

Mr. BYRNS. That was the outcome; and I may say to the gentleman that we did not yield, and no conclusion was reached until a majority of the conferees on the part of the House came to the firm opinion that unless we finally agreed on this bill this morning, brought the report back to the House so the House could act, and then permit the Senate to pass upon it, this bill perhaps would fail and all the reorganization power given to the President with reference to consolidation and elimination of useless agencies and bureaus would be lost and possibly too long delayed before they could be given to him.

Mr. RAGON. Answering the inquiry of the gentleman from Missouri [Mr. Lozier], it seems to me the power given to the President to consolidate will take care of any new contract that might be let touching the air mail service. Therefore, the thing he condemns is well taken care of in this bill. This appropriation, as I understand, is to take care of contracts already in existence?

Mr. BYRNS. It is. Mr. RAGON. These contracts have to be paid, somewhere, somehow, some time.

Mr. BYRNS. It has nothing to do with new contracts.

Mr. MEAD. Mr. Speaker, will the gentleman yield?

Mr. BYRNS. I yield.

Mr. MEAD. Mr. Speaker, I believe the gentleman from Missouri is correct when he makes the statement that this action on the part of the Senate is a protest against the activities of the present Postmaster General.

The Postmaster General has been intensely concerned with the issuance of all the air mail extensions and certificates that he possibly can issue before the 4th of March. The Postmaster General is also letting all the ocean mail contracts that he can before the end of his term. The Postmaster General has jeopardized the air mail and the ocean mail appropriations so that in all probability the new administration will be embarrassed, and a deficit will result which will make subsequent appropriations necessary.

The Director of the Bureau of the Budget recommended \$20,000,000 for the air mail service for the next fiscal year. The chairman and the Members of the House Committee on Appropriations very wisely, after a thorough and careful investigation, reduced that amount to \$19,000,000.

Such a reduction the service can stand under existing conditions.

The reduction applied by the Senate was reached, in my judgment, after no similar investigation. It is clearly an arbitrary figure, and it will, of course, necessitate the elimination of a number of the services pow being given to many sections of the country.

Mr. LaGUARDIA. Mr. Speaker, will the gentleman yield? Mr. BYRNS. I yield.

Mr. LaGUARDIA. I do not agree with the gentleman that it will necessitate the elimination of the service. The service will continue and the liability of the Government will stand. The weakness of the Senate's action is that it simply fails to appropriate while the liability of the Government continues.

Mr. HASTINGS. It will necessitate a deficiency appropriation later to make up the difference needed to pay existing contracts.

Mr. LaGUARDIA. Oh, absolutely.

Mr. MEAD. Mr. Speaker, no; for under the Watres law the Postmaster General has certain powers. He can arrange with the air mail operators to eliminate certain lines and bring about a reduction. But it will be difficult for him to keep within the appropriations contained in this bill.

Mr. LaGUARDIA. Would not that be covered in the million-dollar saving?

Mr. MEAD. No; I believe more than a million may be saved. And the operators will agree without litigation. It will be done voluntarily, but this reduction, in my judgment, is too much to absorb and will cause trouble and embarrassment later on.

Mr. BYRNS. I think myself it will require a deficiency appropriation possibly later on, certainly unless the Postmaster General finds he can make reductions in the amount of compensation paid air carriers.

Mr. LaGUARDIA. What does the gentleman recommend to the House and what is the gentleman's attitude going to be? Is it going to be \$15,000,000 or no appropriation?

Mr. BYRNS. Fifteen million dollars is in the report that is now pending.

Mr. LAGUARDIA. Is the gentleman going to stand by it? Mr. BYRNS. We have submitted a unanimous report of the House and Senate conferees.

The next difference between the conferees had to do with reduction in the pay of enlisted men. As the bill passed the House there was no reduction in pay of enlisted men. The Senate included in the "economy" amendment (No. 14) a provision placing an $8\frac{1}{3}$ per cent cut upon the salaries of all enlisted men where the salaries amounted to \$1,000 or more. In other words, this $8\frac{1}{3}$ per cent cut applies only to those who receive more than \$1,000, but none of them are to be cut so as to receive less than \$1,000.

The House conferees were unwilling to agree to that and reported it back here in disagreement, as you will recall. The Senate was adamant, however, insisting it should be adopted; and, for the same reason which I have given with reference to air mail, the House conferees finally yielded.

Personally, I was opposed to it, and I have so indicated. We have taken away the reenlistment bonus from the enlisted men, and this adds an 8½ per cent more, which means altogether about 13 per cent. If we had reduced our own

salaries 13 per cent, or even 25 per cent, as was proposed, I would have felt more inclined to favor this.

The next is the so-called Gore interest amendment, which you will recall relates to the rate of interest being paid by the United States upon judgments and tax refunds. The Senate was adamant as to this section. It stood for it like a stone wall.

You will recall that the House conferees in the previous action on amendment No. 14 recommended that the House recede from its disagreement with reference to the interest rate, feeling that it was fair if the Government was receiving 6 per cent on sums being collected from taxpayers who had not paid the full amount of taxes due the Government that the Government should pay those to whom refunds are made the same rate of interest; but the House by a considerable vote rejected this portion of the committee's recommendation, and we went back into conference. I want to say that every member of the House conference committee made an earnest effort to carry out the wishes of the House, but the Senate conferees were as adamant this time as they were before, and in order to bring about a report your conferees finally yielded with reference to this matter.

The next relates to the Bureau of Efficiency. I have had occasion heretofore to express myself with reference to this bureau. Personally I am sorry to see the bureau abolished, because I have felt that it performed a certain service with reference to investigations and particularly for service to the committees of Congress, but the Senate for some reason—and the bureau seemed to have very few friends over there—determined it should be eliminated, and finally your conferees yielded in order to get a complete agreement.

Mr. HASTINGS. But, of course, this action does not eliminate it until after July 1 next.

Mr. BYRNS. That is true. I think it is the third month after the passage of the bill.

Mr. HASTINGS. At any rate, it is not eliminated immediately.

Mr. BYRNS. Not before three months, anyway.

The next item is with reference to the permanent appropriations. The conferees of both the Senate and House agreed, as you will recall, in their former agreement to confine the repeal of these permanent appropriations to those which are specific in amount. The House adopted that agreement, but since that time some of those on the outside favoring the land-grant colleges and vocational education have been quite busy and when we got back in conference with the Senate considerable opposition arose to the previous agreement, and the Senate finally yielded with reference to the entire section. So the present law on permanents will continue, so far as this bill is concerned. want to remind you that there is a subcommittee of the Committee on Appropriations, of which the gentleman from New York [Mr. GRIFFIN] is chairman, which is now considering the subject of all permanent appropriations-specific and indefinite—and doubtless some recommendation will come from the committee which can be considered at the next session, when we have more time and will not be subjected to the necessity of passing the bill within a few

So far as automatic promotions are concerned, the Senate yielded to the House provision and there will be no automatic increases during the next year.

Mr. Speaker, I yield 15 minutes to the gentleman from Indiana [Mr. Wood] and reserve the balance of my time.

Mr. WOOD of Indiana. Mr. Speaker, as one of the conferees, I signed this report, but in signing I reserved an exception to the reduction made in the appropriation for air mail and also to the abolishment of the Bureau of Efficiency.

When, as chairman of the Appropriations Committee and as a member of it since, I have constantly opposed the increasing of appropriations for air mail, feeling that we were going a little too fast, but in spite of this opposition we have been increasing from time to time the appropriations for this service. We thereby committed ourselves to a policy, and in doing this we caused many people throughout the United States to believe that it was to be a permanent

policy. As a consequence of this millions and millions of dollars were invested in the air mail service. Many of the cities throughout the United States, for the purpose of having the benefit of air mail service, have issued bonds in large amounts for the purpose of preparing landing fields.

After these contracts were signed, creating almost all of the airways that are now in existence, we passed the Watres bill, and under this bill those who were holding contracts were induced to surrender their contracts and receive certain route agreements. To now change this policy and reduce this appropriation, I say, in itself, is a repudiation; and while I have been opposed to such increases, yet I say that inasmuch as we have made them we ought to stand by them.

Under the law the Postmaster General has the right, from time to time, to call in the gentlemen who have these routes and, after conference and after the facts are determined, to reduce the carrying charge.

There is another thing I wish to call to your attention. We have pending in this House to-day a bill known as the Mead-Kelly bill, which I think is practicable and workable, and which, if carried out, will eventually reduce the carrying charge to zero; but this should be done systematically.

If this amendment prevails, this is what is going to happen. It has been stated, and it was stated in conference, that various injustices have been practiced by the operation of the law in the making of the contracts. Perhaps that is true, but in trying to correct it in this way we are going to do an injustice to those who have practiced no injustice on the Government of the United States. We are going to destroy some who are without offense, and we will cripple others who should be protected.

The present Postmaster General, and the one who is to succeed him, has a perfect right to take every one of these contracts if there is any injustice to anyone—if anyone is getting more than is right, and reduce it. I say it is an administrative matter, and it should be confined entirely to the administration of it.

To my mind we have placed ourselves in the position of saying to a man who has a contract, "You surrender your contract that is binding, and we will give you a certificate route so that you will be protected." We are not doing it.

To my mind, anyone who has one of these contracts could go into the court to-morrow, produce the contract, and say that he has been damaged by the Government without examination and hearing of the facts, that the Government has taken his rights away from him, and recover judgment against the United States. No doubt that will be done. So I say that the right thing would be to appropriate the \$19,000,000 and let the Postmaster General administer it through the administration of his office, and at the same time protect the Treasury of the United States. This is simply an arbitrary proposition, actuated by some who have been disappointed in not getting routes, and actuated on the other hand by those who believe that we should never have had air mail routes in the United States.

I am amazed to learn that there are Members of another body—not in this House, I hope—who declare that the whole business is a nuisance and ought never to have been established.

I understand that the carrying of the air mail in the way of preparedness is worth all it is costing. If to-morrow we were thrown into war or threatened with war, we would spend many times this amount of money in educating young men for the Air Service for the defense of our country.

When they are prepared through the air mail service, you get them better educated than you do in any school of that character. There are various estimates made of how much it costs to educate a young man to be a flier—all the way from ten to twenty thousand dollars. If you strike a medium, all we are paying in the way of preparation is justly expended.

So I say that we are doing an injustice here concerning these men holding the contracts and who have invested their money in the faith of the Government, and whenever the faith of the Government is gone, what is there left?

Mr. RAGON. Will the gentleman yield? Mr. WOOD of Indiana. I yield. Mr. RAGON. I am much interested in the subject the gentleman is talking about, but I would like to ask him if he does not find in this case, in the investigation of the air lines, that the commercial side of it and the Government mail side of it are more or less interdependent; that unless you had the air mail you would not have the development that you have now?

Mr. WOOD of Indiana. Absolutely. Directly through the creation of the air mail in the United States we have been already repaid tenfold by the expansion of our commercial activities to South and Central America.

Mr. RAGON. And I might suggest that the mistakes that have been made with reference to these contracts are the mistakes you would naturally find in any pioneering enterprise of this proportion.

Mr. WOOD of Indiana. That is true. We have made mistakes, and it is now almost tragic to read the mistakes that were made in the grants and the different grants that were made for the purpose of building our Pacific railroads. There have not been as many made in this as were made at that time. There has not been as much talk about graft and fraud in this as there was in that. It is one of the peculiarities of the introduction of great enterprises like this that mistakes may be made and that some designing people perhaps may get advantage through them.

Mr. FOSS. Did we not spend about a billion dollars during the World War in aircraft and air services and never get a machine in the air?

Mr. WOOD of Indiana. Yes; to the chagrin and humiliation of our Government, that is true. If we want to see that right is done here and leave it so that no injustice may be done, we should vote down this conference report.

This report abolishes the Bureau of Efficiency. I do not understand why either the membership of the House or the membership of the Senate should subscribe to such a proposition. We have just two agencies that are peculiarly advantageous to the Congress of the United States. One is the Bureau of Efficiency, established under a Democratic administration. The other is the Comptroller General's office.

Both of them are answerable to the bidding of this House and the Senate. Each of them in my opinion has been doing splendid service. That they have created animosity, that they have created bitterness on the part of those upon whose offices they have encroached is perfectly natural; and, because of that, poison has been dropped in the minds of Members of this House and Members of the other House. possibly against the Chief of the Bureau of Efficiency more than anything else. He is an individual. We should not destroy this agency if it is a good one-and it is-because we do not like the man at the head of it. Get rid of him and put some one else in if you do not like him. There has not been a Chairman of the Appropriations Committee since the creation of this Bureau of Efficiency but will subscribe to the fact that it has been of the utmost advantage to the Committee on Appropriations in saving millions of dollars to the United States Treasury. If time permitted I could recite many of these incidents that are beyond dispute. Martin Madden-peace to his memory-said that without the Bureau of Efficiency he did not know how we could conduct the appropriation bills and present them as they should be presented to this House. I know by reason of my experience as chairman, and Mr. Byrns knows by reason of his experience as chairman, that that bureau has been of the greatest aid to us, as it had been to Mr. Madden.

Mr. OLIVER of Alabama. But it should be said, however, that under the powers granted to the President by this bill, if it becomes a law, he would have the right to continue all of the powers of the Bureau of Efficiency by transferring the same to some other agency, and if Congress did not set aside any action taken by him in this regard, it would become law.

Mr. WOOD of Indiana. That is the very thing that I contended for, and I contend for now, that you are giving all power to the President of the United States. He has a right to abolish this Bureau of Efficiency if he finds it is not a good thing, but suppose we abolish it, then we are

taking from the President a part of the power that you undertake to give him. Suppose we destroy this Bureau of Efficiency, what would the President say? Naturally he would not want to incur the opposition of the House and the Senate by reestablishing something that he would like to have established and would have continued if he had had his way about it. The orderly thing would be to let this Bureau of Efficiency stand, and if the President in his consolidation plan finds that it can be consolidated with some other, he can remove the machinery into the department to which he desires to transfer it.

Mr. MEAD. And if we vote down the conference report as the gentleman suggests—and I am in accord with him so far as the air mail appropriation is concerned—are we apt to jeopardize the chances of getting the bill through at this session?

Mr. WOOD of Indiana. Of course, I can only express my individual opinion. I believe if the House rejects this conference report that the Senate will recede. They have more at stake than the air mail. They have more at stake than the Bureau of Efficiency, and to my mind they would put themselves in a very unenviable light if they should stand in the way of the passage of this bill with all that is involved in it. If we wish to save ourselves, however, from repudiation, if we wish to preserve one of the best agencies this House has ever had in helping it save money to the Treasury, then this report should be defeated. [Applause.]

Mr. BYRNS. Mr. Speaker, I yield five minutes to the gentleman from Illinois [Mr. Arnold].

Mr. ARNOLD. Mr. Speaker and gentlemen of the House, your conferees have had a most difficult time in ironing out the differences between the House and the Senate on this bill. We were in conference practically every day last week, and this week two days. We finally got to the point where there was a meeting of the minds, brought about naturally by concessions by both sides. This conference report is not as I or the other House conferees would have it if we had my way about it, and it is not as those at the other end of the Capitol would have it if they had their way about it.

There were some very, very controversial matters in issue. We did the very best we could, and I believe we have brought to the House a report that upholds the position of the House just as far as possible. There has been quite a lot of controversy about the air mail matter; that perhaps was the most difficult thing we had to meet. The House carried an appropriation of \$19,000,000. The other body cut that appropriation out entirely, and some of them were at first adamant against appropriating a single dollar for air mail. Finally, after giving and taking, and cutting and fitting, we did arrive at the conclusions presented in this report. The House receded to the extent of \$4,000,000 on the appropriation for air mail. I think perhaps if the air mail is carried on in 1934 as it has been in 1933 there will not be enough money in this \$15,000,000 to carry out that service, but we have great hope of reform measures being put into use by the new Postmaster General, and I believe the new Postmaster General can work this matter out in such way that we can get along with the \$15,000,000. If it is impossible, we are not barred. The Congress will be in session within a short time, and if it is found that the \$15,000,000 which is carried in this bill will not carry out existing contracts as they may be modified, as it may be found necessary to be carried on by the new Postmaster General, then a supplementary or deficiency appropriation may be provided.

I am satisfied in my own mind that we have gone the limit as far as getting concessions from the conferees at the other end of the Capitol is concerned, and I do not think we are seriously handicapping the service. There are other matters of prime importance in this report, and we can not afford to let this Congress adjourn without passing this bill.

The SPEAKER pro tempore. The time of the gentleman from Illinois [Mr. Arnold] has expired.

Mr. BYRNS. I yield the gentleman two additional minutes.

Mr. ARNOLD. It is absolutely necessary, Mr. Speaker, in my opinion, for us to approve this conference report, and

I do not think there is any question but what it will be approved at the other end of the Capitol and go to the President and get this reorganization plan into effect so that when the incoming President takes office he can go to work at once on the reorganization of the various boards and bureaus and executive agencies, and eliminate and abolish and bring about millions and millions of dollars in Government economy, that we are all so much interested in. So I assure the Members that your conferees did the very best they could under the circumstances, and I believe we are presenting to you a report that upholds the views of the House on these matters just as far as we are able to do under the present situation.

The SPEAKER pro tempore. The time of the gentleman from Illinois has again expired.

Mr. BYRNS. Mr. Speaker, I yield five minutes to the gentleman from Kentucky [Mr. Thatcher].

Mr. THATCHER. Mr. Speaker, as one of the dissenting conferees on these two items, the air mail and the abolishment of the Efficiency Bureau, I feel that in justice to myself and in justice to the situation I ought to make some statement.

The air mail appropriations have been made agreeably to the authorizations of Congress. The Congress enacted laws which conferred upon the Postmaster General the power and duty to make contracts for the transportation of mail. He has made contracts under that authority. If there has been fraud anywhere, upon a showing of the fraud, of course, any contract will be vitiated and destroyed, but until fraud is shown, the presumption must be and should be in favor of the sanctity of the contract.

Our subcommittee, upon careful hearings, reduced the Budget estimates by \$1,000,000. We did not shut our eyes and cut. We opened our eyes and cut. We felt justified in making that reduction. This arbitrary reduction of \$4,000,000 is a blind cut, not based upon any hearings, not based upon any facts submitted, and I fear it will amount to a substantial crippling of the Air Service of this country, an Air Service which has been set up agreeably to the authorization and direction of Congress itself. I felt that the sum of \$19,000,000 was and is necessary under the showing made before our committee, upon estimates of the department called upon to administer the law and upon the recommendation of the Budget. Therefore I do not feel justified, even for the purpose of compromise, to make a cut of that character.

Now, in common with the distinguished gentleman from Indiana [Mr. Wood], touching that item, I signed a report indicating an exception as to it. I am perfectly willing to give to the incoming Postmaster General the power to go into this situation, to handle it administratively as he has a right to handle it, and if legitimately he can make reductions in service, reductions in cost, then the appropriation of this amount of \$19,000,000 would not prevent him from making those reductions of service and reductions of cost, and the balance would remain in the Treasury. I am unwilling to hamstring him at the beginning of his term of office concerning these matters. I feel that he ought to have full opportunity to canvass the whole situation, and then to do justice within the law, but we should not act above the law. I am unwilling to repudiate contracts if they are valid contracts and if they are just contracts. If they are not just contracts, then they can be invalidated. These contractors have entered into the picture at great cost to themselves. All over this country cities and municipalities have expended millions of dollars to establish their airports in order to make ready for this air mail and air passenger development. I believe it is unjust to them, because I believe many of them will suffer by reason of this reduction in appropriation. I feel that there is an element of bad faith involved to those cities and communities, and, of course, an element of bad faith, if I am correct in my judgment of the needs involved, concerning the contractors who are pioneering this work.

The SPEAKER pro tempore. The time of the gentleman from Kentucky has expired.

Mr. BYRNS. I yield the gentleman two additional min-

Mr. THATCHER. Mr. Speaker, I think the protective value of the Air Service is beyond calculation. We see to-day in the Far East a great portion of that region wrapped in the flames of war. We are standing upon the edge of a volcano; and, if we are unprepared, we invite offense and, mayhap, invite attack. No finer service is being rendered in the matter of national defense than that which is being rendered in the development of aircraft in this country, in the development of the most skilled pilots that have ever voyaged beneath the sun and stars. Our record of safety in this country in the air is beyond that of any other country of the world. Great and splendid work is being performed along protective and defensive lines. If we are ready to spend \$22,000,000 or \$100,000,000 to bring boys into camps under questionable conditions of training, why are we not willing at much less cost to maintain a service that is worth infinitely more to the country than that sort of whimsical undertaking?

Mr. MEAD. The gentleman is correct in his statement that some of this service will have to be discontinued. In other words, if we reduce the appropriation from \$19,000,000 to \$15,000,000, the Postmaster General will have to call in the air mail operators and by a voluntary agreement with the operators eliminate a great deal of the service, \$4,000,000 worth of the service, which will affect many sections of the country.

Mr. THATCHER. There is no doubt about it.

Are we without hindsight, foresight, or vision? Are we unable to profit by the lessons of the past—the past with its sad and bitter experience? After our entry into the World War, in feverish haste we spent more than a billion dollars for fighting planes; yet the great conflict closed without any fit American planes arriving overseas in time for use by our air forces. In the meantime our brave and skilled soldiers of the air had to fly and fight and go to their inevitable doom in "flying coffins," the culls of the air forces of our allies.

This experience was similar to that which obtained as regards American merchant ships during that dark period. When we went into that conflict we were without merchant vessels to carry our great armies across the seas. Again, in desperate haste and with prodigal expenditure, we undertook to create what we had so long lacked-a merchant marine. We expended more than \$3,000,000,000 in the effort to create a merchant marine. Yet the war went on its cruel way to the end, and despite all of our vast outlay and maddened endeavors we were unable to build any ships in time to transport American troops to the shores of Europe. Wooden ships by the hundred were fabricated, and then after the close of the war they were anchored in the estuarial waters of the Nation and there left as rotting derelicts; as mute but eloquent evidences of the dereliction-if I may use the term-of the Nation in dealing with the subject of an American merchant marine.

Because of the lessons thus learned we have sought since the war to create a merchant marine and a system of mail and commercial aviation. But, unfortunately, almost as soon as we set up these great agencies we begin the attempt of tearing them down. Too often it is that the Congress, not content with the exercise of its prescribed legislative functions, undertakes to assume those of an executive character. Manifestly it can not with success assume the administrative rôle.

The gap between the cost of our air mail operations and the postal revenues derived therefrom is gradually closing. In a reasonable time it will substantially close if we may follow a wise and sustained policy. To-day we lead the world in aviation, but we will lose that leadership if we face in the reverse direction. Speaking generally, aviation has come to stay as an agency of progress and civilization. It has come to stay both in peace and war; but in this country, as in all others, during these pioneering years of the industry, a certain amount of governmental aid has

been required. In every quarter of the enlightened globe commercial aviation is justifying itself, and everywhere, so far as I am advised, governmental aid is granted. Everywhere it is proving itself to be a great agency of trade and commerce, with vast potential military benefits involved. Only backward nations have failed to keep pace—or "flight"—in this regard. We can not advance by retrogression. Let us not, by any reactionary policy, destroy the great agencies of commerce and trade by air and by sea which we, in recent years, have done so much to create. Let us, instead, address ourselves to the better task of perfecting these systems, of reducing costs by wise and constructive processes. Let us be not guilty of repudiating solemn contractual obligations, created under our own authority and direction. Let us not be guilty of confiscatory practices.

Japan to-day, with her fleets of the air, and without opposing air forces to check her, is able to scatter, as chaff before the wind, the Chinese armies. The Dutch brought to immediate surrender a few days ago, the mutinous crew on one of the Netherlands battleships, by the simplest of attacks from the air. Does not all this argue the wisdom of continuing the policy which has been ours for the building up and the maintenance of our systems of transportation by air and by sea? In the light of our tragic experience of the recent past, we would be justified in continuing these expenditures, even if the protective and defensive features were the only ones involved. But there are, of course, other elements in the situation—those of trade and commerce, which are of a wholly justifying character.

A number of congressional investigations have already been conducted touching these subjects, and much has been expended therefor. House committees have done excellent work in this connection, and constructive suggestions, in consequence have been formulated. It is believed that in due time legislation may be enacted which will have for its purpose and effect the lowering of air mail costs, without injury to those engaged in the business of transporting the mails. But it takes a little time for such matters to work out; and I believe that we should not do violence to the situation by withholding necessary appropriations to meet the air mail needs and the contractual obligations involved.

To-day the hundreds of greatly skilled pilots of our domestic and foreign air mail services constitute one of the greatest forces of protection that we have. In time of war they would prove themselves of priceless value to country and to flag. Destroy our air mail activities and you destroy this invaluable, potential fighting force. If we had to train these men for air military purposes the cost would be many times more than the net cost of our present air mail operations. In addition, the many features of progress continually being evolved in the country's commercial aviation are, of course, utilized in the aviation work of our Army and Navy.

In conference I opposed, also, the abolishing of the Bureau of Efficiency. During my 10 years of service as a member of the Appropriations Committee I know that this agency has performed most excellent work for the committee. I have every reason to believe that it has rendered important service in many other lines of effort. Why should it, alone, of all the agencies of the Government, be singled out for slaughter? What is behind the effort? We are giving the incoming President the fullest power to curtail and eliminate governmental activities. Why can not he be trusted to deal with this particular agency? Why not let him deal with the subject as he is expected to deal with the many others confided to his discretion? Why make fish of one and fowl of all the others? I regard the proposed action as unjust and unjustifiable, and I am unwilling to give it my approval. Hence, in signing the conference report on the Treasury-Post Office Departments appropriation bill, I excepted from my approval the item abolishing the Bureau of Efficiency, and that cutting the domestic air mail appropriation for the ensuing fiscal year by \$4,000,000. No one is more eager than I am to effect every possible governmental economy, but I do wish to deal with the subject in the spirit of fair play and justice.

Mr. BYRNS. Mr. Speaker, I yield two minutes to the gentleman from Indiana [Mr. Luplow].

Mr. LUDLOW. Mr. Speaker, before this matter proceeds to a vote I should like to leave with the House just this one thought, and I speak as one who is as much in favor of the maintenance of air mail as any man in this House. We are faced with a condition and not a theory. The issue is very simple: We will either adopt this report or we will defeat the Treasury-Post Office appropriation bill with its very vital and important provisions, among which is the plan to reorganize the Government of the United States and to abolish bureaucracy with its attendant waste.

The issue is too vital, it is too important to leave any doubt in my mind as to what the action of the House will be. The Senate conferees have made it perfectly plain to the conferees representing the House that the Senate will not accept the full amount which the House voted for air mail. The Senate will not vote one single dollar for air mail more than the \$15,000,000 carried in this conference report. Therefore, unless we are willing to see our wellmeant plans to reorganize the Government go up in smoke, we must adopt this conference report. There is no other alternative. If more money is absolutely necessary for the air mail it can be taken care of by a deficiency appropriation. The sensible and patriotic thing to do is to adopt this conference agreement and give President-elect Roosevelt the legal machinery he needs to reorganize the Government.

Mr. BYRNS. Mr. Speaker, I move the previous question.

The previous question was ordered.

The conference report was agreed to.

On motion of Mr. Byrns, a motion to reconsider the vote by which the conference report was agreed to was laid on the table.

AMENDMENT OF FEDERAL FARM LOAN ACT

Mr. STEAGALL. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill S. 5337, to amend the Federal farm loan act, as amended, to permit loans for additional purposes, to extend the powers of Federal land banks in the making of direct loans, to authorize upon certain terms the reamortization of loans by Federal and joint-stock land banks, and for other purposes, insist on the House amendment, and consent to the conference asked by the Senate.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Alabama? [After a pause.] The Chair hears none, and appoints the following conferees: Messis. Steagall, Stevenson, Goldsborough, McFadden, and Strong of Kansas.

WAR DEPARTMENT APPROPRIATION BILL, FISCAL YEAR 1934

Mr. COLLINS. Mr. Speaker, I call up the conference report on the bill (H. R. 14199) making appropriations for the military and nonmilitary activities of the War Department for the fiscal year ending June 30, 1934, and for other purposes, and ask unanimous consent that the statement may be read in lieu of the report.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 14199) making appropriations for the military and nonmilitary activities of the War Department for the fiscal year ending June 30, 1934, and for other purposes, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 14, 25, 26, 34, and 42.

That the House recede from its disagreement to the amendments of the Senate numbered 2, 3, 4, 13, 17, 19, 20, 28, 38, 39, 44, and 45, and agree to the same.

Amendment numbered 1: That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$144,750"; and the Senate agree to the same.

Amendment numbered 10: That the House recede from its disagreement to the amendment of the Senate numbered 10, and agree to the same with an amendment as follows: Restore the matter stricken out by said amendment, amended by inserting in lieu of the word "Government," in lines 4 and 5, page 12, of the engrossed bill, the following: "War Department"; and the Senate agree to the same.

Amendment numbered 15: That the House recede from its disagreement to the amendment of the Senate numbered 15, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$5,444,045"; and the Senate agree to the same.

Amendment numbered 21: That the House recede from its disagreement to the amendment of the Senate numbered 21, and agree to the same with an amendment as follows: In lieu of the matter stricken out and inserted by said amendment insert the following: "trucks, including station wagon types and trucks purchased in complete units for experimental purposes: Provided further, That, in addition to the foregoing, completely assembled and equipped motor-propelled trucks, including station wagon types, may be purchased out of this appropriation, and other appropriations for the fiscal year 1934 under the Quartermaster Corps, which may be available for or on account of the maintenance of animals, or for or on account of the purchase, maintenance, and operation of animal-drawn equipment, or for or on account of rail transportation of persons and materials, the cost of any such vehicle so procured not to exceed \$750, including the value of any vehicle exchanged"; and the Senate agree to the same.

Amendment numbered 24: That the House recede from its disagreement to the amendment of the Senate numbered 24, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$2,401,870"; and the Senate agree to the same.

Amendment numbered 35: That the House recede from its disagreement to the amendment of the Senate numbered 35, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$3,466,531"; and the Senate agree to the same.

Amendment numbered 43: That the House recede from its disagreement to the amendment of the Senate numbered 43, and agree to the same with an amendment as follows: Restore the matter stricken out by said amendment, amended to read as follows: ": Provided further, That hereafter the provisions of section 5 of the Act of July 16, 1914 (U. S. C., title 5, sec. 78), shall be construed as applying to the Corps of Engineers as to the purchase of motor-propelled passenger-carrying vehicles"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 5, 6, 7, 8, 9, 11, 12, 16, 18, 22, 23, 27, 29, 30, 31, 32, 33, 36, 37, 40, and 41.

Ross A. Collins,
W. C. Wright,
Tilman B. Parks,
Henry E. Barbour,
Frank Clague,
Managers on the part of the House,
David A. Reed,
Hiram Bingham,

Frederick Steiwer,
Managers on the part of the Senate.

DUNCAN U. FLETCHER,

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 14199) making appropriations for the military and nonmilitary activities of the War Department for the fiscal year ending June 30, 1934, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

On No. 1, relating to contingent expenses of the War Department: Appropriates \$144,750, instead of \$125,000, as proposed by the House, and \$148,000, as proposed by the

On No. 2, relating to the Military Intelligence Division, General Staff Corps: Appropriates \$39,990, as proposed by the Senate, instead of \$19,990, as proposed by the House.

On No. 3, in connection with the appropriation for the Army War College: Strikes out, as proposed by the Senate, the restriction proposed by the House upon increasing appropriations by transfer.

On No. 4, in connection with the appropriation for welfare of enlisted men: Excepts unobligated balances, as proposed by the Senate, of balances to the credit of certain funds on January 12, 1933, proposed by the House to be deposited in the Treasury as a war-time recreation fund for enlisted men of the Army.

On No. 10: Restores the provision proposed by the House with respect to Army personnel on the active list engaging with publications carrying paid advertising, amended to apply to paid advertising of firms doing business with the War Department instead of with the Government.

On Nos. 13, 14, and 15, relating to clothing and equipage: Provides for the operation of a laundry under construction, as proposed by the Senate, instead of existing laundries only, as proposed by the House; provides for the equipment and repair of equipment of existing dry-cleaning plants, as proposed by the House, instead of such plants existing or under construction, as proposed by the Senate, and appropriates \$5,444,045 instead of \$5,194,045, as proposed by the House, and \$5,694,045, as proposed by the Senate.

On Nos. 17 and 19 to 21, both inclusive, relating to Army transportation: Makes a textual correction, as proposed by the Senate; provides for the purchase of motor cycles, as proposed by the Senate; increases the limitation on the purchase of motor-propelled nonpassenger-carrying vehicles from \$150,000, as proposed by the House, to \$250,000, as proposed by the Senate, including within such limitation such types of vehicles purchased for experimental purposes, instead of excepting experimental types from such limitation, as proposed by the Senate, and restores the authorization proposed by the House to purchase or exchange trucks, at a cost not to exceed \$750 per vehicle, out of savings accruing from the displacement of animals and animal-drawn equipment and from the transportation of persons and materials.

On No. 24: Appropriates for the Signal Service of the Army \$2,401,870, instead of \$2,381,870, as proposed by the House, and \$2,421,517, as proposed by the Senate.

On Nos. 25 and 26, relating to the Air Corps: Appropriates \$23,324,185, as proposed by the House, instead of \$23,329,185, as proposed by the Senate, and strikes out the specific authorization proposed by the Senate for an expenditure of not exceeding \$5,000 for the production of lighter-than-air equipment.

On No. 28, relating to the appropriation Ordnance service and supplies, Army: Strikes out, as proposed by the Senate, the limitation of \$750 proposed by the House upon the purchase price of trucks.

On No. 34, relating to the appropriation Arms, uniforms, equipment, etc., for field service, National Guard: Restores the limitation of \$750 proposed by the House upon the purchase price of trucks.

On No. 35: Appropriates \$3,466,531 for the Reserve Officers' Training Corps, instead of \$3,354,211, as proposed by the House, and \$3,840,211, as proposed by the Senate.

On No. 38: Continues the restriction against depleting reserve supplies or equipment held by the War Department for two field armies or 1,000,000 men, as proposed by the Senate.

On No. 39: Appropriates \$125,000 for ordnance equipment for rifle ranges for civilian instruction, as proposed by the Senate, instead of \$150,000, as proposed by the House.

On No. 42: Strikes out the appropriation of \$5,000 proposed by the Senate for the protection, preservation, repair, and maintenance of historical fortifications at San Juan, Puerto Rico.

On No. 43: Restores the provision proposed by the House requiring the Corps of Engineers to estimate specifically for proposed purchases of motor boats and motor-propelled passenger-carrying vehicles, amended by exempting motor boats.

On No. 44: Appropriates \$30,000 for dredging the channel of Fort Pierce Harbor, Fla., as proposed by the Senate.

On No. 45: Provides that such sum or sums as may be deposited in the Treasury of the United States by the Panama Railroad Co. in augmentation of the appropriation for the maintenance and operation of the Panama Canal shall not be in addition to a dividend of 10 per cent of the capital stock of such company, as proposed by the Senate.

The committee of conference report in disagreement the following amendments:

On No. 5: Impliedly making interest accruals to the new "Recreation fund, Army," subject to withdrawal from the Treasury

On Nos. 6, 7, and 8: Providing for the employment of an additional retired officer on active duty.

On No. 9: Relating to the pay of an officer of the Army who has been convicted of a felony.

On No. 11: Denying retired pay to retired officers having independent incomes in excess of \$3,000.

On No. 12: Appropriating \$250,000 more than proposed by the House for "Regular supplies of the Army."

On No. 16: Limiting expenditures for the transportation of persons.

On No. 18: Appropriating \$525,000 more than proposed by the House for "Army transportation."

On No. 22: Denying the use of any appropriation for any expense incident to the operation of the Fort Benning rail-

On No. 23: Appropriating \$83,673 for the purchase of horses and mules.

On No. 27: Appropriating \$175,495 more than proposed by the House for "medical and hospital department."

On No. 29: Striking out the limitation proposed by the House on traveling expenses under the appropriation "Ordnance service and supplies, Army."

On No. 30: Striking out the limitation proposed by the House on traveling expenses under the appropriation "Seacoast defenses."

On No. 31: Providing for the employment as a librarian at the Military Academy of a retired officer in an active-duty capacity.

On Nos. 32 and 33: Excepting officers and enlisted men of the National Guard and the adjutants general of the several States, who relinquish any pension, disability allowance, disability compensation, or retired pay they may be receiving, from the prohibition against participating in National Guard appropriations while drawing such emoluments, in lieu of the exemption proposed by the House confined to beneficiaries of the Veterans' Administration having a disability rated 10 per cent or less.

On No. 36: Excluding from participation in the appropriation for the Reserve Officers' Training Corps students not members of Medical Corps, Dental Corps, and Veterinary Corps units on May 5, 1932.

On No. 37: Appropriating \$22,000,000 for increasing civilian military training camp activities to include provision for training at least 12 months unemployed boys between 15 and 21 years of age.

On No. 40: Denying credit for other than active commissioned service in the computation of the pay of officers of the Army on the active and retired lists.

On No. 41: Appropriating \$27,148 more than proposed by the House for "cemeterial expenses."

ROSS A. COLLINS, W. C. WRIGHT, TILMAN B. PARKS, HENRY E. BARBOUR, FRANK CLAGUE,

Managers on the part of the House.

The conference report was agreed to.

The SPEAKER pro tempore. The Clerk will read the first amendment in disagreement.

The Clerk read as follows:

Amendment No. 5: On page 9, line 2, strike out the words "such funds, including interest accruals" and insert in lieu thereof "the principal sum of such fund."

Mr. COLLINS. Mr. Speaker, I move that the House recede from its disagreement to Senate amendment No. 5 and concur in the same with an amendment.

The Clerk read as follows:

Amendment No. 5: Mr. Collins moves that the House recede from its disagreement to the Senate amendment and concur therein, with the following amendment: On page 8 of the engrossed bill strike out, in lines 21, 22, and 23, the matter reading "which shall draw interest at the rate of 3 per cent per annum, and such funds, including interest accruals, and insert in lieu thereof."

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will read the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 6: Page 9, line 22, strike out "\$2,143" and insert in lieu thereof "\$3,810, and the appropriation for pay of the Army, fiscal year 1933, shall be available for the increased pay and allowances of one retired officer on active duty in addition to the two retired officers specified in the War Department act for that fiscal year."

Mr. COLLINS. Mr. Speaker, I move that the House further insist on its disagreement to the Senate amendment.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 7: Page 10, line 20, strike out "\$128,450,827" and insert in lieu thereof "\$128,452,494."

Mr. COLLINS. Mr. Speaker, I move that the House further insist on its disagreement to the Senate amendment. The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 8: Page 10, line 24, strike out "\$128,165,827" and insert in lieu thereof "\$128,167,494."

Mr. COLLINS. Mr. Speaker, I move that the House further insist upon its disagreement to the Senate amendment. The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 9: Page 11, line 18, strike out "conviction has been confirmed by an appellate court" and insert in lieu thereof "sentence has been finally affirmed."

Mr. COLLINS. Mr. Speaker, I move that the House recede from its disagreement to Senate amendment No. 9, and concur in the same with the following amendment: In lieu of the matter stricken out and inserted by said amendment insert the following: "conviction has been affirmed by an appellate court, unless approved by the Secretary of War."

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 11: On page 12, strike out the paragraph ending in line 21.

Mr. COLLINS. Mr. Speaker, I move that the House further insist upon its disagreement to the Senate amendment.

Mr. Speaker, I wish to make a statement to the House. This is the so-called Connery amendment. If the motion that has just been made is adopted, I believe I can say that the House conferees will recede. I think that will be the position of the committee. I have talked to several of them and that seems to be the view of all of those with whom I have talked, and I have talked with a majority of them.

Mr. STAFFORD. Does the gentleman desire to offer a preferential motion to recede and concur?

Mr. COLLINS. No; I do not wish to do that, because the House has already voted on this particular amendment, and in view of that vote the amendment has been brought back here in disagreement; but I may say to the gentleman that if the motion I have just made is voted down, there will be no disposition on the part of the House conferees to further insist upon this amendment.

Mr. STAFFORD. If the gentleman will yield further, the gentleman will remember the conditions attending the adoption which made even the author of the amendment so ashamed that after it was adopted he wanted to raise it to \$5,000.

Mr. COLLINS. Mr. Speaker, I yield five minutes to the gentleman from South Carolina [Mr. McSwain].

Mr. McSWAIN. Mr. Speaker, I want to very briefly submit a few considerations to the House in support of the proposition that the three controversial amendments in this bill ought to be voted down and our conferees instructed to insist that the Connery amendment, the Taber amendment, and the so-called Couzens amendment be eliminated from this bill and the bill brought back and passed without these amendments. Now, why? Just because these three amendments invade the legislative functions of the regularly established committees and deal with questions of policy and with nothing but policy.

We need not discuss the Connery amendment in view of what has already been said. We need not take one-half minute in considering that amendment.

Now, with respect to the Taber amendment, when, in 1920, the official personnel of the Army was approximately doubled and recruited from the emergency forces, the National Guard, and the reserve officers, who had helped fight the World War, it was thereafter promised them by the joint pay act of 1922 that they would be paid for the service they had rendered the cause of national defense, even though it was not under a commission in the Regular Army, and men came into our Army in 1920 with this expectation. Although the measure was not enacted into law until 1922, a study of the question was then in progress.

To deny at this late day captains, 50 and 55 years of age, who had been in the service of their country in the National Guard up until 1920, some of them serving in the Spanish-American War and also in the World War, the pay due for their length of service, and now reduce them to pay based merely on rank, and thereby reducing them to pay subordinate to that of younger officers who graduated at the Military Academy at the expense of the Government, who are even 12 or 15 years younger and who have less family obligations, is not fair or right.

I think I can speak for the nearly 6,000 emergency officers who came into the Regular Army on July 1, 1920, in saying that the Taber amendment is not fair and is not just.

Mr. TABER. Will the gentleman yield?

Mr. McSWAIN. I will yield, very briefly, for a question, but not for an argument. I have only five minutes and I have to go on to the Couzens amendment. I hope the gentleman will please excuse me. The gentleman will have his own time.

Mr. TABER. It is more than a question.

Mr. McSWAIN. I was perfectly willing to yield for a question, but not for an argument.

Now, as to the Couzens amendment. I realize that this amendment originates in a sentiment of humanity, predicated upon the idea of doing something for these poor, wandering, homeless boys, but I think it is a mistaken and an

unwise measure, and will not result in the benefit that is contemplated, and in many cases will be demoralizing. Why? Because these camps are neither military nor civilian. If you want to inspire a man with the ideals of a soldier, put him under the obligations of a soldier under an enlistment, where he will understand what the duty of a soldier is under his contract of enlistment. Under this amendment you bring him in here under a sort of molly-coddle arrangement where he is just a sort of halfway soldier and can walk out at any time he wants to. He can, at any time, just pack up his clothes and get out from under such discipline. Do you suppose this will inspire discipline? I do not think so, and I do not think any man who has had the experiences of a soldier will believe that this will accomplish the aim that is sought.

So, we are asking the friends of national defense on both sides of the aisle to join in the proposal to wipe all three of these misguided propositions out of this bill. Not a one of them has been studied by the appropriate legislative committee.

Why, last year, I introduced a joint resolution, which would have had the force of law, to do what? To give every honorably discharged soldier who was out of a job, who did not have breakfast or dinner or supper or a place to lay his head at night, the right to go to an Army post and line up with the boys at the post and eat, and then when it came to lying down and sleeping, to lie down in the barracks, if there was room; if there was no room in the barracks, to lie down in the hall; if the hall was filled, to lie down in the warehouse; and if the warehouse was filled, to lie down in the stable. I put in the stable, and do you know what the War Department did? It came forward with a most vigorous and emphatic denial of any such proposition and they said:

The general purport of this bill is to utilize the War Department and its equipment for the care of indigent citizens who were at one time connected with the military service. The basic question of just how far the Government desires to commit itself on such a measure is beyond the scope of our comment or suggestion, but the War Department is opposed to accepting this responsibility.

[Herè the gavel fell.]

Mr. COLLINS. Mr. Speaker, I yield the gentleman one more minute.

Mr. MARTIN of Oregon and Mr. HARLAN rose.

Mr. McSWAIN. Let me finish the reading of this letter. The War Department says it is opposed to accepting obligations other than those now delegated by law and "the proposals of this bill do not fall within the basic mission of the Army."

I yield first to the gentleman from Oregon.

Mr. MARTIN of Oregon. I want to ask the gentleman this question: Why does the gentleman hook up the Connery amendment, the Taber amendment, and the Couzens amendment?

Mr. McSWAIN. Because I have a chance to speak only once, and I am speaking against all three of them at one time. I am opposed to all of them.

Mr. MARTIN of Oregon. Why not let the Members have an opportunity to vote on each proposition?

Mr. McSWAIN. The Members will have an opportunity to vote on each proposition, and I am just expressing myself in advance on all three of them. I do not propose to talk but once. I talk very little, but I try to mean what I say when I do talk.

[Here the gavel fell.]

Mr. COLLINS. Mr. Speaker, I yield three minutes to the gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Speaker, in view of the statement that the gentleman from South Carolina, chairman of the Committee on Military Affairs, has made with reference to the amendment I introduced, I want to make two or three statements of facts in reference to it.

It is true, that notwithstanding the fact that this proposition was advanced on the floor a year ago, neither the Military Affairs Committee nor the Naval Affairs Committee have had any hearings on it or gone into the question.

The amendment I offered wipes out discriminations in the pay of officers. It does not create discrimination in pay.

There are two types of discrimination as to pay of officers in the Army and the Navy. The first type are those who entered the Military Academy prior to June 1, 1912, who now count the four years they were in the academy toward their longevity pay, and it is computed on that basis. Those who entered after July 1, 1912, are not treated in that way, and are not allowed to count their academy service toward their longevity pay.

The other discrimination is that those who served in the National Guard are permitted to count toward their longevity pay the time they served in the National Guard. Those who served as enlisted men are entitled to count toward their longevity pay the time they served as enlisted men.

As the result of this provision captains are receiving more pay than majors, more pay than lieutenant colonels. Lieutenants are in the same boat. The major in command of captains or lieutenants is receiving less than the captain or the lieutenant under him. Under these circumstances we are in the situation where the office boy is receiving more than the boss.

Mr. COLLINS. Mr. Speaker, I yield to the gentleman from Connecticut [Mr. Goss].

Mr. GOSS. Mr. Speaker, the Taber amendment was advanced as an economy measure, and if the retaining in the Treasury of moneys earned by officers of the Army under a right granted them practically since the establishment of the Government is to be classed as economy, then the amendment will accomplish its purpose. However, is it fair, just, or conscionable, and is it not class legislation to make 5,000 out of a total of 12,000 officers bear the burden of this economy? The amendment will not affect the pay of a single general officer. It will affect only a few colonels and lieutenant colonels, but practically the entire amount must be borne by the majors, captains, and first lieutenants. Some of these officers so affected will lose as much as \$160 a month of their pay. The loss, in some cases, including some officers on the retired list, will be 45 per cent of the total compensation now received by them.

Mr. TABER states that his amendment is to discontinue the counting of constructive service for pay purposes, which term is a misnomer. Officers do not draw pay for constructive service. They draw pay for actual service. Some of such service is actual enlisted service on the basis of the actual years served on active duty. Other parts of it are for National Guard service actually served in the National Guard, but inasmuch as it was not Federal service only 75 per cent of such service is counted for pay purposes. Another part of this so-called constructive service is for service in the organized reserves, of which only 50 per cent is counted for pay purposes, and the remainder is for service as cadets at West Point prior to 1916. It is, therefore, apparent that the Taber amendment does not affect constructive service, for none exists, but does affect actual service, for which proper credit is granted. Those officers who entered the service since 1922 may only count actual commissioned service, and they knew when they entered the service that such would be the case. On the other hand, the officers affected by the Taber amendment knew when they accepted their commissions in the Army that the service now in dispute would be allowed them as part of their contract. The Taber amendment is, therefore, a repudiation of that contract and, in effect, is retroactive in that it deprives officers of service acquired as a right prior to 1922.

All National Guard and reserve officers who are giving so freely of their time and intelligent patriotic effort to-day to perfect themselves for their military duties in time of war will, under this amendment, when called to active duty, lose all credit for their intensive peace-time effort and be forced to begin at the lowest pay provided for their grade.

Mr. Taber, in his discussion of this amendment, stated that an officer three and four grades below another officer might draw more than the first officer under existing pay laws, and draws from this statement the conclusion that the cause of this inequality in pay is brought about by the counting of so-called constructive service which his amendment will hereafter prohibit. His real fight is not against the counting of this service, which has been part of the pay of officers for years, but against the pay law of 1922. The differences of which he speaks are not entirely due to the base and longevity pay of officers, but in part to combined pay and allowances. These allowances-rental and subsistence-differ when one officer is married and another officer is single. That is, an officer of high rank, who is single, may draw less pay than a married officer of lower rank, mainly because of the fact that the allowances for a married officer are greater than those for a single officer. This condition is the result of the pay act of 1922, and if that act is wrong, then proper hearings should be held with a view to enacting a new pay act.

Mr. COLLINS. Mr. Speaker, I yield to the gentleman from Alabama [Mr. Hill].

Mr. HILL of Alabama. Mr. Speaker, there has been some discussion of the Connery amendment, the Taber amendment, and the Couzens amendment. What the House ought to have really in mind is that the amendment we are going to vote on next is the so-called Connery amendment.

Mr. CONNERY. Will the gentleman yield?

Mr. HILL of Alabama. I yield.

Mr. CONNERY. I hope the House will vote down that amendment. [Applause.]

Mr. HILL of Alabama. I hope the House will vote it down.

The SPEAKER pro tempore. The question is on the motion of the gentleman from Mississippi that the House insist on its disagreement to the amendment.

The question was taken, and the motion was rejected.

Mr. STAFFORD. If the chairman is not going to make the motion to recede and concur, I will make it.

Mr. COLLINS. I have stated to the House that whether we voted up the motion to recede and concur or not the House conferees would do that. However, I move, Mr. Speaker, that the House recede and concur, although I think it is unnecessary.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 12: Page 18, line 7, strike out "\$2,671,465" and insert "\$2,921,465."

Mr. COLLINS. Mr. Speaker, I move to further insist on the disagreement.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 16: Page 21, line 10, strike out the following language: "Provided further, That not to exceed \$2,522,880 shall be available for expenditure for or on account of the transportation of persons pursuant to the provisions of this appropriation."

Mr. COLLINS. Mr. Speaker, I move to recede and concur with an amendment, which I send to the desk and ask to have read.

The Clerk read as follows:

Mr. Collins moves that the House recede from its disagreement to amendment No. 16 and concur therein with the following amendment:

Restore the matter stricken out by said amendment, amended by inserting in lieu of the amount named therein the following: "\$2,700,000."

The SPEAKER pro tempore. The question is on the motion of the gentleman from Mississippi to recede and concur with an amendment.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 18: Page 22, line 9, strike out "\$11,106,745" and insert in lieu thereof "\$11,631,745."

Mr. COLLINS. Mr. Speaker, I ask unanimous consent that amendment No. 22 be considered before amendment No. 18, because No. 18 carries only money and is tied up with No. 22. Whatever action the House takes on No. 22 controls its action on No. 18.

The SPEAKER pro tempore. Is there objection to the request?

There was no objection.

The SPEAKER pro tempore. The Clerk will report amedment No. 22.

The Clerk read as follows:

Amendment No. 22: Page 23, in line 23, after the word "transfer," strike out "Provided further, That no appropriation contained in this act shall be available for any expense incident to the operation of the Fort Benning Railroad."

Mr. COLLINS. Mr. Speaker, I move to further insist upon the disagreement of the House.

The motion was agreed to.

Mr. COLLINS. Mr. Speaker, on amendment numbered 18, I move to recede and concur with an amendment, which I send to the desk.

The Clerk read as follows:

Mr. Collins moves that the House recede from its disagreement to amendment No. 18 and concur in the same with the following amendment: In lieu of the sum proposed insert "\$11,383,865."

The SPEAKER pro tempore. The question is on the motion of the gentleman from Mississippi.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 23: Page 24, beginning in line 10, strike out the language "for encouragement in the breeding of riding horses suitable for the Army, in cooperation with the Bureau of Animal Industry, Department of Agriculture, including the purchase of animals for breeding purposes and their maintenance, \$118,827"

"For the purchase of draft and pack animals and horses within limits as to age, sex, and size to be prescribed by the Secretary of War for remounts for officers entitled to public mounts, for the United States Military Academy, and for such organizations and members of the military service as may be required to be mounted, and for all expenses incident to such purchases (including \$120,000 for encouragement of the breeding of riding horses suitable for the Army, in cooperation with the Bureau of Animal Industry, Department of Agriculture, including the purchase of animals for breeding purposes and their maintenance), \$202,500."

Mr. COLLINS. Mr. Speaker, I move to further insist upon the disagreement of the House.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 27: Page 38, line 6, strike out "\$1,095,976" and insert "\$1,271,471."

Mr. COLLINS. Mr. Speaker, I move to further insist on the disagreement of the House.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 29: Page 40, line 25, strike out "expenses not to exceed \$26,981" and insert in lieu thereof the word "expenses."

Mr. COLLINS. Mr. Speaker, I move to further insist upon the disagreement of the House.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 30: Page 45, line 4, after the words "in all," strike out "including not to exceed \$3,320 in the aggregate for traveling expenses."

Mr. COLLINS. Mr. Speaker, I move to further insist upon the disagreement of the House.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 31: Page 45, line 12, after the word "Academy," insert a colon and the following: "Provided, That the duties of librarian of the United States Military Academy may be performed by an officer of the Regular Army retired from active service under the provisions of section 1251, Revised Statutes, and detailed on active duty for the purpose." active duty for that purpose."

Mr. COLLINS. Mr. Speaker, I move to further insist upon the disagreement of the House.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 32: Page 48, line 20, after the word "States," insert "Provided, That nothing in this provision shall be so construed as to prevent the application of funds herein contained to the pay, allowances, or traveling expenses of any officer or enlisted man of the National Guard who may surrender said pension, disability allowance, disability compensation, or retired pay for the period of his service in the National Guard: Provided further, That present adjutants general who may be drawing such emoluments may be continued in a federally recognized status without pay under this act."

Mr. COLLINS. Mr. Speaker, I move to recede and concur. Mr. HILL of Alabama. What is the effect of this Senate amendment so far as the adjutants general are concerned?

Mr. COLLINS. It is to deny them any pay whatever which they have been receiving from the Federal Government.

Mr. HILL of Alabama. They would then get their pay from the several States?

Mr. COLLINS. They would then get their pay from the several States.

Mr. HILL of Alabama. And would get none under this act?

Mr. COLLINS. Would get none whatever from the Federal Government.

The SPEAKER pro tempore. The question is on the motion of the gentleman from Mississippi.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 33: On page 49, in line 4, strike out "for a disability rated by the Veterans' Administration in excess of 10 per cent.

Mr. COLLINS. Mr. Speaker, I move to recede and concur in the Senate amendment.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 36: On page 57, in line 19, after the word "Air," strike out the words "Corps, Medical Corps, Dental Corps, or Veterinary" and insert in lieu thereof the words "Corps."

Mr. COLLINS. Mr. Speaker, I move to further insist upon the disagreement of the House.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 37: On page 59, in line 22, strike out "\$2,500,000" and insert "\$24,500,000, of which \$22,000,000 (of which \$5,000,000 shall be immediately available) shall be available only for camps of at least 12 months' duration in which applicants are accepted only if over 15 years and under 21 years of age and if unemployed at the time of application and for six months previous thereto."

Mr. COLLINS. Mr. Speaker, I move to further insist upon the disagreement of the House.

Mr. BARBOUR. Mr. Speaker, I move to recede and concur in the Senate amendment with an amendment, which I have sent to the desk.

The Clerk read as follows:

Mr. Barbour moves that the House recede from its disagreement to Senate amendment No. 37 and concur therein with the following amendment:

Strike out "\$24,500,000" and insert "\$12,500,000"; and strike out "\$22,000,000" and insert "\$10,000,000"; and, on page 59, line 25, strike out "15" and insert "17."

Mr. COLLINS. Mr. Speaker, I yield five minutes to the gentleman from California [Mr. BARBOUR].

Mr. BARBOUR. Mr. Speaker, as was suggested by the gentleman from Arkansas [Mr. Parks], this is perhaps one of the most important, if not the most important amendment in this bill. Perhaps everyone here is familiar with the provisions of the amendment. It is known as the Couzens amendment and was offered in the Senate. You will perhaps recall that when this bill was before the House I offered an amendment to incorporate in the bill an appropriation of \$2,500,000 for citizens' military training camps, and to give preference in the selection of trainees for those camps to young men who were unemployed, or the heads of whose families were unemployed. It was an attempt to do something in this bill for a large number of unemployed young men who are homeless and wandering about the country, hitch-hiking on the highways, riding on freight trains, and wandering from place to place, with nothing to occupy their attention, who are to-day perhaps one of the most serious problems that confront the people of this

It has been said that this is a military bill and that this amendment proposes to grant relief to a certain number of the people in this country who are destitute and in need of relief, and it should not be done in this bill, but that it should be done in a relief bill. I want to say in reply to that that this is the first concrete, definite proposal that has come before this session of Congress to grant direct relief to the people of this country who need relief, and as far as I am concerned, I do not care whether it is on a military bill or on a post office bill or an agriculture bill, if it grants relief that is needed I am for granting that relief. [Applause.]

My amendment proposes, first, to reduce the amount that was incorporated in the bill by the Senate from \$24,500,000 to \$12,500,000. I do that for this reason: It is not known how much money will be required to maintain these camps for young men who are out of employment, and that matter can perhaps be better determined after the camps get into operation. This estimate, I believe, is rather large in the Senate amendment. Therefore, I am proposing the reduction, having in mind that Congress will be in session after the 15th day of April, if not before that time, and if more money is needed to carry on this relief, the Congress will be here and can make provision for any necessary sum that may be required.

Mr. BLANTON. Will the gentleman yield? Mr. BARBOUR. I yield.

Mr. BLANTON. In other words, the amendment offered by the gentleman from California will add \$10,000,000 to the bill, more than it contained when it passed the House?

Mr. BARBOUR. The amendment of the gentleman from California will add \$10,000,000 to the bill, but for the purpose-

Mr. BLANTON. Then, with his other amendments for which the gentleman secured passage, adding nearly \$3,000,000, the gentleman from California alone would be adding about \$13,000,000 to this bill?

Mr. BARBOUR. Well, the gentleman has gone back into ancient history. We did add \$2,500,000 for the citizens' military training camps by a large vote of the House, but this \$10,000,000 is not for military purposes. This is for direct relief to a portion of the needy of this country and it is the only direct relief that this session of Congress will grant, if it grants it.

Mr. BLANTON. I am afraid it will ruin about eighty thousand 15-year-old boys.

Mr. BARBOUR. The gentleman should not worry about that. Let me say that the Army will be in charge of these young men. They will be brought in. They will be given a certain amount of military training.

Mr. BLANTON. In my judgment this Couzens amendment put on this bill in the Senate appropriating an additional \$22,000,000 will not only waste this \$22,000,000 of money out of the people's Treasury, but through bad habits picked up around an Army camp will demoralize every one of the 88,000 boys from 15 years to 21 years of age taken from their home influence.

Mr. BARBOUR. I can not yield further.

Mr. BLANTON. They will be taught to shoot craps all They will become adepts at all kinds of gambling.

Mr. BARBOUR. Well, if they do, they will not be the only young men in the country who know how to shoot craps. They will be given a certain amount of military training. Their time will be occupied. They will be taught citizenship and they will be taught, to the extent that the Army can do it and that is to a considerable extent, vocational training.

[Here the gavel fell.]

Mr. BARBOUR. Mr. Speaker, will the gentleman yield me five additional minutes.

Mr. COLLINS. I yield the gentleman five additional minutes.

Mr. BANKHEAD. Mr. Speaker, will the gentleman yield? Mr. BARBOUR. I first desire to yield to the gentleman from Kansas [Mr. McGugin].

Mr. McGUGIN. What will be the status of these young men? Will they be in the Army or not?

Mr. BARBOUR. They will not be in the Army any more than those attending citizens' military training camps are in the Army.

Mr. McGUGIN. Will they be subject to military disci-

Mr. BARBOUR. They will be subject to military discipline

Mr. McGUGIN. This bill does not say so, does it? Mr. BARBOUR. That can be worked out under regulations of the War Department, because the national defense act gives the Secretary of War the authority to regulate and control these citizens' military training camps.

Mr. BLANTON. Suppose they get hurt or sick, will they

Mr. BARBOUR. They will not draw pensions. Mr. BLANTON. Suppose they get hurt. Does not the gentleman know that the Government will be called upon to pay for it. When the Government takes 15-year-old boys away from home, it becomes the guardian of such boys and becomes responsible for them. And if they contract some disease from which they suffer complications later on in life, they will demand pensions, and the Congress will allow same. We must save this \$22,000,000. And we must save these 15year-old boys and keep them clean.

Mr. BEEDY. Mr. Speaker, will the gentleman yield?

Mr. BARBOUR. I yield.

Mr. BEEDY. These men will not be in the Army and they will be under no obligation to bear arms even in the event of war.

Mr. BARBOUR. Absolutely none.

Mr. BEEDY. They will be subject to the requirements now necessary to obtain admission to citizens' military training camps. Tramps can not get in; the rabble can not get in.

Mr. BARBOUR. This plan offers these young men something to keep them occupied during this abnormal condition of the country.

Mr. ANDREW of Massachusetts. What reason is there to believe that young fellows will not be lured from homes and schools by the possibility of adventure in a camp of this kind?

Mr. BARBOUR. I may say to the gentleman from Massachusetts that a lot of objections or possible objections might be conjured up here, but I am relying on the War Department to handle this and handle it right and properly in the interests of the Government just as much as they will in the interest of the young men.

Mr. ANDREW of Massachusetts. I am not caring so much about the interests of the Government, but the call of adventure is strong in boys, and it is natural to suppose they will be lured by the opportunity of attending these camps.

Mr. BARBOUR. I believe that can be left to the discretion and control of the War Department, or if this goes back to conference special provisions can then be written in.

My amendment goes only to the high points of the socalled Couzens amendment. The conferees can work out additional regulations or control provisions.

Mr. STAFFORD. Mr. Speaker, will the gentleman yield?

Mr. BARBOUR. I yield.

Mr. STAFFORD. My objection to the amendment of the gentleman is that it leaves to any boy the opportunity to leave the camp when he will. I would like to see these young men unemployed to-day given the opportunity to receive military instruction for at least six months. The gentleman's amendment does not provide for that. It would allow any young man to take a trip at Government expense, stay a week or two, and then leave.

Mr. BARBOUR. That can all be controlled by regulations of the War Department when these camps are put into operation. Or when this amendment goes back to conference the conferees can write in those minor provisions to develop the plan more in detail. My purpose is to get before the House the main question involved in the principle of the Couzens amendment and let the House adopt it if it will. These minor matters can be easily taken care of.

Mr. STAFFORD. If the gentleman would give us assurance that these boys would be there for not less than six months, I would subscribe to it.

Mr. BARBOUR. I may say to the gentleman that 6 months may be too long, that 5 months, or 4 months, or even some other period might be sufficient. That can be provided for by regulations.

Mr. BANKHEAD. Mr. Speaker, will the gentleman yield?

Mr. BARBOUR. I yield.

Mr. BANKHEAD. How many of these rambling young gentlemen will this appropriation suggested by the gentleman provide for?

Mr. BARBOUR. It was stated in the Senate that the Couzens amendment-

Mr. BANKHEAD. I mean in its present form.

Mr. BARBOUR. I am trying to answer the gentleman. It was stated in the Senate that the Couzens amendment would provide for something like 88,000 boys. The statement was made in the Senate that the Couzens amendment of \$22,500,000 would take care of 88,000 young men. My amendment is about half that. Therefore, I would estimate that it would take care of half of the number; but the estimate of the amount necessary was rather hurriedly drawn. There was nothing to base it on and, as I stated a few moments ago, Congress will be in session after the 15th of April, and if this plan works out as it is expected it will work out and it proves to be a good thing and Congress wishes to appropriate more money, Congress will be here to

Mr. BANKHEAD. Will the gentleman yield for a further question?

Mr. BARBOUR. Certainly.

Mr. BANKHEAD. I understand it is estimated there are 250,000 or 300,000 of these youngsters rambling all over the country. What does the gentleman intend to do as to the large number of other boys not provided for in this bill?

Mr. BARBOUR. I may say to the gentleman from Alabama that that, of course, is entirely a matter of conjecture. I do not believe any count has ever been made.

Mr. BANKHEAD. Can you conscript these boys, or do they have to volunteer?

Mr. BARBOUR. They have to volunteer.

Mr. BANKHEAD. How can you keep them in camp when they volunteer and after you equip them with a uniform?

Mr. BARBOUR. When they enter the camps they will be subject to discipline.

Mr. BANKHEAD. Not under this amendment. There is no law to require it.

Mr. BARBOUR. As I said a moment ago, the national defense act gives to the Secretary of War full power to prescribe rules and regulations.

Mr. McSWAIN. It does not give them any power to enlist them for less than one year.

Mr. BARBOUR. How about the citizens' military training camps that are carried on for 30 days? These camps would be similar to those.

[Here the gavel fell.]

Mr. COLLINS. Mr. Speaker, I yield five minutes to the gentleman from New York [Mr. O'CONNOR].

Mr. O'CONNOR. Mr. Speaker, I claim to know very little about the Military Establishment of this Government and have paid very little attention to the appropriations for the military or naval branch of the Government, but I believe this proposal which I have been observing for some time is one of the most dangerous propositions ever advanced in the history of our country.

I believe that in the establishment of these camps we are embarking on something that, to a lot of people, means war, that is all. In great times of depression other countries have endeavored to find a job as a soldier for their unemployed. Why does not this House adopt a public building program and give civilian jobs to the unemployed as far as we can? Why do we not, before the fall of the gavel on next Saturday, pass the Wagner bill for relief to the cities and the communities dealing with their people.

I now want to read you what the major general of the National Guard in New York, that distinguished soldier, William N. Haskell, has to say about this proposition:

From experience with refugee, destitute, and migrating populations, as allied high commissioner in Armenia, director of American relief in Russia and Rumania, and as Red Cross commissioner in Greece, handling Smyrna refugees, also as recent chairman of mayor's committee for relief in New York, I urge defeat of the Couzens amendment to the Army bill. Such a method of attemptcouzens amendment to the Army oill. Such a method of attempting to solve the problem of vagrant boys is positively wrong, a foolish waste of money, and will aggravate the situation by inviting more boys to leave home communities where they should be encouraged to stay or return. The proposition is full of dynamite in 100 ways for the present and the future. If only the Members of Congress had had my experience on this very problem I am sure the amendment would be overwhelmingly beaten.

[Applause.]

Let me now say this. I can picture these camps, and I can imagine that the boys there will not be singing Over There and they will not be singing Tipperary; their favorite tune will be Hallelujah, I'm a Bum Again. [Laughter and applause.1

[Here the gavel fell.]

Mr. COLLINS. Mr. Speaker, I yield three minutes to the gentleman from Massachusetts [Mr. Connery].

Mr. CONNERY. Mr. Speaker, I am in favor of the Couzens amendment, and I do not agree with my friend from New York [Mr. O'CONNOR] that these young men ought to stay at home in their home towns-stay home and starve! Is that what you want them to do?

Reference has been made to the Wagner bill. Why, we all know we are not going to get a chance to vote for the Wagner bill between now and Saturday noon. If we were, I would certainly favor the Wagner bill, and then we might not need this, the Couzens amendment.

If instead of passing out millions to the banks of the United States and then seeing them go broke we would take care of some of the people who are hungry, some of the young citizens of the country, some of the young men between the ages of 15 and 21 who are future citizens of the United States, we would be doing the country a real service.

We send men to jail for breaking the laws, but we feed them and take care of them. They have a good place to sleep and good food; but now we have some 200,000 young men in the United States who are not criminals but American citizens to whom we will not give a job, who have nothing to eat, who are living with their families, who likewise have no jobs, and when it is suggested that we do something for them we hear it said, "Oh, no; we can not give them anything."

The gentleman from New York says they will be singing Hallelujah, I'm a Bum. Well, if we do not look into this situation pretty soon and remedy these conditions the whole Nation, with the exception of a few multimillionaires, will

be singing Hallelujah, I'm a Bum, and they will sing truly. These young men who are to be taken care of by the Couzens amendment are not bums. They are young Americans and will be a credit to the Army of the United States.

Mr. BARBOUR. Will the gentleman yield?

Mr. CONNERY. Yes.
Mr. BARBOUR. I may say to the gentleman that while the Army is not advocating this, I understand they will be very glad to undertake this task.

Mr. CONNERY. Yes. They will be giving training to young Americans and in doing this work they should be glad to teach them the lessons of patriotism learned in such camps.

Mr. BARBOUR. Absolutely.

Mr. CONNERY. I hope that the amendment of the gentleman from California will be voted down. I hope the motion of the chairman of the subcommittee will be voted down and the House will accept the Couzens amendment for \$22,000,000.

Mrs. ROGERS. Will the gentleman yield? Mr. CONNERY. I yield to my distinguished colleague from Massachusetts.

Mrs. ROGERS. Does not the gentleman think it would be a wise plan to have these training camps called emergency citizens' military training camps, rather than just citizens' military training camps, to differentiate between these camps and the summer training camps? These must not be considered of a permanent nature.

Mr. CONNERY. I think that would be a good idea.
Mrs. ROGERS. Because some of these men may be compelled to go home before their time is up, and we do not want any disgrace attached to them in that event, as you know the boys consider it a disgrace to be sent home before their training is up.

Mr. CONNERY. I will say to my distinguished colleague from Massachusetts, I do not care what they call them, as long as they take care of these men, give them a bed to sleep in and something to eat. They can not get work, they can not get food, and to have thousands roaming the country in such a state of mind is not a healthy condition for our country.

If we do not wake up to the need of remedying these evil conditions and realize that something must be done in this emergency, in the next few years we will have real trouble on our hands from within and not without the United States, and it will not come from communists either, but from American citizens, hungry men and women, who are wondering why in this land of the free they can not get work.

Mr. COLLINS and Mr. STAFFORD rose.

Mr. COLLINS. Mr. Speaker, I yield five minutes to the gentleman from Kansas [Mr. McGugin].

Mr. STAFFORD. Mr. Speaker, I offer an amendment to the Barbour amendment, after the word-

The SPEAKER pro tempore (Mr. WOODRUM). The gentleman from Mississippi [Mr. Collins] has control of the floor.

Mr. COLLINS. I do not yield to the gentleman for that purpose, Mr. Speaker.

Mr. STAFFORD. Mr. Speaker, a motion to recede and concur with an amendment is preferential.

The SPEAKER pro tempore. That is correct.

Mr. STAFFORD. And an amendment to the amendment is in order.

The SPEAKER pro tempore. Not unless the gentleman from Mississippi yields to the gentleman for the purpose of offering the amendment.

Mr. COLLINS. Mr. Speaker, I yield five minutes to the gentleman from Kansas [Mr. McGugin].

Mr. McGUGIN. Mr. Speaker, as a relief measure, it seems to me this provision is the most impossible of anything that has been presented in either session of the Seventy-second

Mr. Speaker, we can not defend this proposition from the standpoint of relief, or from the standpoint of the Army. In the first place, it will demoralize the Army-taking young

men into Army posts with their right to walk out the next minute and come back the next is destructive of Army morale.

Mr. STAFFORD. Will the gentleman yield?

Mr. McGUGIN. I yield.

Mr. STAFFORD. I may say that this is not a proposition to have the boys go to Army posts but to concentrate them in military training camps.

Mr. McGUGIN. All right. What are we doing?

We are erecting clubs all over the country for young men when men with families and other people are in dire distress.

Let us see what it is going to cost. On the basis of 88,000 men, if we appropriate \$24,500,000—the Couzens amount—that is \$278 per boy. The other day I heard some one take exception to the fact that one Chicago Congressman was supposed to have gone to the Reconstruction Finance Corporation and asked for \$200 for each and every unemployed man in the United States. Here it is proposed to take \$278 for one boy.

Mr. McSWAIN. And \$278 would feed a man and his family.

Mr. McGUGIN. Down in my country \$5 a week is being used as relief to feed a family. Here you take \$278 as a starter for each boy. All there is to this proposition is that it is an obsession of a certain gentleman from Michigan, and I am not willing to waste \$24,500,000 to gratify his hobby, although he may be a man of high estate in American political life.

This is not a relief proposition; it is simply Congress going wild. If we pass this Couzens amendment or the Barbour amendment, it will not be relief or national defense or anything else, except merely clubhouses over the country for boys. [Applause.]

[Here the gavel fell.]

Mr. COLLINS. Mr. Speaker, I yield two minutes to the gentleman from Pennsylvania [Mr. Stokes].

Mr. STOKES. Mr. Speaker, I have been interested in boys' clubs for a long time in the city of Philadelphia, but I do not believe that this is a matter for the Federal Government to start in with. We have now trouble enough without going into the establishment of boys' clubs.

Another thing, we have not got the money; look at the Federal Treasury. Is it fair to promise to give money when we have not got it? I am strongly opposed to this amendment, and I hope that the House will vote it down. I do not think we should vote one penny more than we are obliged to, taking into account the condition of the Federal Treasury.

I believe this is a matter for the States to attend to and not the Federal Government. [Applause.]

Mr. COLLINS. Mr. Speaker, I yield three minutes to the gentleman from Illinois [Mr. HOLADAY].

Mr. HOLADAY. Mr. Speaker, I consider this purely a relief question without any military bearing. This is a proposition attempting to help young unemployed men. I believe it is an unwise move. Let me give you a personal experience.

A day or two ago I received a letter signed by a young man, saying that he read in the paper that they were going to establish these camps, and he wished I would use my influence to get him and three other boys into a camp, because, having no job, next summer they thought it would be a fine thing to be in a camp. The young man writing that letter was my own son. Such a proposal is an open invitation to all the young boys in this country who have homes and who can stay at home to leave home and go out and get in one of the camps. Further, my boy put a postcript to the letter in which he asks me to have them locate the camp close to water because he likes to swim. [Laughter.] Even if you put those boys in camps and gave them the best training and discipline possible, it is much better for 95 per cent of the boys to be at home than in camp even under those conditions. think it is a mistake. As I say, it is simply an open invitation to entice young men and boys from all over the country into these camps, away from home, and will simply add to the number of boys who are leaving home and wandering

around the country. The whole proposition should be taken out of the bill.

Mr. KLEBERG. Does not the gentleman feel sure that the floating class of boys going around the country to-day are not willing to give up the liberty they already have and go to these camps? It would simply make other boys anxious to get away from home and to go into them.

Mr. HOLADAY. I think the gentleman is right. I believe the boys floating around, the ones that are the greatest menace to the country, will not want to go into these camps, especially if you have discipline, and you must have discipline. They can leave any time they wish; and if they undertake to enforce discipline, these young men will pull out and leave. You are not doing anything for the boys that are homeless, and you will simply be adding thousands to the boys who will leave home and wander about the country.

Mr. COLLINS. Mr. Speaker, I yield three minutes to the

gentleman from Oregon [Mr. MARTIN].

Mr. MARTIN of Oregon. Mr. Speaker, I suppose some of the rest of you have been approached as I have, with the idea that all three amendments, the Connery amendment, the Taber amendment, and the Couzens amendment, should go out. Well, we have the Taber amendment and the Couzens amendment already out. It is not necessary for any trade. We have them killed anyway; we had them killed before this thing came up. Let us decide each amendment on its merits.

Mr. CONNERY. The Taber amendment is not out yet.
Mr. MARTIN of Oregon. Oh, yes, it is. It is dead as a
doornail. You need not worry about that. That amendment died when the Navy bill came up. You can not make
flesh of one and fish of another. Mr. Taber gave it up with
reference to the Navy officers, and he can not insist upon
it with Army officers.

Mr. TABER. The gentleman knows that some members of the Military and Naval Affairs Committees are going to

meet their responsibilities and not dodge them.

Mr. MARTIN of Oregon. Well, that kills it, anyway, so there is no use of hooking up the three as the Three Musketeers. Let us vote on each one, on its merits. So far as the Couzens amendment is concerned, we have had these citizens' military training camps in this country for 10 years, and I am astounded at my distinguished friend from Texas [Mr. Blanton] making the remark he did, that they are just creating crap-shooting camps.

Mr. BLANTON. Why, is there never any crap-shooting in the Army?

Mr. MARTIN of Oregon. Those camps are the greatest nationalistic movement that has been going on in this country for the last 10 years. We do more for the youth of this land in those camps than in any other way. We are trying to put some discipline into the youth of the land that they no longer get at home. I can not think of a finer thing that can be done to young men in the adolescent age than to give them a bath and have their hair cut and make them stand up and click their heels together and have some respect for authority and some respect for the flag.

And possibly if you could get some respect in that way, you would have some respect for yourselves. When these training camps were started, the program then was for 100,000 boys a year in them.

The SPEAKER pro tempore. The time of the gentleman from Oregon has expired.

Mr. COLLINS. Mr. Speaker, I yield two minutes to the gentleman from Alabama [Mr. Huddleston].

Mr. HUDDLESTON. Mr. Speaker, I was the first in the House to advocate Federal relief for the needy and distressed. My efforts were defeated by the cry of dole. Yet now it is proposed to grant a dole to a particular group.

This proposal is utterly unworkable and indefensible from the standpoint of practicability. I prefer, however, to oppose it from the standpoint of fairness and justice.

It selects for relief young men between 15 and 21 years of age, a class with the least responsibility, the smallest needs, and with the greatest capacity to care for themselves. It proposes to give them the benefit of direct Federal relief.

to the exclusion of the old, the crippled, the helpless, the incompetent, and the women and the children. Who will dare to defend a vote to care for at a Federal institution only young, the strong, and the able-bodied, and to ignore the sufferings of the helpless women and the little children. If we are to care for any group, then let the women and children and the helpless come first. [Applause.]

Mr. COLLINS. Mr. Speaker, I yield three minutes to the

gentleman from Connecticut [Mr. Goss].

Mr. GOSS. Mr. Speaker, I do not think there is a Member on the floor of the House within the hearing of my voice who does not know where I stand on national defense. I can not vote for this amendment. To my mind, it is not a question of national defense. Last year I went down to the War Department and studied the Curry bill. I wanted to see some legislation come out after due deliberation and

hearings in connection with this very subject.

I found at that time we could take 220,000 ex-service men in the Army, Navy, and Marine Corps, and still be within the limits of the national defense act, costing about \$100,-000,000. This bill, I understand, would encamp around 88,000 boys, yet it will not train them. There is nothing in the bill that puts it in the classification as citizens' military training camps. This is merely a relief question. The other day when the chairman of the Military Affairs Committee [Mr. McSwain] and other Members were appealed to, we as a body went before the Committee on Rules, asking that the rule not be granted making in order the new legislation with regard to flying pay. I have spoken many times on the floor about this matter of the Committee on Appropriations usurping the powers of our legislative committees. Now the committee has taken a stand on this matter, and it will continue from this time on, and we will fight every matter of legislation coming from the Committee on Appropriations to see that that committee does not usurp the powers of the Committee on Military Affairs.

Mr. Speaker, this amendment has been put in on the floor of the Senate, with no hearings, no time to discuss or debate the matter. It has never been referred to a legislative committee, and I join with those who would like to see our national defense act lived up to. We are shy perhaps 200,000 men in the Army, Navy, and Marine Corps; but we can not go about it in this way. This is purely a relief matter and nothing else. [Applause.]

The SPEAKER pro tempore. The time of the gentleman

from Connecticut [Mr. Goss] has expired.

Mr. COLLINS. Mr. Speaker, I yield two minutes to the

gentleman from Georgia [Mr. WRIGHT].

Mr. WRIGHT. Mr. Speaker, in common with all Members, I have great sympathy for boys between the ages of 15 and 21 who are out of employment, who are penniless, who have no means of support and have no parents to take care of them; but the trouble about this provision is that while it is offered as a relief measure, under the wording of the Couzens amendment it could include the richest boy in the United States. He would be eligible for these 12 months' camps

Mr. STAFFORD. Will the gentleman yield?

Mr. WRIGHT. Yes. I yield.

Mr. STAFFORD. He has to be out of work before he can go to the camp. He has to be out of work for six months.

Mr. WRIGHT. Yes; but he could have a pocketful of money. All the requirements are that the boy shall be as much as 15 years and not over 21 years old and must have been out of employment for six months. That could embrace the richest boys in the United States. They would be eligible for this.

Mr. STAFFORD. Will the gentleman yield further?

Mr. WRIGHT. Certainly.

Mr. STAFFORD. It would not do the rich boys any harm to have some military training.

Mr. WRIGHT. But they do not get it under the provisions of this amendment. The trouble is there is no discipline authorized here for the citizens' military training camps.

The SPEAKER pro tempore. The time of the gentleman from Georgia has expired.

Mr. COLLINS. Mr. Speaker, I yield five minutes to the gentleman from Idaho [Mr. French].

Mr. FRENCH. Mr. Speaker, the Barbour amendment provides for appropriating \$10,000,000. The Couzens amendment provides for \$22,000,000, and I am opposed to either or both of them. They provide for setting up military training camps that will accommodate for 12 months some 85,000 boys between the ages of 15 and 21 years, and who have been out of employment for a period of six months. The proposed program would mean about \$250 per boy. I honor the humanitarian spirit of the distinguished Senator and of our colleague [Mr. Barbour] who sponsor the amendments, but it is my sound judgment that they would not accomplish that for which they are designed.

I am opposed to the program because I am interested in the highest welfare of the young boys of the United States. Those of you who a few minutes ago looked up into the gallery of this Chamber at my right saw it filled with fine girls and boys. The group has just gone, but it is the type of youth that is representative of every section of the United States and upon whom and others like them our

civilization depends.

Under the terms of the amendment these 85,000 boys would be gathered into training camps. Fine physicial exercises and certain helpful discipline would be had. The spirit of love of country would be instilled. All these are good; but unless something other than is set forth were accomplished—something that camps are not able to provide these young men, clothed, fed would not have been given those courses and that experience that at the end of 12 months would make them better able to fit into the problems of life, in all likelihood, than they were at the time they entered. They would not have had the hard and fine experience of self-reliance which rugged youth in other times of crises went through and which made them strong and rugged men. They would go away from camps improved in many ways no doubt, and more sophisticated than when they entered, but I do not believe they would better fit into the problems of life. They would not more easily find a place. They would want something more to be done for them.

But, Mr. Speaker, I am thinking of another million or two million boys throughout the United States who would not be permitted to enter, boys who would want to follow in the steps of the first 85,000. Boys love adventure. There is hardly a boy in the United States who would not freely give up one year in high school or sign away several years of life for an opportunity of being in a camp with Army officers about. There is something magic about it. These boys will ask for the same treatment. There is in the United States to-day an organization laboring for these boys. It is under the management of a devoted committee known as the National Committee on Care of the Transient and Homeless.

This committee is opposed to the program brought forward here and is quoted in the press as having said but recently:

The number of boys now in communities who might become transients must not be increased by any alluring national-camp plans.

This question is one that must be approached from the standpoint of the local community.

Ladies and gentlemen, I am thinking of this question from the standpoint of preparing the boys of our land for the problems that are in front of them; and in that respect I want to tell you the plan proposed does not meet the situation. Even though times be hard and disturbed in our country, the best place for boys of this age, the best community, is the home community. The best roof that boys can have is the home roof. The amendments ought to fail. [Applause.]

Mr. COLLINS. Mr. Speaker, I move the previous question on the pending motion.

The previous question was ordered.

motion of the gentleman from California to recede and concur with an amendment.

The motion to recede and concur with an amendment was

The SPEAKER pro tempore. The question recurs on the motion of the gentleman from Mississippi that the House insist on its disagreement to the Senate amendment.

The question was taken; and on a division (demanded by Mr. Stafford) there were-ayes 165, noes 31.

So the motion to further insist on its disagreement to the Senate amendment was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 40: Page 63, after line 3, strike out lines 4 to

Mr. COLLINS. Mr. Speaker, I move that the House recede from its disagreement to the Senate amendment and concur in the same.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 41: Page 65, line 1, strike out "\$820,795" and insert in lieu thereof "\$847,943."

Mr. COLLINS. Mr. Speaker, I move that the House further insist upon its disagreement to the Senate amendment. The motion was agreed to.

Mr. COLLINS. Mr. Speaker, I move that the House insist upon its disagreement to the Senate amendments and ask for a further conference.

The motion was agreed to.

The Chair appointed the following conferees: Messrs. COLLINS, WRIGHT, PARKS, BARBOUR, and CLAGUE.

INDEPENDENT OFFICES APPROPRIATION BILL, FISCAL YEAR 1934

Mr. WOODRUM. Mr. Speaker, I call up the conference report on the bill (H. R. 14458) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1934, and for other purposes.

The Clerk read the title of the bill.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 14458) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices for the fiscal year ending June 30, 1934, and for other purposes, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendment numbered 4. That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, 3, 5, 6, 8, and 10, and agree to the same.

Amendment numbered 7: That the House recede from its disagreement to the amendment of the Senate numbered 7. and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: "\$780,000, of which \$280,000 shall be available for the completion of the public utilities investigations undertaken pursuant to Senate Resolution No. 83, Seventieth Congress"; and the Senate agree to the same.

Amendment numbered 9: That the House recede from its disagreement to the amendment of the Senate numbered 9. and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$800,000"; and the Senate agree to the same.

Amendment numbered 11: That the House recede from its disagreement to the amendment of the Senate numbered | the Federal Trade Commission.

The SPEAKER pro tempore. The question is on the | 11, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$1,003,159,779"; and the Senate agree to the same.

C. A. WOODRUM, JOHN J. BOYLAN, JOHN W. SUMMERS, Managers on the part of the House. REED SMOOT. FREDERICK HALE, HENRY W. KEYES, CARTER GLASS.

ROYAL S. COPELAND, Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 14458) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1934, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

AMENDMENTS ADJUSTING TOTALS AND CORRECTING CITATIONS AND TRANSPOSITIONS OF LANGUAGE

Recommendations in the accompanying report as to the following amendments are for the purpose of adjusting totals to conform to the action of the conferees on the controlling amendments and correcting citations and transpositions of language: 3, 5, 6, 9, 10, and 11.

SECRETARIES TO THE PRESIDENT

On Nos. 1 and 2: Appropriates \$114,665, as provided by the Senate, instead of \$115,665, as provided by the House, for personal services in the office of the President, and provides for two assistant secretaries to the President, at \$9,500 each, as proposed by the Senate, instead of two additional secretaries to the President at \$10,000 each, as proposed by the House.

BUREAU OF EFFICIENCY

On No. 4: Restores the language, stricken out by the Senate, providing appropriations totaling \$146,298 for the Bureau of Efficiency.

FEDERAL TRADE COMMISSION

On No. 7: Appropriates \$780,000, instead of \$500,000 as proposed by the House and \$1,081,500 as proposed by the Senate, for the general expenses of the Federal Trade Commission and retains the Senate language which provides that \$280,000 of the appropriation shall be available for the completion of the public-utilities investigations undertaken pursuant to Senate Resolution No. 83, Seventieth Congress.

On No. 8: Appropriates \$20,000, as proposed by the Scnate, instead of \$10,000, as proposed by the House, for printing and binding for the Federal Trade Commission.

C. A. WOODRUM, JOHN J. BOYLAN. JOHN W. SUMMERS, Managers on the part of the House.

Mr. WOODRUM. Mr. Speaker, I ask unanimous consent to proceed for 10 minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. WOODRUM. Mr. Speaker, this is the independent offices appropriation bill conference report, and I should like to make a brief statement as to its status in order that the House may understand it before I make a motion to dispose of the matter.

There is practically only one proposition in disagreement between the two bodies, and that is the appropriation for

The Senate amendments, several of them in number, consist largely of typographical corrections and the corrections of totals, and one amendment withdrawing the appropriation from the Bureau of Efficiency. The conference report rejected a Senate amendment, withdrawing the appropriation for the Bureau of Efficiency, but since that time the House to-day has adopted the conference report on the Post Office-Treasury bill which disposes of the Bureau of Efficiency. So that is no longer an item in disagreement on this matter, and the House can now eliminate the appropriation for that bureau.

The only item in disagreement is the appropriation by the Federal Trade Commission. The Senate unanimously refused to accept the conference report on that and the bill now is at a deadlock on this item. This, briefly, is the situation on this item: The Bureau of the Budget recommended \$1,089,550, plus \$20,000 for printing and binding, for the Federal Trade Commission for 1934. The Committee on Appropriations cut that to \$510,000. Personally I felt the cut was too much. It will be remembered that the House endeavored to adopt the Bankhead amendment raising that to \$780,000, for which I voted; but on a record vote that failed. So the bill went to the Senate with the \$510,000 for the Federal Trade Commission.

The Senate Committee on Appropriations raised this amount to \$780,000, which was the amount recommended in the Bankhead amendment, which, however, failed of passage in the House.

The conferees agreed to accept the \$780,000 and the bill went to the Senate in that form. The Senate adopted an amendment raising the amount to \$1,081,500, practically the original Budget estimate; and when the conferees refused to accept this increase of nearly \$600,000, the Senate yesterday unanimously rejected the conference report and sent it back to conference, however, I think, under an entire misapprehension as to the actual facts involved.

It was stated on the floor of the other body that the purpose of putting into the bill this additional \$280,000 above what the conferees had agreed on was to allow the completion of the public-utilities investigation ordered by Senate Resolution 83.

Now, Mr. Speaker, you will find by examining the hearings before the Subcommittee on Appropirations that the commission stated, page 247-and I read verbatim from the

The estimates for 1934 do not include any funds for the continuation of the current special investigations regarding power and gas utilities, chain stores, cottonseed industry, cement or building material industry, as these investigations will be ended June 30, 1933.

So there was nothing in those estimates for 1934 for the utilities investigation. They are going to complete that by July 1, 1933, and the money is provided. That is not all. We asked them the specific question before my committee. Question by Mr. Woodrum, page 273:

How much of your 1934 estimate is allocated to these new investigations?

Answer:

A total of \$333.134-

And so forth.

That is the four new investigations that the Federal Trade Commission wanted to initiate on their own motion and that the committee did not think they ought to initiate unless Congress or the Senate or the incoming administration instructed them so to do.

So that the bill as it stands according to the conference agreement gives the Federal Trade Commission exactly what the Budget estimated they should have, with the exception of the amount of money that it wanted to put in there for four new investigations they wanted to initiate on their own motion.

Mr. COCHRAN of Missouri. Will the gentleman yield?

Mr. WOODRUM. Yes.

Mr. COCHRAN of Missouri. The gentleman has made a very strong statement from his point of view. In the first

place, every time this appropriation has come before the House of Representatives there has been an effort made to cripple the Federal Trade Commission. There is no appropriation I know of that has suffered any more at the hands of the Appropriations Committee than the appropriation for the Federal Trade Commission, because it was reduced to \$500,000 when the Bureau of the Budget requested over \$1,000,000. It is true that some of these investigations are going to end July 1 next, but how about the reports? What is the gentleman going to do about the reports? Does the gentleman want the economic division to make the reports to Congress or not? Do you want the work wasted?

Mr. WOODRUM. All we have done is to take out the

money for these four new investigations; and let me call the gentleman's attention to the statement of Commissioner March on page 279 of the hearings:

There is one more thought I would like to leave with you, Mr. Chairman, before we adjourn, and that is that these publicutilities investigations—this particular investigation, of course, will be closed, but under section 6 we can continue at any time, if we have the money, to investigate any particular company we wish to investigate. wish to investigate.

And so forth. The committee thought that the way to save money is not going to be so much by reorganization of departments, and so forth, as it is going to be by stopping useless functions and cutting out certain functions of government. That is where you save money; and our committee thought that the time had come when if they were to begin four new investigations, this ought to be done only after the new Federal Trade Commission is organized and a new administration has said that such investigations ought to be initiated.

There is no attempt here to cripple the Federal Trade Commission in any legitimate function they have to perform under the law, but there is an attempt to save \$300,000 for the taxpayers of the country. [Applause.]
Mr. COCHRAN of Missouri. Will the gentleman from

Virginia again yield?

Mr. WOODRUM. Yes.

Mr. COCHRAN of Missouri. If you give them this money and permit them to start the new investigations and look into some of the practices of the great corporations, the final result will be you are going to save the taxpayers and the people who are buying the worthless stock floated by some corporations not \$300,000 but \$300,000,000 and more.

Mr. WOODRUM. Well, I shall not debate with the gentleman whether the investigations ought to be made. Maybe they ought to be made, and they have the money now to carry them to July 1 next, and if the incoming administration and the reorganized Federal Trade Commission think there ought to be certain investigations I believe Congress will give them the authority to make the investigations and the money to make them with after we are convinced they ought to be made; but we do not think a lame duck Federal Trade Commission ought to start out on four new investigations and spend about \$300,000 and come back next year and say, "You have got to give us some more money, because we have started on the work and we can not lay it down." [Applause.]

Now, Mr. Speaker, I want to submit a unanimous-consent request with regard to this conference report.

I ask unanimous consent that the Senate amendments, aside from the Federal Trade Commission amendments, Nos. 7, 8, 9, and 11, be considered en bloc and that the House recede and concur in the Senate amendments.

The SPEAKER. The gentleman from Virginia asks unanimous consent to consider en bloc the Senate amendments, except the amendments referred to, and that the House concur in the Senate amendments. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. WOODRUM. Mr. Speaker, I now move that the House further insist on its disagreement to Senate amendments Nos. 7 and 8, which are the Federal Trade Commission amendments, and agree to the conference asked by the Senate.

The Clerk read as follows:

Amendment No. 7: Page 22, line 8, strike out "\$500,000" and insert "\$1,081,500, of which \$280,000 shall be available for the completion of the public utilities investigations undertaken pursuant to Senate Resolution No. 83, Seventieth Congress."

Amendment No. 8: Page 22, line 13, strike out "\$10,000" and insert "\$20,000."

The SPEAKER. The gentleman from Virginia moves that the House further insist upon its disagreement to the Senate

Mr. WOODRUM. Mr. Speaker, I ask for a division.

The House divided; and there were-ayes 89, noes 6.

So the motion was agreed to.

Mr. WOODRUM. Mr. Speaker, there are one or two other amendments involving totals, and I ask unanimous consent that they may be included in my request.

The SPEAKER. Is there objection?

There was no objection.

The SPEAKER. The Chair appoints the following conferees: Messrs. Woodrum, Boylan, and Summers of Wash-

AUTHORIZING NATIONAL RED CROSS AND OTHER ORGANIZATIONS TO EXCHANGE COTTON FOR WOOL

Mr. JONES. Mr. Speaker, I ask unanimous consent for the present consideration of Senate Joint Resolution 228.

The Clerk read the joint resolution, as follows:

Resolved, etc., That the American National Red Cross or any other organization to which Government-owned cotton has been or shall hereafter be delivered pursuant to law is hereby authorfixed, if it shall be deemed advisable, to exchange any such cotton for cloth or wearing apparel or other articles of clothing containing wool.

The SPEAKER. Is there objection?

There was no objection.

Mr. JONES. Mr. Speaker, in connection with this resolution-Senate Joint Resolution 228-some of the Members inform me that in the colder climates it is very desirable in some instances to use a small amount of wool as a part of the cotton garment.

They assure me that it will only be necessary to use a relatively small amount of wool as a part of the cotton article to make it more effective.

It is intended that in most sections the exchange shall continue to be made for all cotton articles, and that the resolution shall only apply in the colder climates when in the discretion of the Red Cross it is desirable to have it do so, and that even in such instances the major portion of the article will continue to be made of cotton, and only a small percentage of any article be composed of wool.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SELECTION OF CERTAIN LANDS IN CALIFORNIA FOR A STATE PARK SYSTEM

Mr. SWING. Mr. Speaker, I ask unanimous consent for the present consideration of S. 5612, to provide for the selection of certain lands in the State of California for the use of the California State park system.

The SPEAKER. Is there objection. Mr. BLANTON. I object.

Mr. SWING. Mr. Speaker, I move to suspend the rules and pass the bill (S. 5612) to provide for the selection of certain lands in the State of California, and for the use of the California State park system.

The Clerk read the bill, as follows:

Be it enacted, etc., That subject to valid rights existing on the date of this act, the State of California may within five years select for State park purposes by legal subdivisions all or any portion of the public land not reserved for public purposes in the following townships:

Township 9, south, range 4 east; township 9 south, range 5 east; township 9 south, range 6 east; township 9 south, range 7 east; township 9 south, range 8 east; township 10 south, range 5 east; township 10 south, range 6 east; township 10 south, range 7 east; township 10 south, range 8 east; township 11 south, range 5 east; township 11 south, range 6 east; township 11 south, range 7 east; township 12 south, range 8 east; township 12 south, range 5 east; township 12 south, range 6 east; township 12 south, range 7 east; township 12 south, range 8 east; San Bernardino meridian.

Upon the submission of satisfactory proof that the land selected contains characteristic desert growth and scenic or other natural contains characteristic desert growth and scenic or other natural features which it is desirable to preserve as a part of the California State park system, the Secretary of the Interior shall cause patents to issue therefor: *Provided*, That there shall be reserved to the United States all coal, oil, gas, or other mineral contained in such lands, together with the right to prospect for, mine, and remove the same at such times and under such conditions as the Secretary of the Interior may prescribe; *Provided in the*. That any Secretary of the Interior may prescribe: Provided jurther, That any patent so issued shall contain a provision for reversion of title to the United States upon a finding by the Secretary of the Interior that for a period of more than one year the land has not been used by the State for park purposes. used by the State for park purposes.

Mr. BLANTON. Mr. Speaker, I demand a second.

Mr. SWING. Mr. Speaker, I ask unanimous consent that a second be considered as ordered.

The SPEAKER. Is there objection?

There was no objection.

Mr. SWING. Mr. Speaker, this is a bill passed by the Senate, and a companion bill has been unanimously reported by the House Committee on the Public Lands.

The bill proposes to permit the State of California to create a State park out of some typical desert lands, about half of which is public land and about half of which is private land owned by railroads under the Federal grant system. The latter will have to be acquired by the State at its own expense.

Actually, according to the General Land Office field survey report, the land contains no mineral, no commercial timber, and only a very small part of it has any possible

present or future agricultural value. It is in an area where the rainfall is only about 1 or 2

inches, and the land is mostly mountainous and worthless, except for its unusual desert flora, including some fine growth of Washingtonian palms, commonly called fan palms. There are also some fine specimens of cacti, ocotilla, and other desert shrubs and flowers.

The State of California offers to preserve these specimens that have been declared by scientists and experts to be of great value. It will undertake at its own expense to preserve them and develop roads and make the area accessible.

The bill provides that if at any time the State should neglect or fail to use it for a park, the lands granted shall revert to the United States Government.

In addition to that, the bill reserves to the United States Government all oil and mineral rights, and the right to go on the land and prospect and develop and take them out. It seems to me that the United States Government is not giving away anything that is worth anything. Here is an opportunity to have preserved for future generations at the expense of the State of California this rather exceptional area of desert fauna and flora. To-day vandals are going in and digging up these specimens and carrying them off to the loss of the area and to the loss of the next generation.

Mr. SNELL. Mr. Speaker, will the gentleman yield?

Mr. SWING. Yes.

Mr. SNELL. How many acres are there involved in this? Mr. SWING. In the exterior limits about 189,000 acres. Mr. SNELL. This actually is of no use to the Federal

Government?

Mr. SWING. I can assure the gentleman and Members of the House that I am acquainted with the area, and that the public lands would not support one family. Whatever land there is of value has already been entered, and the rights of the entryman are fully protected under this bill.

Mr. SNELL. What is the State going to do with it? Mr. SWING. It is going to make a desert park out of it

and preserve the fauna and flora. Mr. SNELL. A desert park is a new kind of park, is it not?

Mr. SWING. Yes. Mr. SNELL. I think we ought to have one.

Mr. SWING. So do I.

Mr. KETCHAM. Have any steps been taken by the State of California toward the acquisition of this land?

Mr. SWING. The State of California has already taken steps and by popular subscription raised funds from which 5,000 acres of privately owned lands have already been many more acres.

Mr. KETCHAM. Has the gentleman the figures that have been paid for those lands?

Mr. SWING. I do not know; but it is not of very high

Mr. CULKIN. There are no reclamation features in this, are there?

Mr. SWING. None at all; and there can not be, because there is no possible water supply that could be developed to irrigate any portion of this land.

Mr. STAFFORD. This land is to be used for a public park and so will be removed from the possibility of reclamation.

Mr. SWING. Yes; under the bill it can not be used for anything except park purposes. I reserve the remainder of

Mr. BLANTON. Mr. Speaker, this is a most ridiculous bill to be called up at this hour and passed under suspension of all rules in the closing hours of this Congress. The gentleman from New York [Mr. SNELL], who is always earnestly inquiring around, and who at this time is particularly inquiring, saw fit to ask a very pertinent question as to how much public land this bill involves. My friend from California said 189,000 acres. I am going to tell the gentleman the exact number. It is 189,940 acres of public land. We are the custodians of that land. We are the people's representatives who are looking after these 189,940 acres of public land that belongs to them. Are we going to take it out of entry? Are we going to fix it so that the soldier boys of the country can not enter it if they want to take it up? I am thinking of them. I am getting applications from them every day, and I am writing letters to the land commissioner and asking him to send them information so that they can take up these public lands, and I am not going to vote for a single bill that takes this land away from them when they are entitled to it.

Mr. SNELL. If this is absolutely barren, sand desert, what soldier boy would ever want to go and enter it?

Mr. BLANTON. I wish my friend from New York knew as much about barren sandy desert land as I do.

Mr. SNELL. And this might take it out of the possibility of those people out there coming to the Government and wanting us to reclaim it.

Mr. BLANTON. There is in the district of my friend, THOMASON, of El Paso, a county called Winkler. When I first came here 17 years ago representing the old Jumbo district of 59 counties, that county was in my district. That was the one county seat, Kermit, that I had not visited. I tried to go there one day in a Ford automobile, and it can travel sand as well as any car that is made. I went through sand hub deep in that car. It took me four hours to go a mile and a half. I burned out the bearings and had to leave the car when I was within 3 miles of the county seat. There were only 29 voters in the county at that time. Time has passed, and since then some of the greatest oil wells in the United States were discovered in Winkler County. Valuable oil was under that sand. I wish you could now see the boulevards that traverse that county-great fine boulevards over which you can drive at the rate of 80 miles an hour. I wish you could see the railroad tank loading platforms that are now in that vicinity since they have those big oil wells there.

Mr. SWING. Mr. Speaker, will the gentleman yield? Mr. BLANTON. Just one minute.

I was telling my friend from New York what can happen to barren sand where no rainfall occurs.

I remember back in the early days of Texas when the 254 counties of Texas owned their school lands. When our Republic became a State the school system was given certain school lands, large acreage of it in each county for the school children of Texas.

That was called the county school lands of each county. It was controlled by the commissioners' court of the county. They were the custodians for the people of that public land, just as we are custodians for the people of the public land

purchased and options taken upon private lands to that of the United States. Those commissioners let most of that school land, the valuable heritage of the school children of Texas, be frittered away. They considered a great big acreage of it out in the northwestern portion of Texas as worthless; that there was no rainfall. Some of it was sand deserts, and they sold some of it for 50 cents an acre. Now, some of it is worth \$50 and \$100 an acre. Texas gave 3,000,000 acres of that land for our State capitol, at \$1 an acre. The capitol was supposed to have cost \$3,000,000. They gave 3,000,000 acres for the State capitol, and the syndicate which got that 3,000,000 acres has made millions of dollars off of the school children of Texas. Some of that land is now worth \$50 or \$60 or \$70 an acre. I am not willing to say that this Government land is not going to be valuable in the years to come. I know there are 4,000,000 American men who wore the uniform in the recent war who have a special right to take up those public lands of the United States. I know that some of them are applying to me every day to help them take it up.

Here is my friend from California, who is going to leave us, and I am sorry we are to lose him. I am one of his friends. I have backed him up. I am sorry he is going home, but just as a favor to him, I am not willing to pass his bill which takes 189,940 acres of public lands away from entry on the part of the soldiery of this country, who fought the World War and saved the civilization of the world. I am not willing to take it way from them for some desert park for California.

If there is no rainfall there, if it is a desert and if it is worthless, why does my friend think California will be so interested that they will build highways to permit people to go see a desert park? The gentleman spoke of gorges. Every man who has lived in a country where water means everything knows the value of gorges. Whenever you find a gorge you have a possibility for water. My friend knows that, too. You can dam up a gorge, little or big, and sooner or later you will get water in it. You will get some water in it when you dam it up. You will get the rainfall, whatever it is. There was a time when there was not much rainfall in Oklahoma and Kansas to speak of. There was a time when they thought it was worthless, and that is one reason they gave Oklahoma to the Indians. Now it is the finest agricultural garden spot on God's earth. The seasons have changed both in Kansas and Oklahoma. There is plenty of rainfall there now.

A change could come out there as to this western land.

Mr. GLOVER. Will the gentleman yield? Mr. BLANTON. Certainly, because the gentleman from Arkansas always has good ideas, and I think he is a most valuable man here.

Mr. GLOVER. The statement has been made that this land is without value. If the gentleman will read the report, he will see it is stated that the State has already purchased, with funds subscribed by public-spirited citizens, approximately 6,000 acres of private holdings within the interior limits of the proposed park. Now, if the Government land is of no value, why was it that the public-spirited citizens had to get together and buy 6,000 acres?

Mr. BLANTON. Just the reading of that report answers the question. Do you know why they write plays like "Of "? Do you know why "Of Thee I Sing" has Thee I Sing' been going all over the country? Do you know why it was so interesting that the minority leader [Mr. SNELL] and the Speaker [Mr. Garner] had to have a special box down there? It is just because we pass such ridiculous bills as this here in the House of Representatives. [Laughter and applause.]

I want to say to you the time has come for us to stop it. We ought to stop passing bills of this kind. One hundred and eighty-nine thousand nine hundred and forty acres of public land are involved in this bill; and if you pass it for PHIL SWING, some day they will write another story about you "Of Thee I Sing," and it will be going all over the United States.

Mr. CONNERY. Will the gentleman yield?
Mr. BLANTON. I yield to the greatest actor in the House.

Mr. CONNERY. I call attention to the fact that in "Of Thee I Sing" no reference is made to the House. It was to the other body.

Mr. BLANTON. Oh, inferentially, it applied to the House just as it did to the Senate. It applied to the Congress of the United States. This is the big end of the Congress. This is the end that looks after the rights of the people. You are the representatives who are nearest to the people back home. They do expect something of you and they are looking for you to protect their rights in 189,940 acres of public land.

Now, are you just going to pass this because you are a friend of Phil Swing, and let these Californians out there, who know the value of this property and who have already spent their good money to buy 5,000 acres of land adjoining it, as shown by the gentleman from Arkansas when he read the report, have this land? If they are interested in it, I take it that we, as representatives of the people of this country, ought to be interested in this great body of land—189.940 acres.

I hope the gentleman from New York [Mr. Snell], after he has been continued at the caucus last night as the great leader of the Republican Party of this country, will lead his forces against this bill. I hope my Democratic colleagues here will help us stop this bill and protect the rights of the people.

Mr. Speaker, I reserve the balance of my time.

Mr. SWING. Mr. Speaker, I yield five minutes to the gentleman from Nevada [Mr. Arentz].

Mr. ARENTZ. Mr. Speaker, it is always very interesting and instructive to listen to the gentleman from Texas. I wish I could get excited about this bill. I have spent 10 years in this House, and for 10 years I have been a member of the Committee on Public Lands. In all my experience with bills advocated by the western men on this floor—and I am talking about the gentleman from Montana [Mr. Leavitt], the gentleman from California [Mr. Swing], and other members of the Committee on Public Lands—there is not one single solitary bill that will not stand the full light of day or of which I am ashamed, not one solitary bill during that period of time.

Mr. BLANTON. Mr. Speaker, will the gentleman yield? Mr. ARENTZ. I yield.

Mr. BLANTON. How about the famous million-dollar mountain top bill that once overnight was traded for the free garden seed proposal here one time? Does the gentleman remember the million-dollar mountain top bill?

Mr. ARENTZ. Scattered over this vast area of 189,940 acres will be found a little spring here and a little seep there, a little acreage that has been taken up by supposed ranchers, by people who had hopes that in some way they could get enough water on the soil to raise a few crops. This does not amount to more than 5,000 acres out of 189,000, and the State of California has gone in here to acquire these little seeps, to these little canyons where there is a little trickling stream of water, where water has been developed and applied to a little spot of ground, where there are a few flowers, where some desert worshiper has built a little wikiup or pitched a tent or built a little small cabin and lives for certain months.

The people of the United States are beginning to realize that there is something besides city life. They are beginning to appreciate that off in the desert they find a place where they can contemplate, where they can think, where they can philosophize. They can go off where very few people go. They can look at the bright stars and the deep blue sky by night and go out under the blazing sun by day.

California wants to perpetuate this area for all time, wants to keep the plants from being uprooted, wants to develop these little seeps, wants to buy these small fractions of acreage from the people who have located on it. The people of the State are willing to spend their money on this development, want to develop the little seeps and the little water holes so they can be used by prospectors or others who find themselves in that desert country.

All the mineral under the ground has been reserved to the United States. If in the future they find oil it will belong to the people of the United States; and I hope that at some future time, as the gentleman from Texas has stated, this area, like that area down in Texas, will blossom like the rose, and we will have concrete, or rather oil, highways going through it; and not only 75,000-barrel wells but 1,000,000-barrel wells gushing out of the ground. I will be willing then that this herbage, this grass, these little seep holes, this development, instead of being a thing of beauty shall be turned into a thing of commercial benefit to all.

Mr. KETCHAM. Mr. Speaker, will the gentleman yield? Mr. ARENTZ. I yield.

Mr. KETCHAM. Can the gentleman state how far this land is from a Federal highway?

Mr. ARENTZ. The gentleman from California can answer that question.

Mr. SWING. At the present time it is quite distant, removed, but the State itself expects to build a road to develop this area.

Mr. KETCHAM. The gentleman better state that there will be in the future no requests for Federal aid to build a system of park roads and trails involving tremendous expenditures.

Mr. SWING. I can absolutely assure the House of that. The State of California has already voted its own bond issue and is prepared to spend its own money to make this a park for the benefit not only of the present generation but of future generations as well.

[Here the gavel fell.]

Mr. SWING. Mr. Speaker, I yield one minute to the gentleman from Alabama [Mr. Patterson].

Mr. PATTERSON. Mr. Speaker, I rise to say that I have looked into the merits of this bill as best I could from the information that has been given me through the office of our distinguished leader and by that efficient clerk, Mr. Price. I have given consideration to other sources of information, and in a small way I know something of this section of the country.

I believe this is a good bill. I believe it should be passed, and that the State of California should be given the right to preserve this part of our national domain as a desert park. I hope the Members on this side of the aisle will support this meritorious measure. I believe it was reported unanimously by the Committee on Public Lands. It costs the Government nothing; it reserves to the Government all mineral and oil rights. I hope the bill will be passed by a large vote.

[Here the gavel fell.]

Mr. SWING. Mr. Speaker, I yield five minutes to the gentleman from Wisconsin [Mr. Stafford].

Mr. STAFFORD. Mr. Speaker, this bill is on the Consent Calendar. I examined the report quite carefully before it was called on Consent Calendar day. The thought that came to my mind, as I read the report, was whether it was not better to have the State take over jurisdiction of this area and create a State park rather than have the burden thrown upon the National Government of using it as a national park.

We have national parks distributed throughout the West maintained by the Government at the expense of thousands upon thousands of dollars. The character of the surface of this soil is particularly suited for park purposes. If it is the desire of the State of California to take the public land comprised in these exterior bounds and maintain it for park purposes, even though the lands are worth 50 cents up to \$7 an acre, why should we hesitate about granting this privilege to the State? No further burden will be entailed upon the National Government, and the ground is particularly suitable for park purposes.

The question largely is one of whether the National Government should maintain it or the State. I take the position that when the State has signified its willingness to assume the burden to the extent of purchasing 6,000 acres within the confines of the proposed park, we should gra-

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ciously extend the land to the State, as we have done as to | areas along the Atlantic coast, in the Northwest, in the Southwest, and on the Pacific coast.

Mr. SNELL. Will the gentleman yield for a question?

Mr. STAFFORD. I yield.

Mr. SNELL. After reading the report my reaction is exactly the same as the gentleman from Wisconsin. Unless we give this to California now, within the next few years, the entire California delegation will come to Congress and want us to make this a national park, and then we will have to take care of it.

Mr. STAFFORD. Under the national park law this could be created a national monument, because of its peculiar topographic condition, but even though the land is worth a considerable sum, why not give it for this highly commendatory purpose of recreation, on the condition that if it is not used for public-park purposes it reverts to the United States.

Mr. SWING. It can be used for park purposes only, and if it is not used for that purpose continuously, it all reverts to the United States.

I ask for a vote, Mr. Speaker.

The SPEAKER. The question is on the motion of the gentleman from California to suspend the rules and pass the bill.

The question was taken; and on a division (demanded by Mr. Blanton) there were-ayes 107, noes 4.

Mr. BLANTON. Mr. Speaker, I make the point of order there is not a quorum present and object to the vote on that ground.

The SPEAKER. Evidently there is not a quorum present. The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were-yeas 264, nays 29, not voting 133, as follows:

[Roll No YEAS-

	- 11
Adkins	Condon
Allgood	Connery
Almon	Connolly
Amlie	Cooper, Tenn.
Andresen	Corning
Andrew, Mass.	Cox
Andrews, N. Y.	Coyle
Arentz	Crail
Arnold	Cross
Auf der Heide	Crowther
Ayres	Culkin
Bachmann	Cullen
Bacon	Darrow
Baldrige	Davenport
Barton	Davis, Pa.
Beedy	Delaney
Biddle	De Priest
Black	Dies
Bland	Doughton
Bloom	Dowell
Boehne	Doxey
Bohn	Drane
Boileau	Driver
Boland	Eagle
Bolton	Eaton, Colo.
Boylan	Eaton, N. J.
Briggs	Ellzey
Britten	Englebright
Browning	Erk
Buchanan	Eslick
Buckbee	Estep
Bulwinkle	Evans, Calif.
Burtness	Fernandez
Busby	Finley
Canfield	Fish
Cannon	Fitzpatrick
Carden	Flannagan
Carley	Flood
Carter, Calif.	Foss
Carter, Wyo.	Frear
Cary	Free
Castellow	French
Cavicchia	Fuller
Celler	Garber
Chavez	Gasque
Christgau	Gibson
Christopherson	Gilchrist
Clancy	Goss
Clark, N. C.	Green
Cochran, Mo.	Gregory
Cochran, Pa.	Griffin
Cole, Md.	Griswold
Collier	Guyer
Colton	Hadley

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Haines	McClintocl
Hall, N. Dak.	McCormac
Hancock, N. Y.	McGugin
Hare	McKeown
Harlan	McLeod
Hastings	McReynold
Hess	Major
Hill, Ala. Hill, Wash.	Manlove
	Mansfield
Hoch Hogg, W. Va.	Mapes Martin, Ma
Hollister	Martin, Or
Holmes	May May
Hooper	Mead
Hope	Michener
Horr	Millard
Houston, Del.	Milligan
Hull, Morton D.	Mitchell
Jacobsen	Moore, Ohi
Jeffers	Nelson, Me
Jenkins	Nelson, Mo
Johnson, Okla.	Nolan
Johnson, Tex.	Norton, Ne
Kahn	Norton, N.
Keller	Oliver, Ala
Kelly, Pa. Kerr	Oliver, N. 3
Ketcham	Overton
	Parker, Ga Parker, N.
Kinzer Kleberg	Parsons
Kniffin	Patman
Kopp	Patterson
Kunz	Peavey
Kurtz	Person
LaGuardia	Pittenger
Lambertson	Polk
Lambeth	Pratt, Hard
Lanham	Purnell
Lankford, Ga.	Ragon
Lankford, Va.	Rainey
Larrabee	Ramspeck
Larsen	Rankin
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So (two-thir the rules were suspended, and the bill was passed.

The following pairs were announced:

Until further notice:

Mr. Douglas of Arizona with Mr. Treadway.
Mr. Byrns with Mr. Brumm.
Mr. Lewis with Mr. Knutson.
Mr. Bankhead with Mr. Bacharach.
Mr. McDuffle with Mr. Beck.
Mr. Abernethy with Mr. Niedringhaus.
Mr. Crosser with Mr. Barbour.
Mr. Dickstein with Mrs. Pratt.
Mr. Fishburne with Mr. Cooper of Ohio.
Mr. Gillen with Mr. Doutrich.

Mr. Dickstein with Mr. Cooper of Ohio.
Mr. Fishburne with Mr. Cooper of Ohio.
Mr. Gillen with Mr. Doutrich.
Mr. Rayburn with Mr. Shreve.
Mr. Prall with Mr. Dyer.
Mr. Montague with Mr. Stokes.
Mr. O'Connor with Mr. Gifford.
Mr. Davis of Tennessee with Mr. Temple.
Mr. Sanders of Texas with Mr. Hartley.
Mr. Gambrill with Mr. Tinkham.
Mr. Steagall with Mr. Holaday.
Mr. Greenwood with Mr. Whitley.
Mr. Tierney with Mr. Withrow.
Mr. Hornor with Mr. Withrow.
Mr. Hornor with Mr. Hopkins.
Mr. Wingo with Mr. Kvale.
Mr. Hart with Mr. Murphy.
Mr. Sumners of Texas with Mr. Aldrich.
Mr. Evans of Montana and Mr. Johnson of Washington.
Mr. Romjue with Mr. Reid of Illinois.
Mr. Parks with Mr. Smith of Idaho.
Mr. Parks with Mr. Smith of Idaho.
Mr. Brand of Georgia with Mr. Magrady.
Mr. McMillan with Mr. Campbell of Iowa.
Mr. McMillan with Mr. Campbell of Iowa.
Mr. Kennedy of Maryland with Mr. Campbell of Pennsylvania.
Mr. Maloney with Mr. Chindblom.
Mr. Campana with Mr. Partridge.

Mr. Kennedy of Maryland with Mr. C Mr. Maloney with Mr. Chindblom. Mr. Chapman with Mr. Partridge. Mr. Mobley with Mr. Chiperfield. Mr. Collins with Mr. Selvig. Mr. Montet with Mr. Clague. Mr. Crowe with Mr. Timberlake. Mrs. Owen with Mr. Wood of Indiana. Mr. Crump with Mr. James.

Mr. Moore of Kentucky with Mr. Wyant.
Mr. DeRouen with Mr. Hogg of Indiana.
Mr. Pou with Mr. Golder.
Mr. Dickinson with Mr. Curry.
Mr. Stevenson with Mr. Clarke of New York.
Mr. Dieterich with Mr. Cable.
Mr. Douglass of Massachusetts with Mr. Hawley.
Mr. Sabath with Mr. Hall of Illinois.
Mr. Fulbright with Mr. Gates.
Mr. Stewart with Mr. Gates.
Mr. Goldsborough with Mr. Robinson.
Mr. Taylor of Colorado with Mr. Cole of Iowa.
Mr. Hall of Mississippi with Mr. William E. Hull,
Mr. Thomason with Mr. Allen.
Mr. Warren with Mr. Bowman.
Mr. Williams of Missouri with Mr. Mouser.
Mr. Igoe with Mr. Cooke.
Mr. Wright with Mr. Freeman.
Mr. Williams of Texas with Mr. Hardy.

GRIDGE ACROSS THE MISSOURI RIVER AT OR NE

BRIDGE ACROSS THE MISSOURI RIVER AT OR NEAR KANSAS CITY,

The SPEAKER laid before the House the following communication from the Senate.

The Clerk read as follows:

Ordered, That the House of Representatives be requested to return to the Senate the bill (H. R. 14500) to extend the time for completing the construction of a bridge across the Missouri River at or near Kansas City, Kans.

The order was agreed to.

SPEAKER PRO TEMPORE FOR THE EVENING SESSION

The SPEAKER designated Mr. RAINEY to preside as Speaker pro tempore at the evening session.

MODIFICATION OF CONTRACTS FOR SALE OF TIMBER ON INDIAN

Mr. LEAVITT. Mr. Speaker, by direction of the Committee on Indian Affairs, I ask unanimous consent to take from the Speaker's table the bill S. 6684 and agree to the Senate amendments with an amendment.

The Clerk read the Senate amendments, as follows, which were agreed to:

Page 1, line 4, strike out "tribal" and insert "general."
Page 1, line 5, strike out "may" and insert "is hereby authorized and directed to."

Page 1, line 5, strike out "any."
Page 1, line 6, strike out "contract" and insert "contracts."
Page 1, line 7, strike out all after "timber" down to and including "so" in line 8.
Page 2, line 6, after "Interior," insert "with the consent of the said general council." Page 2, line 6, after "authorized" insert "and directed."

The Clerk read the following Senate amendment:

Page 2, line 9, strike out all after "contract" down to and cluding "modification" in line 11 and insert ": And provided further, That hereafter no contract of sale of Indian timber shall be entered into without the consent of the said general council."

Mr. LEAVITT. I move to amend the amendment by inserting after the word "timber" the words "on the Klamath Indian Reservation in Oregon."

The amendment to the amendment was agreed to.

The Clerk read the following Senate amendment, which was agreed to:

Page 2, line 21, strike out all cluding "on," in line 4, page 3. strike out all after "labor," down to and in-

Mr. LEAVITT. Mr. Speaker, in compliance with the further instruction of the Committee on Indian Affairs, I ask unanimous consent to take from the Speaker's table the bill H. R. 12651 and agree to the Senate amendment.

The Clerk read the Senate amendment, as follows:

Page 1, line 8, strike out "192" and insert "1092."

The Senate amendment was agreed to.

POST OFFICE DEPARTMENT

Mr. MEAD. Mr. Speaker, I ask unanimous consent to take from the table the bill (H. R. 11270) to amend section 2 of the act entitled "An act making appropriations for the service of the Post Office Department for the fiscal year ending June 30, 1913, and for other purposes," with a Senate amendment thereto, and agree to the same.

The SPEAKER. The Clerk will report the Senate amend-

The Clerk read as follows:

Page 2, line 3, strike out "July" and insert "October."

Mr. STAFFORD. Mr. Speaker, what is the purpose of this?

Mr. MEAD. The amendment adopted by the Senate merely changes the recording date from July to October.

The SPEAKER. The question is on concurring in the Senate amendment.

The Senate amendment was concurred in.

GUST J. SCHWEITZER

Mr. BLACK. Mr. Speaker, by direction of the Committee on Claims I ask unanimous consent to take from the Speaker's table the bill (H. R. 4910) for the relief of Gust J. Schweitzer, with Senate amendments thereto, and concur in the Senate amendments.

The SPEAKER. The Clerk will report the Senate amendments.

The Clerk read as follows:

Page 1, line 5, strike out "\$400" and insert "\$100."
Page 2, line 10, strike out all after "each" down to and including "each" in line 12.

The SPEAKER. Is there objection?

There was no objection.

The Senate amendments were concurred in.

FREE IMPORTATION OF CERTAIN ARTICLES FOR SCIENTIFIC PURPOSES

Mr. COLLIER. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (H. R. 14579) to provide for the free importation of certain articles exported temporarily for scientific or educational purposes, and ask that it be considered in the House as in Committee of the Whole.

The SPEAKER. Is there objection?

Mr. STAFFORD. Mr. Speaker, I reserve the right to object. When we had under consideration the bill amending the Chicago Exposition Act, which contained a provision granting a similar privilege, there was a limitation fixed of six months. Is it purposed by this provision that you will grant them the right at any time to have them returned without payment of duty?

Mr. COLLIER. The committee discussed that, and decided not to put any limitation upon it. This bill is in the interest of the suppression of crime. The police departments of large cities like Chicago and New York are engaged in these ballistic experiments with the police of other cities; and in order to do that they have to send these weapons back and forth.

The SPEAKER. Is there objection?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That Title II of the tariff act of 1930 is amended by adding at the end thereof the following:

"PAR. 1815. Articles, when returned after having been and exported for use temporarily abroad solely for exhibition, examination, or experimentation, for scientific or educational purposes, if imported by or for the account of the person who exported them from the United States, and not for sale, subject to such regulations as the Secretary of the Treasury shall prescribe."

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider laid on the table.

The SPEAKER. The Chair desires to make a statement in respect to the bill just passed. The Chair recognized the gentleman from Mississippi to pass the bill because he was told that it came with the unanimous report from the Committee on Ways and Means, and the Chair has a great deal of respect for the Committee on Ways and Means.

INVESTIGATION OF CERTAIN PUBLIC UTILITY CORPORATIONS

Mr. MEAD. Mr. Speaker, I ask unanimous consent for the present consideration of House Joint Resolution 612, to provide for further investigation of certain public-utility corporations engaged in interstate commerce, which I send to the desk and ask to have read.

The Clerk read as follows:

Resolved, etc., That for the purpose of obtaining information necessary as a basis for legislation, those members of the Committee on the Post Office and Post Roads of the Seventy-second Congress who are Members elect to the Seventy-third Congress, or a majority of them, after March 4, 1933, and until the organization of the Committee on the Post Office and Post Roads of the House of the Seventy-third Congress, are authorized, as a committee, by subcommittee or otherwise, to continue the investigation begun under authority of House Resolution 226 of the Seventy-second Congress. And the unexpended balance of the appropriation of \$5,000 under House Resolution 273 of the Seventysecond Congress is hereby continued for such purposes.

The SPEAKER. Is there objection?

There was no objection.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

APPOINTMENT OF POSTMASTERS-EXTENSION OF REMARKS

Mr. LANKFORD of Georgia. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. LANKFORD of Georgia. Mr. Speaker, I wish to make a few observations concerning the appointment of postmasters in my district. When I came to Congress 14 years ago I found every post office in the district supplied with appointees of my predecessor. I knew that probably every one of them had supported my predecessor and voted against me. I also knew that if they did vote for my predecessor they had the absolute right to do so; that in so doing they were only loyal to their friend and had voted for a most capable, honorable, and worthy man. I admired the spirit of real gratitude that had prompted such men to be loyal to those that had been loyal to them and knew that men of this type could be trusted in the public

After I was elected I told these men that I did not blame them for being loyal to my predecessor, the Hon. J. Randall Walker, and that I would not fight or seek the removal of any postmaster because he had not voted for me. In every case where the service had been satisfactory to the public and to the Post Office Department I asked for the reappointment of the incumbent postmaster, and several of these good men appointed by President Woodrow Wilson upon the recommendation of Congressman Walker are still in office.

I admit that in a contest between my friend and my enemy I am glad to support my friend to the limit, but I have never thought that because some one voted against me and supported some one who had shown him a special favor I should feel he was showing any evidence of ill will for me, but only doing the part of a man with a heart full of gratitude.

I was glad that when the Republicans gained control of the patronage in my district I found no evidence of any desire on their part to displace a postmaster simply because he was a Democrat or had been appointed by President Wilson. I also appreciate the fact that when the Republicans decided to not reappoint any particular postmaster they always called an examination and gave everybody a chance to take the examination, without their appointing an acting postmaster and thus giving the acting postmaster a very valuable advantage over all other applicants. They never at any time appointed an acting postmaster, except in case of an actual vacancy caused by death or removal for criminal misconduct or where an eligible list had been made up and the appointment of a postmaster made but not confirmed by the Senate before adjournment. They always were most fair in letting all take examinations and giving everybody this privilege without the Republicans making a fight for any particular candidate until all were given a chance before the Civil Service Commission.

I remember very distinctly one instance where an examination had been actually ordered to fill a vacancy actually caused by a most splendid postmaster actually resigning to become effective at once because his hearing had become impaired as the result of age, and yet the Republican Party, upon the request of young Theodore Roosevelt and myself. allowed this resignation to be withdrawn by this postmaster and permitted him to stay in office until he later voluntarily resigned. I knew that this particular postmaster, although a Confederate veteran and a lifelong Democrat, had been appointed by President Roosevelt because of his service with President Roosevelt in Cuba during the Spanish-American War, and therefore I sought the assistance of young Theodore Roosevelt in behalf of this good man. I shall always appreciate the service of this splendid young Republican statesman in this matter. He promptly informed me that he would help me to the limit and did so.

WHY RECOGNIZE SOVIET RUSSIA?

Mr. FISH. Mr. Speaker, I ask unanimous consent to extend by remarks by including an address delivered by myself. The SPEAKER. Is there objection.

There was no objection.

Mr. FISH. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address delivered by myself at the National Republican Club, New York, February 25, 1933:

The question of granting diplomatic recognition to the Soviet Government of Russia is one of the most important and far-reaching issues before the United States and is entitled to the most careful consideration by the American people and by our own Government officials. President-elect Roosevelt stated just own Government officials. President-elect Roosevelt stated just prior to election that he had an open mind on the recognition of Soviet Russia, and he desired to study the problem and ascertain the facts. As Chief Executive, it is but natural and right that he should make a thorough survey of all the facts and approach the entire issue with an open mind, as it is a tremendous problem, and largely a new one to the incoming President. It is to be hoped that he will make haste slowly in reaching a decision, and will listen to the various antagonistic groups on this complicated and controversial issue.

listen to the various antagonistic groups on this complicated and controversial issue.

Before presenting the arguments against recognition, it is well to review briefly the facts relative to the establishment of the Soviet régime in Russia. I know of no great world event upon which the American people are so badly informed. Unquestionably, most Americans still believe that Lenin, Trotzky, and Stalin led the Bolshevists in ousting the Czar. The fact is that Comrade Leon Trotzky was living in the Bronx in the city of New York in March, 1917, when Nicholas II, Czar of all the Russias, was forced to abdicate by the representatives of the Duma, elected by the people, who immediately set up the Provisional Government of Russia. The United States, under President Woodrow Wilson, was the first nation to recognize that government. At that time Lenin was in Switzerland and Stalin was in exile in Siberia.

It was not until a month after the forced abdication of the Czar

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exile in Siberia.

It was not until a month after the forced abdication of the Czar that the high German military command sent Lenin and a score or more of his communist followers, in a closed railway car, from Switzerland through Germany back into Russia, in order to help create chaos and overthrow the Provisional Government of Russia. The Germans, with whom we were then at war, had only one motive—to weaken or destroy the Provisional Government, which was opposing a separate peace and preparing to continue the war by launching another offensive.

Lenin, together with Trotzky and Stalin, both of whom had returned from exile, joined forces with a handful of communist leaders, backed by German gold and war-weary soldiers and deserters from the front, and overthrew the Provisional Government under Kerensky, the first democratic government that Russia had ever known, which was struggling against the chaotic conditions resulting from the war and trying to keep faith with the Allies in continuing the war. The communist slogan of land for the peasants, bread and homes for the workers, and a separate peace was popular with the war-weary Russian people, so that in October, 1917, the communists did not have much difficulty in seizing power, through violence and a revolution based on bullets and not ballots, from the newly established and democratic government of Russia.

Whereupon the communists immediately established an autoof Russia.

Whereupon the communists immediately established an autowhereupon the communists immediately established an autocratic dictatorship more despotic than any government the world has known for many centuries and utterly destructive of the rights of the people to freedom of speech, of the press, of assembly, or of popular expression through the ballot or of any kind. All opposition was suppressed by the dreaded and powerful secret police—G P U—which arrested secretly (generally in the middle of the night), tried secretly, and executed secretly. Right of habeas corpus, like all other rights, and the liberties of the people ceased to exist. The communist dictatorship became a government of terror by force and violence.

habeas corpus, like all other rights, and the liberties of the people ceased to exist. The communist dictatorship became a government of terror by force and violence.

I hold no brief for the old régime of the Czar. A dozen revolutions were justifiable against the stupidities, misrule, and cruelties under that autocratic government, but I want to emphasize that it was not the communists but the Russian people themselves, represented by the Duma, that put an end to czarism. On the other hand, it was the communists that destroyed the liberal government of Kerensky.

It is incomprehensible to me how liberals always excepting

It is incomprehensible to me how liberals, always excepting socialists and followers of Karl Marx, can condone or tolerate a communist dictatorship, the very antithesis of liberalism, which is the right of the people to govern themselves. Communism, as practiced in Russia, is treason to liberalism, and to all human rights, both political and economic, and to individual freedom. When it comes to czarism, communism, or fascism, or any other

form of foreign dictatorship. I say a plague on all your houses; our republican form of government, controlled by the consent of a free people, is still the best form of government ever devised by

the mind of man

No competent person questions the stability of the soviet dictatorship, or that it is a de facto government. Personally, I am willing to concede that it is not our business what kind of gov-

torship, or that it is a de facto government. Personally, I am willing to concede that it is not our business what kind of government exists in Russia, or any other nation, unless it be Cuba, in view of our obligations under the Platt amendment. I would gladly support recognition of Soviet Russia to-morrow if it had a socialist government, or any kind of a government that did not insist on interfering and meddling with our domestic and internal institutions by urging, through the Communist Internationale with headquarters at Moscow, strikes, riots, sabotage, and industrial unrest, and the overthrow of our republican form of government by force and violence.

The recognition of the Soviet Government, controlled by the Russian Communist Party, which seeks to sow seeds of class hatred, atheism, and world revolution in every noncommunist country, would be a lie to international law and to official diplomatic relations. Former Secretary of State Elihu Root summed up the American position in the following able and concise statement: "The recognition of one government by another is not a mere courtesy. It is an act having a definite and specific meaning, and it involves an acceptance by the recognizing government of the principles, purposes, and avowed intentions of the recognized government as being in conformity with the rules which govern the conduct of civilized nations toward each other. For the United States to recognize Russia would be to publicly activated the avoved nursose of the present Russian Government as the conduct of the govern the conduct of civilized nations toward each other. For the United States to recognize Russia would be to publicly ac-knowledge that the avowed purpose of the present Russian Gov-ernment to overthrow our system of government is consistent with international friendship. Of course, that would be a lie."

I agree with Mr. Root that recognition of Soviet Russia by the United States presupposes a friendly government and triendly

I agree with Mr. Root that recognition of Soviet Russia by the United States presupposes a friendly government and friendly relationship which do not and can not exist.

There is no crumb of comfort to the advocates of recognition in the clear-cut statements made by our various Secretaries of State, beginning with Hon. Bainbridge Colby, when he said: "The existing regime in Russia is based on the negation of every principle of honor and good faith, and every usage and convention underlying the whole structure of international law, the negation in short of every principle upon which it is possible to base harmonious and trustful relations, whether of nations or of individuals." Charles Evans Hughes stated in 1923, when Secretary of State: "The American Government, as the President said in his message to Congress, is not proposing to barter away its principles. Most serious is the continued propaganda to overthrow the institutions of this country. This Government can enter no negotiations until these efforts directed from Moscow are abandoned."

It seems to me that there is no room for argument. The Amer-

It seems to me that there is no room for argument. The American people will not compromise with any attempt of a foreign government to interfere with our domestic institutions, and, of course, will not tolerate the revolutionary activities and vicious and diseased propaganda of the Communist Internationale directed at our civil liberties, our free institutions, and our form of government. I decline to argue whether the Soviet Government. ment is strictly responsible for the acts of the Communist Internationale, further than to quote Zinovieff, formerly head of the Communist Internationale, regarding its relations to the Soviet Government: "It is the foundation and roof of the same build-ing; one belongs to the other." The Russian Communist Party, ing; one belongs to the other." The Russian Communist Party, the Soviet Government, and Red Internationale have interlocking directorates, and all three take their orders from the political bureau headed by Stalin and Molitov. Its fundamental aim is world revolution and the establishment of a soviet dictatorship throughout the world by force and violence.

Under the Declaration of Independence the American people have the acknowledged right to revolution whenever there are sufficient evils, abuses, and injustices under our form of government to warrant such a course. Happily we have no need to consider such a possibility. But we have the right to put on our own little revolution any time we want, and the American people do not propose to have a revolution made to order for them by any foreign power, and particularly by Stalin and the Communist Internationale at Moscow.

We do not intend to recognize Soviet Russia, because propose to have the soviet consulates established in all our industrial cities, North and South, to become nests of communist propaganda and class hatred, as they have done in Germany, China, and elsewhere. We are not afraid of such revolutionary China, and elsewhere. We are not arrand or such that the propaganda in our midst, but we do not propose to admit it any more than we would such dread diseases as leprosy, bubonic plague, or typhus. We have plenty of preventive hygiene in more than we would such dread diseases as leprosy, bubonic plague, or typhus. We have plenty of preventive hygiene in the United States and many wonderful modern hospitals and able surgeons, and could segregate and take care of such contagious diseases; but, naturally, we don't admit them. It is a libel against the American people to say that they are afraid of communist propaganda. Why, the Regular Army, National Guard, American Legion, and Veterans of Foreign Wars could—using a Russian word—"liquidate" all the communists in the United States in a few weeks' time, in case of any attempt at a communist revolution. But, in the midst of our present economic crisis, it would be foolhardy to recognize Soviet Russia and thereby permit the Communist Internationale, under diplomatic Im-

munity, to become established in our industrial cities, in the farm belt, and among the negroes of the South to provide organized leadership to revolutionary activities in the United States.

Just because other nations have recognized Soviet Russia, for

Just because other nations have recognized Soviet Russia, for selfish and ulterior motives, is no reason why we should, and besides, most of these nations are already sorry. France recognized Soviet Russia, hoping to settle or adjust vast pre-war loans made by the French people to Russia; Italy because she wants to buy wheat, coal, lumber, and oil cheaply. England did so because of the platform pledges of the Socialist Labor Party recently repudiated by the English people. Germany recognized Russia, because prior to the World War she did \$500,000,000 worth of export trade with Russia, which is her natural market and was in dire cause prior to the World War she did \$500,000,000 worth of export trade with Russia, which is her natural market and was in dire need to restore such a near-by market for her goods. No nation has paid so dearly for recognition as Germany; she has been overrun with Russian communists and to-day communism is a serious menace to the very existence of the German Republic. At the last election there were over 5,000,000 communist votes cast, and a few days ago the communists held a protest parade in Bertin the transport of the communists held a protest parade in Bertin the transport of the communists held a protest parade in Bertin the transport of the communists held a protest parade in Bertin the transport of the communists held a protest parade in Bertin the communists held a protest parade in Bertin the communists and the communists held a protest parade in Bertin the communists and the communists held a protest parade in Bertin the communists and the communists held a protest parade in Bertin the communists and the communists held a protest parade in Bertin the communists and the communists held a protest parade in Bertin the communists and the communists held a protest parade in Bertin the communists and the communists held a protest parade in Bertin the communists and the communists held a protest parade in Bertin the communists and the communists held a protest parade in Bertin the communists and the communists held a protest parade in Bertin the communists and the communists held a protest parade in Bertin the communists and the communists held a protest parade in Bertin the communists and the communists held a protest parade in Bertin the communists and the communists held a protest parade in Bertin the communists and the communists held a protest parade in Bertin the communists and the communists and

and a few days ago the communists held a protest parade in Berlin that numbered in excess of 100,000 persons.

The history and experience of German trade relations with Soviet Russia, particularly in the last few years, has not been at all happy or profitable. The German Government underwrote a certain percentage of the contracts made between private concerns and the Soviet Government, but has been practically forced to abandon further loans as bad risks. The soviets owe the German Government and private companies in excess of \$400,000,000, and at the present time Eussian credit is almost population. at the present time Russian credit is almost nonexistent. Its notes are discounted at 50 per cent, if one is fortunate enough to find a bank that will loan any money to Russia, at the present

No nation has been harder hit by the so-called world or capital-istic depression than has Russia. Its exports, mainly wheat, oil, and lumber, receive a wretchedly low price in the world markets, hardly more than the cost, even with forced labor paid 15 cents a day on a gold basis, plus transportation. The biggest and most-used argument advanced in the United States for recognition of Russia is that such recognition would create a market for our surplus goods. Governor Pinchot issued a typical statement a few days ago that he favored recognition, because he holds it stupid few days ago that he favored recognition, because he holds it stupid to let others get the Russian market. Like many others who hold such views, it is evident he has made no study of the problem. The fact is, the United States, which has declined to recognize Soviet Russia, has done four times as much export trade with Russia since the armistice, right up to the beginning of world depression in 1930, than she did prior to the World War with Czar's régime, and all the other big nations that have recognized Soviet Russia are doing many times less trade with her.

A dispatch from Rome, dated January 18, 1933, states that the

A dispatch from Rome, dated January 18, 1933, states that the Italian Government will revoke its trade treaty with Moscow within a few weeks, because Italian purchases in Soviet Russia have been exceeding Russian purchases in Italy. The balance of trade was two to one against Italy in 1931. The Italians were also dissatisfied with an agreement by which Russia paid with credit for Italian goods and Italy paid with cash for its purchases. One of the requests made by the Soviet trade delegation was for One of the requests made by the Soviet trade delegation was for a longer period of credit than 52 months, which had been allowed. The Italians wanted a shorter period. The Italian situation is typical of the difficulties of trading with Soviet Russia, except on a long-term credit basis, which would be the height of folly and stupidity, in view of our experiences with European nations within the last few years, whose credit is 100 per cent better than Soviet Russia under present economic conditions.

The gigantic industrial program of Soviet Russia, which has

The gigantic industrial program of Soviet Russia, which has for its acknowledged ultimate purpose world revolution, is near collapse for want, humorously enough, of capital. Unless American capitalists provide funds and extend loans and credit, the famous 5 or 10 year program will come to a sudden and startling end, and with it all its plans for world revolution.

Lenin was right when he said that capitalists will commit suicide for temporary profit, and that is exactly what selfish and short-sighted American capitalists have been doing for sake of greed and 30 pieces of silver, to help build up Soviet Russia and bring its forced labor, paid 15 cents a day, into competition with free American labor, paid \$3 a day and upward. I predict, and I free American labor, paid \$3 a day and upward. I predict, and I know how dangerous it is for a politician to venture any prediction, that, if the Soviet Government survives with its industrial program supported by forced labor, we in America will lose within the next few years a billion dollars annually in our export trade to foreign markets in four commodities alone—wheat, oil, lumber, and cotton—which will affect the standard of wages and living of all the American people.

living of all the American people.

Sovict Russia is intensely anxious for recognition from the United States at the present time, not only to reestablish her waning prestige at home, due to crop failures and the discontent and misery of her people, but because all sources of credit are drying up, and she needs to float loans, without which her gigantic program of world economic competition, capitalistic ruin, and world revolution will collapse and sink into oblivion.

There is, and always will be, an irrepressible conflict between our republican form of government and communism. The American Federation of Labor has never ceased to expose the autocracy and despotic tyranny of the Soviet Government and to oppose recognition. In their annual convention in 1927 the following declaration of policy was adopted and has been consistently adhered to:
"We regard the soviet régime in Russia as the most unscrupulous, most antisocial, most menacing institution in the world to-day.

Between it and our form of political and social organization there can be no compromise of any kind. We repeat the call to American trade-unionists to stand true to their faith, to be militant in their defense of the principles of freedom and justice for which our movement stands and upon which our democracy rests its foundation walls." At its 1932 convention the American Federation of Labor restated its "unalterable opposition to recognition."

I have refrained from mentioning war debts, seizure of private property, and possible debt settlements, as they sink into insignificance compared to the all-important issue—that the American people will never recognize the Soviet Government as long as it encourages the Communist Internationale to spread vicious revolutionary propaganda and conduct seditious activities to undermine and destroy our own free institutions and republican form of government. We will never recognize a foreign nation that seeks to interfere with our domestic institutions. On this issue practically all the most powerful fraternal, patriotic, religious, and veteran organizations have taken a determined stand and present

a united front.

The American Legion, at its last national convention, made the question of nonrecognition one of its main objectives, and its able national commander, Louis A. Johnson, has publicly stated that he considers the Legion resolution against recognition as a mandate to be vigorously prosecuted and that the full force of the American Legion will be invoked on this issue.

The position of the Roman Catholic Church is expressed, both in

The position of the Roman Catholic Church is expressed, both in action and words. The Vatican has refused flatly to establish relations with the Soviet Government. Pope Pius XI, according to the Osservatore Romano, the official Vatican paper, of February 8, 1930, stated: "We are deeply moved by the horrible and sacrilegious crimes repeated daily and daily becoming more grievous against God and the souls of the great Russian population." I do not claim that religious beliefs or lack of them is a proper basis for refusing recognition, but there are unquestionably in the United States great numbers of Americans, both Protestant and Catholic, who are opposed to diplomatic recognition, or in any way placing, directly or Indirectly, their stamp of approval upon the Godless Soviet Government as long as she continues a relentless campaign to persecute and destroy Christian and all other faiths in Russia and teaches hatred of God and of all religious belief.

There is one argument advanced by some Americans in favor of recognition that, much against my inclination, I feel compelled to touch upon, and that is that it would be to our advantage to recognize Russia in view of possible difficulties with Japan. I can not too strongly denounce such an inflammatory proposal. The American people do not want war with Japan and are opposed to going out of our way to antagonize Japan by recognizing Soviet Russia. The sooner we stop trying to police Manchuria, in view of our own Monroe doctrine, the better for the peace of the world. There is nothing to be gained and everything to lose by war with Japan, and I do not favor further antagonizing her by a continuation of the stupid note-writing policy of our State Department, threats of embargoes, or by recognition of Soviet

In conclusion, I want, above all, to disabuse the mind of any American who still thinks that the recognition of Soviet Russia would develop a new market and to stress the fact that actually it would not mean a dollar's worth more of goods, and particularly to point out to many gullible Southerners that it would not mean the sale of a single additional pound of cotton. There are no Government regulations or any other hindrance to prevent trading with the Soviet Government except the collapse of Russian credit. For a number of years, when we were willing and able to extend loans before our own economic difficulties, our exports to Russia amounted to in excess of \$100,000,000 a year. That has ceased, not because of fallure to recognize but because of the precarious condition of Russian finances. It is doubtful if the Soviet Government will be able to purchase much over \$200,000,000 worth of imports from all nations combined during this year. Of course, she is required, by treaty, to give preference to those countries, such as Germany, England, and Italy, that buy largely from her.

We have the same natural resources as has Russia, and never have bought or needed her exportable commodities, such as wheat, oil, and lumber. It is different with European nations. When it comes to cotton, former Representative Eslick, who made a study of the cotton situation, stated that Russia would export cotton in 1932 and become a serious menace to southern cotton exporters thereafter. The pithy statement of former President Calvin Coolidge is the last word on the question of recognition of Soviet Russia, when he said, "I do not propose to barter away for the privilege of trade any of the cherished rights of humanity; I do not propose to make merchandise of any American principles. These rights and principles must go wherever the sanction of our Government go."

I am confident that President-elect Roosevelt will listen to the spokesmen of such organizations as the American Legion, the American Federation of Labor, the Daughters of the American Revolution, and of almost every fraternal and patriotic organization, including representatives of the great religious faiths in America, before reaching a decision on the question of recognition of Soviet Russia, which is of such momentous and farreaching importance.

In opposition to the organizations mentioned above are the communists, socialists, pink intellectuals, and some misguided Americans who have been deceived by promises of increased trade, when, on the contrary, recognition would reestablish communist

prestige and develop increased competition against our wheat and cotton farmers, oil producers, and lumbermen in the foreign or world markets and not bring a dollar's worth of trade to America.

GUARANTY OF BANK DEPOSITS

Mr. PETTENGILL. I ask unanimous consent to extend my remarks in the Record.

The SPEAKER. Is there objection?

There was no objection.

Mr. PETTENGILL. Mr. Speaker, we can not stop an avalanche by riding on its tail. That is what we are doing and have been doing. The record may be summed up in three words—timid, late, futile. We have been second guessers. We have had the moratorium, the Reconstruction Finance Corporation, the Glass-Steagall bill, the home-loan bank, the Borah national-bank-note issue, the open-market transactions, Pollyannaism, and prosperity by presidential proclamation. Previous to the crash and contributing to it, we had the tariff bill and the Farm Board. This is the clinical record. Look at the patient!

Our program, if it is worthy of that name, has been that a pound of cure is better than an ounce of prevention. So we have chased the avalanche of falling values down hill with the Reconstruction Finance Corporation. It is perfectly manifest that we have done nothing effectual to stop the decline. How much longer can we exhaust the credit of the Nation with piecemeal measures? How long can we continue to pour the taxpayers' resources into the rat hole before we plug the leak? We can not borrow ourselves out of the depression, nor cure our malady by exchanging creditors.

Nine-tenths of wisdom consists in being right at the right time.

The Steagall bank guaranty bill passed the House on May 27, 1932. I voted for it. The big bankers of New York opposed it. In their infinite wisdom they preferred a guaranty with the English reversed. In other words they thought that with a pipe line to the Treasury—plenty of Reconstruction Finance Corporation money—they could hide in the cyclone cellar of high liquidity until the storm blew over. They threw the debtors to the lions to save the creditors. They thought when the feast was over and deflation had run its course that they could emerge from their dugouts and buy America on the auction block. It was a scheme worthy of the Napoleons of finance. Only one thing went wrong. The lions have finally turned on them.

The rank and file of the bankers of the Nation are honest and honorable men. But a few of the moguls at the top have now been proved to be what many of us have suspected for a long time—financial buzzards and moral lepers.

It is time for the honest bankers to join hands with the merchants, the manufacturers, the railroad men, and the farmers and free America from that leadership. We must not permit our bitterness against the men who have sold America down the river to color our judgment about the bankers of the Nation as a whole. There is one simple truth we must not overlook and that is that by far the overwhelming majority of bank failures has not been due to dishonest bank management, but to the melting away of the value of bank assets-their liens on farm lands, on city homes, on business properties, on leaseholds, on stocks, on bonds, on merchants' inventories, and on warehouse receipts for wheat and cotton and other commodities. These values have disappeared like snow in the spring. For example, the value of the farm land of Indiana shrank more than 50 per cent from 1920 to 1930. A 50 per cent loan in 1920 became a 100 per cent loan a few years later. Charged with faithfulness to their stewardship of the money of other people entrusted to their keeping, the average banker has felt it necessary to build up liquid reserves against a ruthless deflation of the values which were behind the deposits. This has caused restrictions on credits. We have blamed them at times, but recent events have somewhat justified their caution. In the main they have been the helpless victims of the avalanche of falling values the same as the rest of us.

The immediate objective that is fundamental in this war against depression is to stop the further decline of values

by any means in our power. The second is to make people feel that their savings are safe. These two should go together. Each will assist the other. It is apparent that the psychological poultices and timid tonics we have applied have not checked the course of the disease. We must stop being medical Micawbers—waiting for something to turn up—and stake the brains, the courage, and the resources of the Nation in two grand offensives—the insurance of the savings of helpless people and the restoration of values. When we have laid these foundations we can build upon them the superstructure of a new America.

The outstanding liberal and economic prophet of this age is Justice Brandeis. He is one great man who has come through this testing time unscathed in reputation. He foresaw present conditions a decade ago, and he now says, "If we would guide by the light of reason, we must let our minds be bold."

It is men like him and not the giants of greed whom we should follow now.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. Chindblom, indefinitely, on account of illness.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 5623. An act referring the claims of the Turtle Mountain Band or Bands of Chippewa Indians of North Dakota to the Court of Claims for adjudication and settlement; to the Committee on Indian Affairs.

ENROLLED BILLS SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 792. An act for the relief of William Joseph Vigneault;

H. R. 1936. An act for the relief of Sydney Thayer, jr.;

H.R. 2599. An act for the relief of Henry Dixon Line-barger;

H. R. 4039. An act for the relief of Herman H. Bradford; H. R. 5150. An act for the relief of Annie M. Eopolucci;

H. R. 5548. An act for the relief of George Brackett Cargill, deceased;

H. R. 5989. An act for the relief of John O'Neil;

H. R. 6409. An act for the relief of William Joseph LaCarte;

H. R. 8120. An act for the relief of Jack C. Richardson;

H. R. 9272. An act to correct the rating of John Huntz Roloff, Fleet Naval Reserve;

H.R. 9326. An act for the relief of John E. Davidson;

H. R. 9473. An act for the relief of Olen H. Parker;

H.R. 9877. An act to repeal obsolete sections of the Revised Statutes omitted from the United States Code;

H. R. 13378. An act to amend sections 416 and 417 of the Revised Statutes relating to the District of Columbia; and

H.R. 13872. An act making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1934, and for other purposes.

The SPEAKER announced his signature to enrolled bills and joint resolutions of the Senate of the following titles:

S. 4491. An act amending the shipping act, 1916, as amended, for the purpose of further regulating common carriers by water in interstate commerce of the United States engaged in transportation by way of the Panama Canal:

S.5469. An act to provide for the creation of the Morristown National Historical Park in the State of New Jersey, and for other purposes:

S. 5525. An act to extend temporary relief to water users on irrigation projects on Indian reservations, and for other purposes;

S. 5622. An act providing for an alternate budget for the Indian Service, fiscal year 1935;

S. 5675. An act to effect needed changes in the Navy ration:

S. J. Res. 235. Joint resolution amending provisions in river and harbor laws relating to local cooperation in the prosecution of waterway improvements; and

S. J. Res. 259. Joint resolution to amend the act entitled "An act to remove existing discriminations incident to certain land grants and to subject them to the same conditions that govern other land grants of their class," approved February 14, 1933.

BILLS PRESENTED TO THE PRESIDENT

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, bills and a joint resolution of the House of the following titles:

H. R. 792. An act for the relief of William Joseph Vigneault;

H.R. 1936. An act for the relief of Sydney Thayer, jr.;

H. R. 2599. An act for the relief of Henry Dixon Line-barger;

H. R. 2844. An act for the relief of Elmo K. Gordon;

H. R. 4039. An act for the relief of Herman H. Bradford;

H.R. 5150. An act for the relief of Annie M. Eopolucci;

H. R. 5548. An act for the relief of George Brackett Cargill, deceased;

H. R. 5989. An act for the relief of John O'Neil;

H. R. 7716. An act to amend the radio act of 1927, approved February 23, 1927, as amended (U. S. C., Supp. V, title 47, ch. 4), and for other purposes:

H. R. 8120. An act for the relief of Jack C. Richardson;

H. R. 9272. An act to correct the rating of John Huntz Roloff, Fleet Naval Reserve;

H. R. 9326. An act for the relief of John E. Davidson;

H. R. 9473. An act for the relief of Olen H. Parker;

H.R. 9877. An act to repeal obsolete sections of the Revised Statutes omitted from the United States Code;

H. R. 13378. An act to amend sections 416 and 417 of the Revised Statutes relating to the District of Columbia;

H. R. 13872. An act making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1934, and for other purposes; and

H. J. Res. 138. Joint resolution for the relief of the State of Idaho.

RECESS

Mr. RAINEY. Mr. Speaker, I move that the House now stand in recess until 8 o'clock p. m.

The motion was agreed to; accordingly (at 5 o'clock and 37 minutes p. m.) the House stood in recess until 8 o'clock p. m.

EVENING SESSION

The recess having expired, the House was called to order at 8 o'clock p. m. by the Speaker pro tempore [Mr. RAINEY].

The SPEAKER pro tempore (Mr. RAINEY). The House is

The SPEAKER pro tempore (Mr. RAINEY). The House is in session until 10.30 p.m., for the purpose of considering Senate bills on the Private Calendar.

NAVY DEPARTMENT APPROPRIATION BILL

Mr. AYRES, from the Committee on Appropriations, submitted a conference report on the bill (H. R. 14724, Rept. No. 2190) making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1934, and for other purposes, for printing under the rule.

The Clerk read the title of the bill.

TITLE TO CERTAIN LAND IN THE CITY OF CORPUS CHRISTI, TEX.

The SPEAKER pro tempore. The Clerk will call the first bill on the Private Calendar.

The Clerk called the first bill on the Private Calendar, S. 3830, to remove a cloud on the title of certain land in the city of Corpus Christi, Tex.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. HOPE. Mr. Speaker, reserving the right to object, I would like to ask the Member who is in charge of the bill to give a little more explanation than is contained in the report.

Mr. KLEBERG. I will be glad to do that. In the first place, in the city of Corpus Christi there are what are known as two different chains of title. One chain of title comes down through the old Spanish grant known as E. Villareal grant: the other chain of title comes down through what is known as the State title, under State patents that were laid over a portion of the Mexican grant. There was considerable litigation over the question as to which was the superior title, all of which took place in the Federal court in Galveston. In every case the State title was held to be superior.

The United States Government has a deed to lot No. 1 in block 6, bluff portion to the city of Corpus Christi. This deed comes down through the Mexican chain of title. Mrs. Morris's title is derived through the State title, and her deed is dated August 20, 1894. The Mexican title referred to above was dated March 30, 1857. I have here inclosed two affidavits, one of Peter Benson, who was one of the oldest citizens in Corpus Christi when he executed this affidavit about a year ago. Peter Benson is now dead. You will note that he was acquainted with the property for many years and this property under discussion has been in the possession of Mrs. Morris and those under whom she claimed title since about 1879.

The situation now discloses that the Government had a lighthouse on this property at one time. It is down close to the coast. This was apparently prior to the Civil War. The sum of \$200 was paid at that time for this title, but it was never used. Now, investigation through the Patent Office discloses there is no means to clear the title for this property now owned by a very old lady.

The property in question is described as lot 1, block 6, in the bluff portion of the city of Corpus Christi, Tex. On March 30, 1857, John Burnside & Co. executed a warranty deed to the United States, purporting to convey the land therein described for consideration of \$200. The title to this property was approved by the Attorney General on March 29, 1858, and jurisdiction was ceded by the Governor of the State of Texas on May 11, 1857. In response to questionnaires sent to the various superintendents of lighthouses, the bureau learned that title to the property in question was being claimed by certain grantees of James Temple Doswell.

The matter was submitted to the Attorney General by the department on July 13, 1930, with the request that the case be submitted to the United States attorney of the proper judiciary district for consideration and investigation, with the view to determining what title, if any, the United States had to the property. By letter of March 6, 1931, the Attorney General reported that the paramount record owner of the fee in the site was Mrs. Caroline Morris, and that eminent-domain proceedings appeared to be necessary to gain title to the land if it is desired for use by the Govern-

The property in question was not required for lighthouse purposes, and it is recommended that the department report favorably on S. 3830 if there is no objection. The file of the bureau concerning this parcel of land is attached with request that it be returned when its purpose shall have been served.

Mr. HOPE. What claim for title has the Government to this property?

Mr. KLEBERG. The only claim the Government has is this claim dating back several years. I do not have the date, but it was prior to the Civil War. The Government's interest in this particular piece of property was for use as a lighthouse, and they paid \$200 for the purpose of placing a lighthouse upon this piece of property. The right was never exercised.

Mr. HOPE. Do I understand that the present owner of the property has a record chain of title; something more than squatter rights on the property?

Mr. KLEBERG. Oh, yes. She lives on it. It is her home. Mr. HOPE. And it has been occupied by her?

Mr. KLEBERG. Occupied by her continuously and her family since 1879.

Mr. STAFFORD. Reserving the right to object, though prescription does not run against the Government. In this case she bases her right upon prescription, but she has been in possession so long I believe that the Government should waive any claim, in view of the fact that she has made very substantial improvements to the property.

Mr. KLEBERG. Yes.

The SPEAKER pro tempore. Is there objection?

There was no objection.

The Clerk read as follows:

Be it enacted, etc., That the Secretary of Commerce is authorized and directed to convey by quitclaim deed to Caroline Morris, her heirs and assigns, all right, title, and interest of the United States in and to all that parcel of land in the Bluff Portion of the city of Corpus Christi, Tex., described as lot 1, block 6, acquired through the Spanish grant known as the E. Villareal grant, by virtue of a deed dated March 30, 1857.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The SPEAKER pro tempore. The Chair desires to make a statement. The Chair is anxious to finish this calendar to-night, and reservations of objection will delay proceedings. This will be the last call. The Chair will follow the precedent set by the Speaker and demand the regular order himself.

The Clerk will call the next bill.

Mr. BLANTON. Mr. Speaker, there are some bills which may be passed with just a few minutes' interrogation, and some of these bills we can rush along, but there are others that can not be rushed and they are being handled so fast, Mr. Speaker, that I doubt whether the official reporters can keep up with the Clerk reading the numbers, much less those of us who watch them.

The SPEAKER pro tempore. The Chair has a great deal of respect for the gentleman from Texas and will permit a few interrogations, provided he does not make them too

Mr. EATON of Colorado. Mr. Speaker, I would like to propound another inquiry. There are certain bills like compensation bills and pension bills that have been passed in a particular form that seemed to be satisfactory to both Houses. For instance, the next bill is a compensation bill. Would the Speaker like to have us address the Chair and state that we are going to offer certain amendments.

The SPEAKER pro tempore. Yes.

Mr. BLACK. Can we not have an understanding, Mr. Speaker, that the gentlemen who are objecting will not object, having an understanding with the committee that the form approved by the gentleman will be accepted by amendment?

Mr. STAFFORD. Well, we will make headway under the old rule, Mr. Speaker.

DAISY ANDERSON

The Clerk called the next bill, S. 1978, for the relief of Daisy Anderson.

Mr. EATON of Colorado. Mr. Speaker, I shall not object to this bill if the author, or the gentleman in charge of the bill, will accept the usual form of bill approved by the House in such cases.

Mr. KLEBERG. I shall be glad to.

Mr. BLACK. If we do that the bill will have to go back to the Senate for concurrence.

Mr. BLANTON. That will not hurt. Mr. KLEBERG. It will never get through at this late

Mr. BLANTON. It ought to come here in proper form. Mr. BLACK. We are taking up the Senate form.

Mr. BLANTON. They rewrite many bills we send over to them. Let us rewrite a few of theirs. They rewrote practically every one of the bills the gentleman from Georgia [Mr. VINSON] called up yesterday; every one of

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the United States Employees' Compensation Commission shall be, and it is hereby, authorized and

directed to waive the statute of limitations in the application filed by Daisy Anderson, a former nurse in the Government service, the provision of an act entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes," approved September 7, 1916, in order that she may receive the same consideration as though she had applied within the specified time required by law: Provided, That no benefit shall accrue prior to the enactment of this act.

Mr. EATON of Colorado. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Earon of Colorado: Strike out all after the enacting clause and insert the following:

"That the United States Employees Compensation Commission is hereby authorized to consider and determine, in the same manner and to the same extent as if application for the benefit of the smployees' compensation act had been made within the 1-year period required by sections 17 and 20 thereof, the claim of Daisy Anderson on account of disability due to tuberculosis contracted while employed in the service of the United States as a nurse in the United States marine hospital: Provided, That no benefit shall accrue prior to the enactment of this act."

The amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

A similar House bill (H. R. 8207) was laid on the table.

CORNELIA CLAIBORNE

The Clerk called the next bill, S. 1088, for the relief of Cornelia Claiborne.

Mr. BACHMANN. Mr. Speaker, there are several bills of this character on the calendar, and I do not think, at this particular time, in view of the present condition of the Treasury, any of these bills should pass. Therefore, I object.

ANNA B. SLOCUM

The Clerk called the next bill, S. 3191, for the relief of Anna B. Slocum.

Mr. BACHMANN. Mr. Speaker, I object.

GEORGE B. GATES

The Clerk called the next bill, S. 4937, conferring jurisdiction in the Court of Claims to hear and determine the claim of George B. Gates.

Mr. STAFFORD. Mr. Speaker, I object.

HAMILTON GROUNDS

The Clerk called the next bill, S. 660, for the relief of Hamilton Grounds.

Mr. STAFFORD. Mr. Speaker, reserving the right to object, I shall have to object unless an amendment reducing the amount to \$2,500 is accepted. This idea of paying \$40 a month for a lifetime is too much altogether. I have some other amendments. If they are accepted, I shall have no objection.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Hamilton Grounds, a Walapai Indian residing on the Walapai Indian Reservation in Mohave County, residing on the Walapai Indian Reservation in Mohave County, near Valentine, Ariz., the sum of \$40 per month for the remainder of his life, in full satisfaction of his claim against the United States for injuries caused by the explosion of a dynamite cap left by an employee of the United States on the grounds of the Truxton Canon Indian Boarding School at Valentine, Ariz.: Provided, That so long as the said Hamilton Grounds remains a minor such monthly payments shall be made to his guardian for the benefit of the said Hamilton Grounds. Such monthly payments shall date from the approval of this act. shall date from the approval of this act.

Mr. STAFFORD. Mr. Speaker, I offer an amendment. The Clerk read as follows:

Page 1, line 7, strike out "\$40 per month for the remainder of his life" and insert the figures "\$2,500."

The amendment was agreed to.

Mr. STAFFORD. Mr. Speaker, I offer a further amendment.

The Clerk read as follows:

Amendment offered by Mr. STAFFORD: Page 2, line 2, after the ord "the," insert the following: "reservation adjoining the."

The amendment was agreed to.

Mr. STAFFORD. Mr. Speaker, I offer a further amendment.

The Clerk read as follows:

Amendment offered by Mr. Stafforn: Page 1, line 5, after the word "to," insert the following: "be held by the Bureau of Indian Affairs as a trust fund to be administered for the benefit and support of."

The amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

MAGGIE KIRKLAND

The Clerk called the next bill, S. 3344, for the relief of Maggie Kirkland.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Comptroller General of the United States be, and he is hereby, authorized and directed to credit the account of Maggie Kirkland, former postmaster at Chicago, Ky., with the sum of \$93.50, covering a shortage in her accounts believed to be due to the destruction of paid money orders in a fire in the post office on March 25, 1924.

The bill was ordered to be read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

JOHN E. CLICK

The Clerk called the next bill, S. 4372, for the relief of John E. Click.

Mr. GRISWOLD. Mr. Speaker, I object.

EXCHANGE OF CERTAIN PATENTED LANDS

The Clerk called the next bill, S. 4390, authorizing the Secretary of the Interior to cancel patent in fee issued to Henry J. Kirn and Louise H. Kirn.

There being no objection, the Clerk read the bill, as

Be it enacted, etc., That the Secretary of the Interior is hereby authorized, in his discretion, and upon application of Henry J. Kirn and Louise H. Kirn, to cancel fee simple patent issued to them for the southwest quarter of northeast quarter section 12, township 30 north, range 50 east, principal meridian, Montana, containing 40 acres, and to cause a new trust patent to be issued to them covering the same land, of the form and legal effect as provided by the act of February 8, 1887 (24 Stat. 388), and amendments thereto, such patent to be effective from the date of the original trust patent, and the land shall be subject to extensions of the trust made by Executive order on other allotments of members of the same tribe: Provided, That nothing in this act shall be construed to affect in any way the vested interests of anyone other than the persons named herein.

The bill was ordered to be read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

A similar House bill (H. R. 11659) was laid on the table.

SAC AND FOX INDIANS OF OKLAHOMA

The Clerk called the next bill, S. 4557, to authorize the addition of certain names to the final roll of the Sac and Fox Indians of Oklahoma.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Interior be, and he is hereby, authorized to add to the final roll of the Sac and Fox Indians of Oklahoma, approved October 10, 1923, under the acts of May 25, 1918 (40 Stat. L. 591), and June 30, 1919 (41 Stat. L. 9), the names of Stella Mae Wood, Ethelyn Gladys Wood, and Vernon Pequano, recognized members of the tribe living on the effective date of the roll, but whose names were omitted therefrom through error. from through error.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

A similar House bill (H. R. 11798) was laid on the table.

HARRY E. BLOMGREN

The Clerk called the next bill, S. 2680, for the relief of Harry E. Blomgren.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Comptroller General of the United States is hereby authorized and directed to allow and credit in

the accounts of Harry E. Blomgren, postmaster at Fort Dodge, Iowa, the sum of \$26, being the amount expended by him for vehicle hire, said sum having been disallowed by the General Accounting Office.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider laid on

A similar House bill (H. R. 6825) was laid on the table. PENNSYLVANIA RAILROAD CO.

The Clerk called the next bill, S. 2571, authorizing adjustment of the claim of the Pennsylvania Railroad Co.

Mr. STAFFORD. Mr. Speaker, reserving the right to object, I wish to reduce this amount to \$219.03. I think the claim that the Pennsylvania Railroad Co. makes for the use of the wrecking crew for eight and a half hours is rather out of the ordinary and should not be in this bill. There is a similar bill relating to the Chicago, North Shore & Milwaukee Railroad.

Mr. GRISWOLD. Will the gentleman yield?
Mr. STAFFORD. Yes.
Mr. GRISWOLD. I intend to object to this bill.

I object, Mr. Speaker.

LESLIE JENSEN

The Clerk called the next bill, S. 5085, for the relief of Leslie Jensen.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Comptroller General of the United States be, and he is hereby, directed to allow credit in the accounts of Leslie Jensen, special disbursing agent at Aberdeen, S. Dak., for payments aggregating \$66.50 made to Gerald E. Evans, a temporary employee in the Custodial Service, Treasury Department, at Fargo, N. Dak., and disallowed on certificate No. G-1781-T, dated October 3, 1931, for the reason that the appointment was not approved by the Secretary of the Treasury until June 4, 1930, which was subsequent to the date for which payment was made.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

A similar House bill (H. R. 10498) was laid on the table.

NATIONAL SURETY CO.

The Clerk called the next bill, S. 4441, authorizing adjustment of the claim of the National Surety Co.

There being no objection, the Clerk read the bill, as

Be it enacted, etc., That the Comptroller General of the United States is hereby authorized and directed to adjust and settle the claim of the National Surety Co. for refund of \$500 on account of collections from the said National Surety Co. as surety on a bond dated March 12, 1917, of Ovide Robin, former postmaster at Leonville, La., in excess of the principal amount of said bond, and to allow not to exceed \$500 in full and final settlement of the claim. There is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of \$500, or so much thereof as may be necessary, for the payment of the claim.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

A similar House bill (H. R. 11904) was laid on the table.

ALBERT GONZALES

The Clerk called the next bill, S. 1594, for the relief of Albert Gonzales.

Mr. HANCOCK of New York and Mr. STAFFORD objected.

Mr. BLANTON. Mr. Speaker, in connection with this bill, I just want to call the attention of the gentleman from Wisconsin and the gentleman from New York to the fact that this boy was training at a citizens' military training camp and was diving in a swimming pool and received this injury. The Government is now asked to pay damages, and this is what I called attention to this afternoon when the House was considering the matter of appropriating \$22,000,000 to place 15-year-old boys into semimilitary camps.

Mr. STAFFORD. If I slipped on a banana peel and injured my leg, would I have a claim on the Government for the rest of my life?

Mr. BLANTON. No; but if we had appropriated that \$22,000,000 to-day and put eighty-eight thousand 15-yearold boys into camps, we would soon have thousands of such claims here to pay them for all sorts of disabilities.

JAMES L. PATE.

The Clerk called the next bill, S. 207, for the relief of James L. Pate.

There being no objection, the Clerk read the bill, as fol-

Be it enacted, etc., That in the administration of the pension laws James L. Pate shall hereafter be held and considered to have been honorably discharged from the military service of the United States as a private in Company A, Twelfth Regiment Kentucky Volunteer Cavalry, on the 20th day of September, 1862: Provided, That no pension, back pay, or bounty shall be held to have accrued prior to the passage of this act.

The bill was ordered to be read a third time, was read the third time, and passed and a motion to reconsider laid on the table.

ROBERT J. SMITH

The Clerk read the next bill on the Private Calendar, S. 1730, a bill for the relief of Robert J. Smith.

The SPEAKER pro tempore. Is there objection?

Mr. BLANTON. I am going to object to this, and I ask unanimous consent to put my findings in the RECORD.

There was no objection.

FOUR-MASTED AUXILIARY BARK "QUEVILLY"

The Clerk read the next bill on the Private Calendar, S. 486, conferring jurisdiction upon certain courts of the United States to hear and determine the claim by the owner of the four-masted auxiliary bark Quevilly against the United States, and for other purposes.

Mr. BLANTON. I object.

STEAMSHIP "W. I. RADCLIFFE"

The Clerk read the next bill on the Private Calendar, S. 4591, to amend the act of March 2, 1929, conferring jurisdiction upon certain courts of the United States to hear and determine the claim by the owner of the steamship W. I. Radcliffe against the United States, and for other purposes.

Mr. BLANTON. I object.

MARY E. STEBBINS

The Clerk read the next bill on the Private Calendar, S. 361, an act for the relief of Mary E. Stebbins.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Mary E. Stebbins the sum of \$50 per month, in an amount not to exceed \$1,500, in full settlement of all claims against the Government for injuries sustained by falling over a bag of mail in the entrance of the post office at Ava, Ill.

The bill was ordered to be read the third time, was read the third time, and passed, and a motion to reconsider laid on the table, and a similar House bill was laid on the table.

ANTON W. FISCHER

The Clerk read the next bill on the Private Calendar, S. 2960, for the relief of the estate of Anton W. Fischer. Mr. STAFFORD and Mr. BACHMANN objected.

YVONNE HALE

The Clerk read the next bill on the Private Calendar, S. 4379, for the relief of Yvonne Hale.

Mr. STAFFORD. Mr. Speaker, I object; but I will reserve the objection.

Mr. GIBSON. May I ask the gentleman from Wisconsin the reason for his objection?

Mr. STAFFORD. There are 50 bills on the calendar similar to this one to which objection has been made for the reason that since the Rogers Act was passed, granting to the Foreign Service high salaries with retirement pay, there is no reason why we should single out the widows of certain deceased officers for a gratuity of a year's pay.

Mr. GIBSON. But that is what has been done.

Mr. STAFFORD. Prior to the Rogers Act.

Mr. GIBSON. The report shows that the State Department advises that this is in line with bills of a similar

Mr. STAFFORD. Oh, yes; the department is very generous. I object.

SAINT JOHNS BLUFF MILITARY RESERVATION, FLA.

The Clerk called the next bill, S. 3602, authorizing the termination of a certain contract for the sale and purchase of Saint Johns Bluff Military Reservation in Florida, and for other purposes.

Mr. HILL of Alabama. Mr. Speaker, this bill was passed at the last session by being put onto a Senate bill as an amendment, which was agreed to by the House. therefore move that the bill be laid on the table.

The motion was agreed to.

FRANCIS R. SANCHEZ

The Clerk called the next bill, S. 3592, confirming the claim of Francis R. Sanchez, and for other purposes.

There being no objection, the Clerk read the bill, as fol-

Be it enacted, etc., That the claim of Francis R. Sanchez for lands described as sections 33 and 34, township 6 south, range 18 east, and as section 5, township 1 south, range 18 east, Tallahassee meridian, Florida, embracing 4,000 acres as shown on plats of survey approved May 27, 1841, contained in report No. 2 as claim No. 25, of the commissioners of the district of east Florida (American State Papers, Duff Green edition, vol. 3, p. 643), communicated to Congress by the Treasury Department May 20, 1824, be, and the same is hereby, approved and confirmed to the equitable owners of the equitable title thereto and to their respective heirs and assigns forever: Provided, That this act shall amount only to a relinquishment of any title that the United States has, or is supposed to have, or is supposed to have had, in and to any of said lands, and shall not be construed to abridge, and to any of said lands, and shall not be construed to abridge, impair, injure, prejudice, divert, or affect in any manner whatso-ever any valid right, title, or interest of any person or body cororate whatever heretofore acquired based on a patent issued by the United States.

Mr. STAFFORD. Mr. Speaker, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. Stafford: Page 2, beginning in line 5, strike out the words "or is supposed to have had."

The amendment was agreed to, and the bill as amended was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

ROBERT EMIL TAYLOR

The Clerk called the next bill, S. 3543, for the relief of Robert Emil Taylor.

Mr. HANCOCK of New York. Mr. Speaker, I object.

Mr. HORR. Mr. Speaker, will the gentleman reserve his

Mr. HANCOCK of New York. Yes. Mr. HORR. I would like to know what the objection is. The gentleman will find from the War Department report-

Mr. BLANTON. Oh, several of us are going to object to this, so why go on with it?

Mr. HORR. Then, I will talk to all at once. I do not suppose it will do any good.

Mr. BLANTON. The War Department says that the bill ought not to be passed.

Mr. HORR. It does not. If it does, I will not press it. The War Department says that the department in deference to that office, which is the Veterans' Bureau, ventures to make a recommendation as to the advisability of the enactment of the law.

Mr. BLANTON. Here is what Patrick J. Hurley, Secretary of War, says:

Within the period of the World War, furloughs of indefinite duration without pay or allowances were granted to a very large number of soldiers, and the War Department is not aware of any special or peculiar merit in the case of Robert E. Taylor that would single him out for relief that is not extended to all others in the same category.

Mr. HORR. That is true. There may be that there are others who are entitled to the same thing as Mr. Taylor.

Mr. BLANTON. But we are not going to single him out from thousands of others in the same class and give him preferred treatment.

Mr. HORR. We are expected to extend relief here to anybody entitled to it. This is a court of equity.

Mr. BLANTON. Yes; and from now on it is going to be a people's court of equity, run in behalf of the people.

Mr. BACHMANN. Mr. Speaker, I demand the regular

The SPEAKER pro tempore. Is there objection?

Mr. BLANTON. Mr. Speaker, I object.

Mr. HANCOCK of New York. I object.

NELSON KING

The Clerk called the next bill, S. 402, for the relief of Nelson King.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in the administration of any laws con-Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers Nelson King, who was a member of Company A, Fifth Regiment Vermont Volunteer Infantry, shall hereafter be held and considered to have been honorably discharged from the military service of the United States as a private of that organization on the 13th day of September, 1864: Provided, That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

MADRIGAL & CO., MANILA, P. I.

The Clerk called the next bill, S. 256, authorizing adjustment of the claim of Madrigal & Co., Manila, P. I.

There being no objection, the Clerk read the bill, as

Be it enacted, etc., That the Comptroller General of the United States is hereby authorized and directed to allow Madrigal & Co., Manila, P. I., the sum of \$420 in full and final settlement of their claim for refundment of wharfage charges collected by the Navy Department on the U. S. Buffalo, purchased by said company under the provisions of catalogue 318-b, issued by the Bureau of Supplies and Accounts, Navy Department, Washington, D. C. There is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of \$420 for payment of said claim.

Mr. BLACK. Mr. Speaker, I move to strike out the last word. Inasmuch as this is the last night on which we will have the Private Calendar call, I think it is proper to call to the attention of the gentlemen who attend these calls the condition of the Private Calendar and make a short report as to the activity of the Committee on Claims. There were referred to the Committee on Claims 1,820 House bills and 150 Senate bills. The number of bills passed by the House up until this evening is 294. The number of bills favorably reported, 724; number of bills adversely reported, 65; number of bills still pending in committee, 1,676; number of bills in the committee's deferred list, 10.

Mr. BACHMANN. About one-third of the bills that came on the floor have been passed under this system.

Mr. BLACK. Yes.

Mr. PITTENGER. And a lot of bills were considered by the committee which the committee did not feel had any merit in them and no action was taken upon them.

Mr. BLANTON. Mr. Speaker, will the gentleman yield?

Mr. BLACK. Yes.

Mr. BLANTON. And the gentleman knows that we have been operating not under the new rule in vogue but under the old rule, which the House cast aside. If we had been operating under the new rule, there would not have been nearly so many passed.

Mr. BLACK. I agree that the old rule is far more workable than the new rule.

Mr. BACHMANN. And does not the gentleman think then that in the next Congress there would be a good chance to pass another rule, a workable rule, such as we are working under here, and discard the rule that we now have?

Mr. PATTERSON. Will the gentleman yield to me? Mr. BLACK. I yield.

Mr. PATTERSON. I want to say since the gentleman from New York made this report showing the extent of the work of this Committee on Claims, I think every Member, especially those Members who have attended the Private Calendar, recognize and appreciate the splendid work done by the distinguished chairman of the Committee on Claims, the gentleman from New York [Mr. Black], and his efficient helpers on both sides of the House. In my humble way I want to pay my tribute to the splendid, faithful, and diligent work this committee has done during the Seventysecond Congress.

Mr. BACHMANN. And I want to add my indorsement along the same line.

Mr. PATTERSON. I am sure that is the sentiment on both sides.

The pro forma amendment was withdrawn.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JOHN T. LENNON AND GEORGE T. FLORA

The Clerk called the next bill, S. 261, authorizing adjustment of the claims of John T. Lennon and George T. Flora. The SPEAKER pro tempore. Is there objection?

Mr. BACHMANN. Mr. Speaker, I object.

HOLY FAMILY HOSPITAL, ST. IGNATIUS, MONT.

The Clerk called the next bill, S. 2941, for the relief of the Holy Family Hospital, St. Ignatius, Mont.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. EATON of Colorado. Reserving the right to object, I would like to ask the sponsor of the bill if he will consent to the usual attorney's fee clause being added?

Mr. EVANS of Montana. I have no objection at all. It is a Senate bill, but I have no objection.

The SPEAKER pro tempore. The Clerk will report the bill.

There being no objection, the Clerk read as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay to the Holy Family Hospital, St. Ignatius, Mont., out of any money in the Treasury not otherwise appropri-ated, the sum of \$8,825.66, in full satisfaction of all claims against the United States for compensation for the care by such hospital of persons admitted thereto under authority of the Flathead Indian Agency, State of Montana, prior to and including November 30, 1931.

Mr. EATON of Colorado. I offer the usual attorney's fee amendment, Mr. Speaker.

The Clerk read as follows:

Amendment offered by Mr. Earon of Colorado: At the end of the bill insert the following: "Provided, That no part of the amount appropriated in this act in excess of 10 per cent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 per cent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000."

Mr. BLANTON. Mr. Speaker, I move to strike out the last word.

Saturday afternoon there will leave this Congress one of the hardest working and one of the most conscientious Members of this House. I refer to our distinguished colleague, the gentleman from Wisconsin [Mr. STAFFORD]. [Applause.]

Mr. COCHRAN of Missouri. Mr. Speaker, a point of order. I fully agree with anything that the gentleman may say about Mr. Stafford, but what has Mr. Stafford got to do with 1931?

Mr. BLANTON. He has a lot to do with everything that goes on in this Congress.

Mr. COCHRAN of Missouri. Anything good the gentleman can say about Stafford, I second the motion. [Laughter and applause.]

Mr. BLANTON. I am able to say many good things about the gentleman. Probably Mr. STAFFORD has made

every man in this House mad at times. He has objected to bills that some of you may have thought he ought not object to, but he has done it conscientiously. He has served on some of the most important committees in Congress, from the Committee on Appropriations on to others, and in every bit of his work here, partisan sometimes as it may have been, he is true blue in his service to the people. I want to take my hat off to him when he goes back to Wisconsin. [Applause.]

Mr. COCHRAN of Missouri. Mr. Speaker, in keeping with what I said, I second the motion. [Laughter and applause.]

The pro forma amendment was withdrawn.

The amendment was agreed to.

The bill as amended was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GEORGE H. HANSEN

The Clerk called the next bill, S. 4440, authorizing adjustment of the claim of George H. Hansen.

There being no objection, the Clerk read as follows:

Be it enacted, etc., That the Comptroller General of the United States is hereby authorized and directed to adjust and settle the claim of George H. Hansen for \$1,000 deposited with the former United States Commissioner Fisk as ball for Guillaume Peyran and which amount the said United States commissioner reconverted to his own use, and to allow said claim in an amount not exceeding \$1,000. There is hereby appropriated, out of any money in the Treasury not otherwise appropriated, \$1,000, or so much thereof as may be necessary, for the payment of such claim.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

WALTER THOMAS FOREMAN

The Clerk called the next bill, S. 4513, for the relief of Walter Thomas Foreman.

The SPEAKER pro tempore. Is there objection? Mr. STAFFORD. Mr. Speaker, I object.

NANNIE SWEARINGEN

The Clerk called the next bill, S. 363, for the relief of Nannie Swearingen.

The SPEAKER pro tempore. Is there objection?

Mr. BACHMANN. Mr. Speaker, I object.

Mr. PITTENGER. Will the gentleman reserve his objection for a moment?

Mr. BACHMANN. Yes; I will reserve the objection. Mr. PITTENGER. I am willing to consent to an amendment, but here is an old woman 71 years old. There is liability on the part of the Government for the death of her husband, and something ought to be paid.

Mr. BACHMANN. I wish the gentleman would point out where the liability of the Government is in this case. I have been unable to find any liability on the part of the Government. The driver of the truck was not negligent.

Mr. PITTENGER. I disagree with the gentleman's statement there.

Mr. BACHMANN. I wish the gentleman would point it out if it is there.

Mr. PITTENGER. It was pointed out before the Senate Committee on Claims.

Mr. BACHMANN. If the gentleman can show me how the Government is liable in this case I am willing that compensation should be paid, but I may say to the gentleman from Minnesota that I have read this report two or three times and I can not find where there is any negligence on the part of this driver.

Mr. PITTENGER. In this instance the truck driver ran over a pedestrian on the street.

Mr. BACHMANN. Suppose he did. Was the pedestrian to blame or was the driver to blame?

Mr. PITTENGER. I assume that the driver was to blame or the Senate committee would not have allowed damages.

Mr. BACHMANN. They may have found him responsible but there is nothing in this report upon which we can base it.

Mr. PITTENGER. If the gentleman will read page 1, he will see that, in this case, the deceased was crossing the

street at a regular crosswalk. He was knocked down by a mail truck.

Mr. BACHMANN. There was no failure on the part of the truck driver. He was not driving on the left-hand side of the road. His brakes were not in bad condition.

Mr. PITTENGER. The gentleman is reading a lot of things into the report that are not there, because the gentleman will observe that the report says the truck driver failed to see the pedestrian until he collided with him. I submit to the gentleman that the Senate Claims Committee must have given consideration to that question.

Mr. BACHMANN. If the truck driver failed to see the pedestrian, there is nothing in the report to show that

the pedestrian failed to see the truck coming.

Mr. PITTENGER. I was not before the Senate Committee. Let me read a little more from this report. Former Postmaster General New said:

In consideration of the result of the investigation of this case I am of the opinion that favorable consideration should be accorded the bill.

The department would not say that unless there were absolute negligence on the part of their employee. They do not do it. I have read too many of their reports.

I do not know this case; I do not know this woman, but I think it is a meritorious case and that some payment ought to be made.

Mr. BACHMANN. I am not going to permit a bill to go through contemplating payments to the extent of \$5,000 unless there is some evidence of negligence on the part of the Government.

Mr. Speaker, I object.

CORINNE BLACKBURN GALE

The Clerk called the next bill, S. 4949, for the relief of Corinne Blackburn Gale.

Mr. STAFFORD. Mr. Speaker, I object.

WIENER BANK VEREIN

The Clerk called the next bill, S. 3375, for the relief of Wiener Bank Verein.

Mr. BLANTON and Mr. BACHMANN objected.

Mr. STAFFORD. Will the gentleman withhold his objection so I may incorporate in the RECORD some facts I have obtained with reference to this claim?

Mr. BLANTON. Certainly, I withhold objection to enable the gentleman to proceed.

Mr. STAFFORD. Under reservation of objection, Mr. Speaker, I ask permission to proceed for two minutes.

Mr. Speaker, a claim for a similar instance for the same claimant was included in an omnibus act passed by the Congress some years back at which time the claimant received \$10,392, being \$5,000 more than the claimant asked for interest. The claimant at that time only asked interest at the rate of $2\frac{1}{2}$ per cent, but the Congress voted $4\frac{1}{2}$ per cent.

Certainly we should not now recognize this claim in the full amount. I suppose this claimant is nothing more than some attorney in New York who is going to get maybe 50 per cent or 75 per cent of the amount allowed. I would be willing to pay him \$10,000 after deducting these various amounts, but certainly this claimant is not entitled to \$30,000. There is no showing why this claimant did not present this claim at the time he presented the original claim.

Mr. BLANTON. But now he wants \$30,208.67 more. And we ought not to allow that sum to be taken out of the Treasury. We must save this \$30,208.67; therefore, Mr. Speaker, I object.

EARL A. ROSS

The Clerk called the next bill, S. 4806, for the relief of Earl A. Ross.

Mr. HOPE. Mr. Speaker, I object.

FRANK P. ROSS

The Clerk called the next bill, S. 4807, for the relief of Frank P. Ross.

Mr. HOPE and Mr. GRISWOLD objected.

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ALAMEDA BELT LINE

The Clerk called the next bill, S. 3443, to authorize the Secretary of War to grant a right of way to the Alameda Belt Line across the Benton Field Military Reservation, Alameda, Calif.

Mr. HILL of Alabama. Mr. Speaker, I have an amendment which should have been carried as a committee amendment, but through clerical error it was not. I wish to offer it at the end of the bill.

Mr. STAFFORD. Will the gentleman read the amendment?

Mr. BACHMANN. The amendment reads:

Provided further, That the right to compel the removal of said railroad tracks and appurtenances is hereby reserved in the Secretary of War, whenever he may determine the interests of the Government require, and which said removal is to be without expense to the Government, as a condition of this grant.

Mr. HILL of Alabama. This should have been carried as a committee amendment.

Mr. BLANTON. And it is a good amendment.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of War be, and he is hereby, authorized and empowered to grant to the Alameda Belt Line, a corporation organized and existing under the laws of the State of California, its successors and assigns, a permanent right of way, in such location and under such terms and conditions as may be approved by the Secretary of War, over and across the Benton Field Military Reservation, Alameda, Calif., for railroad purposes, with full power to locate, construct, and operate railroad tracks, together with necessary spurs and sidings and other railroad appurtenances, appendages, and adjuncts: Provided, That the land shall not be used for other than railroad purposes, and when the property shall cease to be so used it shall revert to the United States.

Mr. HILL of Alabama. Mr. Speaker, I offer a committee amendment.

The Clerk read as follows:

Amendment offered by Mr. Hn.L of Alabama: Page 2, line 6, strike out the period and add the following: "Provided further, That the right to compel the removal of said railroad tracks and appurtenances is hereby reserved in the Secretary of War, whenever he may determine the interests of the Government require, and which said removal is to be without expense to the Government, as a condition of this grant."

The amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CATTERINA POLLINO

The Clerk called the next bill, S. 1738, for the relief of Catterina Pollino.

There being no objection, the Clerk read the bill, as fol-

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Catterina Pollino the sum of \$500, representing the amount deposited by her on account of an immigration bond executed by the Aetna Casualty Co., of San Francisco, Calif., conditioned upon her leaving the United States within six months after admission as a tourist, and subsequently forfeited, although said Catterina Pollino departed from the United States within the period fixed in the said bond, as extended by the immigration authorities.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

C. O. MEYER

The Clerk called the next bill, S. 2990, for the relief of C. O. Meyer.

Mr. BLANTON and Mr. EATON of Colorado objected.

ELIZABETH MILLICENT TRAMMELL

The Clerk called the next bill, S. 4553, for the relief of Elizabeth Millicent Trammell.

Mr. STAFFORD. Mr. Speaker, I object.

Mr. HANCOCK of New York. Will the gentleman reserve his objection for a moment?

Mr. STAFFORD. Mr. Speaker, I reserve the objection for a minute.

Mr. HANCOCK of New York. Mr. Speaker, I know it has been the gentleman's rule to object to bills of this character. Nevertheless, exceptions have been made, and if ever an exception was justified by the circumstances, I believe this is such a case.

I would like to ask the gentleman if he knows the record of the deceased and the facts of the case.

Mr. STAFFORD. I have taken the position that these bills that seek to grant a gratuity of a year's pay to the surviving relatives of those who were formerly connected with the Foreign Service, should not be enacted because there should be some legislation limiting the grant to those who are dependent and limiting the amount also to a period of six months. When Congress was considering the so-called Rogers Foreign Service reorganization bill, which passed the Congress in 1924 after it had been before it since 1920, there was no suggestion on the part of the State Department, at that time, Chief Justice Hughes being Secretary of State, to provide retirement pay annuity to widows of persons who died after they left the service.

We did provide retirement pay and we increased the pay. If it was the purpose of the State Department to grant to the widows an honorarium of six months' or one year's pay, they would have presented that on the floor when the bill was under consideration, but they did not do that.

Mr. HANCOCK of New York. Does not the gentleman feel that under special circumstances bills of this character are justifiable?

Mr. STAFFORD. No. Even in the last Congress I was berated most savagely by my colleague the gentleman from the fourth district of Wisconsin, when I objected to a similar bill relating to a widow in my home city, only to find out last summer that this widow had an estate of \$30,000.

There should be some general legislation along this line. Let us relieve this calendar by having the Committee on Foreign Affairs bring in some general legislation.

Mr. BLANTON. And we have got to pursue the same policy here with respect to these bills.

Mr. STAFFORD. Yes; and not play favorites because some claimants have an energetic Representative.

I object, Mr. Speaker.

Mr. HANCOCK of New York. Mr. Speaker, I ask unanimous consent to extend my remarks at this point by inserting a brief statement with reference to this bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. HANCOCK of New York. Bill No. 1002, passed by the Senate, provides for the payment of this year's salary to the widow of H. Eric Trammell, deceased. The circumstances are as follows:

Mr. Trammell served in the American expeditionary forces and following the war was four years in numerous Government hospitals undergoing a series of operations on his hip which had been severely injured during his service in the Army. He was subsequently able to use his leg and could walk with the aid of a cane.

He entered the diplomatic service as a career man, spending two years at Guatemala as vice consul; then about one year at Caracas, Venezuela, as an assistant secretary of embassy; then finally going to Rio de Janeiro in the same capacity.

While on duty at Rio de Janeiro he was taken with appendicitis and operated on. The appendix operation was successful, but an infection later developed which resulted in his death. The infection was not unusual and the normal healthy body throws it off. We are informed by medical opinion that in Mr. Trammell's case the probability is that his physical condition was not strong enough for the reason that, even following his years in hospital beds, his injury was such that he could not build up his strength, as he was unable to take the exercise of a normal man.

He is survived by his widow and two children, boys, aged 7 and 4 years, who are now living at Cazenovia, N. Y.

SCHUTTE & KOERTING CO.

The Clerk called the next bill, S. 215, authorizing adjustment of the claim of Schutte & Koerting Co.
Mr. BLANTON. Mr. Speaker, I object.

WILLIAM RAY TAPLIN

The Clerk called the next bill, S. 855, for the relief of William Ray Taplin.

Mr. STAFFORD. Mr. Speaker, I object.

Mr. WIGGLESWORTH. Will the gentleman withhold his objection a moment?

Mr. STAFFORD. Yes; I will reserve the objection for a moment.

Mr. WIGGLESWORTH. Would the gentleman be good enough to state the basis of his objection to this bill? It seems to me these are very exceptional circumstances, and the bill has the blessing not only of the Senate but of the House Committee on Claims and the Secretary of War, who states specifically in a letter addressed to Senator Reed, "While the War Department ordinarily opposes relief legislation for the benefit of individuals as a class, the instant case is considered meritorious," and recommends the enactment of the proposed legislation.

Mr. STAFFORD. As I recall this case, the claimant seeks pay for the grade that he occupied after he had received his first hospitalization. After an interim elapsed he received a second hospitalization. The law does not accord to any person in the service, reserve officer and the like, pay of the grade after they have been dismissed from their first hospitalization. If this is going to be the policy, let us enact it in a general law, and not single out an officer who has an alert Representative who can get the ear of the committee to report these cases. We have not recognized this principle, and we should not at this late hour.

I object, Mr. Speaker.

FIRST CAMDEN NATIONAL BANK & TRUST CO.

The Clerk called the next bill, S. 2349, for the relief of the First Camden National Bank & Trust Co., of Camden, N. J. Mr. BLANTON and Mr. BACHMANN objected.

NEWPORT CONTRACTING & ENGINEERING CO.

The Clerk called the next bill, S. 4738, for the relief of the Newport Contracting & Engineering Co.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to the Newport Contracting & Engineering Co., of Lee Hall, Va., out of any money in the Treasury not otherwise appropriated, the sum of \$2,490 in full settlement for penalty imposed for delay in completing contract Noy-673 dated October 25, 1929, with the Navy Department for submarine escape practice tank.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

VICTORIA ARCONGE

The Clerk called the next bill, S. 4024, authorizing and directing the Secretary of the Interior to cancel patent in fee issued to Victoria Arconge.

Mr. GRISWOLD. Mr. Speaker, I object.

Mr. CHRISTOPHERSON. Mr. Speaker, will the gentleman withhold his objection a moment?

Mr. GRISWOLD. Yes.

Mr. CHRISTOPHERSON. May I inquire if the gentleman is acquainted with the facts set forth in the memorandum of the department?

Mr. GRISWOLD. Yes.

Mr. CHRISTOPHERSON. And still feels disposed to

Mr. GRISWOLD. Yes, on the ground that I feel the same way as the Secretary of the Department of the Interior about the matter.

Mr. CHRISTOPHERSON. Does the gentleman realize that this patent was issued when she held a restricted patent which would not have expired until 1930, and that as

soon as the act of 1927 was passed she applied for a cancellation of that patent and she is strictly within her rights?

Mr. GRISWOLD. That is not what the Secretary of the

Interior says about it.

Mr. CHRISTOPHERSON. Yes: it is stated in the Rhoads memorandum, which is dated June 17, 1932, that the patent was issued in 1916, upon the recommendation of the competency commission and she never accepted the patent and in 1927, when this act was enacted which authorized cancellation of these patents, she asked for a cancellation.

Mr. GRISWOLD. Does the gentleman mean to say that she never accepted the patent issued in 1916?

Mr. CHRISTOPHERSON. Never; it was never put on

Mr. GRISWOLD. I withdraw my objection.

Mr. HOPE. I object, Mr. Speaker.

CITY OF SAN DIEGO, CALIF.

The Clerk read the next bill on the Private Calendar, S. 5555, to authorize an exchange of lands between the city of San Diego and the United States.

The SPEAKER pro tempore. Is there objection?

Mr. BLANTON. Considering that the gentleman from California has already gotten for San Diego to-day 189,940 acres of public land, I object.

Mr. WOODRUFF. Will the gentleman withhold his objection?

Mr. BLANTON. I will.

Mr. WOODRUFF. May I say that the relation of the Navy Department with the city of San Diego has been the most unusual of any relation between any department of this Government and any city in this country. The city of San Diego has in the past given the Navy very much more than has been given to the Navy or any other department by the other great cities.

Mr. BLANTON. And what has she received in return?

Mr. WOODRUFF. The thanks of the Navy and, I hope, of the Nation.

Mr. BLANTON. Is that all?

Mr. WOODRUFF. No; of course it is not all. I want to show some things that the city has done for the Navy. She not only has given the Navy half of her entire water-

Mr. BLANTON. And the Government has made San

Diego, by spending public money there.

Mr. WOODRUFF. No; the climate has made San Diego. She has given the Navy one-half of her entire waterfront, and now she wants in return some lands which are necessary to complete her municipal flying field. She wants to turn over to the Government 242 acres of precisely the same kind of land. Further, she wants to give to the Navy nearly a whole city block in the business section of the city, all in return for 67 acres of tidewater land that she wants for her field.

Mr. BLANTON. And this afternoon, at the request of the gentleman from California [Mr. Swing], this House gave her 189,960 acres of public land—but not with my vote.

Mr. WOODRUFF. This Congress gave that land to the State of California to be used for a State park, land that was not suitable for any other purpose.

Mr. BLANTON. So that the soldier boys could not enter it and take it up. It had enough value to make California

Mr. WOODRUFF. That land was not worth 50 cents an acre for agricultural purposes, but that has nothing to do with this bill.

Mr. STAFFORD. Will the gentleman yield?

Mr. WOODRUFF. Yes.
Mr. STAFFORD. As I read the letter from the Secretary of the Navy, I was under the impression that the land that was to be given in exchange was of more value than the marsh lands that the city wants.

Mr. WOODRUFF. Infinitely more. Mr. BLANTON. Whenever you find anybody that is going to give anything of value to the Government more than they receive, you had better look out.

Mr. WOODRUFF. I want to remind my friend that San Diego has treated the Navy personnel better than any other city. Her treatment of the enlisted personnel should be an example for other cities to follow.

Mr. BLANTON. The gentleman is on the Naval Affairs Committee?

Mr. WOODRUFF. I am.

Mr. BLANTON. And the gentleman has traveled extensively?

Mr. WOODRUFF. I have traveled some.

Mr. BLANTON. Has he been to all the navy yards and naval stations?

Mr. WOODRUFF. Not to all, but I hope to see them all in the future.

Mr. BLANTON. Has the gentleman been to San Diego? Mr. WOODRUFF. Yes; and during the time I was there I worked harder than I ever worked in any other city. I was there to inspect the naval activities, and I became thoroughly acquainted with them.

Mr. BLANTON. Oh, I am sure of that, because the gengentleman works hard here, and is most valuable, but his ideas about just a few things like this bill all of the time are not sound.

Mr. WOODRUFF. The gentleman may think they are not, but in this instance I think he will agree that they are. We want to transfer to the city of San Diego 67 acres of tidewater land, land that is covered with water when the tide is in. They want to fill that in and round out their air

Mr. BLANTON. I will agree to give them the tidewater and keep the land.

Mr. WOODRUFF. Let me say that the city of San Diego in turn gives four times as much of the same kind of land and in addition to that nearly a whole city block of very valuable land.

Mr. RAMSPECK. Mr. Speaker, I demand the regular order.

The SPEAKER pro tempore. Is there objection?

Mr. BLANTON. I object.

SALE OF GOVERNMENT PROPERTY IN ST. LOUIS, MO.

The Clerk called the next bill, S. 5660, authorizing the Secretary of the Treasury to sell certain Government property in St. Louis, Mo.

There being no objection, the Clerk read the bill, as fol-

lows:

Be it enacted, etc., That the Secretary of 'the Treasury be, and he is hereby, authorized and empowered, in his discretion, to sell to the city of St. Louis, Mo., the appraisers' stores site and building, at Third and Olive Streets, in the said city, at fair market value, at such time and upon such terms and conditions as he may deem to be to the best interests of the United States, and to convey such property to the city of St. Louis by usual quitclaim deed: Provided, That the site and building shall remain in the custody and control of the United States and shall be occupied by the United States without payment of rent until such time as the new Federal building at St. Louis, in which the present Government activities in the appraisers' stores building are to be housed, is completed and occupied and the present appraisers' stores site and building are no longer required for any of the activities of the United States Government: And provided further, That the proceeds of such sale shall be deposited in the Treesury as miscellaneous receipts in accordance with the provisions of section 5 of the act entitled "An act to provide for the construction of certain public buildings, and for other purposes," approved May 25, 1926.

The bill was ordered to be read a third time was read the

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

WILLIAM H. HOLMES

The Clerk called the next bill, S. 465, for the relief of William H. Holmes.

There being no objection, the Clerk read the bill, as

Be it enacted, etc., That the Comptroller General of the United States is hereby authorized and directed, in the settlement of the accounts of William H. Holmes, former disbursing clerk, United States Veterans' Bureau (now Veterans' Administration), Washington, D. C., to allow credit in the amount of \$3,607.07, said sum representing payments made to guardians or other representatives authorized to receive same on behalf of beneficiaries of the Veterans' Bureau.

Mr. STAFFORD. Mr. Speaker, I offer the following amendment.

The Clerk read as follows:

Amendment offered by Mr. STAFFORD: At the end of line 10, insert "Provided, That as to any part thereof the payment of which has been secured by surety bond, credit is not to be

Mr. PATTERSON. Mr. Speaker, I rise in opposition to the amendment to say this. I wonder if the gentleman has taken into consideration the fact that in case there is a surety bond, that the surety, if it has to pay, will get right after this fellow who did it, and he will not get any relief to that extent. If you want to give the man relief you can not give him relief even though he has a surety bond. Every time they have to pay, they get right after the officer and make him pay it back.

Mr. STAFFORD. I looked into this matter very carefully, and I think the amendment should be adopted.

The amendment was agreed to; and the bill as amended was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

PLAYA DE FLOR LAND & IMPROVEMENT CO.

The Clerk called the next bill, S. 3477, for the relief of the Playa de Flor Land & Improvement Co.

Mr. BLANTON. I object. This bill involves \$224,000.

P. F. GORMLEY CO.

The Clerk called the next business, Senate Joint Resolution 197, conferring jurisdiction on the Court of Claims to render findings of fact in the claim of P. F. Gormley Co.

The SPEAKER pro tempore. Is there objection?

Mr. HOPE. Mr. Speaker, I must object unless the Member in charge of the bill will agree to accept certain amendments.

Mr. COCHRAN of Missouri. Mr. Speaker, I am authorized to say for the gentleman who has charge of the bill, who stepped out for a moment, that he will accept any reasonable amendment.

Mr. HOPE. The amendment I have in mind is to limit the court to a consideration only of a dispute as to the price of the steel and not the other matters that are included.

Mr. COCHRAN of Missouri. I should be glad to accept that amendment and take the responsibility for it.

Mr. STAFFORD. And I have some amendments to offer. In line 1, page 2, strike out the word "fully" and insert the word "equitably," and after the word "stated" in line 13, insert "with the right on the part of the Government to present and legal and equitable set-offs and defenses."

Mr. COCHRAN of Missouri. That is satisfactory.

Mr. STAFFORD. Then, at the end of the last line, to insert "but without any allowance for interest on the determined amount of damages prior to its rendition."

Mr. COCHRAN of Missouri. Oh, does the gentleman think that that is quite fair?

Mr. STAFFORD. We are not going to allow these old claimants to keep on piling up interest, delaying the submission of their claims after they have been outlawed so that they can not go before the Court of Claims. It puts a premium upon delay.

Mr. COCHRAN of Missouri. I am sure the gentleman has confidence in the next President of the United States. When he was Assistant Secretary of the Navy in his report to Congress he said:

I gave Mr. Gormley a hearing and from the statement made by him I am convinced of the justice and equity of his claim.

Mr. STAFFORD. I do not doubt that. I am trying only to safeguard the interest on these claims. I have been incorporating this character of amendment in many other bills of a similar import, and I think it should be incorporated

Mr. COCHRAN of Missouri. Oh, rather than have the gentleman object to the bill I shall accept the amendment.

The SPEAKER pro tempore. The Clerk will report the bill.

The Clerk read the resolution, as follows:

The Clerk read the resolution, as follows:

Resolved, etc., That jurisdiction is hereby conferred upon the Court of Claims of the United States, notwithstanding the lapse of time or any statute of limitations, to hear the claim of P. F. Gormley Co. for payment at the contract price of \$106 per ton for structural steel furnished and used in the performance of its contract No. 2304 with the Navy Department, dated March 10, 1917, for construction of structural shop building at the navy yard, Philadelphia, Pa., for such amount as will fully compensate said company for said steel not in excess of the price aforesaid; and also claims for damages or extra costs occasioned by orders of the Navy Department requiring the contractor to pay wages at rates fixed by war-time wage boards; by the commandeering of contractor's labor for use on war-time work considered more urgent; for increased costs due to extend period of performance necessitated by war-time conditions and war orders, including wages at rates higher than when the contract was made, delay in shipments, demurrage, and other extra costs necessarily incurred by the contractor without fault or neglect on its part but due to one or all of the circumstances stated, and to render findings of fact, and to report such findings of fact to Congress.

With the following committee amendment:

With the following committee amendment:

Page 2, line 14, strike out the words "to report" and insert the rord "upon" and strike out the word "Congress" and insert render judgment." word

The committee amendment was agreed to.

Mr. HOPE. Mr. Speaker, I offer the following amendment.

The Clerk read as follows:

Amendment offered by Mr. Hope: Line 3, page 2, beginning with the word "and," strike out all of lines 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, and 13, down to and including the word "stated."

The amendment was agreed to.

Mr. STAFFORD. Mr. Speaker, I offer the following amendment which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. STAFFORD: Page 2, line 1, strike out the word "fully" and insert the word "equitably."

The amendment was agreed to.

The Clerk read as follows:

Amendment offered by Mr. STAFFORD: Page 2, line 15, after the word "judgment," insert "but without any allowance for interest on the determined amount for damages prior to its rendition."

The amendment was agreed to.

The Clerk read as follows:

Amendment offered by Mr. Stafford: Page 2, line 2, after the word "aforesaid," insert "with the right on the part of the Government to present any legal and equitable set-offs and defenses."

The amendment was agreed to.

The resolution as amended was ordered to be read a third time, was read the third time and passed, and a motion to reconsider laid on the table.

The title was amended to read: "Joint resolution conferring jurisdiction upon the Court of Claims in the claim of P. F. Gormley Co."

CERTAIN LAND IN LOS ANGELES COUNTY, STATE OF CALIFORNIA

The Clerk called the next bill, S. 5537, to convey certain land in the county of Los Angeles, State of California.

The SPEAKER pro tempore. Is there objection?

Mr. BLANTON. Mr. Speaker, with the agreement that this money is to be covered into the general fund of the Treasury as miscellaneous receipts. I shall not object.

Mr. HILL of Alabama. The House bill carried that provision, or, rather, provided that the money should be paid to the Government, with no special provision that it should be covered into any special fund.

Mr. BLANTON. The War Department never turns loose of a dollar. Whenever it sells a piece of land it always seeks to keep its hold on the money and has it placed in its post military construction fund.

Mr. McSWAIN. The post military construction fund.

Mr. BLANTON. Yes. Now, this money ought to be turned back into the general fund of the United States Treasury. If the gentleman will agree that that amendment may be passed and kept in the bill in the final hours of Congress, I shall not object.

Mr. McSWAIN. The Senate bill does have that provision in it. The last paragraph of the Senate bill contains that provision. I could not keep faith with the gentleman and deny that.

Mr. BLANTON. Oh, this Senate bill provides it shall be deposited in the Treasury to the credit of a fund known as

the military post construction fund.

Mr. McSWAIN. That is what I just told the gentleman. Mr. BLANTON. Then the War Department can spend it whenever it gets ready, and I am tired of the War Department doing things like that. I object to the bill.

Mr. HILL of Alabama. Will the gentleman withhold his objection? The gentleman can move to strike out section 2 of the bill.

Mr. BLANTON. Well, we are going to be tied up, and the chairman of the committee can come in here and ask to adopt the conference report and move the previous question. If the chairman will assure us that he will protect us in keeping that clause out of this bill I shall not object.

Mr. McSWAIN. It will remain out or there will not be any legislation, as far as I am concerned.

The SPEAKER pro tempore. Is there objection? There was no objection.

Mr. BLANTON. Mr. Speaker, I move to strike out the preamble and the whereases, so that they will not have to

The motion was agreed to.

The Clerk read the bill, as follows:

The Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of War be, and he is hereby, authorized and directed to convey to the county of Los Angeles the hereinafter-described land, exclusive of such structures thereon which may be designated by the Secretary of War for retention by the War Department with a view to their eventual removal from the premises, to be used for public park, playground, and recreation purposes only, on condition that should the land not be used for that purpose it shall revert to the United States:

Provided, however, That the county of Los Angeles, State of California, pay to the United States of America the sum of \$55.655, the amount originally paid by the Government on the purchase price of said property, which property is particularly described as follows:

All those certain lots, pieces, or parcels of land, together with all buildings thereon, situate, lying, and being in the city of Arcadia, county of Los Angeles, and State of California, and particularly described as follows, to wit: Lot 4 of tract numbered 949 ticularly described as follows, to wit: Lot 4 of tract numbered 949 as delineated upon the map of said tract recorded in book 17 of maps, at page 13, records of Los Angeles County, and lots 3, 4, 5, and 6 of tract No. 2409 as delineated upon the map of said tract, recorded in book 23 of maps, at page 23, records of Los Angeles County. The land intended to be conveyed by this deed is bounded on the north by Falling Leaf Avenue, on the east by Santa Anita Avenue, on the south by Huntington Drive and by land now owned by Clara Baldwin Stocker, and on the west by the rights of way of Pacific Electric Railroad Co. and Southern Pacific Railroad Co., and being all of the land claimed or owned by the grantor within the exterior bounds of Arcadia balloon field. Sec. 2. That the amount received from the county of Los

SEC. 2. That the amount received from the county of Los Angeles, State of California, for the land above described shall be deposited in the Treasury to the credit of the fund known as the military post construction fund, to be and remain available until expended for permanent construction at military posts in such amounts as may be authorized by law from time to time by the Congress.

Mr. BLANTON. Mr. Speaker, I offer an amendment. The Clerk read as follows:

Amendment offered by Mr. BLANTON: On page 3 of the Senate bill, in line 12, after the word "Treasury," strike out the remainder of the bill and insert "of the United States as miscellaneous

The amendment was agreed to.

The bill as amended was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill was laid on the table.

COLONIAL REALTY CO.

The Clerk called the next bill, S. 5382, providing for an exchange of lands between the Colonial Realty Co. and the United States, and for other purposes.

The SPEAKER pro tempore. Is there objection?

Mr. GRISWOLD. Mr. Speaker, I object.

Mr. HAWLEY. Will the gentleman reserve his objection?

Mr. GRISWOLD. I will.

Mr. HAWLEY. The Colonial Realty Co. purchased of the United States on the Klamath irrigation project certain tracts of land and paid \$125,000 in cash for it. The land, according to the showing of the Government plats and surveys, was good land. It had a crop on it. There were between 300 and 400 acres in crop in 1918. That year they added 320 acres more to the cultivable land. Then the Government turned the water in on the project generally. The water overflowed the canals and took out the county bridges.

Mr. BLANTON. And the department recommends the hill?

Mr. HAWLEY. Yes. The water, having been there some years, has raised black and white alkali and devastated the whole area. It is of no value any further. The Secretary of the Interior thoroughly investigated this and suggested this exchange.

They will take new lands in the same project. They have already paid \$30 water charge on the lands they have. They will now pay \$60 water charge on the lands they get.

Mr. GRISWOLD. The understanding I get is that the Colonial Realty Co. received this land from the Government and that it was good land.

Mr. HAWLEY. It was good, but the Government turned the water on and overflowed it.

Mr. GRISWOLD. Water in an irrigation project?

Mr. HAWLEY. And it is badly flooded at times when they ought to be putting in crops. There are large areas under water, and the rest is covered over with white alkali raised from the ground.

Mr. GRISWOLD. And now they want to trade this unproductive land to the Government in exchange for productive land, and as I understand the bill they will apply the assessments they have already paid on this land to the productive land. Is not that in the bill, too?

Mr. HAWLEY. They will pay \$60 for the water on the new land. The Government ruined this land for them.

Mr. MARTIN of Oregon. It was the fault of the Government that this land was ruined.

Mr. GRISWOLD. They are applying the amount already paid and which will be realized from that on the other land.

Mr. HAWLEY. They will pay \$60 more on the new land. Mr. GRISWOLD. The part I object to is the application of what they have already paid on the new land.

Mr. Speaker, I object.

MARY BYRKETT SINKS

The Clerk called the next bill, S. 5208, for the relief of Mary Byrkett Sinks.

There being no objection, the Clerk read the bill, as

Be it enacted, etc., That the Comptroller General of the United States be, and he is hereby, authorized and directed to adjust and settle the claim of Mary Byrkett Sinks as reimbursement of and settle the claim of Mary Byrkett Sinks as reimbursement of costs to her in raising the grade of her lot in Troy, Ohio, made necessary through the action of the United States in raising the grade of an adjoining post-office building site, and to allow not to exceed \$175 in full and final settlement of said claim. There is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of \$175, or so much thereof as may be necessary, for payment of the claim.

The bill was ordered to be read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table. A similar bill (H. R. 14347) was laid on the table.

MANOB SURIYA

The Clerk called Senate Joint Resolution 134, authorizing the Secretary of War to receive for instruction at the United States Military Academy, at West Point, Manob Suriya, a citizen of Siam.

There being no objection, the Clerk read the Senate joint resolution, as follows:

Resolved, etc., That the Secretary of War be, and he is hereby, authorized to permit Manob Suriya to receive instruction at the United States Military Academy, at West Point: Provided, That no expense shall be caused to the United States thereby, and that Manob Suriya shall agree to comply with all regulations for the police and discipline of the Academy, to be studious, and to give his utmost efforts to accomplish the courses in the various departments of instruction, and that said Manob Suriya shall not be

admitted to the Academy until he shall have passed the mental and physical examinations prescribed for candidates from the United States, and that he shall be immediately withdrawn if deficient in studies or in conduct and so recommended by the academic board: *Provided further*, That in the case of said Manob Suriya the provisions of sections 1320 and 1321 of the Revised Statutes shall be suspended.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JULIO RODRIGUEZ ARREA

The Clerk called Senate Joint Resolution 178, authorizing the Secretary of War to receive for instruction at the United States Military Academy, at West Point, Julio Rodriguez Arrea, a citizen of Costa Rica.

There being no objection, the Clerk read the Senate joint resolution, as follows:

Resolved, etc., That the Secretary of War be, and he is hereby, authorized to permit Julio Rodriguez Arrea to receive instruction at the United States Military Academy, at West Point: Provided, That no expense shall be caused to the United States thereby, and that Julio Rodridguez Arrea shall agree to comply with all regulations for the police and discipline of the academy, to be studious, and to give his utmost efforts to accomplish the courses in the various departments of instruction, and that said Julio Rodriguez Arrea shall not be admitted to the academy until he shall have passed the mental and physical examinations prescribed for candidates from the United States and that he shall be immediately withdrawn if deficient in studies or in conduct and so recommended by the academic board: Provided further, That in the case of said Julio Rodriguez Arrea the provisions of sections 1320 and 1321 of the Revised Statutes shall be suspended.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

TISHENG VEN

The Clerk called Senate Joint Resolution 179, authorizing the Secretary of War to receive for instruction at the United States Military Academy, at West Point, Tisheng Yen, a citizen of China.

Mr. BLANTON. Mr. Speaker, can the gentleman from New York [Mr. Bloom] assure us that this young man is a real Chinaman and loyal to China?

Mr. BLOOM. Oh, certainly. This young man is the son of the present Chinese representative of the Chinese Government at Geneva.

Mr. BLANTON. I shall not object to this bill.

There being no objection, the Clerk read the joint resolution as follows:

Senate Joint Resolution 179

Resolved, etc., That the Secretary of War be, and he is hereby, authorized to permit Tisheng Yen to receive instruction at the United States Military Academy at West Point: Provided, That no expense shall be caused to the United States thereby, and that Tisheng Yen shall agree to comply with all regulations for the police and discipline of the academy, to be studious, and to give his utmost efforts to accomplish the courses in the various departments of instruction, and that said Tisheng Yen shall not be admitted to the academy until he shall have passed the mental and physical examinations prescribed for candidates from the United States, and that he shall be immediately withdrawn if deficient in studies or in conduct and so recommended by the academic board: Provided further, That in the case of said Tisheng Yen the provisions of sections 1320 and 1321 of the Revised Statutes shall be suspended.

The joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

NAVAL RADIO STATION AT SAVANNAH, GA.

The Clerk called the next bill, S. 2374, to authorize and direct the Secretary of the Navy to convey by gift to the city of Savannah, Ga., the naval radio station, the buildings and apparatus, located upon land owned by said city.

Mr. EATON of Colorado. Mr. Speaker, I was going to object to this bill, but the sponsor of the bill, the gentleman from Georgia [Mr. Parker] wanted to make a statement in regard to it. My reason for objecting is that there is nothing appearing in the report as to why the Government should make a donation of this \$12,000 worth of property. Perhaps there is some good reason for it that the gentleman from Georgia can explain.

Mr. PARKER of Georgia. Mr. Speaker, the Navy Department constructed this naval radio station on land that is owned by the city of Savannah. At the time the radio station was built, the Navy Department entered into a solemn agreement with the city of Savannah that when the property was no longer useful to the Navy for its purposes, title to the property would revert to the city of Savannah.

Mr. EATON of Colorado. Does the gentleman refer to

the title to the structures that were put upon it?

Mr. PARKER of Georgia. Yes; they constructed the buildings on land owned by the city of Savannah and established this radio station there. Now, they say they have no further use for it, and in view of the contract they entered into with the city, they are attempting to carry out this agreement.

Mr. BACHMANN. How long did the Government use the property?

Mr. PARKER of Georgia. Since 1920.

Mr. BACHMANN. And they have had the use of the property without the payment of any rental?

Mr. PARKER of Georgia. Yes; so far as I know, no rental was paid.

Mr. EATON of Colorado. This being in fulfilment of an agreement, I shall not object.

Mr. PARKER of Georgia. The bill has the approval of the Navy Department and of both legislative committees.

There being no objection, the Clerk read the bill, as

Be it enacted, etc., That if and when the naval radio station at Savannah, Ga., is no longer required for naval purposes, the Secretary of the Navy is authorized and directed to convey by gift, to the city of Savannah, State of Georgia, the said naval radio station, which radio station is located on land belonging to the city of Savannah, together with all the buildings and apparatus thereof; but no expense shall be caused the United States hereunder.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

FLATHEAD INDIAN RESERVATION, MONT.

The Clerk called the next bill, S. 2393, to provide for the addition of the names of certain persons to the final roll of the Indians of the Flathead Indian Reservation, Mont., and for other purposes.

There being no objection, the Clerk read the bill, as fol-

Be it enacted, etc., That the Secretary of the Interior be, and he is hereby, authorized to add to the final roll of the Indians of the Flathead Indian Reservation, Mont., approved January 22, 1920, under the act of May 25, 1918 (40 Stat. L. 591), and the act of June 30, 1919 (41 Stat. L. 9), the names of the following persons, descendants of the confederated Flathead Tribes of Indians: Joseph Russell Bird, Daniel Lawrence Pablo, Valerie Roullier, Henry Roullier, jr., Julia Roullier, Laura Soucie, Blanche Soucie, Joseph Soucie, Julie Soucie, Rose Marie Soucie, and Audra Jane Martin. The Secretary of the Interior is also authorized to pay each of the persons named a sum equal to that heretofore paid per capita to those whose names were upon the approved roll, and to allot each of these persons except Audra Jane Martin the same area of land allotted to children of the Flathead Reservation enrolled upon the final roll, such payments to be made from any tribal funds in the Treasury to the credit of the Flathead Indians, the allotments to be made from any available tribal unallotted lands of the Flathead Reservation.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

COLONIAL REALTY CO.

Mr. HAWLEY. Mr. Speaker, I ask unanimous consent to return to Calendar No. 1051, the bill (S. 5382) providing for an exchange of lands between the Colonial Realty Co. and the United States, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

There was no objection.

The Clerk read the title of the bill.

Mr. GRISWOLD. Mr. Speaker, reserving the right to object, I have some amendments to offer to the bill.

Mr. STAFFORD. Mr. Speaker, reserving the right to object, what are the proposed amendments?

Mr. GRISWOLD. To strike out sections 2 and 3. Mr. STAFFORD. Mr. Speaker, I wish to say I had some question myself as to whether we should grant to this Colonial Realty Co. credit for construction work on their original allotment.

Mr. HAWLEY. That is to be stricken out.

There being no objection, the clerk read the bill, as

Be it enacted, etc., That upon execution and delivery by the Colonial Realty Co. of a deed conveying to the United States, title in fee, free of incumbrance, to approximately 1,420 acres of seeped and unproductive lands, as determined by the Secretary of the Interior, in sections 20, 21, 22, 25, 27, 28, 31, 32, 33, and 34, township 39 south, and section 3 of township 40 south, range 9 east, ship 39 south, and section 3 of township 40 south, range 9 east, Willamette meridian, Oregon, Klamath project, or to such portion thereof as said company may elect so to convey, the said Secretary is hereby authorized and directed to issue a patent to the Colonial Realty Co., conveying to said company title to approximately an equivalent amount of public lands on the Tule Lake division of the Klamath project in Oregon-California to be selected and designated by said company from available lands in that division: Provided, That in order to avoid the expense of additional surveys, and since many of the tracts to be conveyed to the United States are designated as lots by public-land surveys and for this reason the subdivisions contain areas both less than and in excess of legal subdivision, the areas conveyed to the Government excess of legal subdivision, the areas conveyed to the Government and the areas patented by the Government need be only approximately of the same acreage: Provided further, That should any legal subdivision of the lands herein described consist of more than 50 per cent of unproductive land the whole subdivision may, at the option of said company, be conveyed to the United States, with the right of exchange of an equivalent area as herein authorized.

SEC. 2. That all charges heretofore paid on account of construction and operation and maintenance on the unproductive lands to be conveyed to the United States shall be credited upon the unpaid construction and operation and maintenance charges payable on account of the productive lands, if any, of said Colonial Realty Co. situate within the boundaries of the Klamath irrigation district retained by said company. Should such credits be more than sufficient to pay all construction and operation and maintenance charges accrued and unpaid at the time of conveyance against the productive area retained by said company in the Klamath irrigation district, such excess credits shall be transferred to the irrigable lands in the Tule Lake division patented by the Secretary of the Interior to said company as herein authorized.

SEC. 3. The Klamath irrigration district, upon agreeing to the SEC. 2. That all charges heretofore paid on account of construc-

SEC. 3. The Klamath irrigration district, upon agreeing to the exchange of lands and transfer of credits herein authorized, shall be credited by the United States with all amounts heretofore paid be credited by the United States with all amounts heretofore paid by it on account of the construction and operation and main-tenance charges assessed against unproductive lands in said dis-trict conveyed by the company to the United States under author-ity of this act, and the district shall be relieved of the payment to the United States of any further construction or operation and maintenance charges on account of the land so conveyed.

SEC. 4. The water-right charges payable by said company or its successor on the Tule Lake lands patented pursuant to this act shall be the same as those fixed for similar lands in that district and shall be subject to payment in the same manner, subject to the allowance of credits as herein authorized. Such credits shall be applied in reduction of the construction charge fixed for the Tule Lake division.

Mr. GRISWOLD. Mr. Speaker, I move that sections 2 and 3 be stricken out.

The Clerk read as follows:

Amendment offered by Mr. Griswold: On page 2, line 21, strike out all of sections 2 and 3.

The amendment was agreed to.

Mr. GRISWOLD. Mr. Speaker, I offer a further amendment, after the word "manner" in line 2, page 4, insert a period and strike out the remainder of the section.

The Clerk read as follows:

Amendment offered by Mr. Griswold: Page 4, line 2, after the word "manner," strike out the remainder of the paragraph and change the numbering of the sections.

The amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider laid on

A similar House bill (H. R. 14127) was laid on the table. EXCHANGE OF LAND ON THE FORT HALL INDIAN SCHOOL RESERVE. IDAHO

The Clerk read the next bill on the Private Calendar, S. 4510, to authorize exchange of small tribal acreage on the Fort Hall Indian School reserve in Idaho for adjoining land.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Interior be, and he is hereby, authorized, in his discretion, to arrange and effect an even exchange with the owner of the west half southeast quarter northeast quarter section 2, township 5 south, range 34 east, Boise meridian, in Idaho, former irrigable allotment No. 175 on the Fort Hall Indian Reservation, in Idaho, in which the 175 on the Fort Hall Indian Reservation, in Idaho, in which the United States will require, in trust for the Fort Hall Indians, title to that part of the 20 acres above described lying east of the right of way of the Oregon Short Line Railroad, in consideration for a deed from the said Secretary of the Interior, which he is hereby authorized to execute, for that part of the west half northeast quarter southeast quarter said section 2 lying west of the said Oregon Short Line Railroad right of way, subject to all existing rights of way.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill was laid on the table.

THOMAS BIRD

The Clerk read the next bill on the Private Calendar, S. 251, authorizing adjustment of the claim of the estate of Thomas Bird, deceased.

There being no objection, the Clerk read the bill, as

Be it enacted, etc., That the Comptroller General of the United States be, and he is hereby, authorized and directed to settle and adjust the claim of the estate of Thomas Bird, deceased, in the adjust the claim of the estate of Thomas Bird, deceased, in the sum of \$1,917.39 representing the value of wheat requisitioned and taken by the United States Grain Corporation during the World War, the said amount having been covered into the Treasury of the United States as miscellaneous receipts, and to allow said claim in the amount not exceeding \$1,917.39. There is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of \$1,917.39 for the payment of this claim.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

A similar House bill was laid on the table.

TRANSFER OF CERTAIN LANDS IN BERNALILLO COUNTY, N. MEX.

The Clerk read the next bill on the Private Calendar, S. 4818, an act to authorize the transfer of certain lands in Bernalillo County, N. Mex., to the city of Albuquerque, N. Mex.

There being no objection, the Clerk read the bill, as fol-

Be it enacted, etc., That the Administrator of Veterans' Affairs be, and he is hereby, authorized and directed to transfer to the city of Albuquerque, Bernalillo County, State of New Mexico, all the right, title, and interest of the United States in and to certain lands in Bernalillo County, N. Mex. (being a strip of land 30 feet wide on the east, south, and west boundaries of the Veterans' Administration hospital reservation at Albuquerque), described as

Beginning at a point located on the western boundary of section 36, township 10 north, range 3 east, New Mexico principal meridan, said point being approximately 136.35 feet south of the northwest corner of said section 36; thence in an easterly direction along a line having a bearing of south 69° 8′ 53′ east to a tion along a line having a bearing of south 69° 8′ 53″ east to a point located on the southern boundary line of Ridgecrest Drive extended, said point being 30 feet east of the western boundary of section 36; thence south along a line parallel to the western boundary of section 36 and having a bearing of south 0° 12′ 54″ west a distance of approximately 5,115.84 feet to a point 30 feet east of the western boundary and 30 feet north of the southern boundary of said section 36; thence east along a line parallel to the southern boundary of section 36 and having a bearing of south 89° 51′ 54″ east a distance of approximately 5,245.11 feet to a point which is located 30 feet north of the southern boundary and 30 feet west of the eastern boundary of said section 36; thence north which is located 30 feet north of the southern boundary and 30 feet west of the eastern boundary of said section 36; thence north along a line parallel to the eastern boundary of section 36 and having a bearing of north 0° 23′ 25′′ west a distance of approximately 3,149.95 feet to a point which is located on the southern boundary of Ridgecrest Drive; thence easterly along the said boundary having a bearing south 69° 8′ 53″ east a distance of approximately 32.19 feet to a point which is located on the eastern boundary of section 36; thence south along the east boundary of section 36 to the southeast corner of said section; thence west along the southern boundary of section 36 to the southwest corner of said section; thence north along the west boundary of section 36 to the point of beginning.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill was laid on the table.

GRANTING FRANKING PRIVILEGE TO GRACE GOODHITE COOLINGE

The Clerk read the next bill on the Private Calendar, S. 5387, granting a franking privilege to Grace Goodhue

The SPEAKER pro tempore. Is there objection?

Mr. BLANTON. Mr. Speaker, being mistress of the White House and the leading lady of the land is honor enough for any woman. I have invariably objected to granting a pension or any special privilege to the widows of deceased Presidents, and I object.

Mr. STAFFORD. Will the gentleman yield? Mr. BLANTON. I yield.

Mr. STAFFORD. I want to say-

Mr. BLANTON. Let me say that when the news that President Harding had died came over the wire, at 3 o'clock in the morning, I got up, went down town, and sent Mr. Coolidge a telegram of warm congratulations.

I think he was one of the greatest men the country has produced, but I am thinking of all the other widows in the United States. I do not believe in singling out one widow for special privilege, or widows who are rich getting a pension, and leaving other widows overlooked.

Mr. STAFFORD. I want to call the attention of the gentleman to the fact that every widow of a President since President Garfield's time has been granted the franking

privilege.

Mr. BLANTON. Only by pushing it over, not by unanimous consent. For 16 years I have never let one go by on unanimous consent. I am outvoted lots of times. I voted to-day against the giving away of 189,940 acres of public lands to California, and the House voted to give it away, but that does not make it right and proper.

Mr. STAFFORD. It occurs to me that the basic reason for granting the franking privilege to the widows of Presidents is that because of the fact that they are the widows of Presidents their mail is very largely increased.

Mr. BLANTON. Oh, their mail is not increased very much or for very long after they become widows. The gentleman when he goes home will get some mail for about six months and then he will not get any more congressional mail.

Mr. STAFFORD. I hope I do not get any after March 4. Mr. BLANTON. Of course Mrs. Coolidge will have some friends who will write to her, but the little postage that she would save by this would not amount to more than \$10 a year, but it is a special privilege other widows do not enjoy. The mistress of the White House is picked out and given this privilege for all of her life, when all other widows do not have it. I am in favor of treating all alike.

Mr. STAFFORD. The gentleman recognizes the fact that Calvin Coolidge's life was shortened by the conscientious service he gave to the Nation, which service is not com-

pensable in money.

Mr. BLANTON. Oh. I just said that the gentleman did not have any greater regard for Mr. Coolidge than I had.

Mr. RANKIN. Mr. Speaker, I demand the regular order. Mr. PATTERSON. Since I am the one who looked into this matter originally, I think I ought to be privileged to say something.

Mr. RANKIN. I withdraw the demand for the regular

Mr. PATTERSON. I remember when the same question came up with respect to the widow of the late Mr. Taft. I rose at that time and made some inquiry.

Mr. BLANTON. And I objected also to Mrs. Woodrow Wilson getting either this privilege or a pension?

Mr. MARTIN of Oregon. Did the gentleman object to Martha Washington getting this privilege?

Mr. BLANTON. No; but I am going to object to Martha Washington the third whenever she comes in here.

Mr. PATTERSON. I think it will do no harm to hear what I have to say for a moment. I remember when the privilege for Mrs. Taft came up. I rose and made some inquiry about it. That bill was passed by unanimous con-

sent. When this matter came before the Committee on the Post Office and Post Roads it was investigated by the committee, and the committee came to the conclusion that since this had been done with others it seemed only right to do it in this case. The gentleman from Texas says that this is a special privilege when as a matter of fact everyone in the same class has received the same privilege. This comes with a unanimous report from the Committee on the Post Office and Post Roads.

Mr. BLANTON. Does not the gentleman know that lots of things have been going on here that the people want stopped, and that that is the reason a change was made?

Mr. PATTERSON. Oh, I could tell some of them, too, but I am not going to do it now.

Mr. BLANTON. And the gentleman has helped some of them to be greased along.

Mr. PATTERSON. Oh, not any more so than the gentleman from Texas.

The SPEAKER pro tempore. Is there objection?

Mr. BLANTON. I object.

SADIE L. KIRBY

The Clerk called the next bill, S. 5325, for the relief of Sadie L. Kirby.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Interior be, and is hereby, authorized and directed to issue a patent to Sadie I., Kirby, of Silver City, N. Mex., for the east half of section 35, township 15 south, range 18 west, New Mexico principal meridian, embraced in her additional entry (Las Cruces serial 040099) under the stock-raising homestead act.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

WILLIAM M. SHERMAN

The Clerk read the next bill, S. 3334, for the relief of William M. Sherman.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc. That in the administration of the pension laws William M. Sherman, who served as a private in the following organizations, shall hereafter be held and considered to have been organizations, shall hereafter be held and considered to have been honorably discharged from the military service of the United States as a member of Troop A, Eighth Regiment United States Cavalry, on the 18th day of May, 1900, and from Company I, Eighth Regiment United States Infantry, on the 7th day of March, 1901: Provided, That no bounty, pension, pay, or other emoluments shall be held to have accrued prior to the passage of this act.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

WILLIAM RAY TAPLIN

Mr. STAFFORD. Mr. Speaker, I desire to prefer a unanimous-consent request. Earlier in the evening I objected to the bill (S. 855) for the relief of William Ray Taplin. Since then the gentleman from Massachusetts has shown me a letter written by the claimant which shows that while there was interruption in the hospitalization, it was practically continuous. If it had been continuous he would be entitled to the amount claimed in the bill. I ask unanimous consent to return to the bill to withdraw my objection.

The SPEAKER pro tempore. Is there objection?

There was no objection.

The Clerk read the bill as follows:

Be it enacted, etc., That the Secretary of War is authorized to pay, out of the appropriation "Organized Reserves, 1933," to William Ray Taplin, first lieutenant, United States Air Corps Reserve, the sum of \$425.16, in full satisfaction of his claim against the United States for pay and allowances from November 12, 1929, to November 26, 1929, and from January 2, 1930, to February 3, 1930, the periods during which the said William Ray Taplin was receiving further medical treatment at a Government hospital in competion with injuries sustained by him in line of hospital in connection with injuries sustained by him in line of duty on August 16, 1929.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

CHICAGO, NORTH SHORE & MILWAUKEE RAILROAD CO.

The Clerk called the next bill, S. 254, authorizing adjustment of the claim of the Chicago, North Shore & Milwaukee Railroad Co.

The SPEAKER pro tempore. Is there objection?

Mr. GRISWOLD. I object. Mr. STAFFORD. Will the gentleman reserve his objection?

Mr. GRISWOLD. Yes; I will reserve the objection.
Mr. STAFFORD. May I inquire what is the basis of the gentleman's objection?

Mr. GRISWOLD. I may state to the gentleman, from experience, the facts stated in this report could not be true. One of the reasons given for the cause of the accident is because the car slipped, due to an old rail, which would have retarded the car rather than help its speed.

Mr. STAFFORD. Well, the gentleman has not an accurate picture of the situation? Fort Sheridan is located north of Chicago about 25 miles. It is rather hilly territory, especially as it slopes toward the lake. The report shows there was a double track with the line sloping downward.

Mr. GRISWOLD. I might suggest to the gentleman that I know the track, because I have seen it.

Mr. STAFFORD. There was an incline on the track. Are we agreed there?

Mr. GRISWOLD. Yes. Mr. STAFFORD. Either the brakes were not sufficiently taut to hold the car, or for some other reason the car in front of the gondola car began to move and collided with the gondola car which gave sufficient impetus to drive it over the embankment. Now, here is a car that is owned by the railroad company. It is damaged while in the possession of the Government.

Mr. GRISWOLD. I agree with the gentleman. Mr. STAFFORD. Now, wherein is not the Government responsible?

Mr. GRISWOLD. The first car next to the stopper was spotted by employees of the railroad company, as far as I understand. If the brake had been set, it would never have gone over that tie bumper.

Mr. STAFFORD. But after the car is spotted on the sidetrack on Government property, full control and direction is in the Government, and then injury is caused to the car of the railroad company by the acts or default of Government employees, and I think the Government is responsible.

Mr. GRISWOLD. I might suggest to the gentleman there must have been negligence on the part of the railroad company employees who put the car next to the bumper or it would not have gone over.

Mr. STAFFORD. After the car is placed in a stationary position; the Government takes full possession of that car as soon as it goes on the sidetrack.

Mr. BACHMANN. Did not the soldiers move that car? They were in the Government service. Would there not be liability on the part of the Government?

Mr. STAFFORD. It was testified that after the car was spotted the car was under the direction and control of the Government employees.

Mr. GRISWOLD. I might say that a car properly spotted by the employees, next to that bumper, with proper brakes set, would never have gone over that bumper. The collision would have been sufficient to do more than \$23 damage to the car.

Mr. STAFFORD. But the gentleman is overlooking the fact that the Government had control of the operation of the cars after they were placed on the sidetracks.

Mr. GRISWOLD. There is no evidence that they ever moved the box car.

Mr. STAFFORD. It is stated that these cars were under the control and direction of Government employees; and if they were, then there is liability on the part of the Gov-

Mr. GRISWOLD. No. The report says the gondolas were moved by Government employees, with a crane.

Mr. STAFFORD. What is the usual practice in those cases, after a car is spotted?

Mr. GRISWOLD. I am telling the gentleman the usual practice.

Mr. STAFFORD. Not to have the railroad move them, but to have Government employees move them. That is the course on all private sidetracks.

Mr. GRISWOLD. The employees never touched this car. I object, Mr. Speaker.

BALTIMORE BRANCH, FEDERAL RESERVE BANK OF RICHMOND

The Clerk called the next bill, S. 257, authorizing adjustment of the claim of the Baltimore Branch of the Federal Reserve Bank of Richmond.

The SPEAKER pro tempore. Is there objection? There being no objection, the Clerk read as follows:

Be it enacted, etc., That the Comptroller General of the United States is hereby authorized and directed to settle and adjust the claim of the Baltimore branch of the Federal Reserve Bank of Richmond, as the bona fide owner of check No. 10435, dated May Richmond, as the bona fide owner of check No. 10435, dated May 17, 1927, issued by William H. Holmes, disbursing clerk, United States Veterans' Bureau, for \$643, to the order of Sara Rawlings in payment of adjusted compensation certificate No. 2575814. which was erroneously issued to Benson Rawlings in the sum of \$643, based on an erroneous report of the War Department to the United States Veterans' Bureau of the military service of said Benson Rawlings, and to allow not to exceed \$643 in full and final settlement of said claim. There is hereby appropriated, out of any moneys in the Treasury not otherwise appropriated, the sum of \$643, or so much thereof as may be necessary for payment of said claim. of said claim.

Mr. STAFFORD. Mr. Speaker, I move to strike out the last word. I do so to call the attention of the gentleman from Indiana [Mr. GRISWOLD] to the report in the case under consideration prior to the present bill. I direct the gentleman's attention to the letter of the Comptroller General on page 2, the third paragraph from the bottom. The language is as follows:

And that cars are delivered on the Government spur tracks by the railroad company free of charge and are removed by the railroad company from the spur to the main-line tracks after being unloaded. Also that usually the railroad spots the cars where wanted for unloading or loading, but when it becomes necessary to move a car after being placed it is done by Government employees and this was the case in the instance covered ment employees, and this was the case in the instance covered by the claim, as the cars were being moved for Government con-

renience by men employed by the quartermaster.

From the foregoing outline of the reported facts in the matter, the damage to the gondola car appears to have resulted from an unavoidable accident after it had been unloaded, the cause of which has not been determined, rather than from any negligence on the part of employees of the railroad company in spotting the car.

In face of that statement, unqualified, if the gentleman can object to the previous claim, I leave it to the mercy of his conscience.

Mr. GRISWOLD. If the gentleman is familiar with drawbar pull and striking force, he is familiar with the mathematical fact that the square of the speed multiplied by the weight gives the striking force. With an empty 40-ton gondola car coming down on a box car and doing only \$23 damage, if the brake was properly set, I ask the gentleman to explain that.

Mr. STAFFORD. The gentleman thinks the damage is

Mr. GRISWOLD. I think that the car could not have been damaged under the conditions under which they say it was damaged.

Mr. STAFFORD. If it is a question of damage, then I will not dispute the gentleman, but I do question his position as to whether the damage was done by reason of negligence on the part of Government employees or that of railroad employees.

Mr. GRISWOLD. I object to the assertion that this car was damaged in the way they say it was.

The pro forma amendment was withdrawn.

The bill was ordered to be read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

NELLIE E. TRUETHART

The Clerk called the next bill, S. 2469, for the relief of Nellie E. Truethart.

Mr. BACHMANN. Mr. Speaker, I object.

ALVA D. M'GUIRE, JR.

The Clerk called the next bill, S. 3972, for the relief of Alva D. McGuire, jr.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Alva D. McGuire, jr., formerly a seaman, first class, United States Navy, the sum of \$31.50, in full satisfaction of his claim against the United States for compensation for personal property destroyed in 1927 by a fire at Camp Lewis, Wash.

The bill was ordered to be read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

ARTHUR R. SAFFRAN

The Clerk called the next bill, S. 4782, authorizing adjustment of the claim of Arthur R. Saffran.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Comptroller General of the United States is hereby authorized and directed to adjust and settle the claim of Arthur R. Saffran for \$560 as the proceeds covered into the Treasury of the United States from a sale not in accordance with law of his automobile, a libel for the forfeiture of which for violation of internal revenue statutes was subsequently dismissed by the United States District Court for the Southern District of New York, and to allow not to exceed \$560 in full and final settlement of the claim. There is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of \$560, or so much thereof as may be necessary, for the payment of the claim.

The bill was ordered to be read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

HARVEY CANAL SHIP YARD & MACHINE SHOP

The Clerk called the next bill, S. 5203, for the relief of the Harvey Canal Ship Yard & Machine Shop.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Comptroller General of the United States is hereby authorized and directed to adjust and settle the claim of the Harvey Canal Ship Yard & Machine Shop, Harvey, La., for \$135, covering storage charges on the gas screw Dawning for the period December 31, 1931, to May 13, 1932, 135 days, at \$1 per diem, the rate prescribed in contract No. T-20c-48, dated July 7, 1931, and to allow not to exceed \$135 in full and final settlement thereof. There is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of \$135, or so much thereof as may be necessary, for payment of the claim.

The bill was ordered to be read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

TEXAS POWER & LIGHT CO.

The Clerk called the next bill, S. 5204, for the relief of the Texas Power & Light Co.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Comptroller General of the United States be, and he is hereby, authorized and directed to adjust and settle the claim of the Texas Power & Light Co. for damage to and destruction of transformers loaned to the veterans' hospital at Waco, Tex., in May, 1932, and to allow not to exceed \$298.65 in full and final settlement of said claim. There is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of \$298.65, or so much thereof as may be necessary, for payment of this claim.

The bill was ordered to be read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

GREAT FALLS MEAT CO.

The Clerk called the next bill, S. 5205, for the relief of the Great Falls Meat Co., of Great Falls, Mont.

There being no objection, the Clerk read the bill as

Be it enacted, etc., That the Comptroller General of the United States is hereby authorized and directed to adjust and settle the claim of the Great Falls Meat Co., of Great Falls, Mont., arising out of the purchase by said company from the Department of Agriculture, in November, 1931, of a buffalo, the carcass of which spoiled before delivery, and to allow not to exceed \$50

In full and final settlement of the claim. There is hereby appropriated, out of money in the Treasury not otherwise appropriated, the sum of \$50, or so much thereof as may be necessary, for the payment of said claim.

The bill was ordered to be read a third time, was read the third time and passed.

A motion to reconsider was laid on the table.

BOOTH FISHERIES CO.

The Clerk called the next bill, S. 5413, for the relief of the Booth Fisheries Co.

There being no objection, the Clerk read the bill as follows:

Be it enacted, etc., That the Comptroller General of the United States be, and he is hereby, authorized and directed to adjust and settle the claim of the Booth Fisheries Co. for loss or damage sustained on May 21, 1931, by its steamship Scout in a collision with the United States Army dredge Traverse, in the harbor channel at Warroad, Minn., and to allow in full and final settlement of said claim not to exceed the sum of \$63.75. There is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of \$63.75, or so much thereof as may be necessary to pay said claim.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ANDERSON-TULLEY CO.

The Clerk called the next bill, S. 610, for the relief of the Anderson-Tulley Co.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the Anderson-Tully Co., a Tennessee corporation, the sum of \$442.41, in full satisfaction of its claim against the United States for court costs incurred in its suit against the United States (No. 933, in admiralty) in the District Court of the United States for the Western District of Tennessee, western division, in which judgment was rendered on January 22, 1929, in favor of the said Anderson-Tully Co.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AGNES M. ANGLE

The Clerk called the next bill, S. 1067, for the relief of Agnes M. Angle.

Mr. EATON of Colorado. Mr. Speaker, this is a compensation bill to which I shall offer an amendment in the usual form. Otherwise I have no objection.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That sections 17 and 20 of the act entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes," approved September 7, 1916, as amended, are hereby waived in favor of Agnes M. Angle, a former employee of the United States Veterans' Bureau at Wichita, Kans.

Mr. EATON of Colorado. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Eaton of Colorado: Strike out all after the enacting clause and insert the following: "That the United States Employees' Compensation Commission is hereby authorized to consider and determine in the same manner and to the same extent as if application for the benefit of the employees' compensation act had been made within the 1-year period required by sections 17 and 20 thereof the claim of Agnes M. Angle on account of disability due to tuberculosis contracted at Wichita, Kans., while employed in the service of the United States as stenographer, United States Veterans' Bureau, 1921: Provided, That no benefit shall accrue prior to the enactment of this act."

The amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

WILLIAM POWELL

The Clerk called the next bill, S. 1463, for the relief of William Powell.

There being no objection, the Clerk read the bill as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay out of any money in

the Treasury not otherwise appropriated, the sum of \$83 to William Powell for damage done his car, caused by a falling flag pole from the Federal Building in Rock Springs, Wyo.

The bill was ordered to be read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

JOHN PEARCE CANN

The Clerk called the next bill, S. 2203, for the relief of John Pearce Cann.

There being no objection, the Clerk read the bill, as

Be it enacted, etc. That the Comptroller General of the United States is authorized and directed to settle and certify for payment to John Pearce Cann, out of any money in the Treasury not otherwise appropriated, the sum of \$664.30 as in full for services rendered as a de facto United States commissioner at Wilmington, Del., for period from November 22, 1927, to February 15, 1929.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

MAJ. O. S. M'CLEARY, UNITED STATES ARMY, RETIRED

The Clerk called the next bill, S. 2508, for the relief of Maj. O. S. McCleary, United States Army, retired.

There being no objection, the Clerk read the bill, as

Be it enacted, etc., That the Comptroller General of the United States is authorized and directed to allow to Maj. O. S. McCleary, United States Army, retired, the sum of \$148.98, being difference between active-duty pay and allowances and retired pay for period from July 2 to 20, 1927, while he was on leave from active duty to which as a retired officer he was assigned.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

W. H. HENDRICKSON

The Clerk called the next bill, S. 2862, for the relief of W. H. Hendrickson.

Mr. HOPE. Mr. Speaker, I shall have to object unless the sponsor of the bill will agree to accept an amendment reducing the amount to \$175, which is the amount the Department of Justice recommends.

Mr. LOOFBOUROW. The Department of Justice recommends the entire amount of \$250.

Mr. HOPE. If the gentleman will refer to the report and the letter from Director Woodcock, of the Bureau of Prohibition, he will see that the recommendation is that if the application is to be granted, that he be reimbursed to the extent of \$175. This is the value of the car. The \$250 includes an additional claim for attorneys' fees.

Mr. LOOFBOUROW. For attorneys' fees and costs to which the claimant was put by reason of the mistake on the part of the Government. If he had failed to defend, there would not be any claim here at all. He was forced to do this by the Government.

Mr. HOPE. The Government should not be put to any liability to pay attorneys' fees and costs in a case of this kind, and I shall have to object unless the gentleman will accept the amendment.

Mr. LOOFBOUROW. Of course, if the gentleman is going to object, I shall have to accept the amendment.

There being no objection, the Clerk read the bill, as

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to W. H. Hendrickson, of Salt Lake City, Utah, the sum of \$250 in full satisfaction of his claim against the United States arising out of the sale of a Ford truck to him by the prohibition administrator on June 7, 1930, at Salt Lake City, Utah.

Mr. HOPE. Mr. Speaker, I offer the following amendment: In line 6, strike out "\$250," and insert "\$175."

The Clerk read as follows:

Amendment offered by Mr. Hope: In line 6, strike out "\$250,-" and insert in lieu thereof "\$175."

The amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

WILLIAM A. LESTER

The clerk called the next bill, S. 3831, for the relief of William A. Lester.

There being no objection, the Clerk read the bill, as fol-

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated and in full settlement against the Government, to William A. Lester the sum of \$100, paid in connection with timber and stone application numbered 09583 to the Department of the Interior, on June 18, 1917, which application has been refused due to the fact that the land in question has been withdrawn from homestead entry.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

ZETTA LESTER

The Clerk called the next bill, S. 3832, for the relief of Zetta Lester.

There being no objection, the Clerk read the bill, as

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated and in full settlement against the Government, to Zetta Lester the sum of \$400, which was paid in connection with timber and stone application numbered 09608 to the Department of the Interior on August 17, 1917, which consider the football of the Control of the Interior on August 17, 1917, which application was refused due to the fact that the land in question was withdrawn from homestead entry.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

BETTY M'BRIDE

The Clerk called the next bill, S. 4230, for the relief of Betty McBride.

There being no objection, the Clerk read the bill, as

Be it enacted, etc., That the Secretary of the Navy be, and he is hereby, authorized and directed to pay, out of the appropriation "Pay, subsistence, and transportation, Navy, 1931," to Miss Betty McBride, dependent sister of the late William McBride, fireman, first class, United States Navy, who died December 26, 1929, in the naval service, an amount equal to six months' pay at the rate said William McBride was entitled to receive at the date of his death: Provided. That it be shown to the satisfaction of the Secretary of the Navy that the said dependent sister was actually dependent on said enlisted man, and the determination of such fact by the Secretary of the Navy shall be final and conclusive on the accounting officers of the Government.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

The Clerk read the next bill on the Private Calendar, S. 4909, for the relief of A. Y. Martin.

Mr. HANCOCK of New York. Mr. Speaker, I wish to offer an amendment to strike out the preamble and to strike out everything after the enacting clause and substitute a form approved by the Comptroller General.

The Clerk read the bill as follows:

8, 4909

Whereas the duties incident to the office of United States commissioner for the western district of Kentucky, in the Paducah division thereof, were performed by A. Y. Martin, of Paducah, Ky., from December 8, 1930, to August 5, 1931, and statutory fees for the services so rendered and approved as to the amounts by the Department of Justice are as follows: For account for quarter ending January 31, 1931, covering that portion of said account from December 8, 1930, to January 31, 1931, \$180.55; account for quarter ending April 30, 1931, \$119.60; account for quarter ending July 31, 1931, \$667.25; account for portion of quarter from August 1 to 5, 1931, \$12.60; total, \$930; and
Whereas by oversight the reappointment of said Martin as such commissioner was not made on December 8, 1930, but was thereafter made and entered of record on August 5, 1931, with the result that he served as de facto commissioner during such interim, and incurred the expenses incident to the maintenance of Whereas the duties incident to the office of United States com-

terim, and incurred the expenses incident to the maintenance of such office and performed the services thereof for which the statu-tory fees allowable are in the amount hereinabove set forth, the

payment of which has been disallowed by the Department of Justice because such order of reappointment was not made or

Justice because such order of reappointment was not made or entered of record: Now, therefore Be it enacted, etc., That there is hereby appropriated and set apart the sum of \$980, to be applied and paid by the Department of Justice in settlement of and by way of compensation for the services rendered by said de facto commissioner from December 8, 1930, to August 5, 1931, as hereinabove set forth.

SEC. 2. This act shall be effective from and after its due passage and environment.

and approval.

Mr. HANCOCK of New York. Mr. Speaker, I offer the following amendment: Strike out everything after the enacting clause and insert: "That the Comptroller General of the United States is authorized and directed to settle and certify for payment to A. Y. Martin out of any money in the Treasury not otherwise appropriated the sum of \$980 as in full for services rendered as a de facto United States commissioner at Paducah, Ky., from December 8, 1930, to August 5, 1931."

The amendment was agreed to.

Mr. HANCOCK of New York. Mr. Speaker, I move to strike out the preamble.

The motion was agreed to.

The bill as amended was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

AVERY G. CONSTANT

The Clerk read the next bill on the Private Calendar, S. 4830, for the relief of Avery G. Constant.

There being no objection, the Clerk read the bill, as fol-

Be it enacted, etc., That the Comptroller General is authorized and directed to cancel the charge, in the amount of \$24.38, entered on the accounts of Avery G. Constant, former postmaster at Buhl, Idaho, by reason of his deposit of funds of the United States in the First National Bank of Buhl, Idaho, and the subsequent fallure of such bank.

SEC. 2. The Secretary of the Treasury is authorized and directed to pay to Avery G. Constant, out of any money in the Treasury not otherwise appropriated, in the sum of \$129, in full satisfaction of his claim against the United States for a refund of payments made by him on account of any such charge.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

ROSE GILLESPIE. JOSEPH ANTON DIETZ. AND MANUEL M. WISEMAN

The Clerk read the next bill on the Private Calendar, 8. 5207, for the relief of Rose Gillespie, Joseph Anton Dietz, and Manuel M. Wiseman as trustee of the estate of Louis Wiseman, deceased,

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Comptroller General of the United States is hereby authorized and directed to adjust and settle the claims of Rose Gillespie, Joseph Anton Dietz, and Manuel M. Wiseman, as trustee of the estate of Louis Wiseman, deceased, all Wiseman, as trustee of the estate of Louis Wiseman, deceased, all of Alton, Ill., for damages caused to private property, located in Alton, Ill., due to blasting operations carried on by the United States snag boat H. G. Wright, while engaged in removing an old steamboat wreck from the channel of the Mississippi River near that place, and to allow on said claims not to exceed \$3.72, \$14.30, and \$90.33, respectively, in full and final settlement thereof. There is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of \$108.35, or so much thereof as may be necessary, for payment of said claims. as may be necessary, for payment of said claims.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

JOINT RESOLUTION GIVING CERTAIN PARTIES THE RIGHT TO AC-CEPT AND WEAR CERTAIN DECORATIONS FROM THE GOVERNMENTS OF ECUADOR, CHILE, AND CUBA

The Clerk called the next business on the Private Calendar, Senate Joint Resolution 195, granting permission to Hugh S. Cumming, Surgeon General of the United States Health Service, and Clifford R. Eskey, of the Public Health Service, to accept and wear certain decorations bestowed upon them by the Governments of Ecuador, Chile, and Cuba. Mr. STAFFORD. I object.

R. S. HOWARD & CO. (INC.)

The Clerk read the next bill on the Private Calendar, S. 4326, for the relief of R. S. Howard & Co. (Inc.).

Mr. BLANTON. I object.

MACK COPPER CO.

The Clerk called the next business on the Private Calendar, Senate Joint Resolution 194, conferring jurisdiction upon the Court of Claims to render findings of facts in the claim of Mack Copper Co.

Mr. BLANTON. I object.

Mr. STAFFORD. Mr. Speaker, I make the point that no quorum is present.

ADJOURNMENT

Mr. BLACK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 10 o'clock and 15 minutes p. m.) the House adjourned until to-morrow, Thursday, March 2, 1933, at 11 o'clock a. m.

EXECUTIVE COMMUNICATIONS. ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

950. A letter from the chairman of the Reconstruction Finance Corporation, transmitting a report of the Reconstruction Finance Corporation's activities and expenditures for January, 1933, together with a statement of loans authorized during that month, showing the name, amount, and rate of interest in each case (H. Doc. No. 562); to the Committee on Banking and Currency and ordered to be printed.

951. A letter from the Secretary of the Interior, transmitting a report of February 24, 1933, by Robert Follanfbee. Federal representative, pursuant to the act (46 Stat. 1039) of January 19, 1931, granting consent of Congress to compacts or agreements between the States of Wyoming and Idaho; to the Committee on the Public Lands.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII.

Mr. GREEN: Joint Committee on the Disposition of Useless Executive Papers. A report on the disposition of useless papers in the Treasury Department (Rept. No. 2180). Ordered to be printed.

Mr. MILLIGAN: Committee on Interstate and Foreign Commerce. H. R. 14787. A bill to authorize the construction of certain bridges and to extend the times for commencing and/or completing the construction of other bridges over the navigable waters of the United States; without amendment (Rept. No. 2181). Referred to the House Calendar.

Mr. CARTWRIGHT: Committee on Indian Affairs. S. 5427. An act to authorize the acquisition by the United States of the land upon which the Seneca Indian School, Wyandotte, Okla., is located; without amendment (Rept. No. 2183). Referred to the Committee of the Whole House on the state of the Union.

Mr. SOMERS of New York: Committee on Coinage, Weights, and Measures. H. R. 14756. A bill to authorize the acceptance by the Treasury of silver bullion and the issuance therefor of silver certificates for the purpose of correcting the dislocation of exchanges, elevating the price level, and maintaining the gold standard, and for other purposes; without amendment (Rept. No. 2186). Referred to the Committee of the Whole House on the state of the Union.

Mr. GREEN: Joint Committee on the Disposition of Useless Executive Papers. A report on the disposition of useless papers in the War Department (Rept. No. 2187). Ordered to be printed.

Mr. DOMINICK: Committee on the Judiciary. 276. A joint resolution consenting that certain States may sue the United States, and providing for trial on the merits in any suit brought hereunder by a State to recover direct

taxes alleged to have been illegally collected by the United States during the years 1866, 1867, 1868, and vesting the right in each State to sue in its own name; with amendment (Rept. No. 2188). Referred to the Committee of the Whole House on the state of the Union.

Mr. OLIVER of New York: Committee on the Judiciary. H. R. 14789. A bill to amend the act of July 1, 1898, entitled "An act to establish a uniform system of bankruptcy throughout the United States," as amended; without amendment (Rept. No. 2191). Referred to the House Calendar.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. CHAVEZ: Committee on Indian Affairs. S. 1438. An act to authorize the sale of land on the Camp McDowell Indian Reservation to the city of Phoenix, Ariz., for use in connection with its water-supply development, and for other purposes; without amendment (Rept. No. 2184). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. S. 246. An act for the relief of Galen E. Lichty; without amendment (Rept. No. 2185). Referred to the Committee of the Whole House.

Mr. CARTWRIGHT: Committee on Indian Affairs. S. 5684. An act to authorize the Comptroller General to allow claim of district No. 13, Choctaw County, Okla., for payment of tuition for Indian pupils; without amendment (Rept. No. 2189). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of Rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. LANHAM: A bill (H. R. 14790) to provide for placing the Forest Service building site and improvements thereon at Ogden, Utah, under the jurisdiction of the Department of Agriculture; to the Committee on Public Buildings and Grounds.

By Mr. BUCKBEE: A bill (H. R. 14791) to raise revenue, protect American labor, and assist the American farmer, by providing for the use in motor fuels of alcohol manufactured from agricultural products grown upon the farm in the United States; to the Committee on Ways and Means.

By Mr. LaGUARDIA: Resolution (H. Res. 404) to provide for the appointment of a special committee for the remainder of the Seventy-second Congress; to the Committee on Rules.

By Mr. KELLY of Pennsylvania: Joint resolution (H. J. Res. 615) proposing a method of amending the Constitution of the United States by establishing constitutional majority rule; to the Committee on the Judiciary.

By Mr. McDUFFIE: Joint resolution (H. J. Res. 616) to continue the Joint Committee on Veterans' Benefits; to the Committee on Rules.

By Mr. GILLEN: Concurrent Resolution (H. Con. Res. 52) requiring Joint Committee on Printing to investigate and report feasibility of using paper made from cornstalks for printing Congressional Record and other Federal publications; to the Committee on Rules.

MEMORIALS

Under clause 3 of Rule XXII, memorials were presented and referred as follows:

Memorial of the commissioners of Camden, N. J., requesting Congress to permit a moratorium on municipal bonds; to the Committee on Banking and Currency.

Memorial of the Legislature of the State of Arizona, opposing legislation proposed by the National Economy League; to the Committee on Ways and Means.

Memorial of the Council of the City of Milwaukee, Wis., memorializing Congress to enact House Joint Resolution 191; to the Committee on the Post Office and Post Roads.

Memorial of the Legislature of the State of Utah, memorializing Congress to pass H. R. 11816; to the Committee on the Public Lands.

Memorial of the Legislature of the State of Nevada, memorializing Congress to not close the United States Mint at Carson City, Nev.; to the Committee on Appropriations.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. HOPKINS: A bill (H. R. 14792) granting an increase of pension to Mary E. Smith; to the Committee on Invalid Pensions.

By Mr. SHREVE: A bill (H. R. 14793) for the relief of the heirs of John A. Sutter; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

10750. By Mr. AMLIE: Memorial of the State Legislature of Wisconsin, urging enactment of legislation for the nomination of candidates for President and Vice President in a primary election; to the Committee on Election of President, Vice President, and Representatives in Congress.

10751. By Mr. ARENTZ: Memorial of Nevada Legislature joint resolution memorializing Congress to not close the United States Mint at Carson City; to the Committee on Appropriations.

10752. Also, memorial of the Senate and Assembly of the State of Nevada, recommending to the President elect that he seriously and favorably consider the appointment of John F. Shaughnessy, chairman of the Nevada Public Service Commission, to the position of interstate commerce commissioner; to the Committee on Interstate and Foreign Commerce.

10753. Also, memorial of Assembly and Senate of the Nevada Legislature, urging upon all Federal officials concerned the extreme need for continuance, for the grazing season of 1933, of the 50 per cent reduction in national forest grazing fee charges as granted for 1932, based upon the charges in effect for 1931; to the Committee on Agriculture.

10754. By Mr. BURTNESS: Petition of the Senate of the State of North Dakota, urging prompt passage by Congress of legislation to raise and stabilize the commodity price level as embodied in the Burtness bills, H. R. 20 and H. R. 21; to the Committee on Banking and Currency.

10755. Also, petition of the Senate of the State of North Dakota, urging the passage by Congress of certain legislation for the relief of agriculture; to the Committee on Banking and Currency.

10756. By Mr. COCHRAN of Pennsylvania: Petition of various citizens of Greenville, Pa., urging the passage of the stop-alien-representation amendment to the United States Constitution to cut out the 6,280,000 aliens in this country, and count only American citizens, when making future apportionments for congressional districts; to the Committee on the Judiciary.

10757. By Mr. CULLEN: Petition of the Common Council of the City of Schenectady, urging a special series of postage stamps of the denomination of 3 cents, commemorative of the one hundred and fiftieth anniversary of the naturalization as an American citizen and appointment as brevet brigadier general of the Continental Army, of Thaddeus Kosciusko, on October 13, 1783; to the Committee on the Judiciary.

10758. By Mr. DELANEY: Petition of the Brooklyn Chamber of Commerce, opposing any legislation which would discourage, nullify, or hamper the control of the operation of steamships by agreements among the operators; to the Committee on Interstate and Foreign Commerce.

10759. Also, petition of the Common Council of the City of Schenectady, memorializing the Congress to provide legislation carrying out Senate Joint Resolution 105 and House Joint Resolution 191 authorizing a special series of postage stamps commemorating the one hundred and fiftieth anniversary of the naturalization of Thaddeus Kosciusko; to the Committee on Interstate and Foreign Commerce.

10760. Also, petition of the Old Glory Club of Flatbush | (Inc.), opposing House bill 14467, which prevents deportation of aliens if they can establish fear of bodily harm because of religious or political persecution if returned to their native country, and allowing citizenship to these aliens; to the Committee on Interstate and Foreign Commerce.

10761. Also, petition of the Old Glory Post, No. 48, of the American Legion of Kings County, opposing any curtailment of the naval establishment, and urging appropriations for weekly drills of the Fleet Naval Reserve; to the Committee on Interstate and Foreign Commerce.

10762. By Mr. KLEBERG: Petition submitted by J. E. Howze et al., including resolutions passed by Nueces County farmers and business men as members of Farmers-Taxpayers Protective Association of Texas, urging immediate relief in the form of legislation by Congress to bring about a reduction in interest rates on farm loans, reduction of principal, and other measures designed to afford permanent relief for those engaged in basic industry of agriculture; to the Committee on Ways and Means.

10763. By Mr. LAMBERTSON: Petition of J. E. Dobson and 86 other citizens of the State of Kansas, requesting legislation for direct loans by the Government to property owners, for a refinancing program for the present indebtedness of real property, and for the establishment of rates of interest and retirement of principal on these loans at the rate of 11/2 per cent annually; to the Committee on Banking and Currency.

10764. By Mr. LARRABEE: Petition of Harrison Spencer, patent attorney, of Indianapolis, Ind., urging revision of patent fees; to the Committee on Patents.

10765. By Mr. LINDSAY: Petition of Brooklyn Chamber of Commerce, Brooklyn, N. Y., opposing the enactment of House bill 14077; to the Committee on Merchant Marine, Radio, and Fisheries.

10766. Also, petition of the city of Schenectady, N. Y., urging the issuance of a special series of 3-cent stamps to commemorate the memory of Brig. Gen. Thaddeus Kosciusko, a hero of the Revolutionary War; to the Committee on the Post Office and Post Roads.

10767. By Mr. McFADDEN: Petition of J. W. Learn, Harry Secules, P. L. Crawford, and Glen A. Taylor, representing the Sullivan County Pomona Grange, No. 62, of Dushore, Pa., against any move to abolish the Department of Agriculture; to the Committee on Agriculture.

10768. By Mr. PERSON: Petition of the Council of the City of Dearborn, Mich., recommending that the Postmaster General be authorized and directed to issue a special series of postage stamps, commemorative of the one hundred and fiftieth anniversary of the naturalization and appointment of Thaddeus Kosciusko as brigadier general of the Continental Army; to the Committee on the Judiciary.

10769. By Mr. RAINEY: Petition of R. T. Ross and 22 other citizens of Palmyra, Ill.; to the Committee on Agriculture.

10770. By Mr. RUDD: Petition of Brooklyn Chamber of Commerce, Brooklyn, N. Y., opposing the passage of House bill 14077, introduced by Mr. Johnson of Washington; to the Committee on Merchant Marine, Radio, and Fish-

10771. By Mr. SUTPHIN: Petition praying that consideration be given toward curbing the enforcement of law requiring a tax on municipal waterworks; to the Committee on Ways and Means.

10772. By Mr. WATSON: Petition with 158 signatures from citizens of Allentown, and members of the Unemployed Citizen's League of Allentown, Pa., urging relief of unfortunate and unemployed; to the Committee on Ways and Means.

10773. By Mr. WITHROW: Memorial of the Common Council of the City of Milwaukee, memorializing Congress to enact House Joint Resolution 105, commemorating the one hundred and fiftieth anniversary of the naturalization as an American citizen in 1783 and appointment as brevet brigadier general of Thaddeus Kosciusko, a hero of the Revolutionary War, by issuing special series of postage

stamps in honor of Gen. Thaddeus Kosciusko's sesqui-

centennial anniversary; to the Committee on the Judiciary. 10774. Also, memorial of the Common Council of the City of Milwaukee, favoring the passage of the bill (H. R. 12145) to permit municipalities to control canvassers and other transient merchants in interstate commerce; to the Committee on Interstate and Foreign Commerce.

SENATE

THURSDAY, MARCH 2, 1933

(Legislative day of Tuesday, February 28, 1933)

The Senate met at 10 o'clock a. m., on the expiration of the recess.

DEATH OF SENATOR WALSH OF MONTANA

Mr. ROBINSON of Arkansas. Mr. President, Senators have been greatly surprised and shocked to receive information that one of our ablest and most beloved Members has passed away. Senator Walsh of Montana served for more than 20 years in the Senate of the United States. During the period of his service he demonstrated exceptional ability and constant loyalty to duty.

I submit the following resolutions and ask for their immediate consideration.

The VICE PRESIDENT. The resolutions will be read. The resolutions (S. Res. 377) were read, considered by unanimous consent, and unanimously agreed to, as follows:

Resolved, That the Senate has heard with profound sorrow and deep regret the announcement of the death of Hon. Thomas J. Walsh, late a Senator from the State of Montana.

Resolved, That a committee of 12 Senators be appointed by the Vice President to take order for superintending the funeral

of the deceased Senator.

Resolved, That the Secretary communicate these resolutions to the House of Representatives and transmit a copy thereof to the family of the deceased.

Under the second resolution the Vice President appointed as the committee on the part of the Senate the Senator from Montana [Mr. Wheeler], the senior Senator from Arkansas [Mr. Robinson], the senior Senator from Oregon [Mr. McNary], the senior Senator from Arizona [Mr. ASHURST], the senior Senator from Idaho [Mr. Borah], the senior Senator from Nevada [Mr. PITTMAN], the senior Senator from Wyoming [Mr. KENDRICK], the junior Senator from Minnesota [Mr. Schall], the junior Senator from Utah [Mr. King], the junior Senator from Wyoming [Mr. CAREY], the senior Senator from Washington [Mr. DILL], and the senior Senator from Massachusetts [Mr. Walsh].

ADJOURNMENT

Mr. ROBINSON of Arkansas. Mr. President, as a further mark of respect to the memory of the deceased Senator, I move that the Senate adjourn until 9.30 o'clock to-morrow, Friday, March 3.

The motion was unanimously agreed to; and (at 10 o'clock and 3 minutes a. m.) the Senate adjourned until to-morrow, Friday, March 3, 1933, at 9 o'clock and 30 minutes a. m.

HOUSE OF REPRESENTATIVES

THURSDAY, MARCH 2, 1933

The House met at 11 o'clock a. m. The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Almighty God, Thou who dost inhabit eternity, the Infinite One who transcends all time and space, we wait before Thee in prayer and supplication. Thou dost comprehend the pathos of human experience; speak to all hearts words of cheer, of affection, of approbation, and give sweet refreshment to every mind, soul, and body. Heavenly Father, as Thou art the God of the little child, condescend to come to us. We need Thee; let Thy Holy Spirit evermore cleanse us from all iniquity. As we pass through the sacred paths of human life may we not forget Thee and neglect the Christian law of life and service. O we need to have a vision of

the things that outlast the stars. O bless us with that spiritual music that charms away temptation, doubt, and fear, and lift our hearts to the eternal harmonies. O Father of consolations, a strange and sudden affliction has befallen our Nation and souls are bewildered. May they stay themselves upon Thee and find relief and comfort. In this troubled, shaken hour be our rod and staff. Blessed Master and Lord, hear us. O help us to bear one another's burdens.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Craven, its principal clerk, announced that the Senate had passed without amendment bills of the House of the following titles:

H. R. 11242. An act to relinquish the title of the United States in and to lands in Rapides Parish, State of Louisiana;

H. R. 12328. An act to authorize the assignment of awards entered by the Mixed Claims Commission, United States and Germany, the Tripartite Claims Commission, and the War Claims Arbiter.

The message also announced that the Senate had passed a joint resolution and a concurrent resolution of the following titles, in which the concurrence of the House is requested:

S. J. Res. 260. Joint resolution to validate an act of the fourth special session of the Twelfth Legislature of Puerto Rico entitled "An act authorizing the Governor of Puerto Rico to guarantee repayment, in the name of the people of Puerto Rico, of loans made by the Reconstruction Finance Corporation to the agricultural credit corporations of the island of Puerto Rico, and for other purposes," approved October 21, 1932; and

S. Con. Res. 45. Concurrent resolution authorizing the enrollment of H. R. 14359 with certain changes.

The message also announced that the Senate had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 14724) entitled "An act making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1934, and for other purposes."

The message also announced that the Senate had passed the following resolution:

Senate Resolution 377

Resolved, That the Senate has heard with profound sorrow and Watsh, late a Senator from the State of Montana.

Resolved, That a committee of 12 Senators be appointed by the Vice President to take order for superintending the funeral of

the deceased Senator.

Resolved, That the Secretary communicate these resolutions to the House of Representatives and transmit a copy thereof to the family of the deceased.

Resolved, That as a further mark of respect to the memory of the deceased, the Senate adjourn until 9.30 a. m. Friday, the 3d

The message also announced that pursuant to the foregoing resolutions the Vice President had appointed Mr. WHEELER, Mr. ROBINSON of Arkansas, Mr. McNary, Mr. ASHURST, Mr. BORAH, Mr. PITTMAN, Mr. KENDRICK, Mr. SCHALL, Mr. KING, Mr. CAREY, Mr. DILL, and Mr. WALSH of Massachusetts members of the committee on the part of the Senate to attend the funeral of the deceased.

CALL OF THE HOUSE

Mr. MARTIN of Massachusetts. Mr. Speaker, I make the point of order that there is no quorum present.

The SPEAKER. Evidently there is no quorum present.

Mr. BANKHEAD. Mr. Speaker, I move a call of the House.

The motion was agreed to.

The doors were closed.

The Clerk called the roll, and the following Members failed to answer to their names;

[Roll No. 176]

Abernethy Bacharach Douglas, Ariz. Doutrich Johnson, S. Dak. Ramseyer Johnson, Wash. Reid, Ill. Drane Eaton, Colo. Baldrige Kahn Romjue Kemp Boland Kopp Larsen Lehlbach Fishbourne Schuetz Brand, Ga. Brand, Ohio Flood Selvig Shreve Foss Buckbee Campbell, Iowa Freeman Fulbright Lewis Sirovich Lichtenwalner Smith, Idaho Campbell, Pa. Carter, Wyo. Cartwright Chapman Steagall Stevenson Strong, Kans. Golder McDuffie Goldsborough Griffin McLeod Hall, Ill. Millard Sullivan, N. Y. Chase Hardy Montague Sullivan, Pa Clancy Hart Mouser Nelson, Wis. Sumners, Tex. Cooke Haugen Underhill Hawley Vinson, Ga Niedringhaus Curry Davenport Dickstein Norton, N. J. Oliver, Ala. Hornor Williams, Tex. Houston Wingo Hull, William E. Wolcott Owen Johnson, Ill. Johnson, Okla. Prall Dominick Rainey

The SPEAKER. Three hundred and thirty-seven Members have answered to their names, a quorum.

Mr. McCLINTIC of Oklahoma. Mr. Speaker, I move to dispense with further proceedings under the call.

The motion was agreed to.

The doors were opened.

Mrs. ESLICK. Mr. Speaker, I ask unanimous consent to proceed for six minutes.

The SPEAKER. Is there objection?

There was no objection.

Mrs. ESLICK. Mr. Speaker, not far from this Capitol Building is the statue of a man, a poet, who lived in a county in the district I represent. He wrote a very gloomy poem. In it are these words:

> Life is a count of losses Every year; For the weak are heavier crosses Every year.

At the present time this is a farmer's poem.

The Congressional Record of this Congress has carried many pages on the farm situation. Some of the thoughts expressed are much wiser than others, but all are from Members earnestly desiring to improve conditions of those whose work is the foundation of all industry. My great interest in this subject comes from the fact that I represent a district that is largely agricultural. My sympathy for those suffering from agriculture's misfortune is unbounded, and I keenly feel my own personal loss from the collapse of farm prices. I shall try to be brief, for in these times we should endeavor to be economical, even in our printing.

A great preacher once said that when he quit his theological school the last instruction from his old teacher contained a prayer that he would on all possible and suitable occasions speak words of comfort to God's people.

There are a few comforting words that we who represent agricultural districts may give to our people; one is that everybody now recognizes that something should be done for them without delay. They may take small comfort in this sentiment unless some relief is actually forthcoming.

I was a member of the congressional forum to discuss the enactment of relief legislation for the farmers. This forum was composed of Members of the House interested in agricultural problems. We met at night for general discussion and exchange of ideas. Growing out of these conferences, it was determined that the problems should be divided into three general classifications, namely, first, the phase dealing with general farm relief, such as the expansion of markets, the problem of curtailing production, and the general policy that farmers could follow in helping the situation by voluntary action.

The second phase was relief on emergency farm-mortgage foreclosures. Under this heading there was undertaken the formation of a plan to save homes until something could be done to improve general conditions. The forum finally concluded that a bill introduced by Congressman Buchanan, of Texas, was closest to the consensus of opinion of what the Government could do.

The third classification related to currency and credit problems, looking to an increase of commodity prices by cheapening the present value of the dollar to bring commodities back to a more equitable level.

Some 75 Members were divided into three groups to treat with the respective questions and report to the forum. This they did, with the result that very definite recommendations were made to the proper committees of the House embodying the conclusions they reached. I was assigned to the emergency farm-relief division, and we feel that the measure referred to above embodies the position which the Congress should adopt in the forming of legislation to be effective pending some policy that will increase commodity prices compared with the present value of the dollar.

Among those who now advocate succor to the producers of our food products are even included the makers of their machinery and steel tools who are still gouging farmers with war prices. They brazenly ask for more tariffs, so that no one can force a moratorium for their excessive costs. They are the source of much corruption in some parts of the land. The farmer can not continue to buy in a protected market and sell in a free one.

I have voted for every gesture toward farm relief. There is urgent necessity for some action to relieve the distress of the farmers and protect investors. I voted for the allotment plan, an emergency measure, known as the Jones bill. Practically every representative of the great farm organizations of this country was behind this bill. This bill as passed in the House would give the farmer 5 cents a pound for the hogs he markets in this country; 90 cents a bushel for all wheat he markets here; 12 cents a pound for his cotton; and corresponding increases in other staple crops included in the bill.

I voted for the Smith bill on February 28, which is the first plan offered which puts a premium on the reduction of acreage in the growing of cotton. Without expense to the Government it promises an absorption of the surplus that now hangs over our markets like the sword of Damocles.

No plan of relief is sound that with low prices for farm products and high prices for farm supplies plunges the farmer further in debt every year. It seems in this country that whether we call it a sales tax or by some other name, all tax is finally placed upon the man who has no monopoly of any of the necessaries of life. Perhaps the first relief should be a moratorium and money loaned at a low rate of interest to take up loans made at a much higher rate.

For our immediate section of Tennessee much of the gloom has been lifted by the hope which the President elect has given us. He plans to aid in having cheap power come from the great dam at Muscle Shoals, so cheap that it may make cities of all our county towns; so cheap that they can furnish supplies to the farm at a low price and create a profitable market for its products. The people of our section should and will hold anyone to strict account for any failure to uphold the President's hand in carrying out his announced program. All hail these numberless cities of the near future. They may bring again to the farm near by that charmed life that has existed in all ages. To this life successful men have often turned when weary of their struggles in trade, in the law, or in the halls of legislation.

The primary laws of Tennessee made it impossible for me to be a Member of the next Congress. When my husband, Edward E. Eslick, died, the time for qualifying in the primary election had passed. This law gave the Democratic Party no choice as to his successor, unless they were willing to create discord and confusion in their party organization. Not having a chance to become a Member of the next Congress, I am unwilling to allow this Congress to pass without saying something on a matter that deeply affects the lives of the people I represent, as well as the entire Nation. [Applause, the Members rising.]

Mr. LANHAM. Mr. Speaker, I ask unanimous consent to address the House for 10 minutes.

The SPEAKER. Is there objection? There was no objection.

Mr. LANHAM. Mr. Speaker, I have asked for this time in order that this day may not pass without some national recognition being given to its significance. July 4 s a day dear to the heart of every American. It brings to mind the stirring scenes and events which marked our national Declaration of Independence. On each recurring anniversary of that day we delight to laud the name of Washington and to honor the galaxy of heroes and statesmen associated with

Since that day our national progress has been so conspicuous that its entrancing history may have obscured somewhat an adequate appreciation of another republic which flourished on the American continent. On the 2d day of March, 1836, a little band of rugged pioneers, hailing from all points of the American compass, gathered at Washington on the Brazos in a rude, unfinished building, and under the most trying circumstances, battling against the most severe hardships, declared as Texans their independence of Mexico. These men were not Texans in the sense that they had been born within the confines of the Lone Star State. They came from all over our great American Commonwealth. But they were men of brave spirit, high purpose, and sound governmental principles. They were sturdy; they were fearless; and they rose in arms against the overwhelming forces of Mexico and won on the battlefield the freedom they craved. They established that independence at the Battle of San Jacinto on the 21st day of April, 1836. They were led in this conflict by Gen. Sam Houston, whose record, civil and military, is perhaps without parallel in the annals of American history. Upon their victory of arms and ideals they founded their infant republic.

Texas is the only State of the American Union which has been in deed and in truth a republic, the only State consequently which really has a flag commemorating its early glory. The others have their emblems and their banners, but Texas has a flag bathed in and bought by the blood of its martyred heroes. For nine years that Republic endured. Four foreign countries sent their representatives to it. The old French Embassy, constructed largely of materials imported from France, still stands in the city of Austin.

In order that you may understand that Texans and their history are in no sense provincial, may I bring it to your attention by way of example that Travis, who was in command at the Alamo, came from North Carolina. The citizens of Cincinnati manifested their interest by sending two cannons, known as the twin sisters, to aid the battling soldiers. The last President of the Republic of Texas was a Massachusetts man, and, in my judgment, was more responsible than any other for the annexation of the Republic to the American Union as a State. With that annexation, our Nation vastly enlarged its territorial domain, for Texas to-day, though stripped of some of its original lands, is larger by one-half than continental Germany, and comprises an area as great as that of the 14 smallest States of the Union. It is six times as large as all the New England States combined. If you will pardon a semipersonal reference, when my father had the honor of serving in this body he represented the old Jumbo district, composed of 97

And so to-day, inasmuch as Texas was freed from Mexican tyranny and oppression by Americans of all climes, we may delight in the glories of Lexington and Concord and also in the glamor of the Alamo and San Jacinto. It is true the fires of patriotism burned in the breasts of Washington and Anthony Wayne and Israel Putman and other illustrious men who labored with them, but the cause of freedom had worthy advocates also in the Austins and Houston and Bowie and Travis and Crockett and Lamar and the scores of others who have made resplendent the pages of Texan and American history. So this land of Texas is one in which we may all take pride. Its pioneers brought to it the culture of the East, the commercial spirit of the North, the hustle and bustle of the West, and the chivalry and hospitality of the South. There, through the natural processes of attrition, they knocked off the rough corners of their

Our Texas history has not been adequately told. It offers a fertile field for song and story. Americans of other States do not realize as they should the heritage they have in its achievement. I honor Massachusetts for the manner in which it has preserved its remarkable history. It has done so by physical tributes and appropriate ceremonies. For instance, it has made the name of Paul Revere a familiar one to us all. In song and in story his praises have been told. I would not detract in the least from that fame. The inspiration of his dashing ride in the night, summoning the farmers and villagers to the defense of their country, belongs to every liberty-loving American. But so, my friends, does the thrilling struggle at the Alamo, where every man within it sacrificed his life for the governmental principles in which he believed. It is but natural, then, that the saying has become proverbial, "Thermopylæ had its messenger of defeat; the Alamo had none."

I think that perhaps the most stirring letter I have ever read is that in which, a few days before the fall of the Alamo, Travis, its commander, addressed the American people concerning his plight. The original is preserved in our State library in the capitol at Austin. It is more than worthy of repetition here, in order that you may catch a glimpse of the brave spirit of those dauntless men who attested with their lives the sincerity of their words.

The SPEAKER. The time of the gentleman from Texas [Mr. Lanham] has expired.

Mr. BRIGGS. Mr. Speaker, I ask unanimous consent that the gentleman may proceed for five additional minutes.

The SPEAKER. Is there objection to the request of the gentleman from Texas [Mr. BRIGGS]?

There was no objection.

Mr. LANHAM. The memorable letter written by Travis on that occasion is as follows:

Fellow citizens and compatriots, I am besieged by a thousand more of the Mexicans under Santa Ana. I have sustained a or more of the Mexicans under Santa Ana. I have sustained a continued bombardment for 24 hours and have not lost a man. The enemy has demanded a surrender at discretion; otherwise the to be put to the sword if the fort is taken. garrison is to be put to the sword if the fort is taken. I have answered the summons with a cannon shot and our flag still waves proudly from the walls. I shall never surrender nor retreat. Then I call upon you, in the name of liberty, of patriotism, and everything dear to the American character, to come to our aid with all dispatch. The enemy is receiving reinforcements daily, which will no doubt increase to three or four thousand in four or five days. Though this call may be neglected, I am determined to sustain myself as long as possible and to die like a soldier who never forgets what is due to his own honor and that of his country. Victory or death.

There every one of that little band, less than 200, perished in their own blood before the onslaught of the overpowering Mexican force. But the principles for which they died did not perish. They live and must continue to live if the free institutions of a free people shall survive and control the acts and aspirations of liberty-loving citizens.

I say our story has not been told as it should have been told. Let us not forget to-day the history of this Republic which has contributed so much to this Nation we love. And I rejoice with you that, in these days of stress and strain, it now has the distinction of lending to the service of our Government an able and patriotic and sturdy son of its soil, the honored Speaker of the House of Representatives. [Applause.]

We are much given in these times to a fondness for antiques. While recuperating a few years ago up on Cape Cod, it seemed to me that every second house was an antique shop. I confess that I rather like this fad. The bed of Sam Houston is now in the governor's mansion in Austin, and it has been my pleasure on more than one occasion to sleep in it. It is quite worth while to preserve these material emblems of the greatness of the valient pioneers. But there was something about Houston far better than his bed, something in the spirit of our early heroes far greater than the furniture which beautified their homes. They embodied within themselves and exemplified in their

natures and became typical and cosmopolitan American | lives the fundamental principles of sturdy, vigorous, pioneer manhood. Their traits and talents have builded this Nation of ours. They are antiques of the highest order of value. Let us preserve and observe them in grappling with the puzzling problems which now confront us. We ought to bring those graces also into these homes of ours. We ought to bring them into every avenue and channel of business and trade. We ought to bring them into our legislative halls. Those sterling qualities founded our Nation; those sterling qualities will preserve it.

Now, Mr. Speaker, the great State of Texas is planning a centennial celebration in 1936 to commemorate our glorious history of 1836-a history which should be dear to all American hearts. We hope that you will then come down and learn more of our remarkable story-not only of the circumstances of our declaration of independence, of the massacre at Goliad, of the matchless battle of the Alamo, of the wonderful victory at San Jacinto, of the American Republic that flourished for nine years in the great Southwest, but also of our fair land and its boundless resources and of the proud people within its borders who trace their lineage to every section of America.

If there is any State which is not provincial, if there is any State which is thoroughly American, if there is any State which combines the fine qualities of the citizenry of every section of our country, it is this Lone Star State of ours. I felt that this day should not pass without an endeavor to stimulate your interest and your research in order that you may hear and know that from whatever part of the country you may hail, this Republic of Texas, this State of Texas, is your Republic and your State in its history and in its accomplishments, a tribute to American genius. [Applause.]

NAVY DEPARTMENT APPROPRIATION BILL, 1934

Mr. AYRES. Mr. Speaker, I call up the conference report on the bill (H. R. 14724) making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1934, and for other purposes, and ask unanimous consent that the statement may be read in lieu of the report.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 14724) making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1934, and for other purposes, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendment numbered 2. That the House recede from its disagreement to the amendment of the Senate numbered 5, and agree to the

Amendment numbered 1: That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment as follows: Restore the matter stricken out by said amendment, amended to read as follows: "(none of which shall be available for increased pay for making aerial flights by more than eight nonflying officers or observers, to be selected by the Secretary of the Navy)"; and the Senate agree to the

Amendment numbered 3: That the House recede from its disagreement to the amendment of the Senate numbered 3. and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment, insert: ", but nothing herein shall be construed as preventing the voluntary employment in any such capacity of a retired enlisted man or a transferred member of the Fleet Naval Reserve without additional expense to the Government"; and the Senate agree to the same.

Amendment numbered 4: That the House recede from its disagreement to the amendment of the Senate numbered 4, and agree to the same with an amendment as follows: In lieu of the sum proposed, insert: "\$744,794"; and the Senate agree to the same.

W. B. OLIVER,
BURTON L. FRENCH,
JOHN TABER,
Managers on the part of the House.
SAMUEL M. SHORTRIDGE,
FREDERICK HALE,
HENRY W. KEYES,
CARTER GLASS,
E. S. BROUSSARD,
Managers on the part of the Senate.

W. A. AYRES,

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 14724) making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1934, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

On Nos. 1 to 4, inclusive, relating to the appropriation pay, subsistence, and transportation of naval personnel": Restores the limitation proposed by the House upon the number of nonflying officers or observers who may draw increased pay for making aerial flights, amended by excluding the restriction upon the grade of such officers; restores the language of the House provision with respect to the employment of enlisted men or civilians as household servants in the residences or quarters of officers on shore, amended to except such employment voluntarily, without additional expense to the Government, of retired enlisted men and transferred members of the Fleet Naval Reserve, and provides a limitation of \$744,794 upon expenditures for travel by officers, midshipmen, and nurses, instead of \$593,-479, as proposed by the House, and \$895,499, as proposed by the Senate.

On No. 5: Provides a limitation of \$35,000 upon expenditures for transportation of dependents of officers and enlisted men of the Marine Corps, as proposed by the Senate, instead of \$26,250, as proposed by the House.

W. A. Ayres,
W. B. Oliver,
Burton L. French,
John Taber,
Managers on the part of the House.

Mr. AYRES. Mr. Speaker, I yield three minutes to the gentleman from Illinois [Mr. Britten].

Mr. BRITTEN. Mr. Speaker, I desire merely to make an announcement that I think is of importance to every congressional district of the United States. I have not talked with the Navy Department about it, and I do not know anyone connected with either of the big broadcasting stations, in consequence of which I have not talked to anybody connected with the Navy Department or the broadcasting associations, but day before yesterday the Secretary of the Navy issued an order to prevent the broadcasting of national music by the Navy Band and the United States Marine Band. The War Department has not taken this step, so that the Army Band will still broadcast.

These three musical organizations broadcast 14 programs of music per week on national hook-ups that extend from the Atlantic to the Pacific. Six of their programs are in the forenoon, six are in the afternoon, and two are at nighttime.

The daily programs may be heard in every home in the United States where a receiving set is established, and they

are the delight of school children, unfortunate inmates of detention asylums, the bed-ridden in hospitals, hotels, and clubs. In fact, these programs are actually looked forward to by millions of people throughout the United States because of the character of music they include.

Of course, the Star-Spangled Banner concludes the program and patriotic music as well as the finest symphonic themes are always a part of every program.

The Dixie program, which goes into the South, is one of the Marine Band's most popular hours, and millions of youngsters throughout the United States are as familiar with the names of the band leaders of these three musical organizations as they are with such names as Will Rogers, Harold Lloyd, Al Jolson, and Eddie Cantor.

These morning and afternoon concerts are nothing more nor less for our military bands than very, very intensive practice hours, each musician realizing that he has an audience of a million or more and that the reputation of his pet band is at stake. This form of practice is much more valuable to the band itself than a mere hour's practice in the marine or Navy barracks, or in the Washington Navy Yard, playing to no one but themselves.

It is a great incentive to the band leader who undoubtedly hears from thousands who have enjoyed his music, and I am at a loss to understand why my good friend, Charlie Adams, would in the very last days of his executive position issue an order which would take from the people of the country these musical programs for which they are paying through indirect taxation.

I have learned to know and to love Secretary Adams as a very, very dear friend of great executive ability and of undaunted courage. He is one of the few Cabinet officers in the Hoover administration who stands out like a great headlight during these dark and trying days. He has been a great Secretary of the Navy and is loved by his officers and men alike.

I am quite satisfied that labor organizations have thrown no fear into his heart, because he is fearless so long as he believes that he is right.

The discontinuance of Navy and Marine Band broadcasting will mean the discontinuance of these musical programs completely, because neither the Radio Corporation nor the associations of musicians throughout the country will contribute this service or pay for it.

Mr. Speaker, I know it is needless for me to tell the House that no money has been made out of these programs which have been contributed by the Government in the interest of our people. The time on the air has been contributed by the respective broadcasting associations. If charged for, at anything like the usual rate, the broadcasting companies would undoubtedly collect millions of dollars per annum. The entire enterprise of broadcasting these musical programs, if considered from either viewpoint, is one of fine public service and I am sorry that Secretary Adams should have issued this order which means so much to the public at large.

These broadcasting time vacancies will not be filled in by union musicians or by any organized musical associations. The musical numbers will be replaced by a funny talk, by a talk on cooking or foodstuffs, by commercial advertising, or in some other way which will in no sense be national and from which there can be no general benefit.

The principal loser will be the public, and of course the bands themselves will lose this intensive practice hour which has made them what they are. They will continue to play for Washington and nobody else. That is the sad part of it all, and I for one am sorry for those in my district who will miss these musical programs, and who from now on will have to listen to some canned music or some other program of vastly inferior character. It is all too ridiculous that these national bands, which cost the tax-payers in the neighborhood of a million dollars a year, can not be heard outside of the District of Columbia because some one or some organization objects, and that some one will reap no benefits therefrom.

The historic Marine Band is as old as the Government! itself. It has often been referred to as "the national band" or the "band of the President of the United States." Its music is not excelled by that of any musical organization in the United States, and this same compliment may be paid to the Navy and Army Bands. They are great musical organizations which should be enjoyed by the people of the country from New York to San Francisco, just as often as it is possible to broadcast their beautiful strains.

[Here the gavel fell.]

Mr. AYRES. Mr. Speaker, I yield two additional minutes to the gentleman from Illinois.

Mr. BLANTON. Mr. Speaker, will the gentleman yield?

Mr. BRITTEN. I yield.

Mr. BLANTON. The reason the Navy ordered these band programs stopped was because the unions commanded them to do it. The Secretary of the Navy was afraid of the Musicians' Union.

Mr. DAVIS of Tennessee. Mr. Speaker, will the gentleman yield?

Mr. BRITTEN. I yield.

Mr. DAVIS of Tennessee. Is it not a fact that all of the taxpayers throughout the United States have just as much right to hear these bands as have those who happen to be here in the city of Washington?

Mr. BRITTEN. Why, of course; and that is the very principle behind the broadcasting of the music. The idea is to give the kiddies in Texas or in Arizona or in Washington or in Nevada a chance to hear the same music that the Washingtonian has at his very elbow.

As I have said heretofore, I have the very highest regard for the Secretary of the Navy. I have every regard for him and his judgment, but a great mistake has been made here, and it is going to remain a mistake unless you gentlemen, all of you, indicate to the Navy Department that that mistake should not be continued. The kiddies in your district want this music and the kiddies in my district want it also. I hope you will help me to get it back on the air.

Mr. AYRES. Mr. Speaker, I yield three minutes to the gentleman from New York [Mr. LaGuardia].

Mr. LaGUARDIA. Mr. Speaker, I rise for the purpose of replying to the distinguished gentleman from Illinois and to point out the necessity of the order issued by the Secretary

of the Navy.

There is no question about the artistic and high musical standing of these service bands. They are perhaps the best bands in the country. That is not the question. The gentleman tells the whole story when he says that these bands are on the air 14 hours a week and playing without pay. I want to add that while they are doing so there are thousands and thousands of unemployed musicians walking the street. [Applause.]

It is true that these bands are on the air in the morningquite true. It is true that they are on in the afternoon, but when you examine the radio programs, as I am sure the gentleman from Missouri [Mr. Shannon] and the gentleman from Wisconsin [Mr. Stafford] have done, you will find that these concerts are sandwiched in between paid advertisements and that the radio companies derive profit from these concerts. If these bands do not play free of charge, it will be necessary for the radio companies who sell advertising time before and after this music to hire musicians to play.

Mr. BRITTEN. Mr. Speaker, will the gentleman yield?

Mr. LaGUARDIA. I yield.

Mr. BRITTEN. It is perfectly natural that these programs must be sandwiched in between other programs. Otherwise they would have to play all day long.

Mr. LAGUARDIA. Correct.

Mr. BRITTEN. They can not help but be sandwiched in between other programs.

Mr. LaGUARDIA. Absolutely. The gentleman strengthens my point. And that is why the advertisements that come before and after these concerts have that position on the program and are charged accordingly. In other

words, these concerts go on as a sustaining part of the program, I will admit; but, Mr. Speaker, it is depriving the musicians of this country of just that much work, and we are at that stage of our unemployment where we dare not permit it to increase or to continue. If the Marine and Navy Bands are to broadcast, they can do so from the Naval Radio Station, which is not commercial, sells no time, and sells no advertisement.

I think the Secretary of the Navy ought to be congratulated for responding to the demands made by the report of the Shannon committee, and by the musicians' unions, and by the universal viewpoint in this country that we should do everything that is possible to create employment and not to destroy employment.

Mr. BRITTEN. Will the gentleman yield?

Mr. LaGUARDIA. I yield.

Mr. BRITTEN. I agree with practically every word the gentleman has said, but the gentleman knows better than I do, that if this music does not prevail in the forenoons from now on, there will be no music at all.

Mr. LaGUARDIA. There will be music, music that will be paid for. I can assure the gentleman that plenty of good music is available and by American musicians. [Applause.]

Mr. AYRES. Mr. Speaker, I yield two minutes to the gentleman from Texas [Mr. Blanton].

Mr. BLANTON. Mr. Speaker, these fine bands-the Navy and the United States Marine Bands-entertain the entire people of the United States with their splendid programs broadcast by radio. The Secretary of the Navy was forced to discontinue these radio broadcasts because the musicians' union commanded him to do so.

If I had been Secretary of the Navy and the union had selfishly asked me to deprive the entire people of the United States of this splendid entertainment, I would have told them to go-somewhere [applause], and you would too, if you were not afraid of them. If the gentleman from Illinois [Mr. Britten] wants to get the right kind of American backbone in the Secretary of the Navy, let him go down there and tell him to rescind his order, and let these band programs continue, and that he will back him up against this unreasonable demand of the musicians' union. How many will stand up here with me and say: "We are going to continue these band programs in the interests of all the people of the United States, whether any selfish group likes it or not "?

Mr. BRITTEN. Will the gentleman yield? Mr. BLANTON. Yes; I yield.

Mr. BRITTEN. I may say to the gentleman that day after to-morrow the gentleman will have a good, stalwart Democrat as Secretary of the Navy, and I know the gentleman will be able to persuade him to do just what he wants.

Mr. CLARKE of New York. Will the gentleman yield? Mr. BLANTON. Yes; because the gentleman entertains us here free whenever he gets ready and no union can stop him from broadcasting.

Mr. CLARKE of New York. H stands for two places-H is up or down. Will the gentleman tell us which he has in mind so we will know just what he means?

Mr. BLANTON. It depends entirely upon the persons we are telling to go somewhere. [Laughter and applause.]

Mr. AYRES. Mr. Speaker, I yield five minutes to the gentleman from Wisconsin [Mr. STAFFORD].

Mr. STAFFORD. Mr. Speaker, the question of the proper functioning of our Government bands was given consideration by your committee investigating Government activities in competition with business. In the report presented a few weeks ago we dissented from the practice of the Army, the Navy, and the Marine Bands touring the country for pay.

We did not object to their giving concerts without pay or at any functions here in the District or throughout the country. Any person who knows the slightest about the present broadcasting monopolies that control the air-the National Broadcasting Co. and the Columbia Broadcasting Co.—knows they are commercializing every possible activity

for their own pecuniary advantage, resulting in earnings of millions and millions of dollars by reason of the commercialization of the broadcasting privilege.

Now, the question before the Secretary of the Navy, as well as before the Secretary of War, reduces itself as to whether a Government activity is going to be utilized for the private emolument of a broadcasting company. Not a Member here could be utilized on the air just to fill in. Everyone who knows about broadcasting in the morning knows that this is the time when the housewives are listening to the radio and when the broadcasting companies are commercializing the air.

Undoubtedly, these broadcasting companies want to use for their own private aggrandizement a utility of the Government for which the Government is paying.

I am personally acquainted with the Secretary of the Navy. He is an outstanding business man. I am amazed at the gentleman from Illinois rising on the floor to criticize an order, to which unquestionably he has given very good thought, without conferring with the Secretary as to the reasons, unless, perhaps, it is just merely an effervescent explosion or ebullition of the gentleman from Illinois and simply a temporary reaction.

Mr. BRITTEN. Will the gentleman yield?

Mr. STAFFORD. Yes.

Mr. BRITTEN. I thought when the gentleman started to talk he was going to indorse what the gentleman from Illinois had said.

Mr. STAFFORD. No; I think there is some merit in the position of the Secretary of the Navy, and before I would criticize it, I would like to have the viewpoint of the Secretary of the Navy, because he is an outstanding business

For one, I do not wish any utility of the National Government utilized for the private advantage of these broadcasting companies that are making millions and millions of dollars. We are paying the bill, and if they are going to utilize these activities which we maintain at tremendous expense, let them pay for the service and let the funds go into the Treasury of the United States.

There is another side to this question, and I believe the Secretary of the Navy has good reason for promulgating this order. I can see one side. If the National Broadcasting Co. and the Columbia Broadcasting Co. were eleemosynary institutions, which they are not, because they are holding up the American people, it would be a different thing. The abuse of the radio system is its commercialization. We are not getting any music, and, naturally, the National Broadcasting Co. and the Columbia Broadcasting Co. want to use everything for nothing that they can get at the expense of the Government.

Let them pay, and then they will be on the same level as other large private orchestras and bands throughout the country-like the former Sousa Band, the Conway Band, and all the others.

Why should the Government give these two monopolies free service, when we are maintaining these bands, to the disadvantage of the private organizations? [Applause.]

Mr. AYRES. Mr. Speaker, I yield two minutes to the gentleman from Wisconsin [Mr. Schafer].

Mr. SCHAFER. Mr. Speaker, I wonder what some of my colleagues intend to do with the Army Band, the Navy Band, and the Marine Band. If we are not to allow them to go through the country to play, if we do not allow them to play over the radio, are we going to continue to spend a million dollars of the taxpayers' money each year for their support and put them on exhibition in the Smithsonian Institution? [Laughter.]

I suggest to the Members of the next Congress that if these bands are to be prevented from playing that you have an opportunity to help the overburdened taxpayers to the extent of about \$1,000,000 each year by abolishing the bands.

When this is done, the members of these bands will then join the ranks of the unemployed, who will be competing with civilian musicians seven days in the week.

It is ridiculous not to allow these bands to play over the radio or to play outside of the District of Columbia without compensation if the taxpayers of the Nation are to contribute almost a million dollars each year for their maintenance. Certainly this burden should not be placed upon the taxpayers if the bands are to be silenced forever and the members do nothing but wear their uniforms and draw their pay checks. [Applause.]

[Here the gavel fell.]

Mr. AYRES. Mr. Speaker, I move the previous question.

The previous question was ordered.

The conference report was agreed to.

On motion of Mr. Ayres, a motion to reconsider the vote whereby the conference report was agreed to was laid on the table.

Mr. MAY. Mr. Speaker, I ask unanimous consent for the present consideration of the resolution I send to the Clerk's desk.

The Clerk read as follows:

House Resolution 405

Resolved, That the Senate be requested to return to the House of Representatives the bill H. R. 11035, entitled "A bill for the relief of Price Huff."

The SPEAKER. Is there objection?

There was no objection.

The resolution was agreed to.

THE BANKRUPTCY BILL

Mr. SUMNERS of Texas. Mr. Speaker, I ask unanimous consent for the present consideration of Senate Concurrent Resolution 45.

The Clerk read as follows:

Senate Concurrent Resolution 45

Resolved by the Senate (the House of Representatives con-curring), That in the enrollment of the bill (H. R. 14359) to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, and acts amendatory thereof and supplemental thereto, the Clerk of the House is authorized to make the following necessary

changes in the Senate engrossed amendment:
On page 1, line 6, beginning with "by," strike out through the word "and" in line 7.

word "and" in line 7.

On page 1, line 14, strike out "74 and 75," and insert in lieu thereof "74, 75, and 77."

On page 19, line 16, strike out "or compositions"; and in lines 21 and 24, strike out the words "or composition."

On page 39, line 12, strike out the figure "76."

On page 41, line 9, beginning with the word "Railroad," strike out through the period in line 11.

Mr. STAFFORD. Mr. Speaker, as I understand, these are simply typographical corrections.

Mr. SUMNERS of Texas. The gentleman is correct.

The resolution was agreed to.

The SPEAKER. The Chair wishes to make a statement. The Chair is going to take the privilege of recognizing gentlemen to call up bills for unanimous consent. He has been informed that a Member who objected to a bill last night desires to withdraw his objection. The Chair, therefore, will recognize the gentleman from South Dakota to call up that bill.

VICTORIA ARCONGE

Mr. CHRISTOPHERSON. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 4024) authorizing and directing the Secretary of the Interior to cancel patent in fee issued to Victoria Arconge and pass the

The Clerk read the title of the bill.

The SPEAKER. The Chair has been informed that this bill was objected to by the gentleman from Kansas [Mr. HOPE, and the gentleman from South Dakota has advised the Chair that the gentleman from Kansas desires to withdraw his objection. Is there objection?

Mr. STAFFORD. Mr. Speaker, until I can get my private bills over here from the office, I ask the gentleman from South Dakota to temporarily withdraw this.

Mr. CHRISTOPHERSON. Very well; I shall withhold the matter at present.

BONDS IN CRIMINAL CASES IN DISTRICT OF COLUMBIA

Mr. GILBERT. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 4082) to regulate the business of executing bonds for compensation in criminal cases and to improve the administration of justice in the District of Columbia and pass the same.

The SPEAKER. Is there objection?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the words "bonding business" as used in this act mean the business of becoming surety for compensation upon bonds in criminal cases in the District of Columbia, and the word "bondsman" means any person or corporation engaged either as principal or as agent, clerk, or representative of another in such business.

in such business.

SEC. 2. That the business of becoming surety for compensation upon bonds in criminal cases in the District of Columbia is impressed with a public interest.

SEC. 3. It shall be unlawful for any person engaged, either as principal or as the clerk, agent, or representative of a corporation, or another person in the business of becoming surety upon bonds for compensation in the District of Columbia, either directly or indirectly, to give, donate, lend, contribute, or to promise to give, donate, loan, or contribute any money, property, entertainment, or other thing of value whatsoever to any attorney at law, police officer, deputy United States marshal, jailer, probation officer, clerk, or other attaché of a criminal court, or public official of any character, for procuring or assisting in procuring any person to employ said bondsman to execute as surety any bond for compensation of the procuring case in the District of Columbia: and it shall be acter, for procuring or assisting in procuring any person to employ said bondsman to execute as surety any bond for compensation in any criminal case in the District of Columbia; and it shall be unlawful for any attorney at law, police officer, deputy United States marshal, jailer, probation officer, clerk, bailiff, or other attaché of a criminal court, or public official of any character, to accept or receive from any such person engaged in the bonding business any money, property, entertainment, or other thing of value whatsoever for procuring or assisting in procuring any person to employ any bondsman to execute as surety any bond for compensation in any criminal case in the District of Columbia.

compensation in any criminal case in the District of Columbia.

SEC. 4. It shall be unlawful for any attorney at law, either directly or indirectly, to give, loan, donate, contribute, or to promise to give, loan, donate, or contribute any money, property, entertainment, or other thing of value whatsoever to, or to split or divide any fee or commission with, any bondsman, the agent, clerk, or representative of any bondsman, police officer, deputy United States marshal, probation officer, assistant probation officer, balliff, clerk, or other attaché of any criminal court for causing or procuring or assisting in causing or procuring any person to employ such attorney to represent him in any criminal case in the District of Columbia.

SEC. 5. It shall be lawful to charge for executing any bond in

SEC 5. It shall be lawful to charge for executing any bond in a criminal case in the District of Columbia, and it shall be unlawful for any person or corporation engaged in the bonding busilawful for any person or corporation engaged in the bonding business, either as principal, or clerk, agent, or representative of another, either directly or indirectly, to charge, accept, or receive any sum of money, or other thing of value, other than the regular fee for bonding, from any person for whom he has executed bond, for any other service whatever performed in connection with any indictment, information, or charge upon which said person is bailed or held in the District of Columbia. It also shall be unlawful for any person or corporation engaged either as principal or as agent, clerk, or representative of another in the bonding business, to settle, or attempt to settle, or to procure or bonding business, to settle, or attempt to settle, or to procure or attempt to procure the dismissal of any indictment, information, or charge against any person in custody or held upon bond in the District of Columbia, with any court, or with the prosecuting attorney in any court in the District of Columbia.

Sec. 6. A typewritten or printed list alphabetically arranged of all persons engaged under the authority of any of the courts of criminal jurisdiction in the District of Columbia in the business of becoming surety upon bonds for compensation in criminal cases shall be posted in a conspicuous place in each police precinct, jail, prisoner's dock, house of detention, and every other cinct, jall, prisoner's dock, house of detention, and every other place in the District of Columbia in which persons in custody of the law are detained, and one or more copies thereof kept on hand; and when any person who is detained in custody in any such place of detention shall request any person in charge thereof to furnish him the name of a bondsman, or to put him in communication with a bondsman, said list shall be furnished to the person so requesting, and it shall be the duty of the person in charge of said place of detention within a reasonable time to put the person so detained in communication with the bondsman so selected, and the person in charge of said place of detention shall contemporaneously with said transaction make in the blotter or book of record kept in any such place of detention, a record showing the name of the person requesting the bondsman, the offense ing the name of the person requesting the bondsman, the offense with which the said person is charged, the time at which the request was made, the bondsman requested, and the person by whom the said bondsman was called, and preserve the same as a permanent record in the book or blotter in which entered.

SEC. 7. It shall be unlawful for any bondsman, agent, clerk, or

representative of any bondsman to enter a police precinct, jail, prisoner's dock, house of detention, or other place where persons in the custody of the law are detained in the District of Columbia for the purpose of obtaining employment as a bondsman, without having been previously called by a person so detained, or by some

relative or other authorized person acting for or on behalf of the person so detained, and whenever any person engaged in the bonding business as principal, or as clerk, agent, or representative of another, shall enter a police precinct, jail, prisoner's dock, house of detention, or other place where persons in the custody of the law are detained in the District of Columbia, he shall forthwith give to the person in charge thereof his mission there, with give to the person in charge thereof his mission there, the name of the person calling him, and requesting him to come to such place, and the same shall be recorded by the person in charge of the said place of detention and preserved as a public record, and the failure to give such information, or the failure of the person in charge of said place of detention to make and preserve such a record, shall constitute a violation of this act.

SEC. 8. It shall be the duty of the police court, juvenile court, and the criminal divisions of the Supreme Court of the District of Columbia each to provide, under reasonable rules and regula-

and the criminal divisions of the Supreme Court of the District of Columbia each to provide, under reasonable rules and regulations, the qualifications of persons and corporations applying for authority to engage in the bonding business in criminal cases in the District of Columbia, and the terms and conditions upon which such business shall be carried on, and no person or corporation shall, either as principal or as agent, clerk, or representative of another, engage in the bonding business in any such court until he shall by order of the court be authorized to do so. Such courts, in making such rules and regulations and in granting authority to persons to engage in the bonding business, shall take into consideration both the financial responsibility and the take into consideration both the financial responsibility and the moral qualities of the person so applying, and no person shall be permitted to engage, either as principal or agent, in the business of becoming surety upon bonds for compensation in criminal cases who has ever been convicted of any offense involving moral turpitude or who is not known to be a person of good moral the principal better the court of configurations. turpitude or who is not known to be a person of good moral character. It shall be the duty of each of said courts to require every person qualifying to engage in the bonding business as principal to file with said court a list showing the name, age, and residence of each person employed by said bondsman as agent, clerk, or representative in the bonding business, and require an affidavit from each of said persons stating that said person will abide by the terms and provisions of this act. Each of said courts shall require the authority of each of said persons to be renewed from time to time at such periods as the court may by rule provide, and before said authority shall be renewed the court shall require from each of said persons an affidavit that since his previous qualification to engage in the bonding business he has vious qualification to engage in the bonding business he has abided by the provisions of this act, and any person swearing falsely in any of said affidavits shall be guilty of perjury.

falsely in any of said affidavits shall be guilty of perjury.

Sec. 9. It shall be unlawful for any police officer or other public official, in advance of any raid by police or other peace officers or public officials or the execution of any search warrant or warrant of arrest, to give or furnish, either directly or indirectly, any information concerning such proposed raid or arrest to any person engaged in any manner in the bonding business, or to any attorney at law: Provided, however, That it shall not be unlawful for any police or other peace officer, in conducting any raid or in executing any search warrant or warrant of arrest, to communicate to any attorney at law or person engaged in the bonding business, any fact necessary to enable such officer to obtain from such attorney at law or person engaged in the bonding business information necessary to enable such officer to carry out said raid or execute such process.

or execute such process.

SEC. 10. The judges of the police court of the District of Columbia shall have the authority to appoint some official of the Metropolitan police force of the District of Columbia to act as a clerk of the police court with authority to take bail or collateral from persons charged with offenses triable in the police court in primingle cases in the District of Columbia at all times when the criminal cases in the District of Columbia at all times when the police court is not open and its clerks accessible. The official so appointed shall have the same authority at said times with reference to taking bonds or collateral as the clerk of the police court now has; shall receive no compensation for said services other than his regular salary; shall be subject to the orders and rules of the police court in discharge of his said duties, and may be removed as such clerk at any time by the judges of the police court. The Supreme Court and the Juvenile Court of the District court. The Supreme Court and the Juvenile Court of the District of Columbia each shall have power by order to authorize the official appointed by the police court to take bond of persons arrested upon writs and processes from those courts in criminal cases between 4 o'clock p. m. and 9 o'clock a. m. and upon Sundays and holidays, and each of such courts shall have power at any time by order to revoke such authority granted by it.

SEC. 11. Any person violating any provision of this act other than in the commission of perjury shall be punished by a fine of not less than \$50 nor more than \$100, or by imprisonment of not less than 10 or more than 60 days in jall, or both, where no

not less than 10 or more than 60 days in jall, or both, where no other penalty is provided by this act; and if the person so convicted be a police officer or other public official, he shall upon recommendation of the trial judge also be forthwith dismissed from office; if a bondsman, or the agent, clerk, or representative of a bondsman, he shall be disqualified from thereafter engaging in any manner in the bonding business for such a period of time as the trial judge shall order; and, if an attorney at law, shall be subject to suspension or disbarment as attorney at law.

SEC. 12. It shall be the duty of the police court, juvenile court, and of the criminal divisions of the Supreme Court of the Dis-

and of the Columbia to see that this act is enforced, and upon the impaneling of each grand jury in the Supreme Court of the District of Columbia it shall be the duty of the judge impaneling said jury to give it in charge to the jury to investigate the manner in which this act is enforced and all violations thereof.

The SPEAKER. The gentleman from Kentucky is recognized for one hour.

Mr. STAFFORD. Mr. Speaker, will the gentleman yield? Mr. GILBERT. Yes.

Mr. STAFFORD. In going over this bill yesterday afternoon and again this morning my attention was called to section 9, particularly that part contained in the proviso which reads:

That it shall not be unlawful for any police or other peace officer, in conducting any raid or in executing any search warrant or warrant of arrest, to communicate to any attorney at law or person engaged in the bonding business any fact necessary to enable such officer to obtain from such attorney at law or person engaged in the bonding business information necessary to enable such officer to carry out said raid or execute such process.

In reading that paragraph it seemed to connote an idea that that would be in favor of the bonding official when a raid was to take place.

Mr. GILBERT. It sometimes happens that an offender has a known attorney, and it is not unlawful to consult with him to find out where his client is, to arrest him in making a raid, or just to arrest. There is sometimes no objection on the part of the accused. He may want to give himself up. The first part of section 9 is for the purpose of preventing the offender from being tipped off before the raid, and the second part of the proviso is to exclude those few instances where it is known and it may be desirable to consult his attorney in order to make the arrest.

Mr. STAFFORD. It was my thought that the proviso controverted the intendment of the first part of the section.

Mr. GILBERT. No.

Mr. STAFFORD. It was difficult for me to conceive how an attorney, dutiful to his client, knowing a raid was going to take place, would not communicate that fact to him.

Mr. GILBERT. He can only communicate with the peace officer. I agree with the gentleman from Wisconsin [Mr. Stafford] as a general proposition; but there are certain known instances in which such communication would not violate the confidence of the client and would enable them to expedite justice.

Mr. STAFFORD. It is the gentleman's firm opinion that this proviso will not do anything to deter a raid being made, even though the peace officer should communicate with the attorney of the culprit?

Mr. GILBERT. That meets the approval of the corporation counsel. The gentleman handling this bill has not had a great deal of experience in city criminal practice.

Mr. STAFFORD. I am not surprised at the gentleman not having experience with crooks or in criminal practice, but I am rather surprised that a corporation counsel would insist on this proviso which seems to me to work to the advantage of the criminal rather than for the enforcement of law.

Mr. GILBERT. It was said that in many instances that information could be had without violating any confidences and expedite the arrest.

Mr. STAFFORD. Have laws of similar import to this been adopted by any of our States?

Mr. GILBERT. Oh, a great many of them. In every large city the bonding business, unless regulated, becomes quite an obstruction to the execution of justice, and a great many cities have these laws. It was shown that the bondsman gets there before the officer, and he proceeds immediately to sell out the officer and the court. He claims great powers and charges large fees and promises to get the fellow off, and among the ignorant and the superstitious this works much harm.

Mr. STAFFORD. In many of the large cities, especially those cities controlled by political organizations, there have been abuses of criminal procedure in that there are practical bondsmen always on the alert, who never sleep, who are using the arrested as a means of mulcting them out of money for getting them protection in the way of furnishing bonds.

Mr. GILBERT. The gentleman is correct about that.

Mr. STAFFORD. In the Seabury investigation that was one of the abuses called to the attention of the country, as

to practices prevailing in New York City. In Philadelphia and Chicago there exist these abuses. I was wondering how generally this law had been adopted to prevent just such practices, which are the outgrowth oftentimes of corrupt party organization politics.

Mr. GILBERT. It is recognized that in big cities in modern times there is quite a miscarriage of justice through the execution of criminal bonds and the mulcting of the poor and ignorant, the selling of so-called influence, and quite embarrassing to the administration of justice.

Mr. STAFFORD. Some years back it was my privilege to serve on a lobby-investigating committee presided over by that distinguished Democratic leader, Judge Finis Garrett, where we investigated the practices of pawnbrokers in the District of Columbia holding up the poor unfortunates for extravagant rates. I assume in the District of Columbia there have been professional bondsmen who have been plying their trade on the unfortunates who have been arrested from time to time.

Mr. GILBERT. Undoubtedly that is true.

The SPEAKER. The question is on the third reading of the bill.

The bill was ordered to be read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table. A similar House bill was laid on the table.

INDEPENDENT OFFICES APPROPRIATION RULL

Mr. WOODRUM, from the Committee on Appropriations, submitted a conference report on the bill (H. R. 14458, Rept. No. 2193) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1934, and for other purposes, for printing under the rule.

The Clerk read the title of the bill.

PERMISSION TO ADDRESS THE HOUSE

Mr. SUMMERS of Washington. Mr. Speaker, I ask unanimous consent to address the House for five minutes.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. SUMMERS of Washington. Mr. Speaker, after 14 busy, congenial years in the House of Representatives I am leaving temporarily on March 4.

Not an hour, not a minute of your time has been wasted by me in playing politics. "More business and less politics" and "Country above party" have been my working slogans.

I hold my colleagues of all parties in high esteem. It has been a pleasure to work with all of you for the best interests of our country. I wish you all Godspeed in the continuance of such service as private citizens and especially as public officials. Before leaving, may I express my views briefly on two or three important questions?

As we look to the future nothing in my judgment is more important than a profitable price for farm products. This is fundamental if we would solve the unemployment problem and start the wheels of industry and commerce.

There has to be a starting point. In this country prosperity springs from the soil. If the farm problem were attacked by those who control Congress with the zeal it merits, we might soon be on the road to a real economic recovery. Why not instill hope and confidence in 30,000,000 farm people by aggressive, sympathetic action immediately?

We can not borrow nor drink ourselves out of this depression. Only by increasing the buying power of 40,000,000 people who depend on agriculture can we instill life into the commercial fabric of America. The major problem affecting the pocketbooks of all the people now is the agriculture problem. Till this is solved all other problems sink to insignificance. The price of wheat, cotton, corn, wool, alfalfa, fruits, poultry, and dairy products touch the spending power of every farmer, the buying power of every laboring man, and the money till of every merchant and banker of this country.

Of two things I am convinced: First, a rational, workable plan that will not lay a draft on the Treasury nor disturb

cooperative nor independent buying and selling should be the first and major program of Congress; second, all other economic programs will fail till agriculture again assumes its rightful place in our Nation.

SHALL AMERICA SELL HER BIRTHRIGHT?

There are on the horizon alarming symptoms that America may sell her birthright of freedom for a mess of Russian Soviet pottage. To me this is unthinkable. It may appeal to our international bankers, but it does not appeal to our laboring men and farmers, who would be put in full competition with slave labor of Russia. What has Russia to sell to us? Chiefly farm products of which we already have a surplus.

American labor would suffer from increased importation of Russian goods.

Communist propaganda for world revolution and the destruction of our Government by bloodshed and force would menace our institutions. Every effort would be made to destroy here the sanctity of marriage and home as in Soviet Russia and make ours also a Godless nation. I regret that I can not remain to fight against the barter of American ideals and American living standards.

I warn Americans, in Congress and out, against the "5-year plan of atheism" soon to be launched by the Soviet Government of Russia, when "the very concept of God will be expelled from the union" and "all who give religious instruction shall be expelled from soviet territory." This is their latest "5-year plan."

Theirs is a world-wide plan. They have definitely announced that they will by force bring all nations to their standards. Until their standards are lifted, America should never recognize Russia. She may set up for herself whatever government she will, but we do not want her ambassadors within our gates boring from within and undermining our Government, as they have attempted in all other countries.

AGAINST CANCELLATION OF EUROPEAN DEBTS

Shall Europe, who borrowed and used the money, repay, or shall the overburdened American taxpayer pay European debts?

This is a pressing question. The bonds are unpaid. They can not be obliterated by "canceling the European debt." That only shifts the burden to American taxpayers. I am now and always have been opposed to cancellation. I voted against the moratorium. I have already pointed out that European nations are spending annually for armaments about seven times the yearly amounts due this Nation.

Once more I want to go on record as opposed to cancellation of European debts. And, as world-war clouds gather, I urge my colleagues to remember Washington's sound admonition and avoid entangling alliances with foreign nations. [Applause.]

SENATE BILL REFERRED

A bill of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 5639. An act providing for loans or advances by the Reconstruction Finance Corporation for the purpose of securing the postponement of the foreclosure of certain mortgages for a period of two years, and for other purposes; to the Committee on Banking and Currency.

ENROLLED BILLS SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 4910. An act for the relief of Gust J. Schweitzer; and H. R. 12047. An act to provide for the transfer of powder and other explosive materials from deteriorated and unserviceable ammunition under the control of the War Department to the Department of Agriculture for use in land clearing, drainage, road building, and other agricultural purposes.

The SPEAKER announced his signature to an enrolled joint resolution of the Senate of the following title:

S. J. Res. 228. A joint resolution authorizing the American National Red Cross and certain other organizations to exchange Government-owned cotton for articles containing wool

THE LATE HON. THOMAS J. WALSH

Mr. RAINEY. Mr. Speaker, I offer a resolution, which I send to the desk.

The Clerk read as follows:

House Resolution 406

Resolved, That the House has heard with profound sorrow of the death of the Hon. Thomas J. Walsh, a Senator of the United States from the State of Montana.

Resolved, That the Clerk communicate these resolutions to the Senate and transmit a copy thereof to the family of the deceased Senator

deceased Senator.

Resolved, That a committee of two Members be appointed on the part of the House to join with the committee appointed on the part of the Senate to attend the funeral.

The resolution was agreed to.

The Chair appointed the following committee: Messrs. Evans of Montana and Leavitt.

The Clerk read as follows:

Resolved, That, as a further mark of respect, this House do now adjourn.

The resolution was agreed to; accordingly (at 12 o'clock and 50 minutes p. m.) the House adjourned until to-morrow, Friday, March 3, 1933, at 11 o'clock a. m.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. RAYBURN: Committee on Interstate and Foreign Commerce. House Resolution 59. A resolution to investigate the ownership and control of stock, securities, or capital interests in any public-utility corporation engaged in the transportation of persons or sale of property, energy, or intelligence in interstate or foreign commerce by holding companies, etc.; with amendment (Rept. No. 2192). Referred to the House Calendar.

Mr. LOZIER: Committee on Election of President, Vice President, and Representatives in Congress. House Joint Resolution 60. A joint resolution proposing an amendment to the Constitution of the United States providing for the election of President and Vice President and the filling of vacancies in the office of President; with amendment (Rept. No. 2194). Referred to the House Calendar.

Mr. WILLIAMSON: Committee on Indian Affairs. S. 5623. An act referring the claims of the Turtle Mountain Band or Bands of Chippewa Indians of North Dakota to the Court of Claims for adjudication and settlement; with amendment (Rept. No. 2195). Referred to the Committee of the Whole House on the state of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of Rule XXII,

Mr. McLEOD introduced a resolution (H. Res. 407) requesting the President to pardon certain persons confined in Federal penal institutions, which was referred to the Committee on the Judiciary.

MEMORIALS

Under clause 3 of Rule XXII, memorials were presented and referred as follows:

Memorial of the Legislature of the State of Pennsylvania, memorializing Congress to refrain from taking any action for the purpose of economy or other purpose that will further decrease the strength of the armed forces of the United States; to the Committee on Military Affairs.

Memorial of the Legislature of the State of Nevada, memorializing Congress to continue in force the 50 per cent reduction in national forest grazing fees as granted in 1932; to the Committee on the Public Lands.

Memorial of the Legislature of the State of Michigan, memorializing Congress to enact House Joint Resolution 191; to the Committee on the Post Office and Post Roads.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

10775. By Mr. BOHN: Petition of the Council of the City of Dearborn, Mich., favoring the issuance of United States postage stamps as a memorial to Brig. Gen. Thaddeus Kosciusko: to the Committee on the Post Office and Post Roads.

10776. By Mr. CHRISTGAU: Resolution of the Village Council of Lanesboro, Minn., expressing opposition to the application of the Federal tax to municipally owned electric, water, and power plants; to the Committee on Ways

10777. Also, petition signed by citizens of Red Wing, Minn., urging support of Senate bill 1079 and Senate Resolution 170; to the Committee on Interstate and Foreign Commerce.

10778. Also, resolution adopted by the Woman's Christian Temperance Union of St. Charles, Minn., urging support of Senate bill 1079 and Senate Resolution 170; to the Committee on Interstate and Foreign Commerce.

10779. By Mr. CONDON: Petition of Harry Wilde, Robert J. Fox, George A. Foss, John Miley, Frederick C. Manns, Samuel S. Hunter, Helen Sunner, and 371 other citizens of Rhode Island, protesting against any repeal or modification of existing legislation beneficial to Spanish War veterans, their widows, or dependents; to the Committee on World War Veterans' Legislation.

10780. Also, petition of John J. Mauss, Walter M. Thompson, Annie E. Doherty, Amelia E. Butler, George L. Rousseau, Evelina Waterman, and 168 other citizens of Rhode Island, protesting against any repeal or modification of existing legislation beneficial to Spanish War veterans, their widows, or dependents; to the Committee on World War Veterans' Legislation.

10781. Also, petition of Susie L. Doty, Eugene Verrier, Eugene J. Murphy, Florence McKenna, Bert N. Greene, Richard Powers, and 212 other citizens of Rhode Island, protesting against any repeal or modification of existing legislation beneficial to Spanish War veterans, their widows, or dependents: to the Committee on World War Veterans' Legislation.

10782. By Mr. GIBSON: Petition of Hartford Post. No. 26, Department of Vermont, American Legion, opposing reductions in benefits now paid, opposing any revision in privileges now accorded by law to veterans of all wars; to the Committee on World War Veterans' Legis-

10783. By Mr. HAINES: Resolution of the Farmers Protective Association of Adams County, Pa., signed by George William Moul and others, urging immediate relief for farmers; to the Committee on Agriculture.

10784. By Mr. HALL of North Dakota: Petition of North Dakota State Senate (the House concurring), favoring the ratification of a treaty between this Nation and Canada. providing the terms under which may be constructed the long-sought and much-needed seaway uniting the Great Lakes with the Atlantic Ocean; to the Committee on Interstate and Foreign Commerce.

10785. By Mr. PERSON: Petition of members of the Woman's Christian Temperance Union of Lansing, Mich., and vicinity, protesting against the repeal of the eighteenth amendment; to the Committee on the Judiciary.

10786. Also, joint resolution of the House and Senate of the State of Michigan in re House Joint Resolution 191, to commemorate the one hundred and fiftieth anniversary of the naturalization as an American citizen of Brig. Gen. Thaddeus Kosciusko, by issuing a special series of postage stamps in his honor; to the Committee on the Post Office and Post Roads.

10787. By the SPEAKER: Petition of Dayton Unit, No. 10, of the Bonus Expeditionary Forces, protesting against the appointment of Gen. Douglas MacArthur as grand marshal of the inaugural parade; to the Committee on Military Affairs.

SENATE

FRIDAY, MARCH 3, 1933

The Senate met at 9 o'clock and 30 minutes a. m. The Chaplain, Rev. ZeBarney T. Phillips, D. D., offered the following prayer:

O merciful God and Heavenly Father, who spakest in the olden time and saidst, "When Thou passest through the waters I will be with Thee, and through the rivers, they shall not overflow thee. When thou walkest through the fire thou shalt not be burned, neither shall the flame kindle upon thee, for I am the Lord thy God, the Holy One Israel, thy Savior," speak peace and comfort to these hearts of ours as once again we bow before the solemn mystery of death.

Thou hast called unto Thyself, dear Lord, the soul of one who loved this sanctuary of the Nation, who with his stainless character, the ripeness of his intellect, his unremitting service to his country was sorely needed in our midst. To him a grateful people pays unstinted tribute of devotion. Help us to say, "Thy will be done." Lord, vouchsafe him light and rest, joy and consolation in Thy presence, in the ample folds of Thy great love. Grant to his loved ones in their poignancy of grief the abundance of Thy mercy, for they sorrow not as those without hope for him who sleeps in Thee.

O seeking Savior of our souls, shed light upon the problems that perplex; dispel the night of doubt and fear; and for the eyes that wait, may morning dawn, disclosing to our anxious gaze Thy heart that cares, Thy face which beckons with its smile. Amen.

THE JOURNAL

The Chief Clerk proceeded to read the Journal of the proceedings of the calendar days of Wednesday, March 1, and Thursday, March 2, when, upon request of Mr. FESS, and by unanimous consent, the reading was dispensed with, and the Journal was approved for those days.

RESIGNATION OF SENATOR SWANSON, OF VIRGINIA

The VICE PRESIDENT laid before the Senate a letter from the senior Senator from Virginia [Mr. Swanson], which was ordered to lie on the table, and it was read, as follows:

> UNITED STATES SENATE, Washington, March 1, 1933.

Hon. CHARLES CURTIS.

President of the Senate, Washington, D. C.

MY DEAR MR. PRESIDENT: To-day I have mailed my resignation as a United States Senator from the State of Virginia to the governor of that State, to be effective upon the close of the legislative day of March 3, 1933.

I am deeply grateful for your many courtesies. Yours very respectfully,

CLAUDE A. SWANSON.

The VICE PRESIDENT. The communication will lie on the table.

SENATOR FROM PENNSYLVANIA

The VICE PRESIDENT laid before the Senate the credentials of James J. Davis, chosen a Senator from the State of Pennsylvania for the term commencing on the 4th day of March, 1933, which were ordered to lie on the table, and they were read, as follows:

IN THE NAME AND BY AUTHORITY OF THE COMMONWEALTH OF PENNSYLVANIA

GOVERNOR'S OFFICE.

To the President of the Senate of the United States.

Washington, D. C.

Sir: This is to certify that on the 8th day of November, 1932,
James J. Davis was duly chosen by the qualified electors of the
State of Pennsylvania a Senator from said State to represent said
State in the Senate of the United States for the term of six years,
beginning on the 4th day of March, 1933.

Witness: His excellency our governor, Gifford Pinchot, and our
seal hereto affixed at Harrisburg, Pa., this 2d day of March,
A D 1933.

A. D. 1933.

By the governor: [SEAL.]

GIFFORD PINCHOT.

RICHARD J. BEAMISH, Secretary of the Commonwealth.

The VICE PRESIDENT also laid before the Senate a letter from the Governor of Pennsylvania, which was ordered to lie on the table, and it was read, as follows:

> COMMONWEALTH OF PENNSYLVANIA GOVERNOR'S OFFICE,

Harrisburg, March 2, 1933.
To the President of the Senate of the United States,
Washington, D. C.

SIR: I have the honor to transmit herewith the returns of the election of United States Senator held on November 8, 1932, as the law of this Commonwealth directs.

I have the honor also to inform you that I have to-day signed and by registered mail delivered to Hon. James J. Davis, in conformity with the statute in such case made and provided, a certificate which is as follows:

"TO THE PRESIDENT OF THE SENATE OF THE UNITED STATES

"This is to certify that on the 8th day of November, 1932, James J. Davis was duly chosen by the qualified electors of the State of Pennsylvania a Senator from said State to represent said State in the Senate of the United States for the term of six years, beginning on the 4th day of March, 1933.

"Witness: His excellency our governor, Gifford Pinchot, and our seal hereto affixed at Harrisburg, Pa., this 2d day of March,

A. D. 1933.

" GIFFORD PINCHOT, Governor.

"By the governor:

"Richard J. Beamish,
"Secretary of the Commonwealth."

I am inclosing herewith a separate communication addressed to you, and through you to the Senate of the United States. I request that the contents of this separate communication shall not be made public until after a verdict shall have been reached in the case now pending against the said James J. Davis in the District Court of New York, or until such time as the Senate of the United States shall deem fit and proper for its publication.

I have the honor to be, sir, very respectfully yours.

GIFFORD PINCHOT.

The VICE PRESIDENT. The Chair lays before the Senate the separate communication referred to, not to be opened until order of the Senate.

Mr. REED subsequently said: Mr. President, this morning I asked leave to place in the RECORD, immediately after the credentials of my colleague, an extract from Pennsylvania law regarding the duty of the governor to issue a certificate of election. My colleague [Mr. Davis] now asks me to substitute for that a memorandum giving other statutory provisions and a brief by a Pennsylvania lawyer with regard to it. I ask that the paper which I now send to the desk may be printed immediately after the credentials of my colleague instead of the matter which I sent up this morning.

The PRESIDENT pro tempore. Without objection, that order will be entered.

The matter referred to is as follows:

IN RE: POWERS AND DUTIES OF THE GOVERNOR OF PENNSYLVANIA CONCERNING CERTIFICATION OF THE ELECTION OF A UNITED STATES SENATOR

1. Article I, section 4, clause (1), of the Constitution of the

United States reads as follows:

The times, places, and manner of holding elections for Senators and Representatives shall be prescribed in each State by the legis-lature thereof; but the Congress may at any time by law make or alter such regulations, except as to the places of choosing Senators.

2. Article I, section 5, clause (1), of the Constitution of the

2. Article I, section 5, clause (1), of the Constitution of the United States reads as follows:

"Each House shall be the judge of the elections, returns, and qualifications of its own Members, and a majority of each shall constitute a quorum to do business, but a smaller number may adjourn from day to day, and may be authorized to compel the attendance of absent Members in such manner and under such penalties as each House may provide."

3. Act 454, section 2, of Laws of Pennsylvania of the 1913 session of the general assembly (P. L. 995), reads as follows:

"The vote for candidates for the office of United States Senator shall be counted, certified, computed, and returned as is now or may hereafter be provided by law with respect to other offices filled by a vote of the electors of the State at large: Provided, however, That the returns of the election of United States Senator shall

by a vote of the electors of the State at large: Provided, however, That the returns of the election of United States Senator shall be made to the secretary of the Commonwealth, who shall immediately tabulate and compute the same, and, upon the conclusion of said count, certify the result thereof to the governor, who shall immediately issue a certificate of election, under the seal of the Commonwealth, duly signed by himself and attested by the secretary of the Commonwealth, and deliver the same to the candidate receiving the highest number of votes. He shall also transmit the returns of said election to the President of the United mit the returns of said election to the President of the United .States Senate."

In regard to this particular matter, the Legislature of Pennsylvania had authority to prescribe the manner of certification as an incident part of the "manner of holding elections for Senators" under the power delegated to it in Article I, section 4, clause (1),

of the Constitution of the United States quoted supra.

Section 2 of the act of July 24, 1913, P. L. 995, Laws of Pennsylvania, quoted above, defines the only duties that the Governor sylvania, quoted above, defines the only duties that the Governor of Pennsylvania has in regard to the certificate of election of a United States Senator. It will be seen that these duties are purely perfunctory and have to do only with the certification of the information given to him by the secretary of the Commonwealth, whose duties are likewise confined to mere tabulation and computation of the vote (which tabulation and computation must necessarily be based only upon the returns submitted to him).

It will be noted that the governor's duty is to immediately issue a certificate of election.

certificate of election.

No power is given to the Governor of Pennsylvania to pass upon the qualifications of a citizen of Pennsylvania duly elected to the United States Senate, nor is any power given to him to judge the election and returns. These powers are specifically reserved in the Constitution of the United States to the United States Senate under the provisions of Article I, section 5, clause (1), hereinabove quoted.

If the governor refuses to "immediately issue a certificate of election" under the provisions of section 2 of the act of 1913 hereinabove quoted, then he is plainly violating his legal duty.

Respectfully submitted.

WALTER J. KRESS.

SENATOR FROM TENNESSEE

The VICE PRESIDENT laid before the Senate the following communications, which were read and ordered to be placed on file:

> UNITED STATES SENATE, March 2, 1933.

PRESIDENT OF THE SENATE OF THE UNITED STATES,

Washington, D. C.

DEAR MR. PRESIDENT: I herewith inclose copy of my letter addressed and mailed to Hon. Hill McAlister, Governor of Tennessee, on February 25, 1933, resigning from the United States Senate. Very respectfully,

CORDELL HULL.

[Copy] UNITED STATES SENATE, February 25, 1933.

Hon. Hill McAlister, Governor of Tennessee, Nashville, Tenn.

DEAR GOVERNOR MCALISTER: I hereby tender my resignation as United States Senator from the State of Tennessee for the term ending March 4, 1937, to take effect at noon on the 4th day of March, 1933. Very sincerely,

CORDELL HULL.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Chaffee, one of its clerks, announced that the House had passed without amendment bills and joint resolutions of the Senate of the following titles:

S. 207. An act for the relief of James L. Pate;

S. 251. An act authorizing adjustment of the claim of the estate of Thomas Bird, deceased;

S. 256. An act authorizing adjustment of the claim of Madrigal & Co., Manila, P. I.;

S. 257. An act authorizing adjustment of the claim of the Baltimore branch of the Federal Reserve Bank of Richmond;

S. 361. An act for the relief of Mary E. Stebbins;

S. 402. An act for the relief of Nelson King;

S. 610. An act for the relief of the Anderson-Tully Co.;

S. 855. An act for the relief of William Ray Taplin;

S. 1463. An act for the relief of William Powell;

S. 1738. An act for the relief of Catterina Pollino;

S. 2203. An act for the relief of John Pearce Cann;

S. 2374. An act to authorize and direct the Secretary of the Navy to convey by gift to the city of Savannah, Ga., the naval radio station, the buildings and apparatus, located upon land owned by said city;

S. 2393. An act to provide for the addition of the names of certain persons to the final roll of the Indians of the Flathead Indian Reservation, Mont., and for other purposes;

S. 2508. An act for the relief of Maj. O. S. McCleary, United States Army, retired;

S. 2680. An act for the relief of Harry E. Blomgren;

S. 3334. An act for the relief of William M. Sherman;

S. 3344. An act for the relief of Maggie Kirkland;

S. 3830. An act to remove a cloud on the title of certain land in the city of Corpus Christi, Tex.;

S. 3831. An act for the relief of William A. Lester;

S. 3832. An act for the relief of Zetta Lester;

S. 3972. An act for the relief of Alva D. McGuire, jr.;

S. 4230. An act for the relief of Betty McBride;

S. 4390. An act authorizing the Secretary of the Interior to cancel patent in fee issued to Henry J. Kirn and Louise H. Kirn:

S. 4440. An act authorizing adjustment of the claim of George H. Hansen;

S. 4441. An act authorizing adjustment of the claim of the National Surety Co.;

S. 4510. An act to authorize exchange of small tribal acreage on the Fort Hall Indian School reserve in Idaho for adjoining land;

S. 4557. An act to authorize the addition of certain names to the final roll of the Sac and Fox Indians of Oklahoma;

S. 4738. An act for the relief of Newport Contracting & Engineering Co.;

S. 4782. An act authorizing adjustment of the claim of Arthur R. Saffran;

S. 4818. An act to authorize the transfer of certain lands in Bernalillo County, N. Mex., to the city of Albuquerque, N. Mex.;

S. 4930. An act for the relief of Avery G. Constant;

S. 5085. An act for the relief of Leslie Jensen;

S. 5203. An act for the relief of the Harvey Canal Ship Yard and Machine Shop;

S. 5204. An act for the relief of the Texas Power & Light $\mathbf{Co.:}$

S. 5205. An act for the relief of the Great Falls Meat Co., of Great Falls, Mont.;

S. 5207. An act for the relief of Rose Gillesple, Joseph Anton Dietz, and Manuel M. Wiseman, as trustee of the estate of Louis Wiseman, deceased:

S. 5208. An act for the relief of Mary Byrkett Sinks;

S. 5325. An act for the relief of Sadie L. Kirby;

S. 5413. An act for the relief of the Booth Fisheries Co.;

S. 5660. An act authorizing the Secretary of the Treasury to sell certain Government property in St. Louis, Mo.;

S. J. Res. 134. Joint resolution authorizing the Secretary of War to receive for instruction at the United States Military Academy, at West Point, Manob Suriya, a citizen of Siam:

S. J. Res. 178. Joint resolution authorizing the Secretary of War to receive for instruction at the United States Military Academy, at West Point, Julio Rodriguez Arrea, a citizen of Costa Rica;

S. J. Res. 179. Joint resolution authorizing the Secretary of War to receive for instruction at the United States Military Academy, at West Point, Tisheng Yen, a citizen of China: and

S. J. Res. 228. Joint resolution authorizing the American National Red Cross and certain other organizations to exchange Government-owned cotton for articles containing wool.

The message also announced that the House had agreed to the amendments of the Senate to the bill (H. R. 4910) for the relief of Gust J. Schweitzer.

The message further announced that the House had passed the following bills and joint resolution of the Senate, severally with amendments, in which it requested the concurrence of the Senate:

S. 660. An act for the relief of Hamilton Grounds;

S. 4909. An act for the relief of A. Y. Martin;

S. 5382. An act providing for an exchange of lands between the Colonial Realty Co. and the United States, and for other purposes; and

S. J. Res. 197. Joint resolution conferring jurisdiction upon the Court of Claims to render findings of fact in the claim of P. F. Gormley Co.

The message also announced that the House had passed the following bills of the Senate, severally with an amendment, in which it requested the concurrence of the Senate.

S. 465. An act for the relief of William H. Holmes;

S. 1067. An act for the relief of Agnes M. Angle;

S. 1978. An act for the relief of Daisy Anderson;

S. 2862. An act for the relief of W. H. Hendrickson;

S. 2941. An act for the relief of the Holy Family Hospital, St. Ignatius, Mont.;

S. 3443. An act to authorize the Secretary of War to grant a right of way to the Alameda Belt Line across the Benton Field Military Reservation, Alameda, Calif.;

S. 3592. An act confirming the claim of Francis R. Sanchez, and for other purposes;

S. 5537. An act to convey certain land in the county of Los Angeles, State of California; and

S. 5612. An act to provide for the selection of certain lands in the State of California for the use of the California State park system.

The message also announced that the House had agreed to the amendments of the Senate to each of the following bills of the House:

H. R. 11270. An act to amend section 2 of the act entitled "An act making appropriations for the service of the Post Office Department for the fiscal year ending June 30, 1913, and for other purposes"; and

H. R. 12651. An act for the relief of the Uintah, White River, and Uncompangre Bands of Ute Indians of Utah, and for other purposes.

The message further announced that the House had agreed to the amendments of the Senate Nos. 1, 2, 3, 4, 5, 6, 7, and 9 to the bill (H. R. 6684) to authorize the Secretary of the Interior to modify the terms of existing contracts for the sale of timber on Indian land when it is in the interest of the Indians so to do, and that the House had agreed to the amendment of the Senate No. 8 to the said bill, with an amendment, in which it requested the concurrence of the Senate.

The message also announced that the House had passed the following bill and joint resolution, in which it requested the concurrence of the Senate:

H.R. 14579. An act to provide for the free importation of certain articles exported temporarily for scientific or educational purposes; and

H. J. Res. 612. Joint resolution to provide for further investigation of expenditures of the Post Office Department.

ENROLLED BILLS AND JOINT RESOLUTIONS SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills and joint resolutions, and they were signed by the Vice President:

S. 4491. An act amending the shipping act, 1916, as amended, for the purpose of further regulating common carriers by water in interstate commerce of the United States engaged in transportation by way of the Panama Canal:

H. R. 4910. An act for the relief of Gust J. Schweitzer;

H.R. 6409. An act for the relief of William Joseph La-Carte;

H.R. 12047. An act to provide for the transfer of powder and other explosive materials from deteriorated and unserviceable ammunition under the control of the War Department to the Department of Agriculture for use in land clearing, drainage, road building, and other agricultural purposes;

S. J. Res. 228. Joint resolution authorizing the American National Red Cross and certain other organizations to exchange Government-owned cotton for articles containing wool; and

S. J. Res. 235. Joint resolution amending provisions in river and harbor laws relating to local cooperation in the prosecution of waterway improvements.

CALL OF THE ROLL

Mr. FESS. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Ashurst Austin Bailey Bankhead Barbour Barkley Bingham Black Blaine Borah Bratton Brookhart

McKellar McNary Metcalf Broussard Glenn Goldsborough Smoot Gore Grammer Steiwer Stephens Bulow Hale Harrison Hastings Swanson Thomas, Idaho Thomas, Okla. Capper Neelv Caraway Carey Clark Norbeck Norris Hatfield Nye Oddie Townsend Coolidge Trammell Copeland Costigan Tydings Vandenberg Hebert Patterson Johnson Pittman Reed Kean Wagner Reynolds Robinson, Ark Kendrick Walcott Walsh Davis Keyes King
La Follette
Lewis
Logan
Long Dill Robinson, Ind. Watson Russell Schall Wheeler White Fess Fletcher Frazier Schuyler George Glass Sheppard Shortridge McGill

Mr. SHEPPARD. My colleague the junior Senator from Texas [Mr. Connally] is unavoidably detained by illness. This announcement may stand for the day.

The VICE PRESIDENT. Eighty-nine Senators have answered to their names. A quorum is present.

DISTRICT OF COLUMBIA APPROPRIATIONS

Mr. BINGHAM. Mr. President, as everyone knows, there are only a few hours left of this Congress, and the District of Columbia appropriation bill is almost upon its final passage. It will be necessary to send it to conference within a very short time, and therefore I ask unanimous consent that we may take up the District of Columbia appropriation bill at the present time. I am sure it will not be very long before it will be on its final passage.

The VICE PRESIDENT. Is there objection?

There being no objection, the Senate resumed the consideration of the bill (H. R. 14643) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1934, and for other purposes.

The VICE PRESIDENT. The clerk will state the pending amendment.

The LEGISLATIVE CLERK. On page 6, after line 23, it is proposed to strike out-

No part of the appropriations contained in this act shall be used for or in connection with the preparation, issuance, publication, or enforcement of any regulation or order of the Public Utilities Commission requiring the installation of meters in taxicabs: Provided, That this prohibition shall not be construed to affect any order or part of an order of such Public Utilities Commission other than with respect to the requirement of the installation of such

And in lieu thereof to insert:

No part of the appropriations contained in this act shall be no part of the appropriations contained in this act shall be used for or in connection with the preparation, issuance, publica-tion, or enforcement of any regulation or order of the Public Util-ities Commission requiring the installation of meters in taxicabs if the initial rate exceeds 25 cents for the first 2 miles, or portion thereof, and 10 cents a mile thereafter: Provided, That this pro-hibition shall not be construed to affect any order or part of an order of such Public Utilities Commission other than with respect to the requirement of the installation of such meters

Mr. BORAH. Mr. President, I understand that the Senator from New York [Mr. COPELAND] is preparing to offer an amendment touching the subject which we were discussing Saturday night.

Mr. COPELAND. That is correct.

Mr. BORAH. When that is offered I will be glad to consider it.

Mr. COPELAND. Mr. President, I am sure that everybody in the Senate is in such a frame of mind that he is quite unwilling to enter into any controversial matter if it can be avoided. I know that is my feeling. Furthermore, in view of the death of our friend, the late Senator from Montana, Mr. Walsh, we adjourned yesterday, and we have just this one legislative day in which to complete our work.

In view of these circumstances, so far as I am concerned, I am quite unwilling to go into a rough and tumble battle. which would be necessary in order to present the cause, and certainly to win it. Therefore I am going to suggest an amendment. This amendment, as will be seen when it is read, would bring back to the Congress for its consideration

any regulation of the taxicab meter question. Therefore I take it that all parties, on both sides of the controversy, if there is a controversy, would have an opportunity, when the matter was presented, to have the Congress decide then exactly what was right to be done.

Mr. BLACK. Mr. President, will the Senator yield?

Mr. COPELAND. I vield.

Mr. BLACK. The Senator said the question would come back to us for consideration. As I understand, it would come back for consideration and could not take effect unless approved by the Congress.

Mr. COPELAND. That is correct.

Mr. KING. Mr. President, will the Senator yield?

Mr. COPELAND. I yield.

Mr. KING. Would it leave the matter in status quo until after there should have been affirmative act by the commission and by Congress?

Mr. COPELAND. Yes. If the Senators will listen, I will read it. I propose to amend, on page 7, line 11, by striking out everything in the paragraph after the word "taxicabs" and to insert the words "until such regulation or order has been approved by Congress."

Mr. BINGHAM. Mr. President, if the Senator will permit me, I do not think the Senator intends to strike out the proviso after the word "thereafter," on line 13.

Mr. COPELAND. That is correct. Let me state the amendment again. I propose to strike out, after the word "taxicabs," on line 11, the balance of that line, all of line 12, and the thirteenth line down to the word "provided," so that it would read:

No part of the appropriations contained in this act shall be used or in connection with the preparation, issuance, publication, or enforcement of any regulation or order of the Public Utilities Commission requiring the installation of meters in taxicabs until such regulation or order has been approved by Congress.

Mr. KING. Mr. President, would that permit the Public Utilities Commission to promulgate rules as to the charges which shall be imposed upon those who ride in taxicabs and enforce those rules and regulations and charges?

Mr. COPELAND. They have not that authority now, under court decision. That is the reason why this matter is here. They can do nothing more, certainly so far as taxicab meters are concerned, without the approval of Congress.

Mr. KING. That does not answer the question, if I understand the Senator. What I am inquiring about is whether or not under the amendment offered by the Senator from New York the Public Utilities Commission might promulgate rules and fix rates which would go into effect, the amendment only restricting the requirement for meters. I am not sure that the amendment of the Senator excludes or limits the power of the commissioners to fix rates, no matter how high or how low.

The VICE PRESIDENT. The Senator will suspend a moment. The Senate will be in order. It is impossible for Senators to be heard, and Senators want to hear what is

Mr. KING. Mr. President, I understood that the amendment which the Senator intended to offer was to leave the matter in status quo, and to give the commissioners no authority to promulgate rules and regulations respecting meters, or to fix fares, which might not go into effect until Congress should subsequently deal with the matter. I am not sure whether the amendment of the Senator means that.

Mr. COPELAND. Mr. President, it means exactly that, because, as I understand the matter as it was presented to the committee, it has been determined by court order that the commission has no right to fix fares, and the fares now in effect are the competitive fares established by the companies themselves.

Mr. BORAH. Mr. President, I am not sure yet that I understand this matter. Is it correct to state that if this amendment of the Senator from New York is adopted the matter will remain as it now is until Congress shall affirmatively act?

Mr. COPELAND. That is my understanding.

Mr. BORAH. That there can be no change of rates or installation of meters until Congress acts?

Mr. COPELAND. That is right.

Mr. BORAH. Is that the understanding of the Senator from Connecticut, may I ask?

Mr. BINGHAM. So far as change of rates is concerned, the commission has never been denied that power. The only matter which the House put in last year and this year is a provision that no part of the appropriation shall be used for the enforcement of any regulation or order requiring the installation of meters. There has never been any regulation as to their fixing rates and charges. What the Senator from New York really is proposing to do is to amend the House language by inserting the words "until Congress shall act," or some equivalent expression.

Mr. COPELAND. May I ask the Senator whether he does not understand that there was a court order, which was brought before us by Mr. Keech, the people's counsel, pointing out that, as the situation now is, the commission is precluded from making rates? Am I right? Does the Senator from Kansas agree to that?

Mr. CAPPER. That is as I understand it.

Mr. COPELAND. I think that is the situation. So we are not touching that question. I suppose really that would require legislation. This amendment is proposed simply to take the question of the taxicab meters out of controversy until it comes back to us with a recommendation from the commission.

Mr. BINGHAM. That is my understanding.

The VICE PRESIDENT. The question is on agreeing to the amendment to the amendment.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

Mr. BINGHAM. Mr. President, I have one more small amendment, which I will send to the desk and ask to have

The VICE PRESIDENT. The amendment will be reported.

The LEGISLATIVE CLERK. On page 13, line 11, after the word "except," insert the words "as to the Commissioners of the District of Columbia and."

The VICE PRESIDENT. Without objection, the amendment is agreed to. The bill is still open to amendment. there be no further amendments the question is, Shall the amendments be engrossed and the bill be read a third time?

The amendments were ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time, and passed.

Mr. BINGHAM. Mr. President, I move that the Senate insist upon its amendments to the bill, ask for a conference with the House, and that the Chair appoint conferees on the part of the Senate.

The motion was agreed to; and the Vice President appointed Mr. BINGHAM, Mr. CAPPER, Mr. NYE, Mr. STEIWER, Mr. GLASS, Mr. KENDRICK, and Mr. COPELAND conferees on the part of the Senate.

PRESCRIBING OF MEDICINAL LIQUORS

Mr. COPELAND. Mr. President, I ask unanimous consent that after the disposition of the unfinished business Calendar 1427, the bill (H. R. 14395) relating to the prescribing of medicinal liquors, may be made the order of business.

The VICE PRESIDENT. Is there objection?

Mr. SMOOT. I object.

The VICE PRESIDENT. Objection is made.

PROPOSED CONSOLIDATION OF THE INTERIOR AND AGRICULTURAL DEPARTMENTS

Mr. NYE. Mr. President, Senate bill 5538 is a bill providing consolidation of the Interior and Agricultural Departments. The Secretary of Agriculture and the Secretary of the Interior have submitted reports upon the bill, and request is made for the printing of the reports in the RECORD. I ask unanimous consent, therefore, that the reports may be printed in the RECORD.

The VICE PRESIDENT. Without objection, that order will be made.

The reports are as follows:

THE SECRETARY OF THE INTERIOR, Washington, February 16, 1933.

Hon. GERALD P. NYE,

Chairman Committee on Public Lands and Surveys,

United States Senate, Washington, D. C.

My Dear Mr. Chairman: In response to your request of January
28, 1933, for a report on S. 5538, entitled "A bill to establish a
department of development and conservation, to abolish the Department of Agriculture and the Department of the Interior, and
to transfer the functions thereof to the department of development and conservation, and for other purposes," I submit the
following: following

This bill proposes the establishment of a new executive department of the Government, to be known as the department of development and conservation. It is to be headed by a secretary of development and conservation, with whom are to be an assistant secretary for agriculture and an assistant secretary for interior, ant secretary for agriculture and an assistant secretary for interior, and to it are to be transferred the Department of Agriculture and the Department of the Interior, with all that pertain to them. All the functions, powers, and duties vested in and imposed upon the Secretary of Agriculture, the Secretary of the Interior, the Assistant Secretary of Agriculture, and the Assistant Secretary of the Interior are vested in and imposed upon the new secretary. Only such personnel of the present departments as in the judgment of the President are indispensable to the efficient operation of the new department are to be transferred.

The establishment of the new department is effective immediately. The Departments of Agriculture and the Interior cease to exist, and the transfer of their functions and powers is effective

to exist, and the transfer of their functions and powers is effective

when the secretary of development and conservation has taken office. The secretary of development and conservation has taken office. The secretary of development and conservation thereafter has extensive powers in the reorganization of the new department. With the passage of time and the changing needs of the people, new responsibilities are placed upon the executive branch of the Government by the Congress, and from time to time reorganization of the executive departments becomes essential in order to secure efficiency and economy in greater degree. This matter now naturally engages the attention of both executive and legis-lative branches to an unusual extent because of present economic conditions. While I sympathize heartily with the manifest de-sire to accomplish a maximum of economy with a minimum of interference with efficiency. I can not recommend the enactment of this bill into law for the following reasons:

1. These two departments should not be segregated from the

general problem: Contemplating a radical reorganization of the two departments about the central ideas of "conservation and development," the bill ignores the rest of the executive establishdevelopment," the bill ignores the rest of the executive establishment now administered in eight other executive departments and in numerous independent bureaus, commissions, and other agencies. If there are in either of these departments activities which would belong more logically in some other department than in the department of development and conservation, there is no provision for their transfer. Agencies elsewhere in the Government that would logically belong in the new department also are not considered.

The reorganization of the Government to meet the needs of the times should consider the whole executive establishment. The best results can not be secured by consideration of each department separately, or, as this bill proposes, by treatment of two departments without reference to any others.

2. The proposed consolidation would produce an unwieldy unit in executive administration: It is proposed to bring into a single department about 30 bureaus and services and 3 institutions together with a number of offices and other minor units. These agencies perform a very wide range of functions, most of them of technical character, many of them quite unrelated except as they all refer, more or less exactly, to the broad and indefinite fields of development and conservation. These bureaus, even when dealing with similar subject matter, exercise distinctly different functions and the consolidation of such bureaus would not of itself lessen the variety of functions. These functions have been prescribed and established under law and the elimination of such functions is a matter of legislation rather than of executive reorganization. Congress can eliminate or discontinue any functions it desires, without such consolidation of departments.

To bring all these existing functions and activities under the administration of one secretary and two assistant secretaries would 2. The proposed consolidation would produce an unwieldy unit

administration of one secretary and two assistant secretaries would administration of one secretary and two assistant secretaries would place upon them burdens so heavy as to materially interfere with efficient administration. It would largely handicap the effort to secure that degree of correlation which is essential to the greatest economy and efficiency.

From the beginnings of our Government it has been considered wise to have the various activities of the executive establishment supervised by Secretaries who are members of the Cabinet.

supervised by Secretaries who are members of the Cabinet.

Because it was manifest that the President could not personally supervise so broad a field of activities, the First Congress under the Constitution, in 1789, upon resolution of Representative James Madison, set up the departmental plan. Congress was warned by James Monroe, as early as 1812, when he was Secretary of State, that there were serious objections to the establishment of independent bureaus not supervised by a Cabinet officer. That view has been expressed by many others of our most thoughtful statesmen in the past and to-day.

But whether activities are carried on in bureaus independent of any department, or by bureaus in a department so overloaded by

any department, or by bureaus in a department so overloaded by

diversity of functions as to make actual supervision by the Secretary only casual or fragmentary, the result is much the same—actual supervision and correlation are lacking. Overlapping and duplicating of effort breed more freely in such circumstances. When Thomas Jefferson was offered an appointment as Secretary of State in Washington's first Cabinet, he hesitated long before or state in washington's list Cabinet, he hestated long before accepting, because he felt that our foreign affairs were sufficient burden for one Secretary, but the department had numerous other unrelated activities, and he did not care to be held responsible for the administration of activities he could not give attention to.

for the administration of activities he could not give attention to. Henry Clay, as Secretary of State, wrote the House Select Committee on Reorganization in 1826, of which Representative Daniel Webster was chairman, that the necessary consequence of undue variety and extent of business in a department was "that it lessens responsibility or renders the enforcement of it unjust." And further, "If there be assigned to one more than he can possibly do, the effect must be either to punish him for what he can not avoid, or to hold him less responsible. * * In the effort to perform all, where the ability exists only to execute a part, the probability is that all will suffer a little, and no part will be as well done as if a measure of duty was in the fair scope of reasonable exertion of power." able exertion of power."

The establishment of the Department of the Interior in 1849 The establishment of the Department of the Interior in 1849 resulted from the appeal of the Secretary of the Treasury, Robert J. Walker, that his office be relieved of the administration of the General Land Office which encroached heavily upon the time required for the more pertinent responsibilities of his department.

Leading the debate for the establishment of the Interior Depart—

Leading the debate for the establishment of the Interior Department, March 3, 1849, Senator Jefferson Davis appealed for real accountability in administration and warned that when "the duties of an officer increase beyond his ability, such division should be made as will afford responsible agents, instead of having functions delegated to clerks for which an officer is held responsible without the power to know how the duty is discharged."

To place in one department so vast a field of activities as are now carried on by the Departments of Agriculture and of the Interior under direction of laws heretofore enacted by the Congress, would make the new Secretary responsible over a field broader than time and energy can cover. He would become responsible for the multitude of acts of subordinates "without the power to know how the duty is performed."

The Congress and the people hold the Secretary of a department to a heavy accountability for the proper administration of the affairs of that department. Any failure, any maladministration reflects upon him.

the affairs of that department. Any failure, any maladministration reflects upon him.

But more than proper performance of routine is expected. The people of the Nation have a right to expect the Secretary of a department to plan policies for the future, to bring to Congress from time to time a program for progress. The Secretary of a department covering too broad a field of functions and activities can not do this. His time and energy will be consumed in matters of routine administration and as to many of these his action would necessarily be perfunctory rather than responsible.

The weight of such routine functions upon the Secretary and the Assistant Secretary in the present Department of the Interior alone is vastly greater than generally is realized. I have no doubt similar burdens in the present Department of Agriculture are as great, if not greater.

great, if not greater.

So far as the law is concerned, the Secretary can delegate either to the first Assistant Secretary or to the Assistant Secretary every power and function conferred by law upon the Secretary. Enough to the first Assistant Secretary or to the Assistant Secretary every power and function conferred by law upon the Secretary. Enough are now delegated to consume all their time. As a matter of policy, however, there are many matters that the Secretary must reserve to himself. There are matters of national importance, constantly before the public, that good administration and discretion dictate should be handled by him, in order that he may be informed of their status at all times. Included in the great volume of routine that goes over the desk of the Secretary are reports on proposed legislation, which are very numerous; requests on the Attorney General for opinions and upon the Comptroller General for decisions; correspondence which must be signed by him, including all communications to the President, all congressional correspondence where the inquiry is addressed to the Secretary, all communications to other departments, and to the independent establishments, all personnel matters, if there is to be a consistent policy on this subject, any correspondence of unusual importance or involving questions of unusual character, which depart from precedent or where doubt exists as to the proper construction of law or regulations.

A system of reviews and appeals has been in practice in the Interior Department for many years, including appeals to the Secretary from decisions or actions of the various bureaus. The work is divided at present between the Secretary of the Interior and two Assistant Secretaries, and is of such volume and intricacy as to occupy much of the time of these three officials. It could not be performed by one because of its volume and intricacy. Moreover, it frequently happens that where decisions have been rendered by one of the Assistant Secretaries, the claimants are still not satisfied and insist on having reconsideration by the head of the department. Such reviews, including oral hearings, occupy much time. The large number of land appeals, Indian matters,

of the department. Such reviews, including oral hearings, occupy much time. The large number of land appeals, Indian matters, and miscellaneous affairs (reclamation, geological survey, national parks, Bureau of Education), involve a wide range of complicated cases presenting questions of law and fact. The Secretary's decisions on questions of fact are final. His decisions on questions of law are generally final, though certain ones may be reviewed in the courts.

The proposed new department of development and conservation, performing such a multitude of functions which bulk large in the public eye, would be magnified in importance and increased in prestige by its size, but its capacity to perform the responsibilities placed upon it would be less than in the departments now existing.

3. Powers of reorganization unlimited in time or extent: The secretary of the department of development and conservation is authorized by the proposed bill, subject to the approval of the President—

President

In order to effect economies and for the purpose of perfecting the organization and coordinating the activities of the department of national development (1) to consolidate, eliminate, or redistribute the functions of offices, bureaus, or agencies, to create new ones, and fix the powers, duties, and functions of their executive heads; and (2) to take such other action, not inconsistent with the provisions of this act, as he may deem necessary

Therein the secretary is given power, subject only to approval of the President, unlimited in time and extent as to agencies and functions of the new department. One month after he takes office, or 10 years thereafter, the secretary of the department of development and conservation may eliminate functions or may create new agencies. The language under (1) seems all inclusive, but (2) authorizes any other action not inconsistent with the act. The above language gives to the new secretary of development and conservation, at any time hereafter, the power of life and death over agencies established by the Congress and with no review by the Congress.

the Congress.

4. Definite economy very limited: The only certain economy upon the face of the bill is the saving of the salaries of one Secretary and Assistant Secretary. This saving is certain to be offset by the addition of officials of lesser rank that will be abso-

lutely essential in order to keep up with the pressure of duties. It is possible that the bill is based upon an assumption that there is such a duplication of bureaus in the two departments there is such a duplication of bureaus in the two departments that consolidation of the departments, followed by the consolidation of such bureaus, will, without disturbance of functions or cessation of activities, result directly in a great reduction in personnel and expenditures. This is distinctly not the case. Bureaus and offices in the Interior Department do not carry organizations devoted to the performance of functions belonging to bureaus in the Department of Agriculture. the Department of Agriculture.

the Department of Agriculture.

As a matter of fact the Department of the Interior has for a number of years followed the policy of cooperating with other departments in a notable degree. Real economy and the best results can frequently be secured when one bureau performs a certain definite service for another bureau. Under some circumstances this can be very successfully accomplished even when the bureaus are in different departments. A notable example of this is the handling of the road-building program in the national parks by the Bureau of Public Roads. These roads frequently present particularly difficult engineering problems and quite different considerations often must obtain in their construction than in those ordinarily planned by the Bureau of Public Roads. Years of experience have developed completely satisfactory cooperation in this work for the National Park Service in the Department of Agriculture. Agriculture.

Agriculture.

One other type of successful cooperation is that between the Bureau of Indian Affairs and the Public Health Service. It is not feasible to turn over the health problems among the Indians to the Public Health Service; to do so would greatly increase the expense and weaken the administrative efficiency in the Indian reservations and schools. All the benefits of such consolidation of activity with none of the disadvantages, are secured by detail of a few officers from the Public Health Service to administer the Indian health service in the Bureau of Indian Affairs.

In another instance, the Bureau of Reclamation has prepared the plans and is rendering consulting service during the erection of the Madden Dam, construction of which is carried on by the Panama Canal office.

Panama Canal office.

This department has been vigilant in attempting to secure such cooperation from bureaus in other departments wherever possible, and prompt in rendering any cooperative service requested of it by others.

of it by others.

When it is recalled that the Department of the Interior has experienced a greater decrease in appropriations in the last two years than has any other department, it will be realized that personnel in this department has very generally been reduced the maximum possible without elimination of activities or functions. For instance, the appropriation for the General Land Office for 1934 is 27 per cent lower than 1932, Bureau of Indian Affairs 26 per cent lower, Geological Survey 35 per cent lower, National Park Service 38 per cent lower, and the Bureau of Education 47 per cent lower. These figures do not include the further cut of 5 per cent under the Bratton amendment to the economy bill now pending in Congress. Consolidation of departments and of bureaus therein can not reduce personnel further, unless ac-

now pending in Congress. Consolidation of departments and of bureaus therein can not reduce personnel further, unless accompanied by elimination of responsibilities imposed by law.

An important function of the Department of the Interior has always been the administration of the public domain. There remains of this domain approximately 770,000,000 acres, aside from the national forests now administered in the Department of Agriculture. Of this, over 700,000,000 acres present no agricultural problem; its greatest value lies in its mineral resources and water resources. As to this domain the General Land Office has in general charge its administration, its surveying, its disposal,

its protection from unauthorized appropriation; the Geological Survey is responsible for its classification, the administration of mineral leasing, the investigation of its geology and mineral resources, the investigation of its surface and underground water, and the study of its power resources; the Bureau of Reclamation plans and constructs engineering works for the conservation and disposition of water for the reclamation of lands.

disposition of water for the reclamation of lands.

These agencies of the Interior Department, dealing with such undeveloped and unpopulated lands, do not duplicate the functions or duties of the bureaus in the Department of Agriculture dealing so largely not with lands but with service to those living on and using developed agricultural lands—the Bureaus of Animal Industry, of Dairy Industry, of Plant Industry, the Bureau of Agricultural Engineering, the Bureau of Home Economics, the Bureau of Agricultural Economics.

Sometimes it is suggested that the national parks and national forests should be joined in Federal administration. Such a suggestion is but a hasty conclusion based upon lack of understand-

forests should be joined in Federal administration. Such a suggestion is but a hasty conclusion based upon lack of understanding of the basic differences between national park areas and national forests in nature and purpose, and of the resulting basic differences in methods of administration. A national forest is primarily economic and commercial. National parks are essentionally noncommercial. The one proposes to develop and conserve for orderly and economic disposition at maturity, the other to preserve unimpaired for future generations, while permitting beneficial enjoyment thereof by the present generation. The hasty assumption is that both parks and forests have to do principally with trees, and hence should be joined in administration. It is true that in some parks, as in Sequola, trees are the outstanding value of the area, but here the above-stated difference in fundamental purpose makes essential entirely different methods. outstanding value of the area, but here the above-stated difference in fundamental purpose makes essential entirely different methods. In the forests trees of commercial value are to be cut down and sold at maturity. In the national parks trees are appreciated because of their scenic value and may or may not possess commercial value, the aspen, for example, being an appreciated tree in a national park, but not valued in a national forest; and in a national park maturity does not mean removal. There are also to be noted parks where trees are absent and the outstanding value is a scientific marvel, as Carished; or of historical interest, as is a scientific marvel, as Carlsbad; or of historical interest, as Colonial. National parks present many problems foreign to national forest administration. Consolidation is not feasible here.

tional forest administration. Consolidation is not feasible here. The real fact is consolidation of the two departments, to be followed by any amount of consolidation of the existing bureaus and offices therein, does not in itself signify pronounced economies. The functions would remain, and even a radical regrouping would not materially lessen cost of administration. Discontinuance of activities or functions would certainly reduce the cost, but these functions very generally have been ordered by the Congress in response to the needs of the Nation. If they are to be abandoned or discontinued, it should be through deliberate action of the Congress, expressly enacted in legislation rather than through starvation resulting from insufficient appropriations. priations.

5. The interests of Interior and of Agriculture are not kindred. 5. The interests of Interior and of Agriculture are not kindred. The undeveloped areas of the Nation are, of course, the least populated areas. The extent to which this is true is apparent when it is realized that the principal public-land States, 10 in number, have in the House of Representatives under the new apportionment only 37 Members out of 435. If California is excluded, the remaining will have only 17 Members in the next Congress. Not only are the public-land States weak legislatively in their numerical representation in Congress, but the great majority of Members coming from States that are not directly concerned about the decoming from States that are not directly concerned about the development of our public domain have not, by contact and experience, had an opportunity to fully understand its problems. A potent argument in the Senate debate in 1849 for the establishment of the Department of the Interior was the desirability of having the problems of the public domain administered by a Secretary familiar with them by residence and experience rather than by a Secretary of the Treasury uniformly chosen from the comby a Secretary of the Treasury uniformly chosen from the commercial centers and himself possibly lacking in experience, understanding, or sympathy. For over 80 years the Secretary of the Interior has been the special guardian and spokesman in the executive councils of the Nation for these important special problems of development. The problems of the developed and populated agricultural areas of the Nation and those of the undeveloped lands, largely arid, frequently mountainous, but with great possibilities in mineral and water resources, do not lend themselves logically to consolidation. They are, in fact, interests so diverse as to make it possible for one, if consolidated, to suffer through domination by the other.

through domination by the other.
6. Logical grouping should be undertaken. The wise policy to obtain in the needed reorganization of the Government establishment was put forward by the President in his message to the Congress, December 9, 1932, transmitting certain reorganization

Congress, December 9, 1932, transmitting certain reorganization Executive orders:

"They undertake to group certain executive agencies and activities in logical and orderly relation to each other as determined by their major functions and purposes, and to vest in the head of each department, subject to Executive approval, the authority and responsibility to develop and put into effect the ultimate details of better organization, elimination of overlap, duplication, and unnecessary expenditure. These results can only be worked out progressively by the executive officers placed in charge of the different divisions" different divisions."

These Executive orders did not disturb the existence of any department. If supervision of subordinate agencies is to be effective, there are none too many departments now. Those orders

did, however, after survey of the whole field, propose numerous transfers and consolidations. Even if the Congress does not care to adopt the program thus submitted, it will be best that the principle of grouping "executive agencies and activities in logical and orderly relation to each other as determined by their major functions and purposes" be adhered to. It is my view that in the

orderly relation to each other as determined by their major functions and purposes" be adhered to. It is my view that in the pending bill these principles do not obtain.

7. Mechanics of the bill: Under section 2 (a) the present departments cease to exist when the new secretary of the department of development and conservation takes his office. The new department can not function until requisite personnel is transferred from the former departments. None of the personnel of the Departments of Agriculture and of the Interior is transferable until the President certifies which and how many are "indispensable to the efficient operation of the new department." Such responsibility can not well be performed in advance of the later reorganization by the new Secretary under section 3. It is hardly to be believed that such reorganization by the new Secretary, complete in all its details, would be immediately available tary, complete in all its details, would be immediately available upon taking office.

For these reasons, I recommend that this legislation be not given favorable consideration by the Congress.

Very truly yours,

RAY LYMAN WILBUR.

DEPARTMENT OF AGRICULTURE, Washington, February 17, 1933.

Hon. GERALD P. NYE.

Chairman Committee on Public Lands and Surveys

DEAR SENATOR NYE: Receipt is acknowledged of your letter of January 28 transmitting a copy of the bill (S. 5538) "to establish a department of development and conservation, to abolish the Department of Agriculture and the Department of the Interior, and to transfer the functions thereof to the department of development and conservation, and for other purposes," and requesting the views of this department thereon. ing the views of this department thereon.

The bill, in effect, would make the Department of Agriculture a subordinate unit in the executive organization of the Federal Government, under the direction of an Assistant Secretary. The privilege which agriculture now enjoys of a direct and exclusive representation in the Cabinet would be lost to it. Since agriculrepresentation in the Cabinet would be lost to it. Since agriculture is not only a major but a dominant element in the economic and social life of the Nation, the proposed change in the status of the Department of Agriculture would be unfair, not only to agriculture but to the Chief Executive, who necessarily must number among his immediate advisors a man able to speak authoritatively with reference to the problems and requirements of agriculture, and should not be denied the opportunity to make such a man a member of his official family.

A charge such as proposed by the bill would in my eminion

such a man a member of his official family.

A change such as proposed by the bill would, in my opinion, be of doubtful wisdom at any time. Under existing conditions it would still further complicate an agricultural situation that already demands the most careful and constructive action of which the Federal Government is capable. The Department of Agriculture is the main agency through which the Federal Government deals with the farmer and his problems. The disorganization of that agency at this critical time would react against the best interests of the farmers, and any step that reacts against their interests reacts also against all other interests, personal or public.

The program of reorganization which the President submitted to the Congress in its relation to the Department of Agriculture

to the Congress in its relation to the Department of Agriculture whereby determination of policies and administration of land use would be more largely concentrated in the Department of Agriculture, which is so vitally concerned with the fundamental economic factors involved, would, in my judgment, be a more logical, efficient, and economical adjustment of Federal functions relating to agriculture and conservation than that proposed by the bill

No facts known to this department would warrant the belief that the bill S. 5538, if enacted into law, would result in greater benefits to agriculture, greater efficiency, or greater economy of Federal expenditures; consequently I recommend against enactment of the bill.

Sincerely yours,

ARTHUR M. HYDE. Secretary.

STOCK-MARKET INQUIRY

Mr. COSTIGAN. Mr. President, the value of the authorized continuation of the present stock-market inquiry by the Committee on Banking and Currency has been widely testified to by the public press. I ask to have printed in the RECORD a representative editorial on the subject appearing in yesterday's Washington Herald, with the request that it be referred to the Committee on Banking and Currency.

There being no objection, the editorial was ordered to be referred to the Committee on Banking and Currency and ordered to be printed in the RECORD as follows:

> [From the Washington Herald, March 2, 1933] SENATE BANK INQUIRY

The testimony being given before the Senate Committee on Banking and Currency is startling. It confirms in a measure suspicions that have been widely current—perhaps too widely—

and vague reports that have long been in circulation, as to the | enlargements of banking function and the innovations in banking practice which came with the "new era."

The effect of the disclosures, however, should not be disturbing to the country, but on the contrary reassuring. The substitution of a proved and limited fact for an unproved and allembracing rumor is a gain for confidence.

It is better to know what is than to be fearful of what may be.

There is no such thing as confidence if the justification for it

is absent.

And one element, and a very vital one, in public confidence in our financial institutions is that irregularity shall always be subject to pitiless exposure. Correction can not proceed without that as a preliminary.

For this reason it must be clear to everyone that the Senate's action extending the life of its committee now investigating the New York Stock Exchange and banking practice in general is

enlightened and patriotic.

Any suggestion of abridging the investigation would have been Any suggestion of abridging the investigation would have been intolerable. It would have implied that men who might be unworthy of confidence must nevertheless be protected in the enjoyment of that confidence, even if wholly misplaced. Nothing could have been more unsettling to confidence.

The Senate did well to reject the unsound persuasions with which it was plied to relax the energy of its investigation and to confine its scope. These were not the counsels of wisdom nor

which it was plied to relax the energy of its investigation and to confine its scope. These were not the counsels of wisdom nor of true concern for the public interest.

Mr. Mitchell's bank is not alone in the interweaving of its transactions with those of an affiliated investment company.

Nor perhaps are the institutional banks the gravest offenders in the matter of irregular or high-handed practices.

Wherever banking power is centered, with its far-reaching ability to affect for good or ill the fate of individual undertakings and the interests of the people as a whole—there the investigation should point.

The work of the Senate subcommittee and its capable counsel has already borne fruit for righteousness.

has already borne fruit for righteousness.

The assurance that it will be permitted to continue its useful labors is welcome. The investigation must be as broad as the indicated conditions demand or suggest.

TAX ON CLEARING-HOUSE CERTIFICATES

Mr. SMITH. Mr. President, I have a telegram about which I desire to get some information. There seems to be some doubt about the matter. I read the telegram, as follows:

NASHVILLE, TENN., March 2, 1933.

Senator Ellison D. Smith,

Washington, D. C .:

Washington, D. C.:

Nashville clearing house contemplates issuing certificates during this emergency, which has hearty approval of local business men. Will appreciate your active support in getting resolution through Congress suspending and abrogating act imposing prohibitive tax on clearing-house certificates in order that same may be issued when desired and approved by local banking authorities and by comptroller under Couzens resolution. Our banks have situation presently well in hand through restriction of withdrawals. However, issuance of certificates would immediately relieve pressure, assist in restoration of confidence, and amelioration of business. Kindest personal regards. Kindest personal regards.

R. B. BEAL, Manager Nashville Chamber of Commerce.

I desire to know from those who are better informed than I am whether or not clearing-house certificates are subject to the tax.

Mr. McKELLAR. Mr. President, I received a similar telegram yesterday from Nashville and several other cities in Tennessee. I consulted with the Senator from Virginia [Mr. Glass], a member of the Banking and Currency Committee. He is perfectly confident that the provisions of the code do not apply in any way to clearing-house associations. They do include banking associations, but it has been held, so far as I am informed, that banking associations are different from clearing-house associations and that the enumerations contained in the statute do not include clearing-house associations, and therefore there is no tax. I know that at least twice within my memory we have had clearing-house certificates issued and there was no tax imposed on them.

Mr. SMITH. I ask that the telegram may be referred to the Committee on Banking and Currency.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. FLETCHER. Mr. President, I am quite clear in my own mind that it is perfectly in order to issue clearinghouse certificates without any tax being imposed thereon.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr.

resolutions of the House adopted as a tribute to the memory of Hon. Thomas J. Walsh, late a Senator from the State of Montana.

The message requested the Senate to return to the House of Representatives the bill (H. R. 11035) for the relief of Price Huff

The message announced that the House had concurred in the concurrent resolution (S. Con. Res. 45) authorizing the enrollment of H. R. 14359 with certain changes.

The message also announced that the House had passed without amendment the bill (S. 4082) to regulate the business of executing bonds for compensation in criminal cases and to improve the administration of justice in the District of Columbia

The message further announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 14724) making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1934, and for other purposes.

POCONO PINES ASSEMBLY HOTELS CO. (S. DOC. NO. 213)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, transmitting, pursuant to law, a judgment rendered by the Court of Claims in the case of the Pocono Pines Assembly Hotels Co. v. the United States (under the United States Veterans' Administration), amounting to \$227,239.53, which, with the accompanying papers, were referred to the Committee on Appropriations and ordered to be printed.

SUPPLEMENTAL ESTIMATE: LEGISLATIVE ESTABLISHMENT

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, transmitting, without revision, a supplemental estimate of appropriation pertaining to the legislative establishment, under the Architect of the Capitol, fiscal year, 1933, for maintenance of the Senate Office Building, amounting to \$13,500. which, with the accompanying papers, was referred to the Committee on Appropriations and ordered to be printed.

SUPPLEMENTAL ESTIMATE: INDIAN BOARDING SCHOOLS

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, transmitting a supplemental estimate of appropriation for the Department of the Interior, fiscal year 1933, for Indian boarding schools, amounting to \$40,000, which, with the accompanying paper, was referred to the Committee on Appropriations and ordered to be printed.

SUPPLEMENTAL ESTIMATE: CLAIM UNDER THE WAR DEPARTMENT

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, transmitting, pursuant to law, record of a claim amounting to \$180, allowed by the General Accounting Office, as covered by certificate of settlement, etc., which with the accompanying papers, was referred to the Committee on Appropriations and ordered to be printed.

CANCELLATIONS AND ADJUSTMENTS OF CHARGES AGAINST INDI-VIDUAL INDIANS OR TRIBES

The VICE PRESIDENT laid before the Senate a letter from the Secretary of the Interior, transmitting, pursuant to law, for the approval of Congress, a report on cancellations and adjustments made on certain irrigation charges on Indian reservations, etc., which with the accompanying papers, was ordered to lie on the table.

REPORT OF BOARD OF ACTUARIES OF CIVIL SERVICE RETIREMENT AND DISABILITY FUND (S. DOC. NO. 217)

The VICE PRESIDENT laid before the Senate a letter from the Administrator of Veterans' Affairs, transmitting pursuant to law the twelfth annual report of the board of actuaries of the civil service retirement and disability fund, which, with the accompanying report, was referred to the Committee on Civil Service and ordered to be printed.

WORK OF UNITED STATES TARIFF COMMISSION

The VICE PRESIDENT laid before the Senate a communication from the chairman of the United States Tariff Chaffee, one of its clerks, communicated to the Senate the | Commission, reporting that the Tariff Commission since the close of the Seventy-second Congress in July, 1932, has completed 14 investigations for adjustment in rates of duty, under the provisions of section 336 of the tariff act of 1930. and also stating that the major effort of the commission in that period was given to other large and special tasks for Congress under the commission's general powers, etc., which, with the accompanying list of investigations and papers, was referred to the Committee on Finance.

REPORT OF THE FEDERAL FARM LOAN BOARD

The VICE PRESIDENT laid before the Senate a letter from the Secretary of the Treasury, transmitting, pursuant to law, the Sixteenth Annual Report of the Federal Farm Loan Board, covering its operations during the calendar year 1932, which, with the accompanying report, was referred to the Committee on Banking and Currency.

THE LATE SENATOR WALSH OF MONTANA

The VICE PRESIDENT laid before the Senate a cablegram from the president of the Senate of Santo Domingo, which was ordered to lie on the table and be printed in the RECORD, as follows:

SANTO DOMINGO, March 3, 1933.

PRESIDENT DEL SENADO,

Washington, D. C .:

El Senado Dominicano expresa su más sentida condolencia al Senado y al pueblo norteamericanos por la sensible perdida que ha experimentado con la muerte del ilustre Senador Walsh, prominente ciudadano y estadista.

MARIO FERMIN CABRAL, Presidente del Senado.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate the following joint memorial of the Legislature of the State of Idaho, which was referred to the Committee on Public Lands and Surveys:

> STATE OF IDAHO, DEPARTMENT OF STATE.

I, Franklin Girard, secretary of state of the State of Idaho, and legal custodian of the original enrolled copies of all acts passed at the various sessions of the Legislature of the State of Idaho, do hereby certify that the annexed constitutes a full, true, and complete transcript of the original enrolled copy of Senate Joint Memorial No. 7, enacted by the twenty-second session of the Legislature of the State of Idaho, and filed in this office the 27th day

of February, 1933.

In testimony whereof I have hereunto set my hand and affixed the great seal of the State. Done at Boise, the capital of Idaho, this 27th day of February, A. D. 1933.

[SEAL.]

FRANKLIN GIRARD, Secretary of State.

IN THE SENATE.

Senate Joint Memorial 7 (by mines and mining committee) A joint memorial to the honorable Senate and House of Repentatives of the United States of America in Congress assembled. Received and filed February 27, 1933.

FRANKLIN GIRARD Secretary of State. IN THE SENATE.

Senate Joint Memorial 7 (by mines and mining committee)

A joint memorial to the honorable Senate and House of Representatives of the United States of America in Congress assembled

We, your memorialists, the Legislature of the State of Idaho,

we, your memorialists, the Legislature of the State of Idaho, respectfully represent that:

Whereas, under the provisions of title 43, chapter 20, section 870, of the United States Code, Annotated, it is provided among other things as to grants of school lands to the State of Idaho "that all sales, grants, deeds, or patents for any of the lands so granted shall hereafter be subject to and contain a reservation to the State of all the coal and other minerals in the lands so sold, the state of all the coal and other minerals in the lands so sold, the state of the state of

granted, deeded, or patented, together with the right to prospect for, mine, and remove the same"; and

Whereas it is desired that appropriate legislation be enacted by Congress which would promote the prospecting, mining, removal, and development of such mineral lands now so acquired: Now,

therefore, be it

Resolved by the Senate of the State of Idaho (the House of Rep resentatives concurring), That we most respectfully urge upon the Congress of the United States of America that section 5 of the Idaho admission act, and any act supplemental or amendatory thereof, be amended as follows, in giving and granting to the Legislature of the State of Idaho full power and authority to authorize the prospecting, mining, and removal of mineral from and the issuance of patent for such mineral lands as now provided by Congress, for the location, sale, and disposal of mineral lands belonging to the United States, subject to the right of such legislature to retain or impose a tax, royalty, or assessment as against the mineral production of any such mineral lands; and be it further

Resolved, That the secretary of state of the State of Idaho be authorized, and he is hereby directed, to immediately forward certified copies of this memorial to the Senate and the House of Representatives of the United States of America, and to the Senators and the Representatives in Congress from this State.

This senate joint memorial passed the senate on the 17th day of February, 1933.

GEO. E. HILL President of the Senate.

This senate joint memorial passed the house of representatives on the 23d day of February, 1933.

ROBERT COULTER Speaker of the House of Representatives.

I hereby certify that the within Senate Joint Memorial No. originated in the senate during the twenty-second session of the Legislature of the State of Idaho.

M. J. HAMMOND. Secretary of the Senate.

The VICE PRESIDENT also laid before the Senate the following joint resolutions of the Legislature of the State of Wisconsin, which were ordered to lie on the table:

STATE OF WISCONSIN

Joint resolution memorializing the Congress of the United States to enact the House Joint Resolution No. 199 to commemorate the one hundred and fiftieth anniversary of the naturalization as an American citizen in 1783 of Brig. Gen. Thaddeus Kosciusko, a hero of the Revolutionary War, by issuing special series of postage stamps in honor of Brig. Gen. Thaddeus Kosciusko

Whereas on October 13, 1933, will occur the one hundred and fiftieth anniversary of the naturalization as an American citizen of Brig. Gen. Thaddeus Kosciusko, a hero of the Revolutionary War; and

Whereas the service rendered by him was of great value and assistance to the cause of American independence and of such high importance that on October 13, 1783, he was appointed brevet brigadier general of the Continental Army and there was

brevet brigadier general of the Continental Army and there was granted him naturalization as an American citizen; and

Whereas it is but fitting that proper recognition should be given to the memory of the brigadier general whose illustrious service in the war for American independence is well known to all who are familiar with our history; Therefore be it

Resolved by the assembly (the senate concurring), That the Legislature of Wisconsin respectfully memorializes the Congress of the United States to enact legislation whereby the Postmaster General would be authorized and directed to issue a special series of postage stamps of the denomination of 3 cents, of such design and for such period as he may determine, commemorative of the one hundred and fiftieth anniversary of the naturalization. design and for such period as he may determine, commemorative of the one hundred and fiftieth anniversary of the naturalization as an American citizen and appointment of Thaddeus Kosciusko as brevet brigadier general of the Continental Army on October 17, 1783; and be it further

Resolved, That properly attested copies of this resolution be sent to the President of the United States, to both Houses of the Congress of the United States, and to each Wisconsin Member thereof

thereof.

President of the Senate. R. A. COBBAN, Chief Clerk of the Senate. C. T. Young, Speaker of the Assembly. John J. Slocum, Chief Clerk of the Assembly.

STATE OF WISCONSIN.

Joint Resolution relating to the reported contemplated abandonment of the Wisconsin Memorial Hospital as a hospital for the care and treatment of veterans suffering from mental diseases Whereas it is reported that the United States Veterans' Bureau

is contemplating the abandonment of the Wisconsin Memorial

is contemplating the abandonment of the Wisconsin Memorial Hospital and the removal to other hospitals of the veterans now receiving care and treatment in this hospital; and

Whereas the patients in this hospital are mainly from Wisconsin and immediately surrounding States and their removal to remote places would make it very difficult for their relatives to visit them regularly and thus deny these unfortunate veterans the comfort of such visits; and

Whereas the Wisconsin Memorial Hospital was erected by this State for the express purpose of providing an institution for the

State for the express purpose of providing an institution for the care and treatment of veterans suffering from mental diseases, and this hospital is recognized as one of the most up-to-date and ideally located institutions of this kind in the entire country; and

ideally located institutions of this kind in the entire country; and Whereas while there is need for economy in Federal expenditures, economy should not be practiced at the expense of the unfortunate men and women who contracted mental diseases in service for their country; therefore be it Resolved by the assembly (the senate concurring). That the Legislature of Wisconsin respectfully memorializes the President of the United States, the Congress of the United States, and the United States Veterans' Bureau not to abandon the Wisconsin Memorial Hospital or to remove to other hospitals the veterans now receiving care and treatment in this hospital; be it further Resolved, That this legislature expresses its readiness to consider other arrangements than now prevail with regard to payments

other arrangements than now prevail with regard to payments

from Federal funds to the State for the care and treatment of patients in the Wisconsin Memorial Hospital so that consideration of the necessity for effecting economies in Federal expenditures will not be involved; be it further

Resolved, That properly attested copies of this resolution be sent to the President of the United States, to both Houses of the Congress of the United States, to the Director of the United States Veterans' Bureau, and to each Wisconsin Member of the two Houses of Congress.

THOS. J. O'MALLEY,
President of the Senate.
R. A. COBBAN,
Chief Clerk of the Senate.
C. T. YOUNG,
Speaker of the Assembly.
JOHN J. SLOCUM,
Chief Clerk of the Assembly.

STATE OF WISCONSIN.

Joint resolution relating to passage of an unemployment insurance act by Congress

Whereas it is generally agreed that unemployment insurance is very necessary and would save the taxpayers large sums which must now be raised for the relief and support of the unemployed and their families; and

Whereas unemployment insurance can most satisfactorily be operated on a national basis, inasmuch as the enactment of unemployment insurance by a few States places a very heavy additional burden upon the industries of these States in competition with those of the States which have not enacted such laws: Therefore be it

Resolved by the assembly (the senate concurring), That the Legislature of the State of Wisconsin respectfully memorializes the Congress of the United States to enact legislation for the establishment of an unemployment insurance system on a nation-wide basis; be it further

Resolved, That properly attested copies of this resolution be sent to both Houses of the Congress of the United States and to each Wisconsin Member thereof.

THOS. J. O'MALLEY,
President of the Senate.
R. A. COBBAN,
Chief Clerk of the Senate.
C. T. YOUNG,
Speaker of the Assembly.
JOHN J. SLOCUM,
Chief Clerk of the Assembly.

The VICE PRESIDENT also laid before the Senate resolutions adopted at a mass meeting of citizens at Champaign, Ill., favoring the passage of legislation providing for crop control, etc., which were ordered to lie on the table.

Mr. FRAZIER presented the following concurrent resolution of the Legislature of the State of North Dakota, which was referred to the Committee on Foreign Relations:

Senate Concurrent Resolution B (introduced by Senator Whelan)

Be it resolved by the Senate of the State of North Dakota (the
House concurring) That—

Whereas there is now before the Senate of the United States a treaty between this Nation and Canada providing the terms under which may be constructed the long-sought and muchneeded seaway uniting the Great Lakes with the Atlantic Ocean;

Whereas such maritime benefits extended to the near-by ports on the Great Lakes would be of inestimable value both to the agricultural and industrial life of North Dakota:

agricultural and industrial life of North Dakota:

Now, therefore, we urgently request of our Senators in the Congress of the United States that they not merely support immediate and unconditional ratification of said treaty, but that they use every legitimate effort to impress upon the Senate the dire need of this State for relief from an overwhelming burden of transportation costs—a relief obtainable in very large measure through the ratification of this treaty and through the immediate construction thereafter of the navigation works required to extend the Atlantic Ocean westward to within less than 300 miles of the boundaries of this State.

Ordered that copies of this resolution he sent to each Member.

Ordered that copies of this resolution be sent to each Member of the Senate and House of Representatives of the Congress of the United States.

O. H. OLSON,
President of the Senate.
SIDNEY A. PAPKE,
Secretary of the Senate.
MINNIE D. CRAIG,
Speaker of the House.
JAMES P. CURRAN,
Chief Clerk of the House.

Mr. WHEELER presented a resolution adopted by the Colorado Mining Association and the American Mining Congress at Denver, Colo., favoring the passage of the so-called

Wheeler silver bill, providing for the remonetization of silver, which was referred to the Committee on Finance.

Mr. TYDINGS presented a resolution adopted by Talbot Post, No. 70, the American Legion, Department of Maryland, Easton, Md., favoring the passage of legislation requiring that the names of all persons to whom payments are made through the Veterans' Administration, together with the amounts of such payments, be made available to the public, which was ordered to lie on the table.

Mr. BLAINE presented a resolution adopted by the Common Council of the City of Milwaukee, Wis., favoring the passage of House bill 12145, to permit municipalities to control canvassers and other transient merchants in interstate commerce, which was referred to the Committee on Interstate Commerce.

He also presented a resolution adopted by the Common Council of the City of Milwaukee, Wis., favoring the passage of legislation providing for the issuance of a special series of postage stamps, of the denomination of 3 cents, commemorative of the one hundred and fiftieth anniversary of the naturalization as an American citizen and appointment as brevet brigadier general of the Continental Army, on October 13, 1783, of Thaddeus Kosciusko, which was referred to the Committee on Post Offices and Post Roads.

Mr. COPELAND presented resolutions adopted by the Suffern division of the National Economy League at a meeting held in the high school at Suffern, N. Y., opposing the payment of disability allowances to veterans whose disabilities are not connected with their war services, which were referred to the Committee on Finance.

He also presented a resolution adopted by the Westbury quarterly meeting of the Religious Society of Friends, New York City, N. Y., favoring the passage of legislation to prevent the exportation of arms and munitions of war under certain circumstances, which was ordered to lie on the table.

He also presented a resolution adopted by the Common Council of the City of Schenectady, N. Y., favoring the passage of legislation providing for the issuance of a special series of postage stamps, of the denomination of 3 cents, commemorative of the one hundred and fiftieth anniversary of the naturalization as an American citizen and appointment as brevet brigadier general of the Continental Army, on October 13, 1783, of Thaddeus Kosciusko, which was referred to the Committee on Post Offices and Post Roads.

RECOMMENDATION FOR INTERSTATE COMMERCE COMMISSIONER

Mr. ODDIE submitted the following resolution of the Legislature of the State of Nevada, which was referred to the Committee on Interstate Commerce.

Senate joint resolution recommending the appointment of John F. Shaughnessy, chairman of the Nevada Public Service Commission, to the position of interstate commerce commissioner

Whereas in recent years it has been the tendency of various administrations at Washington to select the members of the Interstate Commerce Commission from Eastern States, whose citizens have the viewpoint of the stockholder and bondholder in corporations engaged in interstate commerce, such stockholders and bondholders being in the identical position of the management of the corporations themselves, and while we concede that such interests have a right to be represented upon such commission we believe as citizens of the State of Nevada, whose relation to the subject matter is identical with that of its neighboring States, that the viewpoint of the shipper and consumer is not adequately represented as it should be on a well-balanced interstate commerce commission; and

Whereas we have in the State of Nevada, in the person of the Hon. John F. Shaughnessy, an official, an expert upon all topics in any way related to the subject of interstate commerce, who for 25 years has faithfully served the people of this State; first, as a member of its original railroad commission, and subsequently its chairman, and who has been chairman of our public-service commission since its organization some 15 years ago. Mr. Shaughnessy's decisions and attitude in general have been fair and just to all interests, he having been reappointed by each succeeding State executive, both Democrat and Republican. He has an intimate knowledge of railroading and its regulation and of the laws relating to transportation, in which the people are so vitally interested. Many times he has appeared with signal success to argue important issues before the Interstate Commerce Commission, and the decisions rendered by him as chairman of our State commission are masterpieces of their kind. His wide experience and service to the people in railroading and public-utility regulation fit

him for the well-deserved promotion, which we recommend: Now,

him for the well-deserved promotion, which we recommend therefore, be it

Resolved by the Senate and Assembly of the State of Nevada,
That we cordially recommend to President-elect Franklin D. Rooseveit that he seriously and favorably consider the appointment of
Mr. Shaughnessy to the position hereinabove named.

Resolved, That copies of this resolution be transmitted at once
by the secretary of state to President-elect Roosevelt and to the
members of our delegation at Washington and to our Senator elect
and to our Congressmen elect.

Morley Griswold,

Morley Griswold,
President of the Senate.
V. R. Merialdo, Secretary of the Senate.
FRED S. ALWARD,
Speaker of the Assembly.
GEORGE BRODIGAN,
Chief Clerk of the Assembly. STATE OF NEVADA. EXECUTIVE DEPARTMENT.

Approved February 24, 1933, 1.30 p. m.

F. B. BALZAR, Governor.

GRAZING FEES ON NATIONAL FORESTS

Mr. ODDIE submitted the following resolution of the Legislature of the State of Nevada, which was referred to the Committee on Public Lands and Surveys, as follows:

Assembly joint resolution memorializing Congress and the Secretary of Agriculture of the United States for relief in the matter of grazing fees for livestock upon the national forests

of grazing fees for livestock upon the national forests

Whereas the existing schedule of grazing-fee charges exacted for use by Nevada stock-raising settlers of those public ranges upon which their properties necessarily were and still are established, and which have, from time to time, been surrounded by the so-called national-forest withdrawals, are based upon range appraisals covering periods of abnormally high livestock prices; and

Whereas the continuance of such charge schedules in the face of existing livestock values, far below any known for many years past, can only most seriously impede and retard any reasonable opportunity for recovery and rehabilitation of Nevada's stock-raising and ranching settlements, a most important factor in the social and economic structure of our State: Now, therefore, be it Resolved by the Assembly and the Senate of the State of Nevada, That we most earnestly urge upon all Federal officials concerned the extreme need for continuance, for the grazing season of 1933, of the 50 per cent reduction in national-forest grazing-fee charges as granted for 1932, based upon the charges in effect for 1931; and be it further

and be it further

Resolved, That we urge our Nevada congressional delegation to use every effort toward securing an early and complete range reappraisal looking to the fixing of forest grazing-fee schedules in keeping with the heavy decline in livestock values that has occurred since the present schedules were determined; and be it

Resolved, That the secretary of state of the State of Nevada be, and he is hereby, directed to immediately forward copies of this resolution to the President of the United States, to the Speaker of the House of Representatives, to each of our Senators, and to our Representative in Congress.

Speaker of the Assembly. George Brodigan, Chief Clerk of the Assembly.

Morley Griswold,

President of the Senate.

V. R. Merialdo,

Secretary of the Senate.

STATE OF NEVADA, EXECUTIVE DEPARTMENT.

Approved February 24, 1933, 1.35 p. m.

F. B. BALZAR, Governor.

DEATH VALLEY NATIONAL MONUMENT

Mr. ODDIE submitted copy of a letter from the Secretary of the Interior, together with a memorandum for the Secretary by the Director of the National Park Service, relative to the Death Valley National Monument, in California, which, with the accompanying paper, was referred to the Committee on Public Lands and Surveys and ordered to be printed in the RECORD, as follows:

THE SECRETARY OF THE INTERIOR, Washington, March 2, 1933.

Hon. Gerald P. Nye,
Chairman Committee on Public Lands and Surveys,
United States Senate.

My Dear Mr. Chairman: In response to your request of March 2, 1933, for a report on S. 5700, entitled "A bill to extend the mining laws of the United States to the Death Valley National Monument, in California, and for other purposes," I transmit herewith a memorandum on the subject that has been submitted by the Director of the National Park Service in which full details regarding the purpose of this legislation are given. purpose of this legislation are given.

I consider it very important that mining under appropriate regulation be not disturbed within the area of this national monument. Under the equities shown by the record, I further think it very desirable to authorize the patenting of the land in the monument necessary for the continuance of the development known as Death Valley Scotty's Castle.

I heartily concur in the memorandum report of the Director of the National Park Service, and recommend that this legislation be given favorable consideration by the Congress.

be given favorable consideration by the Congress. Very truly yours,

RAY LYMAN WILBUR, Secretary.

UNITED STATES DEPARTMENT OF THE INTERIOR, National Park Service, Washington, March 2, 1933.

Washington, March 2, 1933.

Memorandum for the Secretary:
Reference is made to letter dated March 2, 1933, from the chairman Committee on Public Lands and Surveys, United States Senate, inclosing copy of S. 5700, entitled "A bill to extend the mining laws of the United States to the Death Valley National Monument, in California, and for other purposes," with request for report thereon.

The Death Valley National Monument and States are supposed in the Death Valley National Monument.

for report thereon.

The Death Valley National Monument, containing approximately 1,601,800 acres of land, was established by presidential proclamation under date of February 11, 1933, pursuant to the authority contained in the act of June 8, 1906 (34 Stat. 225), the purpose being to preserve for all time the scientific, historical, and other features thereof for the benefit of future generations. This action removes the area from the operation of the mining laws of the United States. In recommending the establishment of this area as a national monument, however, it was not the desire to prevent prospecting and mining within the area, as such activities would in no way interfere with the preservation of the characteristics of the area sought to be preserved. In fact, the picturesque miner is one of the characteristics which give the area the color of the early pioneer days, and his continuance there would be a very early pioneer days, and his continuance there would be a very desirable feature of the area under national-monument status. It

desirable feature of the area under national-monument status. It is desirable, however, that mining locations be subject to regulation as to the surface use of claims established and this is provided in the provisions of section 1 of this legislation.

Section 2 would authorize the Secretary of the Interior to patent to Albert M. Johnson and/or Walter Scott (Death Valley Scotty) certain lands included in the monument, either under applicable public-land laws or upon payment therefor at the rate of \$1.25 per acre. The lands proposed to be made the subject of this authorization are those which have been located upon for some time by the well-known "Death Valley Scotty." Improvements in the way of fencing and the construction of a Moorish castle variously estimated to be valued at from \$250,000 to over \$2,000,000 between built on the land by Death Valley Scotty and Market Payer heads to the state of the state variously estimated to be valued at from \$250,000 to over \$2,000,000 have been built on the land by Death Valley Scotty and Mr. Albert M. Johnson, of Chicago, Ill. This castle is nationally known and has been featured in the pictorial section of various news periodicals from time to time. It is indicated by the record that this development was undertaken by these parties in the utmost good faith with the hope of eventually securing title to the land either through the filing of public-land script or under other applicable land laws. The proposed authorization of section 2 provides for the reservation of rights of way as may be necessary or advisable for use by the Government in the administration of the monument.

I have to recommend that S. 5700 be given favorable considera-tion by the department and the Congress.

HORACE M. ALBRIGHT. Director.

REMONETIZATION OF SILVER

Mr. BROOKHART submitted a letter in the nature of a petition from J. C. Lewis, president of the Iowa State Federation of Labor, which was referred to the Committee on Finance and ordered to be printed in the RECORD, as follows:

Hon. Senator Smith W. Brookhart,
Senate Office Building, Washington, D. C.
Dear Senator: We are advised that Senator Wheeler has introduced S. 2487, a bill that has for its purpose the restoration of an honest and stable dollar.
We believe that if this bill becomes a law that it will be in the interest of the masses who are struggling under such heavy burdens at this postfour.

the interest of the masses who are struggling under such heavy burdens at this particular time.

I have read Senator Wheeler's speech as printed in the Congressional Record of Wednesday, January 25, 1933. To my mind, it is a masterly address coming from one who is a student of our economic, political, and social affairs in addition to his being a great outstanding humanitarian.

We would therefore suggest to you that you give this matter your serious consideration and we would appreciate it very much if you would lend your support to the passage of this bill

if you would lend your support to the passage of this bill.
Yours very truly,

J. C. LEWIS, President Iowa State Federation of Labor.

"RIGHT TO MAINTAIN RESALE PRICES A THROWBACK TO THE FIFTH AMENDMENT

Mr. BROOKHART presented a bulletin by the United States Trade Mark Association entitled "Right to Maintain Resale Prices a Throwback to the Fifth Amendment," etc.,

which was referred to the Committee on Interstate Commerce and ordered to be printed in the RECORD, as follows: RIGHT TO MAINTAIN RESALE PRICES A THROWBACK TO THE FIFTH

AMENDMENT By Paul Findlay

(Note .- To those of our readers who favor the passage of price-(Note.—To those of our readers who favor the passage of price-maintenance legislation for trade-marked goods, much debated in Congress for several years past, this article, which views the ques-tion from a new angle, will be of interest, especially so for its bearing on the so-called Capper-Kelly bill which is now on the Senate Calendar and, it is expected, will be up for consideration during the first week of the coming session.—Ed.)

A minimum resale price law will be, when enacted, simply the reassertion of a fundamental of our Constitution—not, technically, a law at all. Perhaps I can indicate why I so regard this long-proposed legislation.

reassertion of a fundamental of our Constitution—not, technically, a law at all. Perhaps I can indicate why I so regard this long-proposed legislation.

The first 10 amendments to our Constitution were proposed and ratified in our First Congress. Together, these have been called our Bill of Rights, because they embrace features so anciently accepted in English common law as to have the force of postulates among freemen. The fifth amendment provides that no man shall be "deprived of property without due process of law"; and the ownership of the producer of a branded or otherwise identified product in his name or brand seems to me propwise identified product in his name or brand seems to me property more indubitably, unquestionably, undebatably than even in the case of a patented article. It is more inescapably property for one reason inherent, unique, and peculiar to it—that until its identity is obliterated in final consumption, it carries an element

identity is obliterated in final consumption, it carries an element with which the producer can not part, which he can not sell, in which the most any purchaser of the goods can buy is a limited right of use. That is the name or trade-mark of the producer. Illustrations are legion. Quaker Oats is Quaker Oats wherever found until lost in the morning porridge. Kraft cheese is Kraft cheese until it is eaten. Regardless of location of the commercial and temporary ownership of its physical entity, Chase & Sanborn coffee remains Chase & Sanborn coffee, so recognized and referred to by everybody, merchant and consumer alike, even after it is to by everybody, merchant and consumer alike, even after it is drunk. A Cutler-Hammer switch derives much of its value from

drunk. A Cutier-Hammer switch derives much of its value from the name behind it and remains identified by that name until it is junked, regardless of where or by whom purchased or used.

When Mr. Macy offers Whittall rugs in his advertising, does he call them Macy's rugs? Not so anybody ever noticed it. They are and remain Whittall's rugs in everybody's mind and reference until they are consigned to the rag bag. Not even a gift of a well-worn specimen thereof to the Salvation Army will serve to destroy its identity with Whittall.

its identity with Whittall.

Where, then, do we go from here? I quote from Ralph Starr Butler's recent talk before the New York Times class in newspaper advertising, as reported in Groceries. Mr. Butler shows how packaging and the consequent ability to identify food products has stimulated improvement in the quality and standards thereof:

stimulated improvement in the quality and standards thereof:

"If the great change in food merchandising represented by the substitution of a package for a barrel," he said, "had been accompanied by nothing else of a fundamental nature, we should still have had to regard it as an important and valuable contribution to the distribution of food. The change, however, was accompanied by something else which in its results has been even more influential than the development of packaged articles. When the manufacturer put his product in a package to which he could attach his name as well as a brand name for the product, for the first time he was in a position to use the sharp tool of advertising. There was little to be gained by advertising bulk merchandise. There was little to be gained by advertising bulk merchandise, the source of which the consumer was unable to identify. There was everything to be gained after the products were put into packages by giving them an identity which could be promoted by the aid of advertising."

"Everything?" That depends.

Assume that I am a cheese expert and that I utilize my knowled.

"Everything?" That depends.

Assume that I am a cheese expert and that I utilize my knowledge, skill, experience, and merchandising ability to make and market blends distinctive in character and uniform in quality. Because of my profound intimacy with cheese, I am able to hit the public fancy more perfectly than most others have done, so my goods become established in public favor.

My price scale is equitable, the public is well served and I forge ahead on intrinsic merit. Because my merchandising is so planned that my distributors, wholesale and retail, regard my goods with favor, they are active in their cooperation in widening my distribution. On such general basis, I become a conspicuous advertiser. I follow the plan of William Wrigley, jr., investing a fixed percentage of my sales in attaining wider, stabler distribution. My business arrives where everything indicates that it is on a logical foundation, its economics unimpeachable. At this point perhaps we might say that my distributors, my customers, and I enjoy the "everything" Mr. Butler had in mind.

For let it be noted that in all this process of development and

For let it be noted that in all this process of development and For let it be noted that in all this process of development and growth my product has been known now with daily progressive increase by and to all distributors and consumers as Findlay's Cheese, or by the brand I have adopted for its identification, or by both such brand and my name. It therefore seems quite clear that the element of identity is and must ever remain a property which nobody can entirely purchase simply by buying my goods; that this element is indeed what I hold it to be—something with which I can not part any more than I could sever myself from my personal identity.

my personal identity. Do I hear objections? Probably. Then let us test the question thus: Assume that a package of Findlay's Cheese is found to be

imperfect—returned, likely enough, to a retailer by one of his pet customers as being "unfit to eat." Whose goods is this cheese now? Does it belong to the retailer who bought it in the regular course of trade and who, perhaps only yesterday, was vociferous in his assertion of his "right" to "do what he liked with his own goods"? We all know it immediately harks back to Findlay, regardless of the various channels through which it may have reached the retailer, and this for just one reason—because it bears Findlay's name, the element with which I never can part and

reached the retailer, and this for just one reason—because it bears Findlay's name, the element with which I never can part and which never can be dissociated from me.

The question, Whose goods is this? requires no more definite answer. This being so—universally so—how can anyone contend that any purchaser can claim to own every element in any branded or otherwise identified merchandise so completely that the producer thereof has no further right or interest therein? Under what I regard as an erroneously unjust, inequitable conception of this question, we now arrive at a familiar condition.

this question, we now arrive at a familiar condition.

For just as my business attains the production of a fair return in profits such as it is in every way entitled to enjoy, up bobs somebody who, for any purpose of his own, makes a raid on my goods by cutting my established prices. He disturbs all my trade goods by cutting my established prices. He disturbs all my trade relations. If continued for even a moderate time, keen dissatisfaction results among my distributors against which my explanations and disclaimers of responsibility make little impression. My goods progressively lose favor with my wholesale and retail outlets. Soon this condition becomes so aggravated that my trade is badly curtailed and my profits approach—or reach—the vanishing point. What has this disturber done to me? Has he not taken my property without due process of law? The fundamental we have here to consider is that he most certainly has done just that. He has done worse than that; for not only has he taken my property without any process whatever of law, without compensation of any kind, but he is now using my property against me.

We must have such elementary facts and conditions in mind if we are to accomplish the recognition of this fundamental right in intangible but exceedingly valuable property. To attempt to

we are to accomplish the recognition of this fundamental right in intangible but exceedingly valuable property. To attempt to forestall every development by writing every possible exception and contingency into the law will be to jeopardize its enactment for still longer years, as experience shows.

We shall have to get back to the homely simplicity of the Constitution, regarding this right as in fact integral in the fifth amendment. We must also remember its intrinsic kinship with the rest of that noble instrument in that it is permissive, not mandatory. Nobody is ever to be forced to name or maintain minimum resale prices. Our business is to cleave to fundamentals, to leave the issue clear and unencumbered.

One point, however, must be kept to the fore. That is that the privilege we seek to attain be backed by the power to enforce it through all channels of distribution; for inasmuch as my responsibility for the character and soundness of my goods remains, regardless of how said goods get to the retailer, control of my goods, including the price for which it is sold, should be likewise complete. Less than this will tend to leave matters in statu quo, where already the maker or producer—or simply an intermediate where already the maker or producer—or simply an intermediate seller—can enforce any provision, including resale price, insofar as enforcement can be accomplished through denial of supplies.

Further: Under our complex system of distribution it will be almost equally impracticable to enact any law under which a formal contract to maintain a resale price may be legal. This because such regulation would be cumbrous and costly in operation.

we must try to find some other way.

The California plan of 1906, devised by certain distributors, was in effect an automatic contract and filled the need precisely and adequately. This plan was to affix to every original container a notice which clearly set forth the price-restricted terms of sale, with the proviso that acceptance of merchandise with such notice attached was tree feets aridance that the notice was observed. attached was ipso facto evidence that the notice was observed, understood, and agreed to by the purchaser. On packages of Grogan's olive oil, for example, the notice was substantially as follows:

"The goods contained in this case are sold under the condition, which is part of the consideration of their sale, that the purchaser, if he retails them, will sell them for not less than the following prices: 90 cents for the large-size bottle, 45 cents for the medium-size bottle, 25 cents for the small-size bottle; and if he wholesales them, he will sell them subject to the same con-

"Acceptance of these goods by the purchaser, with this notice affixed, is sufficient acknowledgment that he understands and agrees to comply with this condition."

The crux of that notice was obviously in its last paragraph. It

was, perhaps, a new departure, legally, to make a contract binding on one who did not sign it, but it was made to stick by a decision of the California supreme court. I forget the reasoning behind the decision. It may have been on a theory similar to that which holds that ignorance of the law is no excuse for its violation. Any receiver of merchandise bearing the notice quoted could know

Any receiver of merchandise bearing the notice quoted could know the restrictions on its resale. Hence, he automatically agreed to the terms by his acceptance of the goods.

This test was strikingly valuable because it established the right of control on a plane with the maker's responsibility, regardless of the avenues through which the goods traveled on their way to wholesalers and retailers. Further, there was no mere denial of further supplies as penalty. Injunction could be had against continued violation and damages could be collected for past offenses; and that is what, one way or another, should be accomplished to make minimum resale price legislation of real value and effectiveness.

tiveness.

Oregon and Washington promptly enacted laws in conformity with the California decision and minimum resale prices were firmly intrenched throughout the Pacific Coast States, though later decisions have rendered the laws somewhat nugatory.

The original California plan might be rounded out by notice attached to producers' and wholesalers' invoices similar to those commonly printed now in relation to the national pure food law as well as similar laws in various States. This, in connection with the notice affixed to original packages, would seem to be such complete and practicable notification and warning as to satisfy all reasonable legal and equitable requirements.

But whatever the final plan, it should be made effective throughout our highly complicated system of distribution. To leave it

But whatever the final plan, it should be made effective throughout our highly complicated system of distribution. To leave it where it stands now, to hark back to the equivalent of barter, of simple dealings directly between producer and final distributor, would largely nullify its effectiveness.

The desideratum is definite acceptance of the principle that a name or trade-mark is property so intimately personal that it must be and remain under the absolute control of the owner wherever it may go and however it may reach any destination; and that this acceptance may be effective, teeth must be put into the machinery of control.

If, for any reason, the California plan contravenes our insti-

the machinery of control.

If, for any reason, the California plan contravenes our institutions insurmountably, we have a model of procedure, long practiced in England, that nation of shopkeepers, whose commercial experience not only antedates our own by centuries but is the final basis of our commercial practices; and England does not find that agreements among and between trade-mark or brand owners contrary to sound public policy.

The marketer of trade-marked merchandise in England, whether he be a "Britisher" or otherwise, finds the resale price right so firmly established that it is not questioned. He tells his customer that the retail price is thus and so. The customer, wholesale and

firmly established that it is not questioned. He tells his customer that the retail price is thus and so. The customer, wholesale and retail, simply notes the restriction and acts accordingly. But whether only in England or in some continental countries—perhaps in all of them—the commercial machinery for the enforcement of producers' rights is complete, its operation inexorable. When the American advertising convention was held in London in 1924, the association of drug proprietaries, the name of which is not at hand as I write, controlled some 1,460 items commonly retailed throughout the United Kingdom, Ireland, and the colonies.

retailed throughout the United Kingdom, Ireland, and the colonies. The resale price was strictly enjoined on each of those products. If any retailer cut any price, not only could he get no further supplies of that item, but simultaneously he would be denied supplies of all the 1,460 items. To persist in cutting would be to commit commercial suicide.

to commit commercial suicide.

Did such regulation work hardship on the consumer? Was there danger of a shortage of tooth paste when any cutter was denied any special brands thereof? Was anybody's halitosis left without the means of correction in such event? Not at all. In every market there is, and always will be, plenty of merchandise available on an open-price unlimited basis because, as I have indicated, nobody is ever compelled to set a limited resale price on his goods and plenty of makers elect not to do so.

There is an excellent English exemplar of how such price limitations make for improved business. That is the chain, the "multiple shop," organization of Boots, great English chemist, whose business parallels our Liggett or Whelan drug chain. Boots handles nearly, if not quite, all of the 1,460 items aforesaid. He could not operate successfully without most of them. He must

could not operate successfully without most of them. He must price each at precisely the same figure demanded by his smallest competitor. Boots must, therefore, compete on a basis other than that of cut prices on advertised, trade-marked goods; and he does. Boots's competition takes the form of lavishly diversified stocks;

that of cut prices on advertised, trade-marked goods; and he does. Boots's competition takes the form of lavishly diversified stocks; of splendid appointments; rest rooms, stationery, telephones, and other conveniences and adornments attractive to the best class of patrons. It also includes complete assortments of proprietaries under his own name and brand, the sale of which, naturally, he pushes as our chains push theirs. There is probably nothing any consumer of drugs, medicines, toilet or sick-room supplies may need that can not be had under Boots's brand, backed by a full guaranty of rectitude and quality; and the standing of the house is so high that its competition assumes the phase of distinctly trading up instead of, as inevitably happens under any cut-price plan, trading down. In fact, purchasers of Boots's goods are supremely well served.

Further: It is legal in England and Germany—it may be equally legal elsewhere in Europe—for merchants to combine and agree on prices; but in neither country is there even slight indication that the individual merchant is thereby so handicapped that he can not compete and flourish. In fact, there is no sign in those lands that the individual is in any way worse off under the indicated customs and trade practices than under our own; and the owner of a trade-mark and brand is certainly vastly better off. There is likewise nothing that suggests that the consuming public suffers in any way through extortion because of this capacity among sellers to make agreements which, from our present legal and legislative standpoints, are "in restraint of trade" and "against sound public policy."

Quite apparently it is safe to leave protection of consumers' interest to the outworkings of free competition, supply, and demand and such enlightened self-interest as always automatically obtains in distribution under unrestricted trading—except only in the case of natural monopolies.

One element of opposition to resale-price regulation is our fear of "monopoly"; and against that fear, th

the case of natural monopoles.

One element of opposition to resale-price regulation is our fear of "monopoly"; and against that fear, the plea for freedom from "predatory price cutting" is peculiarly ineffective, for the average consumer—likewise the average legislator, who should be more

enlightened, but is not—feels that the merchant gets an exorbitant profit and that cut prices are a public safeguard.

We have an exaggerated fear of monopoly—a real monomania on it. But, except in the cases of natural monopolies, such as gas works, electric-power plants, water works and railroads, there is no practical danger. Even the Standard Oil, feared above all others 35 to 40 years ago, never has been able to corral more than a working majority of the oil business. It is easy to provide against extortion through monopoly in writing such a law

no practical danger. Even the Standard Oil, feared above all others 35 to 40 years ago, never has been able to corral more than a working majority of the oil business. It is easy to provide against extortion through monopoly in writing such a law now new seek.

This monomaia was undoubtedly behind one amendment tacked onto the Capper-Kelly bill in our last Congress, which excluded "the necessaries of life "from its operations. Necessaries of life include foods, and to exclude foods from limited price regulation would be to pass a law of benefit virtually to nobody, But the fear of monopoly in the case of foods—assuming the opposition to have been genuine and honest and not a smoke screen—is fantastic, for if there be any imaginable class of commodities utterly immune to any danger of monopolistic control, in whole or in any substantial part, that class is foods. Unrestricted competition under the impulses of normal self-interest in trade where the outlook is always various would prevent monopoly in any event; but aside from such considerations and factors, there is the utter impossibility of monopolistic control not merely of foods as a whole but of any subdivision thereof. Nobody could do it 50 years ago, when there was no law against combinations, and nobody can do it now—and for the same reason; that the world groans under a plethora of supply.

A score of years since, the Quaker people told me Quaker Oats went through some thirty operations to insure freedom from bits of chaff and other possibly harmful elements, none of which processes entered the preparation of bulk oats. Being of Scotch antecedents, virtually "raised" on oat porridge long before anything "purer" than Fred Schumacher's "Avena" was known, I quote the "possibly" because I can not take such trifles seriously; my own youth having been nourished on stone-ground cats in which I feel sure the minimum of "purification" inhered.

But regardless of that and conceding every claim of the Quaker folks, we can be sure of one thing; that not even they w

any plan for the control of resale prices. Regardless of details, it is a homely fact that anyone who asks too much for his goods will fail to sell them—in spite, or without the restraint, of any legislation. This contention can be specifically established by many examples. I shall quote one, that we may realize exactly who stands any chance for lasting success under resale price restrictions. restrictions.

who stands any chance for lasting success direct restrictions.

About 10 years ago a San Francisco food distributor began to advertise. Minimum resale price restrictions are popular in our Far West, and it seemed distinctly to the interest of this company that its goods should be protected from piracy; and because it was—and is—direct distributor to its retail customers, it could insist on the maintenance of minimum resale prices. Hence such restrictions were announced in its trade advertising and sales literature.

But when the advertising agency's merchandising man reached this phase of the sales plan he found that entire definiteness on this head had not been attained; and because he could not work intelligently without such definite knowledge, he asked: "What is your minimum margin limit?"

After some discussion the answer was: "At least 20 per cent."

"On his cost or selling prices?" insisted the questioner.

"Well,"—hesitantly—"on his coat."

Obviously that was 16% per cent on sales; and such margin, even as a minimum, on high-grade food products where quality,

grade, and uniformity are maintained, is so soundly economic that no consumer's interest could possibly be jeopardized thereby. But also, a restriction so moderate will always avoid the other horn of the merchandising dilemma: the holding of an umbrella

for competition.

On that basis the progress of this house has been consistent, logical, and most gratifying. The house slogan is "Consistently the Best," referring, of course, to quality. The merchandising plan certainly is consistently the best as I see it—equitable, fair to all parties, with restrictions so moderate as to be immune to the inroads of competition; without a chemical trace of extortion; and that, experience shows, is the only basis on which minimum resale prices can be maintained concurrently with expansion in

resale prices can be maintained concurrently with expansion in volume and an economic ratio of profit.

In fact, only by the avoidance of the least shadow, or appearance, or suggestion of extortion—or any intent in the direction of extortion—can any marketer of branded articles successfully utilize extortion—can any marketer of branded articles successfully utilize the right to insist on the maintenance of minimum resale prices. He must lean over backwards to avoid the slightest ground for the imputation of greed. He must be not only pure but absolutely, indubitably, above suspicion.

It appears, then, that nobody will suffer under the exercise of

this fundamental mercantile right; and when it is accorded, business can advance with confidence. Then truly "the sharp tool of advertising," the most economical promotional force ever discovered, will come fully into its own.

Note.—On the matter of price maintenance, see the following Bulletin articles:

Vol. 3, p. 326, General Discussion, "Peruna." Vol. 4, p. 360, Belgium.

Vol. 6, p. 209, Belgium, Germany, and France. Vol. 7, p. 117, Miles Medical Co. case.

Vol. 1, p. 117, Miles Medical Co. case. Vol. 8, pp. 77, 357, Kellogg Toasted Corn Flakes. Vol. 11, pp. 217, 309, "Cream of Wheat" case. Vol. 12, p. 90, Chamber of Commerce Referendum (1916). Vol. 12, p. 273, Ingersoll Watch case.

Vol. 13, p. 233, France. Vol. 13, p. 264, Stephens Bill.

Vol. 13, p. 341, Stephens Bill, in Opposition. Vol. 14, p. 43, Federal Trade Commission. Vol. 14, p. 112, Kelly Bill.

Vol. 14, p. 112, Kelly Bill.
Vol. 14, p. 118, Federal Trade Commission.
Vol. 14, p. 179, Federal Trade Commission.
Vol. 14, p. 202, "Old Dutch Cleanser" case.
Vol. 14, p. 306, Kelly Bill.
Vol. 14, p. 323, Federal Trade Commission, German speech.
Vol. 14, p. 350, Schrader case.
Vol. 15, p. 8, Kelly Bill.
Vol. 15, p. 274, Discussion.
Vol. 17, p. 15, "Beech-Nut" case.
Vol. 18, p. 22, Merritt Bill.
Vol. 21, p. 95, New Day Price Maintenance.
Vol. 21, p. 165, Spread of Movement.
Vol. 22, p. 233, Price Maintenance Investigation by the Federal rade Commission. Trade Commission.

Vol. 22, p. 245, Prospects for Price Maintenance Legislation in the Next Congress

Vol. 23, p. 19, Question of Price Maintenance.

Vol. 23, p. 147, Some Legal and Commercial Aspects of Price Maintenance.

Maintenance.

Vol. 23, p. 279, Price Maintenance and the Capper-Kelly Bill.

Vol. 24, p. 69, Resale Price Maintenance Legislation.

Vol. 24, p. 200, Trade-Marking and Price Cutting as Reported by the Federal Trade Commission.

Vol. 24, p. 237, Pros and Cons of Resale Price Maintenance.

Vol. 25, p. 37, Capper-Kelly Bill Again Before Congress.

Vol. 25, p. 51, Capper-Kelly Bill Favorably Reported.

Vol. 26, p. 157, Price Maintenance and the Capper-Kelly Bill.

Vol. 27, p. 112, Prospects for Price Maintenance on Trade-marked Goods.

TEN ANSWERS TO SUBSTITUTE BRANDS By Herschel Deutsch

The carefully compiled figures and excellent charts in the report on private brands just issued by the Federal Trade Commisport on private brands just issued by the Federal Trade Commission merely confirm what every manufacturer of nationally advertised products has known for some time; the sale of unadvertised, store-controlled brands has increased greatly. At that, the private brand is only one of the many forms of the substitute—that ogre to which he has been losing more and more of the sales created by his advertising. When the retailer has not his own especially labeled product to offer in place of the advertised article, he usually has plenty of other unadvertised brands on hand. hand.

There is no question regarding his use of them either. John W. Dargavel, retiring president of the National Association of Retail Druggists, states that in his own drug store he sells a substitute product in 9 out of 10 cases.

In reply to a direct question by their national association, 992 out of 1,000 Canadian druggists recently admitted that they sell

substitutes regularly.

Incidentally, if you doubt the effectiveness of the druggist's efforts in this direction, you will be interested in learning that the annual sale of substitutes for Listerine is now estimated to be between three and four million dollars.

The situation is by no means limited to the drug or food fields. Localized studies by advertising agencies and general surveys by trade associations, the Federal Trade Commission, and large national publications reveal that the menace is growing in the house furnishings, haberdashery, and hardware fields. As more and more manufacturers begin to wonder audibly how much longer they will find their advertising profitable, advertising men are growing increasingly cognizant of a serious threat to their industry.

An executive of one of our largest advertising agencies recently

"Much of the effectiveness of advertising is lost to-day at the point of sale. Advertisers are coming to realize this, especially now when every dollar must count. It may come to the point where many of them will give up advertising in disgust, tired of holding the bag for the manufacturer of substitute products."

Naturally, the advertiser is seeking methods for stemming the tide. Here are 10 possible courses which he can follow:

1. INSURING THE RETAILER'S PROFIT

These days, when the retailer tries to sell you something other than the advertised product you requested, the reason is usually obvious enough. In most cases he is featuring the standard article at a cut price and is clearly making more money—or at least not losing any—on the substitute. The great wave of price cutting of the past year or so has affected most extensively those merchandising fields in which advertised brands predominate. In many instances the slashing has reached a truly desperate stage. A recent count in a middle western store showed 114 well-known items being sold below wholesale cost. With his profit on the advertised article thus squeezed out by competitive price cuts, the retailer turns to substitutes in self-defense.

The manufacturer who seeks to improve the retailer's profit and thereby eliminate this cause for substitution has a choice of several methods.

One, selective distribution—restricting the number of outlets and their selection for quality—permits closer supervision by the manufacturer of his consumer contacts and tends to keep the product out of disorganizing retailer competition.

Most advertised makes of shoes, tires, men's hats, electrical appliances, and silverware are distributed through "exclusive agencies" at comparatively stabilized prices. Sherwin Williams paints and Elizabeth Arden beauty preparations have found the plan particularly successful, and in the drug and toiletries field an increasing number of large companies such as Armand, Harriet

Hubbard Ayer, Dorothy Gray, and E. R. Squibb & Son have adopted modified versions of the system.

Under normal conditions, the manufacturer enjoying widespread distribution is disinclined to eliminate some of his retailers or wholesalers and change to the controlled, selective method, be-cause he knows that an accompanying sharp drop in his sales is inevitable. The fact that many large drug advertisers are nevertheless doing so indicates the growing seriousness of the situation

in this industry.

In any field where the chain or large buyer is granted an "advertising allowance" or a special quantity discount, the independent merchant's profit will naturally be smaller or even nonexistent if he offers the product at the same price. Perhaps in response if he offers the product at the same price. Perhaps in response to the resentment against these preferential arrangements (a resentment which forecasts costly retaliatory substitution) many manufacturers have adopted new "one price to all "and "inflexible discount" policies. Still another good-will and sales incentive, the volume bonus plan, used for years by tire companies, electric-lamp companies, and others, whereby the dealer receives an extra discount or commission if his total sales for a period exceed a specific amount, is now incorporated in several of these new profit plans as a measure for increasing the total turnover.

2. CONSIGNMENT SELLING

2. CONSIGNMENT SELLING

Of course, the ideal method for eliminating price cutting would be to establish uniform prices by enforceable agreements. However, while the Clayton Act retains its teeth, such price fixing is illegal. If the manufacturer wishes to control the price or other conditions under which his product is offered to the consumer, he must retain title to it by placing it in the retailer's stock on a consignment basis. Once the merchandise passes out of his possession, the manufacturer's legal interest in it ends. He can not dictate the resale price or order the retailer whose methods do not please him to cease selling.

As a means for eliminating the price cutting which threatened their industry several years ago, most major oil companies adopted

As a means for eliminating the price cutting which threatened their industry several years ago, most major oil companies adopted a controlled agency plan by which the retailer—the gas station—receives his stock on a consignment basis. In the drug field the Coty Co., about a year ago, placed its products on a wholesale consignment for the same reason.

Retailers practicing substitution usually keep the advertised product out of sight, producing it only on express demand. Not only do the profit-protecting provisions of the consignment contract encourage the dealer into more active sales promotion but its terms can actually specify the exact extent of this cooperation. its terms can actually specify the exact extent of this cooperation. Thus the new arrangement by which the American Cigar Co. is placing Corona cigars on consignment insures the continued prominent display of the product by means of a sliding scale of discounts, dependent on the amount of showcase space given by the

Tung-Sol radio tubes recently went on a consignment basis primarily for the familiar price-control reason, but found in the

plan accompanying protection against substitution. When the retailer is out of stock on an item he will, perforce, try to sell the substitute he has on hand. Where, because of the investment required, the retailer might be disinclined to put in all the 25 required, the retailer might be disinclined to put in all the 25 numbers in the line, he has been welcoming the convenience of the expanded stock afforded by the consignment plan. Again, where the credit standing makes it necessary to curtail shipments on outright sale, by retaining title to the goods through the consignment contract the manufacturer can load up the outlet completely without fear of loss. While basically the famous GE lamp consignment plan was designed to control the resale practices of the 20,000 dealers, it is freely admitted that the credit protection feature is almost as important.

Since this problem of a shortage of stock caused by curtailed

Since this problem of a shortage of stock caused by curtailed credit is universal, where the manufacturer is not prepared to go into consignment selling, he can take some action against this cause of lost sales through-

3. LIBERALIZED CREDIT

Many retailers in the drug field are now so deeply in debt to their wholesalers that they can not order suitable quantities of demand merchandise and so must sell whatever substitute goods they can obtain. Certain wholesale distributors of substitute lines have taken advantage of this situation by issuing special merchandise deals featuring extended-credit terms. Rexal's 6-month dating proposition and McKesson's offer of long credit on a \$100 combination are examples of this tendency. Similar develop-

combination are examples of this tendency. Similar developments have taken place in other fields.

If the manufacturer is to reduce the number of occasions on which the retailer is forced to say "Sorry; just out of stock," and to combat such specific opposition from wholesale suppliers, more liberal credit extensions would appear to be necessary, and many companies selling direct to the retailer have recently announced such special arrangements. The Columbia Phonograph Co.'s excellent installment finance plan on their new radio sets and the Western (Toothbrush) Co.'s 6-month credit deal are current variations on this theme.

Manufacturers in wholesaler-served fields are finding the need

Manufacturers in wholesaler-served fields are finding the need for some corrective especially serious since, in addition to the credit advantages with which the wholesaler often surrounds his credit advantages with which the wholesaler often surrounds his controlled, private-label line of products, he is in a position to and usually does put behind it sufficient direct sales pressure to keep the dealer well stocked with these substitutes. In fact, he is frequently accused by the manufacturer of actually "sharpshooting" orders for standard products—that is, urging the retailer to accept controlled-brand substitutes when advertised items are ordered.

4. FORCING HEAVIER STOCKS

There are several liquid complexion cleansers, but one does not suffer much from substitution. The most important explana-tion for this is the fact that the druggist has been tempted through a series of irresistible special offers to stock up so heavily on the product that he has neither space nor inclination for the

on the product that he has neither space nor inclination for the substitute. Accordingly, instead of aggressive switching, he is impelled to persistent efforts to keep the stock moving.

There are some drawbacks to the idea, of course. The drug and grocery fields have been especially "overdealed" lately, and retailers have been resenting the confusion into which they have been thrown regarding the actual base costs of their goods. When a grocer in Boise, Idaho, writes in bitter complaint that "Certain manufacturers work these deals all the time," and a druggist in Corona, N. Y., blames on the pyramided deals the fact that he has "more of a certain trade-marked toothbrush in stock than there are teeth in the heads of all my customers," they are speaking for the great army of their brothers-in-trade who have begun to resent what they consider the unfair activities of the deal-weilding manufacturers.

5. INCREASED ADVERTISING

There is no question that many unadvertised (substitute) products have grown in power lately, requiring greater resistance by standard, established brands. For one thing, well-known products have been conspicuously slower than unadvertised ones in reducing their prices to conform with the general drop in commodities. A second consideration has been the growing prestige of the names attached to many of the private-brand lines. The sponsorship of such organizations as Atlantic & Pacific or United Cigar Co. makes the customer easier to convince regarding the quality and dependability of the product offered in place of the one requested.

From the advertiser's standpoint it would be logical to meet such growing force with equally increased force. As the substitute expands in power, the standard item would be called on to match it at every step by amplification of its one big weapon-A recent study of private brands in the grocery field proves that the products which withstand substitution efforts best are those most extensively advertised.

most extensively advertised.

The average manufacturer recognizes this fact readily enough. In his study on Price Cutting and Price Maintenance, Professor Seligman points out that "a part of the manufacturer's outlay has hitherto been made for the express purpose of offsetting the dealer's opposition." There is another view, however. Assuming that a piece of advertising will bring a certain number of people to the store, some of whom will be induced to walk out with substitute products, a doubling of the advertising would not only decrease the resistance in the individual customer but would bring to the store if not actually double the number, certainly enough. to the store, if not actually double the number, certainly enough new ones to replace those lost to the substitutes.

There is a point, of course, at which the charted curve of this new business, rising more or less parallel with the advertising appropriation, will begin to flatten out, but, with the possible exception of the large cigarette companies, no manufacturer has ever attempted to determine the exact scale of the diminishing returns to be expected from the expanded advertising, and the so-to-speak extra dividends to be found in the upper levels of the towering expenditure. towering expenditure.

6. THE "BEWARE-OF-SUBSTITUTES" CAMPAIGN

In the last few months a number of the large advertisers have turned from their customary attempts at sales increases through widened markets or uses to defense of their existing sales. The current Absorbine Jr. campaign concentrates on warning the consumer against "substitute remedies for athlete's foot. GE Lamp advertising warns that "poor lamps use more current." Bayer warns against "ordinary aspirin." Pennzoll Motor Oil's new series warns against "ordinary aspirin." Pennzoll Motor Oil's new series warns against the "widespread frauds" practiced by the "oil bootlegger." Listerine warns against "questionable mouthwashes." Vapex warns against "cheap imitations."

In some cases outsiders have taken up the cudgels for the advertiser. The Los Angeles Times promotional advertisements bearing such headlines as "Get what you ask for" and "Don't be talked into buying something you don't want," and the similar appeals by Photoplay and other magazines are similar to the activities of organizations like the American Petroleum Institute & Drug (Inc.) in behalf of the standard (advertised) products.

7. APPEALS TO THE DEALER

7. APPEALS TO THE DEALER

With their advertising creating the demand and the wholesaler's salesmen collecting the retailer's orders, many manufacturers have been able to do without salesmen for a long time. To-day, however, more and more of these advertising manufacturers are sending trained crews into the field, not so much to sell their products to the retailer as to counteract the inroads of the substitutes by winning his good will and teaching him the methods and the advantages of pushing (instead of retarding) the sale of the adver-

advantages of pushing (instead of retairing) the sale of the dised product.

In trade publication advertising and direct mail promotion pieces the "do not substitute" appeal is receiving an especially heavy play these days and carefully staged and publicized trade demonstrations, such as the Cannon Mills towel sales test, in which the branded towel was proved capable of outselling the unbranded one by 3 or 4 to 1, are frankly aimed at the substituting retailer. stituting retailer.

8. SPECIALTY CHARACTERISTICS

Staples lend themselves more readily and are more often sub-

Staples lend themselves more readily and are more often subject to switching than are specialties. A customer who asks for an advertised brand of coffee or aspirin or canned peaches will much more frequently be sold something "just as good" than the one who has asked for Crackles or Feenamint or Patapar. Obviously, then, the closer the manufacturer can come to turning his product into a specialty, the greater will be its resistance to substitutes. Sometimes, through its ability to create new uses, advertising can help make staples into specialties. As a liniment, Absorbine, Jr. is a staple; as a cure for athlete's foot, it is (or was) a specialty. As a laundry starch, Linit is clearly enough a household staple; as Linit Beauty Bath it is a toilet specialty. specialty.

However, the built-in sales appeal is better. The touch of perfume on Beau Monde hosiery, the medication on Doctor Scholl's Zino pads, the menthol in Spud cigarettes are all measures to lift staples into specialties.

9. PRODUCTION OF SUBSTITUTES

A growing number of manufacturers have made up their minds A growing number of manufacturers have made up their minds that substitution and switching on their products can not be stopped, and that they may as well make what they can out of the situation. Since the substitute or private brand product will be manufactured some place, they reason, why not make it in their own plants along with the original, advertised brand?

Many independent grocers have barred a certain brand of canned goods from their shelves in resentment at the price-cutting activities of their chain-store competition, but the manufacturer makes up for this loss by producing a good part of the

facturer makes up for this loss by producing a good part of the substitutes.

Both Goodyear and Goodrich make tires under private brand names. Segal Razor Co., Quaker Oats Co., American Bosch Radio Corporation, Cannon Mills, and many other well-known companies make products for outsiders. While not all of these carry on the practice merely as a means of salvaging a part of the loss through substitution, the tendency in this direction is clearly growing.

10. OUTLETS IN NEW FIELDS

Finally, when the advertiser has tried all the other methods suited to his specific problem and found no relief from his losses through retailer substitution, he comes to the idea

new outlets, away from his normal, conventional field.

On the face of it, the idea presents some tempting advantages.

With his advertising appropriation based on a definite number of outlets, each reduction in the value and number of his dealers has meant a proportionate distortion of his figures. By simply going into another field, however, he can enlarge the number of

The drug manufacturer, contemplating the 100,000 or so additional outlets available for him in the grocery field, is encouraged by the examples of the many successful shifts which have been taking place in other industries. He has seen the syndi-

cate store become the accepted outlet for electrical supplies and glassware, the grocery store turn over great quantities of cigarettes, the 5-and-10 become the place to buy low-priced towels, and so he gathers himself for the leap.

The fact that he has not as yet done so is due in part to his disinclination to undertake the complexities which approach to such enlarged new distribution must entail. But to a greater extent it is due to his fear of the resentment of his original dealers and the effect of their inevitable retaliatory measures on

However, if matters continue as they have been going, with the power and the sales of the private brand and other substitutes growing ever larger and more injurious, eventually the advertising manufacturer will reach the point where this threat of retailer resentment will be overshadowed. And then he will go afield.

Or else he will finally see himself as merely paying out his big appropriations to help build the sales of the substitute, and he will just stop advertising altogether.

HEARINGS BEFORE THE COMMITTEE ON FINANCE, SEVENTY-THIRD CONGRESS

Mr. HARRISON submitted the following resolution (S. Res. 378), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the Committee on Finance or any subcommittee thereof be, and hereby is, authorized to sit during the sessions or recesses of the Seventy-third Congress at such times and places as they may deem advisable; to make investigations into internal revenue, customs, currency, and coinage matters, and other matters within its jurisdiction, and to compile and prepare statistics and documents relating thereto as directed from time to time by the Senate and as may be necessary; and to report from time to time to the Senate the result thereof; to send for persons, books, and papers, to administer oaths, and to employ such expert, stenographic, clerical, and other assistance as may be necessary; and all of the expenses of such committee shall be paid from the contingent fund of the Senate; and the committee is authorized to order such printing and binding as may be necessary for its

Mr. TOWNSEND, subsequently, from the Committee to Audit and Control the Contingent Expenses of the Senate, to which the above resolution was referred, reported it favorably without amendment, and it was considered by unanimous consent and agreed to.

FUNERAL EXPENSES OF THE LATE SENATOR WALSH OF MONTANA

Mr. WHEELER. Mr. President, I send to the desk a resolution, which I ask to have read and referred to the Committee to Audit and Control the Contingent Expenses of the

The VICE PRESIDENT. The resolution will be read.

The resolution (S. Res. 379) was read and referred to the Committee to Audit and Control the Contingent Expenses of the Senate, as follows:

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay from the contingent fund of the Senate the actual and necessary expenses incurred by the committee appointed by the Vice President in arranging for and attending the funeral of Hon. Thomas J. Walsh, late a Senator from the State of Montana, upon vouchers to be approved by the Committee to Audit and Control the Contingent Expenses of the Senate.

Mr. TOWNSEND, subsequently, from the Committee to Audit and Control the Contingent Expenses of the Senate, to which the above resolution was referred, reported it favorably without amendment, and it was considered by unanimous consent and agreed to.

CONTINUANCE OF INVESTIGATION BY COMMITTEE ON INDIAN AFFAIRS

Mr. TOWNSEND, from the Committee to Audit and Control the Contingent Expenses of the Senate, reported back favorably with an amendment the Senate Resolution No. 223, submitted by Mr. Frazier on June 9, 1932, and it was considered by unanimous consent.

The amendment was, in line 1, after the name "Committee on Indian Affairs," to strike out "hereby is authorized to employ a special assistant to be paid from the appropriation for miscellaneous items, contingent fund of the Senate. at the rate of \$400 per month until otherwise provided by law" and insert "is hereby authorized to complete the investigation heretofore authorized, and all expenses incurred in pursuance hereof, including the pay of an assistant, shall be paid from the contingent fund of the Sen-

ate, and shall not exceed the sum of \$1,500," so as to make the resolution read:

Resolved, That the Committee on Indian Affairs is hereby authorized to complete the investigation heretofore authorized, and all expenses incurred in pursuance hereof, including the pay of an assistant, shall be paid from the contingent fund of the Senate, and shall not exceed the sum of \$1,500.

Mr. KING. Mr. President, does not the Senator desire the words "heretofore and hereafter"?-because we passed a resolution authorizing an investigation and the committee has not quite completed its labors and full report. It seems to me the resolution ought to be broad enough to embrace the continuation under that resolution as well as under this

Mr. FRAZIER. I think the resolution is broad enough and I have no objection.

Mr. KING. If the chairman is satisfied I have no objection.

The amendment was agreed to.

The resolution as amended was agreed to.

CONTINUANCE OF INVESTIGATION OF FEDERAL FARM BOARD

Mr. McNARY. Mr. President, I call up from the table Senate Resolution 364, submitted by me on February 20, 1933, and ask for its immediate consideration.

There being no objection, the resolution (S. Res. 364) submitted by Mr. McNary on February 20, 1933, was read, considered, and agreed to, as follows:

Resolved, That Senate Resolution No. 42, Seventy-second Congress, agreed to April 11, 1932, directing the Committee on Agriculture and Forestry to make an investigation of the activities and operations of the Federal Farm Board, is hereby continued in full force and effect until the expiration of the Seventy-third Congress.

GLADYCE W. SIMMONS

Mr. TOWNSEND, from the Committee to Audit and Control the Contingent Expenses of the Senate, reported back favorably without amendment Senate Resolution No. 372, submitted by Mr. Norris (for Mr. Howell) on February 25, 1933, which was read, considered, and agreed to, as follows:

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay from the appropriation for miscellaneous items, contingent fund of the Senate, fiscal year 1932, to Gladyce W. Simmons, daughter of Samuel B. Weil, late a messenger of the Senate, under supervision of the Sergeant at Arms, a sum equal to six months' compensation at the rate he was receiving by law at the time of his death, said sum to be considered inclusive of funeral expenses and all other allowances

HEARINGS BEFORE THE COMMITTEE ON BANKING AND CURRENCY, SEVENTY-THIRD CONGRESS

Mr. TOWNSEND, from the Committee to Audit and Control the Contingent Expenses of the Senate, reported back favorably without amendment the resolution (S. Res. 373) submitted by Mr. Fletcher on February 25, 1933, which was read, considered, and agreed to, as follows:

Resolved, That the Committee on Banking and Currency, or any subcommittee thereof, hereby is authorized to sit during the sessions, recesses, and adjourned periods of the Seventy-third Congress at such times and places as it may deem advisable, to make investigations into all matters within its jurisdiction, and to cominvestigations into all matters within its jurisdiction, and to compile and prepare statistics and documents relating thereto as directed from time to time by the Senate and as may be necessary, and to report in due course to the Senate the result thereof, to send for persons, books, and papers, to administer oaths, and to employ such expert, stenographic, clerical, and other assistance as may be necessary; and all of the expenses incurred in pursuance hereof shall be paid from the contingent fund of the Senate; and the committee is authorized to order such printing and binding as may be necessary for its use. as may be necessary for its use.

FREE IMPORTATION OF CERTAIN ARTICLES

Mr. BINGHAM. Mr. President, from the Committee on Finance I report back favorably House bill 14579, to provide for the free importation of certain articles exported temporarily for scientific or educational purposes, and I ask unanimous consent for its immediate consideration.

There being no objection, the Senate proceeded to consider the bill, which was ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That Title II of the tariff act of 1930 is amended by adding at the end thereof the following:

¹ Nation's Business, January, 1933, by permission.

"PAR. 1815. Articles, when returned after having been loaned and exported for use temporarily abroad solely for exhibition, examination, or experimentation, for scientific or educational purposes, if imported by or for the account of the person who exported them from the United States, and not for sale, subject to such regulations as the Secretary of the Treasury shall prescribe."

CONSTRUCTION OF BRIDGES

Mr. VANDENBERG. Mr. President, from the Committee on Commerce I report back favorably without amendment Senate bill 5701, to authorize the construction of certain bridges and to extend the times for commencing and/or completing the construction of other bridges over the navigable waters of the United States, and I ask for the immediate consideration of the bill.

There being no objection, the Senate proceeded to consider the bill, which was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc.-

DELAWARE RIVER AT BUSHKILL, PA.

SECTION 1. (a) That in order to facilitate interstate commerce, section 1. (a) That in order to facilitate interstate commerce, improve the Postal Service, and provide for military and other purposes the Bushkill Bridge Co., its successors and assigns, be, and is hereby, authorized to construct, maintain, and operate a bridge and approaches thereto across the Delaware River, at a point suitable to the interests of navigation, at or near Bushkill, Pa., in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters," approved Morch 22, 1006, and subject to the constructions and limits proved March 23, 1906, and subject to the conditions and limitations contained in this act.

(b) There is hereby conferred upon the Bushkill Bridge Co., its (b) There is hereby conferred upon the Bushkill Bridge Co., its successors and assigns, all such rights and powers to enter upon lands and to acquire, condemn, occupy, possess, and use real estate and other property needed for the location, construction, operation, and maintenance of such bridge and its approaches as are possessed by railroad corporations for railroad purposes or by bridge corporations for bridge purposes in the State in which such real estate or other property is situated, upon making just compensation therefor, to be ascertained and paid according to the laws of such State, and the proceedings therefor shall be the same as in the condemnation or expropriation of property for public purposes in such State.

as in the condemnation or expropriation of property for public purposes in such State.

(c) The said Bushkill Bridge Co., its successors and assigns, is hereby authorized to fix and charge tolls for transit over such bridge, and the rates of toll so fixed shall be the legal rates until changed by the Secretary of War under the authority contained in the act of March 23, 1906.

(d) After the completion of such bridge, as determined by the Secretary of War, either the State of Pennsylvania, the State of New Jersey, any public agency or political subdivision of either

the Secretary of War, either the State of Pennsylvania, the State of New Jersey, any public agency or political subdivision of either of such States, within or adjoining which any part of such bridge is located, or any two or more of them jointly, may at any time acquire and take over all right, title, and interest in such bridge and its approaches, and any interest in real property necessary therefor, by purchase or by condemnation or expropriation, in accordance with the laws of either of such States erty necessary therefor, by purchase or by condemnation or expropriation, in accordance with the laws of either of such States governing the acquisition of private property for public purposes by condemnation or expropriation. If at any time after the expiration of five years after the completion of such bridge the same is acquired by condemnation or expropriation, the amount of damages or compensation to be allowed shall not include good will, going value, or prospective revenues or profits, but shall be limited to the sum of (1) the actual cost of constructing such bridge and its approaches, less a reasonable deduction for actual depreciation in value; (2) the actual cost of acquiring such interests in real property; (3) actual financing and promotion costs, not to exceed 10 per cent of the sum of the cost of constructing the bridge and its approaches and acquiring such interests in real property; and (4) actual expenditures for necessary improvements.

(e) If such bridge shall at any time be taken over or acquired by the States or public agencies or political subdivisions thereof or by either of them, as provided in section 4 of this act, and if tolls are thereafter charged for the use thereof, the rates of toll shall be so adjusted as to provide a fund sufficient to pay for the reasonable cost of maintaining, repairing, and operating the bridge and its approaches under economical management, and to provide a sinking fund sufficient to amortize the amount paid therefor, including reasonable interest and financing cost, as soon as possible under reasonable charges, but within a period of not to exceed 20 years from the date of acquiring the same. After a sinking fund sufficient for such amortization shall have

of not to exceed 20 years from the date of acquiring the same. After a sinking fund sufficient for such amortization shall have been so provided, such bridge shall thereafter be maintained and operated free of tolls, or the rates of toll shall thereafter be so adjusted as to provide a fund of not to exceed the amount necessary for the proper maintenance, repair, and operation of the bridge and its approaches under economical management. An accurate record of the amount paid for acquiring the bridge and its approaches, the actual expenditures for maintaining, repairing, and operating the same and of the daily tolls collected, shall be kept and shall be available for the information of all persons

interested.

(f) The Bushkill Bridge Co., its successors and assigns, shall within 90 days after the completion of such bridge, file with the

Secretary of War and with the Highway Departments of the States of Pennsylvania and New Jersey a sworn itemized statement showing the actual original cost of constructing the bridge and its approaches, the actual cost of acquiring any interest in real property necessary therefor, and the actual financing and promotion costs. The Secretary of War may, and upon request of the highway department of either of such States shall, at any time within three years after the completion of such bridge, investigate such costs and determine the accuracy and reasonableness of the costs alleged in the statement of costs so filed, and shall make a finding of the actual and reasonable costs of constructing, financing, and promoting such bridge; for the purpose of such investigation the said Bushkill Bridge Co., its successors and assigns, shall make available all of its records in connection with the construction, financing, and promotion thereof. The findings of the Secretary of War as to the reasonable costs of the construction, financing, and promotion of the sonable costs of the construction, financing, and promotion of the bridge shall be conclusive for the purposes mentioned in section 4 of this act, subject only to review in a court of equity for fraud or gross mistake.

or gross mistake.

(g) The right to sell, assign, transfer, and mortgage all the rights, powers, and privileges conferred by this act is hereby granted to the Bushkill Bridge Co., its successors and assigns; and any corporation to which or any person to whom such rights, powers, and privileges may be sold, assigned, or transferred, or who shall acquire the same by mortgage foreclosure or otherwise, is hereby authorized and employered to exercise the same as fully is hereby authorized and empowered to exercise the same as fully as though conferred herein directly upon such corporation or

COLUMBIA RIVER NEAR THE DALLES, OREG.

SEC. 2. (a) That in order to facilitate interstate commerce, improve the Postal Service, and provide for military and other purposes The Dalles Bridge Co., its successors and assigns, be and is poses The Dalles Bridge Co., its successors and assigns, be and is hereby, authorized to construct, maintain, and operate a bridge and approaches thereto across the Columbia River, at a point suitable to the interests of navigation, the bridge to be located at approximately in either section 20, 29, or 30, township 2 north, range 14 east, Willamette meridian, in the State of Oregon, and from the point of beginning on the Oregon shore of said river, thence running in a northerly direction to a suitable landing in the State of Washington and on the Washington side of said Columbia River, in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters," approved March 23, 1906, subject to the conditions and limitations contained in this act.

(b) There is hereby conferred upon The Dalles Bridge Co., its successors and assigns, all such rights and powers to enter upon

successors and assigns, all such rights and powers to enter upon successors and assigns, all such rights and powers to enter upon lands and to acquire, condemn, occupy, possess, and use real estate and other property needed for the location, construction, operation, and maintenance of such bridge and its approaches as are possessed by railroad corporations for railroad purposes or by bridge corporations for bridge purposes in the State in which such real estate or other property is situated, upon making just compensation therefor, to be ascertained and paid according to the laws of such State, and the proceedings therefor shall be the same as in the condemnation or expropriation of property for

the laws of such State, and the proceedings therefor shall be the same as in the condemnation or expropriation of property for public purposes in such State.

(c) The said The Dalles Bridge Co., its successors and assigns, is hereby authorized to fix and charge tolls for transit over such bridge, and the rates of toll so fixed shall be the legal rates until changed by the Secretary of War under the authority contained in the act of March 23, 1906.

(d) After the completion of such bridge, as determined by the Secretary of War, either the State of Washington, the State of Oregon, any public agency or political subdivision of either of such States, within or adjoining which any part of such bridge is located, or any two or more of them jointly, may at any time acquire and take over all right, title, and interest in such bridge and its approaches, and any interest in real property necessary therefor, by purchase or by condemnation or expropriation, in accordance with the laws of either of such States governing the acquisition of private property for public purposes by condemnation or expropriation. If at any time after the expiration of 20 years after the completion of such bridge the same is acquired by condemnation to be allowed shall not include good will, going value, or prospective revenues or profits but shall be limited to the sum of (1) the actual cost of constructing such bridge and its approaches, less a reasonable deduction for actual depreciation in value; (2) the actual cost of acquiring such interest in real property: (3) actual financing and promotion costs, not to

its approaches, less a reasonable deduction for actual depreciation in value; (2) the actual cost of acquiring such interest in real property; (3) actual financing and promotion costs, not to exceed 10 per cent of the sum of the cost of constructing the bridge and its approaches and acquiring such interests in real property; and (4) actual expenditures for necessary improvements.

(e) If such bridge shall at any time be taken over or acquired by the States or public agencies or political subdivisions thereof, or by either of them, as provided in section 4 of this act, and if tolls are thereafter charged for the use thereof, the rates of toll shall be so adjusted as to provide a fund sufficient to pay for the reasonable cost of maintaining, repairing, and operating the bridge and its approaches under economical management, and the bridge and its approaches under economical management, and to provide a sinking fund sufficient to amortize the amount paid therefor, including reasonable interest and financing cost, as soon as possible under reasonable charges, but within a period of not to exceed 15 years from the date of acquiring the same. After a sinking fund sufficient for such amortization shall have been so provided, such bridge shall thereafter be maintained and operated free of tolls, or the rates of toll shall thereafter be so

adjusted as to provide a fund of not to exceed the amount ! necessary for the proper maintenance, repair, and operation of the bridge and its approaches under economical management. An accurate record of the amount paid for acquiring the bridge and its approaches, the actual expenditures for maintaining, repairing, and operating the same and of the daily tolls collected, shall be kept and shall be available for the information of all persons

interested.

interested.

(f) The Dalles Bridge Co., its successors and assigns, shall within 90 days after the completion of such bridge file with the Secretary of War and with the Highway Departments of the States of Washington and Oregon, a sworn itemized statement showing the actual original cost of constructing the bridge and its approaches, the actual cost of acquiring any interest in real property necessary therefor, and the actual financing and promotion costs. The Secretary of War may, and upon request of the highway department of either of such States shall, at any time within three years after the completion of such bridge, investigate such costs and determine the accuracy and the reasonableness of the costs alleged in the statement of costs so filed, and shall make a finding of the actual and reasonable costs of constructing, financing, and promoting such bridge; for the purpose of such investigation the said The Dalles Bridge Co., its successors and assigns, shall make available all of its records in connection with the construction, financing, and promotion thereof. The findings of the Secretary of War as to the reasonable costs of the construction, financing, and promotion of the bridge shall be conclusive for the purposes mentioned in section 4 of this act, subject only to review in a court of equity for fraud or gross mistake.

(g) The right to sell, assign, transfer, and mortgage all the rights, powers, and privileges conferred by this act is hereby granted to The Dalles Bridge Co., its successors and assigns, and any corporation to which or any person to whom such rights, powers, and privileges may be sold, assigned, or transferred, or who shall acquire the same by mortgage forclosure or otherwise, is hereby authorized and empowered to exercise the same as fully as though conferred herein directly upon such corporation or person.

Ohio River Near Shawneetown, ILL. The Dalles Bridge Co., its successors and assigns, shall within

OHIO RIVER NEAR SHAWNEETOWN, ILL.

SEC. 3. That the times for commencing and completing the con-SEC. 3. That the times for commencing and completing the construction of a bridge across the Ohio River at or near Shawnee-town, Gallatin County, Ill., and a point opposite thereto in Union County, Ky., authorized to be built by J. L. Rowan, his heirs, legal representatives, and assigns, by an act of Congress approved May 1, 1928, heretofore extended by acts of Congress approved June 20, 1929, and March 3, 1931, are hereby futher extended one and three years, respectively, from March 3, 1933.

MISSOURI RIVER AT BROWNVILLE, NEBR.

SEC. 4. That the times for commencing and completing the construction of a bridge across the Missouri River at or near Brownville, Nebr., authorized to be built by the Brownville Bridge Co., its successors and assigns, by an act of Congress approved February 26, 1929, heretofore extended by an act of Congress approved June 10, 1930, are hereby further extended one and three years, respectively, from February 26, 1933.

MISSOURI RIVER AT RULO, NEBR.

SEC. 5. (a) That in order to facilitate interstate commerce, improve the Postal Service, and provide for military and other purposes, John C. Mullen, John H. Hutchings, and William Shepherd, their heirs, legal representatives, and assigns be, and are hereby, authorized to construct, maintain, and operate a bridge and approaches thereto across the Missouri River at a point suitable to the interests of navigation, at or near Rulo, Nebr., in accordance with the provision of the act entitled "An act to regulate the construction of bridges over navigable waters," approved March 23, 1906, and subject to the conditions and limitations contained in this act.

tained in this act

tained in this act.

(b) There is hereby conferred upon John C. Mullen, John H. Hutchings, and William Shepherd, their heirs, legal representatives, and assigns, all such rights and powers to enter upon lands and to acquire, condemn, occupy, possess, and use real estate and other property needed for the location, construction, operation, and maintenance of such bridge and its approaches as are possessed by railroad corporations for railroad purposes or by bridge corporations for bridge purposes in the State in which such real estate or other property is situated, upon making just compensation therefor, to be ascertained and pald according to the laws of such State, and the proceedings therefor shall be the same as in the condemnation or expropriation of property for public purposes in such State. poses in such State.
(c) The said John C. Mullen, John H. Hutchings, and William

(c) The said John C. Mullen, John H. Hutchings, and William Shepherd, their heirs, legal representatives, and assigns, are hereby authorized to fix and charge tolls for transit over such bridge, and the rates of toll so fixed shall be the legal rates until changed by the Secretary of War under the authority contained in the act of March 23, 1906.

(d) After the completion of such bridge, as determined by the Secretary of War, either the State of Nebraska, the State of Missouri, any public agency or political subdivision of either of such States within or adjoining which any part of such bridge is located, or any two or more of them jointly, may at any time acquire and take over all right, title, and interest in such bridge and its approaches, and any interest in real property necessary therefor, by purchase or by condemnation or expropriation, in accordance with the laws of either of such States governing the acquisition of private property for public purposes by condemnation or expropriation. If at any time after the expiration of 20

years after the completion of such bridge the same is acquired by condemnation or expropriation, the amount of damages or compensation to be allowed shall not include good will, going value, or prospective revenues or profits, but shall be limited to the sum of prospective revenues or profits, but shall be limited to the sum of (1) the actual cost of constructing such bridge and its approaches, less a reasonable deduction for actual depreciation in value; (2) the actual cost of acquiring such interests in real property; (3) actual financing and promotion costs, not to exceed 10 per cent of the sum of the cost of constructing the bridge and its approaches and acquiring such interest in real property; and (4) actual expenditures for necessary improvements.

(e) If such bridge shall at any time be taken over or acquired by the States or public agencies or political subdivisions thereof, or by either of them, as provided in section 4 of this act, and if tolis are thereafter charged for the use thereof, the rates of toll

or by either of them, as provided in section 4 of this act, and if tolls are thereafter charged for the use thereof, the rates of toll shall be so adjusted as to provide a fund sufficient to pay for the reasonable cost of maintaining, repairing, and operating the bridge and its approaches under economical management, and to provide a sinking fund sufficient to amortize the amount paid therefor, including reasonable interest and financing costs, as soon as possible under reasonable charges, but within a period of not to exceed 20 years from the date of acquiring the same. After a sinking fund sufficient for such amortization shall have been so provided, such bridge shall thereafter be maintained and operated free of tolls, or the rates of toll shall thereafter be so adjusted as to provide a fund of not to exceed the amount necessary for the proper maintenance, repair, and operation of the bridge and its approaches under economical management. An accurate record of the amount paid for acquiring the bridge and its approaches, the actual expenditures for maintaining, repairing, and operating the same and of the daily tolls collected shall be kept and shall be available for the information of all persons interested.

shall be kept and shall be available for the information of all persons interested.

(f) The said John C. Mullen, John H. Hutchings, and William Shepherd, their heirs, legal representatives, and assigns, shall within 90 days after the completion of such bridge file with the Secretary of War and with the Highway Departments of the States of Nebraska and Missouri a sworn itemized statement showing the actual original cost of constructing the bridge and its approaches, the actual cost of acquiring any interest in real property necessary therefor, and the actual financing and promotion costs. The Secretary of War may, and upon request of the highway department of either of such States shall, at any time within three years after the completion of such bridge, investigate such three years after the completion of such bridge, investigate such costs and determine the accuracy and the reasonableness of the costs alleged in the statement of costs so filed and shall make a finding of the actual and reasonable costs of constructing, financing, and promoting such bridge; for the purpose of such investigation the said John C. Mullen, John H. Hutchings, and William Shepherd, their heirs, legal representatives, and assigns, shall make available all of the records in connection with the construction, available all of the records in connection with the construction, financing, and promotion thereof. The findings of the Secretary of War as to the reasonable costs of the construction, financing, and promotion of the bridge shall be conclusive for the purposes mentioned in section 4 of this act, subject only to review in a court of equity for fraud or gross mistake.

court of equity for fraud or gross mistake.

(g) The right to sell, assign, transfer, and mortgage all the rights, powers, and privileges conferred by this act is hereby granted to John C. Mullen, John H. Hutchings, and William Shepherd, their heirs, legal representatives, and assigns, and any corporation to which or any person to whom such rights, powers, and privileges may be sold, assigned, or transferred, or who shall acquire the same by mortgage foreclosure or otherwise, is hereby authorized and empowered to exercise the same as fully as though conferred herein directly upon such corporation or person.

MISSISSIPPI RIVER NEAR BATON ROUGE, LA.

Sec. 6. That the times for commencing and completing the construction of the bridge across the Mississippi River at or near Baton Rouge, La., authorized to be built by the Baton Rouge-Mississippi River Bridge Co., its successors and assigns, by an act of Congress approved February 20, 1928, heretofore extended by acts of Congress approved January 25, 1929, June 10, 1930, and February 10, 1932, are hereby further extended two and four years, respectively, from February 20, 1933.

OHIO RIVER AT SISTERSVILLE, W. VA.

SEC. 7. That the times for commencing and completing the con-SEC. 7. That the times for commencing and completing the construction of a bridge authorized by an act of Congress approved February 20, 1928, to be built by the Sistersville Ohio River Bridge Co., its successors and assigns, across the Ohio River at or near Sistersville, Tyler County, W. Va., heretofore extended by acts of Congress approved March 2, 1929, and February 7, 1931, are hereby further extended one and three years, respectively, from February 20, 1933.

POTOMAC RIVER NEAR DAHLGREN, VA.

SEC. 8. (a) That in order to facilitate interstate commerce, improve the postal service, and provide for military and other purposes, the George Washington-Wakefield Memorial Bridge (Inc.), its successors and assigns, be, and is hereby, authorized to construct, maintain, and operate a highway or combined highway and railroad bridge and approaches thereto across the Potomac River at a point suitable to the interests of navigation from a point in the righties of Poblemen in the pathesist of New York (New York). the vicinity of Dahlgren in the northeastern end of King George County, in the State of Virginia, to a point south of Popes Creek, in the county of Charles, in the State of Maryland, in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters," approved March

23, 1906, and subject to the conditions and limitations contained | in this act.

(b) There is hereby conferred upon the said George Washington-Wakefield Memorial Bridge (Inc.), its successors and assigns, all such rights and powers to enter upon lands and to acquire, condemn, occupy, possess, and use real estate and other property needed for the location, construction, operation, and maintenance of such bridge and its approaches and terminals as are possessed by railroad corporations for railroad purposes or by bridge cor-porations for bridge purposes in the State or States in which such real estate or other property is situated, upon making just compensation therefor, to be ascertained and paid according to the laws of such State or States, and the proceedings therefor shall be the same as in the condemnation and expropriation of property for public purposes in such State or States.

(c) The said George Washington-Wakefield Memorial Bridge (Inc.), its successors and assigns, is hereby authorized to fix and charge tolls for transit over such bridge, and the rates of toll so fixed shall be the legal rates until changed by the Secretary of War under the authority contained in the act of March 23, 1906.

(d) After the completion of such bridge, as determined by the Secretary of War, either the State of Virginia, the State of Mary-Secretary of War, either the State of Virginia, the State of Maryland, any public agency or political subdivision of either of such States, within or adjoining which any part of such bridge is located, or any two or more of them jointly, may at any time acquire and take over all right, title, and interest in such bridge and its approaches, and any interests in real property necessary therefor, by purchase or by condemnation or expropriation, in accordance with the laws of either of such States governing the acquisition of private property for public purposes by condemnation or expropriation. If at any time after the expiration of 20 years after the completion of such bridge the same is acquired by condemnation or expropriation, the amount of damages or comyears after the completion of such bridge the same is acquired by condemnation or expropriation, the amount of damages or com-pensation to be allowed shall not include good will, going value, or prospective revenues or profits, but shall be limited to the sum of (1) the actual cost of constructing such bridge and its ap-proaches, less a reasonable deduction for actual depreciation in value; (2) the actual cost of acquiring such interest in real prop-erty; (3) actual financing and promotion costs (not to exceed 10 per cept of the sum of the cost of constructing the bridge and per cent of the sum of the cost of constructing the bridge and its approaches and acquiring such interests in real property); and (4) actual expenditures for necessary improvements.

(e) If such bridge shall at any time be taken over or acquired by the States or public agencies or political subdivisions thereof, or by either of them, as provided in section 4 of this act, and if tolls are thereafter charged for the use thereof, the rates of toll shall be so adjusted as to provide a fund sufficient to pay for the reasonable cost of maintaining, repairing, and operating the bridge and its approaches, under economical management; to provide a sinking fund sufficient to amortize the amount paid therefor, including reasonable interest and financing cost, as soon as possible under reasonable charges, within a period of not to exceed 30 years from the date of acquiring the same. After a sinking fund sufficient for such amortization shall have been so provided, such bridge shall thereafter be maintained and operated free of tolls or the rates of toll shall thereafter be so adjusted as to provide a fund of not to exceed the amount necessary for the proper maintenance, repair, and operation of the bridge and its approaches under economical management. An accurate record of the amount paid for acquiring the bridge and its approaches, the actual expenditures for operation, repairing, and maintaining the same, and of the daily tolls collected shall be kept and shall be

same, and of the daily tolls collected shall be kept and shall be available for the information of all persons interested.

(f) The said George Washington-Wakefield Memorial Bridge (Inc.), its successors and assigns, shall within 90 days after the completion of such bridge file with the Secretary of War and with the Highway Departments of the States of Virginia and Maryland a sworn itemized statement showing the actual original cost of constructing the bridge and its approaches the actual cost. Maryland a sworn itemized statement showing the actual original cost of constructing the bridge and its approaches, the actual cost of acquiring any interest in real property necessary therefor and actual financing and promotion costs. The Secretary of War may, and upon request of the highway department of either of such States shall, at any time within three years after the completion of such bridge, investigate such costs and determine the accuracy and the reasonableness of the costs alleged in the statement of costs so filed, and shall make a finding of the actual and reasonable costs of constructing financing, and promoting such bridge: able costs of constructing, financing, and promoting such bridge; for the purpose of such investigation the said George Washington-Wakefield Memorial Bridge (Inc.), its successors and assigns, shall make available all of its records in connection with the construction, financing, and promotion thereof. The findings of the Secretary of War as to the reasonable costs of the construction, financing ing, and promotion of the bridge shall be conclusive for the purposes mentioned in section 4 of this act, subject only to review

oses mentioned in section 4 of this act, subject only to review in a court of equity for fraud or gross mistake.

(g) The right to sell, assign, transfer, and mortgage all the rights, powers, and privileges conferred by this act is hereby granted to the said George Washington-Wakefield Memorial Bridge (Inc.), its successors and assigns, and any corporation to which or any persons to whom such rights, powers, and privileges may be sold, assigned, or transferred, or who shall acquire the same by mortgage foreclosure or otherwise, is hereby authorized and empowered to exercise the same as fully as though conferred herein directly upon such corporation or person.

MERRIMACK RIVER NEAR PLUM ISLAND POINT, MASS.

SEC. 9. (a) That in order to promote interstate commerce, improve the postal service, and provide for military and other purposes, Essex Shore Way (Inc.), its successors and assigns, be, and is hereby, authorized to construct, maintain, and operate a bridge and approaches thereto across the Merrimack River, at a point suitable to the interests of navigation, at or near Plum Island Point, Mass., in accordance with the provisions of the act en-titled "An act to regulate the construction of bridges over navi-

titled "An act to regulate the construction of bridges over navigable waters," approved March 23, 1906, and subject to the conditions and limitations contained in this act.

(b) After the completion of such bridge, as determined by the Secretary of War, either the Commonwealth of Massachusetts, any political subdivision thereof within or adjoining which any part of such bridge is located, or any two or more of them jointly, may at any time acquire and take over all right, title, and interest in such bridge and its approaches, and any interest in real property necessary therefor, by purchase or by condemnation or expropriation, in accordance with the laws of such Commonwealth governing the acquisition of private property for public purposes by condemnation or expropriation. If at any time after the expiration of 10 years after the completion of such bridge the expiration of 10 years after the completion of such bridge the same is acquired by condemnation or expropriation, the amount of damages or compensation to be allowed shall not include good will, going value, or prospective revenues or profits, but shall be limited to the sum of (1) the actual cost of constructing such bridge and its approaches, less a reasonable deduction for actual depreciation in value; (2) the actual cost of acquiring such interests in real presents (2) actual cost of acquiring such indepreciation in value; (2) the actual cost of acquiring such interests in real property; (3) actual financing and promotion cost, not to exceed 10 per cent of the sum of the cost of constructing the bridge and its approaches and acquiring such interests in real property; and (4) actual expenditures for necessary improvements.

(c) If such bridge shall at any time be taken over or acquired by the Commonwealth of Massachusetts, or by any municipality or other political subdivision or public agency thereof, under the provisions of section 2 of this act, and if tolls are thereafter charged for the use thereof, the rates of toll shall be so adjusted as to provide a fund sufficient to pay for the reasonable cost of maintaining, repairing, and operating the bridge and its approaches under economical management and to provide a sinking fund sufficient to amortize the amount paid therefor, including reasonsufficient to amortize the amount paid therefor, including reasonable interest and financing cost, as soon as possible under reasonable charges, but within a period of not to exceed 20 years from the date of acquiring the same. After a sinking fund sufficient for such amortization shall have been so provided, such bridge shall thereafter be maintained and operated free of tolls, or the rates of toll shall thereafter be so adjusted as to provide a fund of not to exceed the amount necessary for the proper maintenance, repair, and operation of the bridge and its approaches under economical management. An acquirate record of proaches under economical management. An accurate record of the amount paid for acquiring the bridge and its approaches, the actual expenditures for maintaining, repairing, and operating the same, and of the daily tolls collected shall be kept and shall be available for the information of all persons interested.

(d) The Essex Shore Way (Inc.), its successors and assigns, shall, within 90 days after the completion of such bridge, file with the Secretary of War and with the Public Works Department of the Commonwealth of Massachusetts a sworn itemized statement showing the actual original cost of constructing the bridge and showing the actual original cost of constructing the bridge and its approaches, the actual cost of acquiring any interest in real property necessary therefor, and the actual financing and promotion costs. The Secretary of War may, and at the request of the Public Works Department of the Commonwealth of Massachusetts shall, at any time within three years after the completion of such bridge, investigate such costs and determine the accuracy and the reasonableness of the costs alleged in the statement of costs so filed, and shall make a finding of the actual and reasonable costs of constructing financing, and promoting such bridge: able costs of constructing, financing, and promoting such bridge; for the purpose of such investigation the said Essex Shore Way (Inc.), its successors and assigns, shall make available all of its records in connection with the construction, financing, and promotion thereof. The findings of the Secretary of War as to the reasonable costs of the construction, financing, and promotion of the bridge shall be conclusive for the purposes mentioned in sec-tion 2 of this act, subject only to review in a court of equity for fraud or gross mistake.

(e) The right to sell, assign, transfer, and mortgage all the rights, powers, and privileges conferred by this act is hereby granted to Essex Shore Way (Inc.), its successors and assigns; and any corporation to which, or any person to whom such rights, powers, and privileges may be sold, assigned, or transferred or who shall acquire the same by mortgage foreclosure or otherwise, is hereby authorized and empowered to exercise the same as fully as though conferred herein directly upon such corporation or person.

CHESAPEAKE BAY BETWEEN BALTIMORE AND KENT COUNTIES, MD.

SEC. 11. (a) That in order to promote interstate commerce, improve the postal service, and provide for military and other purposes, the Chesapeake Bay Bridge Co., a corporation organized and existing under the laws of the State of Maryland, its succesand existing under the laws of the State of Maryland, its successors and assigns, is hereby authorized to construct, maintain, and operate a bridge and approaches thereto across the Chesapeake Bay, at a point suitable to the interests of navigation, from a point in Baltimore County, Md., south of Back River, to Hart Island, to Miller Island, and thence to some point in Kent County, Md., between 39° 12′ and 39° 13′ 30″ north latitude, in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable water." approved March 23, 1906, and subject to the conditions and limitations contained in this set. Provided That in the interests of national defense and for act: Provided, That in the interests of national defense, and for the protection of life and property, the Secretary of War is hereby

authorized and empowered, when, in his judgment, military necessity shall require it, to close said bridge to traffic at such time and during such periods as he may determine.

(b) After the completion of such bridge, as determined by the

(b) After the completion of such bridge, as determined by the Secretary of War, either the State of Maryland, any political subdivision thereof within or adjoining which any part of such bridge is located, or any two or more of them jointly, may at any time acquire and take over all right, title, and interest in such bridge and its approaches, and any interests in real property necessary therefor, by purchase or condemnation or expropriation, in accordance with the laws of such State governing the acquisition of private property for public purposes by condemnation or expropriation. If at any time after the expiration of 30 years after the completion of such bridge the same is acquired by condemnation or expropriation, the amount of damages or compensation to be allowed shall not include good will, going value, or prospective revenues or profits, but shall be limited to the sum of (1) the actual cost of constructing such bridge and its approaches, less a reasonable deduction for actual depreciation in value; (2) the actual cost of acquiring such interests in real property; (3) actual financing and promotion cost, not to exceed 10 per cent of the sum of the cost of constructing the bridge and its approaches and acquiring such interest in real property; and (4) actual expenditures for necessary improvements.

tures for necessary improvements.

(c) If such bridge shall at any time be taken over or acquired by the State of Maryland, or by any municipality or other political subdivision or public agency thereof, under the provisions of section 2 of this act, and if tolls are thereafter charged for the use thereof, the rates of toll shall be so adjusted as to provide a fund sufficient to pay for the reasonable cost of maintaining, repairing, sufficient to pay for the reasonable cost of maintaining, repairing, and operating the bridge and its approaches under economical management and to provide a sinking fund sufficient to amortize the amount paid therefor, including reasonable interest and financing cost, as soon as possible under reasonable charges, but within a period of not to exceed 30 years from the date of acquiring the same. After a sinking fund sufficient for such amortization shall have been so provided, such bridge shall thereafter be maintained and operated free of tolls, or the rates of tolls shall thereafter be so adjusted as to provide a fund of not to exceed the amount necessary for the proper repair, maintenance, and operation of the bridge and its approaches under economical management. An accurate record of the amount paid for acquiring the bridge and its approaches, the actual expenditures for operating, repairing, and maintaining the same, and of the daily tolls collected shall be kept and shall be available for the information of all persons interested.

all persons interested.

(d) The said Chesapeake Bay Bridge Co., its successors and assigns, shall, within 90 days after the completion of such bridge, file with the Secretary of War and with the highway department of the State of Maryland a sworn itemized statement showing the file with the Secretary of War and with the highway department of the State of Maryland a sworn itemized statement showing the actual original cost of constructing the bridge and its approaches, the actual cost of acquiring any interest in real property necessary therefor, and the actual financing and promotion cost. The Secretary of War may, and at the request of the highway department of the State of Maryland shall, at any time within three years after the completion of such bridge, investigate such costs and determine the accuracy and the reasonableness of the costs alleged in the statement of costs so filed, and shall make a finding of the actual and reasonable costs of constructing, financing, and promoting such bridge; for the purpose of such investigation the said Chesapeake Bay Bridge Co., its successors and assigns, thall make available all of its records in connection with the financing and the construction thereof. The findings of the Secretary of War as to the reasonable cost of the construction, financing, and promotion of the bridge shall be conclusive for the purposes mentioned in section 2 of this act, subject only to review in a court of equity for fraud or gross mistake.

(e) The right to sell, assign, transfer, and mortgage all the rights, powers, and privileges conferred by this act is hereby granted to the said Chesapeake Bay Bridge Co., its successors and assigns, and any corporation to which or any person to whom such rights, powers, and privileges may be sold, assigned, or transferred, or who shall acquire the same by mortgage foreclosure or otherwise, is hereby authorized and empowered to exercise the same as fully as though conferred herein directly upon such corporation or person.

poration or person.

MISSOURI RIVER NEAR NIOBRARA, NEBR.

SEC. 12. That the times for the commencing and completing the construction of a bridge across the Missouri River at or near Niobrara, Nebr., authorized to be built by H. A. Rinder, his heirs, legal representatives, and assigns, by act of Congress approved May 22, 1928, and extended by act of Congress approved March 4, 1929, and further extended by act of Congress approved March 3, 1930, are hereby further extended one and three years, respectively, from May 22, 1933.

EAST BRANCH OF THE NIAGARA RIVER NEAR NIAGARA FALLS, N. Y., AND TONAWANDA, N. Y.

SEC. 13. (a) That the consent of Congress is hereby granted to the Niagara Frontier Bridge Commission, a State commission, created by an act of the Legislature of the State of New York created by an act of the Legislature of the State of New York (ch. 594 of the Laws of 1929), as amended, its successors and assigns, to construct, maintain, and operate two toll bridges and approaches thereto across the east branch of the Niagara River, in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters," approved March 23, 1906, one such bridge to be located at a point

suitable to the interests of navigation, from the city of Niagara Falls, in the county of Niagara and State of New York, at a point east of Evershed Avenue in said city of Niagara Falls, to Grand Island, in the county of Erie and State of New York, and the

Island, in the county of Erie and State of New York, and the other such bridge to be located at a point suitable to the interests of navigation, from the town of Tonawanda about midway between the southerly city limits of the city of Tonawanda and the northerly city limits of the city of Buffalo to Grand Island, in the county of Erie and State of New York.

(b) That this act shall be null and void unless construction of each of such bridges is commenced within two years and completed within five years from the date of approval hereof.

(c) If tolls are charged for the use of such bridges, the rates of toll shall be so adjusted as to provide a fund sufficient to pay the reasonable cost of maintaining, repairing, and operating such bridges and their approaches under economical management, and to provide a sinking fund sufficient to amortize the cost of such bridges and their approaches, including reasonable interest and bridges and their approaches, including reasonable interest and financing costs, as soon as possible under reasonable charges: Provided, however, That nothing herein contained shall prevent the payment of the reasonable cost of maintaining, repairing, and operating such bridges and their approaches from funds derived other than from such tolls. After a sinking fund sufficient for such amortization of the total cost of such bridges and their approaches shall have been so provided, such bridges shall thereafter be maintained and operated free of tolls, or the rates of tolls shall thereafter be so adjusted as to provide a fund of not tolis shall thereafter be so adjusted as to provide a fund of not to exceed the amount necessary for the proper maintenance, repair, and operation of such bridges and their approaches under economical management. An accurate record of the cost of such bridges and their approaches, the expenditures for maintaining, repairing, and operating the same, and of the daily tolls collected, shall be kept and shall be available for the information of all persons interested.

(d) That Public Acts Nos. 363 and 364 of the Seventy-first Congress and Public Acts Nos. 195 and 221 of the Seventy-second Congress be, and they are hereby, repealed.

HUDSON RIVER NEAR CATSKILL, N. Y.

SEC. 14. That the act entitled "An act granting the consent of Congress to the State of New York to construct, maintain, and operate a highway bridge across the Hudson River at or near Catskill, Greene County, N. Y.," approved June 5, 1930, as sup-plemented by the act of April 15, 1932, be, and the same is hereby, amended to read as follows:
"The consent of Congress is hereby granted to the State of

New York to construct, maintain, and operate, pursuant to chapter 548 of the Laws of the State of New York of 1932, as heretofore or hereafter amended, a highway bridge and approaches thereto across the Hudson River, at a point suitable to the interests of navigation, at or near Catskill, Greene County, New York, in accordance with the provisions of an act entitled 'An act to regulate the construction of bridges over navigable waters,' approved March 23, 1906.

"SEC. 2. The consent hereby granted shall inure to the benefit of all successors in the ownership of said highway bridge and

of all successors in the ownership of said highway bridge and approaches, or any part thereof.

"Szc. 3. The actual work of construction of said bridge shall be begun, in accordance with the plans therefor approved or to be approved by or under authority of the Chief of Engineers and the Secretary of War, within one year from the approval of this act, as amended, and such work shall be completed within three years from the date of such approval."

MISSISSIPPI RIVER AT ST. LOUIS, MO.

SEC. 15. That the time for completing the construction of approaches and also extensions or additions thereto of the municipal bridge across the Mississippi River at St. Louis, Mo., authorized to be built by the city of St. Louis, Mo., by an act of Congress approved June 25, 1906, and heretofore extended by acts of Congress approved February 11, 1918, June 14, 1920, February 13, 1924, January 26, 1927, and February 7, 1930, is hereby extended three years from June 25, 1933.

SEC. 16. The right to alter, amend, or repeal this act is hereby expressly reserved.

Mr. VANDENBERG. Mr. President, I want the RECORD to show that the action of the Commerce Committee on this bill is based largely upon the inquiries and conclusions reported by the House Committee on Interstate and Foreign Commerce. I refer to House Report No. 2181 of the present Congress, with the exception of section 10 as covered by that report, inasmuch as section 10 as originally written into the House bill is eliminated from the Senate bill. This omnibus bridge bill covers 12 or 13 bridge projects, of which at least 6 already have been passed by the Senate. All of the projects as covered in the bill are in due form and have the unanimous approval of the House committee and of the War Department. I was asked to introduce this omnibus measure by Representatives from the House, who have pointed out that it is the only parliamentary process by which this Congress can complete these various bridge permits prior to adjournment on this final day. I repeat that House Report No. 2181, with the exception of section 10. is made the basis of the recommendation by the Senate committee.

EMBARGO ON ARMS

Mr. SCHALL. Mr. President, I have here opinions in newspaper reports of some of the leaders of this body upon the question of embargo of arms which I have not noticed in the RECORD. I think they should be there, and therefore ask consent that they may be printed; and before this Congress comes to an end I wish to add my humble objections to the embargo question.

I quote from an interview published in the Washington Herald of February 28:

Senator Borah. To put an arms embargo on China and Japan is to take sides with Japan under conditions and circumstances

Senator Pittman. I do not mean to say I favor an embargo in this situation. That is for the President and not Congress to

Senator Reed. The policy of neutrality, which this country has followed since its birth, is just as wise and necessary now as it was when first promulgated by Washington. We should not, under any circumstances, be drawn into this situation.

Senator George. It seems anomalous that the league should condemn Japan's action and then one of its own members levy an embargo against both Japan and China.

Mr. President, Great Britain has announced an embargo on war supplies against both China and Japan. France wants the United States to join Great Britain and France in closing the "open door" of China.

What is our duty in this Asiatic crisis? It is a crisis in the affairs of Asia, with four marching armies of Japan headed for Jehol and the great wall of China. It may turn out to be a crisis in world peace on the lines of the World War, the battlefield being from the Marne to Manchuria and Jehol.

This action of Great Britain and proposed action of France shows the same line of cleavage as in 1914-1918-Great Britain and France allied with Japan, the victim being China instead of Germany.

Of course, an embargo against the Orient at this time means only one thing from the viewpoint of the allied powers. Japan is prepared and China is unprepared. Japan has all the war munitions she requires, having bought over \$100,000,000 worth, as revealed by our foreign commerce data, during the past 13 months.

In 1931 Japan bought 80 per cent of American export lead, and in 1932 something like 90 per cent of our export lead. That lead was intended for China.

In January, 1933, Japan buys 95 per cent of America's export lead, and the lead of the United States is now flying over Jehol.

Along with that lead shipped to Japan in the recent month of January, we shipped 4,000,000 pounds of copper for the

That, again, is not all. We shipped the cotton for making gun cotton and dynamite until Japan has become the world's largest buyer of American cotton.

That is not all. We shipped to Japan crude oil for her Diesel-engine battleships and motor trucks, fuel oil for armored cars, and gasoline for the bombing planes-until Japan during the past 13 months has become a larger buyer of American petroleum products than all the countries of Europe combined.

We have even shipped to Japan the tin plate, terne plate, and steel scrap for the helmets of Japan's marching troops, and the chemicals for the T. N. T.

Thus we have furnished Japan with everything Japan requires for turning out arms and ammunition at Japan's gun and munition factories. Not satisfied with that, our tariffprotected industrials have established branch factories in Japan and are turning out, with Japanese labor, motor Japanese battalions and bombing planes seem likely to require in perfecting the conquest of Manchuria and Jehol, if not the Republic of China itself.

For the United States at this juncture to declare an embargo against both China and Japan means plainly just one promulgated by the Comptroller of the Currency. Nothing herein shall be construed to impair any power otherwise possessed by the Comptroller of the Currency. Nothing herein shall be construed to impair any power otherwise possessed by the Comptroller of the Currency.

Nothing herein shall be construed to impair any power otherwise possessed by the Comptroller of the Currency. Nothing herein shall be construed to impair any power otherwise possessed by the Comptroller of the Currency.

That all powers herein conferred shall terminate six months from the approval of this joint resolution by the President of the United States, but he may extend the force of the provisions hereof by proclamation for an additional six months. trucks and all the war munitions and engines that the

thing, and that is that this embargo applied now is an embargo against China.

We are asked by Great Britain and France to join them in closing China's "open door." What does that mean? It means that we are to lock up China behind closed doors until Japan has conquered an unprepared country and seized her best provinces.

Should we fall for the British-French demands we would become an ally of Japan, against all American tradition for neutrality, and against the plea of Washington and Jefferson to avoid foreign entanglements.

There is an economic phase of this crisis that can not be ignored in a time of world-wide depression, with 12,000,000 American unemployed and half the farmers of America going into bankruptcy.

We are trying to stabilize our two great agricultural staples-wheat and cotton. Well, while Japan during recent months has become the world's largest buyer of American cotton, China during the past two years has become the largest world buyer of American wheat and flour. China in 1931, pending the Shanghai campaign, multiplied her imports of American wheat and flour "eightfold," as the Commerce Department tells us, and led even the United Kingdom as a consumer of American breadstuffs.

Shall we now join Europe in closing China's "open door" and destroy the only market of promise that has shown itself abroad for the aid of bankrupt American wheat farms? The cause of the American farmer and the cause of world peace both tell this Congress to keep hands off the oriental issue. The cause of the "open door" of China is the cause likewise of American agriculture.

Let us inform Great Britain and France: We are not throwing out of the window the best present market of the American farmer simply because Great Britain and France hold their hundreds of millions of Japanese and Manchurian bonds.

REGULATION OF BANKING BUSINESS IN THE DISTRICT

Mr. COPELAND. Mr. President, from the Committee on the District of Columbia I report back favorably without amendment Senate Joint Resolution 261, authorizing the Comptroller of the Currency to prescribe regulations respecting the conduct of banking business in the District of Columbia, and I ask unanimous consent for its present consideration.

Mr. ROBINSON of Arkansas. Mr. President, I understand the joint resolution is reported unanimously by the committee.

Mr. COPELAND. All members of the committee who were present voted for it.

Mr. HALE. Will the Senator tell me whether this will take up much time?

Mr. COPELAND. Oh, no; I do not want it to take any

The VICE PRESIDENT. Is there objection to the immediate consideration of the joint resolution?

There being no objection, the Senate proceeded to consider the joint resolution (S. J. Res. 261), which was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Resolved, etc., That, with the approval of the Secretary of the Treasury, the Comptroller of the Currency, whenever he is of the opinion that such action is necessary for the protection of the interests of the depositors and other creditors of any incorporated bank and/or trust company doing business in the District of Columbia, and that such action is in the public interest, is hereby authorized and empowered to prescribe such rules and regulations as he deems advisable governing the receipt and withdrawal of deposits by and from any such bank and trust company, which rules and regulations shall be binding upon said banks and trust

That it shall be lawful for any incorporated bank and trust company in said District to comply with such rules and regulations promulgated by the Comptroller of the Currency.

This resolution is hereby declared to be an emergency law, neces-ary for the immediate preservation of the public peace, health, and safety.

ORDER OF BUSINESS

Mr. BORAH. Mr. President, a parliamentary inquiry. The VICE PRESIDENT. The Senator will state it.

Mr. BORAH. When are we going to have a morning

The VICE PRESIDENT. The morning hour is in order at this time unless unanimous consent is given otherwise.

Mr. ASHURST. Mr. President, I call for the regular

The VICE PRESIDENT. The regular order is demanded. The regular order is presentation of petitions and memorials. MAIL-CARRYING CONTRACT-LETTER FROM THE POSTMASTER GENERAL

Mr. REED. Mr. President, I ask unanimous consent to have printed in the RECORD a letter from the Postmaster General to Senator Hugo L. BLACK with regard to the proposed mail-subsidy contract with the Philadelphia Mail Steamship Line.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

MARCH 2, 1933.

Hon. Hugo L. Black, United States Senate.

MY DEAR SENATOR BLACK: Acknowledgment is made of the re-

My Dear Senator Black: Acknowledgment is made of the receipt of the following telegram, dated March 1, 1933, bearing your signature among that of other Senators:

"In the judgment of the undersigned Senators the proposed mail-subsidy contract with the Philadelphia Ship Building Co. should not be signed at this time. There is no emergency requiring such a signing. The public welfare would not be sacrificed by a reasonable postponement of the signing as there is no demand for its approval, save by those who desire the contract. We urge you to postpone the signing of this contract until it can be further looked into."

It is assumed that you have in mind the action to be taken

be further looked into."

It is assumed that you have in mind the action to be taken by the Post Office Department with respect to proposals from the Southgate-Nelson Corporation and the Philadelphia Mail Line, respectively, under an advertisement issued by the department on February 7 last, pursuant to the provisions of the merchant marine act of 1928, inviting bids for ocean mail service (a) from Boston, New York, Philadelphia, and Baltimore to British and German ports and (b) from Philadelphia, Baltimore, and Hampton Roads to Liverpool and Manchester. Since the record of the Senate proceedings indicates that many Senators have been under a misapprehension with respect to this matter. I take advantage of senate proceedings indicates that many senators have been under a misapprehension with respect to this matter, I take advantage of this opportunity to give you the facts upon which the department's course of action has been predicated.

The Government's policy of disposing as rapidly as possible of the few shipping services which are still operated by the Shipping

Board, and at the same time maintaining service on all essential trade routes, is well established. Congress has consistently approved this policy by authorizing the award of ocean mail contracts. Moreover, as recently as April 18, 1932, the House Committee on Merchant Marine and Fisheries adopted a resolution which

tracts. Moreover, as recently as April 18, 1932, the House Committee on Merchant Marine and Fisheries adopted a resolution which reads in part as follows:

"Resolved, That it is the sense of this committee that the said existing trade routes and services are essential trade routes and services and should be maintained either by the Government or sold with award of mail contracts for private operation in accordance with the merchant marine act of 1920, as amended, and other laws governing such sale and awards."

In this connection, your attention is invited to the fact that the independent offices bill for the fiscal year 1934 carries an appropriation, which has had the approval of the Senate, for the express purpose of permitting the sale of Shipping Board lines with the award of mail contracts, reading as follows:

"Not to exceed \$4,000,000 of the funds hereinbefore made available may be transferred to the Post Office Department and, when so transferred, shall be available only for meeting the cost in the fiscal year 1934 of foreign mail contracts entered into by that department under the provisions of the merchant marine act, 1928, approved May 22, 1928, for service upon steamship lines which may be sold by the United States Shipping Board subsequent to December 1, 1932." December 1, 1932.'

This provision clearly contemplates that the vendees of Shipping Board lines shall be awarded ocean mail contracts under the merchant marine act. The services which were in mind when this particular provision was under consideration were the lines operated from Gulf ports by the Lykes Bros.-Ripley Co. and the lines operated from Philadelphia, Baltimore, and other Atlantic ports by the Southgate-Nelson Corporation. Accordingly, the Shipping Board, acting in anticipation of the approval of this legislation, has now negotiated the sale of these lines, subject to the award of appropriate mail contracts. The proposed contract with the Philadelphia Mail Line, to which you have made objection, covers a part of the service furnished by the line now operated by the Southgate-Nelson Corporation for the Shipping Board. The proposed contract, however, will provide 16-knot passenger and cargo This provision clearly contemplates that the vendees of Ship-

service from Philadelphia, Baltimore, and Hampton Roads, a service which the Southgate Co. is not in a position to undertake and which, in the judgment of the Interdepartmental Merchant Marine Committee and in the opinion of the business interests of Philadelphia, is indispensable to the ultimate success of this operation under private ownership.

The department has no disposition to act with undue haste in

operation under private ownership.

The department has no disposition to act with undue haste in this matter, as you and your colleagues have apparently been informed. It has merely proceeded promptly after the necessary funds had been set up in the independent offices bill to take the various steps which are prerequisite to placing the lines in question in private hands, as is clearly contemplated by law.

A consummation of the contracts in accordance with the advertisements issued by the department covering the Gulf and Atlantic coast services herein described will not only permit the disposal of these services by the Shipping Board and their operation within the limits of the appropriations now available, including the \$4,000,000 to be transferred to the Post Office Department from the Shipping Board for the fiscal year 1934, but will result in an annual saving to the Government of from half to three-quarters of a million dollars. So far as the Atlantic coast service as a whole is concerned, it will result also in substantially improved facilities by comparison with those now operated by the Shipping Board, including new or reconditioned vessels to be supplied by the operators at a cost of approximately \$3,500,000.

However, notwithstanding it has been my desire to leave to my successor no major problem the responsibility for which should in fairness be accepted by myself, in view of the obvious desirability of a clear understanding of this matter in its entirety by the Senate prior to its consummation, and also in view of the possibility that the independent offices bill carrying the necessary funds for the next fiscal year may fail of passage at the present session of Congress, I have concluded to leave in abeyance for such action as the next administration may deem to be in the public interest both of the pending proposals for ocean mail service from Philadelphia, Baltimore, and other Atlantic ports.

Very truly yours,

Very truly yours,

WALTER F. BROWN.

GOVERNMENT GUARANTY OF BANK DEPOSITS

Mr. NEELY. Mr. President, I desire to read a telegram which I have just received from Charleston, W. Va., as follows:

CHARLESTON, W. VA., March 2, 1933.

Senator M. M. NEELY.

Senate Office Building: Our banks on morstorium will mean closing our mines, leaving 600 families destitute. Passing of bank-deposit guaranty by the Government urgently needed quick.

KELLYS CREEK COLLIERY Co., LESTER RIDENOUR.

I have similar telegrams from numerous other institutions in West Virginia, which I ask may be noted in the RECORD.

The VICE PRESIDENT. Without objection, it is so ordered

The telegrams were of a similar nature and signed as

W. A. Richards, Cleveland, Ohio; Conrad Brevick, Bluefield, W. Va.; D. T. Lowman, post commander Bluefield Post, No. 9, American Legion, Bluefield, W. Va.; Lester Ridenour, of Kellys Creek Colliery Co., of Charlestown, W. Va.; Coyle & Richardson (Inc.), Charleston, W. Va.; Peoples Store (Inc.), Charleston, W. Va.; W. B. Geary, president the Diamond Department Store, Charleston, W. Va.; Henry J. Stark, of the First National Bank of Ceredo, W. Va.; C. E. Furbeem, Clarksburg, W. Va.; Bruce T. Amos, Clarksburg, W. Va.; J. L. Stifel & Sons, Wheeling, W. Va.; George E. Bevans, Fairmont, W. Va.; Hetz Pownall, Moorefield, W. Va.; and Laurence E. Tierney, jr., Bluefield, W. Va.

REPORTS OF COMMITTEES

Mr. DICKINSON, from the Committee on Military Affairs, to which was referred the bill (H. R. 7986) for the relief of William N. Fishburn, reported it without amendment and submitted a report (No. 1356) thereon.

Mr. KEAN, from the Committee on the District of Columbia, to which was referred the bill (S. 5667) authorizing the Commissioners of the District of Columbia to grant a permit for the construction of an oil and gasoline pipe line, reported it with amendments and submitted a report (No. 1357) thereon.

Mr. THOMAS of Oklahoma, from the Committee on Indian Affairs, to which was referred the bill (S. 5507) providing for per capita payments to the Seminole Indians in Oklahoma from funds standing to their credit in the Treasury, reported it with an amendment and submitted a report (No. 1358) thereon.

Mr. CAPPER, from the Committee on the District of Columbia, to which was referred the joint resolution (S. J.

Res. 258) to change the name of B Street SW., in the | District of Columbia, reported it without amendment and submitted a report (No. 1359) thereon,

Mr. NORRIS, from the Committee on the Judiciary, to which was referred the bill (S. 5699) to amend the act of July 1, 1898, entitled "An act to establish a uniform system of bankruptcy throughout the United States," as amended, reported it with amendments and submitted a report (No. 1360) thereon.

Mr. COPELAND, from the Committee on the District of Columbia, to which was referred the bill (S. 101) to provide for the discontinuance of the use as dwellings of buildings situated in alleys in the District of Columbia, and for the replatting and development of squares containing inhabited alleys, in the interest of public health, comfort, morals, safety, and welfare, and for other purposes, reported it with amendments and submitted a report (No. 1361) thereon.

Mr. CAREY, from the Committee on Military Affairs, to which was referred the bill (H. R. 2157) for the relief of Arthur I. Neville, reported it without amendment and submitted a report (No. 1362) thereon.

Mr. WHITE, from the Committee on Claims, to which was referred the bill (S. 1703) for the relief of the Fred G. Clark Co., reported it without amendment and submitted a report (No. 1363) thereon.

Mr. LOGAN, from the Committee on Claims, to which was referred the bill (S. 2425) for the relief of Elizabeth Bolger, reported it with amendments and submitted a report (No. 1364) thereon.

TAX-EXEMPT INDIAN LANDS

Mr. STEIWER, from the Committee on Indian Affairs, submitted a report, pursuant to Senate Resolution 282, Seventy-first Congress, relative to an investigation of the relationship between the Federal Government and the governments of the several States and political subdivisions thereof in which there are located Indian reservations or unallotted Indian tribal lands, and other lands which are not subject to taxation by such States or political subdivisions, which was ordered to be printed as Report No. 1365.

BILLS AND A JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. VANDENBERG:

A bill (S. 5701) to authorize the construction of certain bridges and to extend the times for commencing and/or completing the construction of other bridges over the navigable waters of the United States; to the Committee on Commerce.

By Mr. NORBECK:

A bill (S. 5702) to prohibit the transportation in the mails, or in interstate commerce of machine guns or submachine guns; to the Committee on the Judiciary.

By Mr. COPELAND:

A joint resolution (S. J. Res. 261) authorizing the Comptroller of the Currency to prescribe regulations respecting the conduct of banking business in the District of Columbia; to the Committee on the District of Columbia.

JOINT COMMITTEE ON VETERANS' BENEFITS

Mr. WALSH. Mr. President, I introduce a joint resolution, and ask unanimous consent for its immediate consideration.

The VICE PRESIDENT. The joint resolution will be read.

The joint resolution (S. J. Res. 262) to continue the Joint Committee on Veterans' Benefits, was read the first time by its title and the second time at length, as follows:

Resolved, etc., That for the purpose of continuing the investigation with respect to the operation of laws and regulations relating to the relief of veterans authorized under section 701, part 2 of the legislative appropriation act, fiscal rear 1933, and to report the results of such investigation, those members of the joint committee to investigate the operation of the laws and regula-tions relating to the relief of veterans who are Members elect to the Seventy-third Congress, or a majority of them, after March 4, 1933, and until 60 days after the first meeting day of the Seventy-third Congress, are authorized and directed as a committee, by subcommittee or otherwise, to continue the investigation begun under authority of such section 701. Such committee shall have the same powers and duties as the committee provided for under such section 701.

Mr. WALSH. Mr. President, the present law fixes the time for filing the report as March 3. This joint resolution proposes to extend that time until 60 days after the beginning of the extra session of Congress.

I ask unanimous consent for the immediate consideration of the joint resolution.

The VICE PRESIDENT. Is there objection to the present consideration of the joint resolution? The Chair hears none.

The joint resolution was considered, ordered to be engrossed for a third reading, read the third time, and passed.

STRENGTHENING OF THE BANKING SYSTEM

Mr. GORE. Mr. President, at the request of a prominent banker of my State, who is connected with the Federal reserve system, and others, I have prepared and I now introduce a joint resolution in relation to our banking system. It is designed to reassure depositors and to reinspire or restore confidence. In part it embodies my own views. I ask to have the joint resolution read.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the clerk will read.

The joint resolution (S. J. Res. 264) to strengthen the security of deposits in certain banks, and for other purposes, was read the first time by its title and the second time at length, as follows:

Resolved, etc., (A) That this act shall apply to all banks which are members of the Federal reserve system which for the purposes of this act shall be designated as active member banks.

(B) This act shall apply to State banks and banking associations which are eligible under existing law to become members of the Federal reserve system subject to the conditions herein prescribed, which banks, for the purposes of this act, shall be designated as associate member banks.

(C) Any bank described in the preceding paragraph which is otherwise qualified may, with the approval of the Comptroller of the Currency, become an associate member bank for a period of two years unless sooner terminated by the Comptroller without subscribing to the capital stock of the Federal reserve bank out subscribing to the capital stock of the rederal reserve bank in the district in which it is located upon agreeing to comply with all applicable provisions of the Federal reserve act, as amended: *Provided*, That the Comptroller of the Currency with the approval of the Secretary of the Treasury may relieve such bank from compliance with the provisions of said act which are inapplicable or which are unnecessary for the purposes of this act. this act.

this act.

SEC. 2. The Comptroller of the Currency shall have power until the adjournment of the first session of the Seventy-third Congress to prescribe and enforce suitable rules and regulations, with the approval or upon the order of the President, to maintain or the congress to prescribe and enforce suitable rules and regulations.

strengthen the security of deposits in both active and associate member banks or any of them.

SEC. 3. It shall be the duty of the Reconstruction Finance Corporation and any other agency or officer of the Government to aid in carrying out the rules and regulations made in pursuance of in carrying out the rules and regulations made in pursuance of this act and such executive orders and proclamations of the President as may be issued prior to the adjournment of the first session of the Seventy-third Congress to carry into effect the provisions and purposes of this act.

SEC. 4. The Government undertakes to indemnify the depositors of any bank complying with the provisions of this act against any losses which may be directly caused by or due to such com-

pliance alone, and the Comptroller General is empowered to ascer-tain and determine finally the amount of such losses, if any, in

The VICE PRESIDENT. The joint resolution will be referred to the Committee on Banking and Currency.

BUST OF JOHANN WOLFGANG VON GOETHE

Mr. COPELAND. Mr. President, I send to the desk a joint resolution, for which I ask immediate consideration. It involves the expenditure of no money.

The VICE PRESIDENT. Let it be reported.

The joint resolution (S. J. Res. 265) authorizing the acceptance by the United States of a bust of Johann Wolfgang von Goethe was read the first time by its title and the second time, as follows:

Resolved, etc., That the President of the United States is hereby authorized to accept as a gift of the Goethe Society of America (Inc.) a bust of Johann Wolfgang von Goethe for erection on the public grounds of the United States in the city of Washington, D. C., on a site selected by the Director of Public Buildings and Public Parks of the National Capital with the approval of the

National Commission of Fine Arts: Provided, That if no such site suitable for the purpose shall be found, the bust shall be accepted for display in the National Museum or such other appropriate location as may indicate an appreciation of the intellectual achievements and services of Goethe to mankind.

Mr. McNARY. Mr. President, has it been reported by a committee?

Mr. COPELAND. The Library Committee has read the resolution and has no objection to it. It costs no money. It is a presentation to the Government.

Mr. KING. Mr. President, may I ask the Senator from New York if the members of the District Committee have approved of the site?

Mr. COPELAND. The site has not been selected.

There being no objection, the joint resolution was considered, ordered to be engrossed for a third reading, read the third time, and passed.

HOUSE BILL REFERRED

The bill (H. R. 14579) to provide for the free importation of certain articles exported temporarily for scientific or educational purposes was read twice by its title and referred to the Committee on Finance.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Chaffee, one of its clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 14453) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1934, and for other purposes.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 14199) making appropriations for the military and nonmilitary activities of the War Department for the fiscal year ending June 30, 1934, and for other purposes; that the House had receded from its disagreement to the amendments of the Senate Nos. 6 and 31 to the said bill, and concurred therein; that the House had receded from its disagreement to amendments of the Senate Nos. 29 and 30 to the said bill, and concurred therein, each with an amendment, in which it requested the concurrence of the Senate.

ENROLLED BILLS AND JOINT RESOLUTIONS SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills and joint resolutions, and they were signed by the Vice President:

S. 207. An act for the relief of James L. Pate;

S. 251. An act authorizing adjustment of the claim of the estate of Thomas Bird, deceased;

S. 256. An act authorizing adjustment of the claim of Madrigal & Co., Manila, P. I.;

S. 257. An act authorizing adjustment of the claim of the Baltimore branch of the Federal Reserve Bank of Richmond:

S. 361. An act for the relief of Mary E. Stebbins;

S. 402. An act for the relief of Nelson King;

S. 610. An act for the relief of the Anderson-Tully Co.;

S. 855. An act for the relief of William Ray Taplin;

S. 1463. An act for the relief of William Powell;

S. 1738. An act for the relief of Catterina Pollino;

S. 2203. An act for the relief of John Pearce Cann;

S. 2374. An act to authorize and direct the Secretary of the Navy to convey by gift to the city of Savannah, Ga., the naval radio station, the buildings, and apparatus located upon land owned by said city;

S. 2393. An act to provide for the addition of the names of certain persons to the final roll of the Indians of the Flathead Indian Reservation, Mont., and for other purposes;

S. 2508. An act for the relief of Maj. O. S. McCleary, United States Army, retired;

S. 2680. An act for the relief of Harry E. Blomgren;

S. 3334. An act for the relief of William M. Sherman;

S. 3344. An act for the relief of Maggie Kirkland;

S. 3830. An act to remove a cloud on the title of certain land in the city of Corpus Christi, Tex.;

S. 3831. An act for the relief of William A. Lester;

S. 3832. An act for the relief of Zetta Lester:

S. 3972. An act for the relief of Alva D. McGuire, jr.;

S. 4082. An act to regulate the business of executing bonds for compensation in criminal cases and to improve the administration of justice in the District of Columbia;

S. 4230. An act for the relief of Betty McBride;

S. 4390. An act authorizing the Secretary of the Interior to cancel patent in fee issued to Henry J. Kirn and Louise H. Kirn;

S. 4440. An act authorizing adjustment of the claim of George H. Hansen;

S. 4441. An act authorizing adjustment of the claim of the National Surety Co.;

S. 4510. An act to authorize exchange of small tribal acreage on the Fort Hall Indian School reserve in Idaho for adjoining land:

S. 4557. An act to authorize the addition of certain names to the final roll of the Sac and Fox Indians of Oklahoma:

S. 4738. An act for the relief of Newport Contracting & Engineering Co.:

S. 4782. An act authorizing adjustment of the claim of Arthur R. Saffran;

S. 4818. An act to authorize the transfer of certain lands in Bernalillo County, N. Mex., to the city of Albuquerque, N. Mex.

S. 4930. An act for the relief of Avery G. Constant;

S. 5085. An act for the relief of Leslie Jensen;

S. 5122. An act to provide for the purchase and sale of cotton under the supervision of the Secretary of Agriculture:

S. 5203. An act for the relief of the Harvey Canal Ship Yard & Machine Shop;

S. 5204. An act for the relief of the Texas Power & Light Co.;

S. 5205. An act for the relief of the Great Falls Meat Co., of Great Falls, Mont.;

S. 5207. An act for the relief of Rose Gillespie, Joseph Anton Dietz, and Manuel M. Wiseman, as trustee of the estate of Louis Wiseman, deceased:

S. 5208. An act for the relief of Mary Byrkett Sinks;

S. 5325. An act for the relief of Sadie L. Kirby;

S. 5413. An act for the relief of the Booth Fisheries Co.;

S. 5660. An act authorizing the Secretary of the Treasury to sell certain Government property in St. Louis, Mo.;

H. R. 11242. An act to relinquish the title of the United States in and to lands in Rapides Parish, State of Louisiana;

H. R. 11270. An act to amend section 2 of the act entitled "An act making appropriations for the service of the Post Office Department for the fiscal year ending June 30, 1913, and for other purposes";

H. R. 12328. An act to authorize the assignment of awards entered by the Mixed Claims Commission, United States and Germany, the tripartite Claims Commission, and the War Claims Arbiter:

H. R. 12651. An act for the relief of the Uintah, White River, and Uncompandere Bands of Ute Indians of Utah, and for other purposes;

H. R. 14359. An act to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, and acts amendatory thereof and supplementary thereto;

H. R. 14724. An act making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1934, and for other purposes;

S. J. Res. 134. Joint resolution authorizing the Secretary of War to receive for instruction at the United States Military Academy, at West Point, Manob Suriya, a citizen of Siam;

S. J. Res. 178. Joint resolution authorizing the Secretary of War to receive for instruction at the United States Military Academy, at West Point, Julio Rodriguez Arrea, a citizen of Costa Rica; and

S. J. Res. 179. Joint resolution authorizing the Secretary of War to receive for instruction at the United States Military Academy, at West Point, Tisheng Yen, a citizen of China

INDEPENDENT OFFICES APPROPRIATIONS

Mr. SMOOT. I send to the desk the report of the committee of conference on House bill 14458, the Independent Offices appropriation bill. It is a complete agreement and will not lead to any debate.

Mr. ROBINSON of Arkansas. It will not lead to any debate if my understanding is correct that the House has agreed to all the amendments of the Senate.

Mr. SMOOT. That is the case.

The report was read, as follows:

The committee of conference on the disagreeing votes of the two Houses on certain amendments of the Senate to the bill (H. R. 14458) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices for the fiscal year ending June 30, 1934, and for other purposes, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendments of the Senate numbered 7, 8, 9, and 11, and

agree to the same.

REED SMOOT,
HENRY W. KEYES,
FREDERICK HALE,
ROYAL S. COPELAND,
CARTER GLASS,
Managers on the part of the Senate.

C. A. Woodrum,
JNO. J. BOYLAN,
JOHN W. SUMMERS,
Managers on the part of the House.

The report was agreed to.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS AND JOINT RESOLUTION

Messages in writing from the President of the United States were communicated to the Senate by Mr. Latta, one of his secretaries, who announced that the President had approved and signed the following acts and joint resolution:

On March 1, 1933:

S. 4286. An act to authorize credit in the disbursing account of Donna M. Davis;

S. 4287. An act for the relief of Harold W. Merrin; and

S. 4008. An act to amend article 5 of the act of Congress approved June 7, 1897, relating to the approval of regulations for preventing collisions upon certain harbors, rivers, and inland waters of the United States.

On March 2, 1933:

S. 1752. An act to authorize an appropriation for the purchase of land in South Dakota for use as camp sites or rifle ranges for the National Guard of said State;

S. 5233. An act to provide for the protection of national military parks, national parks, battlefield sites, national monuments, and miscellaneous memorials under the control of the War Department;

S. 5445. An act to extend the times for commencing and completing the construction of a bridge across the Rio

Grande at or near Rio Grande City, Tex.;

S. 5469. An act to provide for the creation of the Morristown National Historical Park in the State of New Jersey, and for other purposes;

S. 5622. An act providing for an alternate budget for the Indian Service, fiscal year 1935;

S. 5675. An act to effect needed changes in the Navy

S. J. Res. 259. Joint resolution to amend the act entitled "An act to remove existing discriminations incident to certain land grants and to subject them to the same conditions that govern other land grants of their class," approved February 14, 1933.

On March 3, 1933:

S. 2654. An act to allow credit in connection with homestead entries to widows of persons who served in certain Indian wars;

S. 5417. An act to extend the operation of the act entitled, "An act for the temporary relief of water users on irrigation projects constructed and operated under the reclamation law," approved April 1, 1932; and

S. 5525. An act to extend temporary relief to water users on irrigation projects on Indian reservations, and for other purposes.

CONDITIONS OF INDIANS IN THE UNITED STATES (S. DOC. 214)

Mr. FRAZIER. Mr. President, the junior Senator from Utah [Mr. King] on February 8 presented a summary of the condition of the Indians, and an analyses of the problems of the Indians and of the Government's Indian Service, which has impressed me as being possibly more fundamental and comprehensive than any statement heretofore made on this subject. As chairman of the subcommittee of the Senate Indian Committee charged with the investigation of Indian matters, I am able to appreciate the accuracy of the statements of fact, and the soundness and helpfulness of the criticisms and generalizations of the Senator's speech. A new administration of the Interior Department will shortly begin, and the speech of the junior Senator from Utah is an impressive challenge to this new administration. In my judgment, the success or failure of the new administration in its Indian work will determine the future of many tribes for all time to come.

Mr. President, I ask unanimous consent that the speech of the junior Senator from Utah, together with certain supplementary data which he has brought together, be printed as a public document.

The VICE PRESIDENT. Without objection, that order will be made.

INVESTIGATION OF PUBLIC-UTILITY CORPORATIONS

Mr. BARKLEY. Mr. President, from the Committee on Interstate Commerce, I report back favorably without amendment the joint resolution (H. J. Res. 572) to provide for further investigation of certain public-utility corporations engaged in interstate commerce. The expenses of the investigation are to be paid out of the contingent fund of the House. I ask unanimous consent for the consideration of the joint resolution.

There being no objection, the joint resolution was considered by unanimous consent, ordered to a third reading, read the third time, and passed, as follows:

Resolved, etc., That for the purpose of obtaining information necessary as a basis for legislation, those members of the Committee on Interstate and Foreign Commerce of the Seventy-second Congress who are Members elect to the Seventy-third Congress, or a majority of them, after March 4, 1933, and until the organization of the Committee on Interstate and Foreign Commerce of the House of the Seventy-third Congress, are authorized, as a committee, by subcommittee or otherwise, to continue the investigation begun under authority of H. Res. 59 of the Seventy-second Congress.

Congress.

SEC. 2. For such purposes the committee is authorized to select a chairman, and the committee, or any subcommittee thereof, is authorized to sit and act at such times and places in the District of Columbia or elsewhere, to hold such hearings, to employ such experts and such clerical, stenographic, and other assistants, to require the attendance of such witnesses and the production of such books, papers, and documents, to take such testimony, to have such printing and binding done, and to make such expenditures as it deems necessary, and oaths or affirmations may be administered by any member of the committee.

SEC. 3. Subpœnas shall be issued under the signature of the chairman and shall be served by any person designated by him. The provisions of sections 102, 103, and 104 of the Revised Statutes (U. S. C., title 2, secs. 192, 193, and 194) shall be applicable with respect to any person summoned as a witness under the authority of this resolution in the same manner as such provisions are applicable with respect to any person summoned as a witness in the case of an inquiry before a committee of the House of Representatives

SEC. 4. The expenses of the committee, not to exceed \$50,000, shall be paid out of the contingent fund of the House upon vouchers signed by the chairman and approved by the Committee on Accounts.

WILLIAM H. HOLMES

The VICE PRESIDENT laid before the Senate the amendment of the House of Representatives to the bill (S. 465) for the relief of William H. Holmes, which was, on page 1, line 10, after the word "Bureau," to insert a colon and the following proviso:

Provided, That as to any part thereof the payment of which has been secured by surety bond, credit is not to be granted.

Mr. REED. I move that the Senate disagree to the amendment of the House, ask a conference with the House on the disagreeing votes of the two Houses thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Vice President appointed Mr. Capper, Mr. Steiwer, and Mr. Trammell conferees on the part of the Senate.

SELECTION OF LANDS IN CALIFORNIA

The VICE PRESIDENT laid before the Senate the amendment of the House of Representatives to the bill (S. 5612) to provide for the selection of certain lands in the State of California for the use of the California State park system, which was, on page 2, line 21, to strike out all after the word "purposes," down to and including the word "out," on page 3, line 5.

Mr. JOHNSON. I move that the Senate concur in the House amendment.

The motion was agreed to.

EXCHANGE OF LANDS WITH COLONIAL REALTY CO.

The VICE PRESIDENT laid before the Senate the amendments of the House of Representatives to the bill (S. 5382) providing for an exchange of lands between the Colonial Realty Co. and the United States, and for other purposes. which were, on pages 2 and 3, to strike out all of sections 2 and 3; on page 3, line 22, to strike out "4" and insert "2"; and on page 4, line 2, after "manner," to strike out all down

to and including "division," in line 4.

Mr. McNARY. I move that the Senate concur in the House amendments.

The motion was agreed to.

RIGHT OF WAY AT ALAMEDA, CALIF.

The VICE PRESIDENT laid before the Senate the amendment of the House of Representatives to the bill (S. 3443) to authorize the Secretary of War to grant a right of way to the Alameda Belt Line across the Benton Field Military Reservation, Alameda, Calif., which was, on page 2, line 6, after "States," to insert ": Provided further, That the right to compel the removal of said railroad tracks and appurtenances is hereby reserved in the Secretary of War, whenever he may determine the interests of the Government require, and which said removal is to be without expense to the Government, as a condition of this grant."

Mr. JOHNSON. I move that the Senate concur in the amendment of the House.

The motion was agreed to.

LAND IN THE COUNTY OF LOS ANGELES, CALIF.

The VICE PRESIDENT laid before the Senate the amendment of the House of Representatives to the bill (S. 5537) to convey certain land in the county of Los Angeles, State of California, which was, on page 3, line 12, to strike out all after "Treasury" down to and including "Congress," in line 16, and insert "of the United States as miscellaneous receipts."

Mr. JOHNSON. I move the Senate concur in the House amendment.

The motion was agreed to.

HAMILTON GROUNDS

The VICE PRESIDENT laid before the Senate the amendments of the House of Representatives to the bill (S. 660) for the relief of Hamilton Grounds, which were, on page 1, line 5, after "to," to insert "be held by the Bureau of Indian Affairs as a trust fund to be administered for the benefit and support of "; page 1, lines 7 and 8, to strike out "\$40 per month for the remainder of his life" and

insert "\$2,500"; and on page 1, line 10, after "the," where it occurs the first time, to insert "reservation adjoining the"

Mr. ASHURST. I move that the Senate concur in the House amendments.

The motion was agreed to.

FRANCIS R. SANCHEZ

The VICE PRESIDENT laid before the Senate the amendment of the House of Representatives to the bill (S. 3592) confirming the claim of Francis R. Sanchez, and for other purposes, which was, on page 2, lines 5 and 6, to strike out "or is supposed to have had."

Mr. FLETCHER. I move that the Senate concur in the House amendment.

The motion was agreed to.

PRICE HUFF

The VICE PRESIDENT. The Chair lays before the Senate the request of the House of Representatives for the return of the bill (H. R. 11035) for the relief of Price Huff. Without objection, the Committee on Military Affairs will be discharged from the further consideration of the bill and it will be returned to the House of Representatives in compliance with its request.

W. H. HENDRICKSON

The VICE PRESIDENT laid before the Senate the amendment of the House of Representatives to the bill (S. 2862) for the relief of W. H. Hendrickson, which was, on page 1, line 6, to strike out "\$250" and insert "\$175.

Mr. SMOOT. I move that the Senate concur in the amendment of the House.

The motion was agreed to.

CONTRACTS FOR SALE OF TIMBER ON INDIAN LAND

The VICE PRESIDENT laid before the Senate the action of the House of Representatives on House bill 6684, which was read, as follows:

IN THE HOUSE OF REPRESENTATIVES, UNITED STATES. March 1, 1933.

Resolved, That the House agree to the amendments of the Senate numbered 1, 2, 3, 4, 5, 6, 7, and 9 to the bill (H. R. 6684) to authorize the Secretary of the Interior to modify the terms of existing contracts for the sale of timber on Indian land when it is in the interest of the Indians so to do.

That the House agree to the amendment of the Senate numbered 8 to said bill, with an amendment, as follows:

In lieu of the matter inserted by said amendment insert:

": And provided further, That hereafter no contract of sale of Indian timber on the Klamath Indian Reservation in Oregon shall be entered into without the consent of the said general council."

Mr. FRAZIER. I move that the Senate agree to the House amendment to Senate amendment numbered 8.

The motion was agreed to.

A. Y. MARTIN

The VICE PRESIDENT laid before the Senate the amendments of the House of Representatives to the bill (S. 4909) for the relief of A. Y. Martin, which were, to strike out the preamble; and to strike out all after the enacting clause and insert "That the Comptroller General of the United States is authorized and directed to settle and certify for payment to A. Y. Martin, out of any money in the Treasury not otherwise appropriated, the sum of \$980, as in full for services rendered as a de facto United States commissioner at Paducah, Ky., from December 8, 1930, to August 5, 1931."

Mr. BARKLEY. I move that the Senate agree to the House amendments.

The motion was agreed to.

HOLY FAMILY HOSPITAL, ST. IGNATIUS, MONT.

The VICE PRESIDENT laid before the Senate the amendment of the House of Representatives to the bill (S. 2941) for the relief of the Holy Family Hospital, St. Ignatius, Mont., which was, on page 1, line 10, after "1931," to insert:

Provided, That no part of the amount appropriated in this act in excess of 10 per cent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 per cent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

Mr. WHEELER. I move that the Senate concur in the amendment of the House.

The VICE PRESIDENT. The question is on the motion of the Senator from Montana.

The motion was agreed to.

AGNES M. ANGLE

The VICE PRESIDENT laid before the Senate the amendment of the House of Representatives to the bill (S. 1067) for the relief of Agnes M. Angle, which was to strike out all after the enacting clause and insert:

That the United States Employees' Compensation Commission is hereby authorized to consider and determine, in the same manner and to the same extent as if application for the benefits of the employees' compensation act had been made within the 1-year period required by sections 17 and 20 thereof, the claim of Agnes M. Angle on account of disability due to tuberculosis if contracted at Wichita, Kans., while employed in the service of the United States as a stenographer in the office of the United States Veterans' Bureau in 1921: Provided, That no benefit shall accrue prior to the enactment of this act.

Mr. ROBINSON of Arkansas. I move that the Senate concur in the House amendment.

The VICE PRESIDENT. The question is on the motion of the Senator from Arkansas.

The motion was agreed to.

DAISY ANDERSON

The VICE PRESIDENT laid before the Senate the amendment of the House of Representatives to the bill (S. 1978) for the relief of Daisy Anderson, which was to strike out all after the enacting clause and to insert:

That the United States Employees' Compensation Commission is hereby authorized to consider and determine, in the same manner and to the same extent as if application for the benefits of the employees' compensation act had been made within the 1-year period required by sections 17 and 20 thereof, the claim of Daisy Anderson on account of disability due to tuberculosis if contracted while employed in the service of the United States as a nurse in the United States marine hospitals: *Provided*, That no benefit shall accrue prior to the enactment of this act.

Mr. SHEPPARD. I move that the Senate concur in the amendment of the House.

The VICE PRESIDENT. The question is on the motion of the Senator from Texas.

The motion was agreed to.

FUNERAL OF THE LATE SENATOR WALSH OF MONTANA

Mr. WHEELER submitted the following resolution (S. Res. 380), which was considered by unanimous consent and agreed to:

Resolved, That the Secretary invite the Members elect of the House of Representatives to attend the funeral of Hon. Thomas J. Walsh in the Senate Chamber on Monday, March 6, at 10 a.m., and to appoint a committee to act with the committee of the Senate.

Resolved, That invitations be extended to the President of the United States and the members of the Cabinet, the Chief Justice and Associate Justices of the Supreme Court of the United States, the diplomatic corps (through the Secretary of State), the Chief of Staff of the Army, the Chief of Naval Operations of the Navy, the Major General Commandant of the Marine Corps, and the Commandant of the Coast Guard to attend the funeral in the Senate Chamber.

SECOND DEFICIENCY APPROPRIATIONS

Mr. HALE. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of H. R. 14769, the second deficiency appropriation bill.

The VICE PRESIDENT. Is there objection?

There being no objection, the Senate proceeded to consider the bill (H. R. 14769) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1933, and prior fiscal years, to provide supplemental appropriations for the fiscal years ending June 30, 1933, and June 30, 1934, and for other purposes, which had

been reported from the Committee on Appropriations with amendments.

Mr. HALE. Mr. President, I ask that the formal reading of the bill be dispensed with, that the bill be read for amendments, and that committee amendments be first considered.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered. The clerk will state the first amendment.

The first amendment of the Committee on Appropriations was, under the heading "Title I—Legislative Branch," on page 2, after line 2, to insert:

SENATE

To pay William A. Folger for extra and expert services rendered the Committee on Pensions as assistant clerk to said committee by detail from the Bureau of Pensions, fiscal year 1933, \$600.

The amendment was agreed to.

The next amendment was, on page 2, after line 7, to insert:

For miscellaneous items, exclusive of labor, fiscal year 1933, \$40,000.

The amendment was agreed to.

The next amendment was, on page 2, after line 9, to insert:

For repairs, improvements, equipment, and supplies for Senate kitchens and restaurants, Capitol Building and Senate Office Building, including personal and other services, to be expended from the contingent fund of the Senate, under supervision of the Committee on Rules, United States Senate, fiscal year 1933, \$13,000.

The amendment was agreed to.

The next amendment was, on page 2, after line 15, to insert:

For expenses of inquiries and investigations ordered by the Senate, including compensation to stenographers of committees, at such rate as may be fixed by the Committee to Audit and Control the Contingent Expenses of the Senate, but not exceeding 25 cents per hundred words, fiscal year 1933, \$15,000: Provided, That except in the case of the Joint Committee on Internal Revenue Taxation no part of this appropriation shall be expended for services, personal, professional, or otherwise, in excess of the rate of \$3,600 per annum: Provided further, That no part of this appropriation shall be expended for per diem and subsistence expenses except in accordance with the provisions of the subsistence expense act of 1926, approved June 3, 1926, as amended.

The amendment was agreed to.

The next amendment was, under the subhead "Architect of the Capitol," on page 5, after line 3, to insert:

Capitol Building: To enable the Architect of the Capitol to remove any of the statues from Statuary Hall and relocate same elsewhere in the Capitol in accordance with H. Con. Res. 47, including all personal and other expenses in connection therewith, to be expended under the Architect of the Capitol and to remain available until expended, fiscal year 1933, to remain available during the fiscal year 1934, \$4,000.

The amendment was agreed to.

The next amendment was, at the top of page 6, to insert:

Senate Office Building: To enable the Architect of the Capitol to provide furnishings and equipment for the First Street wing, Senate Office Building, \$75,000, fiscal year 1933, to remain available until June 30, 1934; and the Architect of the Capitol is hereby authorized to enter into contracts in the open market, to make expenditures for material, supplies, equipment, technical and reference books, and instruments, accessories, advertising, travel expenses and subsistence therefor, and, without regard to section 35 of the public buildings act approved June 25, 1910, as amended, or the classification act of 1923, as amended, to employ all necessary personnel, including professional, architectural, and engineering, and other assistants. This appropriation shall be expended by the Architect of the Capitol under the direction of the Senate Office Building Commission and disbursed by the disbursing officer of the Interior Department;

The amendment was agreed to.

The next amendment was, on page 6, after line 16, to insert:

For necessary labor, material, and equipment in making structural changes in offices and committee rooms in the old portion of the Senate Office Building, including cutting of doorways, installing of lavatories, enlarging space facilities of committee rooms, and overhauling, repairing, and reconditioning the electrical circuits of the legislative buzzer and signal system, fiscal year 1933, to remain available during the fiscal year 1934, \$13,500.

The amendment was agreed to.

The next amendment was, under the heading "Independent Establishments," on page 7, after line 1, to insert:

NATIONAL ADVISORY COMMITTEE FOR AERONAUTICS

Advisory Committee for Aeronautics, 1929 and 1930: For an Advisory Committee for Aeronautics, 1929 and 1930: For an additional amount for a seaplane channel and equipment for the conduct of scientific research in aeronautics at the laboratories of the National Advisory Committee for Aeronautics, including the same objects specified under this head in the second deficiency act, approved March 4, 1929 (U. S. C. p. 1698, sec. 151; act March 4, 1929, 45 Stat. p. 1627), \$605.12.

The amendment was agreed to.

The next amendment was, under the subhead "Public Welfare," on page 11, after line 4, to insert:

Emergency relief: For an additional amount for the purpose of affording relief to residents of the District of Columbia who are unemployed or otherwise in distress because of the existing emergency, to be expended by the Board of Public Welfare of the District of Columbia, by loan, employment, and/or direct relief, under rules and regulations to be prescribed by the Board of Commissioners, and without regard to the provisions of any other law, payable from the revenues of the District of Columbia, \$300,000, fiscal year 1933, to remain available until June 30, 1934: Provided, That not to exceed 8 per cent of such amount shall be available for administrative expenses including necessary personal services.

Mr. KING. Mr. President, I would like to ask the chairman of the committee whether there was any evidence before the committee showing the necessity for this fund?

Mr. HALE. Mr. President, I have a letter from the commissioners which I will read. This is a memorandum addressed to me by Mr. Reichelderfer, president of the Board of Commissioners and reading as follows:

WASHINGTON, February 28, 1933.

Washington, February 28, 1933.

Memorandum to Senator Hale:

This memorandum has to do with the request of the Commissioners of the District of Columbia submitted through the Budget Bureau to Congress for an additional deficiency appropriation of \$300,000 for emergency relief in the District of Columbia covering the fiscal year ending June 30, 1933.

The District of Columbia appropriation act for the fiscal year ending June 30, 1933, contained an appropriation of \$350,000 for emergency relief. This appropriation was entirely expended by the early part of December, 1932. To tide over the period between this time and when the deficiency appropriation could be obtained from Congress, the commissioners asked for and received the sum of \$100,000 from the community chest. That amount was expended by the middle of January, 1933. An appropriation of \$625,000 in the urgent deficiency bill was not approved until January 30, 1933, and between the middle of January and that date the Commissioners of the District of Columbia found it necessary, in order to provide for relief in the District of Columbia, to use \$25,000 of private funds and to postpone the payment of about \$40,000 in grocery bills.

Having in mind that the appropriation of \$350,000 and the community chest payment of \$100,000 and the urgent deficiency item of \$625,000 was available for emergency relief, making a total of \$1,075,000, there remained unexpended of this total on February 11, 1933, \$504,000. Between February 11, 1933, and June 30, 1933, there are 20 weeks. The estimated weekly expenditure required during the period is \$40,000, or a total expenditure to be made between February 11, 1933, and June 30, 1933, of \$800,000. Deducting the unexpended balance remaining on February 11, 1933, of \$504,000 from the total sum required until June 30, 1933; namely, \$800,000, leaves an additional amount of \$296,000 yet to be appropriated if relief is to be provided in the District of Columbia at the weekly rate of \$40,000 to and including June 30, 1933. It is on th the Budget Bureau approved, an additional appropriation of \$300,000, which is now pending before your committee.

Mr. KING. Mr. President, I will not ask the Senator to continue the reading.

Mr. HALE. Very well. I ask to insert the entire memorandum in the RECORD.

The VICE PRESIDENT. Without objection, it is so ordered.

The remainder of the memorandum is as follows:

After a careful review of reports covering relief work in the District of Columbia to this date, and after careful consideration of conditions now obtaining in the District of Columbia, the Director of Public Welfare believes that the additional deficiency estimate of \$300,000 is the lowest figure that could safely be appropriated to meet relief needs until the end of June, next, if extreme suffering in this city is to be relieved. The appropriation, of course, will be conserved as far as possible, and if it is at all possible to limit the expenditures to an amount less than that indicated, it is proposed by the language of the deficiency act that any unexpended balance shall be made available to supplement funds to be provided in the regular appropriation for the District of Columbia for the fiscal year 1934.

Relief is now being extended by the Board of Public Welfare

Relief is now being extended by the Board of Public Welfare to more than 8,000 families, and new applications are still being

made at the rate of more than 300 per week. Present allowances for relief are inadequate, and no relief whatever is being extended to resident single men of the District of Columbia.

Transmitted herewith is a report dated February 11, 1933, submitted to the Director of Public Welfare by the Supervisor in Charge of Emergency Relief, a bureau of that board. The first sheet of that statement shows the total expenditures made during the period between August 1, 1932, when relief commenced, to February 11, 1933, and the purposes for which such expenditures were made, broken down into a number of items.

The Commissioners of the District of Columbia and the Board of Public Welfare for the District are firmly convinced that on the basis of existing conditions there is compelling and absolute necessity for the additional appropriation of \$300,000, and they therefore most urgently request you to use every proper effort to have this item carried in the second deficiency bill for the fiscal year 1933 now pending before your committee.

L. H. REICHELDERFER,

President Board of Commissioners, District of Columbia.

Mr. George S. Wilson,

Director of Public Welfare, Washington, D. C.

DEAR SIR: We submit herewith a financial report for the period August 1, 1932, to February 11, 1933, inclusive:

Direct relief expenditures:

On work pay roll	a \$411, 246.39	
Cash relief pay roll	5, 176. 11	
Petty cash	1,647.54	
Groceries, milk, rent, etc	106, 291, 16	
Reserve for fuel	4, 764, 16	
Compensation insurance		
Reserve for compensation insurance.	3, 154, 08	
		8

vices and expenses.

Pay roll Petty cash Furniture, stationery, and supplies	29, 830. 49 248. 17 6, 092. 30
Paper allotment	310.00

36, 480, 96

534, 125, 36

Total _

Expenditures for period February 5, 1933, to February 11, 1933, inclusive are made up as follows: Direct relief \$31, 156.47 Services and expenses 534.76 Services and expenses_____

31, 691, 23

- The attached itemized report is made up as follows:

 1. Analysis of pay roll for direct relief.

 2. Analysis of cash advanced for direct-relief expenditures.

 3. Analysis of cash advanced for "services and expenditures." and expenses"
- 4. Analysis of cash advanced for "services and expenses."
 5. Analysis of purchases chargeable to "direct relief."
 6. Analysis of purchases chargeable to "services and expenses"
- account.

7. Statistical report.

	Previous reports	Week ending Feb. 11, 1933	Total
1. Pay rolls:		4.9100	
Work under District of Columbia Com-		- X 311	1000
mittee	1\$355,986.81	1 \$26,227, 95	1\$382,214.76
Work at headquarters	32, 364, 03	1, 667. 60	34, 031. 63
Cash relief	4, 890. 61	285. 50	5, 176. 11
	393, 241. 45	28, 181. 05	421, 422, 50
2. Cash advance:	100		
Clothing.	.16		
Heat and light Household equipment	2.00 11.95		
Labor	50.96		1 22122
Loans	148, 25		
Meal tickets			48.00
Moving.	90. 50		90. 50
Relief		105.66	1, 228. 17
Rent			67.00
Transportation	, 55		. 55
	1, 541. 88	105. 66	1, 647. 54
SERVICES AND EXPENSES	TO WATER		BUILDE
3. Pay rolls:	100 100 100	100000	MANTE
Administrative	29, 131, 74		29, 131, 74
Social-service exchange			698. 75
	29, 830, 49		29, 830, 49

* Includes \$97,380.16 community chest funds divided as follows: _____ \$92, 380. 16 Pay roll_____Compensation insurance____

	Previous reports	Week ending Feb. 11, 1933	Total
SERVICES AND EXPENSES—Continued	N. C.		in the second
4. Cash advance: Equipment. Freight. Gas and oil Ice. Stamps. Street-car tokens. Supplies. Telegrams. Telegrams. Trucking.	28. 82 1. 20 54. 43 3. 90 34. 73 , 76	\$26.03	\$5.0 26.0 28.8 1.2 144.4 3.9 34.7 .7 2.3 1.0
	132.14	116. 03	248. 1
WE HAVE OBLIGATED OURSELVES FOR THE FOL- LOWING 5. Direct relief:			
Clothing Coal Electric lights Furniture Gas Groceries Meals Medicine Moving Rents Reserve for coal Water	1, 771. 18 2, 836. 40 1, 57 52. 28 112. 21 86, 252. 92 35. 35 88. 39 292. 55 11, 978. 55 4, 764. 16	12.18 7.14 2,838.73 8.42 3.29	1, 783. 3 2, 836. 4 8. 7 52. 2 112. 2 89, 091. 6 35. 3. 96. 8 292. 5 11, 978. 5 4, 764. 1 3. 2
	108, 185. 56	2, 869. 76	111, 055. 3
6. Services and expenses: Electric lights. Furniture and equipment Ice. Paper allotment Rent, typewriters and stands. Repairs (equipment) Repairs (equipment) Repairs (warehouse) Stamps. Stationery and supplies. Street-car tokens. Telephones.	87. 72 1, 508. 96 15. 30 310. 00 44. 00 27. 90 23. 00 672. 00 1, 984. 88 360. 00 889. 81	270. 00 148. 73	87. 7: 1, 568. 9: 15. 33 310. 0: 44. 0: 27. 9: 23. 0: 942. 0: 942. 0: 2, 133. 6: 360. 0: 889. 8:
	5, 983. 57	418.73	6, 402, 30
			570, 606. 32

	Open cases	Rejected	Total
On hand Feb. 4.	8, 092	7, 928	16, 020
Feb. 6 to 11: New applications Transfers	402 26	21 2	423 28
Total	8, 520	7, 951	16, 471
Reopened: Old	+75 +11	-75 -11	
TotalClosed by caseworker	8, 606 -239	7, 865 +239	16, 471
On hand Feb. 11 Number of families under care. Number of families not visited.	8, 367	8, 104	16, 471 8, 022 345

Dod	CTAGO	clothing

	Received	Previous- ly issued	Week ending Feb. 11, 1933	On hand
Dresses	3, 719	3, 405	235	75
Rompers		12	0	(
Bath robes		10	0	(
Muslin gowns	96	96	0	(
Shirts.		2,062	37	38
Girls' bloomers		166	0	18
Pajamas	230	216	7	7
Heavy gowns		281	0	E
Boys' coats		28	0	0
Boys' and girls' underwear	4, 389	2, 322	530	1, 537
Girls' coats	1	1	0	(
Boys' suits		491	2	23
Men's sweaters		2, 265	830	275
Boys' stockings		3, 818	510	3, 957
Boys' hats	15	15	0	0
Boys' sweaters.	936	492	250	194
Boys' suits (washable)		154	0	0
Baby sweaters		166	0	28
Children's pajamas		4, 058	711	1, 511
Men's socks	15	15	0	1,011
Girls' slipsBoys' overalls	488	325	23	140
Men's jumpers	465	465	0	140
Men's overalls	2, 557	2, 374	183	0

Red Cross clothing-Continued

	Received	Previous- ly issued	Week ending Feb. 11, 1933	On band
Infants' hose	1,992	397	0	1, 595
Men's union suits	2, 510	2, 510	0	(
Women's hose	4, 534	3, 453	520	2, 933
Children's sleeping garments	659	241	170	248
Women's union suits	632	632	340	011
Women's bloomers	2,744	2, 093	040	311
Infants' shirtsBoys' knickers	548	548	0	0
Knitted scarfs	4	3	0	1
Mittens	58	56	2	i d
Knitted helmets	15	15	ō	
Children's union suits	288	288	Ö	0
Boys' blouses	10	10	Ö	0
Boys' long trousers	274	236	38	0
Wool stockings	49	2	0	47
Play suits	36	36	0	0
Men's pajamas	65	63	0	2
Child's coat	1	1	0	0
Men's trousers	616	616	0	0 2 0 0 0 2
Child's knit cap	5	0	3	2
Nightgowns	10	10	0	
Boys' shirts Clothes received from naval supply depot:	40	0	0	40
Drawers.	60	0	0	60
Gloves	52	0	ő	52
Jerseys	300	0	0	300
Jumpers	152	0	Ö	152
Overcoats.	338	o l	0	338
Shirts	36	0	0	36
Shoes (high)	188	0	Ö	188
Shoes (low)	40	0	0	40
Trousers	120	0	0	120
Undersuits	28	0	0	28
Clothes donated by District:	THE			3)110
Men's trousers	728	728	0	0
Men's coats	553	553	0	0
Men's overcoats	492	492	0	0
Clothes donated by Red Cross and reforma-		-		1 1 1 E
tory:	106	94	6	6
Men's shoespairs_	600	4	283	313
Donation by Army:	000	2	200	010
Blankets	25	25	0	0
Army cots	25	1	0	24
Distribution of coal purchased through	2000	15	3 40 7	
Bureau of Mines:	H 1 (4 1)	BO E THE	00.000	
White ash, chestnutpounds	168,000	20,720	20, 720	126, 560
White ash, stovedo	168,000	5, 600	3, 360	159,040
Bituminous, Pennsylvania eggdo	112,000	17, 920	33, 040	61, 64
Bituminous, Pocahontas stovedo	168,000	29, 680	48, 160	90, 160
Distribution of flour, turnips, and apples:	14-22-12-2	20070000	-	-
24½-pound bags Government flour	30, 545	17, 608	1,005	11,932
Turnips	2, 135	2,058	77	0
Apples	200	200	0	0

Respectfully submitted.

L. A. HALBERT, Supervisor Emergency Relief Division.

Table showing the number of families accepted for care and amount of relief given weekly, per family, from August 1, 1932, to February 4, 1933, by the emergency-relief division, Board of Public Welfare

	Open Amount spent		Weekly per family	
Aug. 1, 1932, to Aug. 12, 1932	1. 330	\$4, 867, 00	\$3.66	
Aug. 12, 1932, to Aug. 22, 1932	2, 765	6, 887. 21	2.49	
Aug. 22, 1932, to Aug. 27, 1932	3, 530	24, 867, 95	7.04	
Aug. 27, 1932, to Sept. 3, 1932	4, 075	22, 736, 32	5. 58	
Sept. 3, 1932, to Sept. 10, 1932	3, 828	15, 458, 40	4.04	
Sept. 10, 1932, to Sept. 17, 1932	3, 923	19, 885, 37	5, 07	
Sept. 17, 1932, to Sept. 24, 1932	3, 740	18, 109, 60	4.84	
Sept. 24, 1932, to Sept. 30, 1932	4, 178	12, 161. 99	2.91	
Sept. 30, 1932, to Oct. 8, 1932	4, 181	12, 757. 97	3.05	
Oct. 8, 1932, to Oct. 15, 1932	4, 517	15, 428. 28	3.41	
Oct. 15, 1932, to Oct. 22, 1932	4, 692	11, 927, 68	2. 54	
Oct. 22, 1932, to Oct. 29, 1932	5, 085	13, 074, 05	2. 57	
Oct. 29, 1932, to Nov. 5, 1932	4,830	12, 385. 74	2.56	
Nov. 5, 1932, to Nov. 12, 1932.	5, 079	15, 603. 91	3.07	
Nov. 12, 1932, to Nov. 19, 1932	5, 409	22, 240, 21	4.07	
Nov. 19, 1932, to Nov. 26, 1932	5, 655	21, 660. 30	3.83	
Nov. 26, 1932, to Dec. 3, 1932.	5, 672	23, 267. 26	4.10	
Dec. 3, 1932, to Dec. 10, 1932	5, 947	25, 115, 56	4. 22	
Dec. 10, 1932, to Dec. 17, 1932	6, 016	26, 464, 35	4, 40	
Dec. 17, 1932, to Dec. 24, 1932	6,038	29, 155. 89	4, 83	
Dec. 24, 1932, to Dec. 31, 1932	5. 915	27,769.22	4.69	
Dec. 31, 1932, to Jan. 7, 1933	6,036	23, 154, 61	3.84	
Jan. 7, 1933, to Jan. 14, 1933.	6, 157	9, 317. 09	1.51	
Jan. 14, 1933, to Jan. 21, 1933	6, 837	24, 936, 58	3, 65	
Jan. 21, 1933, to Jan. 28, 1933	7, 214	31, 358, 49	4, 35	
Jan. 28, 1933, to Feb. 4, 1933	7,746	27, 214, 02	3. 51	
Total	130, 455	497, 805.06		

The general average per family is approximately \$3.81.

Note.—A study of the cases for January shows that about two-thirds of the open cases were actual relief cases. If we consider that two-thirds of the open cases indicated above were actual relief cases, then the average amount of relief per family that was received during the above period was \$5.73 per week.

Mr. KING. Mr. President, may I ask the Senator when the \$625,000 becomes available?

Mr. HALE. It will become available on the 1st of July.

Mr. KING. And this is to cover the interim?

Mr. HALE. It is.

Mr. KING. I have no objection.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

The reading of the bill was resumed. The next amendment of the Committee on Appropriations was, under the subhead "Settlement of claims," on page 11, line 25, after the word "in," to insert "Senate Document No. 197 and," and, on page 12, line 2, after the word "Congress," to strike out "\$113,139.89" and insert "\$113,555.15," so as to read:

For the payment of claims approved by the commissioners under and in accordance with the provisions of the act entitled "An act authorizing the Commissioners of the District of Columbia to settle claims and suits against the District of Columbia," approved February 11, 1929 (45 Stat. 1160), as amended by the act approved June 5, 1930 (46 Stat. 500), and reported in Senate Document No. 197 and House Document No. 553, Seventy-second Congress, \$113,555.15.

The amendment was agreed to.

The next amendment was, under the subhead "Judgments," on page 12, line 17, after the word "in," to insert "Senate Document No. 204 and," and, in line 18, after the word "Congress," to strike out "\$77,983.73" and insert "\$80.915.73," so as to read:

For the payment of final judgments, including costs, rendered against the District of Columbia, as set forth in Senate Document No. 204 and House Document No. 551, Seventy-second Congress, \$80,915.73, together with the further sum to pay the interest at not exceeding 4 per cent per annum on such judgments, as provided by law, from the date the same became due until the date of payment.

The amendment was agreed to.

The next amendment was, under the heading "Department of the Interior, Bureau of Indian Affairs," on page 16, after line 21, to insert:

Sacaton, Ariz., Indian school building: For school building, including equipment, Sacaton, Ariz., fiscal years 1933 and 1934 (U. S. C., title 25, sec. 13), \$65,000.

Mr. KING. Mr. President, I should like to ask the chairman of the committee whether the appropriation found on page 16, lines 21 to 24, is authorized by any prior legislation?

Mr. HALE. It is authorized by a general act.

Mr. KING. Does the Senator think the situation now calls for entering upon this construction?

Mr. HALE. Mr. President, the building was burned down, and there ought to be some facilities with which to carry on. The committee considered the matter; they did not have any question about the merits of the appropriation.

The VICE PRESIDENT. The question is on agreeing to the amendment.

The amendment was agreed to.

The reading of the bill was resumed.

The next amendment of the Committee on Appropriations was, on page 17, after line 20, to insert:

Claims of individual Sioux Indians: For payment to individual enrolled Indians or their heirs under the Pine Ridge, Standing Rock, Cheyenne River, and Rosebud Sioux Agencies in full settlement of their claims against the Government, as found due by the Secretary of the Interior pursuant to the act of May 3, 1928 (45 Stat., p. 484), and for payment of attorney fees in connection with the adjudication of such claims, as authorized by the act of February 16, 1933 (Public, No. 359, 72d Cong.), fiscal years 1933 and 1934 (act May 3, 1928, 45 Stat., p. 484), \$19,357.

The amendment was agreed to.

The next amendment was, under the subhead "Bureau of Reclamation," on page 18, line 21, before the word "to." to strike out "\$25,000" and insert "\$40,000," so as to read:

Cooperative and general investigations: For an additional amount for cooperative and general investigations, \$40,000, to be payable from the reclamation fund and to remain available until June 30, 1934.

Mr. SCHUYLER. Mr. President, yesterday had this item

was prevented by a very sad event, I should have taken occasion to have made some rather extended remarks, not particularly germane to the amendment but to say some things which I thought would be appropriate, and very especially to pay a tribute to the memory of my late departed friend, the Hon. Charles W. Waterman, who was my predecessor here, and to discuss subjects of current interest in which he was interested. To-day, however, realizing that this is the last working day, I do not think it would be seemly for me to consume the time of the Senate with those remarks which I had contemplated making yesterday.

I mention the fact that I would have made and would make such remarks but for my consideration for the Senate's time to emphasize the importance which I attach to what appears to be a most innocuous item found in lines 19 to 21, on page 18, of the pending bill, and which I rise to challenge. Certainly if I would forego the opportunity to address the Senate on general subjects of interest, I would not rise here and consume the time of the Senate to discuss an item of \$40,000, already approved by the Committee on Appropriations, if that were all that were involved. To do so when millions and hundreds of millions are the subject of consideration by the Senate, and at an hour such as this, would tend to convict one almost of lunacy. But there is much more to this item than appears upon the surface. It is described as being for "cooperative and general investigations," and provides:

For an additional amount for cooperative and general investigations, \$40,000, to be payable from the reclamation fund and to remain available until June 30, 1934.

I understand at the moment, Mr. President, only the committee amendment is before us, but when it becomes in order I shall move to strike out lines 19 to 21, page 18.

Mr. President, this expenditure should challenge the attention of the Senate, not because of the \$40,000 which is involved but because it is the opening wedge for the expenditure of \$38,500,000 for the so-called all-American canal. Unless it is proposed to build the all-American canal at an expenditure of \$38,000,000 it is idle to expend the \$40,-000 proposed to be appropriated by this item. I take it that no man is going to excavate for the foundations for a house unless he proposes to build the house, and the question is, do we intend to go ahead, under the present economic and agricultural conditions of this country, with the construction of the all-American canal in Southern California?

This item as presented by the Budget, although so inadequately described as being intended for "cooperative and general investigations," is specifically defined as to its purpose, as follows:

Before final designs of the diversion dam, desilting works, and that portion of the all-American canal between the headworks and the Imperial Valley, can be prepared, certain fundamental data regarding the action of silt must be secured.

We are now asked to spend \$40,000 to determine "the action of silt" as preparatory to the building of dams and diversion works for the so-called all-American canal.

What is the object of that canal? It was designed, of course, to supplement the great Boulder Dam construction and was planned at a time when the country was prosperous, and it was designed to add to the irrigable area of the Imperial Valley 500,000 acres of land. That valley already has under water a little over 600,000 acres of land, of which 200,000 acres are not being cultivated at all at the present time. Land there, I am advised, can now be bought fully equipped with water rights for less per acre than the cost of bringing the land under water by means of this all-American canal.

The situation when that canal was authorized was this: The Imperial Valley Irrigation District was a sound and going concern; its bonds were selling for 100 cents on the dollar; and the important feature was that the Government of the United States was to build only the all-American canal and the irrigation district was to build and equip that canal with laterals. The Imperial Valley Irrigation Disbeen reached and had the Senate been in the session which | trict to-day is bankrupt. It has \$14,000,000 of bonds, prin-

cipal and interest, in default. It has not a dollar with which to build a lateral, even though this canal were built. It is true that a contract has been entered into between the Government through its Reclamation Service and the Imperial Valley district, but that contract requires a year's time before it can be ratified by the Legislature of the State of California and before it can become effective, if in fact it is ratified.

Mr. President, what is the situation under which we are asked to spend \$40,000 to determine the "action of silt" as preparatory to the construction of dams and diversion works? When the country is glutted with agricultural products, when we are talking of leasing some 30,000,000 acres of land for the purpose of removing that acreage from productive purposes, how can we justify even an approach to an expenditure leading to the construction of this great canal, which will make 500,000 additional acres susceptible of cultivation when the present acreage under water in the Imperial Valley is not being put to productive purposes, 200,000 acres of it fully equipped with water lying idle?

Moreover, what is the haste about spending this \$40,000? It will be a year before the contract for the irrigation district can be made valid, and even if it then be authorized why in this day and age we should be spending \$40,000 to investigate "the action of silt" as preparatory to a great irrigation project is inconceivable to me.

Mr. President, I seriously challenge the attention of the Senate to this item, because, as designed, it is nothing more nor less than the opening wedge under which it will be asked that the construction proceed because the Government is committed to it. I challenge attention to it because it is an absurd expenditure to make when there can be no solid reason for thinking that in any reasonable number of years we will be proceeding with the authorized expenditure of \$38,000,000 for that canal. I challenge the attention of the Senate to it, because conditions have changed from the time when the plan was first designed. Then the Government was dealing with a solvent concern; now it is dealing in that irrigation district with a bankrupt concern. It was then designed that the irrigation district should build all the laterals: it is now impossible for the irrigation district to build a foot of laterals. When this plan was devised their bonds were selling at par; they are now selling, if at all, for 25 cents on the dollar; and they are in default, as I have said, both in principal and interest. Why should we enter upon the expenditure when that is the real status?

It is suggested to me that it is a small item. It is small on its face, comparatively inconsequential under the description "cooperative investigation," but important when one realizes the true object which lies back of the request, which is the starting of this work under the guise of de-termining "the action of silt," for which purpose \$40,000 is proposed to be appropriated, and we will be led only to a doorway which I confidently predict will not be open for years to come, because there is no need for further irrigated land, and we should be trying to reduce and not increase reclamation. So, while it has seemed a small item, I have addressed the Senate earnestly upon the subject.

Mr. KING. Mr. President, will the Senator yield? The VICE PRESIDENT. Does the Senator from Colorado yield to the Senator from Utah?

Mr. SCHUYLER. I yield.

Mr. KING. I suggest to the Senator that while it is inferred from the heading of the appropriation that this is to come from the reclamation fund, as a matter of fact the reclamation fund has a deficit. At the last session of Congress we had to borrow money for that fund, and we have a bill pending now to appropriate \$5,000,000 in order to carry on the activities of the reclamation fund. This would mean that \$40,000, if available, would have to come out of the Treasury. We would have to appropriate the money in order to add to the reclamation fund, and, if it is taken out, it would take that much from the prosecution and completion of enterprises which the Government now has entered upon, and which need considerable money for their completion.

I agree with the Senator. I think the whole item ought to be stricken out.

Mr. SCHUYLER. I thank the Senator for the suggestion. Mr. HALE. Mr. President, other Senators in the Chamber know far more than I do about the merits or demerits of the all-American canal project; but, as a matter of fact, the project has been approved by Congress, and the question simply remains of when it is to be taken up.

Before taking it up the committee considered that certain investigations would have to be made, and representatives of the department appeared before us and asked for \$100,000 for that purpose. The House cut this down to \$25,000 and the Senate added \$15,000.

The evidence before the committee showed that the appropriation of \$40,000 is to be used as follows:

Seven thousand five hundred dollars to determine the per cent of bed load carried by the river.

Fifteen thousand dollars to determine the quantity of material that would be brought down.

Two thousand five hundred dollars to determine the rates of settlement for different silt gradations carried by the river for the design of a desilting basin.

The \$15,000 that appears in the Senate bill is for the purpose of determining the most efficient plan for disposal of desilted material. All of this information will have to be gone into before the canal is started; and it seemed to the committee that it would be a good plan to get this information beforehand, to enable Congress later to decide what it wanted to do about going ahead with the project.

Mr. SCHUYLER. Mr. President, I understand, of course, that Congress authorized this all-American canal. I mentioned that because I wanted to point out that at the time it was authorized conditions were such that we thought in this country there could be no overproduction of anything; and so, in the heyday of that thought, this, as an incident to the great Boulder Dam construction, was authorized. Conditions, however, have wholly changed. There has been no construction started upon this canal. This is the opening wedge to that construction, as witness this statement in the Budget estimate:

With this investigation-

That is, the investigation of silt-

all of the necessary investigations preliminary to the preparation of designs and the initiation of construction will have been

Mr. HAYDEN. Mr. President-

The VICE PRESIDENT. Does the Senator from Colorado yield to the Senator from Arizona?

Mr. SCHUYLER. I yield.

Mr. HAYDEN. The Senator is aware that Congress now is appropriating money for the construction of a great dam at Boulder Canyon to impound the waters of the Colorado

Mr. SCHUYLER. Oh, yes.

Mr. HAYDEN. The Senator is aware that under the action taken by Congress-which I think all will agree I heartily opposed—a great power plant will be erected at that dam, and that the only way in which power can be generated is to release water from the dam. It means that the flow of the Colorado River will be equated and will come down the stream from the dam to be used somewhere. Then, since the dam is to be built, since the power is to be generated by the use of the water, since there will be a regular and continuous flow of water, the sole question remaining is, Where will that water be used? If it is not used in the United States, it will be used in Mexico. There should be and there must be, to make use of the water, canals constructed in California and in Arizona to use the water from the Boulder Canyon Dam. Otherwise, there is a million acres of land in old Mexico that will be placed in cultivation, and will grow crops to compete with the crops grown by American farmers.

Personally, I objected, at the time the Boulder Canyon act was passed, to the authorization of the construction of a canal in California to use part of the water from the reservoir to be created by the Hoover Dam and to make no provision for the use of the remainder of the water which would go to Mexico; but I am satisfied that Congress in due time will be made thoroughly to understand that all of the water impounded in the Colorado River should be used in the United States, except such quantities as are necessary to irrigate the lands now in cultivation in Mexico.

We can prevent increase in the irrigated and cultivated area in Mexico by using the water in the United States. If we expect to take the water out of the river, we will be met with the problem of the great burden of silt that it carries, whether the water is used in Arizona or in California. This experiment, therefore, is essential to know what kind of diversion works to construct in order to take the water out either in California or in Arizona.

The Colorado River carries more silt than almost any other stream where records have been made. As high as 27 per cent of mud is found in the water. The normal rate is over 20 per cent of silt. If that silt is not taken out by desilting works of some kind, it adds immense expense to the farmers who use the water below, because their canals will fill up with the silt. I think one of the heaviest burdens now in the Imperial irrigation district is the desilting of their laterals. I, therefore, could see no harm in having an experiment made to determine what to do.

The last \$15,000 is to determine this particular problem. I think anyone will agree that it will be entirely proper to construct basins below a diversion dam into which the water could flow, and by checking the flow the silt will be deposited. When one basin is filled, the water could be taken into another basin and the unused basin sluiced out. It means a very heavy load of silt dumped back into the original stream bed, the flow of which has been diminished by the amount of water diverted into the canal. How to handle that silt is the particular problem for which this \$150,000 is to be expended.

Mr. SCHUYLER. Mr. President, I appreciate the remarks of the able Senator; but it seems to me they depart far from the real point that is at issue at the present time with reference to the authorization of this expenditure.

I apprehend no danger whatever as a matter of priority of use between the United States and Mexico, because we have already done those things which tend to constitute the initiation of appropriation, which, if in reasonable times succeeded with effort, will fasten our rights superior to anything yet undertaken in Mexico; but that is all immaterial, if I may say so.

Mr. HAYDEN. No; it is not immaterial. It is a very material point. I should like to have the Senator state just what we have done to initiate those rights.

Mr. SCHUYLER. I find the record full of evidence that the surveys have been made, and the plans for dams have been prepared, according to this very statement:

With this investigation, all of the necessary investigations preliminary to the preparation of designs and the initiation of construction will have been completed.

There have been a great many things done with reference to it.

Mr. HAYDEN. The Senator is aware, though, that Mexico has exactly the same law with respect to the beneficial use of water that we have. In fact, the law that now applies in Arizona and New Mexico and Colorado came from the fact that our States once were a part of Mexico, and we followed the Spanish law. That law, as I understand, not only requires due notice to be given of an appropriation, but that there shall be a continuous effort to carry it out.

If what the Senator is to-day advocating takes place, and the Senate strikes out of this bill any reference at all to the matter, and if conditions do not change, as he suggests they will not, and nothing further is done, will it not lay the foundation, and a sound foundation, for a Mexican claim that we have abandoned our intention to use this water?

Mr. SCHUYLER. If the Senator will permit me, I do not think so; but if the Senator gets the point of view

which I think is involved here, we are discussing the question of the determination of the action of silt leading up to the construction of irrigation works, which there is no assurance we will ever build, because at this moment no contract has been ratified by the State of California, and it will be a year before that can be done. They may not ratify it at all. This all-American canal was contemplated on the basis of a contract under which the Imperial irrigation district would build the laterals. They are a bankrupt concern. They may never be able to build the laterals. If so, and the Government builds the canal, who is going to build the laterals? Who is going to make the canal useful?

But, beyond that, upon the point of the technicality of priority of rights, in which I differ with the Senator, I say from a large experience with irrigation problems in Colorado that what I understand has been done on the Colorado would tide us well over until we get to a point where this irrigation contract is confirmed, if it is, by the California Legislature, and until we get to a point to see if the Imperial Valley Irrigation District can carry out its good-faith contract with the Government of the United States and build the laterals. Why investigate silt during the coming year?

Mr. HAYDEN. Mr. President, will the Senator agree with me, though, that inevitably there must be a complete use of the impounded waters behind the Hoover Dam within the United States if we are to obtain the full benefit of that construction? Can there be any other way of our making the highest use of that development? If not, is it not equally certain that water will flow down the stream and that it will be put to use in Mexico?

Mr. SCHUYLER. Possibly so; but the Boulder Dam has a great advantage, quite apart from whether or not the water below is fully utilized and from what the Senator refers to as the highest advantage, which I conceive to be a very valuable thing. It regulates that stream and prevents the terrible floods which heretofore have characterized the Imperial Valley. That much is accomplished anyhow. What I wish to suggest to the Senator is the inadvisability of the expenditure of this money before there is any assurance that there ever will be an all-American canal.

The Senator says that he thinks that we want to conserve those waters for the United States. That is an economic problem. There are in the Imperial Valley, under water, 605,000 acres, 200,000 acres of which are not being irrigated. These 200,000 acres can be bought to-day per acre for less than the cost per acre of the construction of this canal, which is designed to bring in another half-million acres to add to the overproduction.

Mr. HAYDEN. Mr. President, will the Senator yield? Mr. SCHUYLER. I yield.

Mr. HAYDEN. If the Senator is of the opinion that economic conditions in the United States are to be no better than they are now, he should go the full length and oppose any appropriation for the continuation of construction on the Hoover Dam itself.

Mr. SCHUYLER. Oh, no! The Hoover Dam has many valuable features besides irrigation projects.

Mr. HAYDEN. It has one supreme value, and that is for the generation of power. Power can not be generated without the release of the water. When the water is released it is going to be used either in the United States or in Mexico.

Mr. SCHUYLER. And will flow down under a controlled basis, and not be wasted in floods.

Mr. KING. Mr. President, will the Senator yield?

Mr. SCHUYLER. I yield.

Mr. KING. I suggest to the Senator from Arizona that the Hoover Dam is expected not only to furnish power but to furnish water for the metropolitan district of Los Angeles, which will require an enormous amount for the irrigation of that magnificent domain, and at the same time to furnish water for culinary purposes. At any rate, it will take the place of water which is now being used for culinary pur-

poses and for irrigation purposes, and will be used for irrigation purposes in that magnificent valley. So that it will serve two important purposes.

Mr. HAYDEN. Nevertheless, the quantity of water flowing in the Colorado River is sufficient to irrigate a very large area of land in the Imperial Valley, to irrigate another considerable area in the State of Arizona, and to furnish this domestic water supply to which the Senator refers.

If applied in those three ways, all the impounded water can be used, and none of it may go into Mexico and serve as the basis for acquisition of a prior right for its use in that Republic. Therefore I am concerned in seeing that the necessary preliminary steps are taken. What we hope, speaking from the Arizona point of view, is this, for a supplemental agreement with the State of California at an early date whereby there will be an equitable division of the waters of the Colorado River allotted to the lower basin between Arizona and California. When that is done the State of Arizona will stand here, as it always has, insisting that the water be placed to beneficial use within the States, rather than allowing it to go to Mexico to increase cultivation there

Mr. KING. Mr. President, the Imperial Valley has a claim which may not be successfully challenged by Mexico, or by any State or organization higher up on the river. It has appropriated water sufficient for the irrigation of approximately 600,000 acres-that is to say, it has initiated a right for at least that amount—although only about 400,000 acres have been irrigated, as stated by the Senator from Colorado.

Having that right probably fully established in our domestic courts, as well as any international tribunal to which it might be referred, it seems to me that we are not so much concerned in regard to the claim of Mexico. Moreover, the State of Colorado, the State of Utah, and the State of Wyoming have initiated rights in and to the waters of the Colorado River, and the Republic of Mexico may not, by any attempted appropriation upon its part, deprive those sovereign States of the rights which they have initiated. Those rights will be perfected; so that a large part of the waters of the Colorado River, the Grand River, and the Green River, consolidated into the Colorado River, and other tributaries lower down, will be used in the upper States, and a large part of the water will be withheld and not flow down to the Boulder Dam, and of course will not flow down to Mexico.

I think that the rights of the sovereign States referred to, and of California, and of the Imperial Valley, have been sufficiently legalized, if I may use that expression, that Mexico will have no greater right in and to the waters of the Colorado River, other than those which are now used across the line, largely on land owned by some Americans living in the southern part of California.

The VICE PRESIDENT. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The next amendment was, under the subhead "National Park Service," on page 19, line 17, after the words "in all," to strike out "\$70,000" and insert "\$80,000," so as to read:

Proposed Shenandoah National Park, Va.: For administration, Proposed Shenandoan National Park, Va.: For administration, protection, and maintenance, including fire prevention, and including not exceeding \$2,500 for the purchase (not to exceed \$750 for any vehicle), maintenance, operation, and repair of motor-driven passenger-carrying vehicles for the use of the superintendent and employees in connection with general park work; construction of physical improvements, including the construction of buildings and the alteration and improvement of old buildings; in all, \$80,000, to remain available until June 30, 1934.

The amendment was agreed to.

The next amendment was, under the heading "Department of Justice, United States courts," on page 21, line 10, after the figures "1932," to strike out "\$21,980.59" and insert "\$23,901.37," so as to read:

Fees of commissioners: For additional amounts for fees of commissioners, United States courts, including the same objects speci-

fied under this head in the acts making appropriations for the Department of Justice for the following fiscal years:

For 1930, \$3.45; For 1931, \$1,236.90; For 1932, \$23,901.37.

The amendment was agreed to.

The next amendment was, on page 21, line 16, after the word "For," to strike out "an additional amount" and insert "additional amounts"; and in line 20, after the figures "1931," to strike out "\$153.68" and insert "\$176.52, fiscal year 1932, \$3.93," so as to read:

Supplies: For additional amounts for supplies for United States courts, including the same objects specified under this head in the act making appropriations for the Department of Justice for the fiscal year 1931, \$176.52, fiscal year 1932, \$3.93.

The amendment was agreed to.

The next amendment was, under the heading "Department of State," on page 23, after line 18, to insert:

Convention relating to liquor traffic in Africa: To meet the share of the United States in the expenses for the calendar year 1933 of the Central International Office, created under article 7 of the convention of September 10, 1919, relating to the liquor traffic in Africa (convention of September 10, 1919, 46 Stat. pt. 2, p. 2199; act February 23, 1931, 46 Stat., p. 1320), \$55.

The amendment was agreed to.

The next amendment was, at the top of page 24, to insert:

Payment to Government of Mexico: For payment to the Government of Mexico as authorized by Public Act No. 374, approved February 25, 1933, the sum of \$15,000 for the account of the family of Emilio Cortez Rubio and the sum of \$15,000 for the account of the family of Manuel Gomez, for the killing in or near Ardmore, Okla., on June 7, 1931, of Emilio Cortez Rubio and Manuel Gomez by two deputy sheriffs of the State of Oklahoma (act February 25, 1933, Public, No. 374); in all, \$30,000.

The amendment was agreed to.

The next amendment was, on page 24, after line 9, to insert:

International monetary and economic conference: For the expenses of participation by the United States in an international monetary and economic conference to be held in London, and for each and every purpose connected therewith, including traveling expenses; personal services in the District of Columbia and elsewhere, without reference to the classification act of 1923, as amended; stenographic and other services by contract is deemed necessary, without regard to the provisions of section 3709 of the Revised Statutes (U. S. C., title 41, sec. 5); rent; purchase of necessary books and documents; printing and binding; official cards; entertainment; hire, maintenance, and operation of motor-propelled passenger-carrying vehicles; and such other expenses as may be authorized by the Secretary of State, fiscal year 1933, to remain available during the fiscal year 1934, \$150,000.

The amendment was agreed to.

The next amendment was, under the heading "Treasury Department, Bureau of Internal Revenue," on page 25, line 13, after the word "each," to insert a colon and the following additional proviso:

Provided further, That no refund in excess of \$20,000 shall be paid until the determination by the Commissioner of Internal Revenue of the overpayment has been transmitted to and approved by the United States Board of Tax Appeals, under such rules as it may prescribe; and the commissioner shall disallow the part thereof not so approved.

The amendment was agreed to.

The next amendment was, under the heading "War Department-Military activities: Quartermaster Corps," at the top of page 32, to insert:

Acquisition of land, Camp Bullis, Tex.: For an additional amount Acquisition of land, Camp Bullis, Tex.: For an additional amount for completing the acquisition of land at Camp Bullis, Tex., under condemnation proceedings as authorized by the acts approved January 12, 1929 (45 Stat. 1073), and February 28, 1933 (H. R. 12769, 72d Cong.), fiscal year 1933, \$6,400, together with such additional sum as may be necessary to pay interest at the rate stipulated and in accordance with the judgments rendered in condemnations to date of payment, to remain available until expended, \$8,400.

The amendment was agreed to.

The next amendment was, on page 32, after line 10, to insert:

ORDNANCE DEPARTMENT

Ordnance service and supplies, Army: The amount of the appropriation "Ordnance service and supplies, Army," for the fiscal

year 1933, available for necessary traveling expenses, is hereby increased from \$26,981 to \$41,981.

The amendment was agreed to.

The next amendment was, under the heading "War Department-Nonmilitary activities: Quartermaster Corps," on page 33, line 6, after the name "California," to strike out "\$20,000" and insert "\$30,000," so as to read:

Cemeterial expenses: For an additional amount for the development of areas D and E to provide for extension of the National Cemetery, San Francisco, Calif., \$30,000, to remain available until June 30, 1934.

The amendment was agreed to.

The next amendment was, under the heading "Title II-Judgments and authorized claims; damage claims," on page 33, line 19, after the name "Senate," to strike out "Document Numbered 168" and insert "Documents Numbered 168, 199, and 205"; on page 34, line 2, after the name "Department of Justice," to strike out "\$866.30" and insert "\$1,449.31"; on the same page, line 4, after the name "Navy Department," to strike out "\$846.26" and insert "\$996.26"; on the same page, line 6, to strike out "\$4,285.33" and insert "\$5,196.31"; on the same page, line 7, after the name "Treasury Department," to strike out "\$952.81" and insert "\$1,061.66"; and on the same page, line 9, after the words "in all," to strike out "\$9,325.30" and insert "\$11,078.14," so as to read:

SECTION 1. For the payment of claims for damages to or losses of privately owned property adjusted and determined by the following respective departments and independent establishments under the provisions of the act entitled "An act to provide for a method for the settlement of claims arising against the Government of the United States in sums not exceeding \$1,000 in any one case," approved December 28, 1922 (U. S. C., title 31, secs. 215–217), as fully set forth in Senate Documents Nos. 168, 199, and 205, and House Documents Nos. 502, 547, and 554, Seventy-second Congress, as follows:

Department of Agriculture, \$1,590.03; Department of Commerce, \$283.90; Department of the Interior, \$67.85; Department of Justice, \$1,449.31; Department of Labor, \$208.17; Navy Department, \$996.26; Navy Department, \$995.26; Post Office Department (out of the postal revenues), \$5,196.31; Treasury Department, \$1,061.66; War Department, \$204.65; In all, \$11,078.14.

The amendment was agreed to.

The next amendment was, under the subhead, "Judgments, United States Courts," on page 34, line 18, after the word "in," to insert "Senate Document No. 200, and"; in line 19, after the word "following," to strike out "department" and insert "departments"; and after line 20, to insert "Department of Commerce, \$60,738," so as to read:

SEC. 2. For payment of the final judgments and decrees, including costs of suits, which have been rendered under the provisions of the act of March 3, 1887, entitled "An act to provide for the bringing of suits against the Government of the United States," as amended by the Judicial Code, approved March 3, 1911 (U. S. C., title 28, sec. 41, par. 20; sec. 258; secs. 761-765), certified to the Seventy-second Congress in Senate Document No. 200, and House Document No. 544, under the following departments, namely: namely

Department of Commerce, \$60,738:

The amendment was agreed to.

The next amendment was, on page 34, line 22, after the figures "\$10,383.16," to insert a semicolon and "in all \$71,121.16," so as to read:

War Department, \$10,383.16; in all, \$71,121.16, together with such additional sum as may be necessary to pay interest on the respective judgments at the rate of 4 per cent per annum from the date thereof until the time this appropriation is made.

The amendment was agreed to.

The next amendment was, on page 35, after line 2, to insert:

For the payment of judgments, including costs of suits, rendered against the Government of the United States by United States district courts under the provisions of an act entitled "An act authorizing suits against the United States in admiralty for damages caused by and salvage services rendered to public vessels belonging to the United States, and for other purposes," approved March 3, 1925 (U. S. C., title 46, secs. 781-789), certified to the

Seventy-second Congress in Senate Document No. 200, under the following departments, namely:
Navy Department, \$1,918.06;
War Department, \$52,107.97; in all, \$54,026.03, together with such additional sum as may be necessary to pay interest on any such judgment where specified therein and at the rate provided by law

by law.

For the payment of a judgment rendered against the Government by the United States District Court, Middle District of Alabama, northern division, under the provisions of the act of Congress, approved February 26, 1931 (46 Stat. 1421), and certified to the Seventy-second Congress in Senate Document No. 202, under the War Department, \$4,000, together with such additional sum as may be necessary to pay interest in accordance with the terms of said judgment.

The amendment was agreed to.

The next amendment was, under the subhead "Judgments, Court of Claims," on page 36, line 13, after the word "in," to insert "Senate Document Numbered 201 and"; on the same page, line 16, after the name "Department of Agriculture," to strike out "\$464.10" and insert "\$26,171.25"; on the same page, line 17, after the name "Navy Department," to strike out "\$21,259.59" and insert "\$27,420.79"; on the same page, line 19, after the name "War Department," to strike out "\$253,877.53; in all, \$277,908.12" and insert "\$260,514.03; in all, \$316,412.97," so as to read:

SEC. 3. For payment of the judgments rendered by the Court of Claims and reported to the Seventy-second Congress, in Senate Document No. 201 and House Document No. 546, under the following departments, namely:

Department of Agriculture, \$26,171.25;

Navy Department, \$27,420.79; Treasury Department, \$2,306.90; War Department, \$260,514.03; in all, \$316,412.97, together with such additional sum as may be necessary to pay interest on certain of the judgments as and where specified in such judgments.

The amendment was agreed to.

The next amendment was, on page 40, after line 13, to insert:

AUDITED CLAIMS

AUDITED CLAIMS

SEC. 5. For the payment of the following claims, certified to be due by the General Accounting Office under appropriations the balances of which have been carried to the surplus fund under the provisions of section 5 of the act of June 20, 1874 (U. S. C., title 31, sec. 713), and under appropriations heretofore treated as permanent, being for the service of the fiscal year 1930 and prior years, unless otherwise stated, and which have been certified to Congress under section 2 of the act of July 7, 1884 (U. S. C., title 5, sec. 266), as fully set forth in Senate Document No. 203, Seventy-second Congress, there is appropriated as follows:

LEGISLATIVE ESTABLISHMENT

For public printing and binding, Government Printing Office,

INDEPENDENT OFFICES

For salaries and expenses, Federal Board for Vocational Education, 50 cents.

For medical and hospital services, Veterans' Bureau, \$17,226.40. For salaries and expenses, Veterans' Bureau, \$25.96. For Army pensions, \$120.71.

DISTRICT OF COLUMBIA

For general expenses, public parks, District of Columbia, \$460.25. DEPARTMENT OF AGRICULTURE

For salaries and expenses, Weather Bureau, \$101.64. For salaries and expenses, Bureau of Animal Industry, \$34.33. For general expenses, Forest Service, \$15.70.

For salaries and expenses, Forest Service, \$12.57.

DEPARTMENT OF COMMERCE

For export industries, Department of Commerce, \$7.20.

DEPARTMENT OF THE INTERIOR

For relieving distress and prevention, etc., of disease among Indians, \$1,079.43.

For conservation of health among Indians, \$919.57.

DEPARTMENT OF JUSTICE

For books for judicial officers, \$436.95.

For salaries, fees, and expenses of marshals, United States courts, \$959.39.

For salaries and expenses of district attorneys, United States

courts, \$1.25.

For salaries and expenses of clerks, United States courts, 65

For fees of jurors and witnesses, United States courts, \$36.70. For support of United States prisoners, \$5.50.

DEPARTMENT OF LABOR For salaries and expenses, commissioners of conciliation, \$2.

NAVY DEPARTMENT

For pay, miscellaneous, \$90.95. For transportation, Bureau of Navigation, \$57.75.

For organizing the Naval Reserve, \$7.76.
For engineering, Bureau of Steam Engineering, \$9.44.
For pay, subsistence, and transportation, Navy, \$705.13.
For pay of the Navy, \$2.052.77.
For aviation, Navy, \$5,000.
For pay, Marine Corps, \$206.25.

POST OFFICE DEPARTMENT-POSTAL SERVICE

(Out of the postal revenues)

For balances due foreign countries, \$905.20. For indemnities, domestic mail, \$2. For rent, light, and fuel, \$2.070.84. For separating mails, \$72.

DEPARTMENT OF STATE

For allowance for clerks at consulates, \$86.58.

TREASURY DEPARTMENT

For increase of compensation, Treasury Department, \$10.
For enforcement of narcotic and national prohibition acts, internal revenue, \$100.98.

For collecting the internal revenue, \$23.45

For Coast Guard, \$534.42.
For contingent expenses, Coast Guard, 72 cents.
For pay and allowances, Coast Guard, \$5.52.
For operating force for public buildings, \$42.
For marine hospital, Carville, La., \$193.84.

WAR DEPARTMENT

For Organized Reserves, \$34.99.
For Reserve Officers' Training Corps, \$100.80.
For increase of compensation, Military Establishment, \$1,323.69.
For pay and traveling and general expenses of the Army, \$10.48.
For pay of the Army, \$6,826.44.
For Army transportation, \$596.92.

For clothing and equipage, \$62.77. For pay, and so forth, of the Army, war with Spain, \$11.68. For general appropriations, Quartermaster Corps, \$1,588.42.

For subsistence of the Army, \$30. For supplies, services, and transportation, Quartermaster Corps, \$4,429.79.

For armament of fortifications, \$15,252.23.
For replacing ordnance and ordnance stores, \$74.56.
For arming, equipping, and training the National Guard For ar \$1,547.59.

For pay of National Guard for armory drills, \$48.43. For disposition of remains of officers, soldiers, and civil employees, \$10.

For monument, Kill Devil Hill, Kitty Hawk, N. C., \$1,500.

Total, audited claims, section 5, \$90,323.01, together with such additional sum due to increases in rates of exchange as may be necessary to pay claims in the foreign currency as specified in certain of the settlements of the General Accounting Office.

The amendment was agreed to.

The next amendment was, at the top of page 45, to insert:

Sec. 6. For payment of interest on amounts withheld from claimants by the Comptroller General of the United States, act of March 3, 1875, as allowed by the General Accounting Office, and certified to the Seventy-second Congress, second session, in Senate Document No. 198, under the Treasury Department, \$22,943.61 and under the War Department \$736.21, together with such additional amount as may be necessary to pay interest on one of the claims set forth in that document.

Payment of judgments against collectors of customs: For the payment of a claim allowed by the General Accounting Office covering a judgment rendered by a United States district court against a collector of customs, where certificate of probable cause has been issued as provided for under section 989, Revised Statutes (U. S. C., title 28, sec. 842), and certified to the Seventy-second Congress, second session, in Senate Document No. 193, under the Department of Labor, \$978.50.

Total, audited claims, section 6, \$30,658.32.

The amendment was agreed to.

EXTENSION OF POSTAL SAVINGS SYSTEM

Mr. DILL. Mr. President, I understand that it is the purpose of the Senator from Oregon [Mr. McNary] to ask that the calendar be taken up when the consideration of the pending bill shall have been concluded. I desire to speak briefly on another subject before that is done.

Mr. HALE. Mr. President, will not the Senator allow us to complete consideration of the deficiency bill?

Mr. DILL. No; I want to speak now.

My reason for addressing the Senate at this time is that the conditions in this country are such that I desire to lay before the Senate and the country a plan for consideration during the next few days, before the special session, looking to improvement of the financial and banking situation in the United States. I shall not review the events which have brough about the present emergency, but I will speak as to the necessity for doing something constructive in the immediate future.

Mr. President, 28 States have practically closed their banks. Every bank on the Pacific coast closed this morning. At the rate we are going now, within a few days there will not be any banks in this country open for business. What will happen when there is no exchange currency for doing business nobody can predict.

This Government owes a duty to the American people. which must be met, and it can only be met by having some system whereby they can have an exchange currency to assist in carrying on trade in this country. The masses of the people have little or no money. If they secure any, they are afraid to place it in any bank still open. They are fast losing faith in all financial organizations. Something must be done and done quickly.

I know that there are many proposals which are unsound. The most unsound of them, I think, is that we shall guarantee existing bank deposits and attempt to perpetuate the present system, which has wrecked the country's financial and industrial organization. I am not going to discuss that other than to point out that it would probably take \$40 .-000,000,000 and break the Treasury. It would bond future generations to pay for that bank guarantee of the reckless, profiteering loans and investments made during the past few years.

It becomes encumbent upon the Government of this country to provide some system whereby the people will have an exchange currency with which to do business, and because of that requirement I believe that the thing we should do is to superimpose upon the postal banking system of this country an arrangement by which there could be checking accounts in that system.

There are to-day in the postal savings system over 8,000 offices where the people's money is being received on deposit. Those deposits are guaranteed. It would be a comparatively simple matter in this emergency to enlarge that system so that a checking account plan could be used in those banks. Any other system would require an entirely new set of machinery. These 6,840 depositaries scattered in every nook and hamlet of the country, with their 809 branches, afford a skeleton, a foundation, if you please, upon which to build a system where millions of the American people could deposit their small amounts of money and have checking accounts with which to do business.

I want at this time to offer a joint resolution and ask that it be read at the desk, and that it be printed.

Mr. BROOKHART. Would not the Senator also ask for immediate consideration?

The joint resolution (S. J. Res. 263) to provide for checking accounts in postal savings banks, and for other purposes, was read the first time by its title and the second time at length, as follows:

Whereas owing to the failure of large numbers of banks throughout the United States and the inability of many other banks to furnish adequate banking facilities to the people, an emergency need for exchange currency exists in this country:

Therefore be it

Resolved, That the Postmaster General is hereby authorized to carry deposit and checking-fund accounts, not to exceed \$5,000 for any one person, association, or corporation; and any person authorized to make deposits in postal savings banks under existing laws shall be authorized to make deposits in the deposit and checking-fund accounts, but no interest shall be paid on any moneys deposited in such accounts.

The Postmaster General shall furnish depositors all necessary forms of blank checks, deposit slips, and other business forms for use of depositors, and make monthly statements of accounts to depositors, and may provide for clearance of checks and make a charge of not to exceed 2 cents per check as a service charge for handling checking accounts, said service charge to be covered into the receipts of the Post Office Department.

The Postmaster General shall appoint and fix the compensation The Postmaster General shall appoint and fix the compensation of such additional clerks as may be necessary to handle said deposit and checking accounts under bonds, the amount of said bonds to be fixed by the Postmaster General; and in those postal savings banks where more than one clerk is necessary to handle said accounts, the Postmaster General shall designate one clerk as manager. In the selection of additional clerks for the handling of the deposit and checking accounts as herein provided for, the Postmaster General shall choose clerks whom he finds to be particularly qualified for this work, without regard to the requirements of the civil service laws relating to selection of Post Office Department clerks. Department clerks.

Any depositor shall be entitled to draw funds on demand, and the Postmaster General shall keep an adequate part of all deposits as reserve available to pay depositors on demand, but may require as reserve available to pay depositors on demand, but may require 10 days' notice for payment of any excess over 50 per cent of deposit. The Postmaster General is authorized to rent additional space for offices or select and provide safes, vaults, or places of safe-keeping for the cash funds of the deposit and checking accounts of postal savings banks as he may deem necessary, and he may deposit funds of this account in the Federal reserve banks or insure moneys kent on hand against fire theft, or other loss as he insure moneys kept on hand against fire, theft, or other loss as he may decide.

The Federal Reserve Board is hereby authorized to issue Federal reserve notes to the Postmaster General based on direct obligations of the United States as collateral on the same terms as provided local member banks of the Federal Reserve Board.

for local member banks of the Federal Reserve Board.

The Postmaster General is hereby authorized to make application to any local agent of the Federal Reserve Board for such amount of Federal reserve notes as he may require to maintain in said fund necessary cash reserves or funds to meet withdrawal demands from the deposit and checking account of any postal savings bank. Such application shall be accompanied by the tender of direct obligations of the United States as collateral in amount equal to the sum of the Federal reserve notes thus applied for

for.

There is hereby authorized to be appropriated out of the Treasury of the United States such amounts as may be necessary for the use of the Postmaster General for the purposes hereinbefore stated, and the Postmaster General is directed to make estimates to the Bureau of the Budget as to the amount necessary to be appropriated for the period until July 1, 1933, and for the fiscal year July 1, 1933, to July 1, 1934.

Mr. DILL. Mr. President, I would like, of course, to have the joint resolution considered and acted upon, but I recognize that it is somewhat elaborate, that it is such a big proposal that in the short period of time remaining I would not be justified in asking the Senate to take action. I have introduced it because I want it printed and referred to the Banking and Currency Committee as a plan to be considered by that committee.

I remind Senators that this is not any wild or revolutionary proposal. It might be considered unwise in ordinary times, but I come back to the point I made in the beginning that if the banks of the country continue to close, the Government owes it to the American people to supply some method of exchange currency in the form of checks. is a guarantee system to begin with. The people will have faith in it. The foundations are already laid in the form of more than 8,000 offices. The men in charge of the system are not unfamiliar with the handling of deposits.

I have the figures here as to the postal savings deposits and they are simply amazing. On June 30, 1931, \$347 .-000,000 was on deposit. On June 30, 1932, \$784,000,000 was on deposit. On January 1, 1933, \$942,000,000 was on deposit. It is safe to say there is at least \$1,000,000,000 on deposit in the postal savings banks to-day, so that we have a skeleton organization now upon which to build a system of Government checking accounts to carry us through an emergency that may be far more serious than any one contemplates and the outcome of which no man can foretell unless it is met in some way. Nobody knows exactly what initial appropriations will be necessary. It might take \$50,-000,000 or \$100,000,000, but that is not even worthy of consideration in comparison to what will happen in the country if some checking system is not provided.

I believe that this proposal justifies the early and earnest consideration of the Committee on Banking and Currency. I have presented the resolution for the purpose of submitting a plan which has the basis of experience back of it, which has a skeleton system upon which to build a checking account plan that will meet the demands of the common men and women of the country who to-day are afraid to leave in the banks what little money they have, in the fear that they will not be able to get any of it out if the situation continues and grows, as it seems certain it will. Let us give the people a system in which they will have faith and which they can and will use.

I realize the bankers of the country will be opposed to the plan. There was a time when I was willing to consider their arguments and objections, but since they have brought the country to its present status it is high time that we think of the needs and in the interest of the American people. The Government must do something to assure the people of the country that they shall not be left without new paragraph the following:

some kind of an exchange currency in this dangerous emergency which now confronts us.

The PRESIDING OFFICER. The joint resolution will be referred to the Committee on Banking and Currency.

SECOND DEFICIENCY APPROPRIATIONS

The Senate resumed the consideration of the bill (H. R. 14769) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1933, and prior fiscal years, to provide supplemental appropriations for the fiscal years ending June 30, 1933, and June 30, 1934, and for other purposes.

Mr. HALE. Mr. President, I have been authorized by the committee to offer the following amendment.

The PRESIDING OFFICER. The amendment will be reported for the information of the Senate.

The CHIEF CLERK. On page 4, after line 14, to insert:

That sections 4 and 5 of the act (Pub. Res. No. 101, 70th Cong.) approved March 2, 1929, be, and is hereby, amended to read as

approved March 2, 1929, be, and is hereby, amended to read as follows:

"SEC. 4. That the publications provided for in such act of May 29, 1928, as amended by this resolution, and with such ancillaries, shall be printed and bound in such style, form, and manner as may be directed by the Joint Committee on Printing.

"SEC. 5. That in order to avoid waste in the appropriations for printing and binding for Congress, the Joint Committee on Printing is hereby empowered to authorize the printing of any bill or resolution before Congress in such style and form as the said committee may deem to be most suitable in the interest of economy and efficiency and to so continue until final enactment thereof in both Houses of the Congress of the United States; and such committee may also curtail the number of copies of such bills to be printed in the various parliamentary stages in the Congress, including the slip form of each public act."

Mr. KING. Mr. President, I did not understand the publications contemplated by the amendment.

Mr. HALE. Mr. President, the Senator from New Hampshire [Mr. Moses] will explain the purpose.

Mr. MOSES. Mr. President, as the Senator from Utah will remember, the joint Committee on Revision of the Statutes a few years ago codified the general statutes of the United States, being the committee of which former Senator Pepper, of Pennsylvania, was chairman. Various other codifications are now in process. They will number well up to 20 all told. It is a matter of printing to save expense. If the Senator has on his desk a bill in the printed form in which bills come to us, he will find it is printed in what is known by the printers as 14-point type. If this amendment is not agreed to so that in the codifications we may use the ordinary printed form of bill, it will be necessary to make new plates and set the type again, whereas if the amendment is adopted the Joint Committee on Printing will issue instructions that the bill as it comes here shall be printed in the exact form in which it will be in the codified statute. Under the codes now in readiness \$14,000 will be saved and probably something like \$50,000 before the codification is completed.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. HALE, Mr. President, I offer the following amendment in response to a message which has just come from the White House.

The PRESIDING OFFICER. The amendment will be

The CHIEF CLERK. On page 16, after line 24, to insert:

Chilocco (Okla.) Indian Boarding School Building: For remodeling and repairing girls' dormitory damaged by fire at Chilocco, Okla., including replacement of equipment, fiscal year 1933, to remain available during the fiscal year 1934, \$40,000.

The amendment was agreed to.

Mr. HALE. Mr. President, that completes the committee amendments.

Mr. ROBINSON of Arkansas. Mr. President, I offer the following amendment.

The PRESIDING OFFICER. The amendment will be reported.

The CHIEF CLERK. On page 7, after line 10, insert as a

UNITED STATES ROANOKE COLONY COMMISSION

To enable the United States Roanoke Colony Commission to carry out and give effect to certain plans for the comprehensive observance of the three hundred and fiftieth anniversary of the birth of English-speaking civilization in America in accordance with the provisions of the Senate Joint Resolution 241 of the Seventy-second Congress, as passed by the Senate, \$50,000.

The amendment was agreed to.

Mr. REED. Mr. President, I send to the desk an amendment which I ask to have read.

The PRESIDING OFFICER. Let it be reported for the information of the Senate.

The CHIEF CLERK. The Senator from Pennsylvania offers the following amendment: On page 37, after line 8, to insert:

For payment of the judgment of the Court of Claims, No. J-543, in favor of the Pocono Pines Assembly Hotels Co., as certified to the Congress in the report embodied in Senate Document No. 244. Seventy-first Congress, third session, and Senate Document No. 213, Seventy-second Congress, second session, \$227,239.53.

Mr. REED. Mr. President, I think a word of explanation ought to be made. About three years ago there came to us an estimate under the Budget law for the payment of a judgment in the Court of Claims in favor of the hotel company. The Comptroller General came before the Appropriations Committee and called attention to the fact that the case had been badly tried in behalf of the Government. The committee and the Senate refused the amendment which I then offered to pay the judgment, and in place of my amendment adopted an amendment to the appropriation bill directing that the matter should go back again to the Court of Claims—in effect ordered a new trial.

The Court of Claims had some doubt as to its jurisdiction, but after argument, consideration, and, as I recall, an appeal, it was decided they did have jurisdiction to try the case on its merits, as requested by the Senate. That has now been done. The case has been tried de novo and judgment has been rendered in favor of the hotel company.

To explain to those Senators who are not familiar with the case when it was here before—

Mr. KING. Mr. President, will the Senator yield before he proceeds to that explanation?

The PRESIDING OFFICER. Does the Senator from Pennsylvania yield to the Senator from Utah?

Mr. REED. Certainly.

Mr. KING. A number of persons who claim to be familiar with the facts, and one of whom is in the Government employ, came to me and stated that the second trial was, to use their expression, as much of a farce as the first trial, and that the interests of the Government had not been fully protected; that the building was an old one; that the judgment awarded is wholly unfair to the Government. They wanted me to interpose further objections, but I have not felt so disposed. If the Senator is familiar with the facts I shall be glad to have a further explanation.

Mr. ROBINSON of Arkansas. Mr. President, will the Senator from Pennsylvania yield?

The PRESIDING OFFICER. Does the Senator from Pennsylvania yield to the Senator from Arkansas?

Mr. REED. Certainly.

Mr. ROBINSON of Arkansas. Of course, the Congress can not go on forever ordering new trials on the theory that a court has failed to perform its duty. The case has been tried twice by the Court of Claims. It will be recalled that when the amendment was first presented by the Senator from Pennsylvania there were serious charges made as to the inefficient manner in which the Government's case was presented. We believed then that the Government had not had a fair deal and in effect required a new trial. A retrial having been had, it does not seem to me that upon a mere statement by some person that the trial was not fair we ought to refuse to take action.

Mr. BORAH. Mr. President, may I ask who represented the Government in the matter?

Mr. REED. Some one from the Attorney General's office or the Solicitor General's office. I do not know his name.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Pennsylvania.

The amendment was agreed to.

Mr. WATSON. Mr. President, I offer the following amendment.

The VICE PRESIDENT. Let it be reported.

The CHIEF CLERK. On page 7, after line 10, to insert:

GEORGE ROGERS CLARK SESQUICENTENNIAL COMMISSION

For the completion of the memorial authorized by section 2 of the joint resolution approved May 23, 1928, to be erected at or near the site of Fort Sackville in the city of Vincennes, Ind., in commemoration of the winning of the old Northwest and the achievements of George Rogers Clark and his associates in the War of the American Revolution, to be expended by the George Rogers Clark Sesquicentennial Commission in the manner provided in section 4 of such joint resolution, as amended by section 2 of the act approved February 28, 1931, \$250,000.

Mr. WATSON. It has been authorized, but the authorization was left out of the bill in the House.

Mr. HALE. Mr. President, I would like to ask the Senator if there is any Budget estimate for it.

Mr. WATSON. The Senate passed it unanimously.

The VICE PRESIDENT. Was the item passed at this session of the Congress?

Mr. WATSON. Yes; it was.

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from Indiana.

The amendment was agreed to.

Mr. BARKLEY. Mr. President, I offer the amendment which I send to the desk.

The VICE PRESIDENT. The amendment will be stated for the information of the Senate.

The CHIEF CLERK. On Page 4, after line 14, insert:

For expenses of the Committee on Interstate and Foreign Commerce, under the terms of House Joint Resolution 572, second session, Seventy-Second Congress, \$50,000.

The amendment was agreed to.

Mr. SCHUYLER. Mr. President, in order to complete the record, I move, on page 18, to strike out lines 19, 20, 21, and 22, being the item upon which I addressed the Senate with reference to the appropriation of \$40,000 in connection with certain investigations.

The VICE PRESIDENT. The amendment will be stated for the information of the Senate.

The CHIEF CLERK. On page 18, strike out lines 19 to 22, as follows:

Cooperative and general investigations: For an additional amount for cooperative and general investigations, \$40,000, to be payable from the reclamation fund and to remain available until June 30, 1934.

Mr. HALE. Mr. President, that has already been acted on. The VICE PRESIDENT. Only the amendment relating to the amount was agreed to. The amendment of the Senator from Colorado is in order to strike out the entire provision. The previous action was merely on increasing the amount involved. The question is on the amendment of the Senator from Colorado.

The amendment was agreed to.

The VICE PRESIDENT. The bill is before the Senate and open to further amendment.

Mr. KING. Mr. President, I challenge the attention of the chairman of the committee to the item on page 22, from lines 3 to 8, inclusive, being a deficiency appropriation of \$450,000 for the Bureau of Immigration. If I thought any favorable result would attend a motion to eliminate that item, I would make it, and I want to make the statement now, Mr. President, that, in my opinion, the Bureau of Immigration has acted in many ways in a most arbitrary manner. It had no right to bring about this enormous deficit, and if the Senate, in my judgment, acted as it should, it would eliminate the whole item.

As an illustration, we have heard of raids by the immigration authorities involving 300, 400, and 500 people, under the theory that the people thus raided were enemies to our country, bolsheviks, or whatnot, and yet the immigra-

tion authorities have had to discharge them from custody because the raids were wholly unjustifiable and they were arresting and taking into custody and incarcerating, in many instances, American citizens against whom there was no legitimate ground for charges.

I think that the Immigration Service has been extravagant; it has acted arbitrarily, and I protest against this allowance of \$450,000 additional. We made a very large appropriation in the last regular appropriation bill for this service; this additional deficiency appropriation is wholly unjustifiable; and I think that 'he immigration officials transcended their authority if this deficit has been created. I ask the Senator from Maine whether the amount is to cover past deficits or is it for prospective deficits that are to be incurred between now and the 1st of next July?

Mr. HALE. Mr. President, the proposed appropriation is to take care of the situation between now and the 1st of July. The evidence shows that unless this amount shall be appropriated there will be a deficit of about \$450,000 if the rate of deportations keeps up according to what it has been during the past year. I think the department has done splendid work in the manner in which it has dealt with these aliens.

Mr. KING. Mr. President, I think it is absolutely wrong to encourage a deficit as this item will do. It invites the immigration authorities to continue their illegal raids. They took into custody a few weeks ago 400 people in Detroit, upon the theory that they were anarchists or bolshevists, and threw many of them into jail; but, after a sifting process, they confessed their error and released substantially all of them. Because of such illegal arrests and other arbitrary, capricious, and unwarranted acts upon the part of the employees of the Immigration Service they are incurring deficits notwithstanding the very large annual appropriations which have been made for this service. I protest against it. I think if we provide this \$450,000 it will be expended. Of course, this much may be said, that there will be a change in the administration, but if the present administration were to continue in power every cent of the appropriation would be expended, and much of it in the same illegal manner that expenditures have been made in the past. I repeat, I protest against it, and I move to strike out the entire item.

The VICE PRESIDENT. The question is on the amendment of the Senator from Utah to strike out lines 1 to 8, inclusive, on page 22.

Mr. BORAH. Mr. President, as we have to vote on this matter, perhaps we had better know something more about it, and I ask that the provision be read.

The VICE PRESIDENT. The clerk will read the provision proposed to be stricken out.

The Chief Clerk read as follows:

BUREAU OF IMMIGRATION

Salaries and expenses: For an additional amount for salaries and expenses, Bureau of Immigration, Department of Labor, including the same objects specified under this head in the act making appropriations for the Department of Labor for the fiscal year 1933, \$450,000, for use only for or in connection with the deportation of aliens.

The VICE PRESIDENT. The question is on the amendment offered by the Senator from Utah.

Mr. HALE. Mr. President, the amount of money made available in the appropriation for the present fiscal year to take care of the deportation of aliens was \$1,664,700. In the first six months of the year \$1,028,000 were expended, and during that time 12,106 aliens were deported. Mr. Hull states:

If we succeed in finding as many aliens in the next six months as we did in the last six months, we will be short about \$450,000.

Whatever the Senate may think about the question of deporting aliens, we certainly do not want to impede the department in carrying out the law of the land.

Mr. BORAH. Mr. President, I understand from the Senator from Utah that a vast amount of this money has been expended through mistake upon the part of the department

in arresting hundreds of people who have proved in the end not to be deportable.

Mr. HALE. I am not familiar with that matter, and I dare say some mistakes have been made, but more than 12,000 aliens have actually been deported.

Mr. ASHURST. Mr. President, it would be unpardonable for me or any other Senator now to take the Senate's time, and even if I were disposed to do so I have not the strength, as I am suffering from a mild attack of influenza. However, I say that it is our duty to recur to fundamental principles. Too long have some minions of departments, not only under this administration but under others, invaded the rights, privileges, and immunities of citizens, thrown them into jail, sometimes without a warrant, and then such officials have been obliged to confess their error. It is within the memory of Senators here that one official at Detroit, I believe, caused some 600 or 700 men, many, if not most, of them citizens of the United States, to be herded as so many cattle into an inclosure for many hours.

Mr. President, some of these officials, in their zeal to make a "record" for arrests and thus to hold their positions, have too frequently invaded the rights of citizens. In carrying out the eighteenth amendment or in attempting to enforce it and in attempting to enforce other laws, some officials evidently have forgotten some other provisions of the Federal Constitution.

Mr. President, each and every part of the Constitution to me stands the same. All of its provisions are of equal force, dignity, and effect. Some persons have been inclined at times to overlook the fourth and fifth amendments to the Constitution.

In our Constitution there is probably no feature around which clusters more radiant romance or the memorials of which give us more fascinating glimpses of bygone days than the fourth and fifth amendments. In all our jurisprudence there is no other principle that has been more definitely put into position or more joyously accepted by Americans than the principle of the fourth and fifth amendments. They are intimately related; each lends strength to the other and, notwithstanding their apparent nonchalance, they sustain and protect the very essence of constitutional liberty and security. They guarantee repose and the privacies of life.

These noble amendments are as follows:

ARTICLE IV

The right of the people to be secure in their persons, houses, papers, and effects against unreasonable searches and seizures shall not be violated, and no warrants shall issue but upon probable cause, supported by oath or affirmation, and particularly describing the place to be searched and the persons or things to be seized.

ARTICLE V

No person shall be held to answer for a capital or otherwise infamous crime unless on a presentment or indictment of a grand jury, except in cases arising in the land or naval forces, or in the militia, when in actual service in time of war or public danger; nor shall any person be subject for the same offense to be twice put in jeopardy of life or limb; nor shall be compelled in any criminal case to be a witness against himself, nor be deprived of life, liberty, or property without due process of law; nor shall private property be taken for public use without just compensation.

A gentleman calling upon me once asked, "Did you ever read Lord Coke's famous maxim in Semayne's case? " to wit, "The house of everyone is to him as his castle and fortress, as well for his defense against injury and violence as for his repose." I said, "I am familiar with Coke, but that was the law of England 1,000 years before my Lord Coke adorned the bench." This is law in every State and was brought to the Colonies when our ancestors migrated hither. I have voted for millions of dollars to enforce the law, but I shall not wittingly vote for any appropriation which authorizes any agency of the Federal Government to induce citizens to commit crime, cruelly entrap citizens; and I am opposed to the purchase of evidence. I say further that those who love liberty should take for their motto "principiis obsta"—resist from the first; in other words, do not permit the tyranny of government, do not permit the tyranny of the state ever to get a start.

atmosphere, to find that another body of Congress, the body which holds the purse strings and sends to us the appropriation bills, has set its seal of condemnation upon the use of Federal funds to induce men to violate the law, has condemned wire tapping and purchase of evidence.

The Senator from Utah [Mr. King] is correct in his conclusion. All Senators desire that aliens unlawfully in the United States should be deported. I am sure I wish the law enforced and crime punished; but, forsooth, because we demand that the law be enforced and crime punished, we do not expect that the official, without warrant, without proper papers, shall seize the persons of citizens and incarcerate them.

Mr. President, there has grown up of late in the United States a fierce resentment against the Federal Government. Once the citizens looked upon their Federal Government as a wise, helpful instrument or agency of fairness and justice, watching to guard their liberties. Ask the ordinary citizen to-day what he thinks of the Federal Government; ask the man who drives your taxicab; ask your cook, ask the man who tills the soil, who pays the taxes, who sells merchandise, what he thinks of the Federal Government, and he will say it seems at times a cruel monster seeking to entrap him; it has an instrument or a law that tells him to make out his "outcome" tax, and yet when he makes it out and pays the tax, he does not know until years later, perhaps, whether he has really paid it according to the views of the Government officials. The citizens look upon the Government as an instrument whose minions of power at any time without warrant may force themselves into his residence or carry away his papers. I repeat, that acts of oppression upon the part of some officials of the Government of the United States have taken place during the last few years which I much doubt if the Ogpu of Russia could duplicate.

Mr. WAGNER. Mr. President-

The VICE PRESIDENT. Does the Senator from Arizona yield to the Senator from New York?

Mr. ASHURST. I yield. Mr. WAGNER. I ask the Senator to yield to me in order that I may call to his attention a protest which I made two years ago against the practices of which the Senator in his usual able manner is now complaining. At that time I referred to an effort made to prevent an entertainment held by a number of American citizens of alien birth. It was suspected by agents of the Government that among those in that gathering were some who had entered the country illegally. Those agents went into the hall where this function was being held by American citizens; they stopped the music, put everybody in line, and required each one to come before them and prove his American citizenship. Of course, in very few instances were they able to do it, because people do not ordinarily carry their naturalization certificates with them.

The result, however, was that those men and women were kept during the entire night and part of the next day until by some means they were able to secure evidence to convince and to persuade these Government agents that they were in this country legally. The whole proceeding and investigation resulted in not a single disclosure that any one of the number was not a respectable American citizen of foreign birth and had not legally entered the country. I think that was a very disgraceful exhibition.

Mr. ASHURST. Mr. President, I am obliged to the learned Senator from New York for his contribution. No longer ago than the 16th of last month the Senate, by an amendment, prohibited the purchase of evidence hereafter. The thirteenth and the fourth and fifth amendments are equally as important as the eighteenth or the sixteenth.

Mr. SHORTRIDGE. Or as the first.

Mr. ASHURST. Or as the first. I thank the Senator. All parts of the Constitution have equal strength. Let there be an end to wire tapping. Let there be an end to the use of Government funds for the purchase of evidence. Let

It is refreshing, it is like a breath of pure air in a fetid | there be an end to contrivances and schemes which would compel the citizen to be a witness against himself. Let there be an end to the practice of men and women, many of whom are citizens, being herded, as it were, like dumb brutes. Let all aliens unlawfully in the United States be apprehended and deported according to law. I desire appropriations to do so in the lawful constitutional manner.

The VICE PRESIDENT. The Chair lays before the Senate the unfinished business, which will be stated.

The CHIEF CLERK. A bill (H. R. 8681) to develop American air transport services overseas, to encourage the construction in the United States by American capital of American airships for use in foreign commerce, and to make certain provisions of the maritime law applicable to foreign commerce by airship.

Mr. HALE. Mr. President, I ask unanimous consent that the unfinished business be temporarily laid aside in order that the Senate may complete the consideration of the appropriation bill.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

Mr. JOHNSON obtained the floor.

Mr. HALE. Mr. President-

Mr. JOHNSON. I yield to the Senator from Maine.

Mr. HALE. I think an error has occurred in the matter of the consideration of the cooperative and general investigations clause on page 18 of the bill. The Senator from Colorado [Mr. Schuyler] moved to strike out the Senate amendment to this proposition.

Mr. LA FOLLETTE. Mr. President, a parliamentary in-

The VICE PRESIDENT. The Senator will state it.

Mr. HALE. Will the Senator allow me to finish?

The VICE PRESIDENT. The Senator from Wisconsin has risen to a parliamentary inquiry, which he may do at any time.

Mr. LA FOLLETTE. I desire to ask whether there is not an amendment pending, offered by the Senator from Utah [Mr. KING]?

The VICE PRESIDENT. There is.

Mr. JOHNSON. Mr. President, will the Senator permit me to make a statement about something that has just transpired, that was an inadvertence on the part, I think, of those who participated in it.

Mr. HALE. That is what I was about to explain.

The VICE PRESIDENT. This amendment is debatable. Mr. JOHNSON. I am asking unanimous consent for a certain purpose, and I ask the Senate to permit me to proceed for just one minute in that regard.

The amendment for the construction of the all-American Canal was before the Senate. It was voted upon, and the amendment was adopted. I left the Senate Chamber for just a moment in order to answer some wires in the anteroom. There was made then a motion to strike out the entire appropriation. The nature of the motion was not understood by the chairman of the committee in charge of the bill, nor do I think it was understood by the assistant Republican leader, who sits on my right. Certainly I knew nothing about it, and the Senate apparently did not understand the situation; and, after we had adopted the appropriation in the bill, the entire appropriation was stricken out on the motion of the Senator from Colorado. I ask simply unanimous consent that we may reconsider that particular matter.

The VICE PRESIDENT. Is there objection?

Mr. SCHUYLER. Mr. President, rising not to object, but just for the purpose of an explanation for the RECORD, I know that in the Senator's reference to the fact that he was out of the Chamber at the time this motion was made he will not impute to me the taking-up of the matter at that time because of his absence.

Mr. JOHNSON. Oh, no; no, no!
Mr. SCHUYLER. It was the regular time for me to present the amendment to which I have referred. I took up the matter in the discussion first in reference to the committee amendments, but could not make the motion to strike out all of the appropriation until the committee amendments were acted upon.

Mr. FESS. Mr. President, will the Senator yield? I hope the unanimous-consent agreement will be made, Mr. President: but-

The VICE PRESIDENT. Is there objection?

Mr. FESS. Just a moment. I desire to confirm what the Senator from Colorado has done. It might be inferred, from reading the RECORD, that he waited until the Senator from California was out before making the motion.

Mr. JOHNSON. No: permit me to say that no such implication was intended in my remarks, and no reflection whatsoever upon the Senator from Colorado.

Mr. FESS. The facts were that we had finished the amendments, and it was the only opportunity the Senator from Colorado had.

Mr. SCHUYLER. I thank the Senator from Ohio.

Mr. FESS. I hope the unanimous consent will be granted. The VICE PRESIDENT. The question is on the request of the Senator from California [Mr. Johnson] that unanimous consent be given for reconsideration of the vote whereby the amendment of the Senator from Colorado was adopted. Is there objection? The Chair hears none, and it is so ordered.

The question now is upon the amendment of the Senator from Utah [Mr. King], which will again be stated.

Mr. DALE. Mr. President, I desire to say just a word on this amendment.

Mr. KING. Mr. President, will the Senator yield? I was going to modify the amendment; and I shall do so, with the permission of the Senator.

Mr. DALE. Very well.
Mr. KING. I do not abate or modify any of the statements which I made heretofore; but in order to get the bill through as speedily as possible, I shall modify my amendment, and move to strike out "\$450,000" and insert "\$225,-000." so as to cut the amount in two.

May I say to the Senator from Vermont in his time, if he will permit me, that this is an anticipated deficit. There is no actual deficit.

Mr. DALE. I know what it is, but it is very peculiar to me that a proposition of this kind should happen to come before the Senate just at this time. It is rather amazing to me that a proposal should be made to the United States Senate at this time to cut down the appropriation in the Department of Labor that is used for the purpose of finding out who in this country have the anarchistic spirit and of deporting them.

Mr. President, at the time the junior Senator from Pennsylvania [Mr. Davis] was Secretary of Labor, a proposal was made which, if it had been carried out and the money had been furnished for its operation, would have deported the very man who recently attempted to take the life of President-elect Roosevelt and almost took the life of the mayor of Chicago.

Mr. BORAH. Mr. President-

The VICE PRESIDENT. Does the Senator from Vermont yield to the Senator from Idaho?

Mr. DALE. Yes; I yield.

Mr. BORAH. I can not understand the basis upon which the Senator makes that statement. I have read very carefully the history of this insane wretch who undertook to kill the President elect, and he was not an anarchist. He never has been an anarchist.

Mr. DALE. I did not say he was an anarchist.

Mr. BORAH. He was professing American ideas and American ideals. He was subjected to examination, and passed the examination for citizenship. I do not see how any law that we could have passed would have ever given any protection against him.

Mr. DALE. The matter to which I refer, Mr. President, was a proposal made by the Secretary of Labor at the time the junior Senator from Pennsylvania [Mr. Davis] was Secretary of Labor, under which all applicants for American citizenship would have been required to report once in five

years during the period before final action was taken on their applications; and during these five years this man's history and his record would have all come before the board and he would never have been made an American citizen, and would have been deported.

Mr. BORAH. Mr. President, I have no desire to argue about the matter; but just such incidents as that sometimes cause us to pass extraordinary laws. This man's record, so far as it is now presented, was a perfectly good record. He never was in jail. He never was charged with any misconduct. He never was charged with any crime; and I do not see how any law could have reached him.

Mr. DALE. He said he wanted to kill men in authority. At least the presumption might be very naturally taken that if he had been examined once a year for five years, the spirit and intent of the man toward our American institutions would have become very plain, to the extent that the board would never have accepted him as a citizen.

Mr. BORAH. That ought to be applied to some American citizens also.

Mr. DALE. That is very true. Nevertheless, Mr. President, it does seem to me that at this stage of the history of our Government it is a peculiar thing that we, here in the Senate, should cut down the appropriation for the Department of Labor that is expended to investigate the character of the men who apply here for American citizenship.

The VICE PRESIDENT. The question is on the modified amendment of the Senator from Utah.

Mr. KING. Mr. President, just a word.

The Senate and the House have been in the past exceedingly generous in making appropriations to the Department of Labor. I have been in entire sympathy with the action of Congress in so doing. At the last session of Congress we appropriated millions of dollars for the Labor Department, a considerable portion of which was to be used in guarding our borders and in securing the deportation of aliens who were ineligible to citizenship, and who ought not to be in the United States.

Unfortunately, the present Secretary and some of his subordinates have misconceived their duty, have not understood the provisions of the Constitution of the United States which were so eloquently referred to a moment ago by the able Senator from Arizona [Mr. ASHURST] and have gone out with dragnets and arrested and herded into corrals and into jails and into places of confinement hundreds of American citizens. The appropriation which we made has not been exhausted. It was a liberal one; and now we are asked to anticipate that there will be a deficit, and they want \$450,000 in anticipation of a deficit. Let them continue in a proper way in the discharge of their duties; and if a deficit is created, there will be a Congress in session in a short time, and ample appropriations will be made.

I call for a vote.

The VICE PRESIDENT. The question is on the modified amendment of the Senator from Utah [Mr. King].

The amendment, as modified, was rejected.

The VICE PRESIDENT. The question is on the amendment of the Senator from Colorado [Mr. Schuyler], which was reconsidered. The amendment will be stated.

The CHIEF CLERK. The Senator from Colorado proposes, on page 18, to strike out lines 19 to 22, both inclusive.

Mr. BORAH. Mr. President, we are really asked to vote here without knowing what we are to vote on. I wish the Senator from California would state what the issue is.

Mr. JOHNSON. Mr. President, when the Boulder Dam bill was passed, it provided for the creation of what is termed "an all-American canal," it being desired that that canal should be all on American soil. It happens that the Colorado River to-day in its meanderings goes over the line and waters the lands of Mr. Harry Chandler over in Mexico, and then comes back onto American soil. Unfortunately in the past the Imperial Valley has been dependent for the intake of its waters upon Mexican soil.

The all-American canal is provided for already by lawby the Boulder Dam act. The Department of the Interior

asks an appropriation to enable it, within the reclamation law, to make certain investigations as to silt and the like in contemplation of the construction of the all-American canal. There is an appropriation in this bill of \$40,000 for that purpose, as a preliminary toward carrying on this investigation, the construction of the canal being paid for in an entirely different fashion, not dependent upon this kind of appropriation. It would be a most unfortunate thing if this appropriation were denied.

The VICE PRESIDENT. The question is on agreeing to the amendment.

The amendment was rejected.

Mr. BYRNES. Mr. President, I offer the amendment which I send to the desk.

The VICE PRESIDENT. The amendment will be stated. The CHIEF CLERK. On page 24, line 25, the Senator from South Carolina moves to insert:

That the sum of \$48,500, or so much thereof as may be necessary, is hereby appropriated annually, for the expenses of participation by the United States in the International Institute of

ticipation by the United States in the International Institute of Agriculture at Rome, Italy, to be expended under the direction of the Secretary of State in the following manner:

(1) Not to exceed the equivalent in United States currency of 192,000 gold francs for the payment of the annual quota of the United States for the support of the institute, including the shares of the Territory of Hawaii, and of the dependencies of the Philippine Islands, Puerto Rico, and the Virgin Islands.

(2) Not to exceed \$5,000 for the salary of a United States member of the permanent committee of the International Institute of Agriculture.

Agriculture

(3) Not to exceed \$5,500 for rent of living quarters, including heat, fuel, and light, as authorized by the act approved June 26, 1930 (46 Stat. 818); compensation of subordinate employees without regard to the classification act of 1923, as amended; actual and necessary traveling expenses; and other contingent expenses incident to the maintenance of an office at Rome, Italy, for a United States member of the permanent committee of the International Institute of Agriculture.

The amendment was agreed to.

A memorandum of verbal corrections to the second deficiency bill (H. R. 14769) was submitted and ordered to be printed in the RECORD, as follows:

On page 5, line 7, after "personal," insert "service."
On page 6, lines 16 and 24, make the semicolons into periods.
On page 7, strike out line 9 down to the closing parenthesis in

On page 12, line 4, after "such," insert "House."

On page 12, line 4, after "such," insert "House."
On page 18, lines 6 and 7, strike out the matter in parentheses.
On page 21, lines 19 and 20, strike out "fiscal year" and all of
line 20 and insert "following fiscal years."
Make paragraphs out of the inserts:
"For 1931, \$176.52;
"For 1932, \$3.3."
On page 24, line 17, change "is" to "if."
On page 32, line 6, strike out "\$6,400." and all of

The amendments were ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time and passed.

Mr. HALE. Mr. President, I move that the Senate insist upon its amendments, ask for a conference with the House, and that the Chair appoint the conferees.

The motion was agreed to; and the Chair appointed Mr. HALE, Mr. SMOOT, Mr. KEYES, Mr. GLASS, and Mr. McKellar conferees on the part of the Senate.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Chaffee, one of its clerks, announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 14643) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1934, and for other purposes, asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. Cannon, Mr. Gran-FIELD, Mr. BLANTON, Mr. HOLADAY, and Mr. SIMMONS Were appointed managers on the part of the House at the con-

The message also announced that the proceedings whereby the House disagreed to the amendments of the Senate to the bill (H. R. 11035) for the relief of Price Huff, were vacated, and that the House had agreed to the amendments of the Senate to the bill.

ENROLLED JOINT RESOLUTION SIGNED

The message further announced that the Speaker had affixed his signature to the enrolled joint resolution (H. J. Res. 572) to provide for further investigation of certain public-utility corporations engaged in interstate commerce, and it was signed by the Vice President.

DISTRICT OF COLUMBIA APPROPRIATIONS

The PRESIDING OFFICER (Mr. Fess in the chair) laid before the Senate the action of the House of Representatives disagreeing to the amendments of the Senate to the bill (H. R. 14643) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1934, and for other purposes, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. BINGHAM. I ask unanimous consent that the previous action of the Senate may be vacated, that the Senate insist on its amendments, agree to the request of the House for a conference, and that the Chair appoint the conferees on the part of the Senate.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Connecticut? The Chair hears none, and the Chair appoints Mr. BINGHAM, Mr. CAPPER, Mr. NYE, Mr. STEIWER, Mr. GLASS, Mr. KENDRICK, and Mr. COPE-LAND conferees on the part of the Senate.

AIR TRANSPORT SERVICES

The VICE PRESIDENT. The Chair lays before the Senate the unfinished business, the bill H. R. 8681, an act to develop American air transport services overseas, to encourage the construction in the United States by American capital of American airships for use in foreign commerce, and to make certain provisions of the maritime law applicable to foreign commerce by airship.

Mr. COPELAND. Mr. President, what is the parliamentary situation?

The VICE PRESIDENT. The unfinished business, House bill 8681, is before the Senate, but the Chair is advised that the Senator from Nevada [Mr. ODDIE] desires to present a conference report.

TREASURY AND POST OFFICE APPROPRIATIONS-CONFERENCE REPORT

Mr. ODDIE. Mr. President, I ask unanimous consent that the unfinished business be temporarily laid aside and that the Senate proceed to the consideration of the conference report on the Treasury and Post Office appropriation bill.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the Chair lays before the Senate the following conference report:

The committee of conference on the disagreeing votes of the two Houses on amendments numbered 1 to 16 inclusive, of the Senate to the bill (H. R. 13520), making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1934, and for other purposes, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 3, 4, 7, 8, and 9,

That the House recede from its disagreement to the amendments of the Senate numbered 2, 5, 6, 10, 11, and 13, and agree to the same.

Amendment numbered 1: That the Senate recede from its disagreement to the amendment of the House to the amendment of the Senate numbered 1, and agree to the same.

Amendment numbered 12: That the House recede from its disagreement to the amendment of the Senate numbered 12, and agree to the same with an amendment as follows: Restore the matter stricken out by such amendment, amended to insert in lieu of the sum "\$19,000,000" named in such amendment, the sum "\$15,000,000," and the Senate agree to the same.

Amendment numbered 14: That the Senate recede from its disagreement to the amendment of the House to the

amendment of the Senate numbered 14, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the House amendment insert the following:

"SEC. 4 (a) The provisions of the following sections of Part II of the legislative appropriation act, fiscal year 1933, are hereby continued in full force and effect during the fiscal year ending June 30, 1934, namely, sections 101, 102, 103, 104, 105, 106, 107 (except paragraph (5) of subsection (a) thereof), 108, 109, 112, 201, 203, 205, 206 (except subsection (a) thereof), 211, 214, 216, 304, 315, 317, 318, and 323, and, for the purpose of continuing such sections, in the application of such sections with respect to the fiscal year ending June 30, 1934, the figures '1933' shall be read as '1934'; the figures '1934' as '1935'; and the figures '1935' as '1936'; and, in the case of sections 102 and 203, the figures '1932' shall be read as '1933'; except that in the application of such sections with respect to the fiscal year ending June 30, 1934 (but not with respect to the fiscal year ending June 30, 1933), the following amendments shall

"(1) Section 104 (a) is amended by striking out the period at the end thereof and inserting a semicolon and the following: 'and (12) special delivery messengers in the Postal Service.'; and section 105 (d) (2) is amended by adding at the end thereof the following: 'special delivery messengers in the Postal Service, but in the case of such messengers, the sum of \$400 shall not be included in the calculation of the rate of their compensation for the purposes of this title;'.

"(2) Section 106 is amended by striking out 'except judges whose compensation may not, under the Constitution, be diminished during their continuance in office' and inserting in lieu thereof 'except judges, whose compensation, prior to retirement or resignation, could not, under the Constitution, have been diminished'.

"(3) Section 216 is amended by striking out the period at the end thereof and inserting in lieu thereof a colon and the following: 'Provided further, That no employee under the classified civil service shall be furloughed under the provisions of this section for a total of more than 90 days during the fiscal year 1934, except after full and complete compliance with all the provisions of the civil service laws and regulations relating to reductions in personnel.'

"(4) Section 317 is amended by striking out the period at the end thereof and inserting in lieu thereof a colon and the following: 'Provided further, That no part of any appropriation for "public works," nor any part of any allotment or portion available for "public works" under any appropriation, shall be transferred pursuant to the authority of this section to any appropriation for expenditure for personnel unless such personnel is required upon or in connection with "public works." "Public works" as used in this section shall comprise all projects falling in the general classes enumerated in Budget Statement No. 9, pages A177 to A182, inclusive, of the Budget for the fiscal year 1934, and shall also include the procurement of new airplanes and the construction of vessels under appropriations for "Increase of the Navy." The interpretation by the Director of the Bureau of the Budget, or by the President in the cases of the War Department and the Navy Department, of "public works," as defined and designated herein, shall be conclusive.'

"(5) Section 104 (b) and section 106 are amended by striking out '(except enlisted)'; section 104 (b) is amended by striking out 'does not include the active or retired pay of the enlisted personnel of the Army, Navy, Marine Corps, or Coast Guard; and'; and section 105 (d) is amended by adding at the end thereof the following new paragraph:

"'(8) The enlisted personnel of the Army, Navy, Marine Corps, and Coast Guard.'

"(b) All acts or parts of acts inconsistent or in conflict with the provisions of such sections, as amended, are hereby suspended during the period in which such sections, as amended, are in effect.

"(c) No court of the United States shall have jurisdiction of any suit against the United States or (unless brought by

the United States) against any officer, agency, or instrumentality of the United States arising out of the application, as provided in this section, of such sections 101, 102, 103, 104, 105, 106, 107, 108, 109, or 112, as amended, unless such suit involves the Constitution of the United States.

"(d) The appropriations or portions of appropriations unexpended by reason of the operation of the amendments made in subsection (a) of this section shall not be used for any purpose, but shall be impounded and returned to the Treasury.

"(e) Each permanent specific annual appropriation available during the fiscal year ending June 30, 1934, is hereby reduced for that fiscal year by such estimated amount as the Director of the Bureau of the Budget may determine will be equivalent to the savings that will be effected in such appropriation by reason of the application of this section and section 7.

"Sec. 5. Effective the 1st day of the month next following the passage of this act, in the application of Title I of Part II of the legislative appropriation act, fiscal year 1933, and section 4 of this act, in any case where the annual rate of compensation of any position is in excess of \$1,000, the provisions reducing compensation shall not operate to reduce the total amount paid for any month to any incumbent of any such position unless the total amount earned by such incumbent in such month exceeds \$83.33: Provided, That any such reduction made in any case where the total amount earned by any such incumbent in any month exceeds \$83.33 shall not operate to reduce the total amount to be paid to such incumbent for such month to less than \$83.33.

"Sec. 6. (a) Sections 103 and 215 of the legislative appropriation act, fiscal year 1933, shall be held applicable to the officers and employees of the Panama Canal and Panama Railroad Co. on the Isthmus of Panama, and to officers and employees of the United States (including enlisted personnel) holding official station outside the continental United States, only to the extent of depriving each of them of one month's leave of absence with pay during each of the fiscal years ending June 30, 1933, and June 30, 1934

"(b) During the fiscal year 1934, deductions on account of legislative furlough shall be made each month from the compensation of each officer or employee subject to the furlough provisions of Title I of Part II of the legislative appropriation act, fiscal year 1933, as continued by section 4 (a) of this act, at the rate of $8\frac{1}{2}$ per cent per month regardless of the number of days of such furlough actually taken by any such officer or employee in any month.

"SEC. 7. No administrative promotions in the civil branch of the United States Government or the government of the District of Columbia shall be made during the fiscal year ending June 30, 1934: Provided, That the filling of a vacancy, when authorized by the President, by the appointment of an employee of a lower grade, shall not be construed as an administrative promotion, but no such appointment shall increase the compensation of such employee to a rate in excess of the minimum rate of the grade to which such employee is appointed, unless such minimum rate would require an actual reduction in compensation: Provided further, That the restoration of employees to their former grades or their advancement to intermediate grades following reductions of compensation for disciplinary reasons shall not be construed to be administrative promotions for the purposes of this section. The provisions of this section shall not apply to commissioned, commissioned warrant, warrant, and enlisted personnel, and cadets, of the Coast Guard.

"Sec. 8. All officers and employees of the United States Government or of the government of the District of Columbit who had reached the retirement age prescribed for automatic separation from the service on or before July 1, 1932, and who were continued in active service for a period of less than 30 days after June 30, 1932, pursuant to an Executive order issued under authority of section 204 of Part II of the legislative appropriation act, fiscal year 1933, shall be regarded as having been retired and entitled to annuity

beginning with the day following the date of separation from active service, instead of from August 1, 1932, and the administrator of veterans' affairs is hereby authorized and directed to make payments accordingly from the civil-service retirement and disability fund.

"Sec. 9. The allowance provided for in the act entitled 'An act to permit payments for the operation of motor cycles and automobiles used for necessary travel on official business, on a mileage basis in lieu of actual operating expenses,' approved February 14, 1931 (U. S. C., Supp. V, title 5, sec. 73a), for travel ordered after the date of enactment of this act shall not exceed 2 cents per mile in the case of travel by motor cycle or 5 cents per mile in the case of travel by automobile.

"Sec. 10. Whenever by or under authority of law actual expenses for travel may be allowed to officers or employees of the United States, such allowances, in the case of travel ordered after the date of enactment of this act, shall not exceed the lowest first-class rate by the transportation facility used in such travel.

"SEC. 11. From and after the date of enactment of this act, the provisions of the act of March 3, 1931 (U. S. C., Supp. V, title 5, sec. 26a), shall not apply to any employees of the Veterans' Administration homes, hospitals, or combined facilities where, in the discretion of the Administrator of Veterans' Affairs, the public interest requires that such employees should be excepted from the provisions thereof. As to those employees excepted from the provisions of the act of March 3, 1931, seven hours shall constitute a workday on Saturday and labor in excess of four hours on Saturdays shall not entitle such employees to an equal shortening of the workday on some other day or to additional compensation therefor.

"Sec. 12. Assignments of officers of the Army, Navy, or Marine Corps to permanent duty in the Philippines, on the Asiatic Station, or in China, Hawaii, Puerto Rico, or the Panama Canal Zone shall be for not less than three years. No such officer shall be transferred to duty in the continental United States before the expiration of such period unless the health of such officer or the public interest requires such transfer, and the reason for the transfer shall be stated in the order directing such transfer.

"Sec. 13. The act entitled 'An act to provide for deducting any debt due the United States from any judgment recovered against the United States by such debtor,' approved March 3, 1875 (U. S. C., title 31, sec. 227), is hereby amended to read as follows:

"'That when any final judgment recovered against the United States duly allowed by legal authority shall be presented to the Comptroller General of the United States for payment, and the plaintiff therein shall be indebted to the United States in any manner, whether as principal or surety, it shall be the duty of the Comptroller General of the United States to withhold payment of an amount of such judgment equal to the debt thus due to the United States; and if such plaintiff assents to such set-off, and discharges his judgment or an amount thereof equal to said debt, the Comptroller General of the United States shall execute a discharge of the debt due from the plaintiff to the United States. But if such plaintiff denies his indebtedness to the United States, or refuses to consent to the set-off, then the Comptroller General of the United States shall withhold payment of such further amount of such judgment, as in his opinion will be sufficient to cover all legal charges and costs in prosecuting the debt of the United States to final judgment. And if such debt is not already in suit, it shall be the duty of the Comptroller General of the United States to cause legal proceedings to be immediately commenced to inforce the same, and to cause the same to be prosecuted to final judgment with all reasonable dispatch. And if in such action judgment shall be rendered against the United States, or the amount recovered for debt and costs shall be less than the amount so withheld as before provided, the balance shall then be paid over to such plaintiff by such Comptroller General of the United States with 6 per cent interest thereon for the time it has been withheld from the plaintiff.'

"Sec. 14. Section 319 of Part II of the legislative appropriation act, fiscal year 1933, is repealed as of June 30, 1932; and the rate of interest to be allowed upon judgments against the United States and overpayments in respect of internal-revenue taxes shall be the rate applicable thereto prior to the enactment of section 319 of such act.

"Sec. 15. Section 322 of Part II, of the legislative appropriation act, fiscal year 1933, is amended by adding at the end of the section the following proviso: ': Provided further, That the provisions of this section as applicable to rentals, shall apply only where the rental to be paid shall exceed \$2,000 per annum.'

"SEC. 16. Title IV of Part II, of the legislative appropriation act, fiscal year 1933, is amended to read as follows:

"'TITLE IV—REORGANIZATION OF EXECUTIVE DEPARTMENTS
"'DECLARATION OF STANDARD

"'Sec. 401. The Congress hereby declares that a serious emergency exists by reason of the general economic depression; that it is imperative to reduce drastically governmental expenditures; and that such reduction may be accomplished in great measure by proceeding immediately under the provisions of this title.

"'Accordingly, the President shall investigate the present organization of all executive and administrative agencies of the Government and shall determine what changes therein are necessary to accomplish the following purposes:

"'(a) To reduce expenditures to the fullest extent consistent with the efficient operation of the Government;

"'(b) To increase the efficiency of the operations of the Government to the fullest extent practicable within the revenues;

"'(c) To group, coordinate, and consolidate executive and administrative agencies of the Government, as nearly as may be, according to major purposes;

"'(d) To reduce the number of such agencies by consolidating those having similar functions under a single head, and by abolishing such agencies and/or such functions thereof as may not be necessary for the efficient conduct of the Government;

"'(e) To eliminate overlapping and duplication of effort;

"'(f) To segregate regulatory agencies and functions from those of an administrative and executive character.

" 'DEFINITION OF EXECUTIVE AGENCY

"'SEC. 402. When used in this title, the term "executive agency" means any commission, independent establishment, board, bureau, division, service, or office in the executive branch of the Government and, except as provided in section 403, includes the executive departments.

" POWER OF PRESIDENT

"'SEC. 403. Whenever the President, after investigation, shall find and declare that any regrouping, consolidation, transfer, or abolition of any executive agency or agencies and/or the functions thereof is necessary to accompish any of the purposes set forth in section 401 of this title, he may by Executive order—

"'(a) Transfer the whole or any part of any executive agency and/or the functions thereof to the jurisdiction and control of any other executive agency;

"'(b) Consolidate the functions vested in any executive agency; or

"'(c) Abolish the whole or any part of any executive agency and/or the functions thereof; and

"'(d) Designate and fix the name and functions of any consolidated activity or executive agency and the title, powers, and duties of its executive head; except that the President shall not have authority under this title to abolish or transfer an executive department and/or all the functions thereof.

"'SEC. 404. The President's order directing any transfer, consolidation, or elimination under the provisions of this title shall also make provision for the transfer or other disposition of the records, property (including office equipment), and personnel affected by such transfer, consolidation, or elimination. In any case of a transfer or consolidation

under the provisions of this title the President's order shall also make provision for the transfer of such unexpended balances of appropriations available for use in connection with the function or agency transferred or consolidated, as he deems necessary by reason of the transfer or consolidation, for use in connection with the transferred or consolidated function or for the use of the agency to which the transfer is made or of the agency resulting from such consolidation.

" 'SAVING PROVISIONS

"'Sec. 405. (a) All orders, rules, regulations, permits, or other privileges made, issued, or granted by or in respect of any executive agency or function transferred or consolidated with any other executive agency or function under the provisions of this title, and in effect at the time of the transfer or consolidation, shall continue in effect to the same extent as if such transfer or consolidation had not occurred, until modified, superseded, or repealed.

"'(b) No suit, action, or other proceeding lawfully commenced by or against the head of any executive agency or other officer of the United States, in his official capacity or in relation to the discharge of his official duties, shall abate by reason of any transfer of authority, power, and duties from one officer or executive agency of the Government to another under the provisions of this title, but the court, on motion or supplemental petition filed at any time within 12 months after such transfer takes effect, showing a necessity for a survival of such suit, action, or other proceeding to obtain a settlement of the questions involved, may allow the same to be maintained by or against the head of the executive agency or other officer of the United States to whom the authority, powers, and duties are transferred.

"'(c) All laws relating to any executive agency or function transferred or consolidated with any other executive agency or function under the provisions of this title, shall, in so far as such laws are not inapplicable, remain in full force and effect, and shall be administered by the head of the executive agency to which the transfer is made or with which the consolidation is effected.

"' WINDING UP AFFAIRS OF AGENCIES

"'Sec. 406. In the case of the elimination of any executive agency or function, the President's order providing for such elimination shall make provision for winding up the affairs of the executive agency eliminated or the affairs of the executive agency with respect to the functions eliminated, as the case may be.

" ' EFFECTIVE DATE OF EXECUTIVE ORDER

"'Sec. 407. Whenever the President makes an Executive order under the provisions of this title, such Executive order shall be submitted to the Congress while in session and shall not become effective until after the expiration of 60 calendar days after such transmission, unless Congress shall by law provide for an earlier effective date of such Executive order or orders: *Provided*, That if Congress shall adjourn before the expiration of 60 calendar days from the date of such transmission such Executive order shall not become effective until after the expiration of 60 calendar days from the opening day of the next succeeding regular or special session.

" 'APPROPRIATIONS IMPOUNDED

"'SEC. 408. The appropriations or portions of appropriations unexpended by reason of the operation of this title shall not be used for any purpose but shall be impounded and returned to the Treasury.

" 'TERMINATION OF POWER

"'SEC. 409. The authority granted to the President under section 403 shall terminate upon the expiration of two years after the date of enactment of this act unless otherwise provided by Congress.'

"Sec. 17. The Bureau of Efficiency and the office of chief of such bureau are hereby abolished; and the President is authorized to designate another officer to serve in place of the Chief of the Bureau of Efficiency on any board, commission, or other agency of which the Chief of the Bureau of Efficiency is now a member. All records and property, including office furniture and equipment of the bureau, shall

be transferred to the Bureau of the Budget. Appropriations and unexpended balances of appropriations available for expenditure by the Bureau of Efficiency shall be impounded and returned to the Treasury. This section shall take effect at the beginning of the third calendar month after the passage of this act."

And the House agree to the same.

Amendment numbered 15:

That the Senate recede from its disagreement to the amendment of the House to the amendment of the State numbered 15, and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the House amendment insert "18"; and the House agree to the same.

Amendment numbered 16:

- That the Senate recede from its disagreement to the amendments of the House to the amendment of the Senate numbered 16, and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the first of the House amendments insert "19"; and the House agree to the same.

TASKER L. ODDIE,
REED SMOOT,
HIRAM BINGHAM,
L. J. DICKINSON,
HENRY W. KEYES,
GEO. H. MOSES,
CARTER GLASS,
KENNETH MCKELLAR,
SAM G. BRATTON,
JOSEPH W. BYRNS,
ELMER THOMAS,

Managers on the part of the Senate.

JOSEPH W. BYRNS,

WILLIAM W. ARNOLD,

LOUIS LUDLOW,

WILL R. WOOD

(Excepting air mail appropriation and abolishing Bureau of Efficiency),

M. H. THATCHER (Excepting air mail appropriation and abolishing Bureau of Efficiency),

Managers on the part of the House.

Mr. ODDIE. Mr. President, I move the adoption of the conference report.

Mr. BORAH. I wish the Senator from Nevada would explain the conference report.

Mr. ODDIE. Mr. President, the Senate conferees receded on certain items and the House conferees receded on certain items in the bill. One of the items in disagreement was the \$19,000,000 appropriation for domestic air mail. There has been a great deal of discussion in regard to that item. The agreement was finally made to reduce the amount to \$15,000,000. So the appropriation is \$4,000,000 less than the House carried in the bill which we have long been considering.

Mr. McKELLAR. Mr. President, I would like to say a word, if the Senator will yield. The Senator from Idaho knows that the income from the air mail is something like \$7,000,000 a year. Some have claimed that it is even more than that.

The Senator will recall that the Senate struck out the entire proposed appropriation of \$19,000,000. Some of us tried in every way to prevent the appropriation, but as the report has come back the Senator will have noticed that we were defeated. A majority of the Senate conferees, as well as the House conferees, were opposed to cutting the appropriation at all. But after much backing and filling on all sides, we finally had to accept an appropriation of \$15,000,000, which means a saving of \$4,000,000 under the House provision and \$5,000,000 under what the department recommended. That was the very best we could get out of it, if the bill was to go through. I think the chairman of the committee will recall that the Senate conferees stood 6 to

5 against cutting the appropriation at all, and I think the 5 of us who wanted to cut down the appropriation were quite lucky in getting it cut down \$4,000,000.

Mr. BORAH. That is that item. There were some other economy items.

Mr. ODDIE. I refer to two items among numbers of others, first, an appropriation for the Bureau of Customs. The Senate cut \$2,400,000 from the appropriation for this bureau and the conferees restored that amount. That was agreed to early in the conference. The Senate cut \$1,000,000 from the appropriation for the Bureau of Internal Revenue and the conference committee restored that amount to the bill.

We have had a number of meetings. The conference has lasted over a week, the conferees meeting every day, and we felt that this final agreement was the best that could be secured

Mr. BORAH. I saw a statement in the press to the effect that we had lost out on about \$168,000,000 of reductions.

Mr. McKELLAR. I believe that is true. One hundred and fifty million dollars of that was tied up in the Bratton proposal for a general reduction of 5 per cent. That was rejected by a majority of the conferees on the part of the Senate, six to five, the same vote that was had on the other amendment, and all the conferees on the part of the House were opposed to it. In other words, the Senate conferees yielded on that proposal.

If the Senator will permit me further, there were two other items as to which I think there should be an explanation. One was the matter of automatic promotions which constituted a saving of about \$4,000,000 if put into effect for the coming year. That was finally put in the bill.

Then happened the most remarkable thing that has ever taken place, I think, in the history of the Senate. It is true that some years ago I introduced and there was passed a bill abolishing the Council of National Defense, but it did not take effect. That council still continued with us. As I remember, I got a second bill passed abolishing it. Whether it has taken effect entirely or not I do not know, but I believe it is still carried on the books at any rate. But in this bill we abolish the Bureau of Efficiency, the most remarkable thing that has ever taken place in our governmental history, in my judgment, because it is the first time that a fullfledged bureau has been actually abolished by the Congress. I think the Senate conferees are to be congratulated for abolishing one bureau out of the myriads of bureaus we have, one absolutely useless bureau. It was about as helpful as a fifth wheel on a wagon. It has actually been abolished by Congress, the first and only full-fledged bureau I ever knew to be abolished and so far as I have been able to ascertain it is the first one in the history of the Govern-

Mr. BORAH. I congratulate the Senator. That was an heroic achievement, and perhaps the last bureau that will ever be abolished. [Laughter.]

Mr. President, in so far as Senators may be permitted to do so, I would like to know what the argument was against the Bratton amendment and why it was that we surrendered upon that proposition.

Mr. McKELLAR. Mr. President, may I join the Senator in that request, because five of us tried very diligently to find out. We stood for it through thick and thin, but we did not have a majority and the Bratton amendment went out.

Mr. ODDIE. Mr. President, the House voted separately on the Bratton amendment, and it was defeated there by an overwhelming vote. The House conferees absolutely refused to recede on it. They were adamant.

Mr. BORAH. They were opposed to economy?

Mr. ODDIE. I can not say anything that would seem to criticize or reflect on Members of the House. The Senator will have to draw his own conclusion.

Mr. BORAH. That would be no reflection.

Mr. McKELLAR. The House ought not to be criticized because a number of the Senate conferees were equally op-

posed to economy. The majority of five of us stood by it as long as we could, but we were overruled and outvoted.

Mr. BORAH. Mr. President, I think action on the Bratton amendment is a fine illustration of the futility of any effort on the part of Congress to enact laws providing for economy. Just the moment that amendment was adopted by the Senate, the heads of the departments and bureaus in the Government, every one, so far as I could ascertain, rushed into the streets at once and began to announce that a reduction of 5 per cent would destroy the different departments and bureaus of the Government—that it would destroy our Navy; that it would leave practically nothing of our Army. It seems to me to prove conclusively that those who have been talking about economy in this administration did not believe at all in the principles which they were preaching.

Mr. McKELLAR. May I call to the Senator's mind that last year, when the 10 per cent reduction in the Interior Department appropriation bill first was presented, the Secretary of the Interior, and I think every one connected with his department in the various bureaus who testified before the committee, said it would ruin the department, absolutely destroy its functions, and make it useless if a 10 per cent cut was made effective. It was effected, and the very same officials from that very same department reported \$2,000,000 less in the Budget than was actually expended, including the 10 per cent.

Mr. BORAH. While the Congress passes bills providing economy, it is the Executive Department which constantly defeats the acts of Congress. We are advised from day to day and week to week and month to month that it is the extravagant Congress, the irresponsible and extravagant Congress which refuses to reduce expenses. Every effort which has been made of any real substance has ultimately been defeated by the heads of bureaus and departments and by the Executive in this Government.

Mr. VANDENBERG. Mr. President, will the Senator vield?

The VICE PRESIDENT. Does the Senator from Idaho yield to the Senator from Michigan?

Mr. BORAH. Certainly.

Mr. VANDENBERG. I would like to submit this inquiry for the Senator's consideration. In view of the fact that we are aproaching a régime which I assume in good faith proposes to reduce the operating expenses of the Government 25 per cent, I want to know if it would not be fairer to pass this particular bill along another week or two or three so as not even temporarily to foreclose the economy program upon which we are to embark during the next 12 months. I want to know whether that appeals to the Senator's sense of propriety?

Mr. BORAH. Yes; I think it would be a most excellent thing to do. While the incoming administration is committed to economy, pledged to economy, so is the outgoing administration and so was it when it began its existence. I repeat, that the real fight against economy in this country for the last 15 years has come from the executive departments. There is where the money is spent. There is where the extravagance is. There is where they refuse to cut expenditures under any circumstances whatever. That is precisely what has happened here. The Senate as usual has surrendered. One hundred and sixty-eight million dollars of economy has been surrendered for the reason that the pressure brought by the executive departments has seemed to bring about that result.

The VICE PRESIDENT. The question is on agreeing to the conference report.

On a division the conference report was agreed to.

AMENDMENT OF FEDERAL FARM LOAN ACT

Mr. FLETCHER submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 5337) to amend the Federal farm loan act, as amended, of Federal land banks in the making of direct loans, to authorize upon certain terms the reamortization of loans by Federal and joint-stock land banks, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as

That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the House amendment insert the following: That section 7 of the Federal farm loan act, as amended (U.S.C., title 12. ch. 7, secs. 711-722), is amended by adding at the end thereof the following new paragraph:

"Whenever it shall appear to the Federal Farm Loan Board that national farm-loan associations have not been formed in any locality in the continental United States, or that the farmers residing in the territory covered by the charter of a national farm-loan association are unable to apply to the Federal land bank of the district for loans on account of the inability of such association to indorse such loans, the Federal Farm Loan Board may, in its discretion, authorize said bank, at any time within five years after this paragraph takes effect, to make direct loans to borrowers secured by first mortgages on farm lands situated within any such locality or territory. Except as herein otherwise specifically provided, all provisions of this act applicable with respect to loans made through national farm-loan associations shall, in so far as practicable, apply with respect to such direct loans, and the Federal Farm Loan Board is authorized to make such rules and regulations as it may deem necessary with respect to such direct loans: Provided. That no such loan shall be made for more than \$15,000. Each borrower who obtains a direct loan from a Federal land bank shall subscribe and pay for stock in such bank in the sum of \$5 for each \$100 or fraction thereof borrowed."

SEC. 2. Paragraph "Fourth" of section 12 of the Federal farm loan act, as amended (U.S.C., title 12, ch. 7, sec. 771), is amended to read as follows:

"Fourth. Such loans may be made for the following purposes and for no other:

"(a) To provide for the purchase of land for agricultural

"(b) To provide for the purchase of equipment, fertilizers, and livestock necessary for the proper and reasonable operation of the mortgaged farm; the term 'equipment' to be defined by the Federal Farm Loan Board.

"(c) To provide buildings and for the improvement of farm lands; the term 'improvement' to be defined by the Federal Farm Loan Board.

"(d) To liquidate indebtedness of the owner of the land mortgaged incurred for agricultural purposes, or incurred prior to January 1, 1933.

"(e) To provide the owner of the land mortgaged with funds for general agricultural uses."

Sec. 3. Subparagraph (b) of paragraph "Fourth," of section 13 of the Federal farm loan act, as amended (U. S. C., title 12, ch. 7, sec. 781), is amended by adding at the end thereof a new sentence to read as follows: "Every such bank may carry real estate as an asset, for a period of not exceeding five years, at its normal value, but not to exceed the amount of the bank's investment therein at the time of acquirement of such real estate."

SEC. 4. Section 13 of the Federal farm loan act, as amended (U. S. C., title 12, ch. 7, sec. 771), is amended by adding at the end thereof the following new paragraphs:

"Eleventh. At any time within five years after the date this paragraph takes effect, any borrower who has obtained a loan from a Federal land bank may, on application to such Federal land bank and upon approval of such application by the directors of the bank, postpone the payment of any unpaid installment or installments in the manner herein provided in this section. Such postponed payment shall be made by paying at the time each succeeding annual

to permit loans for additional purposes, to extend the powers | installment is due one-tenth of the amount of the postponed payment, and, in the case of semiannual installments, by paying at the time each succeeding semiannual installment is due one-twentieth of the postponed payment, until the amount of such postponed payment has been paid. In any case in which the number of remaining installments due on the mortgage is less than 10, in the case of annual installments, or less than 20, in the case of semiannual installments, the amount of the postponed payment shall be distributed proportionately over the remaining number of installment payments.

> "Twelfth. For the period of five years after the date this paragraph takes effect, every borrower shall pay simple interest on extended payments at the same rate of interest as stipulated in the mortgage securing the loan as to payments not in default and by express covenant in his mortgage deed shall undertake to pay when due all taxes, liens, judgments, or assessments which may be lawfully assessed against the land mortgaged. Taxes, liens, judgments, or assessments not paid when due, and paid by the mortgagee, shall become a part of the mortgage debt and shall bear interest at the rate provided in the mortgage.

> "Thirteenth. When in the judgment of the directors conditions justify it, and with the approval of the Federal Farm Loan Board, to reamortize, in whole or in part, the aggregate amount remaining unpaid under the terms of any mortgage, and to accept payment of such aggregate amount on an amortization plan by means of a fixed number of annual or semiannual installments sufficient to cover the interest payable on the mortgage, and in addition thereto such amounts to be applied upon the principal as will extinguish the debt within an agreed period of not more than 40 years from the date of the reamortization; to deposit such mortgages with the farm-loan registrar as collateral security for farm-loan bonds at an amount not exceeding the principal of the original loan remaining unpaid at the date of such amortization; and with the approval of the Federal Farm Loan Board to charge the borrower an amount not to exceed the actual cost incurred in connection with such reamortization."

> Sec. 5. (a) Paragraph "Second" of section 14 of the Federal farm loan act, as amended (U.S.C., title 12, ch. 7, sec. 791), is amended to read as follows:

> "Second. To loan on first mortgage except through national farm-loan associations as provided in section 7 and section 8 of this act, or through agents as provided in section 15, or direct to borrowers as provided in section 7.'

> (b) Section 14 of the Federal farm loan act, as amended, is further amended by adding at the end thereof the following new paragraph:

> "Sixth. To accept as additional security for any loan to any borrower under this act, or any installment on any such loan, any security other than Federal land-bank stock or mortgages on farm real estate; and the transfer to any Federal land bank of any security if it may not be accepted by the bank under this paragraph shall be void: Provided, That any bank may accept an assignment of the landlord's rent to the amount of any taxes paid on such land by the bank, or any interest due."

> SEC. 6. (a) The fourth paragraph of section 19 of the Federal farm loan act, as amended (U. S. C., title 12, ch. 7, sec. 854), is amended to read as follows:

> "No mortgage shall be accepted by a farm-loan registrar from a land bank as part of an offering to securing farmloan bonds, either originally or by substitution, except first mortgages made subject to the conditions prescribed in sections 4, 7, 12, 15, and 16: Provided, That such registrar, when authorized and directed to do so by the Federal Farm Loan Board, shall accept or retain in his custody as collateral, if otherwise eligible under the provisions of such sections, any first mortgage in connection with which the land bank depositing the same has agreed to defer for a period of not more than 10 years the collection of the principal portion of maturing installments and to accept payment of the aggregate amount of such principal on an

amortization plan by means of a fixed number of annual or semiannual installments sufficient to cover the interest payable thereon and in addition thereto such amounts to be applied on the principal after the expiration of the period of deferment as will extinguish the debt within an agreed period of not more than 40 years from the date of such agreement."

(b) Section 19 of the Federal farm loan act, as amended (U. S. C., title 12, ch. 7, secs. 851-856), is further amended by adding at the end thereof the following new paragraph:

"Such farm-loan registrar shall also accept purchasemoney mortgages as collateral security in place of mortgages withdrawn. The banks shall have power to execute all necessary conveyances, transfers, and assignments to carry out this provision."

SEC. 7. The eleventh paragraph of section 21 of the Federal farm loan act, as amended (U. S. C., title 12, ch. 7, sec. 881), is amended by substituting in lieu thereof the following:

"When any Federal land bank shall desire to participate in a consolidated issue of farm-loan bonds it shall make application to the Federal Farm Loan Board for the approval on its behalf of such issue and tender to the registrar approved farm mortgages, or obligations of the United States Government, as security therefor, and no banks shall participate in such consolidated issue until such application has been approved by the Federal Farm Loan Board. Such approved farm mortgages or obligations of the United States Government shall be held by each farm-loan registrar as collateral security for consolidated bonds, separate and apart from the mortgages and/or Government bonds held by him as collective security for the bonds previously issued or assumed individually by the Federal land bank of his district. Amortization and other payments on the principal of first mortgages held by a farm-loan registrar as collateral security for the issue of consolidated farm-loan bonds shall constitute a trust fund in the hands of the Federal land bank receiving the same and shall be applied or employed in the manner provided in section 22 with respect to payments on principal of first mortgages held as collateral for farmloan bonds of individual banks.

"Every Federal land bank shall notify the farm-loan registrar of the disposition of all payments made on the principal of mortgages held as collateral security for the issue of consolidated farm-loan bonds, and said registrar is authorized, at his discretion to order any of such payments, or the proceeds thereof, wherever deposited or however invested, to be immediately transferred to his account as trustee aforesaid. Each bank shall maintain with the farm-loan registrar of its district collateral security for the issue of consolidated farm-loan bonds in an amount at least equal to the face amount of such bonds issued on its behalf.

"When any Federal land bank shall surrender to the farm-loan registrar of its district any consolidated Federal farm-loan bonds, canceled or uncanceled, said land bank shall be entitled to withdraw first mortgages and bonds previously pledged as collateral in connection with any issue of consolidated farm-loan bonds to an amount equal to the consolidated farm-loan bonds so surrendered and it shall be the duty of such registrar to permit and direct the delivery of such mortgages and bonds to such land banks.

"The Federal Farm Loan Board may at any time call upon any Federal land bank for additional security to protect the consolidated bonds issued under the provisions of this section. Each bank shall pay when due, without notice, all bonds and coupons issued on its behalf hereunder.

"Every Federal land bank shall have power to exchange consolidated farm-loan bonds for farm-loan bonds previously issued or assumed by it individually, with the approval of and under rules and regulations promulgated by the Federal Farm Loan Board."

SEC. 8. The balance of the \$125,000,000 provided for the Federal land banks by the act of January 23, 1932, not heretofore used for the extension of loans or the making of new

amortization plan by means of a fixed number of annual or semiannual installments sufficient to cover the interest payable thereon and in addition thereto such amounts to be larger loans shall be used by such banks for the extension of loans shall be used by such banks for the extension of loans and the making of new loans as authorized by this act and the Federal farm loan act, as amended.

And the House agree to the same.

DUNCAN U. FLETCHER, SMITH W. BROOKHART, JOHN G. TOWNSEND, Jr., Managers on the part of the Senate.

HENRY B. STEAGALL,
W. F. STEVENSON,
T. ALAN GOLDSBOROUGH,
L. T. McFadden,
James G. Strong,
Managers on the part of the House.

The VICE PRESIDENT. The question is on agreeing to the conference report.

ECONOMIES IN GOVERNMENT DEPARTMENTS

Mr. BRATTON. Mr. President, it is not my purpose to address myself to the particular conference report now pending before the Senate. I desire to say a word by way of supplement to what the Senator from Idaho [Mr. Borah] said a moment ago with respect to the economies effected by the Senate and later surrendered in conference.

Mr. President, the Senator from Idaho was entirely correct and spoke the exact truth when he said that immediately after the so-called 5 per cent provision was inserted in the Treasury and Post Office Departments appropriation bill, every executive department and every independent establishment joined in waging vigorous opposition to it. Their communications addressed to the chairman of the subcommittee of the economy committee were almost identical in phraseology. Each one said that the estimates had first been pared to the bone by the department or establishment itself, next scrutinized with care by the Bureau of the Budget and cut there, and again reduced by the House until an irreducible minimum had been reached and that any further cut would disrupt the machinery of Government.

It was urged, Mr. President, that the 5 per cent reduction applied to the Navy would reduce it to a third class navy. Think of a margin of \$15,000,000 doing a thing of that kind. It is absurd. It simply proves once more that the executive departments—that is to say, the agencies which spend the money—are the masters of the situation rather than the Congress itself which appropriates the money.

Mr. President, the two Committees on Appropriations, first in the House and then in the Senate, must rely upon those who spend the money, for their information concerning the ways of economizing. They come before those committees. They sit across the table. We propound questions to them. We endeavor to elicit facts showing how we can reduce the amounts which they are to spend. We rely upon those who spend the money to tell us how we can appropriate less for them to spend. We effected economies totaling \$168,000,000, but now we are told that we can not reduce, that we must not reduce, that it will work injury here, it will work havoc there, and it will work ruin elsewhere.

The country should know that we are to continue to appropriate approximately \$5,000,000,000 and that the Congress can not cut a small 5 per cent because we have surrendered to the domination, to the control, to the dictates, to the mandates of the executive departments of the Government uniting and joining in one refrain, namely, that a 5 per cent cut will undermine the efficiency of the Government.

Mr. President, I repeat what I said, based upon a rather careful survey. I think the 5 per cent economy could have been effected without seriously impairing the efficiency of a single service in the Government unless it was the Veterans' Administration. Upon further study I entertain some doubt about it being effective in that department without affecting its efficiency. Individually I was willing to safeguard that situation by an appropriate proviso. With that possible

exception, I repeat, that the 5 per cent cut could have been effected without seriously impairing a single service in the Government, and that our failure to carry it through means that we forego economies aggregating \$163,000,000.

AMENDMENT OF FEDERAL FARM LOAN ACT

The VICE PRESIDENT. The question is on agreeing to the conference report on Senate bill 5337.

Mr. KING. Mr. President, may we have some explanation

as to the purport of the report?

Mr. FLETCHER. Mr. President, Senate bill 5337 passed a few days ago and went to the House. The House amended it by striking out all after the enacting clause of the Senate bill and inserting their own bill. That threw the two bills into conference. The conferees have met and considered both bills, with the result that the report shows that practically every provision of the Senate bill has been retained and that one or two provisions of the House bill have been added, so the bill is not materially changed from the form in which it passed the Senate. While some provisions of the House bill which have been incorporated are not altogether satisfactory, they are the best we can get. They may be helpful in some respects, and they do not do any serious injury to the general purpose of the proposed legislation, which is intended to take care of loans from the Federal land bank under the farm loan act to individuals where national farm-loan associations have fallen down or disappeared or are not supplied with funds.

Mr. LONG. Mr. President, does this bill have anything

to do with the Federal land banks?

Mr. FLETCHER. Yes.

Mr. LONG. Is it proposed to give them more money?

Mr FLETCHER No; there is no appropriation carried by this bill at all. There is a provision here that what they have they shall devote to new loans and extensions.

Mr. LONG. I have just received a telegram which shows that they are foreclosing all the old mortgages, although we gave them last year \$125,000,000.

Mr. FLETCHER. This will help that situation and prevent foreclosures to a large extent.

Mr. LONG. How will it do that? If the Senator from Florida will permit me, what I want to say is that last year we gave \$125,000,000 to the Federal land banks.

Mr. FLETCHER. Yes.

Mr. LONG. And they were supposed to devote a considerable amount of that money to extending mortgages. Instead of doing that, I am informed that they have been buying up their own unmatured bonds at a low rate, in order to improve their condition, and they are, to some extent, rather ruthlessly foreclosing all these mortgages. I have a telegram, which just reached me, stating that they are not hesitating a minute to shut down on every farm they can. We are not getting any service out of it.

Mr. FLETCHER. Of course, that question is one of administration. The Senator's remedy in that case is to get a new bank executive in his district or a new board. He can

not do that now.

Mr. LONG. How can I do that? Will the Senator tell me how to get somebody else? The Federal land bank expects somebody to foreclose these mortgages as fast as he can. We have a man sent in there from a neighboring State; he has quite a jurisdiction; I do not know just how far from New Orleans it extends; I do not know whether it goes to Florida.

Mr. FLETCHER. No.

Mr. LONG. I have never looked up the jurisdiction, but to-day in my State, they are foreclosing all the mortgages they can and they are not extending any of them. So that \$125,000,000 which we provided for them last year might as well have been thrown out the window. I am not in favor of giving the Federal land bank any additional authority at all until we can get some kind of a new deal.

Mr. FLETCHER. Mr. President, this bill does not extend any authority of that kind. It does distinctly provide that—

The Federal land banks shall use the balance of the \$125,000,000 provided in the act of February 23, 1932, in carrying out the

provisions of this act relative to the extension of loans and the making of new loans.

And this bill provides for extending loans and making new loans and it is expressly set out in the bill that they are required to do that.

I will not say with reference to the New Orleans bank what their operations are, whether they are foreclosing or not, but I am satisfied if the Senator will investigate he will find that they have extended a great many loans and have made new loans in that district. I think that is so. They may be inclined to foreclose here and there where they have to foreclose, but they are not disposed to do it if it can possibly be avoided; and I am sure the Senator will find, upon investigation, that many loans have been extended in that district and some new loans have been made. The bill which we are now considering requires, in express language, that the unexpended balance of the \$125,000,000 shall be used for making new loans and granting extensions in accordance with the provisions of the bill. That disposes of that question.

Of course, in some districts there is complaint about fore-closures and the bad treatment of borrowers by the banks. That is a matter of administration. It is not a matter of law at all and we can not control it. We have got to have some one to execute our laws. I think 80 per cent of the efficacy of every law Congress passes depends on its administration, its interpretation, and administration by those who execute it. I do not think there can be any doubt about that. The remedy for any mistakes or errors or maladministration lies in getting new administrators, not in changing the law.

Mr. ROBINSON of Arkansas. Mr. President-

The VICE PRESIDENT. Does the Senator from Florida yield to the Senator from Arkansas?

Mr. FLETCHER. I yield.

Mr. ROBINSON of Arkansas. It appears that the conference report embraces a provision which forbids the acceptance as additional security for any loan of anything other than real estate and Federal land-bank stock. I presume the object of that is to prevent the oppression of borrowers by demand from the banks for additional security. The provision, however, is very unusual.

IMPEACHMENT OF HAROLD LOUDERBACK (S. DOC. NO. 215)

At 12 o'clock and 20 minutes p. m. the managers on the part of the House of Representatives of the impeachment of Harold Louderback appeared below the bar of the Senate, and the secretary to the majority (C. A. Loeffler) announced their presence, as follows:

I have the honor to announce the managers on the part of the House of Representatives to conduct the proceedings in the impeachment of Harold Louderback, United States district judge in and for the northern district of California.

The VICE PRESIDENT. The managers on the part of the House will be received and assigned to their seats.

The managers, accompanied by the Sergeant at Arms of the House (Kenneth Romney), were thereupon escorted by the secretary to the majority to the seats assigned to them in the area in front and to the left of the Chair.

Mr. Manager SUMNERS. Mr. President, the managers on the part of the House are here to present articles of impeachment against Harold Louderback, a district judge of the United States for the northern district of California.

The VICE PRESIDENT. The Deputy Sergeant at Arms of the Senate will make the necessary proclamation.

The Deputy Sergeant at Arms (J. Mark Trice) made proclamation as follows:

Hear ye! Hear ye! Hear ye! All persons are commanded to keep silence, on pain of imprisonment, while the House of Representatives is exhibiting to the Senate of the United States articles of impeachment against Harold Louderback, United States district judge in and for the northern district of California.

The VICE PRESIDENT. The articles of impeachment may now be presented.

Mr. Manager SUMNERS. Mr. President, the managers on \ the part of the House of Representatives are here present and ready to present the articles of impeachment which have been preferred by the House of Representatives against Harold Louderback, a district judge of the United States for the northern district of California. The House adopted the following resolution, which I will read to the Senate:

Resolved, That Hatton W. Sumners, Gordon Browning, Malcolm C. Tarver, Fighello H. Laguardia, and Charles I. Sparks, Members of this House, be, and they are hereby, appointed managers to conduct the impeachment against Harold Louderback, United States district judge for the northern district of California; that said managers are hereby instructed to appear before the Senate of the United States and at the bar thereof in the name of the House of Representatives and of all the people of the United States to impeach the said Harold Louderback of misdemeanors in office and to exhibit to the Senate of the United States the articles of impeachment against said judge which have been agreed upon by the House; and that the said managers do demand that the Senate take order for the appearance of said Harold Louderback to answer said impeachment, and demands his Harold Louderback to answer said impeachment, and demands his impeachment, conviction, and removal from office.

JNO. N. GARNER,

Speaker of the House of Representatives.

SOUTH TRIMBLE, Clerk.

Mr. President, with your permission I should like to ask one of my comanagers, Mr. Gordon Browning, to read the articles of impeachment.

The VICE PRESIDENT. The articles of impeachment will be read.

Mr. Manager BROWNING. Mr. President, the articles of impeachment which have been adopted by the House of Representatives and which the managers on the part of the House have been directed to present to the Senate are in the words and figures following:

ARTICLES OF IMPEACHMENT AGAINST HAROLD LOUDERBACK House Resolution 387, Seventy-second Congress, second session

CONGRESS OF THE UNITED STATE OF AMERICA, In the House of Representative, February 24, 1933.

Resolution

Resolved, That Harold Louderback, who is a United States district judge of the northern district of California, be impeached of misdemeanors in office; and that the evidence heretofore taken by the special committee of the House of Representatives under House Resolution 239, sustains five articles of impeachment, which are hereinafter set out; and that the said articles be, and they are hereby, adopted by the House of Representatives, and that the same shall be exhibited to the Senate in the following words and

Articles of impeachment of the House of Representatives of the United States of America in the name of themselves and of all of the people of the United States of America against Harold Louderback, who was appointed, duly qualified, and commissioned to serve during good behavior in office, as United States district judge for the northern district of California, on April 17,

That the said Harold Louderback, having been nominated by the President of the United States, confirmed by the Senate of the United States, duly qualified and commissioned and while acting as a district judge for the northern district of California acting as a district judge for the northern district of California did on divers and various occasions so abuse the power of his high office, that he is hereby charged with tyranny and oppression, favoritism and conspiracy, whereby he has brought the administration of justice in said district in the court of which he is a judge into disrepute, and by his conduct is guilty of misbehavior, falling under the constitutional provision as ground for impeachment and removal from office.

In that the said Harold Louderback on or about the 13th day of March, 1930, at his chambers and in his capacity as judge aforesaid, did willfully, tyrannically, and oppressively discharge one Addison G. Strong, whom he had on the 11th day of March, 1930, appointed as equity receiver in the matter of Olmsted against Russell-Colvin Co. after having attempted to force and coerce the said Strong to appoint one Douglas Short as attorney for the receiver in said case.

receiver in said case

In that the said Harold Louderback improperly did attempt to cause the said Addison G. Strong to appoint the said Douglas Short as attorney for the receiver by promises of allowance of large fees and by threats of reduced fees did he refuse to appoint

said Douglas Short.

said Douglas Short.

In that the said Harold Louderback improperly did use his office and power of district judge in his own personal interest by causing the appointment of the said Douglas Short as attorney for the receiver, at the instance, suggestion, or demand of one Sam Leake, to whom the said Harold Louderback was under personal obligation, the said Sam Leake having entered into a certain arrangement and conspiracy with the said Harold Louderback to provide him, the said Harold Louderback, with a room at the

Fairmont Hotel in the city of San Francisco, Calif., and made arrangements for registering said room in his, Sam Leake's, name and paying all bills therefor in cash under an arrangement with the said Harold Louderback, to be reimbursed in full or in part in order that the said Harold Louderback might continue to actually reside in the city and paying the continue to actually reside in the city and county of San Francisco after having improperly and unlawfully established a fictitious residence in Contra properly and unlawfully established a fictitious residence in Contra Costa County for the sole purpose of improperly removing for trial to said Contra Costa County a cause of action which the said Harold Louderback expected to be filed against him; and that the said Douglas Short did receive large and exorbitant fees for his services as attorney for the receiver in said action, and the said Sam Leake did receive certain fees, gratuities, and loans directly or indirectly from the said Douglas Short amounting approximately to \$1.200 to \$1,200.

In that the said Harold Louderback entered into a conspiracy with the said Same Leake to violate the provisions of the California Political Code in establishing a residence in the county of Contra Costa when the said Harold Louderback in fact did not reside in said county and could not have established a residence without the concealment of his actual residence in the county of San Francisco, covered and concealed by means of the said conspiracy with the said Sam Leake, all in violation of the law of the State of California State of California.

In that the said Harold Louderback, in order to give color to his fictitious residence in the county of Contra Costa, all for the purpose of preparing and falsely creating proof necessary to establish himself as a resident of Contra Costa County in anticipation of an action has a resident of the brought against him for the solution of an himself as a resident of Contra Costa County in anticipation of an action he expected to be brought against him, for the sole purpose of meeting the requirements of the Code of Civil Procedure of the State of California providing that all causes of action must be tried in the county in which the defendant resides at the commencement of the action, did in accordance with the conspiracy entered into with the said Sam Leake unlawfully register as a voter in said Contra Costa County, when in law and in fact he did not reside in said county and could not so register, and that the said acts of Harold Louderback constitute a felony defined by section 42 of the Penal Code of California.

Wherefore the said Harold Louderback was and is guilty of a course of conduct improper, oppressive, and unlawful and is guilty of misbehavior in office as such judge and was and is guilty of a misdemeanor in office.

misdemeanor in office.

ARTICLE II

That Harold Louderback, judge as aforesaid, was guilty of a course of improper and unlawful conduct as a judge, filled with partiality and favoritism in improperly granting excessive, exorbitant, and unreasonable allowances as disbursements to one Marshall Woodward and to one Samuel Shortridge, jr., as receiver and attorney, respectively, in the matter of the Lumbermen's Reciprocal Association

And in that the said Harold Louderback, judge as aforesaid. And in that the said Harold Louderback, judge as aforesaid, having improperly acquired jurisdiction of the case of the Lumbermen's Reciprocal Association contrary to the law of the United States and the rules of the court did, on or about the 29th day of July, 1930, appoint one Marshall Woodward and one Samuel Shortridge, jr., receiver and attorney, respectively, in said case, and after an appeal was taken from the order and other acts of the judge in said case to the United States Circuit Court of Appeals for the Ninth Circuit and the said order and acts of the said Harold Louderback having been reversed by said United said Harold Louderback having been reversed by said United States Circuit Court of Appeals and the mandate of said circuit court of appeals directed the court to cause the said receiver to turn over all of the assets of said association in his possession as receiver to the commissioner of insurance of the State of California, the said Harold Louderback unlawfully, improperly, and oppressively did sign and enter an order so directing the receiver to turn over said property to said State commissioner of insurance to turn over said property to said State commissioner of insurance but improperly and unlawfully made such order conditional that the said State commissioner of insurance and any other party in interest would not take an appeal from the allowance of fees and disbursements granted by the said Harold Louderback to the said Marshall Woodward and Samuel Shortridge, jr., receiver and attorney, respectively, thereby improperly using his said office as a district judge to favor and enrich his personal and political friends and associates to the detriment and loss of litigants in his, said judge's court, and forcing said State commissioner of insurance and parties in interest in said action unnecessary delay, labor, and expense in protecting the rights of all parties against such and expense in protecting the rights of all parties against such arbitrary, improper, and unlawful order of said judge; and that the said Harold Louderback did improperly and unlawfully seek to coerce said State commissioner of insurance and parties in in said action to accept and acquiesce in the excessive fees and the exorbitant and unreasonable disbursements granted by him to said Marshall Woodward and Samuel Shortridge, jr., receiver and attorney, respectively, and did improperly and unlawfully force and coerce the said parties to enter into a stipulation modifying said improper and unlawful order and did thereby make it necessary for the State commissioner of insurance to take another appeal from the said arbitrary, improper, and unlawful action of the said Hareld Louderbeek the said Harold Louderback.

In that the said Harold Louderback did not give his fair, impartial, and judicial consideration to the objections of the said State commissioner of insurance against the allowance of excessive fees and unreasonable disbursements to the said Marshall Woodward and Samuel Shortridge, jr., receiver and attorney, respectively, in the case of the Lumbermen's Reciprocal Association, in order to favor and enrich his friends at the expense of the

litigants and parties in interest in said matter, and did thereby cause said State commissioner of insurance and the parties in interest additional delay, expense, and labor in taking an appeal to the United States Circuit Court of Appeals in order to protect their rights and property in the matter against the partial, oppressive, and unjudicial conduct of said Harold Louderback.

Wherefore, said Harold Louderback was and is guilty of a course of conduct oppressive and unjudicial and is guilty of misbehavior in office as such judge and was and is guilty of a misde-

havior in office as such judge and was and is guilty of a misde-

meanor in office.

ARTICLE III

The said Harold Louderback, judge aforesaid, was guilty of misbehavior in office resulting in expense, disadvantage, annoyance, and hindrance to litigants in his court in the case of the Fageol Motor Co., for which he appointed one Guy H. Gilbert, receiver, knowing that the said Gilbert was incompetent, unqualified, and inexperienced to act as such receiver in said case.

inexperienced to act as such receiver in said case.

In that the said Harold Louderback, judge as aforesaid, oppressively and in disregard of the rights and interests of litigants in his court did appoint one Guy H. Gilbert as receiver for the Fageol Motor Co., knowing the said Guy H. Gilbert to be incompetent, unfit, and inexperienced for such duties, and did refuse to grant a hearing to the plaintiff, defendant, creditors, and parties in interest in the matter of the Fageol Motor Co. on the appointment of said receiver, and the said Harold Louderback did cause said litigants and parties in interest in said matter to be misinformed of his and parties in interest in said matter to be misinformed of his action while said Guy H. Gilbert took steps necessary to qualify as receiver, thereby depriving said litigants and parties in interest of presenting the facts, circumstances, and conditions of the said equity receivership, the nature of the business and the type of person necessary to operate said business in order to protect creditors, litigants, and all parties in interest, and thereby depriving said parties in interest of the opportunity of protesting against the appointment of an incompetent receiver.

Wherefore, the said Harold Louderback was and is guilty of a

course of conduct constituting misbehavior as said judge and that said Harold Louderback was and is guilty of a misdemeanor in

ARTICLE IV

ARTICLE IV

That the said Harold Louderback, judge aforesaid, was guilty of misbehavior in office, filled with partiality and favoritism, in improperly, willfully, and unlawfully granting on insufficient and improper papers an application for the appointment of a receiver in the Prudential Holding Co. case for the sole purpose of benefiting and enriching his personal friends and associates.

In that the said Harold Louderback did on or about the 15th day of August, 1931, on insufficent and improper application, appoint one Guy H. Gilbert receiver for the Prudential Holding Co. case when as a matter of fact and law and under conditions then existing no receiver should have been appointed, but the said

appoint one Guy H. Gilbert receiver for the Prudential Holding Co. case when as a matter of fact and law and under conditions then existing no receiver should have been appointed, but the said Harold Louderback did accept a petition verified on information and belief by an attorney in the case and without notice to the said Prudential Holding Co. did so appoint Guy H. Gilbert the receiver and the firm of Dinkelspiel and Dinkelspiel, attorneys for the receiver; that the said Harold Louderback in an attempt to benefit and enrich the said Guy H. Gilbert and his attorneys, Dinkelspiel and Dinkelspiel, failed to give his fair, impartial, and judicial consideration to the application of the said Prudential Holding Co. for a dismissal of the petition and a discharge of the receiver, although the said Prudential Holding Co. was in law entitled to such dismissal of the petition and discharge of the receiver; that during the pendency of the application for the dismissal of the petition and discharge of the receiver; that during the pendency of the application for the dismissal of the petition and discharge of the receiver; that during the pendency of the application for the dismissal of the petition in bankruptcy was filed against the said Prudential Holding Co., and the said Harold Louderback then and there willfully, improperly, and unlawfully, sitting in a part of the court to which he had not been assigned at the time, took jurisdiction of the case in bankruptcy and though knowing the facts in the case and of the application then pending before him for the dismissal of the petition and the discharge of the equity receiver, granted the petition in bankruptcy and did on the 2d day of October, 1930, appoint the same Guy H. Gilbert receiver in bankruptcy and the said Dinkelspiel and Dinkelspiel attorneys for the receiver, knowing all of the time that the said Prudential Holding Co. was entitled as a matter of law to have the said petition in equity dismissed; in that through the oppressive, deliberate, and willful action unnecessary delay, expense, and labor and did deprive them of a fair, impartial, and judicial consideration of their rights and the protection of their property, to which they were entitled.

Wherefore the said Harold Louderback was, and is, guilty of a course of conduct constituting misbehavior as said judge and that

said Harold Louderback was, and is, guilty of a misdemeanor in

ARTICLE V

That Harold Louderback, on the 17th day of April, 1928, was duly appointed United States district judge for the northern district of California, and has held such office to the present day.

That the said Harold Louderback as judge aforesaid, during his said term of office, at divers times and places when acting as such judge, did so conduct himself in his said court and in his capacity as judge in making decisions and orders in actions pending in his

said court and before him as said judge, and in the method of appointing receivers and attorneys for receivers, in appointing incompetent receivers, and in displaying a high degree of indifference to the litigants in equity receiverships, as to excite fear and distrust and to inspire a widespread belief in and beyond said northern district of California that causes were not decided in said court according to their perits but were not decided. in said court according to their merits, but were decided with partiality and with prejudice and favoritism to certain individuals. particularly to receivers and attorneys for receivers by him so appointed, all of which is prejudicial to the dignity of the judiciary.

All to the scandal and disrepute of said court and the adminis-

tration of justice therein.

Wherefore the said Harold Louderback was, and is, guilty of misbehavior as such judge and of a misdemeanor in office [SEAL.]

JNO. N. GARNER, Speaker of the House of Representatives.

Attest:

SOUTH TRIMBLE, Clerk.

Mr. Manager SUMNERS. Mr. President, the House of Representatives by protestation, saving to themselves the liberty of exhibiting at any time hereafter any further articles of accusation or impeachment against the said Harold Louderback, a district judge of the United States for the northern district of California, and also of replying to his answers which he shall make unto the articles preferred against him, and of offering proof to the same and every part thereof, and to all and every other article of accusation or impeachment which shall be exhibited by them as the case shall require, do demand that the said Harold Louderback may be put to answer the misdemeanors in office which have been charged against him in the articles which have been exhibited to the Senate, and that such proceedings, examinations, trials, and judgments may be thereupon had and given as may be agreeable to law and justice.

Mr. President, the managers on the part of the House of Representatives, in pursuance of the action of the House of Representatives by the adoption of the articles of impeachment which have just been read to the Senate, do now demand that the Senate take order for the appearance of said Harold Louderback to answer said impeachment, and do now demand his impeachment, conviction, and removal

The VICE PRESIDENT. The Chair will state to the managers on the part of the House that the Senate will take proper order on the subject of impeachment, of which due notice shall be given to the House of Representatives.

Mr. NORRIS. Mr. President, before the managers on the part of the House leave the Senate, I move that the articles of impeachment presented by the managers on the part of the House be printed for the use of the Senate.

The VICE PRESIDENT. Without objection, that order will be made.

Mr. NORRIS. Mr. President, under the Rules of the Senate governing impeachment trials, it would be the duty of the Senate to-morrow at 1 o'clock to organize itself into a court and take the necessary oath, and then proceed with the trial. It was the understanding that the managers on the part of the House would present this impeachment yesterday, but on account of the adjournment of the Senate, that was, of course, impossible.

It is evident that we shall not be able to comply with the rules now, because this session of Congress will adjourn at 12 o'clock to-morrow, and therefore I intend to submit a

unanimous consent request.

I ask unanimous consent that the further consideration of the impeachment charges presented by the managers on the part of the House of Representatives be deferred until 2 o'clock on the first day of the first session of the Seventy-third Congress. I asked the managers to remain because I wanted to submit a date that would be agreeable to them, of course.

Mr. LONG. Mr. President, does the Senator's request mean that if a special session is called, we will take the matter up at that time?

Mr. NORRIS. Yes; a special session would be the first session of the Seventy-third Congress.

Mr. LONG. I wish to amend the request, and I hope the Senator from Nebraska will agree to it, by asking that we take the matter up on the first day of the first regular session of the Seventy-third Congress, because if the Congress shall be called into session for remedial legislation, for which the people all over this country are crying, we do not want to sit here and waste the whole time of the special session over the impeachment of some judge in California.

Mr. NORRIS. Mr. President, of course, if the suggestion of the Senator were followed it would result in postponement for so long that it would be almost like having no trial. Moreover, the managers on the part of the House are directly interested in that. I do not want to fix a date that would conflict with their wishes.

Mr. ROBINSON of Arkansas. Mr. President, will the Senator from Nebraska yield?

Mr. NORRIS. I yield.

Mr. ROBINSON of Arkansas. Compliance with the suggestion of the Senator from Louisiana would postpone action on the impeachment articles until January next.

Mr. NORRIS. Yes, that is true.

Mr. ROBINSON of Arkansas. Almost a year. Mr. NORRIS. Almost a year. I will say to the Senator from Louisiana that this matter will interfere, of course, with the regular routine business of the Senate. We can not avoid that, no matter when it comes on. As I see it, we might just as well take the time during the special session. Moreover, it would hardly be right, it seems to me, unless we did it with the consent of the House of Representatives, to put it over for what seems to me to be an unreasonable length of time.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. NORRIS. I yield.

Mr. BARKLEY. The mere fact that at any given day during the next session the Senate organized itself into a court for the trial of this impeachment would not mean that the trial would proceed immediately. It would then be within the power of the Senate to control the time when it would proceed.

Mr. NORRIS. Under the Constitution of the United States, the first thing we would do would be to organize ourselves into a court. We would take no action in regard to the trial, give no notice of summons to the defendant, until after we had organized as a court. We would proceed then as a court.

I will say to the Senator from Louisiana, further, that it would not necessarily follow that we would take up all the time of the Senate with the trial. It would be under the control of the Senate sitting as a court as to how much each day should be devoted to it. Probably when we got to the trial it would last only two or three days.

Mr. LONG. Mr. President-

The VICE PRESIDENT. Does the Senator from Nebraska yield to the Senator from Louisiana?

Mr. NORRIS. I yield.

Mr. LONG. I do not want to interrupt the Senator. I want to speak in my own right.

Mr. NORRIS. I was submitting a request for unanimous

Mr. LONG. Mr. President-

The VICE PRESIDENT. The request is not amendable. Mr. LONG. The request is not amendable?

The VICE PRESIDENT. It is not.

Mr. LONG. I do not know anything about the merits or demerits of this case, any more, I suppose, than does the Senator from Nebraska. But I know that if we come back here with the Senate fiddling its time away over a little impeachment fiasco-and that is about what 95 per cent of them are—messing around here as to whether we are going to impeach somebody, with the people starving to death in this country, the Congress of the United States will have the odium it ought to have everywhere in this country.

The VICE PRESIDENT. Is there objection to the request of the Senator from Nebraska?

Mr. LONG. I object to it.

Mr. NORRIS. Mr. President, I move that this impeachment matter be made the special order for 2 o'clock on the first day of the first session of the Seventy-third Congress. Mr. ASHURST and others addressed the Chair.

The VICE PRESIDENT. The Chair doubts whether the motion is debatable. It is a question of the Senate sitting as a court. However, if there is no objection, the Senator from Arizona will be recognized.

Mr. ASHURST. Mr. President, I do not at all share in the view of the Senator from Louisiana. Some reply should be made to his suggestion about the Senate "fiddling away its time" on an impeachment.

Mr. President, the grand inquest of the Nation met in the proper forum, the House of Representatives. The House brought this indictment here to this tribunal, and it is the constitutional duty and the moral obligation of the Senate to give consideration to the impeachment. I hope the motion of the Senator from Nebraska may be agreed to.

Mr. LONG. Mr. President-

The VICE PRESIDENT. Is there objection to the Senator from Louisiana addressing the Senate? The Chair hears none, and the Senator from Louisiana is recognized.

Mr. LONG. Mr. President, of course, this is a great, deliberative, grand inquisitorial proceeding. We have had lots of them here, and, of course, it is entitled to a great deal of dignity.

In private conversation with the Senator from Nebraska he tells me he does not think that the trial would take much time. I want to be heard now. I am starting now to be heard. If we are called into extra session by the President of the United States, with the people of this country crying for something to eat and something to wear, and we having it here to give to them and they not getting it, are we to mess up with a little impeachment proceeding? I call it a little proceeding, because it affects only one judge in the State of California, and it could not be anything like such a serious thing as is suggested. However, my friend the Senator from Nebraska tells me that under the rules of the Senate it would not mean that we necessarily would have to proceed with the trial of the case when we met; and, that being the case, I withdraw my objection.

The VICE PRESIDENT. Is there objection to the request of the Senator from Nebraska? The Chair hears none, and the request is agreed to.

The Senate thanks the managers on the part of the House for their courtesy.

Mr. NORRIS. Mr. President, I move that the Secretary be directed to inform the House of Representatives of the action taken to-day on the impeachment proceeding.

The VICE PRESIDENT. Without objection, that order will be made.

On motion of Mr. Norris, it was

Ordered. That the articles of impeachment presented against Harold Louderback, United States district judge for the northern district of California, be printed for the use of the Senate.

The VICE PRESIDENT. The Senate sitting as a court is adjourned, and the Senate will now proceed with its legislative business.

ROUTINE MILITARY NOMINATIONS CONFIRMED

Mr. ROBINSON of Arkansas. Mr. President, out of order, and as in executive session, I ask unanimous consent for the immediate consideration of sundry military nominations sent to the Senate, including those which have been received to-day. They are all routine nominations.

The VICE PRESIDENT. Is there objection? The Chair hears none. Without objection, the nominations are confirmed and, without objection, the President will be notified.

(The nominations thus confirmed appear at the close of to-day's Senate proceedings.)

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Haltigan, one of its clerks, announced that the House had passed without amendment the joint resolution (S. J. Res. 262) to continue the Joint Committee on Veterans' Benefits.

The message also announced that the House had receded from its amendment to the bill (S. 465) for the relief of William H. Holmes.

AMENDMENT OF FEDERAL FARM LOAN ACT-CONFERENCE REPORT

The Senate resumed the consideration of the report of the committee of conference on Senate bill 5337.

The VICE PRESIDENT. The Senator from Arkansas was entitled to the floor, and was asking the Senator from Florida some questions.

Mr. ROBINSON of Arkansas. Mr. President, there has been incorporated in the conference report which is now under consideration a provision as follows:

6. To accept as an additional security for any loan to any borrower under this act, or any installment on any such loan, any security other than Federal land-bank stock or mortgages on farm real estate; and the transfer to any Federal land bank of any security if it may not be accepted by the bank under this paragraph shall be vold. *Provided*, That any bank may accept an assignment of the landlord's rent to the amount of any taxes paid on such land by the bank, or any interest due.

Mr. President, I have no doubt that that provision was accepted by the conferees on the theory that it would tend to prevent oppression of the borrower by the Federal land banks through demands for additional security when it was not needed. I also point out this fact, that it is an interference with the right of contract, that may impose a hard-ship on the borrower by making it impossible for him to supply additional collateral necessary to avoid or avert fore-closure.

There is another consideration which I will mention very briefly. There is in the amendment an exception to the general rule that additional collateral may not be accepted by the banks, that is, collateral security in addition to land and stock of the Federal land bank, and the exception is that landlord's rent may be accepted to the amount of taxes paid on land by the banks, or any interest due.

What is the justification for limiting the collateral which may be used, or requiring that only a limited class of security may be supplied in case the bank pays taxes on the land of the borrower? It might be very inconvenient, it might be impossible, for the borrower to assign the rent, and the effect of that limitation would be to compel a condition which would result in foreclosure when, if the right of contract were not interfered with, the farmer could supply such collateral as he might be able to afford and escape foreclosure.

I think it is very doubtful whether we would be accomplishing anything helpful to the borrower by imposing what appear to be unsound conditions through legislation. That is all I care to say about the subject.

Mr. FLETCHER. Mr. President, in answer to the Senator's remarks, I may say that he correctly states the inclusion in the conference report of section 6.

The view of the House was that they wanted to protect the borrowers from chattel mortgages. If they want additional security, the view of the House was that they should get real-estate security and not call upon the farmer or the borrower to mortgage his stock, crops, and other things of that sort. They felt that there was a species of oppression liable to occur there and they wanted to protect the borrower against giving a chattel mortgage on his security and stock and that sort of thing, and confine the additional security to the land-bank stock and real estate. That was their purpose and we finally concurred.

Mr. ROBINSON of Arkansas. Mr. President-

The PRESIDING OFFICER (Mr. Fess in the chair). Does the Senator from Florida yield to the Senator from Arkansas?

Mr. FLETCHER. Certainly.

Mr. ROBINSON of Arkansas. The Senator from Florida says the policy was to require additional real estate or additional stock of the land bank as collateral. Assuming that the farmer has mortgaged all of his real estate, assuming further that the farmer has an abundance of personal property for collateral, which of course is a violent assumption just at this time—but there are many cases in which farmers own cattle and other personal property—the effect of the amendment will be to prevent him from enjoying the possibility of getting an extension. If the collateral is inadequate to secure the amount that is due, the

probability is that, in the absence of some legal moratorium, foreclosure will result. What is the advantage to the farmer to deny him the right to hypothecate the collateral he may have and so escape foreclosure? Why should the bank be forced to do an undesirable thing and proceed with a foreclosure that might be avoided if freedom of contract were not disregarded as it seems to be in this provision?

Mr. FLETCHER. Mr. President, there may be much in the suggestion of the Senator from Arkansas, but if the borrower has cattle and other resources, the regional agricultural corporation is available to him to secure loans on that collateral and he can then pay up his installments out of cash instead of giving another mortgage on his stock in the land bank. Let him resort to those other agencies of the Government in handling his livestock and other securities in the way of personal property that he may have. That is one view of the matter.

Mr. ROBINSON of Arkansas. The Senator, in my judgment, has admitted the fallacy underlying the amendment. He denies the farmer the right to make a loan from the party to whom he is already indebted, and insists that he must go out and find a new lender and make a new loan for the purpose of paying the amount due the first lender.

Mr. BARKLEY. Mr. President, I have no desire to consume the time of the Senate, but inasmuch as I was one of the conferees who found it impossible to sign the report, I wish to explain briefly why I was unable to do so.

Section 6 of the House bill undertakes to prevent the farm-loan banks, and the farmer who is a borrower from them, from making voluntary contracts in this emergency, which seems to me to be wholly unjustified. There are certain things in the original farm loan act that a farm-loan bank may do and certain things it may not do. One of the things it may not do, if this conference report is agreed to, is to enter into a voluntary contract with a farmer who owes it money on his farm, which may have been reduced anywhere from 25 to probably 75 per cent in value, and, therefore, may afford an inadequate security for a loan already existing, to make any private contract with his creditor by which he may secure an extension by giving additional security.

Let us take, for instance, a situation where a man with a 200-acre farm owes \$5,000 on it. He is behind with his taxes. He is behind with his interest. He is behind with his amortization payments. But he has 100 head of cattle grazing on his farm. He goes to the farm-loan bank and says, "I want an extension of my time to pay my interest and my annual amortization payment. In order to get that extension of time I am willing to give you a mortgage on 50 head of these cattle, or on all of them." Under this section he would not be able to do it. The land bank can not accept such a mortgage as that. He can not give a mortgage on one of his cattle for that purpose.

Mr. KING. Could he give a bill of sale?

Mr. BARKLEY. I do not think so. If it is true that the situation with reference to the land banks is so desperate that they either have to obtain more adequate security or enforce their lien by foreclosure, we can imagine a situation where a farmer, unable to give security on his personal property, may lose his farm and have to drive his hundred head of cattle out on the public highway with nowhere to take them. It seems to me that presents a ridiculous situation.

This tends toward the ability of the farmer to consolidate his indebtedness. I am delighted to see in the morning paper an announcement by the incoming President that he proposes to consolidate all the agencies scattered all over the country now in different departments undertaking to loan money to the farmers. There are so many different and separate agencies now under the Government of the United States acting under laws that have been passed by Congress, loaning money to the farmer, that when he wants money he does not know to which one he should go. It seems to me to present an unjustifiable duplication to require a farmer who is behind with his payments to the land bank, who can obtain a contract with them for additional

security to save his own, to go to a different governmental | institution to borrow money on his personal property in order to induce another governmental institution to extend his indebtedness and not foreclose upon his land. For that reason I was unable to sign the report.

Mr. ROBINSON of Arkansas. Mr. President, will the Senator yield?

Mr. BARKLEY. Certainly.

Mr. ROBINSON of Arkansas. Might not that prove more oppressive to the farmer than leaving him free to contract under existing law?

Mr. BARKLEY. I believe so. The Senator is correct. Mr. ROBINSON of Arkansas. The bank would take the additional collateral if it could secure it, and grant the

Mr. BARKLEY. Yes; and having already a debt against the farmer and not desiring to foreclose, they would be certainly more apt to make the loan than the intermediatecredit bank which has no interest either in the farmer or in his land.

Mr. ROBINSON of Arkansas. The only reply to the suggestion that an improvident, unwise, and avoidable foreclosure might be brought about through the enactment and enforcement of this provision is that they should be required to go to some other lending agency, but that agency might be unwilling to lend; in which event, as the Senator has well stated, the farmer would lose his farm and probably the very collateral that he was willing to contract with to satisfy his original creditor.

Mr. BARKLEY. That is true. There is no assurance under any circumstances that any individual farmer can obtain a loan from an intermediate land bank.

Mr. LONG. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. LONG. Apparently it is the Senator's opinion that this would be more of a hardship on the farmer if we should adopt the conference report?

Mr. BARKLEY. I have said that I am convinced of that. I am convinced that by inserting in the bill this provision, by no stretch of the imagination can it do the farmer any good. The theory upon which the House put it in the bill was that it was protecting the farmer against the land banks. I do not think the land banks under the present situation are such monstrous institutions that they would take advantage of it and compel the farmer to give additional mortgage security upon his personal property except where necessary to protect both the borrower and the lender.

In the State of Kentucky tobacco is a crop that may be preserved indefinitely. The price of our dark tobacco in western Kentucky is so low that many farmers prefer to keep it in their barns in the hope that it will eventually bring a better price. They can preserve it indefinitely year after year. In the absence of a market for that crop, the farmer being unable to sell it for enough to pay taxes and interest, he goes to the farm-loan bank from which he has borrowed money, and says, "I know I am behind with my interest. I know I am behind with my annual payments. I know you have a right to foreclose and drive me out of my home. But in order to secure you I am willing to give you a mortgage on my tobacco crop which I have in my barn." Under this section he could not do it because the land bank would be forbidden to take any such mortgage as that.

I can not conceive how that is of any benefit to the farmer, and that is why I could not sign the report.

Mr. KING. Mr. President, I associate myself with the Senator from Arkansas [Mr. Robinson] and the Senator from Kentucky [Mr. BARKLEY] in opposition to the conference report, and I trust it may be disagreed to and the matter sent back to conference with the hope that an improvement may be made in the bill and this objectionable feature may be modified. However, I have received so many communications, hundreds of them, protesting against the action of the Farm Board in many parts of the United States with the request that I bring some of these matters to the attention of the Congress, which I have neglected

to do, that I feel constrained this morning to occupy just a moment in reading from a letter from one of the ablest men in the western part of the United States, who is more familiar with the operations of the Farm Board and its delinquences than, I think, any other man in the West. This gentleman, Mr. President, states in the conclusion of his letter to me:

I hope that the opportunity may be afforded to bring these conditions before Congress and to force a proper change in the attitude of these banks for the good of the country as well as the banks themselves. The continuation of the present demonstrated policy of these institutions can only accelerate deflation, increase the number of foreclosures both by the Federal land banks and other agencies, and increase the ultimate loss to the holders of the Federal land-bank bonds.

Mr. President, I regret that Congress has not during this session in the consideration of so many bills dealing with agriculture and with farm loans addressed itself to a correction of some of these derelictions, if not abuses, upon the part of the Federal land banks. I shall not take the time of the Senate to challenge attention to these many acts of omission and commission which have brought condemnation upon the activities of the Farm Board. I only want to read a few paragraphs from the letter of this distinguished representative of financial matters and of farmers and of agriculture from one of the Western States. I know him and vouch for his integrity, his ability, and his high character. He states:

The events of the past two years have reduced many small investors to circumstances more difficult than many borrowers have confronting them. This applies particularly to school teachers and other small investors in the industrial districts where salary payments have been suspended. The result is to bring about the necessity for the refunding of a small percentage of maturing loans held by such people. * * * The withage of maturing loans held by such people. * * * The with-drawal from the farm-mortgage field of many private agencies, including insurance companies, and current pressure on private investors, has made it more necessary than ever before to rely upon governmentally sponsored agencies for credit.

May I interpose at this point to say, Mr. President, that I believe that this bill is a mistake, and I believe that the so-called Hull-Walcott bill will prove to be ineffective if not a serious mistake. I am afraid that the policies of Congress are drying up the sources from which loans might be obtained by farmers or others from private sources, from banks, from insurance companies, from investment companies, so that, as this gentleman states, people are beginning to look to the Federal Government for loans for their protection.

The writer has never been in sympathy with the policy pursued by the Federal land banks in years past. The loans, in many in-stances, have been recklessly made, poorly supervised, and politically manipulated.

Those are serious charges, but I think the conditions, Mr. President, warrant and support the statement.

I can show from the record instances where loans made by us have been retired by new loans through the Federal land banks for as much as two times the amount per acre that others were willing to carry.

As a result of these policies in the past, the number of fore-closures by the Federal land banks mounted in a serious way, the capital of the banks is reported to have become impaired, and Congress appropriated \$125,000,000 from the Federal Treasury to restore the impaired capital in these institutions, presumably for the purpose of keeping them in business so that the deserving borrower, with good security, might obtain a long-term real-estate loan on desirable farm real estate.

It is inconceivable to me that any such contribution could have

It is inconceivable to me that any such contribution could have been made with any other plan in view than to maintain the integrity of these institutions as going agencies for credit on farm real estate in a period when the operation of such an agency under Federal auspices would naturally be more needed than ever before. I believe it can be proved that exactly the reverse procedure has been followed by these banks and for the last 10 months they have proceeded pretty generally on the theory that their examiners should, if possible, find an excuse in each and every instance for not making the lose applied for not making the loan applied for.

And this, may I say, Mr. President, notwithstanding the appropriation made by Congress to enable loans to be made to farmers and also to avoid foreclosure proceedings.

I do not refer to excessive loans or loans to borrowers who are badly delinquent or have a record of delinquency, but to loans which represent as little as 40 per cent of the amount of the existing loans on adjoining acreage by the same banks, and which loans are for the justifiable purpose of refunding current obligations of the borrowers which can not be retired from income under present conditions, or for avoiding foreclosures forced upon them by the circumstances previously mentioned which bring undue pressure upon individual investors who through forces beyond pressure upon individual investors who through forces beyond their control are forced finally to liquidate their holdings. My contact with many such situations leads me to this studied

conclusion; and if it would be helpful, I believe I can assemble evidence to prove the point. I have also, at the request of an Idaho banker, submitted some data with respect to cases in which he was interested through contract with his customers, and I

he was interested through contract with his customers, and I believe these data have gone forward to Senator Borah and Representative Addison T. Smith.

Since I believe this situation is becoming so critical that it becomes a question of national policy, I feel justified in bringing the matter to your attention. I am in possession of certain reports which lead me also to believe that the Federal land banks have been using the contributions made to them for the restoration of their capital to buy in at a discount in the market from distressed investors the outstanding bonds of these banks floated as instrumentalities of the Federal Government which by the very policy of contraction adopted by these institutions have been depolicy of contraction adopted by these institutions have be preciated to prices all out of line with their intrinsic worth.

Mr. COPELAND. Mr. President, does the Senator mean that the banks themselves have bought in those bonds?

Mr. KING. Yes.

Mr. COPELAND. Not the directors but the banks themselves.

Mr. KING. The banks themselves, and at a discount, thus further contracting credit and at the same time depreciating governmental securities and making it more difficult for persons to obtain loans.

Mr. COPELAND. Have those activities been on a large scale?

Mr. KING. That is my information.

Mr. FLETCHER. Mr. President, if the Senator from Utah will allow me, the reference to the purchase of bonds has to do with the joint-stock land banks.

Mr. KING. I think not. I know it has to do with the Federal land banks.

Mr. FLETCHER. The bill, according to the conference report now pending, if that report shall be agreed to, will absolutely stop that and confine the appropriation to loans and to extensions.

Mr. KING. That is one virtue in the bill that perhaps may save it from utter damnation.

Mr. LONG. Mr. President-

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Louisiana?

Mr. KING. I yield.

Mr. LONG. Mr. President, if the Senator has time, will he permit me to say that the Federal land bank itselfand the bill has virtue in that respect—is taking the money that Congress appropriated to enable it to extend farm mortgages and buying up its own unmatured obligations. They are doing that all over the country. Because of the fact that I succeeded in getting proof of this outrage that is being perpetrated in the New Orleans district, the bank which furnished me with the proof of it has been set upon rather wildly by the New Orleans district bank which is calling all the first mortgages that it holds so that the second mortgages held by the bank could be wiped out. If the Federal land bank is going to proceed like it has been proceeding, it is going to make the Federal Farm Board look like a real creditable institution. It is a nefarious institution

I have not studied it sufficiently to give all the details, perhaps, but some of its activities are outrageous. They have taken \$125,000,000 of the money appropriated by Congress. These rascally scoundrels have gone out and bought in their own unmatured obligations, and they are closing out the farmers, despite the money that Congress gave them, which was intended to give the mortgagors a little time and opportunity to make a little money and pay off their mortgages. I have a telegram here, which at the proper time I am going to send to the desk and ask to have read, because it contains the proof that they are engaging in that kind of operations down in the New Orleans district.

Mr. KING. Mr. President, I think the Senator from Florida is in error in his contention that the Federal land banks have not purchased their own bonds. I know that the jointstock land banks have pursued that policy for some time, purchasing some of their bonds at from 30 to 40 cents on the dollar, and my information is that the Federal land banks likewise have pursued a similar course. If the Senator will permit me, I will read just a sentence or two from this communication, and I think he will find that there is corroborative evidence of the statement which I made. The writer says:

I am in possession of certain reports, which lead me also to believe that the Federal land banks have been using the contribution made to them for the restoration of their capital-

That is, the \$125,000,000 which the Congress appropriated, and that contribution was not made to the joint-stock land banks, but to the Federal land banks-

to buy in at a discount in the market from distressed investors the outstanding bonds of these banks, floated as instrumentalities of the Federal Government, which by the very policy of contraction adopted by these institutions have been depreciated to prices all out of line with their intrinsic worth. The result of such an operation by the Federal land bank is obviously a loss to the investing public and a disaster to the borrowing farmer, although a book profit to the bank making such purchases. If the funds are being used in this way the intention of Congress is being disregarded being disregarded.

Mr. President, the letter which I have contains a number of reports and examples of the oppressive course of several land banks, their refusal to extend credit when they should have done so, and their utilization of the funds which Congress contributed for the restoration of their impaired capital rather than to extend credit to farmers.

I desire to say, Mr. President, that in my opinion the land banks in this distressing period have utterly failed in the discharge of their duty. They have contributed to the depression, to the discouragement, and to the bewilderment of the farmers and the debtors of the United States. I think that Congress in the near future should devise some plan by which there shall be important changes and modifications in the procedure of the Farm Board, and that there shall be unification of all of these agencies of the Government through which loans are extended to agriculture.

I am opposed to this conference report, and associate myself with the Senator from Arkansas [Mr. Robinson] and the Senator from Kentucky [Mr. BARKLEY]; and I hope the Senate will reject the report.

WAR DEPARTMENT APPROPRIATIONS-CONFERENCE REPORT

Mr. LONG obtained the floor.

Mr. REED. Mr. President, before the Senator from Louisiana begins his speech, will he permit me to send to the desk a conference report on which immediate action is desired?

Mr. LONG. I have no objection.
Mr. REED. I present a conference report which I ask to have read.

The PRESIDING OFFICER. The report will be read. The Chief Clerk read the report, as follows:

The committee of conference on the disagreeing votes of the two Houses on certain amendments of the Senate to the bill (H. R. 14199) making appropriations for the military and nonmilitary activities of the War Department for the fiscal year ending June 30, 1934, and for other purposes, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered

That the House recede from its disagreement to the amendments of the Senate numbered 7, 8, and 22, and agree to the same.

Amendment numbered 12: That the House recede from its disagreement to the amendment of the Senate numbered 12, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$2,796,465"; and the Senate agree to the same.

Amendment numbered 23: That the House recede from its disagreement to the amendment of the Senate numbered 23, and agree to the same with an amendment as follows: In ! lieu of the sum proposed in the last line of said amendment insert "\$168,827"; and the Senate agree to the same.

Amendment numbered 27: That the House recede from its disagreement to the amendment of the Senate numbered 27, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$1,183,723"; and the Senate agree to the same.

Amendment numbered 41: That the House recede from its disagreement to the amendment of the Senate numbered 41, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$837,219"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 6, 29, 30, and 31.

DAVID A. REED, HIRAM BINGHAM, KENNETH MCKELLAR, DUNCAN U. FLETCHER, JOHN B. KENDRICK, FREDERICK STEIWER.

Managers on the part of the Senate.

Ross A. Collins, WILLIAM C. WRIGHT, TILMAN B. PARKS. HENRY E. BARBOUR, FRANK CLAGUE, Managers on the part of the House.

Mr. REED. I move that the report be agreed to. Mr. VANDENBERG. Mr. President, I desire to say this in respect to the conference report before it is adopted:

It is my understanding that the Senate conferees have receded in respect to the amendment submitted by my able colleague, the senior Senator from Michigan [Mr. Couzens], in respect to housing 88,000 homeless boys in citizens' military training camps. In a spectacular debate, he won the consent of his Senate colleagues to this fine, humane prospectus for the use of available Army resources in serving the existing social and economic crisis. The House rejected the amendment on a roll call, and the Senate conferees thereupon receded.

The senior Senator from Michigan is absent from the city on highly important public business. I have communicated with him to determine his feeling in respect to the adoption of the conference report, in view of the action of the House, which rejects this amendment of which he was the author. While he deeply regrets the rejection of the amendment, and while he undoubtedly will renew it at the first available opportunity when the new Congress assembles. and when the attention of the Senate again may be challenged to the merits and the realities of this plan to house 88,000 homeless boys, he does not feel justified in asking the present suspension of the conference report because of this situation. Therefore, I am not opposing the conference report at this time.

I ask unanimous consent to have inserted in the RECORD at this point an editorial from the Washington Post of March 1, dealing with this subject and sketching some of the great advantages inherent in my colleague's suggestion.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

TRAINING FOR CITIZENSHIP

The most practical and constructive relief project approved by either branch of Congress is the Couzens amendment to the War Department supply bill which would direct the Secretary of War to

Department supply bill which would direct the Secretary of War to provide training for wandering boys. No opposition to the purposes of the measure has developed. It is criticized only by a few pacifists who fear that the Government is trying in a roundabout way to add 88,000 young men to the Army. When this false conception is cleared away opposition disappears.

Under the provisions of the measure sponsored by Senators Couzens and Reed, boys who are now drifting into criminal gangs or acquiring the habits of the professional vagabond would be given a year of training in citizenship. No one who understands the program of the citizens' military training camps considers this means of rescuing homeless boys as a militaristic gesture. Training in the art of war would be a minor factor in the rehabilitation of these young men. The more important consideration is a restoration in them of self-respect, moral courage, dis-

cipline, and the spirit of teamwork. In view of the deplorable conditions now prevailing among these derelicts of the road it is difficult to understand how any Member of Congress can stand in the way of their rescue.

When General MacArthur, Chief of Staff of the Army, was asked what would be the effect of the C. M. T. C. training upon

the future of these lads as civilians he replied:
"It will send them back to civil life not only in excellent physical condition but prepared, as they are not now, to resist the physical condition but prepared, as they are not now, to resist the temptation to become tramps, if not criminals and gangsters, and ready, as they obviously are not now, to become hard-working, well-behaved civilians, doing their duty in their own community and the country. If Congress enacts this measure it can count upon the most earnest endeavor of the Army to carry out its desire to rescue these boys from disaster and thus strengthen the basic fabric of our country."

The bill containing this amendment is now in conference. It has overwhelming support in the Senate and is indexed by public

has overwhelming support in the Senate and is indorsed by public opinion. It should be approved by the conference committee and

the House without delay.

Mr. COPELAND. Mr. President, I want to say for myself-

Mr. FLETCHER. Mr. President, I can not permit this interruption. The Senate has before it a conference report, and we want to have it disposed of. One conference report has come in, and that has been disposed of. Now comes in another one with the assurance that it will take only a minute. If it is going to lead to discussion, I am opposed to its consideration, and I think we ought to go on and finish the report that is before the Senate.

The PRESIDING OFFICER. Does the Senator from Florida call for the regular order?

Mr. FLETCHER. I do.

Mr. KING. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. KING. The Senator from New York, under the discussion of the conference report submitted by the Senator from Florida, may continue his observations in regard to some other matter.

Mr. LONG. I had the floor, Mr. President.

Mr. COPELAND. I do not desire to delay for one moment the adoption of the Army appropriation bill report; so, as far as I am concerned, I will seek later to say what I had in my mind.

Mr. REED. May we have a vote on the conference report on the Army bill?

Mr. LONG. If there is no further discussion on the Army bill, why not let us vote on it and get it out of the way?

The PRESIDING OFFICER. The question is on agreeing to the conference report submitted by the Senator from Pennsylvania.

The report was agreed to.

amendment:

The PRESIDING OFFICER laid before the Senate the following message from the House of Representatives, which was read:

IN THE HOUSE OF REPRESENTATIVES, UNITED STATES,

March 3, 1933.

Resolved, That the House recede from its disagreement to the amendments of the Senate numbered 6 and 31 to the bill (H. R. 14199) making appropriations for the military and nonmilitary activities of the War Department for the fiscal year ending June

30, 1934, and for other purposes, and concur therein.

That the House recede from its disagreement to the amendment of the Senate numbered 29, and concur therein with the following

Restore the matter stricken out by said amendment amended by

inserting in lieu of the amount named therein "\$44,315."

That the House recede from its disagreement to the amendment of the Senate numbered 30, and concur therein with the following amendment:

Restore the matter stricken out by said amendment amended by inserting in lieu of the amount named therein "\$17,265.

Mr. REED. Mr. President, I move that the Senate concur in the amendments of the House to amendments numbered 29 and 30.

The PRESIDING OFFICER. The question is on the motion of the Senator from Pennsylvania.

The motion was agreed to.

AMENDMENT OF FARM LOAN ACT

The Senate resumed the consideration of the report of the committee of conference on the disagreeing votes of the two Houses on the bill (S. 5337) to amend the Federal farm loan act, as amended, etc.

Mr. LONG. Mr. President, I desire to say just a few words | Party. Unfortunately, there is not enough politics in the about the general Federal land-bank situation. Federal land bank for it to be anything like a human

These banks have been granted money by direct appropriations from the Treasury of the United States through our acts of Congress. They have been borrowing money, I understand, from the Reconstruction Finance Corporation. I am not certain how much; but they have been using the Government money, and they are going on here and buying their own bonds at 85 or 90 cents on the dollar, refusing to use the money to grant extensions on these loans which they could be making in these distressed times. They have been taking the very money that Congress has given them, and which they are borrowing from the Government to-day, and buying their own bonds at 85 cents on the dollar, and putting the farmer out of his house and home because he will not pay them 100 cents on the dollar.

That is what is going on with the Federal land banks to-day. We have allowed this institution to degenerate into such piratical purposes that it has come to look upon them as being fair business. They have been given \$125,-000,000 by Congress. They have been borrowing money from the Reconstruction Finance Corporation, as I stated; and they have now proceeded down in my country, after denying that they were following this practice, to go out to the little banks that were protesting against this procedure, and ruthlessly to enforce their first mortgages to wipe out the second mortgages that the little banks held.

I want to read a telegram that I have received from my State only a few minutes ago, from a bank down in Louisiana. I will not give the town and I will not give the name, because I do not want to injure the party who is sending the telegram any more than I have to. He says:

Without prior notification to us in any form, Clark, of Federal land bank, has forwarded to attorney for foreclosure mortgage on property in which we have junior interest and which property we administered during the past year, turning over to them the entire proceeds without regard to our interest. Either they are in collusion with the borrower in wiping out the second mortgage or there is a complete disregard of our interest.

entire proceeds without regard to our interest. Either they are in collusion with the borrower in wiping out the second mortgage or there is a complete disregard of our interest.

It might be possible management at New Orleans retaliating against us on account of my report of their arbitrary and ruthless policies; but, again, they are thoroughly incompetent to handle their own affairs to the best interest of the Farm Loan Board, and immediate change is imperative.

Mr. President, this man says that they administered the property last year and turned over to the Federal land bank the entire proceeds of the administration; that they did not take a penny for their own interest; and, despite that fact, that set has gone down there and is foreclosing that mortgage to put that man out of his home, or else to do something worse with some kind of chicanery that will wipe out the second mortgage, and is now taking away all the interest that this bank has that claimed nothing and sought to do nothing except to protect the Federal land bank and the United States Government.

How long is this kind of a condition going to prevail with this outfit here? What is the use of talking about Mr. Mitchell? Mr. Mitchell was man enough not to hide his crime. At least he was not taking the money out of the United States Treasury by buying his own bonds at 85 cents on the dollar and foreclosing a mortgage at 100 cents on the dollar, when the money had been given to him by the people of the United States in order that he might accommodate the farmers and extend their mortgages until such time as they could meet some of these maturities.

I say, Mr. President, that the Federal land bank is setting Mr. Mitchell and Mr. Insull a pace that they never will be able to keep up with; and they are allowed openly and boldly to reach their hands into the Treasury of the United States Government to-day and to take money from the Reconstruction Finance Corporation, and \$125,000,000 from Congress, and go down there and foreclose these mortgages, in order that they may continue to buy in their own unmatured obligations at depreciated prices in the United States to-day.

That is what we are faced with. I do not charge this against the Democratic Party nor against the Republican they have not the money.

Federal land bank for it to be anything like a human institution [laughter in the galleries], but it has been allowed to operate. May the Lord deliver me from these so-called nonpolitical boards. When these masters of finance get their hands on them, what they do not do to the people is not in the book. [Laughter in the galleries.] I hope what the new President of the United States is going to do is to let the Democratic Party or the Republican Party be absolutely 100 per cent responsible, as a matter of party administration, for the way they are going to run these institutions. Deliver us from sending up to the highhatted masters of fame and fortune who will go down here and reach their hands openly and boldly into the Treasury of the United States and then go and buy back their own bonds at 85 cents on the dollar and put a man off his farm in the State of Louisiana, who is not getting a penny out of it, just in order that they may use the money of the people to buy in their unmatured obligations at depreciated prices instead of lending the money to the people.

I do not know the merits of the Senator's bill.

Mr. BROOKHART. Mr. President, will the Senator yield? The PRESIDING OFFICER. Does the Senator from Louisiana yield to the Senator from Iowa?

Mr. LONG. Yes, sir; I yield to the Senator from Iowa.
Mr. BROOKHART. The other day, in the debate on the
Gore amendment, I called the Senator's attention to the
fact that the joint-stock land banks are doing identically
what he says.

Mr. LONG. Yes, sir; and I said at the time it was an outrage.

Mr. BROOKHART. I am glad to have the Senator on that side of the question.

Mr. LONG. I was on that side of the question the other day. I beg the pardon of the Senator from Iowa.

Mr. BROOKHART. I remember the Senator said that was an outrage, but he voted the other way on the proposition.

Mr. LONG. Oh, no; I did not vote the other way. The Senator from Iowa voted with me in that matter. The Senator from Iowa and I voted together. The Senator from Iowa has gotten himself a little bit mixed up, Mr. President. [Laughter in the galleries.]

The PRESIDING OFFICER. The Chair must admonish the galleries that no demonstrations are permitted under the rules of the Senate.

Mr. LONG. The Senator may be thinking about the medicinal liquor bill. He has that on his mind this morning, and is keeping us from passing it. This is not a Louisiana "mix."

What I was arguing with the Senator from Iowa about was this. I did not want to go on the other side of the fence and have the Government do the same thing I was condemning private interests for doing. I am not in favor of letting one man take a 35-cent obligation and pay off a dollar debt any more than I am in favor of these rascals taking an 85-cent obligation and foreclosing on a farm.

The unfortunate thing is that if the Senator from Iowa turns the telescope around and sees the picture and it looks good, it is all right; but if it looks bad, instead of correcting the bad condition, he proposes to try to fight the devil with fire. That might be a good thing; we have to do it sometimes.

Mr. BROOKHART. Mr. President, will the Senator yield? Mr. LONG. I yield.

Mr. BROOKHART. I think that under the Federal landbank law, in the case of these Federal land-bank mortgages, the farmers have the right I want them to have, along with the joint-stock land banks.

Mr. LONG. They have that right?

Mr. BROOKHART. Yes.

Mr. LONG. In other words, they have the right to buy in the bonds if they have the money?

Mr. BROOKHART. Yes.

Mr. LONG. Of course, the Senator and I both know they have not the money.

Mr. BROOKHART. Sometimes they have not, but sometimes they have. Sometimes they can get it, if the reduction is great enough.

Mr. LONG. They might, but in this instance they could not get the 85 cents. If steamboats on the Hudson River were selling to-day-all there are on the Hudson-for \$2.50, a farmer down in my section of the country could not buy a whistle.

Mr. KING. Mr. President, will the Senator yield?

Mr. LONG. I yield. Mr. KING. I hope the Senator from Iowa does not indorse as a moral, to say nothing of it as a legal, proposition the joint-stock land banks continuing, instead of lending to individuals who need credit, if they have any surplus funds, to go out and buy their bonds at 30 or 40 cents on the dollar. I think it is a perversion of their authority, and it is a highly immoral act for them, if they have credit and currency and cash, instead of lending it to needy persons, to go out and buy their own bonds at 30 or 40 cents on the dollar.

Mr. BROOKHART. The Senator did not understand my position. I certainly condemn that quite as severely as he does.

Mr. KING. I am very glad the Senator takes that position.

Mr. BROOKHART. As an antidote for that thing I ask the right for the farmers to use these depreciated bonds to pay their mortgages, and every land bank in the old country that has been operating a long time gives the farmers that permission. This is the only one ever organized in the world that denied the farmers that privilege.

Mr. LONG. Mr. President, I want to admit to the Senator from Iowa that if we continue to allow this practice it would be better to allow the farmers to follow it, too. If that is a conversion on my part, the Senator can have it.

I am baptized to that extent.

Mr. BROOKHART. The Senator is talking all right now. Mr. LONG. If we are going to allow the Federal land bank itself to buy these depreciated obligations, we ought to allow the farmer to do it, too. I admit that if that kind of an injustice is permitted on the one hand, it is better to allow it on the other hand than to allow it to be unilateral.

Mr. President, I am going to conclude my remarks, which I know will please my friend the Senator from Florida [Mr. FLETCHER] and my friend the Senator from Michigan [Mr. VANDENBERG], who is trying to get up some bill in which he has some interest on behalf of his constituents. I want to say for the Senator from Michigan that he is one of the most generous characters in stopping argument when he is trying to get over a bill for the people of Michigan.

What I am condemning, and what I am calling to the attention of the Senate and of the country, is that these men are guilty of no less a crime than is being charged against Mr. Mitchell to-day. Our committee condemned Mr. Mitchell, and we ought to have condemned him, because he sold his own stock short. But this outfit to which I have been referring has been guilty of the conduct of materially assisting in the depreciation of its own securities, taking the money of the people of the United States that is given to them in order that they might extend farm mortgages, and buying in their own securities, after depreciating them, at less than par value, freezing the farmer out, and taking his farm away from him unless he pays 100 cents on the dollar.

That is the kind of institution we have to contend with in this country to-day. It is not necessary to investigate the banks of New York to see what kind of sharp practice they are indulging in. I am referring to what the Government is doing with the money of the people of the United States to-day, and I hold the proof of it here in my hand.

The VICE PRESIDENT. The question is on agreeing to the conference report.

Mr. KING. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Ashurst Austin Bailey Bankhead Barbour Barkley Bingham Black Blaine Borah Bratton Brookhart Broussard Bulkley Bulow Byrnes Capper Caraway Carey Clark Coolidge

Copeland

Costigan

Dale Davis Dickinson Dill Fletcher Frazier George Glenn Goldsborough Gore Grammer Hale Harrison Hastings Hatfield Hayden Hebert Johnson Kean Kendrick Keyes

King La Follette Lewis Logan Long McGill McKellar McNary Metcalf Moses Neely Norbeck Norris Nye Oddie Patterson Pittman Reed Reynolds Robinson, Ark. Robinson, Ind. Russell Schall

Schuyler Sheppard Shortridge Smith Smoot Steiwer Stephens Swanson Thomas, Idaho Thomas, Okla. Townsend Trammell Tydings Vandenberg Wagner Walcott Walsh Watson Wheeler White

The VICE PRESIDENT. Eighty-nine Senators having answered to their names, there is a quorum present. The question is on agreeing to the conference report.

The report was agreed to.

MEMBER OF JOINT COMMITTEE ON PRINTING

The VICE PRESIDENT appointed the junior Senator from Arizona [Mr. HAYDEN] as a member of the Joint Committee on Printing to take the place of the Senator from New Hampshire [Mr. Moses], whose term expires.

RELIEF OF AGRICULTURE AND THE EXISTING ECONOMIC EMERGENCY

Mr. BANKHEAD. Mr. President, out of order, I ask unanimous consent to have printed in the RECORD a substitute for the domestic allotment bill prepared at my request by Mr. H. R. Ronald, of Mitchell, S. Dak.

There being no objection, the substitute proposed by Mr. BANKHEAD for House bill 13991, to aid agriculture and relieve the existing national economic emergency, was ordered to be printed in the RECORD, as follows:

A bill to aid agriculture and relieve the existing national economic emergency

Be it enacted, etc., That this act may be cited as the "agricultural adjustment act."

DECLARATION OF POLICY

Sec. 2. It is hereby declared—

(a) That the depression in prices for that portion of our agricultural commodities for domestic consumption, and the effect of unsettled world conditions upon foreign markets for that por-tion of our agricultural commodities for consumption abroad, and the inequalities between the prices for agricultural and other commodities, have given rise in the basic industry of agriculture to conditions that have affected transactions in agricultural commodities with a national public interest, that have burdened and obstructed the normal currents of commerce in such commodities. ties, and that render imperative the enactment of this act for aiding in the relief of the present national economic emergency in agriculture and thereby facilitating the recovery of the industry,

transportation, employment, and finance.

(b) That it is the policy of Congress to encourage agricultural planning and readjustment to meet changed world conditions and to aid in restoring the parity between agriculture and other in-dustries and in correcting the inequalities between the prices for

agricultural and other commodities.

(c) That the provisions of this act are made applicable solely with respect to wheat, cotton, tobacco, rice, and hogs by reason of the fact that the prices for these basic commodities are a controlling factor in establishing prices for other domestic agricontrolling factor in establishing prices for other domestic agri-cultural commodities, that exportable surpluses of these com-modities or products thereof are ordinarily produced in such quan-tities as to make prices on world markets a controlling factor in establishing domestic prices, and that substantially the entire production of these commodities is processed prior to ultimate consumption.

TITLE I-DISTRIBUTION OF ALLOTMENT BENEFITS

STATE COMMISSIONS

SEC. 3. Within 15 days after the enactment of this act the Secretary of Agriculture shall, for the administration of this act, appoint for each State a commission of five members, including, if possible, the State secretary of agriculture and a representative of the State agricultural college, and shall designate the manner in which county commissions shall be established by such State commissions.

ALLOTMENTS AND RECOMMENDATIONS

SEC. 4. Within 15 days after the enactment of this act, and annually thereafter, at least 90 days before the end of the then current marketing year for the commodity, the Secretary of Agriculture shall(a) Allot to the several States the amount of the estimated consumption in the United States, in the next marketing year, of wheat, cotton, tobacco, and rice, respectively, in proportion to their average production for sale of such commodity in the preceding 10 years, and of hogs in proportion to their average sale for slaughter in such past period as the Secretary of Agriculture shall deem representative.

(b) Request each State commission established under section 3 to report within 30 days its recommendations, based upon the opinion, so far as ascertainable, of producers and processors of commodities named in this act, as to the following:

(1) The amount of reduction in acreage to be planted to crops

in the United States in the next marketing year that would provide

the largest total return to producers.

(2) The rectrictions which should be imposed as to the use of any acreage diverted from crops in the United States under this act, the purpose of such restrictions being to prevent the use of such diverted acreage from causing undesirable overproduction of other crops or increasing the production of dairy products.

(3) The amount of reduction that should be made in the mar-

teting of hogs in the United States in the next marketing year to provide the largest total return to producers, and the amount, if any, by which hog producers in the United States should reduce their acreage of corn in order to eliminate any abnormal surplus of

COUNTY ALLOTMENTS

SEC. 5. Each State commission, after the State allotment of any commodity has been made by the Secretary of Agriculture, shall—

(a) Establish county commissions to aid in the administration of this act.

(b) Apportion the State allotment of the commodity among the several counties of the State in proportion to past average production thereof in each county for such period as the State

commission deems representative.

(c) Direct each county commission to announce, to producers in the county, the records of past acreage and production of the commodity that will be required for the making of allotments to the farms in the county and the time and manner in which such

the farms in the county and the time and manner in which such records shall be submitted. Such records shall be for such period as the State commission shall deem representative for the county.

(d) Direct each county commission to apportion, within 30 days after the making of such announcement, the county allotment among the farms with respect to which records have been submitted as provided under subsection (c), in proportion to past average production of the commodity upon such farms for such period as the county commission deems representative.

ISSUANCE OF CERTIFICATES

ISSUANCE OF CERTIFICATES

Sec. 6. Within 45 days after the enactment of this act, and annually thereafter, at least 60 days before the end of the then current marketing year, the Secretary of Agriculture shall—

(a) Determine and announce the amount of reduction, if any, in acreage of crops or pounds of hogs marketed for slaughter (and including reduction of acreage of corn in case of hog producers) to be required uniformly in the next marketing year of producers electing to qualify for benefits provided by this act: Provided, That in the case of small producers of cotton, in the discretion of the Secretary of Agriculture, such reduction may be in quantity marketed, and, in case of tobacco, the Secretary of Agriculture may specify different percentages of reduction for different grades. The reductions determined and announced under this paragraph shall be in amounts which in the opinion of the Secretary will shall be in amounts which in the opinion of the Secretary will result in the largest total return being realized by the producers of the commodity.

of the commodity.

(b) Determine and announce the uses that may not be made of acreage diverted from crops as required under this act in order to prevent overproduction of other crops and particularly to prevent any resulting increase in production of dairy products.

(c) Prepare and furnish to State commissions application blanks upon which producers may apply for adjustment certificates, such application blanks to set forth the conditions prescribed in this title with which producers must comply in order to receive adjustment certificates.

(d) Authorize the State commissions to direct the county commissions to issue adjustment certificates to producers making signed application therefor, such certificates to be in the amount of 42 cents per bushel on wheat, 2 cents per pound on here of 42 cents per bushel on wheat, 2 cents per pound on hogs, 5 cents per pound on cotton, 5 cents per pound on tobacco, and 5 cents per pound on cotton, 5 cents per pound on tobacco, and one-half cent a pound on rice, on the amount of the allotment to the producer's farm, and to be issued to the owner, or in the case of leased land, jointly to the owner and tenant, upon signing of the required application blanks by both. Such certificates shall be prepared and furnished by the Secretary of Agriculture and shall be issued for the next marketing year. Such certificates may be issued during such marketing year if it is still possible for the producer to comply with the conditions named in his application. application.

(e) Announce the fact that an adjustment charge will go into effect as to each such commodity, as provided in Title II, from the beginning of the next marketing year.

LIMITATIONS ON MARKETING OF HOGS

Sec. 7. The Secretary of Agriculture may from time to time, during the hog-marketing year, announce, with 30 days' notice given in such manner as the Secretary may deem proper, changes by percentage in the number of pounds of hogs that may be marketed for slaughter by the holders of adjustment certificates

issued for that marketing year, when such changes are, in his opinion, necessary in order to preserve such approximate balance between supply and demand as, in his judgment, is likely to yield the maximum return to producers of hogs, subject to the limita-tion that it is not intended that the total return to the producer tion that it is not intended that the total return to the producer shall exceed the pre-war exchange value of the commodity. In determining any such changes, the Secretary of Agriculture shall, so far as possible, act with the advice of the several State commissions. The Secretary of Agriculture shall include in the application blanks for adjustment certificates the condition that producers of hogs shall comply with such notices as may be issued under this section.

SUSPENSION OF ACT

Suc. 8. If at any time less than 50 per cent of the total domestic production of any crop commodity to which this title applies or less than 60 per cent of the production of hogs for slaughter is represented by allotment certificates issued for the then current marketing year, the Secretary of Agriculture shall by proclamation suspend the application of this act with respect thereto as of the beginning of the next marketing year; but, upon application for allotment certificates by producers of at least 60 per cent of the total domestic production of any crop commodity to which this title applies, or 75 per cent of the production of hogs for slaughter, he shall issue a proclamation to that effect at least 90 days before the termination of the then current marketing year, and thereupon this act shall be in effect as to such commodity for the next marketing year and thereafter.

Sec. 9. If the local market price for any commodity to which this title applies remains, for a 12-month period, at least equal to the pre-war exchange value of such commodity, the Secretary of Agriculture shall by proclamation suspend the application of this act to such commodity as of the beginning of the next marketing year. If subsequently the local market price of any commodity as to which the operation of this act is so suspended shall remain, for 12 months, below such pre-war exchange value, the Secretary, upon application by producers of at least 60 per cent of the total domestic production of such commodity, shall issue a proclamation to that effect, at least 90 days before the termination of the then current marketing year, and thereupon this act shall be in effect as to such commodity for the next marketing year and

then current marketing year, and thereupon this act shall be in effect as to such commodity for the next marketing year and thereafter; except that in the case of hogs the application of the producers of 75 per cent of the total domestic production for slaughter shall be required.

ASSISTANCE IN ADMINISTRATION

Sec. 10. The Secretary of Agriculture shall from time to time, upon the request of the several State commissions, assign to such commissions such representatives of the Department of Agriculture as he deems necessary to aid such commissions or the county commissions in the administration of this title.

RECORDS OF ACREAGE AND SALES OF HOGS

SEC. 11. The Secretary may require of the State commissions such records of sales of hogs for slaughter, and of acreage planted to and production of any commodity as to which adjustment certificates may be issued, as he deems necessary in carrying out the provisions of this act. Such records, and statistics of the Department of Agriculture and other Federal agencies, shall be employed by the Secretary as a basis for estimates or computations made pursuant to this act.

REDEMPTION OF ADJUSTMENT CERTIFICATES

SEC. 12. (a) Each adjustment certificate shall be issued in two SEC. 12. (a) Each adjustment certificate shall be issued in two parts, each to be at one-half the face value of the certificate. Title to either part of an adjustment certificate shall be transferable by delivery. One part of an adjustment certificate may be presented by the bearer for redemption at any time after six months after the beginning of the marketing year for which such certificate has been issued, and the other part may be presented by the bearer for redemption at any time after the end of the marketing year for which it has been issued. Certificates shall be accepted for redemption at the United States Traceury, or other parts and the states are be accepted for redemption at the United States Treasury or at such fiscal agencies of the United States as the Secretary of the Treasury shall designate. Certificates shall be eligible for discount or purchase by Federal reserve banks at any time after their issuance.

(b) The action of any commission, officer, employee, or agent in issuing and fixing the value of any adjustment certificate and in redeeming such certificate shall not be subject to review by any court or by any officer of the Government other than the Secretary of Agriculture.

(c) No adjustment certificate, or part thereof, shall, while in the possession of the producer to whom it was issued, be subject to attachment, levy, or seizure under any legal or equitable

POLICY AS TO ADMINISTRATION

SEC. 13. (a) It is intended that the purposes of this title shall be carried out by means of cooperation by producers, and the Secfetary of Agriculture and State and county commissions shall administer it upon that basis. It is intended that benefits provided for producers under this title shall be made available to them only as they qualify by complying with the conditions subject to which they are to be granted such benefits. The Secretary of Agriculture shall accept records of production submitted by producers, and their acceptance of conditions named in applications for certificates, as prima facie evidence of good faith.

(b) Prior to the issuance of certificates to the producers of any State for any marketing year after the first one following the enactment of this act, the Secretary of Agriculture shall require from State commissions such evidence as he may specify to show that such commission and its county commissions and prothat such commission and its county commissions and producers have complied with the provisions of this act and regulations made thereunder, and the conditions imposed as to reduction of acreage or marketing. Upon evidence received by any county commission that any producer has not so complied, his farm shall be stricken by the county commission from the list of those as to which adjustment certificates may be issued for the ensuing year. Upon evidence that any county commission has failed in the discharge of its duties or has not removed from the list of farms as to which adjustment certificates may be issued those in respect of which, within the knowledge of the county commission, the provisions of this act or regulations or conditions imposed thereunder have not been complied with, the State commission shall strike that county from the list of counties in which imposed thereunder have not been complied with, the State commission shall strike that county from the list of counties in which adjustment certificates may be issued for the next marketing year. If the Secretary of Agriculture, on the basis of evidence received, is of the opinion that any State commission has falled to comply with provisions of this act or has failed to require county commissions to enforce the provisions of this section, the Secretary of Agriculture shall eliminate such State from the list of those in which adjustment certificates may be issued for the next marketing year. Any producer whose farm has been so stricken from the list may be reinstated by the county commission upon a showing satisfactory to the county commission. Any county commission whose county has been so stricken from the list of counties may secure the reinstatement of such county upon a showing satisfactory to the State commission. Any State which a showing satisfactory to the State commission. Any State a showing satisfactory to the State commission. Any State which has been so stricken from the list of States may be reinstated by the Secretary of Agriculture upon a showing satisfactory to him. It is intended that the burden of proof as to qualifications for any adjustment certificate provided for in this title or as to compliance by a producer with this act and regulations and conditions imposed thereunder shall at all times rest upon the producer, and it shall be so administered by the Secretary of Agriculture.

(c) State and county commissions shall execute their functions under this title under such rules and regulations as the Secretary of Agriculture may prescribe.

(d) Nothing in this act shall be construed as affecting or controlling in any way the freedom of any producer to produce and sell as much as he wishes of any commodity if such producer has not applied for benefits pursuant to this act.

TITLE II-ADJUSTMENT CHARGES PAYMENT OF ADJUSTMENT CHARGES

SEC. 14 (a) During any marketing year in which this act is in effect as to wheat, cotton, tobacco, rice, or hogs there shall be levied, assessed, and collected an adjustment charge on the first domestic processing thereof, whether of domestic production or imported, to be paid by the processor. Adjustment charges shall be at the rate of 42 cents per bushel for wheat, 2 cents per pound for hogs, 5 cents per pound for cotton, one-half cent per pound for rice, and 5 cents per pound for tobacco.

for hogs, 5 cents per pound for cotton, one-half cent per pound for rice, and 5 cents per pound for tobacco.

(b) Each processor required to pay any adjustment charge imposed by this section shall procure and keep posted a certificate of registry in accordance with regulations prescribed by the Secretary of the Treasury. Any processor who fails to register or to keep posted any certificate of registry in accordance with such regulations shall, upon conviction thereof, be subject to a fine of not more than \$1,000.

(c) During any period for which an adjustment charge is in

of not more than \$1,000.

(c) During any period for which an adjustment charge is in effect with respect to cotton there shall be levied, assessed, and collected upon the first domestic processing of silk or rayon an adjustment charge equal to the adjustment charge then in effect as to cotton, per like unit of the commodity, to be paid by the processor. No such charge shall be collected with respect to rayon derived from processed cotton subject to an adjustment charge with respect to its processing.

FLOOR STOCKS

SEC. 15 (a) Upon the sale or other disposition of any article processed wholly or in chief value from wheat, cotton, silk, rayon, tobacco, rice, or hogs that (on the date any adjustment charge takes effect or terminates) is held for sale or other disposition (including articles in transit) by any person other than a consumer or a person engaged solely in retail trade, there shall be made a tax adjustment as follows:

(1) In case an adjustment charge takes effect there shall be levied, assessed, and collected a tax to be paid by such person equivalent to the amount of the adjustment charge which would

be payable with respect to the commodity from which processed if the processing had occurred on such date.

(2) If the adjustment charge is terminated, there shall be refunded to such person a tax (or if the tax has not been paid, the tax shall be abated) in an amount equivalent to the adjustment charge with respect to the commodity from which processed.

(3) Such equivalent amounts shall be established by conversion terminated by respectively the respectively.

(3) Such equivalent amounts shall be established by conversion factors prescribed by regulations of the Secretary of the Treasury.
(b) The proceeds of all taxes collected under this section shall be covered into the Treasury, and there are authorized to be appropriated amounts necessary for the payment of refunds under this section.
(c) For the purpose of this section the term "retail trade" shall not be held to include the business of an establishment

which is owned, operated, maintained, or controlled by the same individual, firm, corporation, or association that owns, operates, maintains, or controls any more than two other establishments of the same character

(d) Notwithstanding the provisions of subsection (a), such subsection shall apply to flour in excess of 25 barrels held for sale or other disposition by any person engaged solely in retail trade.

EXPORTATIONS

EXPORTATIONS

Sec. 16. (a) Upon the exportation to any foreign country (including the Philippine Islands, the Virgin Islands, American Samoa, and the island of Guam) of any product with respect to which an adjustment charge or tax has been paid under this act, the exporter thereof shall be entitled at the time of exportation to a refund of the amount of such charge or tax, as established by conversion factors prescribed by regulations of the Secretary of the Treasury. The Secretary shall prepare forms for filing claims for such refunds and shall certify to the Treasurer of the United States claims which have been approved for payment.

(b) Upon the giving of satisfactory bond for the faithful observance of the provisions of this act requiring the payment of adjustment charges or taxes, and of such regulations as may be prescribed thereunder, any person shall be entitled, without payment of the adjustment charge or tax, to process for such exportation any commodity with respect to which an adjustment charge is imposed by this act, or to hold for such exportation any article processed wholly or in chief value therefrom. The Secretary of the Treasury shall prescribe necessary regulations for such processing or holding in bond or in such other manner as may be necessary to carry out such provisions.

PROCESSING FOR PERSONAL USE AND LIMITED SALE

PROCESSING FOR PERSONAL USE AND LIMITED SALE

SEC. 17. No adjustment charge shall be required to be paid on the processing of any commodity by the producer thereof on his own premises for consumption by his own family, employees, or household.

GOVERNMENT INSTRUMENTALITIES

SEC. 18. No processor or other person shall be exempt from any adjustment charge or tax under this act by reason of the fact that the products of the processed commodity are purchased by the United States, or any State, Territory, or insular possession thereof (except the Philippine Islands, the Virgin Islands, American Sames and the islands (Num) or the Philippine Islands. can Samoa, and the island of Guam), or the District of Columbia, or any agency or instrumentality thereof.

EXISTING CONTRACTS

Sec. 19. (a) If (1) any processor, jobber, or wholesaler has, prior to the date of approval of this act, made a bona fide contract of sale for delivery after such date of any article in respect of which an adjustment charge or tax is imposed under this act, and if (2) such contract does not permit the addition to the amount to be paid thereunder of the whole of such charge or tax, then (unless the contract prohibits such addition) the vendee shall pay so much of the charge or tax as is not permitted to be added to the contract price.

(b) Charges or taxes payable by the vendee shall be paid to the vendor at the time the sale is consummated and shall be collected and paid to the United States by the vendor in the same manner as other adjustment charges or taxes under this act. In case of failure or refusal by the vendee to pay such charges or taxes to the vendor, the vendor shall report the facts to the Commissioner of Internal Revenue, who shall cause collection of such charges or taxes to be made from the vendee.

COLLECTION OF ADJUSTMENT CHARGES

SEC. 20. (a) The adjustment charges and taxes provided in this act shall be collected by the Bureau of Internal Revenue under the direction of the Secretary of the Treasury. Such adjustment charges shall be paid into the Treasury of the United States.

(b) All provisions of law, including penalties, applicable with respect to the taxes imposed by section 600 of the revenue act of 1926, and the provisions of section 626 of the revenue act of 1932,

shall, in so far as applicable and not inconsistent with the provisions of this act, be applicable in respect of adjustment charges and taxes imposed by this act: *Provided*. That the Secretary of the Treasury is authorized to permit postponement, for a period not exceeding 60 days, of the payment of adjustment charges covered by any return.

LOW-VALUE PRODUCTS

Sec. 21. If the Secretary of the Treasury and the Secretary of Agriculture jointly find that any class of products of any commodity is of such low value compared with the quantity of the commodity used for their manufacture that the imposition of the adjustment charge would prevent in whole or in large part the use of the commodity in the manufacture of such products and thereby substantially reduce consumption and increase the surplus of the commodity, then the Secretary of the Treasury may abate or refund the adjustment charge with respect to such amount of the commodity as is used in the manufacture of such products in accordance with regulations prescribed by the Secretary of the Treasury.

TMPORTATIONS

Sec. 22. (a) During any period for which an adjustment charge under this act is in effect with respect to cotton there shall be levied, assessed, collected, and paid upon the following articles when imported from any foreign country into the United States the following duties:

posed by such act.

(d) As used in this section the term "United States" the United States and its possessions, except the Philippine Islands, the Virgin Islands, American Samoa, and the island of

TITLE III-GENERAL PROVISIONS

DEFINITIONS

SEC. 23. (a) As used in this act-

(1) In case of wheat or rice the term "processing" means the milling or other processing (except cleaning and drying) of wheat or rice for market, including custom milling for toll as well as commercial milling, but shall not include the processing thereof for feed purposes only.

(2) In case of cotton, silk, and rayon, the term "processing" means the spinning, manufacturing, or other processing (except ginning) of cotton, silk, or rayon; and the term "cotton" shall

(3) In case of tobacco, the term "processing" means the manufacturing or other processing (except drying) of tobacco.

(4) In case of hogs, the term "processing" means the slaughter

of hogs for market.

(5) The term "marketing year" means such period of 12 months commencing, so far as is practicable, when the year's production of the commodity first begins to be marketed, as the Secretary of Agriculture may prescribe.

(6) Except in section 22, the term "United States" means the

(6) Except in section 22, the term "United States" means the several States and the District of Columbia.
(b) The "pre-war exchange value" of a commodity, for the purposes of this act, shall at any time be an amount bearing to the price for all commodities bought by producers during the preceding 12 months the same ratio that the local market price for the commodity during the period from September, 1909, to August, 1914, bore to price for all commodities bought by producers during such period; and shall be determined upon the basis of the index numbers for prices as computed and published by the Department of Agriculture. by the Department of Agriculture.

ADMINISTRATIVE EXPENSES

SEC. 24. (a) Amounts appropriated for the payment of administrative expenses under this act shall be expended by or under the direction of the Secretary of Agriculture, but the amounts to be expended for such expenses under this act shall not exceed in the aggregate a sum equal to 2½ per cent of the total amount to be collected in adjustment charges and taxes under this act.

(b) The Secretary of Agriculture is authorized (subject to the limitations provided in subsection (a) with respect to the amounts available for the payment of administrative expenses) to transfer to the Treasury Department and other agencies of the Federal Government, and to any agency of any State or any political subdivision thereof, such sums as are required to pay the additional expenses incurred by such agencies in the administration of this act: Provided, That a statement of all transfers of appropriations made hereunder shall be included in the annual Budget for the fiscal year 1936, and a statement of all transfers of appropriations made hereunder up to the time of the submission of the annual Budget for the fiscal years 1935 and 1934, shall be included in the annual Budget for the fiscal years 1935.

(c) Members of a State commission shall receive compensation of \$10 per diem when actually engaged in the work of the commission, and shall be paid travel expenses, and actual subsistence expenses not in excess of \$— per diem, when engaged in the work of the commission away from their places of residence. Members of a county commission shall serve without compensation, but shall be paid travel expenses, and actual subsistence expenses not in excess of \$— per diem, when engaged in the work of the

shall be paid travel expenses, and actual subsistence expenses not in excess of \$— per diem, when engaged in the work of the commission away from their places of residence. State and county commissions shall be allowed amounts necessary for the employment of clerical assistance in the execution of their functions under this act.

SEC. 25. The Secretary of the Treasury and the Secretary of Agriculture are authorized to prescribe such regulations as may be necessary to the efficient administration of the functions vested in them, respectively, by this act, including regulations by the

(1) On cotton having a staple or less than 1½ inches in length, 5 cents per pound; and
(2) On all dutiable articles wholly or in chief value of cotton having a staple of less than 1½ inches in length, an additional duty of 5 cents per pound on such cotton contained therein, as established by conversion factors prescribed by regulations of the Secretary of the Treasury.

(b) During any period for which an adjustment charge is in effect with respect to any commodity there shall be levied, assessed, collected, and paid upon the importation, from any foreign country into the United States of goods processed or manufactured from such commodity which, if domestically processed, would be subject to an adjustment charge, a duty equal to the amount of the adjustment charge, a duty equal to the samount of the adjustment charge, a duty equal to the samount of the adjustment charge, a duty equal to the samount of the adjustment charge, a duty equal to the samount of the adjustment charge which would be payable with section shall be levied, assessed, collected, and paid in the same manner as duties imposed by the tariff act of 1930, and shall be treated, for the purposes of all provisions of law relating to the customs revenue, as duties imposed by such act.

(d) As used in this section the term "United States" means

missions, for transmission to producers, in such manner as the Secretary may provide, suggestions for the orderly marketing of any commodity as to which this act may be in operation for the purpose of preventing seasonal or temporary depressions of market

SEC. 27. The Secretary of Agriculture and the Secretary of the Treasury may each appoint such experts and, in accordance with the classification act of 1923, and all acts amendatory thereof, and subject to the civil service laws, such officers and employees as are necessary to execute the functions vested in them, respectively, under this act: Provided, That no salary in excess of \$7,500 per annum shall be paid to additional employees necessary to carry out the provisions of this act.

PENALTIES

Sec. 28. (a) Any person who makes any false statement for the purpose of fraudulently procuring, or shall attempt in any manner fraudulently to procure, the issuance or redemption of any adjustment certificate, whether for the benefit of such person or any other person, shall upon conviction be fined not more than \$2,000 or imprisoned not more than one year, or both.

(b) Adjustment certificates issued under authority of this act shall be obligations of the United States within the definition in section 147 of the act entitled "An act to codify, revise, and amend the penal laws of the United States," approved March 4,

1909, as amended.

AUTHORIZATION OF APPROPRIATIONS

Sec. 29. There are hereby authorized to be appropriated such sums as may be necessary for the purposes of this act.

APPLICATION OF ACT

Sec. 30. The provisions of this act, except section 22, shall apply in the several States and the District of Columbia, and the provisions of Title I shall be applied to the District of Columbia as though such District were a county of the State of Maryland.

P. T. GORMLEY CO.

The PRESIDING OFFICER (Mr. Fess in the chair) laid before the Senate the amendments of the House of Representatives to the joint resolution (S. J. Res. 197) conferring jurisdiction upon the Court of Claims to render findings of fact in the claim of P. F. Gormley Co., which were, on page 1, line 11, to strike out "fully" and insert "equitably"; on page 2, line 2, after "said," to strike out all down to and including "stated" in line 12 and to insert ", with the right on the part of the Government to present any legal and equitable set-offs and defenses"; on page 2, line 13, to strike out "to report" and insert "upon"; on page 2, line 14, to strike out "Congress" and insert "render judgment, but without any allowance for interest on the determined amount of damages prior to its rendition"; and to amend the title so as to read: "Joint resolution conferring jurisdiction upon the Court of Claims in the claim of P. F. Gormley Co."

Mr. WALSH. I move that the Senate disagree to the amendments of the House, ask for a conference with the House on the disagreeing votes of the two Houses thereon, and the conferees on the part of the Senate be appointed by the Chair.

The motion was agreed to; and the Presiding Officer appointed Mr. Sterwer, Mr. White, and Mr. Logan conferees on the part of the Senate.

PROPOSED RECOGNITION OF SOVIET RUSSIA

Mr. ROBINSON of Indiana. Mr. President, on February 25 last, Mr. Matthew Woll, vice president of the American Federation of Labor, addressed a letter to Mr. Bainbridge Colby, 36 West Forty-fourth Street, New York City, with reference to the possible recognition of Russia by the Ameri-

can Government. As is of course well known, both Mr. Woll, of the American Federation of Labor, and Mr. Colby are very much opposed to any such action on the part of the American Government.

The correspondence is here, Mr. President, including the letter dated February 25 from Mr. Woll to Mr. Colby and the letter in reply, dated March 1, from Mr. Colby to Mr. Woll. I ask unanimous consent that this correspondence may be incorporated in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The correspondence referred to is as follows:

FEBRUARY 20, 1933.

FEBRUARY 20, 1933.

Mr. Baineride Coley,

36 West Forty-jourth Street, New York City.

Dear Mr. Coley: You have doubtless followed closely and are fully cognizant of the attitude of the American Federation of Labor on the subject of soviet recognition by the United States.

Ever since the epochal declaration by the Wilson administration that the United States could not accord recognition to the present régime in Russia, the American Federation of Labor has consistently supported the policy then adopted.

We believed then and still believe, that the great Democratic policy, stated in the note you addressed as Secretary of State to the Italian ambassador, is the only policy which this country can pursue if the United States is to be true to its ideals, principles, and history.

ciples, and history.

We have kept steadily in mind the basic fact clearly expressed in your note, but lost sight of now in many quarters and even misrepresented, that in taking its position the United States clearly disclaimed any intention to interfere in the internal administration of Russia or to express a judgment, adverse or otherwise, upon any social or economic theory which Russia might see fit to embrace or apply in the government of the Russian people.

As you stated in your note, the policy rests upon a wholly dif-ferent set of facts, viz, the essential and still asserted hostility of Russia to the Government of the United States and the prin-

ciples upon which it is founded.

We are to-day experiencing a recurrence of the paid and interested agitation for a reversal of this historic policy which, in our opinion, is one of the great contributions which the United States has made to the cause of democratic freedom and to that comity

has made to the cause of democratic freedom and to that comity of nations which will prevail only if their relations are grounded in mutual respect and good faith.

To-day the propaganda for Russian recognition speaks of our policy as Republican in origin, as the policy of Hughes and Coolidge, and Hoover.

This is a transparent appeal to the partisan impulse imputed to the new Democratic administration to reverse the policies of its Republican predecessors.

Of course the Russian policy of the United States is not Republican in origin or statement. On the contrary, it is a legacy from the great Democratic administration of Woodrow Wilson. The incoming administration is now called upon by the communists and incoming administration is now called upon by the communists and the socialists among us, aided by the blind and ignorant greed of selfish trading interest and our self-styled and alleged liberals, to repudiate one of the historic achievements of the Democratic

Our purpose in writing you is to ask whether, in your opinion, there are any new facts which call for a departure from this

Democratic policy.

You stood close to Woodrow Wilson at the time this policy was

It is our opinion that the country would like to hear from you, as from no one else, on this great question. MATTHEW WOLL.

Sincerely yours,

New York, March 1, 1933.

Mr. Matthew Woll,
Vice President, American Federation of Labor,
Washington, D. C.

Dear Mr. Woll: Your request for my opinion as to whether there are any new facts which call for a departure from the American policy of withholding recognition from the soviet régime in Russia deserves a candid answer.

régime in Russia deserves a candid answer.

This I will endeavor to give you, although hitherto I have abstained from discussing the question of soviet recognition. It has seemed to me that having stated officially the American attitude on the subject, it would be fitting to leave its debate to others.

You refer to the policy of the United States as a Democratic policy. Such it truly is. It was first enunciated during the administration of Woodrow Wilson, and although three succeeding Republican administrations have adopted it as their own and adhered to it without substantial deviation, it is nevertheless a Wilson policy.

wilson policy.

Any reexamination of it by a Democratic administration will certainly not proceed unmindful of this fact. The reasons which shaped it will be understood, and the misstatements and distortions of it, which latterly have gained much currency, will be perceived.

The original refusal of the United States to recognize Russia had nothing to do with the acknowledgment or repudiation of its debt to this country.

It had nothing to do with the type of government Russia saw to adopt, its communism, or other theories of economic and social relations.

Any desire to influence the internal administration of Russia or to express an opinion, either favorable or adverse, upon her form of government, was expressly disclaimed by the United States. It was on an entirely different ground that American recogni-

It was on an entirely different ground that American recognition was denied. Our refusal was predicated upon the fact that Russia was an enemy state.

Despite denials and the concealments and disguises employed by as subtle a propaganda as the world has ever seen, this enmity continues to be the foundation of soviet foreign policy.

Its government is organically linked with and controlled by the Communist Internationale, whose central purpose is the fomenting of revolution in every non-Bolshevist state.

If this is the fact—and no responsible Russian dares disaffirm it—the tests established for recognition under normal conditions have no application.

have no application.

have no application.

It is entirely beside the point that the government of Russia may be, as the propagandists for recognition maintain, a de facto government, able to impose its authority and maintain order, although by cruel repression, within its territorial confines.

To concede recognition as a friend to a nation that protests she is not a friend, but on the contrary is dedicated to the overthrow of our institutions and sworn to conspire against our peace and security, is unthinkable, "a solemn lie," to use the words of Secretary of State Elihu Root.

It is the basis of Russia's theory that our so-called capitalist civilization is incapable of solving in an evolutionary and constitutional way the problems which besiege it.

The world revolution therefore is inevitable and the Russian revolution is looked upon by the present Russian leaders as a prelude to the overthrow of the capitalist and democratic civilizations throughout the world.

prelude to the overthrow of the capitalist and democratic civilizations throughout the world.

Let a revolutionary situation develop in any country, especially in a country of strategic importance in the economic and political system of the world, and the resources of the Russian state, already pledged to its support, will be immediately placed behind the revolutionary forces.

As recently as January 10 of this year, an Associated Press dispatch from Moscow, appearing in the Times, quoted Dictator Stalin as saying:

Stalin as saying:

"Our own camp is being increased throughout the world by the successes of the 5-year plan. This means that proletarian revolutions are threatening the capitalist world and that these successes are mobilizing revolutionary forces of all countries against capitalism."

against capitalism."

The progress of communism in the United States is continually remarked with satisfaction and boasting in the government press of Russia. Credit is claimed by Moscow as the organizer and director of all movements of unrest in this country, such as the veterans' march on Washington, the disturbances among the Pennsylvania miners, the Scottsboro trial, and the agitation among our Negro population against "white chauvinism," as it is called in Pureste. in Russia.

In an issue of Pravda, a few months ago, Stalin is quoted as having said:

"The Communist Internationale has created possibilities for the

"The Communist Internationale has created possibilities for the Communist Party in the United States to reach the stage where it is able to prepare the masses for the coming revolution."

Russia's present concentration upon her internal development and particularly the sacrifices which she is calling upon her oppressed people to endure are explained by the desire to increase her power and make it more effective when this final and, from Russia's point of view, inevitable combat between capitalism and communism arrives.

The evidence on this point is inexpansible. The proof is over-

The evidence on this point is inexhaustible. The proof is overwhelming.

whelming.

I am gratified to think that these vital matters will be examined fully and methodically before the incoming administration allows its mind to crystallize on this subject.

The resolution introduced in the Senate a few days ago by Senator Krsc calling upon the State Department for all the information in its possession bearing upon these matters is a step in the right direction. This information is doubtless complete and well arranged. It is indispensable to any rational approach to the question. You will observe that I have not referred to the so-called business argument for recognition. The contention that vast opportunities for profitable trade would be opened if our policy of nonrecognition were abandoned has been used effectively by the Soviet Government.

The argument has little, if any, merit. The evidence is conclu-

Soviet Government.

The argument has little, if any, merit. The evidence is conclusive that our present policy has afforded ample facility for all the trade with Russia that is economically possible.

The unhappy experience of Great Britain and Italy, both of whom have decided to cancel trade agreements with Russia, and the equally unsatisfactory experience of France should silence the clamor of selfish traders who would barter American principles for commercial profit—and a dubious profit at that.

Soviet foreign trade is a function of the Government. As such it is absolutely at the service and mercy of soviet policy. It is

solvet foreign trade is a function of the Government. As such it is absolutely at the service and mercy of soviet policy. It is turned on or off like a tap to serve soviet political ends.

No nation has materially increased its trade with Russia as a result of recognition, nor has the United States suffered in the least by withholding it.

The traders' argument has no place among the considerations which should actuate or deter the United States on this question.

I thus come to the specific reply to your question. In all essential particulars the theory and practice of the soviet régime remain unchanged and as they were when this country reached the decision that "it is not possible for the Government of the United States to recognize the present rulers of Russia as a government with which the relations common to friendly governments can be

I can not conclude this letter, my dear Mr. Woll, without expressing my admiration of the sane and steadfast support given by the American Federation of Labor to our Government's policy toward the soviet regime. Your organization has made an invaluable contribution to American dignity and consistency in these unsettled times.

Sincerely yours,

BAINBRIDGE COLBY.

INVESTIGATION OF EXPENDITURES OF POST OFFICE DEPARTMENT

The PRESIDING OFFICER laid before the Senate the joint resolution (H. J. Res. 612) to provide for further investigation of expenditures of the Post Office Department, which was read the first time by its title and the second time at length, as follows:

Resolved, etc., That for the purpose of obtaining information necessary as a basis for legislation, those members of the Committee on the Post Office and Post Roads of the Seventy-second Congress who are Members elect to the Seventy-third Congress, or a majority of them, after March 4, 1933, and until the organization of the Committee on the Post Office and Post Roads of the House of the Seventy-third Congress, are authorized, as a committee, by subcommittee or otherwise, to continue the investigation begun under authority of H. Res. 226 of the Seventy-second Congress. And the unexpended balance of the appropriation of \$5,000 under H. Res. 273 of the Seventy-second Congress is hereby continued for such purposes. such purposes.

Mr. COPELAND. Mr. President, I ask that the Senate may take immediate action upon this matter.

The PRESIDING OFFICER. Is there objection? The Chair hears none.

The Senate proceeded to consider the joint resolution, which was ordered to a third reading, read the third time, and passed.

PRINTING OF LIST OF TREATIES

Mr. BORAH. Mr. President, I hold in my hand a list of treaties which have been ratified by the Senate since December, 1924, which I ask to have printed as a Senate document.

The VICE PRESIDENT. Without objection, that order will be made.

SOUND REPRODUCTION RECORDS FOR THE ADULT BLIND

Mr. SMOOT. Mr. President, I ask for the immediate consideration of Calendar No. 1346, House bill 13817, to amend section 1 of the act entitled "An act to provide books for the adult blind," approved March 3, 1931.

Mr. LA FOLLETTE. Mr. President, I am very sorry to have to object to any request made by the Senator from Utah, under all the circumstances, but I have a very positive letter from the superintendent of the school for the blind in the State of Wisconsin, and I feel constrained to object. The VICE PRESIDENT. Objection is made.

ARTHUR I. NEVILLE

Mr. COPELAND. Mr. President, there was filed this morning, from the Committee on Military Affairs, a favorable report on House bill 2157, for the relief of Arthur I. Neville. I ask that the bill be acted on at this time.

Mr. KING. Mr. President, is there any necessity for taking up the bill out of order?

Mr. COPELAND. Yes; the bill is not on the calendar. The VICE PRESIDENT. The bill was reported this morning.

Mr. COPELAND. It was reported without amendment.

Mr. LA FOLLETTE. What is the bill?

Mr. KING. Mr. President, I ask for an explanation on the bill, in the absence of a report.

Mr. COPELAND. Mr. President, the bill is to correct a military record. The Military Affairs Committee reported it only this morning, and that is the reason why I ask for immediate action. It is made very clear on the face of it that it is to correct a record. The bill passed the House unanimously and was unanimously reported by the committee.

Mr. BRATTON. Mr. President, when are we to have a call of the calendar? There are many other bills on the calendar which need attention.

Mr. McNARY. I hope to have one later in the day, I may say, but it is not certain.

Mr. KING. Mr. President, I shall not object to its consideration, but I give notice that as soon as I can I shall get the report, and if it is a case of desertion and does not come within the rule announced by the able Senator from Massachusetts [Mr. Walsh], I shall ask the Senator now to consent in advance that it may be reconsidered.

Mr. COPELAND. That is satisfactory.

There being no objection, the bill was ordered to a third reading, read the third time, and passed.

PURCHASE OF ALLOTMENTS OF DECEASED INDIANS

Mr. FRAZIER. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 1437, the bill (H. R. 14059) authorizing the Secretary of the Interior in behalf of Indians to purchase the allotments of deceased Indians, and for other purposes. I ask unanimous consent for its immediate consideration.

The VICE PRESIDENT. Is there objection?

Mr. BRATTON. Mr. President, I shall object to picking out bills from the calendar in this way. If we are going to have a call of the calendar let us have it and let each bill have its opportunity to pass.

The VICE PRESIDENT. The Senator from New Mexico objects.

FINANCIAL RELIEF FOR IMPROVEMENT DISTRICTS

Mr. CLARK. Mr. President, I ask unanimous consent to have printed in the RECORD an address by Julien N. Friant, Cape Girardeau, Mo., on the subject of financial relief for improvement districts, delivered before the National Drainage, Conservation, and Flood Control Congress at Columbus, Ohio, on February 15.

There being no objection the address was ordered to be printed in the RECORD, as follows:

While the people are arguing over the cause of the depression and our leaders differ as to its solution, those of us who are inter-ested in any phase of reclamation work know we have a serious problem on our hands.

The National Drainage Association, of which for the past two years I have been secretary-treasurer, is a farmers' organization, supported by farmers for the purpose of securing financial relief for distressed dainage, levee, and irigation districts (other than Federal projects), which I shall hereafter refer to as "improvement districts."

Agriculture

ment districts."

Agriculture was man's first means of livelihood. It is the greatest of all human endeavors, and notwithstanding frequent statements made in recent years to the effect that America has become an industrial Nation agriculture is still our basic industry. For over 10 years the leaders in the fight for real farm relief have stated that this Nation could not live half rich and half poor at the present time any more than it could exist half slave and half free at the time of Abraham Lincoln. They also pointed out that agriculture, because it was basic, was in the end going to dominate, and that if steps were not taken to elevate the economic status of those engaged in this most essential industry they would pull the other economic groups down to their level. It is nomic status of those engaged in this most essential industry they would pull the other economic groups down to their level. It is too bad those who have directed our affairs during the past 12 years have seen fit to permit such a thing to occur, but nevertheless that is what is now happening.

The greatest problem now confronting that large group of farmers and landowners in our improvement districts is the excessive taxes for their reclamation work that have become so great that they are confiscating their property.

A short review of the work leading up to the present undertak-

that they are confiscating their property.

A short review of the work leading up to the present undertaking of our organization might be of interest to you.

Early in 1927 a large number of engineers, lawyers, landowners, and drainage and levee district officials in the Lower Mississippi Valley met in Memphis, Tenn., to study the situation and, if possible, work out a plan to secure relief from that heavy tax burden.

At that meeting they organized the National Drainage Association. It is composed of levee and drainage districts, principally throughout the Mississippi Valley. They asked these districts to join the organization and support it by paying annual dues of onetwentieth of 1 per cent of their outstanding bonded indebtedness. They elected Mr. W. H. Dick, of Memphis, Tenn., the head of the Mississippi River Flood Control Association, as president, and employed the late Mr. W. W. Powell, of Washington, D. C., as legislative agent. Mr. Powell had been secretary of the Joint Stock Land Banks Association and knew, perhaps, as much about Federal farm financing as anyone in the country. They also elected a vice president from each State having this problem. I am glad to say in your presence that we feel honored in having the president of your organization, Mr. E. V. Willard, not only as vice president of our association for Minnesota, but also as a member of our executive committee.

Our organization grew rapidly. The first two years were spent in studying the drainage and levee conditions in the various

Our organization grew rapidly. The first two years were spent in studying the drainage and levee conditions in the various

States having the problem, in studying the reclamation laws that governed Federal irrigation projects in the West, and in drafting a bill that would meet the needs of all the States.

a bill that would meet the needs of all the States.

They found, for instance, that 34 States had the drainage and levee problem in a major or minor degree, that 65,000,000 acres of land had been reclaimed by drainage, and that over 5,000,000 people lived in the drainage and levee areas of the country.

In their study of the Federal reclamation laws they found in the beginning of the irrigation activities in the West the Government did the countries work and gave the settlers in the Government did the countries.

the beginning of the irrigation activities in the West the Government did the construction work and gave the settlers in those projects 10 years without interest to pay for their lands. That time proved to be too short and was extended to 20 years, still without interest, and during President Harding's régime, after a careful investigation by a fact-finding commission composed of eminent citizens of the West, the time was again found too short and was extended to 40 years without interest.

The officers of the National Drainage Association felt that if the Government could do that for the arid lands located long distances from the great markets and the great consuming centers, it could and should do the same for the drainage areas of the country, the larger part of which were much closer to markets and near the center of the United States.

The first bill was introduced in 1928. It created a revolving

and near the center of the United States.

The first bill was introduced in 1928. It created a revolving fund which was to be administered by the Secretary of the Interior, who would loan money to drainage and levee districts over a period of 40 years without interest.

The first hearings were held before the House committee in 1929. No report was asked as it was the short session of the outgoing administration. The second bill was introduced in 1930. Hearings were held on it before the House Committee on Irrigation and Reclamation and the Senate Committee on Agriculture and Forestry. In 1931 the bill was passed by the United States Senate without a dissenting vote but did not reach a vote in the House.

In an effort, however, to get it before the House, the officers of our association consented to two amendments, one permitting what we term "private irrigation projects"—those not financed by the Federal Government—to come under the bill, and the other providing for 3 per cent interest on the money borrowed

other providing for 3 per cent interest on the money borrowed from the Government.

The last bill, introduced in the first session of the present Congress and now before that body, creates a revolving fund of \$100,000,000, with \$20,000,000 available annually for five years. It is to be administered by the Secretary of the Interior, who is authorized to make loans to levee, drainage, and irrigation districts (other than Federal projects) over a period of 40 years at 3 per cent interest. It provides further, that no payments of any kind come due the first five years, during which time the interest accrues; that during the second 5-year period only the interest will be required, and that during the remaining 30 years the principal of the indebtedness and accrued interest is to be paid in equal installments. in equal installments.

After bringing witnesses from every section of the United States that has this problem, which covers practically every State south of the Potomac and west of Pennsylvania, favorable reports were secured from the House Committee on Irrigation and Reclamation and the Senate Committee on Agriculture and Forestry, without a dissenting vote in either committee. The bill is now on the Calendar of both the House and the Senate with unanimous

Our original intention was to make a strong effort to secure its enactment in the present short session now drawing to a close. Owing to the opposition of the present administration, however, which has blocked our efforts for the past two sessions, and because of the friendly and sympathetic attitude of not only the President elect, but also his closest advisers, who state that our legislation comes within the principle announced by the President legislation comes within the principle announced by the President elect in his Topeka farm speech, where he said he would endeavor to work out a program that will prevent the bankruptcy of farmers and the loss of farms and agricultural lands, we decided to wait until the special session, at which time we will make one more strong effort to pass the bill and if we fail in that attempt drop it as many people are working on this matter at such great sacrifices to themselves that we must get results promptly or discontinue the effort.

The advocates of our legislation feel that the enactment of this bill and the putting into effect of its provisions will do more than any one thing that can be done for the farmers in the improvement districts at this time. The effect would be like lifting a wet blanket off the shoulders of hundreds of thousands and would put new life, hope, and enthusiasm into those who are farming improvement district lands.

It provides every safeguard for the Government, requiring the

It provides every safeguard for the Government, requiring the necessary legal investigations, to see that each district that ap-plies is a legally constituted entity and has the taxing power of the State back of it. It requires an engineering survey to see that the district assisted will function under normal conditions. It also requires an appraisal of the value of the property and an economic survey of the district so that the Secretary of the Interior will loan only the amount his investigations show will be repaid to the Government.

As amended by the Senate committee, the bill also includes a provision that the Secretary of the Interior, in determining the amount of each loan, must take into consideration the actual value of the bonds, and that the bond owners must agree to remit the difference between their face and their actual value, so that the benefit of the discount will go to the farmers and landowners and not to those who are speculating in the securities against their

property. That will permit the refinancing of these districts under conditions most favorable to the farmers.

We are advised by those familiar with the situation throughout the country that if the cash was available to pay for them that, taken as a whole, the owners of the bonds would be glad to surrender them at this time at an average price not to exceed 50 cents on the dollar. That would mean an immediate reduction of 50 per cent of the farmers' indebtedness. By doubling the length of time for paying the principal of the indebtedness and reducing the rate of interest from 6 per cent to 3 per cent it would mean a further reduction in the annual payments of 50 per cent, which altogether would mean a total reduction in the annual installments on his improvement indebtedness of 75 per cent. If the bonds can be purchased for less than 50 cents on the dollar, which is the case in many instances, the reduction will be greater, and if they cost more the reduction will be less. In cases where the bonds are not in default and would have to be refunded at par or face value it would still mean a 50 per cent reduction in the annual taxes.

In addition to that, the 5-year moratorium would permit the

or face value it would still mean a 50 per cent reduction in the annual taxes.

In addition to that, the 5-year moratorium would permit the landowners to catch up on their State, county, and school taxes, pay off their chattel mortgages, their notes at the bank, their accounts at the stores, and once more go on a cash basis. That, my friends, would make it more than farm relief—it would be bank relief, business relief, and community relief.

This legislation will put these districts on their feet from the physical and engineering as well as from the financial standpoint. To illustrate: A district that has \$200,000 of bonds outstanding and is not functioning properly because it is in need of some clean-out work on its ditches, an enlarged outlet, or even some additional ditches, and so forth, applies for a loan; the engineering survey of that district will disclose the needs. The Secretary of the Interior could then say, "Our department will make the loan but will require that \$50,000 or \$60,000 of the money be spent in remedying the physical defects of the district in order to restore its efficiency. That would call for new work when it can be done at the lowest price and at a time when it is badly needed. Bear in mind, gentlemen, these farmers are not seeking a gift, merely a loan; not a donation, just an extension of credit. It is not a dole, for it merely helps the farmers help themselves to pay their debts and save their homes. It is not even an expense but a safe, sound investment, for properly administered it will not cost the Government 1 cent and the money will be repaid with interest.

Remember also that the farmers in these improvement dis-

Remember also that the farmers in these improvement districts have their State, county, and school taxes to pay and every item of expense other farmers are compelled to meet. The passage of this bill will merely put them on a basis of equality with other farmers.

Several eastern business men have told me personally, that it is one farm-relief program they can support 100 per cent. They say the legislation is sound fundamentally and economically; that it merely follows the principles worked out by big business; that it merely follows the principles worked out by big business; that when railroads or large industrial enterprises can not meet their obligations, the security holders lengthen the time of payment and lower the rate of interest, and when the possibility of paying the whole amount is hopeless, as is the case with many improvement districts at the present time, they also reduce the amount of the indebtedness, just as it is our plan to do.

A high official of one large insurance company reminded me that what we are trying to do for the improvement districts is what Senator Morrow did for Mexico and what our Government has been doing for foreign nations. If it is right to do that for railroads industrial enterprises, for foreign nations and foreign debt-

roads, industrial enterprises, for foreign nations and foreign debt-ors, surely it ought not be wrong to do the same thing for over a million farmers in the United States who have given the best years of their life to developing their fine farms and have ex-hausted their resources, which represents in most cases their lifetime savings and in many instances the savings and sacrifices of hard-working parents ahead of them.

The improvement assessments were placed against their land when farm products were selling at much higher prices and it now takes from four to five bales of cotton, bushels of wheat or corn, pounds of beef, pork, lard, etc., to pay what one would when the bonds for the improvement work were sold against their land.

Bear in mind that the individual farmer and land owner in these districts is helpless because even though he is able to meet his assessment from outside resources, he is penalized by increased taxes when his neighbor or other landowners default in the payment of their assessments.

The argument is advanced by some that this will increase the cultivated area of the country at a time when it is not needed. That is not true. The bill is confined to organized and existing That is not true. The bill is confined to organized and existing districts and does not apply to any new projects. Where there is still cut-over land in some districts, existing conditions are forcing it into cultivation as rapidly as possible, for the man who owns it must either clear it and get it into a producing state or abandon it. If he abandons the land it will be sold for taxes and the chances are, it will be bought in by someone for a song. The purchase price to the new owner will represent only the clearing and improvement cost which is small at this time. If, however, the tax is reduced, as it will be under this bill, most of the cut-over timber land will remain in that state until economic conditions justify bringing it into cultivation.

Some say it is "putting the Government into business." There

Some say it is "putting the Government into business." There a difference, however, between the Government getting into usiness and the legitimate extension of credit. Through the

Reconstruction Finance Corporation, the Government is now making loans to railroads, insurance companies, banks and other corporations organized for personal and private gain. Surely if private corporations owned principally by investors who are not producers are entitled to Government credit, improvement districts that are not only political subdivisions but great cooperative enterprises, so to speak, which are owned by farmers who are producing the food we eat and basic materials for the clothes we wear, and who have exhausted their resources in undertakings from which the public has derived such great benefits, should be entitled to the same consideration.

from which the public has derived such great benefits, should be entitled to the same consideration.

A seed loan bill has just passed the Congress and been approved by the President, carrying an appropriation of \$90,000,000. The benefits of that legislation will be only temporary and of no permanent value, while the beneficial effect of our legislation will last for many years. Experience has proven that a large part of the seed money will be lost, while the funds advanced for refinancing of improvement districts will be repaid to the Government with interest.

ment with interest.

financing of improvement districts will be repaid to the Government with interest.

I also feel sure no one will deny that the seed loans increase production at a time when we already have agricultural surpluses, while the refinancing of improvement districts will have the opposite effect, for under present conditions, with high improvement taxes to meet, the individual farmer in these districts, notwithstanding the effect of his action on his neighbor, on the surplus, or on the general agricultural situation, is forced to not only plant his land to cash crops but to make each acre he owns produce to the limit of his ability and the capacity of his land. If he does not, the loan company or the tax collector will soon have a deed to his land. If, however, his tax burden is lowered, he can then reduce his acreage of cash crops, put some of his land in permanent pasture, raise more livestock, and practice other methods of diversification instead of increasing the production of crops of which we already have an exportable surplus.

Some time ago Congress appropriated \$125,000,000 for the benefit of Federal land banks, which the president of the Federal Farm Loan Board recently stated assisted 93,093 borrowers of that system. The appropriation of four-fifths of that amount for the revolving fund in our bill will bring relief to hundreds of thousands of farmers who are equally entitled to 'tt. I think anyone who is fair will agree it is not right to make fish of one small group of farmers and fowl of a much larger.

In that connection, I want to call your attention also to the

who is fair will agree it is not right to make hish of the small group of farmers and fowl of a much larger.

In that connection, I want to call your attention also to the fact that the Federal land banks, the joint-stock land banks, the insurance companies, and the farm-loan companies are all refusing to make loans on lands in improvement districts. The passing to make loans on lands in improvement districts. The passing to make loans on lands in improvement districts. sage of our bill will remove that discrimination and make any credit provided for other farmers available to farmers in those

At the present time a number of mortgage-relief bills are before Congress, but you know and I know that no bill of that character Congress, but you know and I know that no bill of that character that either ignores the improvement indebtedness which, except for general taxes, is a first lien on these lands, or fails to provide for those annual assessments, can work or be of any real benefit to farmers and landowners in these improvement districts. All of the able and logical arguments that are being advanced, however, for easing the burden and lightening the load of the farmer's mortgage indebtedness apply with equal or even greater force to his improvement indebtedness.

In the closing days of the first session of the present Congress.

his improvement indebtedness.

In the closing days of the first session of the present Congress it also passed the home loan bank bill, to assist those living in cities to save their homes. I have no criticism of that action, but maintain that it is more important for farmers to save their homes than it is for those in the cities, for when the resident of a city loses his home he keeps his job and goes ahead with his work, but when a farmer is sold out he not only loses his home but also his means of making a living and in most cases is forced to move to the city, where he swells the ranks of the unemployed.

If this bill is not passed, what is going to happen to these districts? You know, without me telling you, that they are defaulting every day and either going into receivership or into the hands of bondholders' protective committees, which means that they are going backward. Maintenance is as much a part of a drainage or irrigation system as its original construction and when it is neglected the district loses its efficiency, which further increases the difficulties of the landowners to meet their assessments.

assessments.

It would be not only an insult to your profession but a great economic waste, a crime against our civilization, and a rank injustice to the hundreds of thousands of our people who have given their energy, their ability, and the best part of their lives to developing these projects to allow them to go back to swamps. Let's not abandon them. Let's follow the suggestion made by President-elect Roosevelt in his plan for the development of the Tennessee River Valley, in which he advocated putting back to forests the poor, low-producing, and marginal lands, and developing the rich reclaimed areas into a still higher state of cultivation. That idea will be advanced by the passage of our improvement.

Ing the rich reclaimed areas into a still higher state of cultivation. That idea will be advanced by the passage of our improvement district finance bill and I appeal to you to not only indorse it as an organization but as individuals to urge your respective. States to give us the moral and political support we need to enable us to secure this meritorious legislation in the coming special session of Congress, which the newspapers say is to be called about the middle of April.

Now, you gentlemen and others of your profession, who are not members of your organization, constructed these great projects. They are the creation of your brains and the product of your energy, your training, and your ability. You reclaimed land

from the stubborn deserts and the sickly and treacherous swamps that under normal conditions will permit farmers to maintain their families on the American standard of living. You have a just right to feel proud of your work for to-day these districts just right to feel proud of your work for to-day these districts represent the most fertile sections of our country and have become national assets.

Please do not abandon them. Help us secure our legislation—

it will save them.

FOREIGN DEBTS DUE UNITED STATES

Mr. SHORTRIDGE. Mr. President, if I am not unduly interrupted by Senators, I shall not trespass upon their attention at great length.

The subject matter of the debts of certain foreign nations due us and to become due us has been many times mentioned in the Senate, and, because of default and rumored default in payment of principal and interest due us and to become due us under existing written agreements, we have made comment and indulged in more or less perfervid speech. For like reason the press has discussed this subject matter and in many instances has confused rather than informed the people. The facts to which I shall call attention are, of course, available to those who have the time to search through official records. I hope to relieve them from much of that labor.

This is not the time or place to prejudge or to indulge in denunciation of heretofore and, I trust, now friendly nations. I do not rise to condemn or to praise, to deliver a philippic against any nation, or to pronounce a eulogy on my own. I do not desire to create animosity in the heart of the debtor nations or to rouse resentment in the heart of our people, which would tend to prevent a calm, dispassionate consideration of the subject matter. My immediate purpose is to place in our official RECORD certain facts and certain written agreements-undisputed facts and agreements freely entered into. This I purpose doing in order that our people may be better informed as to these facts and these agreements and that, with this definite information, they may form a wise and just opinion as to our rights and duties.

After I have recalled to your attention and placed in the RECORD these facts and agreements I may make some observations as to the course the United States should take and follow in respect to these foreign debts due and to become due us. I anticipate by saying now that I shall be disappointed if these nations forfeit their reputation by even an approach to repudiation of their legal and moral obligations; for I can not believe that they are less honorable than the untutored savage.

The land of Blackstone repudiate its agreement? What! What! The land of Lafayette treat its contract as a "scrap of paper"?

What! The land of Justinian abandon his teaching as to the sanctity of contracts?

What! The land of Kosciusko throw away the legacy of that hero's example?

What! The land of Socrates forget his dying words?

These other Christian nations commit economic suicide by the loss of reputation by breaking their contracts? Will any one of these debtor nations sink to the level of repudiating Russia?

I will not believe it. I pay them the credit of believing that their default has been due to present emergency and evidences no intent to repudiate their plighted word. For I continue to believe that there is honor among honorable nations even as there is honor among honorable men.

In reply to my letter addressed to the Secretary of the Treasury, I received a communication from Mr. James H. Douglas, Assistant Secretary of the Treasury, reading as

to the United States and the agreements made by the commission for the settlement of such indebtedness. There appears on page 81 of this document a statement showing the principal amount of obligations of foreign governments originally acquired by the United States. On pages 318 to 328, inclusive, are tables showing the dates and amounts of cash advances to foreign governments.

showing the dates and amounts of cash advances to foreign governments under the Liberty bond acts and the dates and amounts of the obligations received for war and relief supplies. The statement on page 331 shows the prearmistice and postarmistice indebtedness of foreign governments to the United States.

The foregoing tables include all of the obligations acquired from foreign governments except obligations in the prinicipal amount of \$265,245 received in 1927 from the Government of Nicaragua in payment of surplus materials sold on credit and a cash loan of \$12,167,000 made to the Government of Greece in May, 1929, pursuant to the act of Congress approved February 14, 1929. This loan was based on a commitment made by the United States Government under an agreement executed in February. States Government under an agreement executed in February, 1918, with the Government of Greece in connection with the prosecution of the war.

There is also inclosed a copy of a statement showing the principal of the funded and unfunded indebtedness of foreign governments to the United States, the accrued and unpaid interest thereon, and payments on account of principal and interest as of November 15, 1931. Except for a relatively small accumulation of interest, there has been no change in the amounts shown since that date.

The Government of Germany is indebted to the United States on account of the costs of the American Army of Occupation and the awards entered by the Mixed Claims Commission, United States and Germany, in favor of American nationals and the United States Government. The current status of this indebtedness is shown on the reverse side of the inclosed copy of the statement of the public debts as of September 30, 1932.

The combined annual reports contain copies of all the funding agreements except the agreements with the Governments of Austria, Germany, and Greece. Copies of the agreements with the Governments of Austria and Germany appear in the annual report of the Secretary of the Treasury for the fiscal year 1929, and the annual reports for the fiscal year 1930 contains a copy of the agreement with the Government of Greece. The supply of these annual reports has been exhausted, but they are undoubtedly available to you in the Capitol. Copies of the agreements recently concluded with the debtor governments providing for the payment of the amounts due during the fiscal year 1932, for the payment of the amounts due during the fiscal year 1932, which were postponed in accordance with the joint resolution of Congress approved December 23, 1931, are also inclosed.

There is no information available without extensive compilation showing the date and amount of each payment of principal

and interest by foreign governments on account of their indebtedness. The total amounts received from foreign governments during the fiscal years 1918 to 1931, inclusive, are set out hereunder.

Fiscal year	Principal	Interest
1918		\$107, 496, 016, 83
1919	\$7, 570, 000, 00	322, 162, 228, 04
1920	89, 804, 580, 13	4, 487, 821. 11
1921	82, 664, 386, 35	31, 826, 863, 30
1922	31, 368, 552. 83	27, 785, 737, 51
1923	31, 656, 907, 64	201, 332, 247, 86
1924	61, 089, 867, 14	160, 684, 807, 75
1925	23, 976, 795. 62	159, 660, 881, 39
1926	54, 350, 159. 81	139, 887, 797. 34
1927	66, 230, 799. 12	139, 858, 373, 59
1928	68, 208, 223, 95	140, 717, 718. 74
1929	59, 157, 717. 93	139, 973, 850. 97
1930	97, 634, 287. 76	141, 931, 519. 26
1931	51, 588, 133. 37	184, 474, 622. 38
Total	725, 300, 411, 65	1, 902, 280, 486, 07

Schedules showing the receipts from foreign governments for the scredules showing the receipts from foreign governments for the fiscal years 1923 to 1930, inclusive, and estimates of receipts for subsequent years under the debt-funding agreements are transmitted herewith. The payment of the amounts due during the fiscal year ending June 30, 1932, was postponed in accordance with the joint resolution of Congress approved December 23, 1931. The postponed amounts, with interest at 4 per cent, are to be repaid over a 10-year period beginning July 1, 1933. There should be added to the estimated receipts from the respective countries for each of the fiscal years 1934 to 1943, inclusive, the amounts shown on the inclosed schedule of payments to be received on account of the amounts postponed during 1932. Very truly yours,

JAMES H. DOUGLAS, Assistant Secretary of the Treasury.

Thus it appears that during and after the close of the World War we loaned to certain European nations \$9,598,-236,575.45-\$7,077,114,750 prearmistice and \$2,521,121,825.45 postarmistice-and furnished them war supplies and relief supplies valued at \$739,821,776.75, making in all \$10,338,-058.352.20.

It will be noted that the Assistant Secretary says that the total amount received—note the word "received"—from on principal \$756,867,611.65 and as interest, \$1,969,464,572.70.

foreign governments during the fiscal years 1918 to 1931, inclusive, was \$725,300,411.65 principal and \$1,902,280,486.07

I invite the attention of Senators to this letter, which goes into the details and states facts which we ought to bear in mind and which the people at large should know.

I am in receipt of a later communication from the Assistant Secretary in which he states:

In accordance with your telephonic request the following statement shows the total amounts of principal and interest received from foreign governments on account of their indebtedness to the United States

I ask that that letter may appear in full in the RECORD. The PRESIDING OFFICER (Mr. Balley in the chair). Without objection, it is so ordered.

The letter referred to is as follows:

TREASURY DEPARTMENT Washington.

Hon. SAMUEL M. SHORTRIDGE,

United States Senate, Washington, D. C.
MY DEAR SENATOR: In accordance with your telephonic request,
the following statement shows the total amounts of principal and interest received from foreign governments on account of their indebtedness to the United States:

Fiscal year	Principal	Interest
1918	\$7, 570, 000, 00 89, 804, 580, 13 82, 664, 588, 35 31, 368, 552, 83 31, 656, 907, 64 61, 089, 867, 14 23, 976, 795, 62 54, 350, 159, 81 66, 230, 799, 12 68, 208, 223, 95 59, 157, 717, 93 97, 634, 287, 76 51, 588, 133, 37 None. 31, 567, 200, 00	\$107, 496, 016. 83 322, 162, 228. 04 4, 487, 821. 11 31, 826, 863. 30 27, 785, 737. 51 201, 332, 247. 86 160, 684, 807. 75 159, 660, 881. 39 139, 887, 797. 34 139, 888, 373. 59 140, 717, 718. 74 139, 973, 850. 97 141, 931, 519. 26 184, 474, 622. 38 None. 67, 184, 086. 63
Total	756, 867, 611. 65	1, 969, 464, 572. 70

Very truly yours,

JAMES H. DOUGLAS, Assistant Secretary of the Treasury.

Mr. SHORTRIDGE. I invite attention to the fact that as to those governments that have defaulted on payments due since July 1, 1932, under their debt-funding agreements, the Assistant Secretary advises me as follows-and I ask that the communication may appear in full in the RECORD without my reading it.

The PRESIDING OFFICER. Without objection, it is so ordered.

The communication referred to is as follows:

TREASURY DEPARTMENT, Washington, February 10, 1933.

Hon, SAMUEL M. SHORTRIDGE,

United States Senate, Washington, D. C.

MY DEAR SENATOR: In compliance with your telephone request, there is set out below a list of the foreign governments that have defaulted on payments due to the United States since July 1, 1932, under their debt-funding agreements:

	Principal	Interest	Total de- faulted
Belgium. Estonia. France. Greece. Hungary.	\$21,000 227,000 12,285	\$2, 125, 000. 00 245, 370. 00 19, 261, 432. 50 155, 306. 50 28, 444. 35	\$2, 125, 000, 00 266, 370, 00 19, 261, 432, 50 382, 306, 50 40, 729, 35
Poland Total Total	232, 000	3, 070, 980. 00 24, 886, 533. 35	3, 302, 980. 00 25, 378, 818. 35

Very truly yours,

JAMES H. DOUGLAS,
Assistant Secretary of the Treasury.

Mr. SHORTRIDGE. It now appears, Mr. President, that up to February 6, 1933, these foreign nations have paid us

It will be kept in mind that these several payments were made pursuant to and in accordance with their agreements freely entered into with us.

This fact, also, should be kept in mind: The United States loaned these nations cash and furnished them supplies prior to and after the armistice, and we did that without demanding, asking for, or receiving any security, confidently relying on their promise and honor to pay us on demand, for we held what may be called their demand obligations.

Thereafter Great Britain and other nations, through their accredited representatives, came to Washington and entered into written agreements with us to pay us certain amounts at certain times, for it will be borne in mind that we held demand obligations, and these nations came here to agree upon the amounts due and to arrange as to time or times of payment.

Here in Washington, at the opening meeting of the Anglo-American Debt Commission, on Monday, January 8, 1923, Hon. Stanley Baldwin, member of Parliament, Chancellor of the Exchequer, made a speech concerning "payments of our debts to you," as he expressed it. From that speech I wish to quote.

I am tempted to pause to invite the attention of those who hear me or who may read my remarks to the fact that the then Chancellor of the Exchequer came to this city and uttered these words, and that he said the British representatives came for the purpose of arranging for the payment of "our debts to you"-the United States. In that speech he

Had it been possible to find in the world a nugget of gold worth \$4,000,000,000, we would have spared no sacrifice to secure it, and we would have brought it with us; but, unfortunately, the limitations of nature put such a simple method of payment out of the question, and we have to explore other means.

He further said:

In common with the rest of the world, we have watched with admiration the open-handed charity of America to the stricken countries of Europe, to the peoples of Belgium, of France, of Russia. The generosity of America is proverbial, but we are not here to ask for favors or to impose on generosity. We want, on such terms as will produce the least possible disturbance in the trade relations of the two countries, a fair business settlement, a square deal, a settlement that will secure for America the repayment to the last cent of those credits which the United States Government established in America for us, their associates in the war. Our wish is to approach the discussion as business men war. Our wish is to approach the discussion as business men seeking a business solution of what is fundamentally a business problem. * * The cordial and prompt agreement of the two greatest democracies of the world on a question of this intricacy and magnitude will be an example to the nations and a long step forward in effecting a solution of the economic troubles of Europe. Let us never forget that until these troubles are solved there can be no general revival of international trade. For myself-

Said the chancellor-

I look forward to the meetings of the commission with hope and confidence. I believe that I shall not be disappointed.

Mr. NORRIS. Mr. President-

The PRESIDING OFFICER. Does the Senator from California yield to the Senator from Nebraska?

Mr. SHORTRIDGE. Yes.

Mr. NORRIS. My attention was diverted for a moment. and I desire to ask from whom has the Senator from California been quoting?

Mr. SHORTRIDGE. I have been quoting, I will say to the Senator from Nebraska, from the then Chancellor of the exchequer of the United Kingdom, Hon. Stanley Baldwin. who came here speaking for his country.

Mr. NORRIS. What was the date of that utterance? Mr. SHORTRIDGE. That statement of Stanley Baldwin was made in this city on Monday, January 8, 1923.

Mr. NORRIS. That was when he had come over here to agree upon a settlement?

Mr. SHORTRIDGE. Yes.

Mr. NORRIS. And it was that mission that brought about the settlement?

Mr. SHORTRIDGE.

Mr. NORRIS. I have interrupted the Senator mainly because I want to emphasize just what the Senator is saying; and I wish every citizen of the United States could read the statement the Senator has just read to us.

Mr. SHORTRIDGE. Let me, then, for the purpose of emphasizing what the Senator has just said and what I have just said particularly to point out that the then Chancellor of the Exchequer, Mr. Stanley Baldwin, authorized to speak for his country, emphasized that it was a commercial transaction, and, as will appear a little later on, not a political transaction but a pure business transaction, and that it was followed by entering into what he and others and all considered and characterized as business, commercial contracts. To repeat, he expressed the hope that he would not be disappointed in arriving at a fair settlement of this business transaction as to the amount and as to the time of payment, for indeed, Mr. President, those, in a sense, were the two outstanding items to be considered, namely, first, "what was the amount we owe you?" secondly, "when shall it be paid?" I say that the honorable Chancellor of the Exchequer was not disappointed, for, after full and free discussion an agreement for the funding of the debt of the United Kingdom to the United States was entered into. Under that agreement, which will appear fully hereafter, Great Britain agreed-and I am quoting from the agreement-

Great Britain is indebted to the United States as of December 15, 1922, upon demand obligations in the principal amount of \$4,074,818,358.44, not including obligations in the principal amount of \$61,000,000, representing advances deemed to have been made to cover purchases of silver under the act of Congress approved April 23, 1918, of which \$30,500,000 has been repaid in April and May, 1923, and the balance is to be repaid in 1924, pursuant to an agreement already made between the parties, and Great Britain is further indebted to the United States, as of December 15, 1922, on account of interest accrued from April 15, and May 15, 1919, on said \$4,074,818,358.44, principal amount of demand obligations.

To the end that Senators, who will hereafter of course necessarily consider this problem, may have the agreement before them. I ask that the agreement entered into by and between the United States of America and the United Kingdom, spoken of throughout the agreement as Britain," may appear as a part of my remarks.

The PRESIDING OFFICER (Mr. GRAMMER in the chair). Without objection, it is so ordered.

The agreement referred to is as follows:

PROPOSAL DATED THE 18TH DAY OF JUNE, 1923, BY HIS BRITTANIC MAJESTY'S GOVERNMENT (HEREINAFTER CALLED GREAT BRITAIN) TO THE GOVERNMENT OF THE UNITED STATES OF AMERICA (HEREIN-FTER CALLED THE UNITED STATES) REGARDING THE FUNDING OF THE DEBT OF GREAT BRITAIN TO THE UNITED STATES

Whereas Great Britain is indebted to the United States as of 15th December, 1922, upon demand obligations in the principal amount of \$4,074,818,358.44, not including obligations in the prinamount of \$4,074,818,358.44, not including obligations in the principal amount of \$61,000,000, representing advances deemed to have been made to cover purchases of silver under the act of Congress approved 23d April, 1918, of which \$30,500,000 has been repaid in April and May, 1923, and the balance is to be repaid in 1924, pursuant to an agreement already made between the parties, and Great Britain is further indebted to the United States, as of 15th December, 1922, on account of interest accrued from 15th April and 15th May, 1919, on said \$4,074,818,358.44, principal amount of demand obligations:

And whereas Great Britain has power under the war loan act, 1919 (9 and 10 Geo. 5, cap 37), to issue securities in exchange for maturing securities issued under the war loan acts, 1914 to

And whereas the demand obligations now held by the United States Treasury were so issued, and will become payable upon the request of the United States Treasury for their payment:

Now therefore Great Britain proposes, in the exercise of the powers above recited and in consideration and in faith of the statements, conditions, premises and mutual covenants herein contained, to issue to the United States, in exchange for the demand obligations now held by the United States Treasury, securities which shall be in their terms and conditions in accordance with the following provisions:

1. AMOUNT OF INDEBTEDNESS

The total amount of indebtedness to be funded is \$4,600,000,000, which has been computed as follows:

Date

Principal amount of demand be funded			\$4, 074, 818, 358. 44
Interest accrued thereon from 15th April and 15th May, 1919, respectively, to 15th December, 1922, at the rate of 4½ per cent per annum.	\$629, 836, 106.	99	
Less: Payments made by Great Britain on 16th October and 15th No- vember, 1922, on account of interest, with inter- est thereon at 4½ per cent per annum from			
said dates, respectively, to 15th December, 1922_	100, 526, 379.	69	529, 309, 727. 30

and unpaid, as of 15th December, 4, 604, 128, 085. 74 Paid in cash by Great Britain, 15th March, 1923_____ 4, 128, 085. 74

Total indebtedness to be funded into bonds of Great Britain____ 4,600,000,000.00 2. ISSUE OF LONG-TIME OBLIGATIONS

The securities, which it is proposed to issue at par as promptly as possible, shall be obligations in the principal amount of \$4,600,000,000, in the form of bonds to be dated 15th December, 1922, maturing 15th December, 1984, with interest payable semi-annually on 15th June and 15th December in each year at the rate of 3 per cent per annum from 15th December, 1922, to 15th December, 1932, and thereafter at the rate of 3½ per cent per annum until the principal thereof shall have been repaid.

3. METHOD OF PAYMENT

3. METHOD OF PAYMENT

The bonds shall be payable as to both principal and interest in United States gold coin of the present standard of weight and fineness, or its equivalent in gold bullion, or, at the option of Great Britain, upon not less than 30 days' advance notice indicating the minimum amount which it is contemplated to pay at next due date in gold, cash or available funds, in any bonds of the United States issued or to be issued after 6th April, 1917, to be taken at par and accrued interest to the date of payment hereunder: Provided, however, That Great Britain may at its option, upon not less than 90 days' advance notice, pay up to one-half of any interest accruing between 15th December, 1922, and 15th December, 1927, on any British bonds proposed to be issued hereunder, in bonds of Great Britain, maturing 15th December, 1984, dated and bearing interest from the respective dates when the interest to be paid thereby becomes due and substantially similar in other respects to the original bonds proposed to be issued hereunder. e issued hereunder.

to be issued hereunder.

All payments to be made by Great Britain on account of the principal or interest of any bonds proposed to be issued hereunder shall be made at the Treasury of the United States in Washington or, at the option of the Secretary of the Treasury of the United States, at the Federal Reserve Bank of New York and, if in cash, shall be made at the option of Great Britain in gold coin of the United States or in gold bullion or in immediately available funds (or, if in bonds of the United States, shall be in form acceptable to the Secretary of the Treasury of the United States). Appropriate notation of all payments on account of principal shall be made on the bonds proposed to be issued hereunder which may be held by the United States: Provided, however, That all payments in respect of any marketable obligations issued That all payments in respect of any marketable obligations issued under paragraph 9 of this proposal shall be made at the office of the fiscal agents of the British Government in the city of New York.

4. EXEMPTION FROM TAXATION

The principal and interest of all bonds issued or to be issued hereunder shall be exempt from all British taxation, present or future, so long as they are in the beneficial ownership of the United States or of a person, firm, association, or corporation neither domiciled nor ordinarily resident in the United Kingdom.

5. FORM OF BONDS

All bonds proposed to be issued hereunder to the United States shall be payable to the United States of America, or order, shall be issued, so far as possible, in denominations of \$4,600,000 each, and shall be substantially in the form set forth in the exhibit annexed hereto, and marked "Exhibit A." The bonds shall be signed for Great Britain by the Counsellor of His Britannic Majesty's Embassy at Washington.

6. REPAYMENT OF PRINCIPAL

To provide for the repayment of the total principal of the debt before maturity of the \$4,600,000,000 principal amount of bonds to be issued, it is proposed that the bonds shall contain provisions the effect of which shall be that Great Britain shall make to the United States payments, on account of the original principal amount of the bonds to be issued, in the amounts and on the dates named in the following table:

Annual instatiments to be put on account of I	presecupate
Date	
December 15:	
1923	\$23,000,000
1924	23, 000, 000

Date	
ecember 15—Continued.	****
1925	\$24,000,000
1926	25, 000, 000 25, 000, 000
1928	27, 000, 000
1929	27, 000, 000
1930	28, 000, 000
1931	28, 000, 000
1932	30, 000, 000
1933	32,000,000
1934	32,000,000
1935	32,000,000
1936	32,000,000
1937	37, 000, 000
1938	37, 000, 000
1939	37, 000, 000
1940	42,000,000
1941	42,000,000
1942	42,000,000
1943	42,000,000
1944	46,000,000
1945	46,000,000
1946	46,000,000
1947	51,000,000
1948	51,000,000
1949	51,000,000
1950	53, 000, 000
1951	55, 000, 000
1952	57, 000, 000
1953	60, 000, 000
1954	64, 000, 000
1955	64, 000, 000
1956	64, 000, 000 67, 000, 000
1958	70, 000, 000
1959	72, 000, 000
1960	74, 000, 000
1961	78, 000, 000
1962	78, 000, 000
1963	83, 000, 000
1964	85, 000, 000
1965	89, 000, 000
1966	94, 000, 000
1967	96, 000, 000
1968	100,000,000
1969	105, 000, 000
1970	110, 000, 000
1971	114, 000, 000
1972	119,000,000
1973	123, 000, 000
1974	127, 000, 000
1975	132, 000, 000
1976	136, 000, 000
1977	141, 000, 000
1978	146, 000, 000
1979	151, 000, 000
1980	156, 000, 000
1982	162, 000, 000 167, 000, 000
1983	175, 000, 000
1984	175, 000, 000
	210, 000, 000
Total	4 600 000 000

Provided, however, That Great Britain may at its option, upon not less than 90 days' advance notice, postpone any payment of principal falling due as hereinbefore provided to any subsequent June 15 or December 15, not more than two years distant from its due date, but only on condition that, if Great Britain shall at any time exercise this option as to any payment of principal, the payment falling due in the next succeeding year can not be postponed to any date more than one year distant from the date when it becomes due, unless and until the payment previously postponed shall actually have been made, and the payment falling due in the second succeeding year can not be postponed at all unless and until the payment of principal due two years previous thereto shall actually have been made.

In the event of Great Britain issuing bonds to the United States Provided, however, That Great Britain may at its option, upon

In the event of Great Britain issuing bonds to the United States in payment of interest accruing between December 15, 1922, and December 15, 1927, as proposed in paragraph 3 above, the bonds so issued shall contain provision for the payment of their principal before maturity through annual instalments on account of principal corresponding substantially to the schedule of payments on account of principal appearing in the table hereinabove set forth.

7. PAYMENTS BEFORE MATURITY

Great Britain may at its option, on any interest date or dates upon not less than 90 days' advance notice, make advance payments of principal, in addition to the payments required to be made by the provisions of the bonds in accordance with paragraph 6 of this proposal. Any such additional payments shall first be applied to the principal of any bonds which shall have been issued hereunder on account of interest accruing between December 15, 1922, and December 15, 1927, and then to the principal of any other bonds which shall have been issued hereunder. Any payments made to the United States under this provision shall be in amounts of \$1,000,000 or multiples thereof.

R. CALCULATION OF INTEREST

Notwithstanding anything herein contained, the interest payable from time to time on the bonds proposed to be issued shall be computed on the amount of the principal outstanding on the previous interest date, with adjustments in respect of any payment on account of principal which may have been made since the previous interest date

9. EXCHANGE FOR MARKETABLE OBLIGATIONS

9. EXCHANGE FOR MARKETABLE OBLIGATIONS

Great Britain will issue to the United States at any time or from time to time, at the request of the Secretary of the Treasury of the United States, in exchange for any or all of the bonds proposed to be issued hereunder and held by the United States, definitive engraved bonds in form suitable for sale to the public, in such amounts and denominations as the Secretary of the Treasury of the United States may request, in bearer form, with provision for registration as to principal, and/or in fully registered form, and otherwise on the same terms and conditions, as to dates of issue and maturity, rate or rates of interest, exemption from taxation, payment in bonds of the United States issued or to be issued after April 6, 1917, payment before maturity, and the like, as the bonds surrendered on such exchange, except that the bonds shall carry such provision for repayment of principal as shall be agreed upon; provided that, if no agreement to the contrary is arrived at, any such bonds shall contain separate provision for payments before maturity, conforming substantially to the table of repayments of principal prescribed by paragraph 6 of this proposal and in form satisfactory to the Secretary of the Treasury of the United States, such payments to be computed on a basis to accomplish the retirement of any such bonds by December 15, 1984, and to be made through annual drawings for redemption at par and accrued interest. Any payments of principal thus made before maturity on any such bonds shall be deducted from the payments required to be made by Great Britain to the United States in the corresponding years under the terms of the table of repayments of principal prescribed in paragraph 6 of this proposal.

the payments required to be made by Great Britain to the United States in the corresponding years under the terms of the table of repayments of principal prescribed in paragraph 6 of this proposal. Great Britain will deliver definitive engraved bonds to the United States in accordance herewith within six months of receiving notice of any such request from the Secretary of the Treasury of the United States, and pending the delivery of the definitive engraved bonds, will, at the request of the Secretary of the Treasury of the United States, deliver temporary bonds or interim receipts in a form to be agreed upon within three months of the receipt of such request. The United States, before offering any such bonds or interim receipts for sale in Great Britain, will first offer them to Great Britain for purchase at par and accrued first offer them to Great Britain for purchase at par and accrued interest, and Great Britain shall likewise have the option, in lieu of issuing to the United States any such bonds or interim receipts, to make advance redemption, at par and accrued interest, of a corresponding amount of bonds issued hereunder and held by the

United States

10. CANCELLATION AND SURRENDER OF DEMAND OBLIGATIONS

Upon the delivery to the United States of the \$4,600,000,000 principal amount of bonds proposed to be issued hereunder, the United States will cancel and surrender to Great Britain, through the British ambassador at Washington or his representative, at the Treasury of the United States in Washington, the demand obligations of Great Britain in the principal amount of \$4,074,-818,358.44 described in the preamble to this proposal.

Any notice, request, or consent under the hand of the Secretary of the Treasury of the United States shall be deemed and taken as the notice, request, or consent of the United States, and shall be sufficient if delivered at the British Embassy at Washington or at the office of the Permanent Secretary of the British Treasury in London; and any notice, request, or election from or by Great Britain shall be sufficient if delivered to the American Embassy in London or to the Secretary of the Treasury of the United States at the Treasury of the United States in Washington. The United States, in its discretion, may waive any notice required hereunder, but any such waiver shall be in writing and shall not extend to or affect any subsequent notice or impair any right of the United States to require notice hereunder. States to require notice hereunder.

Signed on behalf of the Lords Commissioners of His Majesty's

Treasury, this 18th day of June, 1923.

A. Geddes,
His Britannic Majesty's Ambassador
Extraordinary and Plenipotentiary.

WASHINGTON.

EXHIBIT A

(Form of bond)

THE GOVERNMENT OF THE UNITED KINGDOM

Sixty-two year 3-3½ per cent gold bond. Dated 15th December, 22. Maturing 15th December, 1984. . No. _____. The Government of the United Kingdom, hereinafter called

The Government of the United Kingdom, hereinafter called Great Britain, for value received, promises to pay to the United States of America, hereinafter called the United States, or order, on the 15th day of December, 1984, the sum of \$4,600,000, less any amount which may have been paid upon the principal hereof as indorsed upon the back hereof, and to pay interest upon said principal sum semiannually on the 15th day of June and December in each year at the rate of 3 per cent per annum from 15th December, 1922, to 15th December, 1932, and at the rate of 3½

per cent per annum thereafter until the principal hereof shall have been paid. All payments on account of principal and/or interest shall be made at the Treasury of the United States in Washington, or, at the option of the Secretary of the Treasury of the United States, at the Federal Reserve Bank of New York. This bond is payable as to both principal and interest in gold coin of the United States of America of the present standard of weight and fineness or in its equivalent in gold bullion, or, at the option of Great Britain, upon not less than 30 days' notice indicating the minimum amount which it is contemplated to pay at next due date in gold, cash, or available funds, in any bonds of cating the minimum amount which it is contemplated to pay at next due date in gold, cash, or available funds, in any bonds of the United States issued or to be issued after 6th April, 1917, to be taken at par and accrued interest to the date of payment hereunder; provided, however, that Great Britain may at its option, upon not less than 90 days' advance notice, pay up to one-half of any interest accruing hereon between 15th December, 1922, and 15th December, 1927, in bonds of Great Britain dated and bearing interest from the respective dates when the interest to be paid thereby becomes due, and substantially similar in maturity and other respects to this bond.

The principal and interest of this bond shall be exempt from all British taxation, present or future, so long as it is in the beneficial ownership of the United States, or of a person, firm, association, or corporation neither domiciled nor ordinarily resi-

association, or corporation neither domiciled nor ordinarily resident in the United Kingdom.

In order to provide for the repayment of the principal of this bond before maturity, Great Britain will make to the United States payments of principal in the amounts, and on the dates shown in the following table:

Annual installments to be paid on account of principal

December: 1928	\$23,0
1924	
1925	
1926	
1927	
1928	
1929	
1930	
1931	. 28,0
1932	2000
1933	
1934	
1935	
1936	32,0
1937	37,0
1938	
1939	
1940	
1941	00 000000000000000000000000000000000000
1942	42,0
1943	
1944	
1945	
1946	
1947	51,0
1948	51,0
1949	
1950	
1951	
1952	57, 0
1953	
1954	
1955	
1956	64,0
1957	
1958	
1959	
1960	74,0
1961	
1962	
1963	
1964	2022
1965	89,0
1967	
1968	
1969	105, 0
1970	110,0
1971	114, 0
1972	119,0
1973	123, 0
1974	127, 0
1975	132, 0
1976	136,0
1977	141, 0
1978	146, 0
1979	151,0
1980	156, 0
1981	162,0
1982	167, 0
1983	175,0
1984	175.0

Provided, however, That Great Britain may, at its option, upon not less than 90 days' advance notice, postpone any payment of principal falling due, as hereinabove provided, to any subsequent June 15 or December 15, not more than 2 years distant from its due date, but only on condition that if Great Britain shall at any time exercise this option as to any payment of principal, the payment falling due in the next succeeding year can not be postponed to any date more than 1 year distant from the date when it becomes due unless and until the payment previously postponed shall actually have been made, and the payment falling due in the second succeeding year can not be postponed at all unless and until the payment of principal due 2 years previous thereto shall actually have been made.

This bond may be paid on any interest date before maturity in whole or in part, in amounts of \$1,000,000, or multiples thereof, at the option of Great Britain, on not less than 90 days' advance notice.

notice.

This bond is issued by Great Britain pursuant to the proposal, dated the 18th day of June, 1923, and to the acceptance of proposal, dated the 19th day of June, 1923.

In witness whereof Great Britain has caused this bond to be executed in its behalf by the Counsellor of His Britainnic Majesty's Embassy at Washington, thereunto duly authorized.

For the United Kingdom:

Dated December 15, 1922

Dated December 15, 1922.

(Back)

The following amounts have been paid upon the principal amount of this bond: Amount paid. Date.

ACCEPTANCE

ACCEPTANCE

JUNE 19, 1923.

The right honorable, Sir Auckland Geddes, G. C. M. G., K. C. B., Ambassador Extraordinary and Plenipotentiary,

The British Embassy, Washington, D. C.

My Dear Mr. Ambassador: I have the honor to acknowledge the receipt of your note of June 18, 1923, transmitting the proposal dated the 18th day of June, 1923, by His Britannic Majesty's Government to the Government of the United States of America regarding the funding of the debt of Great Britain to the United States. This proposal is agreeable to the World War Foreign Debt Commission, and I am writing for the commission and by its authority to advise you that the proposal is hereby accepted on behalf of the United States of America, pursuant to the authority conferred by the act of Congress approved February 9, 1922, as behalf of the United States of America, pursuant to the authority conferred by the act of Congress approved February 9, 1922, as amended by the act of Congress approved February 28, 1923. In accordance therewith I am writing to ask that the bonds as contemplated thereby may be delivered as soon as possible to the Secretary of the Treasury of the United States in exchange for the demand obligations amounting to \$4,074,818,358.44 now held by this properties now possible. by him which are otherwise now payable. Very truly yours,

A. W. MELLON, Secretary of the Treasury, and Chairman of the World War Foreign Debt Commission.

Approved:

WARREN G. HARDING, President.

JUNE 19, 1923.

FINLAND

Mr. SHORTRIDGE. On May 1, 1923, an agreement for the funding of the debt of Finland to the United States was entered into. Finland agrees that its indebtedness to the United States as of December 15, 1922, upon obligations maturing June 30, 1931, in the aggregate principal amount of \$8,281,926.17, together with interest accrued and unpaid thereon, and that the amount of indebtedness to the United States to be funded after allowing for cash payments made or to be made by Finland is \$9,000,000.

HUNGARY

On April 25, 1924, an agreement for the funding of the debt of Hungary to the United States was entered into. Hungary agrees that its indebtedness to the United States as of December 15, 1923, upon an obligation maturing January 1, 1925, was in the principal amount of \$1,685,835.61, together with interest accrued and unpaid thereon, and that the amount of indebtedness to the United States to be funded, after allowing for cash payments made or to be made by Hungary, is \$1,939,000.

LITHUANIA

On September 22, 1924, an agreement for the funding of the debt of Lithuania to the United States was entered into. Lithuania agrees that she was then indebted to the United States as of June 15, 1924, upon obligations maturing June 30, 1921-22, in the aggregate principal amount of \$4,989,-628.03, together with interest accrued and unpaid thereon, and that the amount of indebtedness to be funded after allowing for cash payments made or to be made by Lithuania is \$6,030,000.

On November 14, 1924, an agreement for the funding of the debt of Poland to the United States was entered into. No man who knows the history of Poland would expect that that country would repudiate its agreement, for we have not forgotten Kosciusko. Poland agrees that she was indebted to the United States as of December 15, 1922, upon obligations maturing in the aggregate principal amount of \$159,666,972.39, together with interest accrued and unpaid thereon, and that the indebtedness to be funded after allowing for cash payments made or to be made by Poland is \$178,560,000.

BELGITTM

On August 18, 1925, an agreement for the funding of the debt of Belgium to the United States was entered into. Belgium agrees that she was indebted to the United States as of June 15, 1925, upon obligations in the aggregate principal amount of \$377,029,570.06, together with interest accrued and unpaid thereon, and that its indebtedness to the United States, both principal and interest, was to be funded through the issue of bonds to the United States; that the amount of the prearmistice indebtedness was \$171,780,000, which is the principal amount of the obligations of Belgium received by the United States for cash advances made prior to November 11, 1918; that the amount of postarmistice indebtedness to be funded after allowing for certain cash payments made or to be made was \$246,000,000.

T.ATVTA

On September 24, 1925, an agreement for the funding of the debt of Latvia to the United States was entered into. Latvia agrees that she was indebted to the United States as of December 15, 1922, upon obligations in the aggregate principal amount of \$5,132,287.14, together with interest accrued and unpaid thereon, and that the indebtedness to be funded was \$5,775,000.

CZECHOSLOVAKIA

On October 13, 1925, an agreement for the funding of the debt of Czechoslovakia to the United States was entered into. Czechoslovakia agrees that the amount of its indebtedness to the United States as of June 15, 1925, was \$115,000,000 and that it "issue to the United States at par bonds of Czechoslovakia in the aggregate principal amount of \$185,071,023.07, dated June 15, 1925."

ESTONIA

On the 28th day of October, 1925, an agreement for the funding of the debt of Estonia to the United States was entered into. Estonia agrees that it was indebted to the United States as of December 15, 1922, upon obligations in the aggregate principal amount of \$13,999,145.60, together with interest accrued and unpaid thereon, and that the amount of indebtedness to be funded after allowing for cash payments made or to be made was \$13,830,000.

On November 14, 1925, an agreement for the funding of the debt of Italy to the United States was entered into. Italy agrees that it was indebted to the United States as of June 15, 1925, upon obligations in the aggregate principal amount of \$1,647,869,197.96, together with interest accrued and unpaid thereon, and that the indebtedness to be funded after allowing for certain cash payments made or to be made by Italy was \$2,042,000,000.

On December 4, 1925, an agreement for the funding of the debt of Rumania to the United States was entered into. Rumania agrees that it was indebted to the United States as of June 15, 1925, upon obligations in the aggregate principal amount of \$36,128,494.94, together with interest accrued and unpaid thereon, and that the amount of indebtedness to be funded after allowing for cash payments made or to be made by Rumania was \$44,590,000.

FRANCE

On April 29, 1926, an agreement for the funding of the debt of France to the United States was entered into. France agrees that it was indebted to the United States as of June 15, 1925, upon obligations in the aggregate principal amount of \$3,340,516,043.72, together with interest | accrued and unpaid thereon, and that the amount of indebtedness to be funded after allowing for certain cash payments made or to be made by France was \$4,025,000,000. We entered into this agreement with France, as I have stated, on April 29, 1926; and after long discussion and concessions and generosity that went beyond all bounds we arrived at a balance, and France admitted that she owed us and agreed to pay us \$4,025,000,000.

I call attention to, and ask to have inserted as a part of my remarks, the extraordinarily generous terms we gave to France in the matter of interest, as well as the long period given her in which to pay.

The PRESIDING OFFICER. Without objection, it is so

The matter referred to is as follows:

Form of bond: All bonds issued or to be issued hereunder to the United States shall be payable to the Government of the United States of America, or order, and shall be signed for France by its ambassador at Washington, or by its other duly authorized representative. The bonds shall be substantially in the form set forth in the exhibit hereto annexed and marked "Exhibit A," and shall be issued in 62 pieces with maturities and in denominations as hereinabove set forth and shall bear no interest until June 15, 1930, and thereafter shall bear interest at the rate of 1 per cent per annum from June 15, 1930, to June 15, 1940; at the rate of 2 per cent per annum from June 15, 1940, to June 15, 1950; at the rate of 2½ per cent per annum from June 15, 1950; to June 15, 1958; at the rate of 3 per cent per annum from June 15, 1958, to June 15, 1965, and at the rate of 3½ per cent per annum after June 15, 1965, all payable semiannually on June 15 and December 15 of each year.

KINGDOM OF THE SERRE CROATE AND CONTRACT Form of bond: All bonds issued or to be issued hereunder to the

KINGDOM OF THE SERBS, CROATS, AND SLOVENES

Mr. SHORTRIDGE. On May 3, 1926, an agreement for the funding of the debt of the Kingdom of the Serbs, Croats, and Slovenes to the United States was entered into. The Kingdom of the Serbs, Croats, and Slovenes agrees that it was indebted to the United States as of June 15, 1925, under obligations in the aggregate principal amount of \$51,037,-886.39, together with interest accrued and unpaid thereon, and that the amount of indebtedness to be funded after allowing for certain cash payments made or to be made by the Kingdom of the Serbs, Croats, and Slovenes was \$62,855,000.

AUSTRIA, GREECE, AND GERMANY

Separate agreements were entered into with Austria, Greece, and Germany, copies of which and detailed information concerning them may be found in the annual reports of the Secretary of the Treasury on the state of the finances for fiscal years ending June 30, 1932.

In the agreement with Great Britain, and in each of these several agreements, it is provided that bonds to be issued by those debtor nations-and I want this country to bear this in mind, and I want these debtor nations to bear it in mind-in these agreements, in each and every one of them, it is provided that bonds to be issued by the debtor nations shall be payable, as to both principal and interest, in United States gold coin of the present standard of value, or-which was a generous but a wise provision-at the option of the debtor nations, upon not less than 30 days' advance notice to the United States, in any bonds of the United States issued or to be issued after April 16, 1917, to be taken at par and accrued interest to the date of the payment.

I am sure Senators grasp the signifinance of that bond reference. These bonds, to be issued by the foreign governments and delivered to us, were payable in United States gold coin of the then present standard value; or they could be paid by way of delivery to us of our bonds, which we agreed to accept at par and accrued interest to the very hour of delivery of the bonds and payment of the debt.

By these several agreements each of these debtor nations was given 62 years-62 years!-in which to pay its acknowledged indebtedness to the United States; and the average rate of interest to be paid is far less than the normal rate on private indebtedness.

Let it be remembered, let ambassadors and ministers plenipoteniary remember, let these debtor nations remember, and let those who speak for our country remember that we held demand obligations, demands immediately payable; but we gave to each and every of these debtor nations 62

years in which to pay, and at rates of interest far less than interest rates in private, ordinary business transactions.

In reaching agreements with Great Britain, for example, and with the other nations, we took account of their capacity to pay. I trust that that phrase will strike the minds of negotiators. As of then, when entering into these agreements, we took into account their capacity to pay. Hence, the long period of 62 years granted within which to pay. We misrepresented nothing. We concealed nothing. We did not threaten. We did not intimidate. We did not coerce, or attempt to coerce. We cordially agreed with the Chancellor of the Exchequer of Great Britain when he said:

Our wish is to approach the discussion as business men seeking a business solution of what is fundamentally a business problem.

And the "two greatest democracies of the world" proceeded, in the spirit suggested by him, to discuss the problem, and arrived at agreement as to the indebtedness of Great Britain to the United States.

We proceeded in like spirit to discuss with other particular countries the problem of their indebtedness to us, and reached agreements with them; and I further add that we dealt with these debtor nations not collectively but separately. Thereafter these agreements were approved, confirmed, by appropriate action by the United States and by the debtor nations, each in its individual character as a separate, independent, sovereign nation.

So much for these agreements in writing, voluntarily entered into, without misrepresentation, without concealment, without attempt to coerce, with no intimidation, but freely and voluntarily entered into between civilized and presumably honorable nations.

I now invite attention to the moratorium agreements.

Later, in 1932, we entered into written agreements with these debtor nations whereby payments of certain amounts payable to us during the fiscal year beginning July 1, 1931, and ending June 30, 1932, in respect of their bonded indebt-edness, were postponed. The moratorium agreement with Great Britain is as follows:

I ask that that agreement be inserted in the RECORD. The PRESIDING OFFICER (Mr. Austin in the chair). Without objection, that order will be made.

The matter referred to is as follows:

AGREEMENT MADE THE 4TH DAY OF JUNE, 1932, AT THE CITY OF WASHINGTON, D. C., BETWEEN THE GOVERNMENT OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND, HEREINAFTER CALLED THE GOVERNMENT OF THE UNITED KINGDOM, PARTY OF THE FIRST PART, AND THE GOVERNMENT OF THE UNITED STATES OF AMERICAN ICA, HEREINAPTER CALLED THE UNITED STATES, PARTY OF THE SECOND PART

Whereas under the terms of the debt-funding agreement be-Whereas under the terms of the debt-funding agreement between the Government of the United Kingdom and the United States, dated June 19, 1923, there is payable by Great Britain to the United States during the fiscal year beginning July 1, 1931, and ending June 30, 1932, in respect of the bonded indebtedness of the Government of the United Kingdom to the United States, the aggregate amount of \$159,520,000, including principal and

interest; and

Whereas a joint resolution of the Congress of the United States, approved December 23, 1931, authorizes the Secretary of the Treasury, with the approval of the President, to make on behalf of the United States an agreement with the Government of the United Kingdom on the terms hereinafter set forth, to postpone the payment of the amount payable by the Government of the United Kingdom to the United States during such year in respect of its bonded indebtedness to the United States; and

Whereas the Government of the United Kingdom hereby gives assurance, to the satisfaction of the President of the United States, of its willingness and readiness to make with the government of each foreign country indebted to the Government of the United Kingdom in respect of war, relief, or reparation debts, an agreement in respect to the payment of the amount or amounts payable to the Government of the United Kingdom with respect to such debt or debts during such fiscal year, substantially similar to this agreement authorized by the joint resolution above mentioned; now, therefore, in consideration of the premises and of the mutual covenants herein contained, it is agreed as follows:

1. Payment of the amount of \$159,520,000, payable by the Gov-

1. Payment of the amount of \$159,520,000, payable by the Gov-1. Payment of the amount of \$159,520,000, payable by the Government of the United Kingdom to the United States during the fiscal year beginning July 1, 1931, and ending June 30, 1932, in respect of the bonded indebtedness of the Government of the United Kingdom to the United States, according to the terms of the agreement of June 19, 1923, above mentioned, is hereby postponed so that such amount together with interest thereon at the rate of 4 per cent per annum from July 1, 1933, shall be paid by the Government of the United Kingdom to the United States in

10 equal annuities of \$19,441,530.10 each, payable in equal semiannual installments on December 15 and June 15 of each fiscal
year beginning with the fiscal year July 1, 1933, and ending June
30, 1934, and concluding with the fiscal year beginning July 1,
1942, and ending June 30, 1943.

2. Except so far as otherwise expressly provided in this agreement, payments of annuities under this agreement shall be subject to the same terms and conditions as payments under the
agreement of June 19, 1923, above mentioned. The proviso in
paragraph 6 of such agreement, authorizing the postponement of
payments on account of principal, and the option of the Government of the United Kingdom provided for in paragraph 3, to pay
in obligations of the United States, shall not apply to annuities
payable under this agreement.

3. The agreement of June 19, 1923, between the Government of
the United Kingdom and the United States, above mentioned,
shall remain in all respects in full force and effect except so far
as expressly modified by this agreement.

4. The Government of the United Kingdom and the United
States each for itself represents and agrees that the execution
and delivery of this agreement have in all respects been duly
authorized and that all acts, conditions, and legal formalities
which should have been completed prior to the making of this
agreement have been completed as required by the laws of the
United Kingdom and the United States, respectively, and in conformity therewith.

5. This agreement shall be executed in two counterparts, each

formity therewith.

5. This agreement shall be executed in two counterparts, each of which shall have the force and effect of an original.

It witness whereof the Government of the United Kingdom has caused this agreement to be executed on its behalf by the right Hon. Sir Ronald Lindsay, ambassador extraordinary and plenipotentiary at Washington, thereunto duly authorized, and the United States has likewise caused this agreement to be executed. cuted on its behalf by the Hon. Ogden L. Mills, Secretary of the Treasury, with the approval of the President, pursuant to a joint resolution of Congress, approved December 23, 1931, all on the day and year first above written.

The Government of the United Kingdom:

By R. C. LINDSAY, Ambassador Extraordinary and Plenipotentiary. The United States of America:

By OGDEN L. MILLS, Secretary of the Treasury.

Approved.

HERBERT HOOVER, President.

Mr. SHORTRIDGE. Like moratorium agreements were entered into with the different other debtor nations; and these moratorium agreements were authorized by our Joint Resolution 147, approved December 23, 1931. I ask that that Joint Resolution No. 147 be incorporated in the RECORD.

The PRESIDING OFFICER. Without objection, that order will be made.

The joint resolution is as follows:

[Public Resolution No. 5, Seventy-second Congress] House Joint Resolution 147

Joint resolution to authorize the postponement of amounts payable to the United States from foreign governments during the fiscal year 1932, and their repayment over a 10-year period beginning July 1, 1933

beginning July 1, 1933

Resolved, etc., That in the case of each of the following countries: Austria, Belgium, Czechoslovakia, Estonia, Finland, France, Germany, Great Britain, Greece, Hungary, Italy, Latvia, Lithuania, Poland, Rumania, and Yugoslavia, the Secretary of the Treasury, with the approval of the President, is authorized to make, on behalf of the United States, an agreement with the Government of such country to postpone the payment of any amount payable during the fiscal year beginning July 1, 1931, by such country to the United States in respect of its bonded indebtedness to the United States, except that in the case of Germany the agreement shall relate only to amounts payable by Germany to the United States during such fiscal year in respect of the costs of the army of occupation.

States during such iscal year in respect of the costs of the army of occupation.

SEC. 2. Each such agreement on behalf of the United States shall provide for the payment of the postponed amounts, with interest at the rate of 4 per cent per annum beginning July 1, 1933, in 10 equal annuities, the first to be paid during the fiscal years following, each annuity to be payable in one or more installments. ments.

SEC. 3. No such agreement shall be made with the government SEC. 3. No such agreement shall be made with the government of any country unless it appears to the satisfaction of the President that such government has made, or has given satisfactory assurances of willingness and readiness to make, with the government of each of the other countries indebted to such country in respect of war, relief, or reparation debts, an agreement in respect of such debt substantially similar to the agreement authorized by this joint resolution to be made with the government of such creditor country on behalf of the United States.

SEC. 4. Each agreement authorized by this joint resolution shall be made so that payments of annuities under such agreement shall, unless otherwise provided in the agreement, (1) be in accordance with the provisions contained in the agreement made

cordance with the provisions contained in the agreement made

with the government of such country under which the payments to be postponed is payable, and (2) be subject to the same terms and conditions as payments under such original agreement.

Mr. SHORTRIDGE. It will be noted that this agreement with Great Britain contains this provision:

Whereas the Government of the United Kingdom hereby gives assurance, to the satisfaction of the President of the United States, of its willingness and readiness to make with the government of each foreign country indebted to the Government of the United Kingdom in respect of war, relief, or reparation debts, an agreement in respect to the payment of the amount or amounts payable to the Government of the United Kingdom with respect to such debt or debts during such fiscal year, substantially similar to this correspond to the control of the United Kingdom with respect to such debt or debts during such fiscal year, substantially similar to the correspond to the control of the United Kingdom with respect to such debt or debts during such fiscal year, substantially similar to the control of the United Kingdom with respect to such debt or debts during such fiscal year. lar to this agreement authorized by the joint resolution above mentioned.

I repeat, a like provision is in the agreements with such other of our debtor nations as held claims or had agreements with any foreign country in respect of war, relief, or reparation debts.

It is scarcely necessary for me to remind the Senate that such a provision in the moratorium agreements was considered of prime and controlling importance by our Government. I could enlarge upon that, but I am relying greatly on the knowledge of the Senate by refraining from doing so. Moreover, I do not wish to take up the time of the Senate to explain what I say here briefly, that this provision in the moratorium agreement was considered of vital, controlling importance by the Government of the United States.

Thus, then, the matter stood, and thus the matter stands. We entered into these agreements with these nations, and these agreements were and are valid and binding in law and in equity on the contracting parties, binding upon us, binding upon them. Agreements in writing, voluntarily entered into, exist as between us and these several debtor nations

As was well said by then Representative, now Senator HULL, our coming Secretary of State, before the House Ways and Means Committee:

When the peace convention was being held, there was not a word said publicly about any question as to the absolute validity of these debts by any government. They were all entered into freely and voluntarily as the portion that each government should contribute in connection with the war, and the debts were considered as commercial and not as political debts.

I have no information and no definite opinion as to what our coming Secretary of State will say or be willing to advise in respect of these existing contracts, but I am very sure he will not forget that as of then, as a Representative in the House, he characterized these debts as "commercial and not as political debts."

I assume that everyone who understands the English language and is at all familiar with communications between nations grasps the different meaning existing between a commercial debt and a political debt. They were considered and treated as commercial debts, expressly so termed by the then Chancellor of the Exchequer, and expressly so characterized by Mr. Hull, our coming Secretary of State. Whether they so characterize them or not, I know that they were purely commercial debts. These commercial debts grew out of the fact that we furnished supplies and advanced money to and for these debtor nations prior to and subsequent to the armistice amounting to the vast sum which I have stated.

Mr. President, this must not be overlooked. These agreements were entered into separately with these nations, not collectively; and I trust that our Government will insist upon it that they were and are agreements entered into separately, in a sense individually, with these different debtor nations. Much might be said as to the importance of that fact, but I do not enlarge upon it.

Would it be contended, Mr. President, by any intelligent man, that if a like agreement had been entered into by individuals, either party could have the agreement set aside, declared void or invalid, or be relieved of his legal and moral obligations thereunder by a court of equity in any civilized country in the world? Let me read again what the then Chancellor of the Exchequer said concerning us, the United States, as of the time when we were entering into the adjustment of the existing debt presently due us from the United Kingdom. Said Mr. Baldwin:

"The generosity of America is proverbial," said the Hon. Stanley Baldwin, M. P., Chancellor of the Exchequer, "but we are not here to ask for favors or to impose on generosity. We want, on such terms as will produce the least possible disturbance in the trade relations of the two countries, a fair business settlement, a square deal, a settlement that will secure for America the repayment to the last cent of those credits which the United States Government established in America for us, their associates in the war. Our wish is to approach the discussion as business men seeking a business solution of what is fundamentally a business problem."

Mr. President, it is but just to recall and remind these debtor nations that in order to be able to lend them these great amounts and to furnish them supplies during and after the war, it was necessary for us, the United States, to issue our interest-bearing bonds, many billions of which are in the hands of our own people or held abroad. In order to furnish supplies, in order to advance cash, it became necessary for us to borrow the money with which to accommodate these nations, and in order to get that money we issued our interest-bearing bonds, and billions of those bonds are outstanding in the hands of our own people or are held

I repeat myself to remind Senators that the agreements between these several nations provide that the bonds which they issued to us are payable in United States gold coin of the then present standard of value, or may be paid by the delivery to us of our outstanding bonds, which we agree to accept at par and with accrued interest.

It should be remembered that we, too, are heavily burdened, that we, too, have obligations to be met and discharged, that we too, are suffering. But does anybody at home or abroad hear of our repudiating any of our outstanding obligations? Does anybody hear Uncle Sam asking for cancellation of any of his outstanding obligations, whether held at home or held abroad? Has anybody heard of our defaulting in the payment of principal or interest on any of our outstanding obligations?

Mr. President, I venture to suggest this day that our rights under these contracts may be jeopardized by considering them along with other subjects, such as depreciated currencies, foreign trade, tariffs, exchange of goods, or other unrelated subjects. The debts due and to become due us are payable in gold, not in goods, not in paper, not in promises. They are payable in gold of fixed standard value, and we should insist that they should be and must be paid according to agreement.

These commercial debts should not be exchanged for chimerical benefits of free trade. I hope it will not be considered provocative of present discussion for me to repeat that these commercial debts due us, and to become due, should not be exchanged or traded for what I call chimerical benefits of free trade.

Of course, I do not walk under the political banner of our next President. He has not sought or asked, and will not seek or ask, my advice in regard to these foreign-nation debts. But I am deeply interested in the subject matter, and I trust he will not deem me presumptuous or consider me offensive when I express the hope that in any discussion with these debtor nations concerning these debts, he, or those speaking for him, will be as patient as Lincoln, but as firm as Andrew Jackson—patient, but firm; patient as Lincoln in listening, in giving respectful consideration, but as firm as "Old Hickory" in insisting that France and Great Britain and Italy, and other debtor nations, shall pay what they voluntarily agreed to pay, and pay according to the generous agreements voluntarily by us entered into with them.

Mr. President, the President elect, soon to assume the helm, knows, of course, the views of his countrymen as to the cancellation or reduction of these debts, as those views were authoritatively declared by their Representatives in Senate and House, and I assume that he will pay respectful heed and give consideration to those views as they were

then Chancellor of the Exchequer said concerning us, the expressed in Resolution 147 authorizing the foreign-debts United States, as of the time when we were entering into moratorium. Section 5 of that resolution reads as follows:

SEC. 5. It is hereby expressly declared to be against the policy of Congress that any of the indebtedness of foreign countries to the United States should be in any manner canceled or reduced; and nothing in this joint resolution shall be construed as indicating a contrary policy, or as implying that favorable consideration will be given at any time to a change in the policy hereby declared.

May I add that I thought then, and I continue to think, that that policy was wise, that it was just, wise and just to us and wise and just toward those debtor nations. I indulge myself in the hope that that policy will not be abandoned or departed from. I shall not be here to assist in upholding it, but I think I am warranted in believing that there will be a Senate here, quite regardless of party distinction, a Senate made up of 96 patriotic, intelligent, vigilant American Senators, who will stand firm toward the carrying out of the policy this Congress has heretofore declared, as we find it in our Joint Resolution 147.

I know full well there will be artful arguments by foreign diplomats and, perhaps, by American internationalists to the effect that a cancellation or a material reduction of these debts will go far to improving our economic condition. Such arguments are utterly fallacious. They will be urged by debtor nations for their, not for our, relief and benefit.

The old argument of capacity to pay will be urged again. Capacity to pay? We gave due and generous consideration to that argument when the funding agreements were entered into, giving these debtor nations 62 years to pay the several sums then presently due. We again gave consideration to that argument when, by way of the moratorium agreements, we relieved these debtor nations from certain payments due or to become due under the parent funding agreements.

It is not a lack of capacity to pay but rather a disinclination to pay that will renew this old argument. Not one of these debtor nations dares to stand before the world and claim that it is bankrupt. Not one of them dares to say to-day that it is insolvent. I am well aware that there is no international court which has jurisdiction to relieve a debtor nation by way of bankruptcy proceedings; but if there were such a court, I repeat that there is not one of these debtor nations that would dare to file a petition in bankruptcy.

Ordinarily it would not be considered proper for us to advise foreign nations as to their internal or domestic affairs; but when these debtor nations come to us pleading to be relieved from legal and moral obligations and urge their incapacity to pay according to agreements, it is not improper or offensive for us to remind them that if they would but reduce their mighty armies and navies, and practice sensible economy in the administration of their affairs, they would be quite able to meet the payments due and to become due from them to the United States.

When in June, 1931, the President requested my views in regard to a proposed or suggested moratorium, I said that any such proposed postponement did not indicate and was not to be construed as any indication or intention or willingness on our part to agree to any further postponement, nor to a cancellation of any of the debts due or to become due us from debtor nations under existing and constitutionally ratified agreements by and between us and them. And, as I have pointed out by way of Resolution 147, the Congress took the same position.

Mr. President, I, of course, am speaking under much embarrassment. I realize the existing situation. I waited indeed for two or three days, not desiring to interfere with appropriation bills or conference reports. I can only hope that what I have indicated may attract the attention of those Senators who will be called upon to discuss the matter in the days to come. As for me, I recognize, as I trust we all do, that the existing agreements may not be cancelled, may not be modified, may not be amended or changed by an act of a President or the executive branch of our Government. They can only be changed by the action of the Congress in cooperation, it is true, with the executive department. As for me, to take leave of the subject, with malice for none, with charity for all of these nations, I think that our duty

is to insist upon the policy heretofore declared and which means that we stand firmly upon agreements voluntarily and freely entered into between us and these several debtor nations. Wishing them peace and prosperity, our first, last, and continuing duty is to the people of the United States of America.

INVESTIGATION OF CONDITIONS ON BOULDER CANYON PROJECT

Mr. ODDIE. Mr. President, I submit a resolution which I think can be disposed of without any debate. I first ask that the Committee on Irrigation and Reclamation be discharged from the further consideration of the resolution (S. Res. 293), which I introduced on December 7, 1932, providing for an investigation of conditions at Hoover Dam.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

Mr. ODDIE. I ask now that the resolution may be read. The Chief Clerk read the resolution, as follows:

Resolved, That a special committee of the Senate be appointed by the President of the Senate after March 4, 1933, three from the major political party and two from the minority political party, to be authorized and directed to investigate conditions existing in the Boulder Canyon project Federal reservation and the operations of the Six Companies (Inc.), and the officers of the Department of the Interior, with respect to the construction of Hoover Dam, and particularly with a view to ascertaining all facts relating to (1) the store operated by the Six Companies (Inc.), (2) contracts for the housing and feeding of employees of the Federal Government and the Six Companies (Inc.), and (3) the taxation of property and incomes within such reservation. The committee shall report to the Senate as soon as practicable the results of its investigations, together with its recommendations, if any, for necessary remedial legislation.

For the purposes of this resolution the committee, or any duly authorized subcommittee thereof, is authorized to hold such hearings, to sit and act at such times and places during the sessions and recesses of the Senate in the Seventy-third Congress until the final report is submitted, to employ such clerical and other assistants, to require by subpena or otherwise the attendance of such witnesses and the production of such books, papers, and documents, to administer such oaths, to take such testimony, and to make such expenditures as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words. The expenses of the committee, which shall not exceed \$5,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman.

The VICE PRESIDENT. Is there objection to the present consideration of the resolution?

Mr. ROBINSON of Arkansas. Mr. President, I ask that the resolution may lie on the table for the present.

The VICE PRESIDENT. Without objection, it will lie on the table.

ANNUAL REPORT OF GORGAS MEMORIAL LABORATORY

Mr. MOSES. Mr. President, the annual report of the Gorgas Memorial Laboratory is required by law to be made to the Congress. The making of the report to the Congress has just been completed, and I ask unanimous consent that it may be printed as a Senate document.

The VICE PRESIDENT. Without objection, it is so ordered.

CALL OF THE ROLL

Mr. ROBINSON of Arkansas obtained the floor.

Mr. McNARY. Mr. President, will the Senator yield to enable me to suggest the absence of a quorum?

Mr. ROBINSON of Arkansas. I yield.

Mr. McNARY. I suggest the absence of a quorum. The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Ashurst	Caraway	Gore	McKellar
Austin	Carey	Grammer	McNary
Bailey	Clark	Harrison	Metcalf
Bankhead	Coolidge	Hastings	Moses
Barbour	Copeland	Hatfield	Neely
Barkley	Costigan	Hayden	Norbeck
Bingham	Dale	Hebert	Norris
Black	Davis	Johnson	Nye
Blaine	Dickinson	Kean	Oddie
Borah	Dill	Kendrick	Patterson
Bratton	Fess	Keyes	Pittman
Brookhart	Fletcher	King	Reed
Broussard	Frazier	La Follette	Reynolds
Bulkley	George	Lewis	Robinson, Ark.
Bulow	Glass	Logan	Robinson, Ind.
Byrnes	Glenn	Long	Russell
Capper	Goldsborough	McGill	Schall

Schuyler Sheppard Shortridge Smith Smoot Steiwer Stephens Swanson Thomas, Idaho Thomas, Okla.

Townsend Trammell Tydings Vandenberg Wagner Walcott Walsh Watson Wheeler White

The VICE PRESIDENT. Eighty-eight Senators have answered to their names. A quorum is present.

TRIBUTE AND GIFT TO THE VICE PRESIDENT

Mr. ROBINSON of Arkansas. Mr. President, after a service of 14 years in the House of Representatives, 20 years in the Senate, and 4 years as Vice President of the United States and ex officio Presiding Officer of this body, making a total of 38 years of honorable and efficient service to the Government, you are about to retire and take again your position in private life.

I have been requested by my fellow Senators to present to you an evidence of their esteem and affection. Every Member of this body has sought the privilege of contributing to a gift which is intended to be a lifelong reminder of the cordial relationships that exist between yourself and those with whom you have labored. On this gift, a beautiful and enduring token, are inscribed the names of all the Members of the Senate. There is at least one name among those suggestive of the services of a renowned and able representative of his State in the Senate of the United States who has passed away during the last few days, the late Senator Walsh of Montana.

In the period comprehended by the years to which reference has been made, we have seen marvelous changes come to our country and to all the world. Nations have risen and fallen; peoples have been drawn into the whirlpool of a combat that has affected the happiness and the safety, as well as the prosperity, of millions.

It would perhaps be inappropriate for me to attempt to tell you, sir, how often I have felt that you had been wrong when taking position in the House of Representatives and in the Senate contrary to that which I believed to be correct. Everyone who knows you admits, even declares, that always you have been prompted by a sense of patriotism, by a consciousness of duty.

The times through which we are now passing are filled with causes of anxiety and distress. When you leave the Senate to-morrow, at the expiration of your term of office as Vice President of the United States, you will carry with you the confidence, the respect, and the admiration of all the Members of this body; and we will express in this token, as well as in the words which we employ, our good wishes for your long-continued happiness and success.

I have referred to the distressing conditions which prevail in the country and throughout the world. Let me conclude with the lines of the poet, who said:

Take heart,
The waster builds again.
A charmed life
Old goodness hath,
The tares may perish,
But the grain is not for death!

God moves in all things; All obey his first propulsion. From the night Wake thou, and watch! The world is gray With morning light.

[Applause on the floor and in the galleries.]

Mr. MOSES. Mr. President, the years are endless, but they have an end. This paradox carries another—the inseparable separations which the termination of years brings. Such an occasion now comes to us again, as it comes at the end of every Congress, at the end of every administration, and we would not have it pass without some indication, permanent and definite, of those feelings of intimacy and friendship and affection which grow up within the walls of this Chamber. Thus, Mr. President, as you come to the termination of a career constantly upward, constantly helpful, and constantly patriotic, those who have been associated with you can not omit to make it known tangibly that there is in our minds and in our hearts a feeling for you which we seek feebly to express by this gift.

We ask you to accept it, and to know that, while it bears upon its imperishable metal the name of each of us, it carries, not less imperishably, the affection which we feel for you. Of the group who go out with you to-morrow and the group who remain here afterwards all share alike that feeling which may be expressed in the lines of Mrs. Barbauld:

'Tis hard to part when friends are dear,—
Perhaps 'twill cost a sigh, a tear;
Then steal away, give little warning,
Choose thine own time;
Say not "Good-night" but in some brighter clime
Bid me "Good morning."

[Applause on the floor and in the galleries.]

The VICE PRESIDENT. Friends, I thank you from the bottom of my heart for the touching tributes and expressions of regard and for this beautiful gift. I shall treasure it always and pass it on with pride to my descendants, with the request and hope that it may always be retained in the Curtis family. I deeply appreciate the sentiment which prompted the engraving of the names on this exquisite remembrance; but I say to you that in my memory there shall always be inscribed equally indelibly the names of the many friends I have in the Senate of the United States. [Applause on the floor and in the galleries, Senators rising to their feet.]

COLUMBIA HISTORICAL SOCIETY OF WASHINGTON

Mr. SHORTRIDGE. Mr. President, as chairman of the Committee on Naval Affairs of the United States Senate I ask permission to have printed in the Record an article appearing in the Records of the Columbia Historical Society of Washington, D. C., volume 20, pages 141 to 167, under date of May 16, 1916, by the late Mrs. Harriot Stoddert Turner, a distinguished and brilliant woman of Washington, D. C., and a granddaughter of Benjamin Stoddert, entitled "Memoirs of Benjamin Stoddert, First Secretary of the United States Navy."

The article contains much material of interest to our Navy and deals with the early development of our country and the city of Washington. Secretary Stoddert was a man of great ability and distinction. He was wounded in the Battle of Brandywine, in which he served as major in the Continental Army. He had much to do with the building of our Navy. He was a close friend of General Washington and one of the founders of the District of Columbia and the city of Washington. He was one of the original and large landowners here, inheriting large areas of land within the District from his grandfather, James Stoddert, who came to Maryland in 1650 from Scotland. Among the tracts of land owned by James Stoddert was one of over 3,000 acres which he and his friend, Col. John Addison, purchased together in 1718 and named "Friendship." Part of this tract is the present estate of Edward B. McLean, which still bears the name of "Friendship."

Benjamin Stoddert was Secretary of the Board of War under President John Adams, and in 1798 was appointed the first Secretary of the Navy by President John Adams, the great grandfather of the present Secretary of the Navy, Charles Francis Adams. He is, therefore, the only man who has held both offices of Secretary of War and Secretary of the Navy.

In 1781 Benjamin Stoddart married Rebecca Lowndes, daughter of Christopher Lowndes, of Bostock House, Md., whose mother was Elizabeth Tasker, of Belair, that famous old Colonial mansion on the Military Highway between Washington and Annapolis, the home of several of the old Governors of Maryland. The Lowndes and Tasker families were among the most prominent and distinguished in Maryland and were large landowners in the State, and the Senator from Nevada [Mr. Oddie] is directly descended from both families.

It is a matter of interest in connection with Benjamin Stoddert that his great grandson, United States Senator Tasker Lowndes Oddie, of Nevada, has been a member of the Naval Affairs Committee of the United States Senate for years past and has taken a deep interest in the affairs of the Navy. He has been a stanch advocate of a strong

and effective Navy and has taken an active part in many battles for the Navy and appropriations therefor on the floor of the Senate and in the committees. He has fought constantly and hard for a larger and stronger Navy. Different members of his family for generations have been distinguished officers of the Navy, so Senator Oddie comes by his love for that branch of the service naturally and by inheritance. A prized possession of Senator Oddie is the old Lowestoft bowl, presented to Secretary Stoddert by the first officers of the Navy and bearing his initials.

I ask that the article may be printed in the RECORD at this point.

The VICE PRESIDENT. Without objection, it is so ordered.

The article is as follows:

MEMOIRS OF BENJAMIN STODDERT, FIRST SECRETARY OF THE UNITED STATES NAVY *

By Harriot Stoddert Turner, May 16, 1916

Oliver Wendell Holmes says that a child's education begins with that of his grandfather. James Stoddert, grandfather of Benjamin Stoddert, first Secretary of the United States Navy, was a Scotchman by birth, a man of education, and a surveyor by profession. He brought a wife with him to Maryland about 1650 and some means, which he invested in land, and settled near La Plata, where many Stoddert tombs still exist. "In 1718 he was appointed to survey and lay out Annapolis anew," and in the same year he and Col. John Addison together patented Friendship, a tract of 3,125 acres, part of which now belongs to the John R. McLean estate and still bears the quaint old name redolent of eighteenth century sentiment given it by its first patentees, Addison and Stoddert. It is now beautifully improved, and is yearly thrown open to some of the charitable societies of Washington, who give picturesque garden parties on the grounds. The "Friendship" between the Stoddert and Addison families which prompted the name still exists unbroken after nearly two hundred years—1718 to 1916.

stoddert and Addison lamines which prompted the name still exists unbroken after nearly two hundred years—1718 to 1916.

Thomas Stoddert, youngest son of the surveyor, inherited 1,200 acres of the original Falls Run tract from two of his brothers who died young. He married Sarah Marshall, daughter of "Thomas Marshall, Gentleman," of Marshall Hall, at present a well-known summer resort. They were the parents of Benjamin Stoddert. Family tradition says that Thomas Stoddert was captain in the British Army and killed in Braddock's defeat July 9, 1755, but on the 15th of September of that year Governor Sharpe, of Maryland, wrote to Calvert: "I have not heard that any enemy has been seen in this province since Col. Dunbar left us, but the people who lived beyond Tunalloway Creek, where Lieut. Stoddert and fitteen men have built a stoccado (stockade) Fort, have, I am informed, all left their plantations so that the country is deserted for 30 miles eastward of Col. Cresap's." Again on January 5, 1776, Sharpe writes to Calvert as follows, which shows that Stoddert was alive then: "In the mean time I support Captain Dagworthy's company at Fort Cumberland and Lieut. Stoddert's party at Tunalloway out of the money that was subscribed by the Gentlemen for that purpose. These parties, I believe, have been in great measure the Protection of our People while numbers of People in Pennsylvania have been cut off within Ten miles of our Forts. The government of that Province has at last accepted a bill for £55,000 to be struck in paper and sunck (sic) in four years."

vania have been cut oil within Ten miles of our Forts. The government of that Province has at last accepted a bill for £55,000 to be struck in paper and sunck (sic) in four years." The stockade at Tunalloway is referred to by the Maryland Gazette of that year when it says "Some men were scalped near Stoddert's Fort"—but the resolute pioneers at Fort Cumberland and Fort Stoddert, though small in number, stopped the advance of the French and Indians, and saved from devastation the beautiful valleys of the Cumberland and Shenandoah.

tiful valleys of the Cumberland and Shenandoah.

Benjamin Stoddert, the only son of Lieut. Thomas Stoddert and Sarah Marshall, was born in 1751 in Charles County. He had one sister, Sarah, who was the ancestress of the Matthews family of Georgetown. He appears to have been in Pennsylvania, possibly, as has been suggested, as a student at the University of Pennsylvania, as he enlisted in Captain Hartley's "Additional Continental Regiment of Cavalry" which was raised in Pennsylvania and which he joined on the 13th of January, 1777. When serving as Captain in it he was severely wounded and disabled at Brandywine, which wound he suffered from until the day of his death but refused a pension, as he was of the independent spirit of the patriots of the Revolution who felt able to support themselves and their families without help from a paternal government. In his later years he wrote a letter to John Templeman, of Georgetown, then in New England (this letter is now at the Congressional Library) in which he says: "Brought up a merchant the Revolutionary War commenced just as my apprenticeship ended. I entered the Army, after two or three years was made (in 1779) Secretary of the Board of War but before the War ended returned to Maryland to marry looking to commerce as the means by which

^{*} From Records of the Columbia Historical Society, vol. 20. Read before the Society, May 16, 1916.

¹ Maryland Archives.

^{*}Maryland Archives, Sharpe's Correspondence, vol. 2, p. 3336.

This explains why his name is not recorded in the Maryland Rosters but is found in the Pennsylvania archives.

I was to support a family." His appointment as Secretary of the Board of War, which the Journals of Congress say was unanimously made, threw him into close association with John Adams, who was president of that Board, and probably finally led to his selection by Adams as First Secretary of the United States Navy.

On June 7, 1781, a marriage license was issued at Marlboro, Prince George's County, to Benjamin C. Stoddert and Rebecca Lowndes, daughter of Christopher Lowndes of Bostock House, Maryland. It was about this time that some Federalists proposed to annex Canada—and young Stoddert's fervid Revolutionary patriotism made him call himself Benjamin Canada Stoddert, a name he afterwards dropped as easily as the project for the an-

name he afterwards dropped as easily as the project for the annexation of Canada was ultimately dropped by the United States.

The Young Captain of the Rebel Army was drawn by his marriage into an atmosphere both monarchial and nautical. His father-in-law was an Englishman, "Christopher Lowndes, mer-chant," as Mrs. Ann (Bladen) Tasker called him in her will, which left to her four daughters and heirs, Mesdames Dulany, which left to her four daughters and heirs, Mesdames Dulany, Ogle, Lowndes, and Carter a fortune of £70,000. Mr. Lowndes was one of the founders of Bladensburg in 1746. It was named for his wife's uncle, Thomas Bladen, royal governor of Maryland in 1742, whose nephew, John Hawke, was the most famous English sailor of his time, 1705-1781. "As an admiral at sea—and on his own element, Hawke has had no superior." The mother of these Bladens was Lady Isabella Fairfax, of the same family as

Mr. Lowndes built ships on the Eastern Branch, which were floated down on that once important stream to Norfolk and thence to the West Indies. Councillor to Robert Carter, of Nomini, who married another of the Taskers, sent wheat in his own ships to Leghorn, Italy, and we have all read in Weem's Life of Washington

Married another of the laskers, sent wheat in his own ships to Leghorn, Italy, and we have all read in Weem's Life of Washington of the excellence of the flour made from wheat grown at Mount Vernon and shipped directly to foreign ports by General Washington, showing the existence then of a flourishing but small foreign trade on the Potomac and Chesapeake.

On May 7, 1755, Governor Sharpe wrote to General Braddock of Mr. Lowndes:

"Dear General: As I have been most earnestly solicited and importuned on my return to this place by one, Mr. Lowndes, a person whose Behavior and Conduct on all occasions make me very desirous of serving him, to apply to your Excellency and beg the Discharge of four Servants of his that were enlisted by H. Brereton just as he was leaving Rock Creek. He has a ship on the stocks which these servants were employed in building, fitting for sea. Others of the same trade cannot be procured, whereby the Vessel must remain unfinished and the Owner receive a prodigious Detriment unless by my intercession he can be favorably heard by your Excellency and procure the Servants' discharge. I have given him hopes of succeeding." (Brereton was a British Naval Lieutenant.)

ment unless by my intercession he can be favorably heard by your Excellency and procure the Servants' discharge. I have given him hopes of succeeding." (Brereton was a British Naval Lieutenant.)

This impressment of shipbuilders, who were probably slaves, shows that even before the Revolution the British officers did so many high-handed things that they finally forced on the Americans the war cry of 1812, "Freedom of the seas and sailors' rights."

An advertisement taken from the Maryland Gazette, Annapolis, March 15, 1764, reads as follows:

March 15, 1764, reads as follows:
"Wanted for the snow Apollo, Joseph Martin, master, for London, and now lying in the Eastern Branch of the Patowmack, Four

don, and now lying in the Eastern Branch of the Patowmack, Four Able Seamen. For further Particulars enquire of the Master on board, or of Christopher Lowndes."

The snow Apollo is not, as might be imagined, an image of the Greek god sculptured in snow, but is, according to the Century Dictionary, a vessel of peculiar rigging which is no longer used.

Mr. Stoddert became in 1783 a shipping merchant in Georgetown and a member of the firm of Forrest, Stoddert & Murdock, which established branch houses in London and Bordeaux. He built a spacious colonial house on Prospect and Frederick (now built a spacious colonial house on Prospect and Frederick (now Thirty-fourth) Streets, which up to a few years ago (except for the addition of an incongruous bay window) remained unchanged, but is now much altered. The name of Prospect Street is probably derived from the large tract north of Georgetown which the Bealis and Stodderts owned jointly and was aptly named "Pretty Prospect." The Stoddert house fronts on Prospect Street, and the garden ran along Thirty-fourth Street to within a short distance from the Potomac, commanding a charming view of Analostan Island, once the home of Gen. John Mason.

In 1791 Benjamin Stoddert and William Deakins, jr., were in constant correspondence with General Washington as to buying

land upon which the Capital City of the United States is

built.

Imagination, says Goethe, is one of the highest human faculties and, while belonging more especially to the artist and poet, is also an attribute of the greatest statesmen, who "see their history written in a nation's eyes." In judgment, says Jefferson, Washington was unapproachable, but may he not be credited also with comprehensive imagination and a strong sense of architection. tural beauty when we look at the Capital of our country, which he laid out, and the designs for the buildings which he approved when he and the comparatively unknown but capable Frenchman, L'Enfant, saw rise before them as in a dream the noble Capitol dominating the wide avenues of the "city beautiful," bordered with stately buildings and handsome residences, filled with prosperous citizens of the new Republic, while lofty monuments to departed greatness and the modern playgrounds for the happy children of the twentieth century show respect for the past and care for the future? Washington had, however, never seen Rome,

Vienna, or Paris, yet proved himself the equal of Peter the Great as the founder of a great city and of Louis le Grand in his con-ception of one. No English city seems to have been deliberately planned. London, great as it is, apparently grew as its citizens pleased. Much of the city of Washington's beauty is due to L'Enfant, that man of genius who was familiar with Paris, but a French word, "difficile," must be used to describe a temper which finally wore out even the extraordinary patience of Washington's ington.

is believed that Mr. Stoddert was especially distinguished by the friendship of the general, and that this partially decided the founder of the Federal City to cut out of the original plan of L'Enfant a square containing "Cool Spring," which belonged to Mr. Stoddert. It was near Eastern Branch, and rough stone sidewalks from Georgetown to Washington were provided by Stoddert,

Mr. Stoddert. It was near Eastern Branch, and rough stone sidewalks from Georgetown to Washington were provided by Stoddert, perhaps out of gratitude for this act of consideration.

In 1797 John Adams, previously Vice President to Washington, was inaugurated President. At that time France was governed by the Directory which had succeeded the Reign of Terror. It "expressed serious discontents" at Jay's treaty as aiding England's commerce, and Washington himself, in 1796, selected Maj. Gen. Charles Cotesworth Pinckney, of South Carolina, to succeed Monroe as envoy to France—a man, he says, "whose integrity, talents, experience, and service had made him highly esteemed and respected in the Nation." He was to maintain that good understanding which had hitherto existed between the two nations and restore that cordiality which was at once the evidence and the pledge of a friendly union."

A few days before Pinckney's arrival at Paris, Talleyrand, French Minister of Foreign Affairs, informed Monroe of the formalities to be observed by him in taking leave of France, and by Pinckney preparatory to his reception as an Envoy by the Directory. These formalities they observed exactly and on the 9th of December's presented officially to Talleyrand copies of their respective letters of recall and credence. Two days afterwards Talleyrand wrote to Monroe that the Directory had determined not to receive another minister plenipotentiary from the United States until the grievances complained of by them had been redressed. Cards of hospitality were refused General Pinckney and he was threatened with subjection to the jurisdiction of the Minister of Police which meant arbitrary arrest and subsequent imprisonment in defiance of all diplomatic usage, possibly the guillotine. He was ordered to quit French territory and consequently withdrew to Holland, so that at this time the United States had no representative in the capital of her great Ally.

A second Embassy to France was appointed by Mr. Adams about November, 1797, consisting of

A second Embassy to France was appointed by Mr. Adams about November, 1797, consisting of Pinckney, John Marshall and Elbridge Gerry. They were refused audience both by M. Talleyrand, then Foreign Minister, and by the hostile Directory on the pretext of injury by the Jay Treaty, but were in close association with the persons designated as X. Y. Z. in the communications of the envoys extraordinary of the United States to their government. X was M. Hottguer, Y, M. Bellami, and Z, M. de Hauteval. In the conservation with Pinckney, Marshall, and Gerry, X., M. Hottguer, said: "Gentlemen, you do not speak to the point; it is money; it is expected that you furnish money." "We replied," say the Envoys, "No, not a sixpence." Talleyrand conveyed the idea to them through these emissaries that he expected \$250,000 for introducing the Envoys to the Directors, who desired a loan, virtually a gift, of \$2,800,000 more. When given audience this proposition was met by Pinckney's immortal exclamation: "Millions for defense but not one cent for tribute," negotiations were broken off and he again withdrew to Holland accompanied by John Marshall, and they were to Phylodelphic in the Value of 1700 when broken off and he again withdrew to Holland accompanied by John Marshall, and they were in Philadelphia in the fall of 1798 when Pinckney's speech was used as a toast at patriotic banquets.

The references in letters of Benjamin Stoddert apply to the third embassy of Messrs. Davie, Ellsworth, and Vans-Murray, who went to Paris in 1798, and were kindly received by First Consul Bonaparte who had put down the directory and restored order in France; and a Convention on the 30th of September, 1800, gave back to the United States ships captured by France, but not yet condemned as prizes, and "provided for freedom of commerce between the two nations, stipulating that 'free ships shall give freedom of goods.' They also made provisions favorable to neutral commerce

At this time, while war was not regularly declared against France, the situation was like that preceding the Revolution when the battles of Lexington and Bunker Hill were fought, bewhen the battles of Lexington and Bunker Hill were fought, before the Declaration of Independence was signed. The necessity for a strong Army and Navy at once became apparent. Hamilton pled for a force of 50,000 men, 10,000 of them to be horse, which Adams laughed at, but as President he thought a Navy and Navy Department essential, and on the 11th of April, 1798, William Bingham, of Pennsylvania, introduced in the Senate a bill "to establish an Executive Department to be denominated the Department of the Navy." This bill was opposed by Humphrey Marshall and Paine, of Vermont, and also by Albert Gallatin, but finally passed both Houses of Congress and on April 30, 1798, received the signature of President Adams. Thus was the Navy Department of the United States separated from that of War.

The Executive Journal of Tuesday, May 1, 1798, leaves no doubt that the President's first nomination for Secretary of the Navy was that of Mr. Cabot, of Massachusetts, as shown by the following letter of that date: 6

⁴ Encyclopedia Britannica, eleventh edition.

^{₿ 1797.}

e Page 272.

"Gentleman of the Senate:
"I nominate Hon. George Cabot of Massachusetts to be Secretary of the Navy.

" JOHN ADAMS."

"Confirmed May 3, 1798."

On May 5 Pickering sent to Cabot his appointment worded thus: "Sir: The President of the United States being desirous of availing the public of your services as Secretary of the Navy of the United States, I have now the honor of inclosing the commission, and of expressing the sentiments of respect with which,

the United States, I have now the honor of inclosing the commission, and of expressing the sentiments of respect with which, I am, sir, your most obedient servant.

This commission was inclosed in a letter in which Pickering urges Mr. Cabot to accept the appointment, saying: "If you decline taking the office, where will the country find a substitute? There is not one in Philadelphia, and you will readily believe there is no one southward of it."

On May 11, Cabot, with the promptness of a Boston merchant, replied to this letter refusing this appointment as he had already done that of envoy to France tendered him by the President.

In 1798 letters between Philadelphia and Brookline were not delivered by post in less than six or seven days, as evidenced by the dates of John Adams's own letters, so that the Secretary of State's letter of May 5 could not have reached Mr. Cabot until May 11, nor could his reply of that date have been received by the Department of State in Philadelphia until May 17.

"I afterwards," says Mr. Adams in the Boston Patriot letters, "nominated Mr. Cabot to be Secretary of the Navy, a station as useful, as important, and as honorable as the other," and for which he is eminently qualified. But this he refused." Mr. Henry Cabot Lodge in his Life of His Great-grandfather, George Cabot, quotes this letter but leaves out the last and most important sentence, yet admits the fact in another paragraph. "Fortunately, too," he says, "neither the administration nor the country was embarrassed by his (Cabot's) refusal, since his successor, Mr. Stoddert, proved himself an able and efficient officer." In a note on the same page Mr. Lodge explains: "I say successor, because Mr. Cabot actually held the office for a month, and his name stands first on the list of the Secretary of the Navy," but the dates cited below prove the unintentional inaccurary of Mr. Lodge's statement of facts. The Quinquennial Catalogue (1782-1835), of Harvard University, records George Cabot's appointment as Secretary of the Navy,

"Gentlemen of the Senate: I nominate Benjamin Stoddert, of Maryland, to be Secretary of the Navy in place of George Cabot, who has declined his appointment.

Confirmed May 21, 1798."

On May 26, Mr. Stoddert wrote the following letter to Francis

Lowndes:
"Dear Sm: I suppose you have heard of my appointment to be Secretary of the Navy of the United States. I have not determined to accept—and what you will think more extraordinary—I have not determined to refuse. I hate office—have no desire for fancied or real importance and wish to spend my life in retirement and ease without bustle of any kind. Yet it seems for fancied or real importance and wish to spend my life in retirement and ease without bustle of any kind. Yet it seems cowardly at such a time as this to refuse an important and highly responsible position. * * You know I have heretofore managed peaceable ships very well. Why should I not be able to direct as well those of war? After all this preface I think there is about 30 to I that I shall not accept. But that I may be able to consider every side of the question let me know whether you will, in case I do accept, undertake to act as owner of my concerns on the Beaver Dam for two years and a half. * * All this would require some of your time and some attention. I know if you would take it at all it would be to serve me. But, to have a proper tie upon your conscience I should insist on your receiving a commission on all the money received for the wood and the products of both places. * * "After two and a half years, both Becky (who is not alarmed at the idea of Philadelphia) and myself shall be fond enough of spending the rest of our time in tranquillity at Bladensburg. "I am, dear sir, yours sincerely,

"B. STODDERT."

" JOHN ADAMS."

7" Life of George Cabot," by Henry Cabot Lodge. Published by Little, Brown & Co., Boston, 1877. * Envoy to France, which Cabot declined.

Life and Works of John Adams by Charles Francis Adams,

V. IX, p. 287.

Nothing can be proved by that authority, except that Cabot entered Harvard in 1766 but did not graduate as he left there a sophomore in 1768 and went to sea. He did not become Secretary of the Navy before that department existed in his twenty-ninth year. He was Senator from Massachusetts, 1791 to 1796, when he year. He resigned.

¹¹ U. S. Navy Register, 1782-1882, by Thomas H. S. Hamersley, Military and Naval Publisher, Washington, D. C.

Mrs. Stoddert would, no doubt, have objected to coming down to posterity as "Becky" when she owned the stately name of Rebecca

On the 18th of June Major Stoddert wrote three letters, one to On the 18th of June Major Stoddert wrote three letters, one to the Treasury Department asking for a statement in respect to the purchase of the 12 ships authorized by Congress, and the other two to Captain Jeremiah Yellott, Navy agent at Baltimore. These letters were the first that were written by the American Navy Department, and show the energy and enthusiasm with which the first Secretary took up his patriotic duties. In the second of these letters Mr. Stoddert says:

"I mentioned to you in a letter of to-day that I had not before entered upon the duties of my office, in fact I have not yet taken the oath of office, this I shall do to-morrow, and by the next post shall write you officially."

"My My Hory here here absent ever since my arrived here—now

your knowledge and worth can be obtained, I shall not despair of discharging the duties of my office with promptness and economy, two things highly essential to be observed in the present crisis of our affairs."

The ships that were ordered by General Washington and named

by Pickering in 1794 were the United States, which did not sail until July, 1798; Constellation, June, 1798; Constitution, July 20, 1798; Congress, 1799; President, 1801; and Chesapeake, 1800, and the first instructions given by the new department to the Navy were as follows:

Instructions to the Commanders of armed vessels, belonging

"Instructions to the Commanders of armed vessels, belonging to the United States, were given at Philadelphia, the tenth day of July in the year of our Lord, one thousand seven hundred and ninety-eight, and in the twenty-third year of our Independence.

"In pursuance of the Acts of Congress passed on the 28th day of May, the twenty-eighth day of June, and the ninth day of July:

"You are, hereby, authorized, instructed, and directed to subdue, seize, and take any armed French vessel or vessels sailing under authority or pretense of authority from the French Republic which shall be found within the jurisdictional limits of the United States, or elsewhere on the high seas; and such captured vessel with her Apparel, Guns, and Appurtenances, and the Goods and Effects which shall be found on board the same, together with all French persons and others, who shall be found acting on board; to bring her within some port of the United States; and also to retake any vessels, Goods, and Effects of the Citizens of the United States, or persons resident therein which may have been captured by any French Vessel, in order that proceedings may be had concerning such capture or recapture in due form or Law, and as to right shall appertain. shall appertain.

By command, &c., &c.,

"BEN. STODDERT." 13

And the following circular was issued by Mr. Stoddert on December 29, 1798, to the "Commanders of armed vessels in the service of the United States," and refers especially to conflicts with the Barbary pirates who infested the Mediterranean and were finally

Barbary pirates who infested the Mediterranean and were finally driven out by our Navy.

"Sir,—It is the positive command of the President that on no pretense whatever you permit the public vessel of war under your command to be detained or searched, nor any of the officers or men belonging to her to be taken from her, by the ships or vessels of any foreign nation, so long as you are in a capacity to repel such outrage on the honor of the American flag. If force should be exerted to compel your submission, you are to resist that force to the utmost of your power, and when overpowered by superior force you are to strike your flag, and thus yield your vessel as well as your men; but never your men without your vessel.

"You will remember, however, that your demeanor be respectful and friendly to the vessels and people of all nations in amity with the United States; and that you avoid as carefully the commission of, as the submission to, insult or injury.

"I have the honor to be, etc. * * *

'I have the honor to be, etc.

"BEN STODDERT." 14

"BEN STODDERT." In the same month Stoddert had reported to the "Committee of the House on the Naval Establishment" that "docks will be highly necessary in repairing our ships, to avoid the tedious, expensive and sometimes dangerous operation of heaving down. They can undoubtedly be made in the Eastern States, where the tides rise very considerably; probably in New Hampshire, Massachusetts, and Rhode Island," and added, that if they could be made to equal advantage to the southward, it would be well to have a dock near the entrance of the Chesapeake Bay. In January, 1800, Humphreys was sent to New England to select eligible sites for these future docks. Humphreys chose Newport as the best and the Secretary of the Navy agreed with him, but Adams's administration went out of office before the affair had been concluded. "It was certainly not the fault of the Secretary of the Navy that docks were not erected. When Humphreys was about to leave for New England on his tour of inspection, Stoddert's instructions were that it was proper that a dock 'should be begun,"

12 Proceedings U. S. Naval Institute, p. 1015, Vol. XXXII. chapter

¹² Proceedings U. S. Naval Institute, p. 1015, Vol. XXXII, chapter

by Charles Oscar Paullin.

¹³ From Ms. Letters to Officers of Ships of War, Vol. I, pp. 98–99.

¹⁴ Letters of officers of ships of war, Vol. I, Mar. 16, 1798, to April 1799, p. 319.

at a place and on a plan capable of great extension. Although a dock sufficient to contain not more than one ship will be attempted in the first instance, it ought to be foreseen that it may be necessary to annex to it hereafter docks to contain 20 ships of the line, and that the works now to be erected should constitute a permanent part of the whole establishment. It was, however, many years before the American Navy was to have a single dock; and even at the present time its docking facilities are hardly so extensive as those planned by the first Secretary of the Navy." ¹⁵

and even at the present time its docking facilities are hardly so extensive as those planned by the first Secretary of the Navy." ¹⁸
Stoddert established six Navy Yards, and also placed Navy agents at the most important Atlantic ports, but the Washington Navy Yard was not acquired until 1800. It was put under charge of that able officer, Commodore Tingey, and was burned by him in the panic of 1814, when Cockburn took Washington and burned the Executive Mansion of that time.

In 1798 the Navy Department, newly organized, was housed in two rooms in Philadelphia. It was small but efficient. Joshua Humphreys, the best American shipbuilder, was attached to it as "Principal Naval Constructor of the United States" with a salary of \$2,000. He was the technical counselor of the Secretary who

as a member of the Cabinet received \$3,000.

It was also during Mr. Stoddert's term of office that the Marine Corps was reorganized. On the 11th of July, 1798, an act was approved "for the establishing and organizing a 'Marine Corps.'" This was practically a revival of the Marine Corps of the Continental times which had so distinuished itself after 1775.

In 1797 three ships constituted the United States Navy; at the close of 1798, 20 ships were in commission; in December, 1799, 33. Finally the Navy force during the French War amounted, according to Thomas Clark, to 40 vessels; another estimate declared it to be 50 vessels of various sorts. 18

clared it to be 50 vessels of various sorts. ¹²

Three days after the organization of the Navy Department, on June 21, 1798, President John Adams, incensed by the treatment of Pinckney in France, declared: "I will never send another minister to France without assurance that he will be received, respected, and honored as the representative of a great, free, powerful, and independent Nation," so that diplomatic relations with that country were practically broken off at that date and preparations for war with France, our strongest ally during the American Revolution, begun. The correspondence laid before Congress at tions for war with France, our strongest ally during the American Revolution, begun. The correspondence laid before Congress at this time is known as the X. Y. Z. papers, as these letters were used as a cipher to conceal the names of the tools of Talleyrand and the French Directory.

Before the year 1798 closed, Captain Decatur (not Stephen Decatur, but his father) made a capture of L'Incroyable, and on February 9, 1799, Commodore Truxton, commanding the Constellation, captured L'Insurgente, the fastest ship of the French Navy, and disabled La Vengence, while on his cruises in the West In-

and disabled La Vengeance while on his cruises in the West In-dies, 19 which have been called the school of the old American Navy

dies, which have been called the school of the old American Navy of wooden sailing ships, as "the years from 1798 to 1815 have been declared to be the heroic age of the American Navy."

Truxton's ship, the Constellation, was built at the shipyard of David Stodder, of Baltimore. "She has been described as one of those happy first products of our Navy that were never afterward surpassed. In beauty of hull she was not even equalled by the famous Constitution. The easy swell of her sides and the general harmony of her proportions were incomparable."

Truxton's victory over the French ships brought great distinc-Truxton's victory over the French ships brought great distinction to the new navy and began the enlistment under Stoddert of what he demanded, "sprightly, well-educated young men of good principles and spirit." "such as Stephen Decatur, who entered as a midshipman at 19 in 1798; William Bainbridge, formerly in the merchant service; Isaac Hull, aged 23, and Jacob Jones, who at the age of 29 became midshipman, as did James Lawrence on the 14th of September, 1798; William Allen in May, 1800, and William Burrows in the same year. Oliver H. Perry entered the Navy on April 7, 1799; Theodore Hunt about the same time. David Porter, who at 16 had twice resisted a British press gang, became a midshipman at this time; Johnson Blakely and gang, became a midshipman at this time; Johnson Blakely and Lewis Warrington in 1800. In 1798 Charles Stewart and James Barron sought and obtained lieutenancies.

The popularity of the Navy was such that it was more difficult to keep men out of it than to enlist them; in fact, Stoddert so increased the number of midshipmen that he said he "was ashamed of himself." Soon there was a bitter strife between Captains Truxton and Talbot as to their relative rank. Truxton offered his resignation, which he subsequently withdrew, and Talbot did resign. Stoddert wrote in 1799: "This avarice of rank

in the infancy of our service is the devil."

In the days of flogging with cat-o'-nine-tails at the will of the ship's captain, Truxton had but one flogging on the Constellation and the gallant tars of that celebrated frigate were so patriotic that they were content with rations of "salt horse" and stale pilot bread, washed down with water of doubtful freshness, provided victory crowned the Stars and Stripes at the mast-head!

¹⁰ Oscar Paullin, State Papers, Naval Affairs, Vol. I, 66, 89-102; General Letters, Navy Department Archives, Vol. II, 300-01; Vol.

17 History of the U. S. Marine Corps, by Richard S. Collum,

¹³ Clark, in his book written in 1813, says 40 ships. Three hundred American merchant vessels were authorized as privateers.

¹³ Oscar Paullin in Proceedings of the United States Naval Institute. Vol. XXXII, page 1018.

²⁵ Life of Commodore John Rodgers by Charles Oscar Paullin,

page 35. $^{\text{zz}}$ These are Stoddert's own words as quoted by Paullin.

In March, 1800, Congress voted a gold medal to Commodore Thomas Truxton with the "Thanks of the Nation," and a silver service costing 600 guineas, or over \$3,000, was presented to him by the merchants of London. But the handsomest tribute he received was that of Barreau, the defeated Commander of L'Insurgente, who congratulated himself upon having been made captive by an officer "uniting in himself all the qualities which characterize a man of honor, courage and humanity!" Yet in spite of the homage of friend and foe, Jefferson felt compelled to accept Truxton's hastily offered resignation and thus the Navy lost its best officer.

st its best officer.

The yellow fever which had lurked in Philadelphia since 1793, became epidemic in 1799, and was peculiarly fatal about the wharves where the West India fleet anchored. The porter of the Navy Department died of it, and the Government was finally forced to move to Trenton, whence Secretary Stoddert wrote the President two letters from which the following extracts are

"AUGUST, 1799

"Sir: The officers (of the Cabinet) are all here and not badly ecommodated. Will you, Sir, pardon the liberty I take in express-

"BEN STODDERT."

Mr. Adams answered:

"The terms of accommodation with France were so minutely discussed by us all before I took leave of you at Philadelphia that I suppose there will be no difference in sentiment among us. * * * Upon this subject I solicit your confidential communications by every post. As I have ever considered this maneuvre of the French as the deepest and sublest, which the genius of the Directory and their minister has ever invented for the division of our people, I am determined, if they ever suc-ceed in it, the world shall be convinced that their success was owing either to want of capacity, or want of support, in.

"JOHN ADAMS.

"P. S.—Though I have marked this letter private, you may use it at your discretion for the purpose intended."

On the 13th of September Major Stoddert again wrote to Presi-

On the 13th of September Major Stoddert again wrote to President Adams:

"Whether it be decided to suspend the mission, or otherwise, the decision may and will be important. It will be a great measure either way, and will be attended with consequences in proportion to its magnitude. All the solemnity possible should perhaps be given to the decision. General Washington, one of the most attentive men in the world to the manner of doing things, owed a great proportion of his celebrity to this circumstance. It appears to me that the decision in question would be better suppears to me, that the decision in question would be better sup-ported throughout the country, if it be taken when you are sur-rounded by the officers of government and the ministers, even if it should be against their unanimous advice * * * Colonel rounded by the officers of government and the ministers, even if it should be against their unanimous advice * * * Colonel Pickering is certainly too much occupied with the business of his department to find time to understand this subject so well as our commissioners and the Attorney General must do; and it has, therefore, appeared to me that the best course would be to call these gentlemen, at least the Attorney General, to the seat of government to prepare the representation, which should afterwards be pruned by the heads of the departments of everything like acrimony, and of any argument, if any such found admittance, calculated to confute rather than to convince. * * I have given my opinions with candor, but with great difficence; for I am sensible that I am but a poor politician. I hope you will not think the trouble of an answer at all necessary. Whatever course you take, my inclination will prompt me to think right, and my duty to support.

"I have the honor to be * * * etc. * * *

"BEN STODDERT."

It is alleged, and apparently proved, that three members of Adams's Cabinet were bitterly but covertly opposed to his nomination for another term. Finally all three resigned. Stoddert and Charles Lee were faithful to their chief.

General Washington made a visit to Philadelphia in November, 1798, evidently to give his opinion to the administration as to resenting what John Marshall called, when he returned from France in October of that year, "the open contumely and undisguised insult suffered to the United States in the persons of their ministers, when under slight pretexts the executive (the French Directory) delayed to accredit them as representatives of an independent nation."

Already on the 18th of October of that year Washington had written to Timothy Pickering: "My opinion always has been (however necessary to be in a state of preparation) that no formidable invasion is to be apprehended from France while Great Britain and that country are at war—not from any favorable disposition the latter has toward us, but from actual inability to transport troops and munitions of war while their ports are blockaded."

On Sartember 12 14 14

On September 16, Adams wrote to Pickering: "The revolution in the revival of the clubs and the strong appearances of another reign of democratic fury and sanguinary anarchy in France, seems

to justify a relaxation of our zeal for the sudden and hasty departure of our envoys"—but on October 16, Stoddert was ordered immediately to "transmit orders to Captain Barry to receive on board his frigate and convey to France, and such port of France as they shall desire, our envoys to the French Republic." Davie, Ellsworth, Gerry seem to have been in France since 1797.

Major Stoddert had already been at the seat of government, then in Philadelphia, some months when his family joined him in November, 1798. At this time Mrs. Stoddert wrote some letters to her cousin, Miss Eliza Gantt, of Graden, in Prince Georges County, Maryland, some of which were published a few years ago in Lippincott's Magazine. The Stodderts at first stopped at Mrs. Rosanna White's, Eighth and Chestnut Streets, and then took the house of Major Jackson, Washington's aide-de-camp, at Tenth and Chestnut, "a very retired part of the City," says this Maryland lady. "I declare, at night and in the night it is much more quiet than Georgetown; nothing to be heard but the Watchman. Mrs. White (the sister-in-law of Bishop White) lives charmingly and to appearance and I dare say in reallity [sie] everything is clean, and only genteel people board there. I, for the first time for twenty large odd years, saw General Washington there; it is his boarding house, too. We breakfasted together every morning, but only dined with him once, and that was last Sunday; he makes a point of not going abroad on Sundays, I am told, and I suppose that was the reason he dined at Mrs. White's last Sunday. He receives invitations constantly every day I believe, to dine out."

General Washington's diary at this time bears witness to the accuracy of this piece of "antediluvian gossip." In it he says:

day I believe, to dine out."

General Washington's diary at this time bears witness to the accuracy of this piece of "antediluvian gossip." In it he says: "Dined at Doctor White's (Bishop of Penn.), dined with Bingham (Mrs. Bingham nee Willing was the leader of fashion in Philadelphia at that time), with President Adams, 180 High Street, and also with Robert Morris," who was then in the debtor's apartment of the old Walnut Street Prison at Sixth and Walnut. Robert Morris, who practically financed the Revolution, had become bankrupt and suffered the rigors of the law. Stoddert is said by family tradition to have lent him \$30,000 dollars—which he lost by Morris's failure.

he lost by Morris's failure.

he lost by Morris's failure.

The only record of the table talk of the "Cincinnatus of the West" is "that even General Washington talked of ladies wearing wigs," and Mrs. Stoddert bows to him as an arbiter of fashion—a new rôle for the hero of Valley Forge and Trenton.

Washington died on the 14th of December, 1799. On the 26th of the same month there was a memorial service for him in Philadelphia, and Ben. Stoddert and James McHenry were two of the pallbearers, according to the account in the Centinel newspaper of that week. Elizabeth Stoddert, worte to "My dear Miss Lowndes," her mother's sister, of the "Funeral Eulogium by General Lee" and of "the most splendid procession ever seen in America."

In 1800 the Government removed to Washington and the "Navy ffice" was established at 2107 Pennsylvania Avenue. The family of the secretary returned to their old home in Georgetown, ambiged Mrs. Stoddert died a few years later and is buried at Addison's Chapel in Maryland. She left eight children and Mr. Stoddert proved himself a tender and judicious father to them, and they regarded him with a fondness and admiration rare in these days of parental criticism.

Before the Government was removed to Washington McHapry

Before the Government was removed to Washington, McHenry resigned the secretaryship of War and Mr. Adams wrote to Stod-

dert as follows:

TO BENJAMIN STODDERT

PHILADELPHIA, 26 May, 1800.
SIR: I hereby request you on the 1st of June, or whenever Mr. McHenry shall leave the war office, to take upon you the charge of that office, and I hereby invest you with full power and authority to exercise all the functions of Secretary of the Department of War, and charge you with all the duties and obligations attached by law to that office, until a successor regularly appointed and commissioned shall appear to relieve you.

I am, etc.,

JOHN ADAMS.

B. STODDERT TO JOHN ADAMS

PHILADELPHIA, 26 May, 1800.
SIR: I have the honor of your direction of this day's date, for me Six: I have the honor of your direction of this day's date, for me to take upon myself the charge of the War Office, and to exercise all the functions of Secretary of the Department of War, from the first day of June, or from the time Mr. McHenry shall leave the office, until a successor regularly appointed and commissioned shall appear to relieve me; which I shall attend to with great cheerfulness, but under the hope that I may be soon relieved from the duties enjoined on me.

I have the honor to be, etc., etc.,

BEN STODDERT.

In March, 1801, when Jefferson became President, Mr. Stoddert was invited to remain in office, and did so for one month. Thus he was Secretary of the Navy under two rival administrations, and of war also for some weeks, but owing to the unpopularity of the Federalists, neither Mr. Adams nor he received the credit due that administration for creating "the nucleus of the gallant little navy which won such triumphs over England in 1812."

Charles W. Goldsborough, who was appointed to office in the

2Afterwards wife of Dr. Thomas Ewell and mother of Lieutenant General Ewell, C. S. A.

Navy Department in 1798, served in it continuously for nearly 40 years. He said of Stoddert's appointment as Secretary that it was the best that could have been made, as "to the most ardent patriotism he united an inflexible integrity, a discriminating mind, great capacity for business, and a most persevering industry."

An apparent proof of his success in organization is that in this very year of 1916 "The Judge Advocate General has lately recommended the codification of the articles for the government of the navy. There has been no revision of the articles since 1800, and many of them are antiquated. They were formulated to apply

very year of 1916 "The Judge Advocate General has lately recommended the codification of the articles for the government of the navy. There has been no revision of the articles since 1800, and many of them are antiquated. They were formulated to apply to the navy in the days of sailing ships."

The appropriation for the Navy which Mr. Stoddert's report (as head of the organized department) influenced Congress to make on February 25, 1799, was for \$1,000,000, less than has lately been allowed for one Navy Yard. With that amount he managed to build a Navy,—which John Adams says "called suddenly into existence by a great national exigency, has raised us in our own esteem and by the protection afforded our commerce has effected to the extent of our expectations the objects for which it was created." The last appearance in public of Major Stoddert was at the funeral of his old friend, General Lingan, who was killed during the attack of a Baltimore mob on A. C. Hanson, editor in 1812 of the Baltimore Federal Republican newspaper. General "Lighthorse" Harry Lee, who was sent to put down the revolt, received grave injuries from which he never recovered. Lingan's mangled body was not allowed to be given to his family, but the people assembled in multitudes near Georgetown for funeral services, at which Colonel Stuart and Major Stoddert, both old Revolutionary soldiers, supported on the platform the venerable Major Musgrove, "disfigured by wounds received in the midnight defense of the Federal journal." The oration was by G. W. P. Custis, Washington's adopted grandson.

The man who won the confidence of Washington, the affection of Adams, the esteem of Jefferson, the intimate friendship of "Lighthorse" Harry Lee and Francis Scott Key, the respect of Aaron Burr, the warm support of Truxton and Decatur was, as he said of himself, but a "poor politician." Yet he gave to his country the unstinted service of his best years and never forfeited his integrity for place, power, or wealth. He died in 1813 and was laid at Addison's

Mr. SHORTRIDGE. Mr. President, as a matter of further interest in connection with the Stoddert family, the city of Washington and the District of Columbia, I ask permission to place in the RECORD two abstracts taken from deeds in the lands office at Montgomery County, Md., Liber B, folio 45, and Liber D, folio 62, respectively.

The VICE PRESIDENT. Without objection, it is so ordered. The abstracts are as follows:

(Abstract taken from deed in land office, Montgomery county, Maryland, recorded in Liber D-folio 62)

At the request of Charles Beckwith the following deed was

At the request of Charles Beckwith the following deed was recorded this 15th day of April, 1788, to wit:

This Indenture made between Benjamin Stoddert and Charles Beckwith, both of Montgomery county, witnesseth that the said Benjamin Stoddert, for and in consideration of the sum of £500 current money to him in hand paid, the receipt of which he doth hereby acknowledge, hath given, granted, bargained, sold, aliened, and confirmed, and by these presents doth give, grant, bargain, sell, alien, and confirm unto him the said Charles Beckwith, his heirs and assigns forever all those two Lotts or parcels of land, laying in George Town, known, distinguished on the platt of the said Town, by the name of Lotts No forty one and forty two together with all the advantages of the same, etc. etc.

Signed Benj. Stoddert. [Seal]

Test Saml. Magruder, Richard Thompson.

STATE OF MARYLAND, Montgomery County, Sct:

On the day and year within written came Benjamin Stoddert before us, two of the Justices of the County aforesaid, and acknowledged the within instrument of writing to be his act and deed, and the Lots and premises within mentioned to be the right property and estate of Charles Beckwith his heirs and assigns for-

At the same time came Rebeckah, the wife of the said Benjamin Stoddert, who being privately examined by us out of the hearing of her said husband, acknowledged that she relinquished her right of dower to the Lots and premises within conveyed unto Charles Beckwith, his heirs and assigns forever, and declared that she made the said acknowledgement willingly and freely, without being induced thereto by fear or threats of ill usage by her husband or fear of his displeasure.

Acknowledged before us.

Sam W. Magruper

SAM W. MAGRUDER RICHARD THOMPSON.

Also Deed from Benjamin Stoddert, to William Diggs, recorded Nov. 4-1790, and recorded Liber D, folio 442.

Life and Works of John Adams, by Charles Francis Adams,
 vol. ix, p. 145. Little, Brown & Co., 1854.
 Says G. W. P. Custis in his Recollections, Charles Oscar Paullin.

Endorsement contains affidavit of Rebecah, the wife of the said Benjamin Stoddert.

At Liber G folio 262—I find sale of Land of the Late Rev. Alexander Williamson, deceased, made by the executors, Benjamin Stoddert and Henry Townsend, July 25, 1796.

In Liber B. Folio 323, Register of Wills Office, Montgomery County, Maryland, I find the will of Alexander Williamson, made Dec. 22, 1785. Probated Apr. 28, 1781.

Liber M. folio 486—Deed from Ben Stoddert to Wm. Marbury, both of the District of Columbia—Jan. 14, 1806.

Witnessed by Benj. Stoddert jr. Elizabeth Stoddert.

This also shows Honore Martin as lawful attorney for Benj Stoddert.

(Abstract taken from deed in land office, Montgomery County, Md., Liber B, folio 45, etc.)

At the request of Charles Beatty, the following deed was recorded May 4, 1782, to wit:

This indenture made the first day of May in the year of our Lord seventeen hundred and eighty-two, between Benjamin Stoddert (son and heir of Thomas Stoddert, deceased), of Prince Georges County, in the State of Maryland, gentleman of the one part and Charles Beatty, of Montgomery County and State aforestid of the other part. said, of the other part.

Whereas Col. Thomas Addison and James Stoddert on or about the first day of December, seventeen hundred and eleven, had a tract of land surveyed for them by the name of "Friendship," containing three thousand one hundred and twenty-four acres of land, which was granted to them by patent bearing date on or about the third day of December, seventeen hundred and thirteen, for which a partition deed passed between the said Addison and Stoddert on or about the twenty-eighth day of August, seventeen hundred and twelve.

whereas the said James Stoddert by his last will and testa

And whereas the said James Stoddert by his last will and testament bearing date on or about the twenty-ninth day of March, seventeen hundred and twenty-six, did will his part of said tract of land called "Friendship" in the following manner:

"I give to my son William three hundred acres of that tract of land called 'Friendship' on the branch of the Fall Run to him and to his heirs forever. Item—I give the remainder, being twelve hundred and sixty acres of the aforesaid tract of land called 'Friendship,' to be equally divided between my sons Benjamin Stoddert and Thomas Stoddert, to them and their heirs forever."

And whereas the said Thomas Stoddert by his deed of bargain and sale bearing date on or about the thirty-first day of July, seventeen hundred and forty-seven, and recorded in Liber E E.

seventeen hundred and forty-seven, and recorded in Liber E E, folio 261 & 262, one of the land records of Prince George County, at and for the consideration therein mentioned did sell, convey, transfer, and make over unto a certain James Wardrop, his heirs * * *.

And whereas the said James Wardrop by his deed duly executed and recorded among the land records of Frederick County, bearing date on or about the seventh day of March, seventeen hundred and fifty-two, at and for the consideration therein mentioned did sell, convey, transfer, and make over unto a certain Richard Clagette, junr., his heirs, * * * the aforesaid two hundred and fifty acres of land part of "Friendship,"

And whereas a certain Richard Keene Clagett (son and heir of the aforesaid Richard Clagett, junior, deceased) by his deed duly executed bearing date on or about the ninth day of October, seventeen hundred and sixty-seven, and recorded in Liber L, folio 84 & 85, one of the land records of Frederick County, at and for the consideration therein mentioned, did sell, convey, transfer, and make over unto a certain Nathaniel Slicer, his heirs, * * * the aforesaid two hundred and fifty acres of land, part of "Friendship."

And whereas the said Nathaniel Slicer by his deed duly executed and recorded among the land records of Montgomery County bearing date on or about the twenty-third day of July, seventeen hundred and eighty-one, at and for the consideration therein mentioned did sell, convey, transfer, and make over unto the aforesaid Charles Beatty, his heirs * * the aforesaid two hundred and fifty acres of land, part of "Friendship."

And whereas there were mistakes made in the courses, distances, and the description of the beginning not fully ascertained in the aforesaid deep from Thomas Stoddert to James Wardrop and the said mistakes were also continued down through all the before recited deed of bargain and sale.

Now this indenture witnesseth that the said Benjamin Stoddert (son and heir of Thomas Stoddert, deceased), for and in consideration as well for ratifying the above-recited errors as also the sum of twelve pounds specie to him in hand paid by the aforesaid Charles Beatty * * *. (Here follows the description of the land in metes and bounds.)

BENJ. STODDERT. CHAS. BEATTY. (Signed)

Signed, sealed, and delivered in the presence of Allen Quynn, Robert Johnson.

At the foot of which deed was the following endorsement, to

Received the first May, 1782, of the before-named Charles Beatty, the sum of twelve pounds specie, it being the consideration money before in this deed mentioned to be by him paid to me.

BENJAMIN STODDERT.

ALLEN QUYNN, ROBERT JOHNSON.

(Affidavits to same were taken by Benj. Stoddert and Charles Beatty in Anne Arundel County.)

MEDICINAL LIQUORS

Mr. LONG. Mr. President, I move that the Senate proceed to the consideration of the bill (H. R. 14395) relating to the prescribing of medicinal liquors, and I call for a quorum.

Mr. McNARY. Mr. President, will the Senator withhold his suggestion of the absence of a quorum for a moment? Mr. LONG. I will.

Mr. McNARY. Is it the Senator's purpose to displace the unfinished business?

Mr. LONG. Yes; and we can come back to that. I hope we can pass this little liquor bill for the benefit of the suffering people of the country.

Mr. McNARY. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it. Mr. McNARY. Is the motion debatable?

The VICE PRESIDENT. It is debatable.

Mr. BROOKHART. Mr. President, I desire to debate the motion for the benefit of the suffering people of the country. The VICE PRESIDENT. The suggestion of the absence of a quorum is not debatable.

Mr. LONG. Mr. President, I wish to have my motion submitted to the Senate. If the Senator from Iowa insists upon making a speech I do not want to call a quorum. I was calling a quorum so that we might vote upon the question of whether or not we shall proceed to this emergency legislation.

For the benefit of the Senator from Iowa let me state that I understand it is true that it has received at least the silent approval of the Anti-Saloon League and parties on that side of the question. It is not a controversial bill and I hope the Senator from Iowa will not bring in any controversy over a matter that is so humanly satisfactory to all elements and interests.

Mr. BROOKHART. Mr. President, I have some very different advices from those apparently received by the Senator from Louisiana about the Anti-Saloon League and other temperance societies. As I see it there are several things that the Senate might be doing with greater profit than considering a booze bill. The first vote we had when we came into session in this Congress was on a booze bill, and the last vote shall not be on a booze bill if I can prevent it.

The VICE PRESIDENT. Does the Senator from Louisiana insist upon his suggestion of the absence of a quorum? Mr. LONG. No; I do not insist upon it.

The VICE PRESIDENT. The question is on the motion of the Senator from Louisiana.

Mr. BROOKHART. If we are going to vote on that question, I call for a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Ashurst Dale Davis Austin Bailey Bankhead Dickinson Dill Barbour Fletcher Frazier Bingham Black George Glass Blaine Borah Glenn Bratton Goldsborough Brookhart Gore Broussa Bulkley Grammer Hale Harrison Hastings Hatfield Bulow Byrnes Capper Caraway Carey Clark Hayden Hebert Johnson Coolidge Kean Copeland Costigan Kendrick

Keyes

King Schuyler La Follette Sheppard Shortridge Lewis Logan Smith Long Smoot McGill McKellar Steiwer Stephens Swanson Thomas, Idaho Thomas, Okla. McNary Metcalf Moses Neely Townsend Norbeck Trammell Norris Nye Oddie Tydings Vandenberg Wagner Walcott Patterson Pittman Walsh Reed Reynolds Watson Wheeler White Robinson, Ark Robinson, Ind.

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having answered to their names, a quorum is present. The question is on agreeing to the motion proposed by the Senator from Louisiana [Mr. Long].

Mr. LONG. Mr. President, I wish to state that this is not a controversial liquor bill at all. It is a medical bill, a medicinal bill asked for by the American Medical Association, by practically all of the physicians and surgeons in America. It is an apothecary bill. It has passed the House and has been unanimously approved by the Judiciary Committee of the Senate, by people who were labelled prohibitionists and antiprohibitionists, all of them being in favor of it. Not a word of opposition was heard to it until the distinguished Senator from Iowa [Mr. Brookhart] got up and referred to it as a booze bill.

The bill has been introduced and it is desired to pass it in order to furnish better material so long as the fast fading prohibition law remains in existence. It is done in order that the physicians of the country and the apothecaries may prescribe lawfully and legally such medicine as is necessary in the treatment of their cases.

I am sorry to see the Senator from Iowa come here the sole man in the whole length and breadth of the two Houses of Congress and open his mouth against the bill. Even Bishop Cannon has not been heard from. No one has said a word against it except the Senator from Iowa. I think the Senator from Iowa knows too little about this medicinal subject to try to discuss it. I asked for a quorum merely in order to obtain a vote. I hope we can have a vote on whether we shall or shall not consider the matter. I ask for a vote if we can get it.

Mr. BROOKHART obtained the floor.

Mr. WATSON. Mr. President, will the Senator from Iowa yield to me for a few moments? I wish to make a brief statement having no bearing on the pending question.

Mr. BROOKHART. Very well; I yield to the Senator from Indiana.

TRIBUTE TO THE VICE PRESIDENT AND SENATOR SWANSON

Mr. WATSON. Mr. President, I think it was Garfield who said that the sweetest flowers that bloom are those which climb and trail and blossom across the garden walls of party politics. Year after year we have seen that very beautiful statement verified and exemplified in our lives in the House of Representatives and in the Senate.

I was in full accord and in hearty sympathy with the beautiful sentiments expressed regarding the Vice President of the United States, who is about to retire from his exalted office. The occasion recalled vividly to my mind, and I felt impelled to mention, that in 1892 the present Vice President and the Senator from Virginia [Mr. Swanson] were elected to the House and took their seats there just 40 years ago. I was elected to the House in 1894.

The Senator from Virginia is about to take his place as a member of the new Cabinet; the Vice President is retiring to private life; and, by the almost unanimous consent of the people of Indiana, I am about to follow the same course.

The Senator from Virginia is therefore the only Member in either the House of Representatives or the Senate who was a Member when I came here, and during all these years I have entertained for him the very highest respect and the greatest confidence. When I was the Republican whip in the House of Representatives the Senator from Virginia was the Democratic whip there. At that time we became very much attached, and during the years that attachment has ripened into what I conceive to be a very beautiful affection. In the meantime I had a leave of absence, for which I did not ask, but the Senator from Virginia never had one. He served in the other House for a dozen years; he immediately thereafter became the governor of his State, where he served four years; and he then came to the Senate. So in 40 years the Senator from Virginia has never skipped a beat and has never missed a day in public office. At no time has he ever betrayed the confidence of the people nor lost the respect of his constituency. I am very happy to-day to say that he leaves this

The PRESIDENT pro tempore. Eighty-nine Senators | body with the respect of its entire Membership, with the confidence of his constituency, and with the grateful recognition of all the people of the United States who are familiar with his service and his record.

It is not for me to say whether taking a Cabinet position is a promotion or a demotion, but I, myself, look upon it as a demotion. I think it is a greater recognition of a man's ability and of his standing to be elected by the people than it is to be appointed by any man to any office; but that is for the Senator from Virginia to decide. He having chosen to take the Cabinet position, I know I voice the sentiment of all my colleagues on this side of the aisle when I say that he leaves the Senate of the United States with the confidence, with the respect, and with the affection, which he so richly deserves, of every Republican Member of this body. [Applause on the floor.]

MEDICINAL LIQUORS

Mr. LONG. Mr. President, there is no need of my insisting on my motion against which the Senator from Iowa is going to filibuster. I disapprove of filibustering so much [laughter] that I do not think I should be a party to a filibuster even to the extent of persisting in a motion that might bring a filibuster on. So I withdraw my request, put up the white flag, and let the Senator have his way about it.

Mr. BROOKHART. Mr. President, I consent to the withdrawal of the motion.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Haltigan, one of its clerks, announced that the House insisted upon its amendments to the joint resolution (S. J. Res. 197) conferring jurisdiction upon the Court of Claims in the claim of P. F. Gormley Co., disagreed to by the Senate; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. ALLGOOD, Mr. MARTIN of Oregon, and Mr. SINCLAIR Were appointed managers on the part of the House at the conference.

ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

S. 660. An act for the relief of Hamilton Grounds:

S. 5612. An act to provide for the selection of certain lands in the State of California for the use of the California State park system:

H. R. 13520. An act making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1934, and for other purposes; and

H. R. 14458. An act making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices for the fiscal year ending June 30, 1934, and for other purposes.

CONSIDERATION OF UNOBJECTED BILLS ON THE CALENDAR

Mr. McNARY. Mr. President, after conference with the clerk, I find that there are about 50 House bills on the calendar which have not yet received the consideration of the Senate. Inasmuch as the time for the expiration of the Senate is near at hand, I propose the unanimous-consent

agreement which I send to the desk.

The PRESIDENT pro tempore. The unanimous-consent agreement preferred by the Senator from Oregon will be stated.

The Chief Clerk read as follows:

Ordered, by unanimous consent, that the Senate proceed to the consideration of unobjected bills on the calendar under minute rule, beginning with Order of Business No. 1413.

Mr. ROBINSON of Arkansas. Mr. President, that is the order of business at which we left off, I understand, on the last call of the calendar.

Mr. McNARY. Yes; that is the one.

The PRESIDENT pro tempore. Is there objection to the request for unanimous consent? The Chair hears none and the agreement is entered into. The clerk will state the first bill on the calendar.

The bill (H. R. 7167) for the relief of Stuart L. Ritz was announced as first on the calendar, and the Senate proceeded to its consideration.

Mr. KING. Has that bill been reported by the Senate committee?

The PRESIDENT pro tempore. It has been. There being no objection, the bill was read, considered, ordered to a third reading, read the third time, and passed,

Be it enacted, etc., That in the administration of any laws Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers Stuart L. Ritz, late of Company L, Second Regiment United States Infantry, shall hereafter be held and considered to have been honorably discharged from the military service of the United States on the 22d day of April, 1899: Provided, That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act.

ROBERT J. FOSTER

The Senate proceeded to consider the bill (S. 2167) for the relief of Robert J. Foster, which had been reported from the Committee on Military Affairs with an amendment, on page 1, line 9, to strike out "15th day of August" and insert "26th day of October," so as to make the bill read:

That in the administration of any laws Be it enacted, etc., Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers Robert J. Foster, who was a member of Company C, Sixth Regiment United States Infantry, shall hereafter be held and considered to have been honorably discharged from the military service of the United States as a private of that organization on the 26th day of October, 1901: Provided, That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

LAKE ODDIE

The bill (S. 5693) giving the name "Lake Oddie" to the body of water resulting from the construction of Hoover Dam, was announced as next in order.

Mr. KING. Mr. President, I ask that that bill may be temporarily laid aside until the senior Senator from Nevada [Mr. PITTMAN] shall be present.

The PRESIDENT pro tempore. The bill will be temporarily passed over.

JOHN S. STOTTS

The bill (H. R. 2803) for the relief of John S. Stotts, deceased, was read, considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That in the administration of any laws con-Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers John S. Stotts, deceased, late of Company E. One hundred and twenty-second Regiment Ohio Volunteer Infantry, shall hereafter be held and cornsidered to have been honorably discharged from the military service of the United States as a private of said company and regiment on the 26th day of June, 1865, notwithstanding any provisions to the contrary in the act relating to pensions approved April 26, 1898, as amended by the act approved May 11, 1908: Provided, That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act.

The bill (H. R. 7174) for the relief of James J. Meaney was read, considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers James J. Meaney, who was a member of Company E, Eleventh Regiment United States Cavalry, shall hereafter be held and considered to have been honorably discharged from the military service of the United States as a member of that organization on the 30th day of November, 1902, and notwithstanding any provisions to the contrary in the act relating to pensions approved April 26, 1898, as amended by the act approved May 11, 1908: Provided, That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the massage of this act. passage of this act.

LANDS IN LOS ANGELES COUNTY, CALIF.

The Senate proceeded to consider the bill (H. R. 637) to relinquish the title of the United States to certain lands in the county of Los Angeles, State of California, which had | Mexico principal meridian.

been reported from the Committee on Public Lands and Surveys with an amendment, on page 1, line 9, to strike out granted, release" and insert "released," so as to make the bill read:

Be it enacted, etc., That all the right, title, and interest of the United States in and to any land supposed to exist between the east boundary of the Rancho San Francisquito and the west boundary of the Rancho La Puente, in township 1 south, range 11 west, San Bernardino meridian, according to the plats of survey on file in the General Land Office, be, and the same are hereby, released and relinquished by the United States, to the equitable owners of the equitable titles thereto and to their respective heirs and assigns forever, as fully and completely, in every respect, whatand assigns forever, as fully and completely, in every respect what-ever, as could be done by patents issued according to law: Pro-vided, That this act shall amount only to a relinquishment of any title that the United States has or is supposed to have in and to any of said lands, and shall not be construed to abridge, impair, injure, prejudice, or divest in any manner any valid right, title, or interest of any person or body corporate whatever, the true intent of this act being to concede and abandon all right, title, and interest of the United States to those persons, estates, firms, or corporations who would be the true owners of said lands under the laws of California, including the laws of prescription, in the absence of the said interest, title, and estate of the United States.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The blll was read the third time and passed.

MODOC NATIONAL FOREST, CALIF.

The bill (H. R. 189) to add certain lands to the Modoc National Forest, in the State of California, was read, considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the provisions of the act approved March 20, 1922 (U. S. C., title 16, secs. 486, 487), entitled "An act to consolidate national forest lands," as amended, are hereby extended and made applicable to all lands within the followingdescribed area: Northeast quarter, northeast quarter northwest quarter, south half northwest quarter, southwest quarter, east half southeast quarter, southwest quarter southeast quarter, section 15; and the east half northeast quarter, section 22; all in township 39 north, range 11 east, Modoc County, Calif., Mount Diablo base and meridian.

GRANT OF LANDS IN ALASKA TO YAKUTAT & SOUTHERN RAILWAY

The bill (H. R. 6484) to grant lands in Alaska to the Yakutat & Southern Railway, a Washington corporation authorized to carry on its business in the Territory of Alaska, was announced as next in order.

Mr. NYE. Mr. President, objection having been made since the reporting of this bill to the Senate, as the one having reported the bill, I ask that it may go over.

The PRESIDENT pro tempore. The bill will be passed

CLIVE SPROUSE AND ROBERT F. MOORE

The bill (H. R. 10756) for the relief of Clive Sprouse and Robert F. Moore was read, considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the homestead entries of Clive Sprouse (Sale Lake City serial 046562) and Robert F. Moore (Salt Lake City serial 048376), embracing land within the former Uintah Indian Reservation, are hereby validated.

GUNNISON NATIONAL FOREST, COLO.

The bill (H. R. 12126) to add certain lands to the Gunnison National Forest, Colo., was read, considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That for the purpose of protecting, improving, and utilizing their forest, watershed, and other resources, all lands of the United States, within the following-described areas are hereby, subject to existing valid claims, added to and made a part of the Gunnison National Forest, and the provisions of the forest exchange act of March 20, 1922, are hereby extended to said lands:

Township 51 north, range 1 west, sections 9 to 16, inclusive, 23, 24, 25, 26, 36; township 51 north, range 1 east, sections 7 to 36, inclusive; township 50 north, range 2 east, unsurveyed sections 1 to 16, inclusive, 22, 23, 24; township 51 north, range 2 east, unsurveyed sections 7, 8, 9, 16 to 21, inclusive, 28 to 33, inclusive; township 49 north, range 3 east, unsurveyed sections 1, 2, 11, 12; township 50 north, range 3 east, unsurveyed sections 1 to 27, inclusive, 34, 35, 36; township 48 north, range 4 east, sections 1, 2, 11, and 12; township 49 north, range 4 east, unsurveyed sections 2, 7, 8, 9, 10, 12, 15, 16, 17, 18, 20, 21, 22, 25, 27, 28, 33, 34, 35, 36; township 48 north, range 4½ east, sections 1, 12, 13, all New Mexico principal meridian.

Township 15 south, range 84 west, west half section 7, southwest quarter section 15, sections 16 to 21, inclusive, west half section 22, south half and northwest quarter section 27, sections 29 to 34, inclusive; township 14 south, range 85 west, north half section 4, sections 5, 6, west half section 19, sections 30, 31; township 15 south, range 85 west, sections 1, 2, 5, 6, 7, 8, 9, 16 to 21, inclusive, 28 to 33, inclusive; township 13 south, range 86 west, sections 22, 26, 27, east half section 28, east half section 33, sections 34, 35; township 14 south, range 86 west, south half and northwest quarter section 13, sections 14, 15, sections 24, 25, 36; township 15 south, range 86 west, sections 1, 2, 3, lots 1, 7, and 8, section 4, lots 1 and 4, section 9, sections 10 to 14, inclusive, north half section 23, sections 24, 25, 34, 35, 36, all sixth principal meridian, consisting of a total of approximately 260,000 acres.

BILL PASSED OVER

The bill (H. R. 14395) relating to the prescribing of medicinal liquors was announced as next in order.

Mr. BROOKHART. Over.

The PRESIDENT pro tempore. The bill will be passed over.

WALTER SAM YOUNG

The Senate proceeded to consider the bill (H. R. 2907) for the relief of Walter Sam Young, which had been reported from the Committee on Naval Affairs, with an amendment, on page 1, line 9, after the word "Provided," to strike out "That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act," and insert "That no compensation, retirement pay, back pay, pension, or other benefit shall be held to have accrued prior to the passage of this act," so as to make the bill read:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged sailors Walter Sam Young, late of the United States Navy, shall hereafter be held and considered to have been discharged under honorable conditions from the naval service of the United States as a member of that organization on the 16th day of July, 1920: Provided, That no compensation, retirement pay, back pay, pension, or other benefit shall be held to have accrued prior to the passage of this act.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill read a third time.

The bill was read the third time and passed.

NORTHERN CHEYENNE INDIAN TRIBAL COUNCIL

The bill (H. R. 11896) to provide for expenses of the Northern Cheyenne Indian Tribal Council and authorized delegates of the tribe was read, considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That there is hereby authorized to be appropriated the sum of \$1,000, or as much thereof as may be necessary, of the funds standing to the credit of the Northern Cheyenne Indians in the Treasury of the United States for expenses of the Northern Cheyenne Indian Tribal Council and authorized delements of the tribal council. gates of the tribe.

BILL PASSED OVER

The bill (S. 3037) to protect labor in its old age was announced as next in order.

Mr. SMOOT. Mr. President, this is a Senate bill. I understood we were considering only House bills.

Mr. McNARY. Oh, no. Mr. President, there is no limitation as to the bills to be considered on the calendar. Bills are to be considered in consecutive order whether House bills or Senate bills.

Mr. SMOOT. I object to this bill.

The VICE PRESIDENT. The bill will be passed over. WATER SUPPLY OF UNITED STATES NAVAL STATION AT GUANTANAMO BAY, CUBA

The Senate proceeded to consider the bill (S. 1656) to authorize the Secretary of the Navy to make a long-term contract for a supply of water to the United States naval station at Guantanamo Bay, Cuba.

Mr. KING. Let the bill be read.

The PRESIDENT pro tempore. The bill will be read.

The Chief Clerk read the bill, which had been reported from the Committee on Naval Affairs, with an amendment, on page 2, line 3, after the word "Government," to insert: "Any contract entered into pursuant to the provisions of this act shall contain a provision authorizing the Secretary of the Navy within a reasonable period of time prior to the | tion."

expiration of such contract to extend the contract for a further period of 20 years or longer, and such Secretary is hereby authorized to enter into such extension, but the cost of supplying water thereunder shall be the average annual cost of operation of the plant during the last 10 years of the contract entered into pursuant to this act, plus 10 per cent thereof, in addition to the actual cost of any improvements deemed necessary by said Secretary," so as to make the bill read:

Be it enacted, etc., That the Secretary of the Navy be, and he is hereby authorized and empowered, at his discretion, to negotiate and enter into a contract for a period of 20 years or longer, with the lowest responsible and capable bidder, for supplying the United States naval station at Guantanamo Bay, Cuba, with an adequate and satisfactory supply of water, suitable for all purposes, delivered into the water-storage reservoirs within said naval station, in such an amount as he shall deem adequate for naval station, in such an amount as he shall deem adequate for the present and future needs of the station, and at such annual cost or rental as in his judgment may be for the best interests of the Government. Any contract entered into pursuant to the provisions of this act shall contain a provision authorizing the Secretary of the Navy within a reasonable period of time prior to the expiration of such contract to extend the contract for a further period of 20 years or longer, and such Secretary is hereby authorized to enter into such extension, but the cost of supplying water thereunder shall be the average annual cost of operation of the plant during the last 10 years of the contract entered into pursuant to this act, plus 10 per cent thereof, in addition to the acual cost of any improvements deemed necessary by such Secretary.

Sec. 2. This act shall become effective immediately upon its passage and approval.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

FEES FOR RECORDER OF DEEDS

The bill (S. 4928) to provide fees to be charged by the recorder of deeds of the District of Columbia, was announced as next in order.

Mr. TRAMMELL. Mr. President, I ask to have the bill read.

The PRESIDENT pro tempore. The Chair understands the Senator from Florida to request that the bill be read. The clerk will read the bill.

Mr. COPELAND. Mr. President, this is a Senate bill and there will be no hope of passing it through the House. So I think it had better go over.

The PRESIDENT pro tempore. The bill will be passed

REGULATION OF BANKING IN THE DISTRICT

The bill (H. R. 6402) to further regulate banking, banks, trust companies, and building and loan associations in the District of Columbia, and for other purposes, was announced as next in order.

Mr. LA FOLLETTE. Mr. President, I do not see the chairman of the Committee on the District of Columbia present on the floor. I was going to ask for a brief explanation of the bill.

Mr. Mckellar. It is a very important bill, Mr. President, and I think it better go over.

The PRESIDENT pro tempore. The bill will be passed

BENJAMIN WRIGHT

The Senate proceeded to consider the bill (S. 3789) for the relief of Benjamin Wright, which had been reported from the Committee on Naval Affairs with an amendment, on line 5, after the name "Wright," to insert the word "deceased," so as to make the bill read:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers, Benjamin Wright, deceased, who was a lieutenant, junior grade, United States Navy, shall hereafter be held and considered to have been honorably discharged from the naval service of the United States on January 19, 1899: Provided, That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act.

Mr. McKELLAR. Mr. President, I notice that the proviso at the end of the bill does not include the word "compensa-

Mr. REED. Mr. President, if the Senator will yield to me | this is a Spanish War case and no compensation will be pay-

Mr. McKELLAR. Very well.

The PRESIDENT pro tempore. The question is on agreeing to the amendment reported by the committee.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill for the relief of Benjamin Wright, deceased."

ALLOTMENTS OF DECEASED INDIANS

The Senate proceeded to consider the bill (H. R. 14059) authorizing the Secretary of the Interior in behalf of the Indians to purchase the allotments of deceased Indians, and for other purposes.

Mr. FRAZIER. Mr. President, this bill is the same as Calendar No. 1297, being Senate bill 5483. I suggested some amendments to the Senate bill, and I move that the House bill now pending be amended to conform with the amendments suggested by me to the bill referred to.

The PRESIDING OFFICER. The amendments offered by the Senator from North Dakota will be stated.

The CHIEF CLERK. On page 2, line 12, after "Sec. 3," it is proposed to strike out "Where Indian tribal funds are" and to insert in lieu thereof "With the consent of the tribal council of any tribe the funds of such tribe may be."

The amendment was agreed to.

The CHIEF CLERK. On page 2, line 13, it is proposed to strike out " is " and insert " so."

The amendment was agreed to.

The CHIEF CLERK. On page 2, line 4, it is proposed to strike out "such land" and insert in lieu thereof "shall become tribal lands and any land so bought."

The amendment was agreed to.

The CHIEF CLERK. On page 2, line 17, after the word "tribe," it is proposed to insert the words "with or."

The amendment was agreed to.

The CHIEF CLERK. On page 3, it is proposed to strike out all of line 1, after the word "approval," and all of lines 2, 3, and 4.

The amendment was agreed to.

Mr. REED. Mr. President, I see from a hasty reading of the report on this bill that the bill would require the purchase of from five to seven million acres of land; and I see that the bill is adversely reported on by the Assistant Commissioner of Indian Affairs and by the Secretary of the Interior. What can the Senator tell us about that?

Mr. FRAZIER. Mr. President, the Commissioner of Indian Affairs and the Assistant Commissioner are in favor of the bill. The objection is from the Budget Bureau; but there will not be any money appropriated at this time. It is to cure an existing condition among the Indians regarding the heirship of their property. We believe that it will be a good thing, and the Indians throughout the country are for it. The House committee inform me that they are for these amendments, and I believe they will accept them.

Mr. REED. Will the Senator tell us how much expense this is going to let us in for?

Mr. FRAZIER. None at all at the present time.

Mr. McKELLAR. How much does it authorize for the future?

Mr. FRAZIER. There is no authorization of any expenditure at present.

Mr. REED. The authorization is for so much as is necessary.

Mr. McKELLAR. If the authorization is made, immediately on the convening of the next Congress there will be a bill to appropriate the money to carry it out.

Mr. FRAZIER. Of course, no one knows how much it

Mr. McKELLAR. Is there an estimate of how much it will be?

Mr. FRAZIER. Under the present law, when an Indian dies who has allotted property, the property is sold and the money is divided among the heirs. The purpose of this loan associations-

bill is to provide that under certain conditions the land maybe bought by the heirs of the deceased or be purchased by the department for the Indians themselves, for the tribe.

Mr. McKELLAR. Is it confined solely to the Indians' money, or does the Government have to pay for the land?

Mr. FRAZIER. In some instances, where there are no tribal funds, there would have to be an appropriation from the Government.

Mr. REED. Is it true that the bill involves the purchase of 5,000,000 acres of land?

Mr. FRAZIER. No. no; I do not think it would ever run into any figures of that kind?

Mr. McKELLAR. I think there ought to be some limitation on it.

The PRESIDING OFFICER. Is there objection to the consideration of the bill?

Mr. McKELLAR. Wait one moment. It seems to me we ought not to give an unlimited authorization of this kind; and I hope the Senator will not insist upon it.

Mr. FRAZIER. Of course, before any money could be appropriated for any of this land, the authorization would have to be given by Congress.

Mr. McKELLAR. Oh, yes, or course; but as soon as that authorization is given, immediately a Budget estimate is sent down to carry out the authorization of Congress, and we all know what the answer is to that.

I think the bill ought to go over, Mr. President.

The PRESIDING OFFICER. The bill will be passed over.

REGULATION OF BANKING IN THE DISTRICT

Mr. CAPPER. Mr. President, a few moments ago the Senate passed over Order of Business 1435, House bill 6402, to further regulate banking, banks, trust companies, and building and loan associations in the District of Columbia, and for other purposes. That is a bill that has been very carefully considered, and the passage of which is very much desired by the District Commissioners and by the Comptroller of the Currency. I can explain the bill in just a few moments.

The PRESIDING OFFICER. Is there objection to returning to House bill 6402? The Chair hears none.

Mr. McKELLAR. Mr. President, I do not object to turning back to the bill; but here is a statement from the Secretary of the Treasury about this bill which seems to be applicable to the present situation. He says:

The Comptroller of the Currency has asked me to get in touch with you with reference to S. 2329, introduced by you. I understand that hearings have been held and that the House bill (H. R. 6402) was reported out and passed by the House on April 11, but the Senate bill is still being held in subcommittee. In view of the fact that the time is growing short, isn't it possible to substitute the House bill for the Senate bill and have the former reported out and passed?

We have a very short time. This is a very important bill, and it seems to me it ought to go over.

Mr. CAPPER. But it has been before the subcommittee of the Senate for almost a year, in charge of the Senator from Wisconsin [Mr. BLAINE]. The Senator from Wisconsin has gone over it very thoroughly, and authorized me to say to the Senate that he is in favor of the legislation as it passed the House, and thinks it ought to be passed. I have heard of no one who is opposed to any part of the bill. It has been before both Houses for a year.

Mr. McKELLAR. What does the bill do, Mr. President? Mr. CAPPER. The Senator will find, on page 3 of the report of the committee, a statement of the facts. It goes on to say that-

There are in the District of Columbia under supervision of the Comptroller of the Currency 12 national banks, 22 savings banks, and 5 trust companies—a total of 39 banks and 24 building and loan associations. Prior to 1922 there was no provision of law which would prohibit anyone from doing a banking business in the District of Columbia, regardless of his financial responsibility, character, or ability, if he saw fit to do such business. The same situation is now true with respect to building and loan associations—

The measure applies more particularly to building and

and although the comptroller must supervise by examinations such institutions if they start business, there is no limitation on the right of anyone to start such a building and loan association regardless of qualifications, need for such association. etc.

Farther down, under "Section 1," it is said:

As previously explained, while the comptroller must supervise building and loan associations which start business in the District of Columbia, under the present law there is no way to prohibit anyone forming such an association regardless of financial stability, business qualifications, or the need for such association.

The PRESIDING OFFICER. Is there objection to the consideration of the bill?

Mr. McKELLAR. Mr. President, I want to say to the Senator from Kansas that this may be a very good bill, but it has an elaborate scheme of control of banks, building and loan associations, and trust companies. I doubt very much whether we ought to let it go through at the last moment of the session.

Mr. CAPPER. The bill has had weeks of consideration by both the House banking subcommittee and the Senate banking subcommittee of the Committee on the District of Columbia, of which the Senator from Wisconsin [Mr. BLAINE] is chairman. That committee went into it thoroughly. The District Commissioners and other officials are all very strong for it and think it is highly important that it should be passed as early as possible.

Mr. McKELLAR. Let me call attention to one of the dangers about it. I read from page 6 of the bill:

dangers about it. I read from page 6 of the bill:

(c) Each bank and trust company doing business in the District of Columbia and not a member of the Federal reserve system shall, within six months from the enactment of this section, establish and maintain reserves on the same basis and subject to the same conditions as may by law now or hereafter be prescribed for national banks located in the District of Columbia, except that such reserves shall be established and maintained at such agency or agencies which shall have the approval of the Comptroller of the Currency: Provided, however, (1) That the required reserves carried by such bank or trust company with an agency or agencies may, under the regulations and subject to such penalties as may be prescribed by the Comptroller of the Currency, be checked against and withdrawn by such bank or trust company for the purpose of meeting existing liabilities, and (2) that no such bank or trust company shall at any time make new loans or shall pay any dividends unless and until the total reserves required by law shall be fully restored

When the banks are in a more peculiar position than they ever have been before, perhaps, in their history, to put these different provisions in a new bill, making new requirements, it seems to me would be a very unwise thing to do.

The PRESIDING OFFICER. The time of the Senator from Kansas has expired.

Mr. McKELLAR. I shall have to object to the consideration of the bill.

The PRESIDING OFFICER. The bill will be passed over.

CLASSIFICATION OF COTTON

The Senate proceeded to consider the joint resolution (H. J. Res. 434) to authorize and direct the Secretary of Agriculture to provide additional facilities for the classification of cotton under the United States cotton standards act, which was read, as follows:

which was read, as follows:

Resolved, etc., That the Secretary of Agriculture be requested to extend to cotton growers facilities for the classification of cotton authorized in the United States cotton standards act of March 4, 1923 (42 Stat. L. 1517), with such supervision of licensed classifiers as he shall deem necessary under authority of the United States cotton futures act.

Sec. 2. Further to carry out the purposes of the said United States cotton standards act, the Secretary of Agriculture is authorized to issue to any qualified person, upon presentation of satisfactory evidence of competency, a license to sample cotton. Any such license may be suspended or revoked by the Secretary of Agriculture whenever he is satisfied that such licensee is incompetent or has knowingly or carelessly sampled cotton improperly, or has violated any provision of said act or the regulations thereunder so far as the same may relate to him, or has used his license, or allowed it to be used, for any improper purpose. The license, or allowed it to be used, for any improper purpose. secretary of Agriculture may prescribe by regulation the condi-tions under which licenses may be issued hereunder, and may require any licensed sampler to give bond for the faithful per-formance of his duties and for the protection of persons affected thereby and may prescribe the conditions under which cotton shall be sampled by licensed samplers for the purpose of classifi-cation by officers of the Department of Agriculture, or by licensed cotton classifiers.

Mr. McKELLAR. Mr. President, will the Senator in charge of this bill explain it?

Mr. SMITH. Mr. President, there are certain rules and regulations now requiring these cotton traders to conform to certain very strict standards, and stand certain strict examinations. The result has been that the country at large is deprived of the services of those who are qualified to grade the cotton. The farmers lose thousands of dollars every year by having the buyers do the grading. This joint resolution is simply to enable the Secretary of Agriculture, upon evidence being given him that these persons are qualified, to license them to grade cotton.

Mr. McKELLAR. Mr. President, may I ask the Senator if it is not true that the cotton people in my part of the country are suffering very greatly from Government interference in the way of graders and classifiers, and interference generally on the part of the Government with the cotton business?

Mr. SMITH. Oh, no, Mr. President!

Mr. McKELLAR. It seems to me we are going entirely too far. I looked up the records in my own town-which, of course, is a large cotton market—and I find that the Government has various officials there supervising every part of the business; and it seems to me this is just another addition to that.

Mr. SMITH. No; Mr. President, the Senator misunderstands this measure entirely. As the matter now stands, any community that has not a Government grader, when a farmer brings his cotton into market, has to depend upon the purchaser of the cotton to grade it. Fortunes have been made by men undergrading cotton and then regrading and selling it; whereas when the cotton is graded by an official of the Government, who has Government standards before him, it keeps the local buyer from penalizing or falsely grading the cotton.

Mr. McKELLAR. Mr. President, will the Senator yield again?

Mr. SMITH. I yield.

Mr. McKELLAR. Does the Senator mean to say that under the authority of this measure any community in the cotton territory will have a right to have classifiers and graders appointed? If so, how much is it going to cost the Government?

Mr. SMITH. Not a penny, because they grade the cotton, and those who sell the cotton pay from 5 to 10 cents a bale. It does not cost the Government a penny.

Mr. McKELLAR. There are no salaries attached to it? Mr. SMITH. There are no salaries attached to it at all. Mr. McKELLAR. Then, Mr. President, with the assurance that there will be no salaried employees of the Government under this measure, I will withdraw objection.

Mr. SMITH. I am the beneficiary myself of one of these graders at my platform.

The bill was ordered to a third reading, read the third time, and passed.

DESERT-LAND ENTRYMEN

The Senate proceeded to consider the bill (S. 5664) to amend an act approved March 4, 1929 (45 Stat. 1548), entitled "An act to supplement the last three paragraphs of section 5 of the act of March 4, 1915 (38 Stat. 1161), as amended by the act of March 21, 1918 (40 Stat. 458)," which was read, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the act approved March 4, 1929 (45 Stat. 1548), entitled "An act to supplement the last three paragraphs of section 5 of the act of March 4, 1915 (38 Stat. 1161), as amended by the act of March 21, 1918 (40 Stat. 458)," be amended to read as follows:

amended to read as follows:

"That where it shall be made to appear to the satisfaction of the Secretary of the Interior with reference to any lawful pending desert-land entry made prior to July 1, 1925, under which the entryman or his duly qualified assignee under an assignment made prior to the date of this act has in good faith expended the sum of \$3 per acre in the attempt to effect reclamation of the land, that there is no reasonable prospect that he would be able to secure water sufficient to effect reclamation of the irrigable land in his entry or any legal subdivision thereof, the Secretary of the Interior may, in his discretion, allow such

entryman or assignee 90 days from notice within which to pay to the register of the United States land office 25 cents an acre for the land embraced in the entry and to file an election to perfect title to the entry under the provisions of this act, and thereafter within one year from the date of filing of such elec-tion to pay to the register the additional amount of 75 cents an acre, which shall entitle him to a patent for the land: *Provided*, That in case the final payment be not made within the time prescribed the entry shall be canceled and all money theretofore paid shall be forfeited."

BILL PASSED OVER

The bill (H. R. 2935) for the relief of J. R. Reimer was announced as next in order.

Mr. KING. Let that go over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (H. R. 7278) for the relief of Joseph Vigliotti was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay to Joseph Vigliotti, of Detroit, Mich., the sum of \$1,500, being the amount of a bond deposited as security and filed with the inspector in charge of immigration at Detroit and later forfeited for alleged failure to produce certain aliens for deportation, the alleged failure being no fault of Joseph Vigliotti.

BILL PASSED OVER

The bill (H. R. 5214) for the relief of Withycombe Post, No. 11, American Legion, Corvallis, Oreg., was announced as next in order.

Mr. McKELLAR. Mr. President, I see that the department recommends against this bill. I think it ought to go over.

The PRESIDING OFFICER. The bill will be passed over.

PETER BESS

The bill (H. R. 657) for the relief of Peter Bess was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Peter Bess, of West Springfield, Mass., the sum of \$500, which sum represents the payment by him of a fine originally imposed in violation of the law by the United States district court of Massachusetts and subsequently revoked by an order of the said court on June 18, 1930: quently revoked by an order of the said court on June 18, 1930: Provided, That no part of the amount appropriated in this act in excess of 10 per cent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 per cent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

ADA B. (GOULD) GOLLAN

The bill (H. R. 3694) for the relief of Ada B. (Gould) Gollan was considered by the Senate and was read as fol-

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay the sum of \$576.41 to Ada B. (Gould) Gollan, out of any money in the Treasury not otherwise appropriated, said payment being the amount rightfully due to the said Ada B. (Gould) Gollan growing out of the disposition of the estate of Mary D. Gould, deceased (her stepmother), and which was paid into the Treasury of the United States at the close of the administration of said estate; and such payments shall relieve the said Secretary of the Treasury from any obligation to the said District of Columbia for the said sum of money so deposited: Provided, That no part of the amount appropriated in this act in excess of 10 per cent thereof shall be paid or delivered by the said of the said sum of money so deposited: ered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 per cent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding. upon conviction thereof shall be fined in any sum not exceeding

Mr. McKELLAR. Mr. President, this is another bill that the Treasury Department does not recommend, but it is a small matter.

The bill was ordered to a third reading, read the third time, and passed.

JOSEPH T. RYERSON & SON (INC.)

The bill (H. R. 10170) authorizing adjustment of the claim of Joseph T. Ryerson & Son (Inc.) was considered, ordered to a third reading, read the third time, and passed, as fol-

Be tt enacted, etc., That the Comptroller General of the United States be, and he is hereby, authorized and directed to adjust and settle the claim of Joseph T. Ryerson & Son (Inc.) for \$135.08 on account of certain brass angles furnished to the Navy Department under contract No. N251s-16622, dated December 7, 1929, and to allow not exceeding \$112.55 in full and final settlement of said claim. There is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of \$112.55, or so much thereof as may be necessary, for payment of said claim.

LAKE DENMARK (N. J.) AMMUNITION DEPOT CLAIMS

The Senate proceeded to consider the bill (H. R. 5444) to provide an additional appropriation as the result of a reinvestigation, pursuant to the act of February 2, 1929 (45 Stat. 2047, pt. 2), for the payment of claims of persons who suffered property damage, death, or personal injury due to the explosions at the naval ammunition depot, Lake Denmark, N. J., July 10, 1926, which was read as follows:

mark, N. J., July 10, 1926, which was read as follows:

Be it enacted, etc., That the sum of \$14,090.55 be appropriated, out of any money in the Treasury of the United States, to make payment of claims for property damage, death, or personal injury due to the explosions at the naval ammunition depot, Lake Denmark, N. J., July 10, 1926, to the respective persons and in the respective amounts as recommended by the Comptroller General of the United States and as fully set forth in House Document No. 716, Seventy-first Congress, third session, pursuant to the act of March 2, 1927 (44 Stat., pt. 3, p. 1800), and the act of February 2, 1929 (45 Stat., pt. 2, p. 2047). No part of the sums herein appropriated shall be paid to any insurance company or other indemnifier, nor shall any claimant be paid for the whole or that part of any claim for damages which has been paid to such claimant by an insurance company or other indemnifier. other indemnifier.

Mr. McKELLAR. Mr. President, there should be an explanation of this bill.

Mr. CAPPER. Mr. President, these are claims which have been before the Comptroller General, and have his approval. There are already quite a number of claims of the same nature which have been presented, and this simply is designed to meet the payments.

Mr. McKELLAR. How was this amount ascertained?

Mr. CAPPER. It was ascertained by the Comptroller General.

Mr. McKELLAR. Was the matter referred by the Congress to the Comptroller General for report?

Mr. CAPPER. In the report it is stated:

The said claims have been examined by the Comptroller General and as a result he recommends that there now be appropriated, in addition to the amounts heretofore appropriated, the sum of \$11,917.99 as the amount necessary to make payment of the claims

\$11,917.99 as the amount necessary to make payment of the claims so reinvestigated and recommended.

Pursuant to the act of March 2, 1927 (44 Stat. 1800, pt. 3), there are included in the bill two claims not heretofore reported to Congress, and the Comptroller General recommends that there now be appropriated the sum of \$2,172.56, making a total of \$14,090.55 required to be appropriated for all claims recommended for payment in the report of the Comptroller General.

A bill providing for the payment of these claims was introduced in the Seventy-first Congress, third session, but due to the late date of introduction no action was taken on that bill.

The report of the Comptroller General (H. Doc. No. 321, 71st Cong., 3d sess.), which is attached hereto, sets forth all of the facts with regard to these claims.

Mr. KEAN. Mr. President, the United States has the Picatinny Arsenal as its principal eastern storehouse for explosives, which is located in Morris County, N. J. and only a short distance away from the place mentioned in this bill. A few years ago a large part of the explosives stored at this arsenal blew up. No employee remained alive to explain the cause of the explosion. Houses, schools, and other buildings were greatly damaged. People were knocked down and injured within a radius of 8 miles from the place of the explosion. Many people in that vicinity lost all of their personal effects. The agents of the Government have never adequately compensated these people even for their

material losses, let alone the distress and terror caused by the explosion.

The bill was ordered to a third reading, read the third time, and passed.

DAMAGES CAUSED BY OVERFLOW OF THE RIO GRANDE

The Senate proceeded to consider the bill (H. R. 6774) to authorize amendment of the act of February 25, 1927, for the payment of damages caused by reason of the overflow of the Rio Grande on August 17, 1921, which was ordered to a third reading, read the third time, and passed.

ESCHA WHITTINGTON CASEY

The Senate proceeded to consider the bill (H. R. 6381) for the relief of Escha Whittington Casey, which was ordered to a third reading, read the third time, and passed.

ED SYMES

The bill (H. R. 3848) for the relief of Ed Symes and wife, Elizabeth Symes, and certain other citizens of the State of Texas, was announced as next in order.

Mr. KING. Let that go over.

The PRESIDING OFFICER. The bill will be passed over.

JOHN L. DUNN

The Senate proceeded to consider the bill (H. R. 973) for the relief of John L. Dunn, which was ordered to a third reading, read the third time, and passed.

SADIE BERMI

The Senate proceeded to consider the bill (H. R. 7040) for the relief of Sadie Bermi, which had been reported from the Committee on Claims with an amendment, on page 1, line 4, to strike out "\$2,500" and to insert in lieu thereof "\$1,500," so as to read:

Be it enacted, etc., That there be paid, out of any money in the Treasury not otherwise appropriated, the sum of \$1,500 to Sadie Bermi, of St. Louis, Mo., to compensate her in full for all claims she may have against the United States arising out of injuries received by her from being struck by an automobile truck belonging to the United States Government in the city of St. Louis on the 2d day of February, 1928: Provided, That no part of the amount appropriated in this act in excess of 10 per cent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 per cent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

GEORGE BEIER

The bill (H. R. 1206) for the relief of George Beier was announced as next in order.

Mr. KING. Let that go over.

The PRESIDING OFFICER. The bill will be passed over.

EDWARD J. O'NEIL

The bill (H. R. 1203) for the relief of Edward J. O'Neil was announced as next in order.

Mr. KING. Let that go over.

The PRESIDING OFFICER. The bill will be passed over. Mr. COPELAND. Mr. President, House bill 1206 and House bill 1203 were called while I was out of the Chamber for a moment. What happened in the cases of those bills?

The PRESIDING OFFICER. They went over on objection of the Senator from Utah.

Mr. COPELAND. Mr. President, these cases were both dealt with by the Railroad Administration. There was a case known as the Snow case, in which it was decided that no compensation should be permitted after a certain time. That was set aside, and the Senator will find in the reports in both cases, on page 2 of the report in the case of George Beier, this statement from an official of the Railroad Administration:

We take the position that we were out of the case after the Snow decision and we have not followed it any further. I might say this, Mr. Chairman, it seems to me, from my knowledge of the facts here as a matter of equity, these men are entitled to compensation, that is what I mean; they have not any legal status, in my judgment they are out of court.

There can be no doubt of the moral obligation upon the Government, and the sum involved in each case is very small.

Mr. WHITE. Mr. President, will the Senator yield?

Mr. COPELAND. I yield.

Mr. WHITE. These were both cases where the men were permanently and totally disabled. In both cases the Compensation Commission of the State of New York awarded them compensation, and it was being paid up to the time of the decision in the Snow case. In the Snow case it was held that the provision of the transportation act which authorized suits against the Railroad Administration because of injuries arising during the Government operation of the railroads did not comprehend a proceeding under the compensation laws of the State of New York. fore the compensation which had been awarded in each case was stopped, and in the meantime all rights which either of the men might have had to proceed against the Government itself were lost. So that because of that decision of the court construing the transportation act, the man in each instance lost the award which had been agreed to, and had been decreed by the New York Compensation Commission.

Mr. COPELAND. Mr. President, in the Beier case, I may say, the man was actually offered \$5,000, but the New York State Compensation Commission would not permit him to receive it.

Mr. WHITE. The Senator is correct. In the Beier case there was an offer of settlement, but the referee of the New York Compensation Commission disapproved of the acceptance of the award, deeming it to be inadequate.

Mr. KING. Mr. President, will the Senator from New York yield?

Mr. COPELAND. I yield.

Mr. KING. Were there any funds at any time, and are there any funds now, in the possession of the Railroad Administration or its successor, out of which any sum might be paid?

Mr. COPELAND. I can not answer that, in all frankness. Mr. WHITE. I know of no such funds. I think the money would come out of the Treasury, although I do not assert that with positiveness. My impression is that it would.

Mr. KING. My impression was that there was a reserve fund to meet contingent liabilities of the Railroad Administration, and, of course, if that is true, these payments should not come from the Treasury of the United States. From the statements of the Senators I am inclined to think that compensation ought to be awarded to these persons who were injured. The query in my mind is whether the Treasury of the United States ought to be amenable for the dereliction—if there were dereliction—of the Railroad Administration or its employees.

Mr. COPELAND. There is no question, from the testimony, about these cases. They were cases presented by my colleague, not by myself, but I read the testimony, and it was very clear that there was abundant reason for granting this relief.

Mr. KING. May I suggest this to the Senator from New York and to my friend the Senator from Maine: To let the bills be passed, but for them to inquire of the Treasury Department immediately, this evening or the first thing in the morning, and if it shall be found that there is a fund available out of which these payments could be made, then I will ask the Senator to-morrow morning to recur to these measures, have the votes reconsidered by which they were passed, and place them back on the calendar.

GEORGE BEIER

The PRESIDING OFFICER. The Senator from New York asks unanimous consent that the Senate recur to the consideration of House bill 1206, for the relief of George Beier.

There being no objection, the Senate proceeded to consider the bill, which was ordered to a third reading, read the third time, and passed.

EDWARD J. O'NEIL

The PRESIDING OFFICER. The Senator from New York asks unanimous consent that the Senate return to the consideration of House bill 1203, for the relief of Edward J. O'Neil. Is there objection?

There being no objection, the Senate proceeded to consider the bill, which was ordered to a third reading, read the third time, and passed.

BETHEL CEMETERY CO. AND OTHERS

The bill (H. R. 2217) for the relief of the Bethel Cemetery Co., the Presbyterian Church, Harold S. Stubbs, George Morgan, Edward Stapp, William J. Howard, David J. Seacord, Mary L. McIntire, Emma E. Foard, Herbert C. Hannigan, Sisters of St. Baisl, Edward Bedwell, and Rachel A. Loveless was considered, ordered to a third reading, read the third time, and passed.

FRANCES SOUTHARD

The bill (H. R. 7038) for the relief of Frances Southard was considered, ordered to a third reading, read the third time, and passed.

FIRST NATIONAL BANK, EL DORADO, ARK.

The bill (H. R. 8217) for the relief of the First National Bank of El Dorado, Ark., was considered, ordered to a third reading, read the third time, and passed.

NATIONAL BANK OF COMMERCE, EL DORADO, ARK.

The bill (H. R. 8215) for the relief of the National Bank of Commerce, El Dorado, Ark., was considered, ordered to a third reading, read the third time, and passed.

HOWARD M'KEE

The bill (H. R. 6275) for the relief of Howard McKee was considered, ordered to a third reading, read the third time, and passed.

DELLA O'BRIEN

The Senate proceeded to consider the bill (H. R. 7128) for the relief of Della O'Brien.

Mr. KING. May we have an explanation of that bill?
The PRESIDING OFFICER. The Senator from Kentucky
[Mr. Logan], who reported the bill, is not in the Chamber.
Mr. KING. Let the bill go over.

The PRESIDING OFFICER. The bill will be passed over.

C. A. CATES

The Senate proceeded to consider the bill (H. R. 2294) for the relief of C. A. Cates, which was ordered to a third reading, read the third time, and passed.

JOHN MOORE

The bill (H. R. 5947) for the relief of John Moore was announced as next in order.

Mr. KING. Let that go over.

The PRESIDING OFFICER. The bill will be passed over.

JOHN I. LOWE

The Senate proceeded to consider the bill (H. R. 3626) for the relief of John I. Lowe, which was ordered to a third reading, read the third time, and passed.

CAPT. GUY M. KINMAN

The Senate proceeded to consider the bill (S. 4773) for the relief of Capt. Guy M. Kinman, which had been reported from the Committee on Claims with an amendment, on page 1, line 7, to strike out "\$2,405.70" and insert in lieu thereof "\$1,582.70," so as to read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Guy M. Kinman, captain, United States Army, Washington, D. C., the sum of \$1,582.70, in full satisfaction of his loss on account of damage by water to his household goods on August 18, 1931, while temporarily in authorized storage in a Government warehouse at Fort Meyer, Va., in connection with authorized change of station.

Mr. KING. Mr. President, there have been quite a number of cases similar to this in which claims have been made

against the Government for the loss of property owned by officers of the Army and the Navy. It seems to me that there should be no obligation upon the part of the Government for a large amount of personal property owned by officers when fires occur, perhaps not upon the property of the Government. It occurs to me that officers, if they are carrying with them a large amount of goods, household effects and other things, ought to have the same insured. If a Senator or a Representative or a judge is traveling around the country, bringing household effects to Washington and they are destroyed by fire or by the railroad, obviously there is no obligation on the part of the Government. It may be that a different rule should apply to Army and Navy officers, but I am unable to see why the Government should be responsible for the losses of property of officers of the Army and the Navy under circumstances such as are indicated in this bill.

Mr. ROBINSON of Indiana. Mr. President, this is for household goods, which were in charge of the quartermaster. The quartermaster did not deliver the household goods when he should have delivered them, and they were ruined by flood in the warehouse where they were stored. The officer has no other household effects with which to go to housekeeping, and this measure is to reimburse him for his loss.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

JACK SCHNEIDER

Mr. JOHNSON. Mr. President, at the instance of the junior Senator from Oregon [Mr. Steiwer] I report favorably from the Committee on Claims House bill 2757, for the relief of Jack Schneider, and file a report thereon (No. 1366). It is necessary, since the bill has been amended by the committee, that it be acted on at once, in the hope that it may get over to the House of Representatives this evening for action there. I ask unanimous consent that the bill be taken up at once.

Mr. KING. Let the bill be reported.

The bill had been reported from the committee with an amendment, on page 1, line 6, to strike out "\$3,750" and to insert in lieu thereof "\$3,459.25," so as to read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Jack Schneider the sum of \$3,459.25, in full settlement of all claims by reason of personal injuries to and damage to, being the cost of an airplane, the property of said Jack Schneider, described as a fleet training ship, Government license No. NC-705-V, while making a forced landing in a ravine in the Sierra Nevada Mountains, about 18 miles west of Independence, Calif.

Mr. REED. Mr. President, will not the Senator from California explain this?

Mr. JOHNSON. Mr. President, the bill is this. In the most inaccessible part of the Sierra Nevada Mountains a year or more ago four men met with an accident. One was killed, and three were there helpless. It was absolutely essential that there should be transported to them such drugs and medicines as were necessary for the protection of the three still living.

Jack Schneider was an airplane pilot in the city of Fresno. He was asked by the authorities to take the necessary medicines and other supplies out to those men, and it was an emergency, an urgent job. Schneider made the flight. He dropped the supplies for the men in question, and as he flew up and got to about 11,000 feet, something happened, and his plane crashed. He was not himself hurt, but his plane was ruined, and this measure is for his relief. That is the story.

Mr. REED. It is a very meritorious case, but why should the United States Government pay the bill?

Mr. JOHNSON. The men who were injured were all employees of the Forest Service, and it was at the request of those in charge that Schneider flew out with the supplies.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill. to be read a third time.

The bill was read the third time and passed.

WILLIAM J. FLEMING

Mr. BLACK. Mr. President, I report favorably from the Committee on Claims House bill 7301, for the relief of William J. Fleming, and ask for immediate consideration.

The bill was read, as follows:

Be it enacted, etc., That the United States Employees' Compensation Commission is hereby authorized to consider and determine sation Commission is hereby authorized to consider and determine the claim of William J. Fleming, on account of injuries sustained liy him while employed by the Air Nitrates Corporation at Muscle Shoals, Aia., in the year 1918, in the same manner and to the same extent as if said William J. Fleming had made application for the benefits of the act entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes," approved September 7, 1916, as amended, within the 1-year period required by sections 17 and 20 thereof: Provided, That no benefits shall accrue prior to the approval of this act.

Mr. KING. Mr. President, in my opinion this is not a valid claim against the Government. If this man was injured away back in 1918, if there was any liability upon the part of the Government, he ought to have presented his claim long prior to this. Obviously after 14 years have passed, if the Government had a defense, if the corporation had a defense, it would be very difficult to assert it now because witnesses may have died or moved away. It places the Government at a very great disadvantage. I think it is unfair to the Government if we are to permit suits to be brought against the Government by extending the statute of limitations 10 or 15 or 20 years after the alleged accident. A municipal corporation is not subjected to a situation such as that and neither is the Government.

The PRESIDING OFFICER. Does the Senator object? Mr. KING. I withhold my objection for a moment to hear from the Senator from Alabama.

Mr. BLACK. Mr. President, may I state that this is a case exactly in line with numerous bills which have been passed by the Senate. It does not place any liability upon the Government of itself. It simply gives to this man, who has lost his leg, the right to present his claim before the properly appointed tribunal of the United States. Not only that, but, if he does not present his claim, instead of the Government's being injured, the Government would be benefited if he has a just claim, because the Government would not have been required to pay him the compensation which he should have received during the time he has not presented the claim for the reason that the bill provides on its face that even the board can not award him any compensation which has accrued previous to this time.

I invite the Senator's attention to the fact that we have passed a number of bills of this kind and they have passed the House. There is not the slightest doubt on earth that the bill will pass in the next session of Congress.

Mr. KING. I think this is very unfair to the Government. The Senator says there are a number of cases analogous to this. If there are, they have not been brought to my attention. I shall not object to this bill, but I feel that in any other case I am not going to consent when I am in the Chamber to waiving the statute of limitations in this way. I think it is unfair to the Government, years and years after an alleged injury, when the Government is deprived of the opportunity of meeting the charge of negligence, to remove the statute of limitations and permit actions of this character.

There being no objection, the bill was ordered to a third reading, read the third time, and passed.

AGRICULTURAL ENTRY OF MINERAL LANDS

The bill (H. R. 13745) to provide for agricultural entry of lands withdrawn, classified, or reported as containing any of the minerals subject to disposition under the general leasing law or acts amendatory thereof or supplementary thereto was announced as next in order.

Mr. JOHNSON. Mr. President, I am under the impression that this is a bill which the Senator from North

The amendment was ordered to be engrossed, and the bill | Dakota [Mr. Nye] asked to have passed over. May it be passed over temporarily until he returns to the Chamber?

The PRESIDING OFFICER. The bill will be passed over temporarily.

Mr. JOHNSON subsequently said: Mr. President, I asked that a bill, the last on the calendar, Order of Business 1464, House bill 13745, be passed over when it was called, because I thought a request had been made by the Senator from North Dakota [Mr. Nye] to defer action upon it. I was in error about the bill; and therefore, because I did an injustice in relation to it, the Senator from North Dakota now being here, I ask unanimous consent that we may return to

Mr. SMOOT. Mr. President, I have no objection to returning to the bill, but I do not want to have it considered until the bill now under consideration is disposed of.

The PRESIDING OFFICER. The clerk will read the bill for the information of the Senate.

The legislative clerk read the bill (H. R. 13745) to provide for agricultural entry of lands withdrawn, classified, or reported as containing any of the minerals subject to disposition under the general leasing law or acts amendatory thereof or supplementary thereto, as follows:

Be it enacted, etc., That lands withdrawn, classified, or reported as valuable for sodium and/or sulphur and subject to prospecting, leasing, or development under the general leasing act of February 25, 1920, or acts amendatory thereof or supplementary thereto, shall be subject to appropriation, location, selection, entry, or purchase if otherwise available in the form and manner and subject to the reservations, provisions, limitations, and conditions of the act of Congress approved July 17, 1914 (38 Stat. L. 509; U. S. C., title 30, sec. 123): Provided, however, That lands lying within the geologic structure of a field, or withdrawn, classified, or rethe geologic structure of a heid, or withdrawn, classified, or reported as valuable for any of the minerals named herein and/or in any of said acts, or upon which leases or prospecting permits have been applied for or granted, for the production of any of such minerals, shall not be subject to such appropriation, location, selection, entry, or purchase unless it shall be determined by the Secretary of the Interior that such disposal will not unreasonably interfere with operations under said leasing acts. ably interfere with operations under said leasing acts.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

Mr. SMOOT. If it does not lead to any discussion, I shall

The PRESIDING OFFICER. If there is objection, it will not be taken up. Is there objection?

Mr. SMOOT. I want the bill to be taken up, but I do not want it considered if it is to displace the bill now under consideration or take any time.

The PRESIDING OFFICER. The Senator knows it will not displace the pending bill. Does the Senator object to it? Mr. SMOOT. No.

The Senate proceeded to consider the bill, which was ordered to a third reading, read the third time, and passed.

HARVEY COLLINS

Mr. GOLDSBOROUGH. Mr. President, I ask unanimous consent to return to calendar No. 1326, the bill (H. R. 2213) for the relief of Harvey Collins.

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Naval Affairs with an amendment, on page 1, line 8, after the word "provided," to strike out "that no pay, pension, or allowance shall be held to have accrued prior to the passage of this act" and to insert in lieu thereof "that no compensation, retirement pay, back pay, pension, or other benefit shall be held to have accrued prior to the passage of this act," so as to make the bill read:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers Harvey Collins, late of the United States Navy, shall hereafter be deemed to have been discharged under honorable conditions from the naval service of the United States: Provided, That no compensation, retirement pay, back pay, pension, or other benefit shall be held to have accrued prior to the passage of

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

WITHYCOMBE POST, NO. 11. AMERICAN LEGION

Mr. STEIWER. Mr. President, I ask unanimous consent to return to Calendar No. 1442, the bill (H. R. 5214) for the relief of Withycombe Post, No. 11, American Legion, Corvallis, Oreg. I am advised that the bill went over at the request of the Senator from Utah [Mr. KING], who propounded to my colleague a question which he was unable to answer. I would like to make a statement in connection with the matter if that is the desire of the Senator from

Mr. KING. I did not object to the bill. If the RECORD so shows it is in error. I have read the report and have no

Mr. STEIWER. Then I ask for the immediate consideration of the bill.

There being no objection, the Senate proceeded to consider the bill, which was read, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury is hereby authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of \$957.78 to the Withycombe Post, No. 11, American Legion, of Corvallis, Oreg.

Mr. COPELAND. Mr. President, I want to ask about Calendar No. 1273. May I have the attention of the Senator from Pennsylvania [Mr. REED] and the Senator from Utah [Mr. Krng]? This is the citizenship bill. I wish it might be passed. I have been spoken to to-day by a dozen Senators about it, and I think we ought to take it up. I ask unanimous consent that we recur to Calendar No. 1273.

Mr. REED. Mr. President, may I inquire if we have finished the call of the calendar?

Mr. McNARY. Mr. President, there are several bills not on the printed calendar but on the clerk's desk, sent here from the House, and we ought to pass on them.

The PRESIDING OFFICER. The clerk will report the

WILLIAM N. FISHBURN

The bill (H. R. 7986) for the relief of William N. Fishburn was considered, ordered to a third reading, read the third time, and passed, as follows:

That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers William N. Fishburn, who was a member of Company D, Fifth Regiment United States Infantry, shall hereafter be held and considered to have been honorably discharged from the military service of the United States as a member of that organization on the 18th day of October, 1903, and notwithstanding any provisions to the contrary in the act relating to pension approved April 26, 1898, as amended by the act approved May 11, 1908: Provided, That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act.

Mr. BLAINE. Mr. President, a parliamentary inquiry. The PRESIDING OFFICER. The Senator will state it.

Mr. BLAINE. Let me inquire as to the parliamentary situation. Has the call of the calendar been concluded?

The PRESIDING OFFICER. The call of the printed calendar has been concluded.

Mr. BLAINE. I am anxious to have the attention of the Senator from Tennessee [Mr. McKellar] with respect to Calendar 1435, the District banking bill.

Mr. KING. That went over on objection.

Mr. BLAINE. I would like to have it taken up and

The PRESIDING OFFICER. May the Chair suggest that it be called up later when the Senator from Tennessee [Mr. McKellar] returns to the Chamber?

Mr. BLAINE. Very well.

GEORGE OCCHIONERO

Mr. SCHUYLER. Mr. President, I ask unanimous consent to recur to Calendar 1327, the bill (H. R. 9231) for the relief of George Occhionero, which presents a most meritorious and exceptional situation, approved by the Committee on Naval Affairs.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Colorado?

Mr. KING. Mr. President, I do not object to that case. I have read the report and I agree with the Senator that it

is a meritorious case; but under the unanimous consent entered into I am not sure that we are not contravening our own agreement.

Mr. McNARY. Mr. President, I can assure the Senator from Utah that we may go beyond that consent by another consent agreement. That is the situation now existing.

The PRESIDING OFFICER. Is there objection?

There being no objection, the Senate proceeded to consider the bill, which was ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the President of the United States be, and he is hereby, authorized to appoint George Occhionero, former first lieutenant, United States Marine Corps, in which grade he served honorably during the World War, now a gunnery sergeant in the United States Marine Corps, and to retire him and place him on the retired list of the United States Marine Corps as a marine gunner with retired pay of that grade, in accordance with the provisions of existing law for the retirement of officers of the Marine Corps, in case a retiring board should find him incapacitated for active service, and that his incapacity is the result of an incident of service. result of an incident of service.

SOUND-REPRODUCTION RECORDS FOR THE ABULT BLIND

Mr. SMOOT. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1346, the bill (H. R. 13817) to amend section 1 of the act entitled "An act to provide books for the adult blind," approved March 3, 1931.

Mr. McNARY. Mr. President, I do not know what is about to happen. There is so much confusion in the Chamber I could not hear the Senator from Utah.

Mr. SMOOT. I have moved that the Senate proceed to the consideration of Calendar 1346.

Mr. McNARY. Let me tell the able Senator from Utah that that would have the effect of displacing the unfinished business. Will not the Senator ask unanimous consent to return to it?

Mr. SMOOT. I asked unanimous consent, and it was refused. It is a bill to provide records for those who can not read by the Braille system and merely because two Braille manufacturers in the United States think that this is going to deprive them of a little business, they are objecting to the bill. That is all there is to it.

Mr. WALCOTT. Mr. President, I am tremendously interested in this bill. When it came up before the Senator from Wisconsin [Mr. LA FOLLETTE] said he had a strong letter objecting to the manufacture of these records. In the first place, it is entirely optional with Mr. Putnam, Librarian of Congress, as to whether the powers authorized in the bill shall be availed of. He does not have to use it unless it is necessary. It is a fact, as I have checked this up with several experts, that at least three-fourths of the blind people of the country can never learn to use the Braille system because they have acquired their blindness too late in life so that their fingers are not sensitive enough to enable them to use that system.

Mr. SMOOT. Mr. President, I renew my motion to proceed to the consideration of the bill.

The PRESIDING OFFICER. Is there objection to proceeding to the consideration of the bill?

Mr. LA FOLLETTE. Mr. President, the superintendent of the State school for the blind in Wisconsin, an institution supported and operated by the State, desired that there should be an opportunity for a hearing on this bill. I so notified the Senator from Rhode Island [Mr. METCALF], and a hearing was had, but it came at a time when there was very little opportunity to give notice of it. I am not criticizing the chairman of the committee at all. He has been endeavoring to get a quorum of the committee, but it was impossible to do so. He finally had to call a hearing on the bill on very short notice.

I am frank to say I have not made an investigation of the matter, but as I understand it the Government of the United States appropriates a certain sum of money each year to be spent in order that the Library of Congress may print books for the purpose of providing the blind, who are accustomed to using the Braille system, with reading material. It is proposed under the terms of this bill to spend a certain amount of money, whatever may be necessary in the

judgment of Mr. Putnam, for the purpose of turning out | what might be termed phonograph records, or at least records produced under a somewhat similar process, in order, as it is claimed by the sponsors of the bill, that those who are not trained in using their fingers in reading the Braille system may have literature coming to them through their ears by means of a phonograph record.

The objection as given to me by the State superintendent of the school for the blind in Wisconsin, who is a man who has devoted his life largely to the education of the blind, is that in the first place there are many persons who are not equipped with proper reproducing machinery to use these records; and, in the second place, the funds now provided for the publication of books in Braille type are too limited, and more money instead of less should be provided in order to furnish literature and other reading material for the blind. Their objection is that they do not want that already inadequate sum diverted, in part, to the manufacture of these records. It is an untried process. As I said at the beginning, in the pressure of this session I have had no opportunity to make an investigation of this matter, but those who are opposed to the measure desire an opportunity to be heard. Through no fault of the chairman, notice of the hearing came on very short notice; they were unable to be present. Therefore, I have objected to this bill being taken up, because, not, as the Senator from Utah intimates, that I have received some objection from some publishers-I have not-but I have received objections from the superintendent of the State school for the blind, who is absolutely disinterested: he has devoted his life to this work; and I believe that the point of view he represents is entitled to consideration before the committee. That viewpoint has not been presented.

Now, in the closing hours of the session, the Senator from Utah wants to have the bill passed. Everyone knows that we are going to have an extraordinary session very shortly; and I think this measure should go over, that it should have more deliberate consideration, and that those who disagree with the position taken by the Senator from Utah and the Senator from Connecticut should have an opportunity fully to present their case. I object.

The PRESIDING OFFICER. The Senator from Wiscon-

sin objects to the consideration of the bill. Mr. SMOOT. I move that the Senate proceed to the consideration of the bill (H. R. 13817) to amend section 1 of the act entitled "An act to provide books for the adult blind," approved March 3, 1931.

The PRESIDING OFFICER. The question is on the motion of the Senator from Utah. [Putting the question.] The Chair is in doubt.

Mr. SMOOT. I ask for a division on my motion.

On a division, the motion was agreed to; and the Senate proceeded to consider the bill, which was read, as follows:

Be it enacted, etc., That section 1 of the act entitled "An act to provide books for the adult blind," approved March 3, 1931, is amended by adding after the words "books," the following: "published either in raised characters, on sound-reproduction records, or in any other form."

Mr. LA FOLLETTE. I suggest the absence of a quorum. Mr. BLAINE. Mr. President-

Mr. LA FOLLETTE. I withhold the suggestion.

REGULATION OF BANKING IN THE DISTRICT

Mr. BLAINE. Mr. President, it is necessary for me to leave the Senate Chamber. I am very anxious to recur, if it may be done by unanimous consent, to Order of Business 1435, being House bill 6402, to regulate banking in the District of Columbia. The Senator from Tennessee [Mr. McKellarl previously asked that the bill go over, but he has since withdrawn his objection.

Mr. SMOOT. I have no objection to the consideration of the bill if it shall not displace the pending measure.

The PRESIDING OFFICER. It will not displace the pending measure if it be considered by unanimous consent.

Mr. KING. May I state that that bill had the unanimous approval of the District Committee; and the chairman of

the committee, the Senator from Kansas [Mr. CAPPER], a few moments ago expressed his very great desire to have the bill passed. I hope it may be passed.

The PRESIDING OFFICER. The Chair understood that the Senator from Tennessee [Mr. McKellar] had objected to the bill.

Mr. KING. The Senator from Wisconsin [Mr. BLAINE] has just stated that the Senator from Tennessee has withdrawn his objection to it.

There being no objection, the Senate proceeded to consider the bill (H. R. 6402) to further regulate banking, banks, trust companies, and building and loan associations in the District of Columbia, and for other purposes.

Mr. NORRIS. Mr. President, I ask that the Senator from Wisconsin give us a short explanation of the bill.

Mr. BLAINE. Mr. President, the bill does four things. Under the present law in the District of Columbia any banking organization chartered by any State may come into the District without obtaining a charter from the Comptroller of the Currency, who has charge of granting charters to banks in the District. The District of Columbia ought to be accorded the same treatment as the respective States receive. This bill will require a foreign corporation which intends to engage in the banking business in the District to take out a charter under the jurisdiction of the Comptroller of the Currency.

Mr. NORRIS. Does not the present law require that?

Mr. BLAINE. It does not.

Mr. NORRIS. Is there any limitation?
Mr. BLAINE. The only limitation is that the Comptroller of the Currency may examine such a banking institution under the general law that applies to this country as a whole.

The bill was ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the act of April 26, 1922 (42 Stat. L. pt. 1, p. 500; D. C. Code, title 5, sec. 300), be amended to read as

follows:

"(a) That after the enactment of this act no banking business shall be done in the District of Columbia except by corporations organized in accordance with the provisions of the act of March 3, 1901, entitled 'An act to establish a code of law for the District of Columbia,' as amended, or by national-banking associations organized in accordance with the laws of the United States, except that this paragraph shall not apply to (1) corporations engaged in and doing a banking business on the date of the enactment of this act, (2) individuals, partnerships, associations, or corporations primarily engaged as brokers in buying, selling, exchanging, and/or otherwise dealing in stocks, bonds, and/or other securities, for the account of others, and incidentally thereto conducts banking transactions, (3) individuals, partnerships, associations, or corporations not doing a bank of deposit business. shall be done in the District of Columbia except by corporations

"(b) That no corporation shall engage in or do the business of a bank of deposit or a fiduciary business in the District of Columbia nor shall any branch be established to carry on any phase of such banking or fiduciary business in the District of

phase of such banking or fiduciary business in the District of Columbia until the approval and consent of the Comptroller of the Currency is secured. The term 'branch' as used in this act shall be held to include any branch bank, branch office, branch agency, additional office, or any place of business located in the District of Columbia, at which deposits are received, or checks paid, or money lent, or at which the public is served or any phase of business conducted by the parent institution.

"(c) That after the passage of this act no building association, incorporated or unincorporated, shall do a building-association business or maintain any office in the District of Columbia until it shall have secured the approval and consent of the Comptroller of the Currency; and the Comptroller of the Currency shall not give consent or approval to any building association to maintain any office or place of business in the District of Columbia where such association is not incorporated under the laws of the District of Columbia in accordance with the act of March 4, 1909 such association is not incorporated under the laws of the District of Columbia in accordance with the act of March 4, 1909 (35 Stat. L., pt. 1, p. 1058; D. C. Code, title 5, ch. 3, sec. 41–54), except that this paragraph shall not apply to associations, incorporated or unincorporated, engaged in and doing a building-association business on the date of the passage of this act.

"(d) Any solvent financial institution in the District of Columbia under the supervision of the Comptroller of the Currency

may go into liquidation and discontinue business by the vote of may go into liquidation and discontinue business by the vote of its shareholders owning two-thirds of its stock. Whenever a vote is taken to go into liquidation it shall be the duty of the board of directors to cause notice of this fact to be certified, under the seal of the institution, by its president, secretary, or cashier, to the Comptroller of the Currency, and publication thereof to be made for a period of two weeks in a newspaper published in the

District of Columbia, that the institution has discontinued business and is winding up its affairs, and notifying its creditors to present claims against the institution for payment. The share-holders shall at the time of going into liquidation elect a committee or liquidating agent who shall liquidate the institution. No institution which has gone into voluntary liquidation shall be No institution which has gone into voluntary liquidation shall be permitted to resume business, but until its liquidation is complete shall remain a legal corporation or association for the purpose of suing or being sued. The liquidating agent shall give satisfactory surety bond to the board of directors of the institution and shall annually, on request of the Comptroller of the Currency, render such reports to the comptroller as he shall require. Any such institution in liquidation may be examined by the Comptroller of the Currency, who, if he finds such institution insolvent, may appoint a receiver and wind up its affairs in the same manner as provided by law for national banking associations.

"(e) If any financial institution under the supervision of the Comptroller of the Currency, which has not gone into liquidation and for which a receiver has not already been appointed for other lawful cause, shall discontinue its operations for a period of 60 days, the Comptroller of the Currency may, if he deems it advisable, appoint a receiver for such institution.

"(f) Any financial institution over which the Comptroller of the Currency has or had supervision which prior to the passage of this act has in any manner ceased to do a banking business

of this act has in any manner ceased to do a banking business shall not resume such banking business and shall advise the Comptroller of the Currency when its business has been fully liquidated whereupon by operation of this act its charter is terminated. Such financial institution may in the discretion of the

Comptroller of the Currency be subject to all the provisions of paragraph (d) of section 1 of this act.

"(g) Each person, copartnership, each director, liquidating committee or liquidating agent, and each one of the officers and employees of an association or corporation violating any of the provisions of this section shall be punished by a fine not exceeding stated to the provisions of the section shall be punished by a fine not exceeding the complex provisions of the section shall be punished by a fine not exceeding the complex provisions of the section shall be punished by a fine not exceeding the complex provisions of the section shall be punished by a fine not exceeding the complex provisions of the section shall be punished by a fine not exceeding the complex provisions of the section shall be punished by a fine not exceeding the complex provisions of the section shall be punished by a fine not exceeding the complex provisions of the section shall be punished by a fine not exceeding the complex provisions of the section shall be punished by a fine not exceeding the complex provisions of the section shall be punished by a fine not exceeding the complex provisions of the section shall be punished by a fine not exceeding the complex provisions of the section shall be punished by a fine not exceeding the complex provisions of the section shall be punished by a fine not exceeding the complex provisions of the section shall be provided by a fine not exceeding the section shall be provided by the section shall be prov

provisions of this section shall be punished by a line not exceeding \$1,000, or imprisonment not exceeding one year, or by both fine and imprisonment, in the discretion of the court."

SEC. 2. That the last proviso of section 713 of the act of March 3, 1901, entitled "An act to establish a Code of Law for the District of Columbia" (D. C. Code, title 5, sec. 298), as amended, be amended to read as follows: "And provided further, That all publications authorized or required by section 5211, Revised Statters withing the courtered by a system. utes, and all other publications authorized or required by existing law to be made in the District of Columbia, shall be printed in one or more daily newspapers of general circulation, published in

the city of Washington."

SEC. 3. That section 714 of the act of March 3, 1901, entitled "An act to establish a Code of Law for the District of Columbia." C. Code, title 5, sec. 299), as amended, be amended to read

as follows:
"SEC. 714. (a) The Comptroller of the Currency, in addition to the powers now conferred upon him by law for the examination of national banks, is hereby further authorized, whenever he may deem it advisable, to cause examination to be made into the condeem it advisable, to cause examination to be made into the condition of any bank mentioned in the preceding section. The expense of such examination shall be paid in the manner provided by section 5240 of the Revised Statutes relating to the examination of national banks.

"(b) The provision of section 5200 of the Revised Statutes, as amended (12 U. S. C. 84), are hereby extended to apply to all banks and trust companies doing business in the District of

Columbia.

"(c) Each bank and trust company doing business in the District of Columbia and not a member of the Federal reserve system shall within six months from the enactment of this section, establish and maintain reserves on the same basis and subject to the same conditions as may by law now or hereafter be prescribed for national banks located in the District of Columbia, except that such reserves shall be established and maintained at such agency or agencies which shall have the approval of the Comptroller of the Currency: Provided, however, (1) That the required reserves carried by such bank or trust company with an agency or agencies may, under the regulations and subject to such penalties as may be prescribed by the Comptroller of the Currency, be checked against and withdrawn by such bank or trust company for the purpose of meeting existing liabilities, and (2) that no such bank or trust company shall at any time make new loans or shall pay any dividends unless and until the total reserves required by law shall be fully restored."

Sec. 4. (a) The shareholders of every savings bank or savings company other than building associations now or hereafter organsystem shall within six months from the enactment of this section,

Sec. 4. (a) The shareholders of every savings bank or savings company other than building associations now or hereafter organized under authority of any act of Congress to do business in the District of Columbia and of every banking institution organized by virtue of the laws of any of the States of the Union to do or doing a banking business in the District of Columbia, who acquire in any manner the shares of any such savings bank or savings company or such banking institutions other than building associations after the enactment of this act, shall be held individually responsible, equally and ratably, and not one for another, for all contracts, debts, and engagements of such bank or company, to the extent of the amount of their stock so acquired therein, at the par value thereof, in addition to the amount invested in such shares.

(b) The shareholders, at the date of the enactment of this act, of every savings bank or savings company other than building associations organized under authority of any act of Congress to do business in the District of Columbia, and of every banking institution organized by virtue of the laws of any of the States of

this Union to do or doing a banking business in the District of Columbia, shall be held individually responsible, equally and ratably, and not one for another, for all contracts, debts, and engagements of such savings bank, savings company, or banking institution, entered into or incurred subsequent to the date of the enactment of this act to the extent of the amount of their stock therein at the par value thereof, in addition to the amount invested in such shares. The words "entered into or incurred" as used in this section shall be held to include any extension or renewal of any contracts, debt, and engagement renewed or extended after the enactment of this act.

renewal of any contracts, debt, and engagement renewed or extended after the enactment of this act.

(c) The provisions of section 5205 of the Revised Statutes of the United States as amended (U. S. C., title 12, ch. 2, sec. 55); sections 5234, 5235, and 5236 of the Revised Statutes of the United States as amended (U. S. C., title 12, ch. 2, secs. 192, 193, and 194); the act of March 29, 1836 (ch. 28, secs. 1, 2, and 3; 24 Stat. 8; U. S. C., title 12, ch. 2, secs. 198, 199, and 200); the act of February 25, 1930 (ch. 53, 46 Stat. 74; U. S. C., title 12, ch. 2, sec. 67); the act of June 30, 1876 (ch. 156, secs. 1, 2, and 3; 19 Stat. 63; U. S. C., title 12, ch. 2, secs. 191, 65, and 197); and section 5210 of the Revised Statutes of the United States (U. S. C., title 12, ch. 2, sec. 62) are extended to apply to any bank, savings bank, or trust company organized, hereafter organized, or doing a banking business in the District of Columbia and to the shareholders of such institutions, except as limited by the provisions of paragraph (b) of this section: Provided, however, That the provisions of section 713 of the act of March 3, 1901, entitled "An act to establish a code of law for the District of Columbia" (D. C. Code, title 5, sec. 298), as amended, shall not be construed to be repealed by this act but shall have application to the banks, savings banks, savings companies, other than building associations, and trust companies embraced within this act.

(d) That portion of section 24 of the Judicial Code, as amended, applying to suits against national-banking associations (U. S. C., title 28, ch. 2, sec. 41, par. 16) shall be extended and shall apply to all actions arising under the provisions of this act.

SEC. 5. Section 747 of the act of March 3, 1901, entitled "An act to establish a code of law for the District of Columbia" (D. C. Code, title 5, sec. 374), as amended, is amended to read as follows: "SEC. 747. No corporation or company organized by virtue of the laws of any of the States of this Union shall carry

provisions of this subchapter for the government of such corporations formed under it, and each one of the officers of the corporation or company so offending shall be punished by a fine not exceeding \$1,000 or imprisonment not exceeding one year, or by both fine and imprisonment, in the discretion of the court."

both fine and imprisonment, in the discretion of the court."
SEC. 6. No corporation, association, partnership, or individual shall carry on any business in the District of Columbia under any name or title containing the word "bank" or the words "trust company" unless (1) the business is being carried on under the name or title at the time of the approval of this act, or (2) the business is carried on under the supervision of the Comptroller of the Currency and the name or title is approved by the Comptroller of the Currency. Any individual who, or corporation, association, or partnership which, violates any of the provisions of this section, and any officer of any such corporation or association and any officer or member of any such partnership, who assents to any such violation, shall, upon conviction thereof, be fined not more than \$5,000.

SEC. 7. Any person who maliciously makes or repeats to, or in

SEC. 7. Any person who maliciously makes or repeats to, or in the hearing of, or under such circumstances that it becomes known to, any other person any false statement imputing insolvency or unsound financial condition to any bank, trust company, or building and loan association in the District of Columbia, or tending to cause a general withdrawal of deposits or funds from any such institution, shall, upon conviction thereof, be fined not more than \$5,000 or imprisoned not more than five years, or both: Provided, That the truth of said statement, established by the maker thereof, shall be a complete defense in any prosecution under the provisions of this act.

under the provisions of this act.

SEC. 8. All acts prohibited by the provisions of sections 5208 and 5209 of the Revised Statutes, as amended, and section 22 of the Federal reserve act, as amended, in the case of Federal reserve banks or member banks thereof, or of directors, officers, or employees of such banks, are likewise prohibited, respectively, in the case of banks in the District of Columbia which are not members of a Federal reserve bank, or of directors, officers, or employees of such banks, and shall be punishable by the respective penalties provided in such section. provided in such section.

SEC. 9. The right to alter, amend, or repeal this act is hereby expressly reserved. If any clause, sentence, paragraph, or part of this act shall for any reason be adjudged by any court of comthis act shall for any reason be adjugged by any court of competent jurisdiction to be invalid, such judgment shall not affect, impair, or invalidate the remainder of this act, but shall be confined in its operation to the clause, sentence, paragraph, or part thereof directly involved in the controversy in which such judgment shall have been rendered.

SOUND REPRODUCTION FOR THE ADULT BLIND

The Senate resumed the consideration of the bill (H. R. 13817) to amend section 1 of the act entitled "An act to provide books for the adult blind," approved March 3, 1931.

Mr. COPELAND. I ask unanimous consent to take up Order of Business 1273, being the bill (H. R. 8174) to exempt

United States citizens.

Mr. SMOOT. There is a bill now pending. Mr. McNARY. Mr. President, I must insist on better order in the Chamber. I do not know what is the request of the Senator from New York.

Mr. COPELAND. I have asked that Order of Business 1273 may now be considered.

Mr. SMOOT. I must object for the present, because there is a bill now before the Senate.

Mr. COPELAND. I shall not, of course, interfere with the bill of the Senator from Utah.

Mr. McNARY. Does the Senator from New York ask unanimous consent for the consideration of the bill which he has named?

Mr. COPELAND. Yes; but I understand the Senator from Utah has a bill before the Senate, and I do not wish to interfere with that bill.

The PRESIDING OFFICER. The bill has been read.

Mr. LA FOLLETTE. I suggest the absence of a quorum. The PRESIDING OFFICER. The clerk will call the roll. The legislative clerk called the roll, and the following

Senators answered to their names:

Ashurst	Dale	King	Schuyler
Austin	Davis	La Follette	Sheppard
Bailey	Dickinson	Lewis	Shortridge
Bankhead	Dill	Logan	Smith
Barbour	Fess	Long	Smoot
Barkley	Fletcher	McGill	Steiwer
Bingham	Frazier	McKellar	Stephens
Black	George	McNary	Swanson
Blaine	Glass	Metcalf	Thomas, Idah
Borah	Glenn	Moses	Thomas, Okla
Bratton	Goldsborough	Neely	Townsend
Brookhart	Gore	Norbeck	Trammell
Broussard	Grammer	Norris	Tydings
Bulkley	Hale	Nye	Vandenberg
Bulow	Harrison	Oddie	Wagner
Byrnes	Hastings	Patterson	Walcott
Capper	Hatfield	Pittman	Walsh
Caraway	Hayden	Reed	Watson
Carey	Hebert	Reynolds	Wheeler
Clark	Johnson	Robinson, Ark.	White
Coolidge	Kean	Robinson, Ind.	
Copeland	Kendrick	Russell	
Costigan	Keves	Schall	

The PRESIDENT pro tempore. Eighty-nine Senators having answered to their names, a quorum is present. The bill is before the Senate and open to amendment.

AGRICULTURAL RELIEF ALLOTMENT BILL

Mr. FRAZIER. Mr. President, I have no objection whatever to the pending bill and I can see no logical reason why it should not be passed. I was for it when it was previously before the Senate. However, I have waited very patiently to say a few words on the agricultural situation and I do not want the Seventy-second Congress finally to adjourn without expressing my views on that question.

At this time when the farmers are in the most difficult plight in which they have ever been in the history of our country, the Congress is about to close without doing a single thing for the permanent benefit of the American farmer.

The first session of the present Congress was the first time in the history of Congress, so far as I know, when the leaders of the three great farm organizations got together unanimously in behalf of a bill for the benefit of agriculture. At that session they agreed upon what was known as the allotment bill. It was not passed at that session. Again at the beginning of the present session they agreed on the bill. Hearings on it were held in the House before the Committee on Agriculture, and the bill, providing what is known as the allotment plan, backed by the three great farm organizations, was reported to the House. There it was amended considerably, the amendments taking a great deal of merit out of the bill. It finally passed the House. It came to the Senate and was referred to the Senate Committee on Agriculture and Forestry. That committee held hearings upon the bill. It was to some extent modified and clarified, in order to make it more understandable and, I believe, more workable. The number of farm products included in the bill as passed by the House was reduced, so that it covered only wheat and cotton for the present year, 1933. The bill was reported to the Senate and placed on the calendar a

from the quota fathers and mothers over 60 years of age of | few days ago, but there has been no chance to get any consideration of it.

In the last message of President Hoover a statement was made by him that he was opposed to the allotment bill. Many of us here, however, differed from the President; and, in fact, at the election last November there were several million voters throughout the Nation who disagreed with the President.

It has been impossible to get consideration of the allotment bill, although it simply provides as to the principal farm products that a price based on pre-war prices shall be paid for the amount of those products used for domestic consumption.

I believe the bill would have been a great benefit to the farmers of the country if passed. It does not go far enough, in my opinion. I had an amendment ready to offer on the floor to provide that the amount of the tariff should be added to the pre-war price fixed in the bill. I am firmly of the opinion that we never will get out of this horrible depression we are in until something is done to put agriculture on a business basis, until something is done to give the farmers the cost of production and a fair profit for their products, until something is done to restore the purchasing power of our American farmers.

The allotment bill would have gone a long way in that direction. Personally, I have been of the opinion that the emergency that exists at the present time is sufficient to warrant Congress to declare that an emergency exists, just as was done in the World War period, and to pass a bill fixing the prices of farm products, based on cost of production and a fair profit to the farmer, at least for the amount of those products used for home consumption.

Mr. President, I ask unanimous consent to have printed in the RECORD as a part of my remarks the report on the socalled allotment bill made by the Committee on Agriculture and Forestry of the Senate.

The PRESIDING OFFICER (Mr. FESS in the chair). Without objection, it is so ordered.

The report is as follows:

[Senate Report No. 1251, Seventy-second Congress, second session] AGRICULTURAL RELIEF

Mr. Frazier, from the Committee on Agriculture and Forestry, submitted the following report (to accompany H. R. 13991)

The Committee on Agriculture and Forestry, to which was referred the bill (H. R. 13991) to aid agriculture and relieve the existing national economic emergency, having considered the same, reports thereon with amendments, with the recommendation that the bill do pass.

SERIOUS CONDITION OF AGRICULTURE

Extended hearings were held upon the proposed legislation, both by the House committee and this committee.

The distressed condition of agriculture and the importance, from the standpoint of general economic recovery, of restoring to normal the purchasing power of the farmer, are too well known to

require lengthy discussion.

Prices for all farm products average to-day about half what they were before the World War. On the other hand, taxes per acre on agricultural lands are about twice what they were before the war, and farm indebtedness has increased approximately 150 per cent. Agricultural freight rates are more than 50 per cent in excess of pre-war freight rates

excess of pre-war freight rates.

We produce exportable surpluses of cotton, wheat, and a number of other major farm commodities. No direct tariff can place such commodities on a basis of equality with industrial products that for many years have had the benefit of tariff protection. Agricultural tariffs have almost without exception proved ineffective. Yet tariff rates on industrial articles which the farmer buys, and the cost of such articles to him, have greatly advanced. The result has been that the producers of agricultural commodities must bear much of the burden of the tariff without receiving its advantages. advantages.

AGRICULTURAL RELIEF

While the average prices received by farmers for products sold by them in January of this year was 49 per cent below the pre-war average, the prices of commodities bought by him were 5 per war average, the prices of commodities bought by him were 5 per cent above the pre-war average. Consequently, the purchasing power of farm products in the first month of 1933 was less than one-half what it was in the pre-war period. This loss of purchasing power has had a most serious effect upon industry in general through the inability of farmers to buy industrial products, Moreover, it has deprived the farmer of his ability to meet his indebtedness, a large part of which was contracted when prices of farm products were several times their present level. It is obvious, therefore, that an increase in prices and income of farmers is necessary. BILL WOULD HELP TO RESTORE AGRICULTURAL PURCHASING POWER

The present measure is aimed at restoring agricultural purchas-

ing power by affording benefits to producers of two major agricultural commodities—wheat and cotton.

Many measures have been proposed for relieving the existing condition of agriculture, and it is not, of course, to be expected that there will be unanimous agreement among all interested persons as to the best method to follow. It is also apparent that this condition can not be remedied by any one measure. However, the present bill will aid in bringing about a better balance in national purchasing power, will result in a reduction of the number of unemployed, will aid in reestablishing the purchasing power of labor and other consumers, as well as of agriculture, and will bein to meet the present patients!

will help to meet the present national emergency.

It has become clear that the situation in agriculture is now so It has become clear that the situation in agriculture is now so serious that we can not rely on normal economic curative reactions. While the principle that agriculture is entitled to a fair purchasing power should be a permanent part of our national policy, the present legislation is proposed as a temporary means for effectuating that principle and is by the bill placed into effect only as to the crops produced in 1933. The operation of the provisions of the bill may, by proclamation of the President, be extended for an additional year with respect to either commodity. The continuance of the measure beyond such time will be left to the subsequent determination of Congress.

ADJUSTMENT CERTIFICATES

In order to afford the producers of wheat and cotton a pre-war return for their commodities, provision is made for the issuance of adjustment certificates to producers of the commodities. These certificates will be in a face amount equal to the difference becertificates will be in a face amount equal to the difference between the price being paid producers at local markets and the pre-war price for the commodity, less a small deduction to take care of administrative costs. Certificates will, however, cover only so much of the year's crop as the Secretary of Agriculture determines will be required for domestic consumption. In other words, any exportable surplus produced will not be entitled to benefits under the act. The American farmer will, however, be given benefits in the domestic market.

The certificates will be issued to the producer by local representatives of the Department of Agriculture upon satisfactory proof that he is entitled thereto. The certificates are negotiable, and redeemable at any time within a year of issuance. Certificates will be accepted for redemption at the United States Treasury or other fiscal agencies designated by the Secretary of the Treasury.

COSTS UNDER THE BILL

Amounts sufficient to pay the benefits to producers provided for In the bill are to be realized from the adjustment charges to be paid on the processing of the commodities covered, and the cost of administration is taken care of by reducing by 2½ per cent the benefits which would otherwise be payable to producers.

The benefits granted are so fixed as to correspond with the ad-

The benefits granted are so made as to be justment charges to be paid.

The adjustment charge to be collected on processing is to be in an amount equal to the difference between the price paid producers at local markets and the pre-war price of the commodity. Adjustment charges are to be paid in respect of processing of inverted quantities of the commodities, as well as those of

domestic production.

Exemption from the payment of processing charges is provided for in the case of processing by the producer for consumption on his own farm.

INCIDENTAL REVENUE PROVISIONS

By reason of the provisions for adjustment charges it was found desirable to include incidental provisions providing for—

(1) An adjustment charge on the processing of silk or rayon.

(2) A floor stock tax upon articles processed from wheat or cotton, and held for sale at the time the adjustment charge goes into effect or is increased. This provision is to prevent stimulation of processing for the purpose of avoiding payment of adjustment charges, and of preventing discriminations between processors. Refunds of the tax are provided in the case of termination or decrease in the adjustment charge. This tax will not apply to persons engaged solely in retail trade, except that a retailer is to be taxed on flour in excess of 25 barrels held for sale. sale.

(3) Processing in bond for exportation, without the payment of adjustment charges; and the refund of adjustment charges paid in respect of products exported.

(4) Payment by the vendee of the adjustment charges and taxes in cases where existing contracts covering articles in respect of which such charges or taxes are imposed do not permit the addition to the amount to be paid under the contract of the charge or tax.

(5) The abatement or refund of adjustment charges in respect of any amount of a commodity used in the manufacture of products which are of such low value that the imposition of the

adjustment charge would prevent the use of the commodity in the manufacture of such products.

(6) An import duty of 5 cents per pound in the case of importation of short-staple cotton, this commodity now being subject to no import duty; an import duty in the case of articles contain-ing short-staple cotton; and import duties on articles processed or manufactured from any commodity which if domestically processed would be subject to an adjustment charge.

PROTECTION FOR CONSUMERS

The measure gives protection to the interests of the consumer. The adjustment charge levied on the processor and to be passed on to the consumer is in no case to represent more than the difference between the prevailing local market price and the pre-war price of the commodity. This means that the measure can

ence between the prevailing local market price and the prewar price of the commodity. This means that the measure can not be used by the agricultural interests to force consumers to pay a higher price to farmers than was the case before the war.

Evidence introduced before the committee indicates that the retail prices of the products concerned need not be greatly advanced by the imposition of the adjustment charges. With wheat prices as they are this winter there is only about a half cent's worth of wheat in a 16-ounce loaf, and the imposition of the maximum tax on wheat should at most increase the price of such a loaf by less than a cent. Since 1929 the price of bread in the United States has declined by only 25 per cent, whereas the price of wheat has declined by 68 per cent. It is not generally understood how much the price of wheat could advance without greatly increasing the cost of bread to the consumer. In 1913 bread prices were about the same as now, but wheat was more than twice as high. In the case of cotton and cotton goods, consumers will be interested to learn what a small percentage of the retail price is represented by what the farmer gets. For example, doubling the present price of cotton would increase the price of volle, which now sells for 7 cents a yard, by half a cent and the price of a cotton shirt which now sells for a dollar by 2 cents.

The adjustment charges will undoubtedly cost the consumer money, but this money will promptly be spent by the farmer in ways which will decrease unemployment and add to the profits of business. Moreover, consumers must remember that in the long run they can not expect to buy any product at a price which represents less them. which represents less than a fair return to labor and capital. The ultimate danger to the consumer in present extremely low prices is that after agriculture is entirely ruined it will be necessary to pay unduly high prices before agriculture can be rehabilitated. The consumer as well as the farmer and the business man would benefit from a fair and balanced relationship between our productive forces. our productive forces.

AMENDMENTS BY COMMITTEE

From the foregoing explanation it will be noted that the bill as here reported differs in a number of respects from the bill as it passed the House.

It is recognized that the measure is experimental in that it operates upon principles which, though believed to be sound, have operates upon principles which, though believed to be sound, have not been tried before in Federal legislation. In view of this the committee believes that it is desirable to put the measure into operation in a manner involving a minimum of complexity. Later, if experience warrants it, the measure may be enlarged and extended. It seems to the committee that the bill as it passed the House was too complicated and included too many commodities to permit of its successful operation, especially for the present year, and the amendments made by the committee have for their purpose, primarily, the simplification of the bill. The most important of the amendments have the following effects:

(1) The operation of the measure is confined to wheat and

(1) The operation of the measure is confined to wheat and cotton. While it would be desirable to extend the direct benefits provided by the bill to producers of all commodities, it is not believed practicable to attempt to do so in view of its experimental character, the shortness of time, and the administrative difficulties which would be involved. It is believed necessary to limit the scope of the measure in order to give it a fair chance to operate successfully.

(2) The acreage control provisions are eliminated. The reasons for this are

First, attempts to limit production by the control of acreage as provided in the House bill would be in large part ineffective even if a substantial number of farmers agreed to reduce acreage. Acreage planted is only in part a determining factor of total productive productions of the control of the control of total productions. age planted is only in part a determining factor of total production. Weather and growing conditions generally, beyond the farmer's control, cause large variations in total output. Under the House provision it would have been possible, especially in important cotton-producing sections, to increase the yield per acre, substantially if not fully offsetting the reduction in acreage. Second, the administration of the acreage control features, in the opinion of this committee, would have resulted in serious complications and possibly unsurmountable difficulties. The former

plications and possibly unsurmountable difficulties. The farmer would have been subjected to restrictions and regulations of such a character as to constitute a serious handicap to the administration of the plan as a whole. It is deemed advisable, therefore, to leave it to the individual farmer to determine the adjustments in production on his farm.

Third it is believed that the bill as amended will result in

Third, it is believed that the bill as amended will result in a substantial measure of production control even without the requirements as to acreage reductions. Distinction should be made quirements as to acreage reductions. Distinction should be made between production control by avoiding stimulation of production and production control through uniform curtailment of acreage. The increased returns under this measure will accrue to the farmer through benefit payments only on that portion of his output which represents his share of domestic requirements. It appears improbable, therefore, that the elimination of the acreage curtailment feature of the House bill will result in stimulation of total output, especially under present conditions of extremely low prices of farm products in relation to the farmers' overhead costs. (3) Benefits are to be paid upon the basis of the crop produced rather than, as in the House bill, upon the amounts marketed, and certificates will be issued after harvesting. This will make for more orderly marketing and prevent the producer who is unable readily to market his commodity from suffering a disadvan-In order not to eliminate the incentive to market, however, 25 per cent of the benefit payment will be withheld until the farmer has marketed an amount of his crop equal to that part

farmer has marketed an amount of his crop equal to that part upon which his certificate is issued.

(4) The basis for determining the amount of benefits paid is simplified. The "fair exchange value" specified in the House bill was based on the policy of maintaining for the future the same relationship between farm prices and the prices of industrial articles the farmer buys that existed in the pre-war period. The committee has substituted the simpler basis of the average price received in the United States by producers of the commodity at local markets during the base period from August, 1909, to July, 1914. The element of relationship to prices of industrial commodities has been eliminated.

(5) The producer will realize upon his certificate at any time

commodities has been eliminated.

(5) The producer will realize upon his certificate at any time within a year after issuance. Under the House bill the certificate was to be issued in two equal parts, and the producer would have had to wait one month before realizing on one part and six months longer before realizing on the second part.

(6) The initial marketing period is eliminated. This is required by reason of the change which makes benefits no longer payable upon actual marketing but upon the harvested crop.

(7) The provision for a duty on animal, marine, and vegetable oils and fats is eliminated. This action was not taken because the committee is definitely opposed to it, but because it was believed unwise to approve it in its present form without further consideration. It was inserted on the floor of the House, not being in the bill as reported from the House committee.

Mr. FRAZIER. Mr. President, not only must the prices of farm products be raised so that the farmer will be enabled to pay his running expenses, his taxes, his interest, and installments on loans where he has loans, but we must have a lower rate of interest for farm indebtedness. We must have easier terms of payment. If the farmer is going to continue as a homeowner and landowner in this Nation of ours, we must have some measure of that kind passed by Congress. There are several bills pending before committees of Congress now to provide a lower rate of interest and easier terms of payment; and I still have hopes that in the special session, which I understand will be called in the near future, enough sentiment can be aroused to pass legislation of that kind-legislation to refinance the farmers at a lower rate of interest and on easier terms of payment; legislation that will give the farmers, for the percentage of their products used for home consumption, a price based on cost of production and a fair profit.

Mr. President, unless something of this kind is done, in my opinion our so-called depression will continue to go from bad to worse. The Senator from Illinois [Mr. Lewis] this afternoon made some criticism of the bankers of the Nation. putting part of the responsibility for the present conditions upon the bankers. I agree with the Senator from Illinois in what he said during his very illuminating address this afternoon; but, in view of that fact, the present Congress has passed laws providing for assistance and more power to the bankers. It has passed laws for the assistance of the great insurance companies, the railroads, and other business enterprises of the Nation, but has failed to do anything of a permanent nature for American agriculture, the very foundation upon which our Government is built.

Mr. President, it is useless to go into details about the farm situation. As I stated previously, the present condition is the worst we have ever had. The present prices of farm products are so low that the farmer can not get cost of production, can not pay running expenses for the prices he receives for his products. Farmers have been forced to organize all over the country in what are known as holiday movements or strike movements. Call them anything you like, Mr. President, but the farmers are organizing as they never have organized before. They have been forced to organize to protect their homes, to protect their families; and, after all is said and done, "self-preservation is the first law of nature."

I do not blame the farmers for organizing. As I stated on the floor of the Senate a few days ago, the one hopeful sign that I see for American agriculture to-day is the fact that the farmers have organized to protect themselves. They are organizing—yes; if you please, taking the law into their own

hands-to protect their own homes and their neighbors' homes. It is the one hopeful sign that I see, because when the farmers have organized strongly enough there is no question about the result. They will come to Congress and demand legislation and get legislation for their benefit that has not been given them by Congresses in the past. Although they have had promise after promise in every national campaign in recent years by the leaders of both the old parties and their platforms that something would be done for agriculture, that agriculture would be put on a parity with industry, it never has been done; but, in my opinion, it will be done before we are out of this depression.

So. Mr. President, I am strongly of the belief that something must and will be done for agriculture in the coming special session; and I assure the leaders on the other side of the Chamber that I shall be willing to support any logical farm measure for the benefit of agriculture. Unless something is done in the coming special session conditions will go from bad to worse. The farmers will organize more strongly, and, I am satisfied, will take control of the agricultural situation for themselves unless Congress gives them

the needed assistance.

Mr. President, among the refinancing bills is one that I introduced myself, known as S. 1197. Up to date 14 State legislatures have memorialized Congress to pass that bill. The bill has had favorable consideration by the Committee on Agriculture and Forestry. At this session it has been before the Committee on Banking and Currency. Hearings were held. The committee has not reported the bill because of certain opposition to it, but I still hope that it can be passed at the special session that will be called in the near future.

Mr. President, I simply wanted to take these few minutes to express my regret that the Seventy-second Congress, which is about to close, has not taken any permanent action for the benefit of the farmer. There is great disappointment on that account throughout the agricultural States; and I can not blame the farmers and others interested in agriculture for criticizing the Congress because they have not passed proper legislation to take care of the situation.

I will take no more time, Mr. President; but I assure the Senate that those representing the agricultural States are going to continue this fight, and in the special session we hope to get legislation that will be worth while, legislation that will be a real benefit to the American farmers.

Mr. CAPPER. Mr. President, the Senator from North Dakota [Mr. Frazier] correctly states the situation as to conditions in the West, and also expresses my feelings of disappointment in the fact that we have not obtained the necessary legislation for the relief of that section of the country.

I ask unanimous consent to have printed in the Record a short excerpt from a letter from William Siefert, R. F. D. No. 3, Leavenworth, Kans., and a petition which he circulated among his farmer neighbors, and to which he received 104 signatures.

I hope that every Senator will read the petition. It is short. It is specific. It may ask an impossible thing-an interest rate of 11/2 per cent per annum on farm mortgages, and these to be taken over by the Government. But, Mr. President, this Congress will end next Saturday; it has spent the winter here, and what it has not done seems to me more incomprehensible than what this Kansas farmer asks to have done. So far as results go, this Congress has done nothing to meet the situation that faces the farmers of this country, the unemployed of this country, the industry of this country, the business interests of this country.

The PRESIDING OFFICER. Without objection, the letter and petition will lie on the table and be printed in the RECORD.

The matter referred to is as follows:

LEAVENWORTH, KANS., February 13, 1933.

Those signatures are all in my immediate neighborhood; only two refused to sign. I believe that if this bill was passed the Government would not have to make many loans until the loaning companies would rewrite their mortgages for the same rate, which is the object of the whole thing-a cheaper rate of interest.

We, the undersigned residents who are voters and taxpayers in the State of Kansas, hereby petition you and your honorable body to support legislation which will provide for money being loaned

by the Government direct on our properties to refinance present indebtedness, thus to save our properties from foreclosure.

Such, we believe, should bear 1½ per cent interest annually, and the principal should be payable direct to the United States Government at the rate of 1½ per cent per annum.

[Signed by 104 persons.]

Mr. CAPPER. Mr. President, this Kansas farmer asks that the Federal Government lend money to refinance present indebtedness, "thus to save our properties from fore-

This Government, through the Reconstruction Finance Corporation, is now lending moneys to banks, railroads, various industrial and commercial enterprises directly and indirectly. It is indeed difficult for farmers to see, and diffisult for me to see, why it should not also lend money to refinance farm mortgages.

Mr. President, we passed, with amendments, on Monday a distressed debtors' act which will allow farmers to take modified bankruptcy. This is largely made possible through the so-called Robinson amendment to the Sumners distressed debtors' act from the House. I voted for that meas-

But we may as well face the facts: Unless we pass also the companion measure introduced by the senior Senator from Arkansas [Mr. Robinson], this bankruptcy act will be of little benefit to agriculture. That proposal, as I understand it, would provide loans to farmers to allow them to make compositions with their creditors, the Government taking second mortgages on their farms up to a total indebtedness of three-fourths of their appraised value. Without some such provision, those intended to be helped by the bankruptcy amendment will not be helped to any great extent. That proposal, I understand, is being held in the Banking and Currency Committee for action by the next Congress. I can only express the hope that President-elect Roosevelt will call the special session soon, and that we may get action before it is too late.

This session of Congress has been a bitter disappointment to me, and to the people I represent in the Senate, and to the country generally. When this session met last December it had three problems on its hands. It had these three problems in addition to the plain task of balancing the Federal Budget. It had:

First, the problem of the farmer. Second, the problem of the debtor. Third, the problem of the dollar. We have not balanced the Budget.

We have not enacted any worth-while farm-relief legislation.

We have done something-not enough, so far as the farmer is concerned—to relieve the distressed debtor.

We have done nothing in the way of monetary reform. We still have the dishonest rubber dollar that requires the wheat farmer to-day to pay 4,000 bushels of wheat to discharge a debt he contracted six years ago, when he received 1,000 bushels of wheat in return for his agreement to repay what is now 4,000 bushels of wheat.

Mr. President, I hope the coming Congress will take up these problems and get action. It must balance the Budget. even if we have to give the new President broad budgetary powers to do a job we are unable or not courageous enough to do ourselves. If it is going to bring relief to the unemployed by returning them to work, it must make possible higher farm prices to give agriculture purchasing power; it must provide legal means for the relief of distressed farm debtors where that distress is due to conditions, not to the debtors' own improvidence; it must boldly use the responsibility imposed on the Congress by the Constitution, and give us an honest dollar.

Mr. President, I am aware of the fact that the World War, and the inflation which followed, were not brought about by the Congress of the United States. I am aware of the fact that Congress would not entirely have prevented a postwar inflation, nor the subsequent deflation. But I do say that it is the duty of Congress to use its power-and it has powers that it has not used-to balance the Budget, to enact legislation to relieve the farmer, to relieve the distressed farm debtor, to give us an honest dollar, and that such legislation would go a long way toward bringing about a business revival which would relieve the unemployment situation and start the return of a measurable degree of prosperity.

I hope very much to see legislation enacted along that

GUARANTY OF BANK DEPOSITS

Mr. BANKHEAD. Mr. President, I ask unanimous consent to have printed in the RECORD a number of telegrams on the subject of guaranty of bank deposits.

There being no objection, the telegrams were ordered to be printed in the RECORD, as follows:

NASHVILLE, TENN., March 3, 1933.

Hon. John Bankhead, United States Senate:

Urge immediate passage by Government of guaranty of bank deposits.

R. W. CREIGHTON.

BIRMINGHAM, ALA., March 3, 1933.

Senator John Bankhead,

Senator John Bankhead,

United States Senate:

I heartily concur in telegram sent you by Mr. Lindley Morton in reference to Federal guaranty of bank deposits.

W. H. Hassinger.

ALICEVILLE, ALA., March 3, 1933.

J. H. BANKHEAD,

United States Senate: What is prospect Federal guaranty legislation?

J. V. PARK.

BIRMINGHAM, ALA., March 3, 1933.

Hon. JOHN H. BANKHEAD,

United States Senate:
Our companies do business in 40 States, which has been enabling our coal miners and oven labor to work two and three days weekly. our coal miners and oven labor to work two and three days weekly. Recent financial developments are bringing about paralysis of commerce, resulting in materially slowing down our operations and, of course, all commerce everywhere. Aside from this economic phase we face complete demoralization among all working men everywhere. Something must be done quickly to relieve situation, and after much deliberation I have concluded only possible way is Government guarantee bank deposits. Please let me urge quick action along this line, otherwise complete paralysis and demoralization face us. lization face us.

HORACE HAMMOND.

BIRMINGHAM, ALA., March 3, 1933.

Senator John H. BANKHEAD,

United States Senate:

The banking situation appears so desperate that only a Government guaranty in some form can prevent a general debacle. Your help toward that end so far as you can conscientiously give it is earnestly requested.

E. E. LINTHICUM.

BIRMINGHAM, ALA., March 3, 1933.

Hon. John H. BANKHEAD,

Hon. John H. Bankhead,

United States Senate:

The banking situation has reached a deplorable and destructive point, and I believe the Federal Government can save the greatest disaster conceivable by guaranteeing bank deposits. I have never been in favor of this before, but now seems an absolutely necessity to restore confidence. It can not be pushed too rapidly.

W. M. Cosby.

BIRMINGHAM, ALA., March 3, 1933.

Senator John Bankhead,

United States Senate:

Present situation such that I feel forced to conclusion that Federal guarantee of bank deposits immediately is only feasible solution. Respectfully urge you to consider seriously whether possible Government losses from such guaranty would not be far less than from continuation of present situation for more than four days few days.

J. E. CHAPPELL News Age-Herald. MOBILE, ALA., March 3, 1933.

Senator JOHN BANKHEAD,

Senate Building.

Trust you can support bill guaranteeing bank deposits. EVERETT & BOYKIN.

MOBILE, ALA., March 3, 1933.

Senator BANKHEAD:

We urge you to pass bill in Senate before adjournment to-day guaranteeing safety to all depositors in national banks by the United States Government.

MOBILE DRUG CO.

BIRMINGHAM, ALA., March 2, 1933.

Hon. JOHN H. BANKHEAD,

United States Senator, Washington, D. C.

My considered judgment is that the banking situation is rapidly becoming a national catastrophe that can only be averted by a Federal guarantee of bank deposits. It is only in this manner that confidence can be restored which in turn should result in the restitution of values which will prevent the Federal Government from sustaining substantial losses by its quarantee. Failure to act will sustaining substantial losses by its guarantee. Failure to act will precipitate great destruction in all values from current levels and paralysis of commerce which will eventually cost the Federal Government far more than it would lose by a guarantee of deposits. The above deals with the economic aspect of the situation, and the humanitarian aspect is an even stronger argument in favor of such action, as it is the only way to prevent a degree of suffer-ing and misery that may be more than humans will stand.

LINDLEY C. MORTON.

BIRMINGHAM, ALA., March 3, 1933.

Hon. John H. Bankhead,

United States Senator:
The financial situation in Alabama and other States in my opinion will soon spread over the entire country, thereby producing national distress and chaos unless something is done by the National Government to guarantee bank deposits. While economic reasons for such guarantee are strong, humanitarian reasons are even stronger. I sincerely believe whatever loss might be susticed by the Country of the guarantee will be sustained by the Government in making this guarantee will be far less in the long run than it will have to take from relief now being given to various financial institutions. I sincerely trust that you will use your best efforts and influence toward quick legislation which will provide security and peace of mind for the people of our country.

CRAWFORD JOHNSON.

SEATTLE, WASH., March 3, 1933.

Senator John H. BANKHEAD:

Senator John H. Bankhead:

It is time to act while Government still can be effective, otherwise a new deal no one ever dreamed of. There is one course still open: Government guarantee of deposits in both State and national banks. You will be forced to do it to protect the Federal reserve and United States Treasury. The cost would be far less than concessions already made on war debts, possibly nothing, because only the best banks are left now. Too late now for previously suggested remedy. What good is the Glass bill if there are no banks? Surely Government can enforce honesty, safety, and protection for the public. If not, let New York have the country and run it. country and run it.

HARRY B. LEAR President University National Bank.

SOUND REPRODUCTION RECORDS FOR THE ADULT BLIND

The Senate resumed the consideration of the bill (H. R. 13817) to amend section 1 of the act entitled "An act to provide books for the adult blind," approved March 3, 1931.

Mr. LA FOLLETTE. Mr. President, for reasons which I stated at the time the Senator from Utah [Mr. Smoot] moved to take up this bill, I do not think it should be considered in the closing hours of this Congress.

It is perfectly obvious that in the confusion that attends the last 12 or 14 hours of the session Senators are unable to give consideration to a matter of this kind; and, as I stated previously and desire to repeat, this measure was reported out upon very short notice, being announced only three days prior to the meeting. Citizens from my State. who are opposed to the measure and who had asked for a hearing, were unable to come on that short notice.

So far as I am concerned, I do not approve of that sort of procedure; but I have already made that explanation, and despite my plea for consideration of those personsdisinterested persons, I contend—in the field of education for the blind, the Senate overrode that request and proceeded to the consideration of this bill.

One of the principal objections raised against the bill, as I understand it, is that those who are opposing it fear that a large part of the \$100,000 which is now appropriated for printing books in Braille type will be diverted for the pur-

pose of developing this experimental mechanism for reproducing books on records, and providing machines to play those records back so that the blind may hear the books from the record.

Confronted with this situation, Mr. President, I therefore intend to offer an amendment to the bill, and I do offer the following amendment, on page 1, line 6, after the comma, to insert the words "not to exceed \$10,000," so that it will

That section 1 of the act entitled "An act to provide books for the adult blind," approved March 3, 1931, is amended by adding after the word "books" the following: "published either in raised characters, and not to exceed \$10,000, on sound reproduction records or in any other form."

Mr. WALCOTT. Mr. President, will the Senator yield?

Mr. LA FOLLETTE. I yield.

Mr. WALCOTT. With reference to this amendment, I agree with everything the Senator from Wisconsin has said. The hearing was necessarily hurried, there was not very much time given for witnesses to get here, but we did the best we could. We were so much interested in this experiment, however, that we made additional checks outside of the hearing with people who knew only the Braille method, and knew nothing of this new method, and the very suggestion that this was a possibility met with the approval of every one we consulted-experts in the treatment of the blind. Yet it is experimental, and in order that there may be no danger of infringing too much on this Braille fund during the ensuing year, and yet that we may not lose this year in experimentation along this line, I personally would gladly accept the amendment, except for the fact that it is a House bill, and amending it in the Senate would force the bill into conference, and there is no time for a conference.

Mr. LA FOLLETTE. Mr. President, I suggest to the Senator from Connecticut that the House could concur in the Senate amendment and could pass the bill.

Mr. WALCOTT. I should think there would be some risk in that, and I would dislike to take any risk of losing even a month on a measure of this importance to the adult blind. I am going to make this suggestion, that if the Senator from Wisconsin will withdraw his amendment, we can declare ourselves here in favor of instructing Doctor Putnam not to exceed in his appropriation for this experiment \$10,000 during the first year.

Mr. LA FOLLETTE. Mr. President, if I can have the assurance of those who are supporting the measure that they will use their influence with Doctor Putnam to see that in no case shall the diversion of money from the printing of books in Braille exceed \$10,000, and in order to accede to the request of the Senator from Connecticut and the Senator from Utah, who are interested in this measure, I will be willing, with that understanding, to withdraw my amendment, if I may have that assurance in the RECORD.

Mr. SMOOT. Mr. President, I assure the Senator that on to-morrow I shall write a letter to Doctor Putnam making that request of him.

Mr. WALCOTT. Mr. President, I appreciate the courtesy of the Senator from Wisconsin. I give my assurance, as the Senator from Utah gives his, and I have consulted with the chairman of the committee, the Senator from Rhode Island [Mr. Metcalf], and he gives his assurance.

This is an exceedingly interesting experiment. We tried it in every possible way. The records have been made, and on from 4 to 10 of these double-faced records a complete novel of three to four hundred pages can be given through this machine. The machine is an assembled machine with which they have been experimenting, to cost probably about \$12 apiece, and the first 1,000 machines have already been underwritten by people who generously subscribed this \$12,000 so that they will be distributed over the United States. Those interested will get the records from a circulating library in connection with the Library of Congress, and we will know a year from now whether this \$10,000 expenditure has been a success. If it is a success, we can very easily increase the appropriation for these unfortunate people.

The PRESIDING OFFICER. Does the Senator from Wisconsin withdraw his amendment?

Mr. LA FOLLETTE. I withdraw the amendment under the circumstances.

The PRESIDING OFFICER. The question is, Shall the bill be read a third time?

The bill was ordered to a third reading, read the third time, and passed.

BERYL M. M'HAM

Mr. REED. Mr. President, when we last had a call of the calendar, House bill 10070, for the relief of Beryl M. McHam, was objected to by the Senator from Massachusetts [Mr. Walsh] on the ground that it gave relief to a soldier who had been dishonorably discharged. I have discussed the circumstances with that Senator and I have explained to him that the beneficiary of the measure had a most distinguished battle record throughout the World War. He was one of the first enlisted men to go to France. He served in the front-line trenches and in shell holes in front of the front-line trenches, being one of the outposts who was furnished with hand grenades. He was terribly wounded in battle, and he came up to the time of the armistice with a most distinguished record.

He went on with the army of occupation, suffering from the effects of his wounds, from the effects of gas, and was pretty generally run down. He did what a good many soldiers have done throughout the ages, drank too much at one time, and had a fist fight with a sergeant. He was brought up before a court-martial in a different outfit from the one with which he had served, the members of which did not know that this man had had any battle service. He was dishonorably discharged from the Army, and he was sentenced to 15 months' confinement in prison, as a result of that single spree and that fist fight, a perfectly preposterous sentence for any soldier. While this man was in prison serving his sentence, he received from The Adjutant General of the Army a citation for distinguished gallantry

The Committee on Military Affairs, on considering the man's record, thought that it was an outstanding case, and that for the future administration of veterans' affairs he should be considered as having been honorably discharged. The Senator from Massachusetts [Mr. Walsh] tells me that he now desires to make no objection. I ask unanimous consent that we may take up the bill.

The PRESIDING OFFICER. Is there objection?

There being no objection, the Senate proceeded to consider the bill, which was ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That in the administration of any laws con-Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers Beryl M. McHam, who served in Company C, Twenty-sixth Regiment, and Company C, Eighth Regiment, United States Infantry, World War, shall hereafter be held and considered to have been honorably discharged from the military service of the United States on the 7th day of July, 1920: Provided, That no pay, compensation, benefit, or allowance shall be held to have accrued prior to the passage of this act.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its clerks, announced that the House had passed without amendment the joint resolution (S. J. Res. 261) authorizing the Comptroller of the Currency to prescribe regulations respecting the conduct of banking business in the District of Columbia.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 5337) to amend the Federal farm loan act, as amended, to permit loans for additional purposes, to extend the powers of Federal land banks in the making of direct loans, to authorize upon certain terms the reamortization of loans by Federal and joint-stock land banks, and for other purposes.

ENROLLED BILL AND JOINT RESOLUTIONS SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bill and joint |

resolutions, and they were signed by the President pro tempore:

S. 465. An act for the relief of William H. Holmes;

S. J. Res. 261. Joint resolution authorizing the Comptroller of the Currency to prescribe regulations respecting the conduct of banking business in the District of Columbia:

S. J. Res. 262. Joint resolution to continue the joint resolution on veterans' benefits.

AMENDMENT OF IMMIGRATION LAWS

Mr. COPELAND. Mr. President, I now renew my request for unanimous consent to proceed to the consideration of House bill 8174, to exempt from the quota fathers and mothers, over 60 years of age, of United States citizens.

The PRESIDING OFFICER (Mr. Fess in the chair). Is there objection to immediate consideration?

Mr. KING. Mr. President, there has been some controversy over one or two features of the bill.

Mr. COPELAND. Mr. President, will not the Senator from Utah explain his amendment?

Mr. KING. Mr. President, there are some features of the bill, as I offered it and as the Senate committee reported it, which were objected to by the State Department. A number of conferences have been had between the State Department and the representatives of the Immigration Service, and they have agreed upon the bill if certain amendments, which

I submit an amendment which I will ask the clerk to state. The PRESIDING OFFICER. The clerk will state the

The LEGISLATIVE CLERK. On page 3, to strike out lines 20 to 25, both inclusive, and on page 4, from line 1 through line 12, as follows:

SEC. 3. Section 15 of the naturalization act of June 29, 1906 (34 Stat. 601; U. S. C., title 8, sec. 405), is amended by adding at the end thereof the following:

"The cancellation of a certificate of citizenship under the pro-

ceedings authorized by this section shall not terminate the citizen-ship of those who have, prior to such cancellation, derived citizen-ship through the naturalization of the individual whose certificate

I shall now submit, are accepted.

ship through the naturalization of the individual whose certificate of citizenship is canceled."

Sec. 4. (a) Section 1993 of the Revised Statutes (U. S. C., title 8, sec. 6), is amended to read as follows:

"Sec. 1993. Any child hereafter born out of the limits and jurisdiction of the United States, whose father or mother is at the time of the birth of such child a citizen of the United States, is declared to be a citizen of the United States; but the rights of citizenship shall not descend to any such child unless the citizen father or citizen mother, as the case may be, has resided in the United States prior to the birth of such child."

The amendment to the amendment was agreed to.

Mr. WALSH. Mr. President, does the Senator intend to offer a substitute?

Mr. KING. I shall offer a substitute. Mr. REED. Mr. President, the Senator says that he is offering a substitute for the part proposed to be stricken out.

The PRESIDING OFFICER. It is all one amendment. Mr. REED. May we not hear the substitute read?

Mr. KING. I send to the desk the substitute, and will explain in a word what the substitute means. The amendment which I offer will clarify the text of certain provisions of existing law.

The PRESIDING OFFICER. For the information of the Senate, let the amendment be reported before the Senator

The LEGISLATIVE CLERK. In lieu of the matter to be stricken out, the Senator from Utah offers the following:

SEC. 3. (a) A child hereafter born out of the limits and juris-SEC. 3. (a) A child hereafter born out of the limits and jurisdiction of the United States and its outlying possessions, of parents both of whom owe allegiance to the United States, and one of whom has previously resided in the United States or its outlying possessions shall acquire at birth the nationality of its parents: Provided, That if one of the parents is a citizen of the United States and the other is a citizen or inhabitant of an outlying possession owing allegiance to the United States, such child shall acquire at birth the status of a citizen of the United States.

(b) A child hereafter born out of the limits and jurisdiction of the United States and its outlying possessions, of parents of whom one has American nationality and has previously resided in the United States, and the other is an alien, which child does not acquire at birth the nationality of an alien spouse, shall acquire the nationality status of the American parent.

(c) A child hereafter born in an outlying possession of the United States of parents one of whom owes allegiance to the United States shall acquire the nationality status of the parent who owes allegiance to the United States: Provided, That if one parent is a citizen of the United States and the other a citizen of an outlying possession owing allegiance to the United States, the child shall acquire at birth the status of a citizen of the United States.

(d) Section 1993 of the Revised Statutes is repealed.

Mr. REED. The reporting of the Senator's amendment is sufficient.

Mr. KING. On page 5, I have further amendments to suggest.

Mr. REED. Unless my copy of the bill is wrong, there is a subsection (e) and a subsection (f) which the clerk did

Mr. KING. Those were eliminated, as I was advised, in the understanding had between the State and Labor Departments.

Mr. LA FOLLETTE. Mr. President, may I ask the Senator, who is familiar with the statute, what section is to be repealed? There is a repealing provision at the end of the amendment.

Mr. KING. It is section 1993 and section 2172.

Mr. LA FOLLETTE. Do I understand the text of the amendment takes the place of the two sections repealed?

Mr. KING. Yes. May I briefly state the amendment which I offered; and the Senator from Pennsylvania has one, if I understand him, to which I shall not object.

There have been some conflicting decisions, as I understand, as to one of the sections of existing law, and it has been deemed proper to clarify the matter. Accordingly one of the amendments offered will avoid conflicts that may possibly arise.

A child born abroad of American parents is recognized as an American citizen; a child born abroad of American parents, one of whom is a citizen of the United States and the other, though not a citizen, owes permanent allegiance to the United States, is declared to be an American citizen.

Under this provision a child becomes an American citizen though born abroad, if one parent only is an American citizen, and if foreign citizenship is not conferred on the child at birth.

A child born in the insular possessions of a parent owing allegiance to the United States takes the nationality of that parent. If one parent of the child is a citizen of the United States, the child becomes a citizen of the United States.

The PRESIDING OFFICER. The question is on the amendment of the Senator from Utah.

Mr. REED. Mr. President, I desire to offer an amendment to the amendment of the Senator from Utah.

The PRESIDING OFFICER. Let the amendment be reported.

The LEGISLATIVE CLERK. Add at the end of the amendment of the Senator from Utah the following:

(e) The alien spouse of a citizen of the United States may obtain naturalization as a citizen of the United States upon complying with the requirements of section 4 of the act of September 22, 1922, as amended, being "An act relative to the naturalization and citizenship of married women," except that the petitioner must show that his or her spouse is residing abroad as a representative of the Government of the United States or principally as a representative of American interests, and that the petitioner intends eventually to reside permanently in the United States: Provided, That the child under 21 years of age of a person naturalized under this paragraph shall, if dwelling in the United States at the time of such naturalization, or if such child comes to the United States thereafter but prior to reaching the age of 21 years, be naturalized thereby.

The PRESIDING OFFICER. The question is on the amendment of the Senator from Pennsylvania to the amendment of the Senator from Utah.

Mr. NEELY. Mr. President, will the Senator tell us whether he has an estimate of how many immigrants will be admitted to this country by reason of the passage of this bill?

Mr. KING. I do not know. I think it will not increase the number materially. There is only one provision that might provide for an increase, and that is the one relating

to fathers and mothers over 60 years of age whose children are here and are citizens of the United States.

Mr. REED. Mr. President, I am told that the only country that will be affected by that provision is Turkey, and that the number of persons who would be privileged to come to this country would be less than 200. The practical effect will not be to increase immigration materially.

Mr. COPELAND. Mr. President, we safeguarded it so as not to bring in laborers or persons who might compete with labor. Parents who may be brought in must be past 60 years of age, so they come in under conditions where the Department satisfies itself, by bond or otherwise, that they will not become dependents upon the country.

Mr. NEELY. Mr. President, in view of the fact that there are approximately 14,000,000 American people out of work and probably more than 8,000,000 threatened with starvation, I doubt the wisdom of increasing the immigration from any country to the United States in existing circumstances.

Mr. COPELAND. If the Senator will bear with me, it must be borne in mind that we are sending out of this country all the time, money from citizens here to take care of those persons over there. It will contribute to our welfare if that money is spent here to maintain those persons here. I am sure the unemployment situation will not be changed.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Pennsylvania to the amendment of the Senator from Utah.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

Mr. KING. Mr. President, I ask that the clerks be authorized to correct the paragraph numbers and letters.

The PRESIDING OFFICER. Without objection the clerks will be so authorized.

Mr. KING. On page 5, line 4, after "repeal of," I move to strike out "section" and insert "sections 1993 and," and insert the following so that the proviso will read "repeal of sections 1993 and 2172."

The PRESIDING OFFICER. Without objection the amendment to the amendment is agreed to.

Mr. KING. Mr. President, if the Senator from Pennsylvania will look at section 5, I should like to ask if it is necessary to have that amendment adopted? That is to enable soldiers, when they have lost their naturalization papers, to obtain new papers for a limited fee without being required to pay the entire fee.

Mr. REED. I hope that section will remain in the bill. Mr. KING. It is a part of the bill as amended and if necessary I ask that the language on page 5 be adopted as an amendment. I am not sure whether the parliamentary status requires the adoption of that language.

Mr. REED. The amendment of the committee is still open to amendment.

The PRESIDING OFFICER. That provision is still in the bill and when the amendment is adopted it will still be there

Mr. REED. Mr. President, in section 2 of the bill, which has not been referred to, an effort is made to give relief to those aliens who have come here lawfully but without any official record of their entry. Back in the early years of this century the records of arrival, particularly at our land frontier posts, were very sparsely kept. It is impossible for many aliens who are lawfully here to prove the time and place of their arrival. This section is intended to give relief from that condition. That is the only subject to which attention is called, but inadvertently perhaps the section has another effect of giving furisdiction over registry of aliens not only to the Commissioner General of Immigration, who now has it, but also to the Commissioner of Naturalization.

It gives a divided jurisdiction and it may well be that an alien who was refused registry by the Commissioner General of Immigration would then be able to go to the Commissioner of Naturalization and get from him the registry which had been denied him by the immigration officer. I do not believe that that divided jurisdiction should be created without some investigation by the Congress. It may be it will prove to be wise, but nobody has given considera-

tion to that phase of the matter. Therefore, for the present it seems wiser not to extend it, and accordingly I send to the desk amendments which will take care of it. I ask that the several amendments relating to that matter may be reported.

The PRESIDING OFFICER. The amendments to the amendment will be reported.

The LEGISLATIVE CLERK. On page 3, line 1 strike out the words "Commissioner of Naturalization if the application is made and naturalization purposes or to the."

The amendment to the amendment was agreed to.

The LEGISLATIVE CLERK. In line 3, strike out the words "in all other cases."

The amendment to the amendment was agreed to.

The LEGISLATIVE CLERK. In line 4, strike out the words "Commissioner of Naturalization or the."

The amendment to the amendment was agreed to.

The LEGISLATIVE CLERK. In lines 5 and 6, strike out the words "as the case may be."

The amendment to the amendment was agreed to.

The LEGISLATIVE CLERK. In line 16, strike out "Commissioner of Naturalization or the."

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The PRESIDING OFFICER. The question is, Shall the amendments be engrossed and the bill be read a third time?

The amendments were ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time and passed, as follows: So as to make the bill read:

Be it enacted, etc., That during the fiscal year ending June 30, 1934, nonquota immigration visas may be issued to otherwise admissible fathers or mothers over 60 years of age of citizens of the

admissible fathers or mothers over 60 years of age of citizens of the United States who are 21 years of age or over.

SEC. 2. Subdivision (a) of section 1 of the act entitled "An act to supplement the naturalization laws, and for other purposes," approved March 2, 1929, is amended to read as follows:

"That (a) the registry of aliens at ports of entry required by section 1 of the act of June 29, 1906 (34 Stat. L., Pt. I, p. 596), as amended, may be made as to any alien not ineligible to citizenship in whose case there is no record of admission for permanent residence prior to July 1, 1924 if such alien shall make a satisfactory. dence prior to July 1, 1924, if such alien shall make a satisfactory showing to the Commissioner General of Immigration, in accordance with regulations prescribed by the Commissioner General of Immigration, with the approval of the Secretary of Labor, that

"(1) First entered the United States prior to July 1, 1924;
"(2) Has resided in the United States continuously since such entry;

entry;

"(3) Is a person of good moral character; and

"(4) Is not subject to deportation."

(b) The first sentence of subdivision (b) of section 1 of such act is amended to read as follows: "For each such record of registry made as herein authorized the alien shall pay to the Commissioner of Naturalization or the Commissioner General of Immigration, as the case may be, a fee of \$20, except that if the entry was prior to June 3, 1921, the fee shall be \$8."

SEC. —. (a) A child hereafter born out of the limits and jurisdiction of the United States and its outlying possessions, of parents both of whom owe allegiance to the United States, and one of whom has previously resided in the United States or its outlying possessions shall acquire at birth the nationality of its parents: Provided, That if one of the parents is a citizen of the United States and the other is a citizen or inhabitant of an outlying possession owing allegiance to the United States, such child shall acquire at birth the status of a citizen of the United States;

States;

(b) A child hereafter born out of the limits and jurisdiction of the United States and its outlying possessions, of parents of whom one has American nationality and has previously resided in the United States, and the other is an alien, which child does not acquire at birth the nationality of the alien spouse, shall acquire the nationality status of the American parent;

(c) A child hereafter born in an outlying possession of the United States of parents one of whom owes allegiance to the United States shall acquire the nationality status of the parent who owes allegiance to the United States: Provided, That if one parent is a citizen of the United States and the other a citizen of an outlying possession owing allegiance to the United States, the child shall acquire at birth the status of a citizen of the United States.

(d) Section 1993 of the Revised Statutes is repealed.(e) The alien spouse of a citizen of the United States may obtain naturalization as a citizen of the United States may obtain naturalization as a citizen of the United States upon complying with the requirements of section 4 of the act of September 22, 1922, as amended, being "An act relative to the naturalization and citizenship of married women," except that the petitioner must show that his or her spouse is residing abroad as a representative of the Government of the United States or principally

as a representative of American interests, and that the petitioner intends eventually to reside permanently in the United States: Provided, That the child under 21 years of age of a person naturalized under this paragraph shall, if dwelling in the United States at the time of such naturalization, or if such child comes to the United States thereafter but prior to reaching the age of 21 years, be naturalized thereby.

(1) Section 5 of the act entitled "An act in reference to the expatriation of citizens and their protection abroad," approved March 2, 1907, as amended, is amended to read as follows:

"Sec. 5. That a child born without the United States of alien parents shall be deemed a citizen of the United States by virtue of the naturalization of or resumption of American citizenship by the father or the mother: Provided, That such naturalization or resumption takes place during the minority of such child: And provided further, That the citizenship of such minor child shall begin at the time such minor child begins to reside permanently in the United States."

(g) Section 2172 of the Revised Statutes is repealed.

manently in the United States."

(g) Section 2172 of the Revised Statutes is repealed.

(h) The amendments made by this section to section 1993 of the Revised Statutes and section 5 of the act of March 2, 1907, and the repeal of sections 1993 and 2172 of the Revised Statutes, shall not terminate citizenship acquired under such sections before such amendments or repeal.

SEC. 4. Section 32 (a) of such act of June 29, 1906, as amended, is amended by adding at the end thereof the following: "An alien veteran as defined in section 1 of the act of May 26, 1926 (ch. 398, 44 Stat. 654; U. S. C., Supp. I, title 8, sec. 241), shall not be required to pay the fee required by this subdivision."

The title was amended so as to read: "An act to amend the immigration and naturalization laws."

INLAND WATERWAY, VIRGINIA-NORTH CAROLINA

Mr. BAILEY. Mr. President, I ask unanimous consent for the immediate consideration of Calendar 1209, the bill (H. R. 6184) for the improvement of the inland waterway from Norfolk, Va., to Beaufort Inlet, N. C.

Mr. VANDENBERG. Mr. President, I think I should call attention to the fact that there is a minority report upon the bill, and the Senator from Connecticut [Mr. BINGHAM], in fairness, should be notified if the bill is to be taken up.

Mr. BAILEY. I am glad the Senator from Michigan mentioned that. I was going to refer to it when the bill came up, but the Senator from Connecticut [Mr. BINGHAM] and also the Senator from New Hampshire [Mr. Moses] have assured me that they will have no further objection to the consideration and passage of the bill.

Mr. MOSES. The Senator from New Hampshire is present and confirms the statement of the Senator from North Carolina.

Mr. VANDENBERG. In that event I withdraw any objection.

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Commerce with an amendment, on page 2, line 2, after the word "conditions," to insert the words "and limitations," so as to make the bill read:

Be it enacted, etc., That the following works of improvement are hereby adopted and authorized to be prosecuted under the direc-tion of the Secretary of War and supervision of Chief of Engineers, in accordance with the plans recommended in the report herein-after designated: Inland waterway from Norfolk, Va., to Beaufort Inlet, N. C., in accordance with the report submitted in Rivers and Harbors Committee Document No. 5, Seventy-second Congress, first session, and subject to the conditions and limitations set forth in said document.

The amendment was agreed to.

The amendment was ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time and passed.

ENROLLED BILLS AND JOINT RESOLUTIONS PRESENTED

Mr. VANDENBERG, from the Committee on Enrolled Bills, reported that on to-day, March 3, 1933, that committee presented to the President of the United States the following enrolled bills and joint resolutions:

S. 207. An act for the relief of James L. Pate;

S. 251. An act authorizing adjustment of the claim of the estate of Thomas Bird, deceased;

S. 256. An act authorizing adjustment of the claim of Madrigal & Co., Manila, P. I.;

S. 257. An act authorizing adjustment of the claim of the Baltimore branch of the Federal Reserve Bank of Richmond;

S. 361. An act for the relief of Mary E. Stebbins:

S. 402. An act for the relief of Nelson King;

S. 610. An act for the relief of the Anderson-Tully Co.;

S. 855. An act for the relief of William Ray Taplin;

S. 1463. An act for the relief of William Powell;

S. 1738. An act for the relief of Catterina Pollino;

S. 2203. An act for the relief of John Pearce Cann;

S. 2374. An act to authorize and direct the Secretary of the Navy to convey by gift to the city of Savannah, Ga., the naval radio station, the buildings, and apparatus, located

upon land owned by said city;

S. 2393. An act to provide for the addition of the names of certain persons to the final roll of the Indians of the Flathead Indian Reservation, Mont., and for other purposes;

S. 2508. An act for the relief of Maj. O. S. McCleary,

United States Army, retired;

S. 2680. An act for the relief of Harry E. Blomgren;

S. 3334. An act for the relief of William M. Sherman;

S. 3344. An act for the relief of Maggie Kirkland;

S. 3830. An act to remove a cloud on the title of certain land in the city of Corpus Christi, Tex.;

S. 3831. An act for the relief of William A. Lester;

S. 3832. An act for the relief of Zetta Lester;

S. 3972. An act for the relief of Alva D. McGuire, jr.;

S. 4082. An act to regulate the business of executing bonds for compensation in criminal cases and to improve the administration of justice in the District of Columbia:

S. 4230. An act for the relief of Betty McBride;

S. 4390. An act authorizing the Secretary of the Interior to cancel patent in fee issued to Henry J. Kirn and Louise H. Kirn:

S. 4440. An act authorizing adjustment of the claim of George H. Hansen:

S. 4441. An act authorizing adjustment of the claim of the National Surety Co.;

S. 4491. An act amending the shipping act, 1916, as amended, for the purpose of further regulating common carriers by water in interstate commerce of the United States engaged in transportation by way of the Panama Canal;

S. 4510. An act to authorize exchange of small tribal acreage on the Fort Hall Indian School reserve in Idaho for adjoining land:

S. 4557. An act to authorize the addition of certain names to the final roll of the Sac and Fox Indians of Oklahoma;

S. 4738. An act for the relief of Newport Contracting & Engineering Co.;

S. 4782. An act authorizing adjustment of the claim of Arthur R. Saffran;

S. 4818. An act to authorize the transfer of certain lands in Bernalillo County, N. Mex., to the city of Albuquerque, N. Mex.;

S. 4930. An act for the relief of Avery G. Constant;

S. 5085. An act for the relief of Leslie Jensen;

S. 5122. An act to provide for the purchase and sale of cotton under the supervision of the Secretary of Agriculture; S. 5203. An act for the relief of the Harvey Canal Ship

Yard & Machine Shop;

S. 5204. An act for the relief of the Texas Power & Light Co.;

S. 5205. An act for the relief of the Great Falls Meat Co., of Great Falls, Mont.;

S. 5207. An act for the relief of Rose Gillespie, Joseph Anton Dietz, and Manuel M. Wiseman as trustee of the estate of Louis Wiseman, deceased;

S. 5208. An act for the relief of Mary Byrkett Sinks;

S. 5325. An act for the relief of Sadie L. Kirby;

S. 5413. An act for the relief of the Booth Fisheries Co.; S. 5660. An act authorizing the Secretary of the Treasury

S. 5660. An act authorizing the Secretary of the Treasury to sell certain Government property in St. Louis, Mo.;

S. J. Res. 134. Joint resolution authorizing the Secretary of War to receive for instruction at the United States Military Academy, at West Point, Manob Suriya, a citizen of Siam:

S. J. Res. 178. Joint resolution authorizing the Secretary of War to receive for instruction at the United States Military act of 1932.

Academy, at West Point, Julio Rodriguez Arrea, a citizen of Costa Rica:

S. J. Res. 179. Joint resolution authorizing the Secretary of War to receive for instruction at the United States Military Academy, at West Point, Tisheng Yen, a citizen of China:

S. J. Res. 228. Joint resolution authorizing the American National Red Cross and certain other organizations to exchange Government-owned cotton for articles containing wool; and

S. J. Res. 235. Joint resolution amending provisions in river and harbor laws relating to local cooperation in the prosecution of waterway improvements.

J. R. REIMER

Mr. KING. Mr. President, I invite attention to Calendar No. 1440, the bill (H. R. 2935) for the relief of J. R. Reimer. I objected to that this afternoon, but upon further examination I think perhaps the bill should pass. I ask for its consideration.

There being no objection, the bill was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Comptroller General of the United States be, and he is hereby, authorized and directed to allow credit in the accounts of J. R. Reimer, postmaster at Clinton, Okla., for \$459.90 unlawfully paid to a substitute clerk, C. H. Markum, for vehicle hire.

DELLA O'BRIEN

Mr. BULKLEY. Mr. President, I ask unanimous consent for the immediate consideration of Order of Business 1459, being House bill 7128. This is a bill to compensate the mother of a young woman who was killed as the result of injuries received when a United States mail truck struck her. I think the Senator from Utah objected to it, but I understand he is willing to withdraw his objection.

Mr. KING. Mr. President, I have no objection to the consideration of the bill.

The PRESIDING OFFICER. Is there objection?

There being no objection, the bill (H. R. 7128) for the relief of Della O'Brien was read, considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Della O'Brien, of Cleveland, Ohio, the sum of \$5,000, in full settlement of all claims against the Government of the United States on account of the death of Nora O'Brien, daughter of the said Della O'Brien, resulting from injuries received February 9, 1931, when a United States mail truck struck her: Provided, That no part of the amount appropriated in this act in excess of 10 per cent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 per cent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

BILLS INDEFINITELY POSTPONED

Mr. WAGNER. Mr. President, three bills appear upon the calendar as if awaiting action by the Senate. As a matter of fact, the Senate has acted upon them, and I should like to have the record so show. The first is Order of Business No. 366, being the bill (S. 3696) to provide for cooperation by the Federal Government with the several States in relieving the hardship and suffering caused by unemployment, and for other purposes; the second is Order of Business 851, being the bill (S. 4755) to provide for grants and loans to the several States to aid in relieving unemployment, to facilitate the construction of self-liquidating projects, to provide for the construction of certain authorized Federal public-works projects, and for other purposes; and the third is Order of Business No. 1322, being the bill (S. 5609) to amend the emergency relief and construction

The PRESIDING OFFICER. What is the Senator's request?

Mr. WAGNER. I want, in some way, to have the calendar indicate that the bills referred to have been passed or acted upon by the Senate. They appear upon the calendar as if they had not been acted upon.

Mr. KING. Mr. President, the Senator will have to run his pencil through them.

Mr. WAGNER. Mr. President, I think we can have the permanent records of the Senate show that action has been taken. I desire to make a parliamentary inquiry. Is it not possible to have the permanent records of the Senate show that these bills have been acted upon?

Mr. REED. Mr. President, a parliamentary inquiry. The PRESIDING OFFICER. The Senator will state it.

Mr. REED. Could not that end be obtained if the Senator from New York should ask unanimous consent that the bills referred to by him be dropped from the calendar?

Mr. WAGNER. They either should be dropped from the calendar or indefinitely postponed.

The PRESIDING OFFICER. Without objection, the bills referred to by the Senator from New York will be indefinitely

P. F. GORMLEY & CO.

Mr. STEIWER. I present a conference report and ask unanimous consent for its immediate consideration.

The PRESIDING OFFICER. The report will be read. The Chief Clerk read the report, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the joint resolution (S. J. Res. 197) conferring jurisdiction upon the Court of Claims to render findings of fact in the claim of P. F. Gormley Co., having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendments of the House numbered 1, 3, and 4, and the amendment to the title, and agree to the same.

Amendment numbered 2: That the Senate recede from its disagreement to the amendment of the House numbered 2, and agree to the same with an amendment as follows: In lieu of the matter inserted in said amendment insert the following: "and also claims for damages for extra costs occasioned by orders of the Navy Department requiring the contractor to pay wages at rates fixed by war-time wage boards: by the commandeering of contractor's labor for use on war-time work considered more urgent; for increased costs due to extended period of performance necessitated by war-time conditions and war orders, with the right on the part of the Government to present any legal and equitable set-offs and defenses"; and the House agree to the

> FREDERICK STEIWER, WALLACE H. WHITE, Jr., Managers on the part of the Senate. MILES C. ALLGOOD,

CHARLES H. MARTIN, J. H. SINCLAIR, Managers on the part of the House.

Mr. KING. Will the Senator explain what the amendments were?

Mr. STEIWER. Mr. President, this measure is in the form of a joint resolution. It was introduced by the Senator from Massachusetts [Mr. Walsh]. It confers jurisdiction upon the Court of Claims to hear a certain cause and provides among the items that may be embraced within the hearing or considered two sets of prospective rights. The House in its consideration of the joint resolution struck out those two particular items, but in conference the House receded from its disagreement to the insertion of one item and that was restored, while the other item remained out of the measure. I am sure there can be no objection to the conference report.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

RELIEF OF UNEMPLOYMENT

Mr. BULKLEY. Mr. President, I ask unanimous consent to have printed in the RECORD a letter from the Ohio Unemployed League, of Columbus, Ohio, and an accompanying memorandum of their demands.

There being no objection, the letter and memorandum were ordered to be printed in the Recorp, as follows:

> OHIO UNEMPLOYED LEAGUE, Columbus, Ohio, March 3, 1933.

Hon. Robert Bulkley,

United States Senate, Washington, D. C.

Dear Sir: The State convention of the Ohio Unemployed League,

Dear Sir: The State convention of the Ohio Unemployed League, held in Columbus on February 27-28, has instructed us to present the demands of the organized unemployed to you, with a view that vigorous and coordinated Federal and State action may be taken immediately to relieve the situation.

Reports made by delegates from all sections of Ohio revealed increasing misery, with the picture ever growing darker, in this fourth year of the depression.

In some places, to cite challenging examples, men are working for 30 cents a day for a 9-hour day. Relief abuses, both as to inadequacy of amount to maintain any decent living conditions and as to defects in administration, are almost universal.

The unemployed want work. They want the factories, mines, and mills reopened. We submit that the State and Nation must

take steps toward protecting our citizens in industry by the assurance of adequate relief, or by drastic measures for the reopening of industrial establishments.

reopening of industrial establishments.

The organized unemployed of Ohio have worked out demands which we submit herewith. They call for State action, but also for national encouragement of such State action. We call your particular attention to the "lowest-level-of-existence budget," worked out as a necessity for American workers merely to exist upon. The figures are above challenge, and show that \$18.35 should be assured each week to a family of five—man, wife, and three children. The Federal Government, through the Reconstruction Finance Corporation and other agencies, should urge upon the States recognition of this budget in relief administration. Sufficient funds should be available to make the budget a cer-

upon the States recognition of this budget in relief administration. Sufficient funds should be available to make the budget a certainty for the American family.

If that can not be done, then surely the time has come to conscript factories and mills and run them in this great emergency, putting the workers to work at decent wages.

Our action in coming to Washington is a last stand of the unemployed, representative workers in their communities, for narricalization in a drastically needed near deal. participation in a drastically needed new deal. Yours very truly,

WM. R. TRUAX, President. ARNOLD JOHNSON, Director Organization Department.

MEMORANDUM OF DEMANDS FROM OHIO UNEMPLOYED LEAGUE Our demands, formulated and adopted at the Niles convention

of November 6, after careful study, and reaffirmed by the present Columbus convention, are:

L ON RELIEF STANDARDS

The following figures were arrived at on the basis of the lowest possible level of existence. This under no condition is to be used as a base for wage rates.

1. Demands for a family of 5 for a week:	
Food	\$6.25
Clothing	2.75
Coal (for six months)	
Light	. 57
Cooking fuel	. 57
Shelter	3.46
Medical and dental care	1.50
Household necessities	
Personal necessities	
Household replacements	
Total	18. 35
 These demands were worked out from the following allow (a) Clothing—for a man per year— 	
One suit	\$15.00
Shoes	5.00
Shirts	1.50
Socks (7 pair)	1.00

One suit	\$15.00
Shoes	5.00
Shirts	1.50
Socks (7 pair)	
Underwear	3.00
Overcoat	5.00
Hat	1.00
Total	29. 50
(b) For a woman, per year—	
Dresses (1 at \$5 and 4 at 50 cents)	\$7.00

2.	These	demands	were	worked	out	from	the	following	allow-
	ances-	-Continued	1.						

(b) F	or a woman, per year—Continued. Coat————————————————————————————————————	3.00 1.50
(c) F	Total or a child, per year (based on a girl of 12 years)— Dresses (1 at \$4 and 4 at 50 cents) Shoes Hoslery Underwear Coat Hat Sweater	6, 00 6. 00 4. 00 1. 50 6. 00 1. 00
	Total	25. 50

Total for man, wife, and 3 children, for a year__.

By dividing this total by 52 weeks we arrive at the figure of \$2.56 per week for clothing for a family of five. By making other small allowances the figure of \$2.75 a week was arrived at.

Other items arrived at by the same process:

Food, per person per week Coal, per family for week (figured for 6 months) _____ 1.15

All other items as indicated in the budget: The item of household necessities includes: Soap, broom, tollet paper, etc. Household replacements include: Sheets, towels, curtains, etc. Personal necessities include: Shaving soap, razor blades, talcum powder, tooth paste, etc.

II. ON ADDITIONAL NECESSARY MEASURES OF RELIEF

- 1. No water to be shut off under any circumstances, because water is a necessity and because of the health laws of the State.

 2. No gas or electricity to be shut off, as these are utilities considered necessary to the housewife of to-day.

 3. Reduction of all utility rates, which includes the abolition of service charges where they are in force.

4. All relief must be paid in cash.

- 5. Unemployed organizations must have majority representation on all relief administrative and dispensing bodies. Such representatives to be appointed on recommendation of the unemployed organizations themselves.
- 6. All relief work must be done at the prevailing rate of wages in the particular locality where the work is being done, with the minimum of 40 cents per hour as provided by State law.

 7. Relief for single men and women should be prorated.
- Unemployment insurance to be paid by Federal, State, and

- industry.

 9. Free textbooks for public schools.

 10. Recognition by public officials of their responsibility to the
- 11. To gain the above demands the organizations shall use any means necessary under the circumstances obtaining at that time. We take this occasion also to remind you of the discriminatory and illegal practice in our State relief organizations by which auto licenses are taken from unemployed men who are on relief.

III. ON TAXATION

The burden of taxation to be borne by those best able to pay, through inheritance and income taxes in the higher brackets; taxation of utility and corporation profits; and the removal of exemption from tax-exempt securities, through which at the present time the rich evade their just contribution to the common realform. welfare.

A moratorium on taxes on consumption and on taxes bearing on the small farmer and the worker.

Mr. McNARY. I move that the Senate take a recess until 10.30 a. m. to-morrow.

The motion was agreed to; and (at 6 o'clock and 20 minutes p. m.) the Senate took a recess until to-morrow, Saturday, March 4, 1933, at 10.30 a. m.

NOMINATIONS

Executive nominations received by the Senate March 3, 1933 APPOINTMENT, BY TRANSFER, IN THE REGULAR ARMY

TO ORDNANCE DEPARTMENT

First Lieut. Robert McKee Smith, Infantry (detailed in Ordnance Department), with rank from August 17, 1928.

PROMOTION IN THE REGULAR ARMY

To be colonels

Lieut. Col. Thorne Strayer, Infantry, from March 1, 1933. Lieut. Col. Hugh Almer Parker, Infantry, from March 1. 1933.

To be lieutenant colonels

Maj. John Hale Stutesman, Infantry, from March 1, 1933, subject to examination required by law.

Maj. John Alden Crane, Field Artillery, from March 1, 1933, subject to examination required by law.

Maj. John Ashley Warden, Cavalry, from March 1, 1933.

Maj. Willis Craig Knight, Coast Artillery Corps, from March 1, 1933.

Maj. Frank Melvin Kennedy, Air Corps, from March 1,

To be majors

Capt. Francis Atherton Macon, jr., Infantry, from March 1, 1933.

Capt. Laurence Bolton Keiser, Infantry, from March 1, 1933.

Capt. Homer Caffee Brown, Infantry, from March 1, 1933. Capt. Clare Hibbs Armstrong, Coast Artillery Corps, from March 1, 1933.

Capt. Harris Marcy Melasky, Infantry, from March 1, 1933.

Capt. John Clement Whitcomb, Infantry, from March 1,

Capt. Wallace James Redner, Quartermaster Corps, from March 1, 1933.

To be captains

First Lieut. James Nelvin Stuart, Infantry, from February 25, 1933.

First Lieut. Jules Verne Sims, Infantry, from March 1, 1933

First Lieut. Charles Carlton, Infantry, from March 1,

First Lieut. Thomas Joseph McDonald, Infantry, from March 1, 1933.

First Lieut. Leo George Clarke, Infantry, from March 1, 1933.

First Lieut. Joseph Thaddeus Zak, Infantry, from March 1, 1933.

First Lieut. Hugh Carlton Dorrien, Infantry, from March

First Lieut. Shirley Randolph Hurt, Field Artillery, from March 1, 1933.

First Lieut. James Carl Horne, Infantry, from March 1, 1933.

First Lieut. Werner Watson Moore, Quartermaster Corps. from March 1, 1933.

First Lieut. Fremont Byron Hodson, Infantry, from March 1, 1933.

First Lieut. Robert Theodore Zane, Air Corps, from March 1, 1933.

To be first lieutenants

Second Lieut. George Lucien Richon, Signal Corps, from February 23, 1933.

Second Lieut. Charles Richard Hutchison, Field Artillery, from February 25, 1933.

Second Lieut. Stanley Burton Bonner, Field Artillery. from March 1, 1933.

Second Lieut. Edward Pont Mechling, Cavalry, from March 1, 1933.

Second Lieut. Julius Theodore Flock, Air Corps, March 1,

Second Lieut. Robert Graham Lowe, Cavalry, from March 1, 1933.

Second Lieut. Everett Charles Dunham, Coast Artillery Corps, from March 1, 1933.

Second Lieut, George Edward Martin, Infantry, from March 1, 1933.

Second Lieut. John Milton Burdge, jr., Field Artillery, from March 1, 1933.

Second Lieut. Bertram Arthur Holtzworth, Field Artillery. from March 1, 1933.

Second Lieut. Frederick Andrew Granholm, Field Artillery, from March 1, 1933.

Second Lieut. Charles Pennoyer Bixel, Cavalry, from March 1, 1933.

Second Lieut. Robert Griffith Turner, Infantry, from March 1, 1933.

Second Lieut, Alex Norwood Williams, jr., Field Artillery, from March 1, 1933.

CONFIRMATIONS

Executive nominations confirmed by the Senate March 3, 1933

COAST GUARD

Lieut. Frank D. Higbee, to be lieutenant commander.

APPOINTMENTS BY TRANSFER, IN THE REGULAR ARMY

TO QUARTERMASTER CORPS

Second Lieut. Albert Eugene Dennis.

TO ORDNANCE DEPARTMENT

First Lieut. Robert McKee Smith.

PROMOTIONS IN THE REGULAR ARMY

To be colonels

Lieut. Col. Thorne Strayer, Infantry. Lieut. Col. Hugh Almer Parker, Infantry.

Maj. Lincoln Beaumont Chambers, to be lieutenant colonel, Corps of Engineers.

To be lieutenant colonels

Maj. John Hale Stutesman, Infantry.

Maj. John Alden Crane, Field Artillery.

Maj. John Ashley Warden, Cavalry.

Maj. Willis Craig Knight, Coast Artillery Corps.

Maj. Frank Melvin Kennedy, Air Corps.

To be majors

Capt. Donovan Swanton, Infantry.

Capt. Francis Atherton Macon, jr., Infantry.

Capt. Laurence Bolton Keiser, Infantry.

Capt. Homer Caffee Brown, Infantry.

Capt. Clare Hibbs Armstrong, Coast Artillery Corps.

Capt. Harris Marcy Melasky, Infantry.

Capt. John Clement Whitcomb, Infantry.

Capt. Wallace James Redner, Quartermaster Corps.

To be captains

First Lieut. Winfield Scott Hamlin, Air Corps.

First Lieut. Clinton James Ancker, Infantry.

First Lieut. James Nelvin Stuart, Infantry.

First Lieut. Jules Verne Sims, Infantry.

First Lieut. Charles Carlton, Infantry.

First Lieut. Thomas Joseph McDonald, Infantry.

First Lieut. Leo George Clarke, Infantry.

First Lieut. Joseph Thaddeus Zak, Infantry.

First Lieut. Hugh Carlton Dorrien, Infantry.

First Lieut. Shirley Randolph Hurt, Field Artillery.

First Lieut. James Carl Horne, Infantry.

First Lieut. Werner Watson Moore, Quartermaster Corps.

First Lieut, Fremont Byron Hodson, Infantry.

First Lieut. Robert Theodore Zane, Air Corps.

To be first lieutenants

Second Lieut. Willard Burton Carlock, Infantry.

Second Lieut. George McCoy, jr., Air Corps.

Second Lieut. George Lucien Richon, Signal Corps.

Second Lieut. Charles Richard Hutchison, Field Artillery.

Second Lieut. Stanley Burton Bonner, Field Artillery.

Second Lieut. Edward Pont Nechling, Cavalry.

Second Lieut, Julius Theodore Flock, Air Corps. Second Lieut. Robert Graham Lowe, Cavalry.

Second Lieut. Everett Charles Dunham, Coast Artillery

Corps.

Second Lieut. George Edward Martin, Infantry.

Second Lieut. John Milton Burdge, jr., Field Artillery.

Second Lieut. Bertram Arthur Holtzworth, Field Artillery.

Second Lieut. Frederick Andrew Granholm, Field Artillery.

Second Lieut. Charles Pennoyer Bixel, Cavalry. Second Lieut. Robert Griffith Turner, Infantry.

Second Lieut. Alex Norwood Williams, jr., Field Artillery.

APPOINTMENT IN THE OFFICERS' RESERVE CORPS GENERAL OFFICERS

To be brigadier generals, reserve

Brig. Gen. Edward Moses Stayton. Brig. Gen. Trelawney Eston Marchant.

PROMOTIONS IN THE NAVY

Commander Warren G. Child to be a captain. Lieut. Commander Ellis M. Zacharias to be a commander. Lieut. Commander Clarence Gulbranson to be a com-

To be lieutenants

Marvin P. Kingsley.

Gordon M. Stoddard.

Edward R. Sperry. Marcel E. A. Gouin. Passed Assistant Paymaster Vergil L. Marsh to be a paymaster.

Lieut. Morris Smellow to be a passed assistant paymaster. Lieut. (Junior Grade) Arnold R. Kline to be an assistant paymaster.

HOUSE OF REPRESENTATIVES

FRIDAY, MARCH 3, 1933

The House met at 11 o'clock a. m.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Almighty God, we thank Thee that Thou art always nigh and the gate of prayer is never closed. O Thou who didst breathe hope into cheerless lives and stretched forth Thy hand to falling patriots and martyrs, glory be unto Thy holy name forever. By the prayers and hardships of our heroic sires and their valorous sons and daughters Thou hast raised up a nation of power and wealth to be an inspiration for good government throughout the world. They toiled, they bled, they taught, and they achieved. Blessed be their memory forever. Grant, O Lord, unto the East, the West, the North, the South all the blessedness of a united and a regenerated country. As long as there is human weakness to be strengthened, as long as there is aspiration to be developed, as long as there is character to be unfolded, may we never undervalue the inheritance which has been committed unto us. O God of love, we bear upon our praying lips a petition for our President elect and our Vice President elect and their hearthstones; may no peril befall them. The Lord God be with them through the years, and establish Thou the work of their hands. O may the ship of state sail on and on, always casting a jubilant anchor of honor and good will in the harbors of the world. Through Jesus Christ our Lord. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE OF THE SENATE

A message from the Senate by Mr. Craven, its principal clerk, announced that the Senate had passed without amendment a joint resolution of the House of the following title:

H. J. Res. 572. Joint resolution to provide for further investigation of certain public-utility corporations engaged in interstate commerce.

The message also announced that the Senate had ordered that the bill (H. R. 11035) for the relief of Price Huff be returned to the House pursuant to its request.

The message also announced that the Senate had passed joint resolutions of the following titles, in which the concurrence of the House is requested:

S. J. Res. 261. Joint resolution authorizing the comptroller of the Currency to prescribe regulations respecting the conduct of banking business in the District of Columbia; and

S. J. Res. 262. Joint resolution to continue the joint resolution on veterans' benefits.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 14643. An act making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1934, and for other purposes.

The message also announced that the Senate disagrees to the amendments of the House to the bill (S. 465) entitled "An act for the relief of William H. Holmes," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. Capper, Mr. Steiwer, and Mr. Trammell to be the conferees on the part of the Senate.

The message also announced that the Senate had agreed to the amendment of the House to the amendment of the Senate No. 8 to the bill (H. R. 6684) entitled "An act to authorize the Secretary of the Interior to modify the terms of existing contracts for the sale of timber on Indian land when it is in the interest of the Indians so to do."

The message also announced that the Senate had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 13520) entitled "An act making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1934, and for other purposes."

The message also announced that the Senate had agreed to the amendments of the House to bills of the Senate of the following titles:

S. 660. An act for the relief of Hamilton Grounds;

S. 1067. An act for the relief of Agnes M. Angle;

S. 1978. An act for the relief of Daisy Anderson;

S. 2862. An act for the relief of W. H. Hendrickson;

S. 2941. An act for the relief of the Holy Family Hospital, St. Ignatius. Mont.:

S. 3443. An act to authorize the Secretary of War to grant a right of way to the Alameda Belt Line across the Benton Field Military Reservation. Alameda, Calif.:

S. 3592. An act confirming the claim of Francis R. Sanchez, and for other purposes;

S. 4909. An act for the relief of A. Y. Martin;

S. 5382. An act providing for an exchange of lands between the Colonial Realty Co. and the United States, and for other purposes;

S. 5537. An act to convey certain land in the county of Los Angeles, State of California; and

S. 5612. An act to provide for the selection of certain lands in the State of California for the use of the California State park system.

DISTRICT OF COLUMBIA APPROPRIATION BILL, 1934

Mr. CANNON. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 14643) making appropriation for the government of the District of Columbia and other activities chargeable, in whole or in part, against the revenues of such District for the fiscal year ending June 30, 1934, and for other purposes, with Senate amendments, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER. The gentleman from Missouri asks unanimous consent to take from the Speaker's table the bill H. R. 14643, the District of Columbia appropriation bill, disagree to the Senate amendments, and agree to the conference. The Chair may state to the gentleman from Missouri that the Senate has not asked for a conference.

Mr. CANNON. I understood they had. If not, then we ask for a conference.

The Clerk read the title of the bill.

Mr. BLANTON. Mr. Speaker, reserving the right to object, the Senate has added 174 amendments to this bill. They have cut the bill all to pieces. One of these 174 amendments alone will take \$3,500,000 out of the Treasury. It means much to the taxpayers in all the States.

Mr. Speaker, with the understanding that the gentleman from Missouri [Mr. Cannon] will assure us that before the conferees on this bill meet we will be given ample opportunity to digest all these amendments and know exactly what they contain, I shall not object. Otherwise I shall.

Mr. SNELL. Mr. Speaker, will the gentleman yield?

Mr. BLANTON. I yield.

Mr. SNELL. What item is represented by the \$3,500,000 added by the Senate?

Mr. BLANTON. That is the additional gift the Senate annually gives the people here in the District of Columbia out of the people's Treasury in addition to the \$6,500,000 gift already in the bill which the gentleman from Michigan said was the limit that ought to be given.

Mr. SNELL. I concede that the allowance of \$6,500,000 to the District is ample under present conditions.

Mr. BLANTON. The gentlemen, then, agrees with me that we ought to have ample time to study these 174 amendments?

Mr. SNELL. I do not know that I can agree about the time, because time is very important now, but I am very decided in my views as to that one item.

Mr. BLANTON. Mr. Speaker, with the understanding that the gentleman from Missouri, chairman of the committee, will give us ample time to consider these amendments before we go into conference, I shall not object. This bill was passed in the Senate to-day, has 174 amendments in it, and we must have time to study them.

Mr. CANNON. Mr. Speaker, we shall be glad to give all the time possible, but this bill must be enacted by to-morrow, and, necessarily, we will have to go to conference this afternoon.

Mr. BLANTON. I do not object to holding the conference this afternoon and let it continue all night if necessary, for that matter, but we want until this afternoon to carefully check up these 174 amendments.

The SPEAKER. Is there objection to the request of the gentleman from Missouri? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. Cannon, Granfield, Blanton, Holaday, and Simmons.

Mr. CANNON. Mr. Speaker, I desire to submit a further unanimous-consent request.

The SPEAKER. The gentleman will state it.

Mr. CANNON. We must call the conference this afternoon by 5 o'clock, and as the bill must be passed to-morrow it will be practically impossible for us to come back to the House for a vote on any Senate amendment subject to a point of order under section 2, Rule XX.

Therefore, Mr. Speaker, I ask unanimous consent that section 2 of Rule XX be waived in the consideration of the conference report on the District appropriation bill.

Mr. BLANTON. That is too important a provision to waive. I shall be forced to object, for that would leave the House absolutely without proper protection.

Mr. Speaker, I object.

WAR DEPARTMENT APPROPRIATION BILL, FISCAL YEAR 1934

Mr. COLLINS. Mr. Speaker, I present a conference report on the bill (H. R. 14199) making appropriations for the military and nonmilitary activities of the War Department for the fiscal year ending June 30, 1934, and for other purposes.

The Clerk read the title of the bill. The conference report is as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on certain amendments of the Senate to the bill (H. R. 14199) making appropriations for the military and nonmilitary activities of the War Department for the fiscal year ending June 30, 1934, and for other purposes, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 36 and 37.

That the House recede from its disagreement to the amendments of the Senate numbered 7, 8, and 22, and agree to the same.

Amendment numbered 12: That the House recede from its disagreement to the amendment of the Senate numbered 12, and agree to the same with an amendment as follows:

In lieu of the sum proposed insert "\$2,796,465"; and the Senate agree to the same.

Amendment numbered 23: That the House recede from its disagreement to the amendment of the Senate numbered 23, and agree to the same with an amendment as follows: In lieu of the sum proposed in the last line of said amendment insert "\$168.827"; and the Senate agree to the same.

Amendment numbered 27: That the House recede from its disagreement to the amendment of the Senate numbered 27, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$1,183,723"; and the Senate agree to the same.

Amendment numbered 41: That the House recede from its disagreement to the amendment of the Senate numbered 41, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$837,219"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 6, 29, 30, and 31.

Ross A. Collins,
William C. Wright,
Tillman B. Parks,
Henry E. Barbour,
Frank Clague,
Managers on the part of the House.
David A. Reed,
Hiram Bingham,
Kenneth McKellar,
Duncan U. Fletcher,
John B. Kendrick,
Frederick Steiwer,
Managers on the part of the Senate.

Mr. COLLINS. Mr. Speaker, I ask unanimous consent that the statement be read in lieu of the report.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The Clerk read the statement.

Mr. COLLINS. Mr. Speaker, as agreed to by the conferees, including the agreements encompassed by the pending conference report and the amendments I shall propose, instead of an increase of \$24,146,630, proposed by the Senate, the bill will carry \$985,028 more than when it passed the House, of which \$938,604 is on account of military activities and \$46,424 on account of nonmilitary items.

This means that the total amount carried by the bill for military and nonmilitary items will aggregate \$349,840,749, or \$2,689,396 under the Budget estimate.

There are four amendments in disagreement, but these are all technical disagreements. The conferees on the part of the House and the Senate are in full agreement as to these four amendments.

Mr. HILL of Alabama. Mr. Speaker, will the gentleman vield?

Mr. COLLINS. I yield.

Mr. HILL of Alabama. Do I understand that the Taber amendment, the Connery amendment, and the Couzens amendment are now all killed?

Mr. COLLINS. They are eliminated.

Mr. SNELL. Is the citizens' military training camp item now in the bill the same as it was when it left the House?

Mr. COLLINS. The amount for citizens' military training camp work is \$2,500,000, the amount carried as the bill passed the House.

Mr. SNELL. I could not understand just what the gentleman from Alabama said, but as I understand, the Couzens amendment is entirely out.

Mr. COLLINS. The Couzens amendment is entirely out.

Mr. THOMASON. Will the gentleman yield?

Mr. COLLINS. I yield.

Mr. THOMASON. What about the purchase of more horses?

Mr. COLLINS. The amount of \$50,000 is carried in the bill for the purchase of horses, as against approximately \$83,500 as carried in the Senate bill.

Mr. HILL of Alabama. And considerably less than what the Budget recommended for horses.

Mr. COLLINS. Considerably less; yes.

Mr. SNELL. And as I understand, the bill is now only a little less than \$1,000,000 more than when it left the House?

Mr. COLLINS. A little less than \$1,000,000; yes. Mr. SNELL. You did pretty well.

Mr. COLLINS. I thank the gentleman.

Mr. HILL of Alabama. The gentleman always does well. Mr. COLLINS. Mr. Speaker, I yield five minutes to the gentleman from Georgia [Mr. Parker].

Mr. PARKER of Georgia. Mr. Speaker, I am going to resist the adoption of this conference report. I feel justified in resisting the adoption of the report for the reason that the House and Senate were in disagreement on one amendment, and the House has twice voted in a particular way, but the conferees have set aside the wishes of the House. I want a roll call on this proposition before I am willing to yield.

The amendment I have reference to is a provision that was placed in the War Department appropriation bill by the House to the effect that no part of the appropriation for transportation will be used by the Army in operating a railroad in my State.

The Democratic Party, as a matter of policy and as a matter of principle, is not in favor of the Government being in business in competition with private industry, and especially are we Democrats opposed to the Government operating the railroads of the country at this time, when the little revenue that is derived from them is so sorely needed by the railroads themselves.

Mr. RICH. Will the gentleman yield?

Mr. PARKER of Georgia. Yes.

Mr. RICH. The gentleman says the Democratic Party is not in favor of being in business in competition with private industry. Does the gentleman think the Democratic Party will want the Government to operate Muscle Shoals?

Mr. PARKER of Georgia. I do not, sir. Mr. RICH. I am very glad to know that.

Mr. PARKER of Georgia. And the gentleman will recall that I stood on the floor of this House and almost single handed, so far as my side of the House was concerned, voted against that proposition at the last session of the Congress.

So far as the Republican membership of the House is concerned, I understand that you feel about the situation the same as we do on our side of the aisle, and I had hoped to have the support of the Republican Members of the House in this matter. When the matter was voted on by the House the first time, the vote was nearly 5 to 1 against the Government operating this railroad; and when the matter came back to the House on the conference report, when the two Houses were in disagreement, the House again voted unanimously for this provision to stay in the bill.

The conferees now come back to the House, and because one of them, the gentleman from Georgia [Mr. Wright], is personally willing for the Government to operate this road, he has controlled the conference report, and the conferees now submit a report that is not in accordance with the vote of the House on two occasions, and I am going to ask the Membership of the House to give me a vote on this proposition and let us see whether or not we want the War Department to go into Georgia and operate this railroad.

Mr. RICH. Will the gentleman yield?

Mr. PARKER of Georgia. I will.

Mr. RICH. Does not the gentleman believe that when one of the departments of the Government, such as the War Department, gets one of these railroads it wants to keep it, because they can increase their personnel, and if we take the railroad away from the War Department, then the department will attend to its proper duties?

Mr. PARKER of Georgia. Absolutely. They ought not to operate these railroads, especially at this time when all the railroads of the country are flat on their backs and not able to sustain themselves.

The Central of Georgia Railroad in my State has operated this little Fort Benning Railroad for 13 years. At no time has the Congress ever been asked to make an appropriation for the operation of the property, but the conferees come here to-day and in this bill ask the Congress to appropriate money to the Army to operate the railroad when Congress has never before been asked for such an appropriation. The language the House inserted in the bill placed a limitation on the appropriation and restrained the War Department from using any of the appropriations for this purpose.

[Here the gavel fell.]

Mr. COLLINS. Mr. Speaker, I yield the gentleman from Georgia two additional minutes.

Mr. VINSON of Georgia. Will the gentleman yield?

Mr. PARKER of Georgia. Yes. Mr. VINSON of Georgia. Will the gentleman inform the House how much additional cost will be entailed by adopting the conference report on this particular item?

Mr. PARKER of Georgia. I understand the appropriation carried for the operation of this railroad is \$12,000, or \$1,000 a month; and, as I said before, no appropriation has ever been made before and none has ever been asked for.

When the War Department took this railroad away from the Central of Georgia they gave as their excuse the reason that the service was unsatisfactory. When we went to the mat with them and fought out that proposition, they then came here to the House, and they now say it is a question of economy. They now say it will mean a saving to the Government if we make this appropriation which we have never made before. There can be no saving to the Government unless the Interstate Commerce Commission should declare this little sidetrack, or this plant facility, to be a common carrier and permit this railroad company as such to divide the freight rates with the railroads of the country after they have pulled the Army's freight all over the United States.

Mr. VINSON of Georgia. Will the gentleman again yield? Mr. PARKER of Georgia. I will.

Mr. VINSON of Georgia. If this conference report is now rejected, it is shown on its face that there will be a saving of \$12,000.

Mr. PARKER of Georgia. Yes.

Another point I wish to refer to is that the gentlemen who are incorporating themselves as the Fort Benning Railroad are all from North Carolina. They do not own any railroad equipment, they do not pay any taxes in Georgia, and they should not be placed in the category of a common carrier when they are being used as a cat's-paw for the Army to operate this railroad.

[Here the gavel fell.]

Mr. COLLINS. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the conference report.

The question was taken; and on a division (demanded by Mr. Parker of Georgia) there were 121 ayes and 11 noes.

So the conference report was agreed to.

The SPEAKER. The Clerk will report the first amendment in disagreement.

The Clerk read as follows:

Amendment No. 6: Page 9, line 22, strike out "\$2,143" and insert in lieu thereof "\$3,810," and the appropriation for pay of the Army, fiscal year 1933, shall be available for the increased pay and allowances of one retired officer on active duty in addition to the two retired officers specified in the War Department act for that fiscal year.

Mr. COLLINS. Mr. Speaker, I move that the House recede and concur in the Senate amendment.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 29: Page 40, line 25, strike out "expenses not to exceed \$26,981" and insert in lieu thereof the word "expenses."

Mr. COLLINS. Mr. Speaker, I move to recede and concur with the following amendment.

The Clerk read as follows:

Restore the matter stricken out by said amendment and amend by inserting in lieu of the amount named therein \$44,315.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 30: Page 45, line 4, after the words "in all," rike out "including not to exceed \$3,320 in the aggregate for strike out traveling expenses."

Mr. COLLINS. Mr. Speaker, I move to concur with the following amendment.

The Clerk read as follows:

Restore the matter stricken out by said amendment, amend it by inserting in lieu thereof the amount named therein, "\$17,265."

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 31: Page 45, line 12, after the word "Academy," insert a colon, and the following: "Provided, That the duties of the librarian of the United States Military Academy may be performed by an officer of the Regular Army retired from active service under the provisions of section 1251 of the Revised Statutes, and detailed on active duty for that purpose.

Mr. COLLINS. Mr. Speaker, I move that the House recede and concur in the Senate amendment.

The motion was agreed to.

A motion to reconsider the several votes was laid on the table

Mr. COLLINS. Mr. Speaker, I yield to the gentleman from Illinois [Mr. Keller] such time as he may desire.

EVOLUTION OR REVOLUTION-A CHOICE

Mr. KELLER. Mr. Speaker, as soon as men began to understand that they really possessed rights, the first one they recognized and announced to the world was the right to live by their labor. Following this the right to labor was accepted as the universal capital of mankind. It was then, is now, and always will be the primary—the basic capital upon which all other forms of capital must rest. Its primary rights over all other capital, where they at all conflict. can not be questioned. Our own great Declaration of Independence makes the right to life the first God-given right. And the right to life depends on the opportunity to It, therefore, is the first duty of government to provide the opportunity for all men to live by their labor. We have been so intensely interested in the doing of things, the making of profits, in the piling up of dollars that we have completely overlooked the very first human right and failed to understand that this very first right of humanity is the vital foundation of all economics. Notwithstanding this great truth the laws of all countries have gone far afield to protect, guarantee, and assure the security of all that capital which labor has produced. But not a single government has greatly concerned itself in protecting, guaranteeing, or assuring the security of this right to labor. This right to labor, this universal human capital, is the only capital unsecured by law. It transcends all other economic rights. Yet a man can come into court and secure protection of his right to a hog, but he can not come into any court anywhere and secure protection of his own right to labor and to live. This failure to recognize this right to labor and to live is the basis and foundation of all the difficulties from which we are so grievously suffering to-day.

LAW OFFERS NO PROTECTION

The law has proceeded to protect and assure possession of the things men made, no matter who possesses the things, and overlooked the men themselves who made those things. We must awaken to the fact that the maker is vastly more important than the thing he makes. We have been making the mistake of trying to lead from things back to men. instead of leading from men back to things.

When the failure is not his fault, the farmer has a right to protect his home, and keep his family in it; and that right is superior to the right of contract under which he was being evicted.

HUMAN RIGHTS PARAMOUNT

Validity of all contracts are subsidiary to the human rights involved and always have been. I do not advocate the breaking of the law. I advocate the modification of any law, however, which transgresses the right of a man to live by his labor. And it is a recognition of the actual paramountcy of these human rights over all others to which this present disaster is bound to lead us. In the presence of 12,000,000 men who are being denied this first rightthis right to labor and to live-in the presence of the 40,-000,000 American women and children who are compelled for the first time to accept what men call charity-we are going to do many new things. We are going to set new precedents-make new laws-put human rights ahead of property rights. Oh, no; it will not bring chaos. It will not destroy society. It will bring laws and customs into harmony with human rights and result in peace and plenty, in growth, and in progress. It will bring order and permanency to government and security to men and mothers and children.

MUST RECOGNIZE RIGHTS OF FARMER

We need not fear our farmers. They are the salt of the earth. They have for the first time gone on strike-a peaceful strike which this Congress should interpret, not in fear, but as an assurance of their necessities and their rights in the case. We must recognize those rights. Already this farm strike is bearing fruit. Already the lifeinsurance companies have declared a moratorium on foreclosure of mortgages in Iowa. They will follow suit in all the other States. Will these companies lose by this? Certainly not. They will save much—they will save themselves. A way out will be found for the whole condition, much better for all than it would have been to throw out into the highways the men and women who have struggled a lifetime to build homes. We must provide for moratoriums against the sale of homes under present conditions. Then see to it that we shall not again be called on to use them.

LABOR ALONE CREATES WEALTH

The right to labor and to live transcends all other rights. All the wealth of our land is the direct result of that universal right. The men who created the wealth of the land had a right to the possession and enjoyment of a great part of it.

WEALTH IS CONCENTRATED

But in fact and in truth what do we find? An investigation made by order of the United States Senate during the years 1923-24, and printed in 1925, showed at that time that 1 per cent of the people, counting men, women, and children, owned 60 per cent of all the wealth of the country; that 22 per cent of the people owned 35 per cent of the remaining 40 per cent of the wealth; and the remaining 77 per cent of the people owned the remaining 5 per cent of the wealth of the whole country. That is to say—with a population of 120,000,000—with a total national wealth of \$400,000,000,000,000 we had the following condition:

One million two hundred thousand people owned \$240,-000,000,000, or \$200,000 apiece on the average, counting men, women, and children; 26,400,000 people owned \$120,-000,000,000, or \$5,303 apiece on the average; the remaining 92,400,000 people combined owned \$20,000,000,000, or \$216.45 a piece on the average.

PANICS ARE PRODUCED BY THE FEW

Anyone who has studied panics and at all understands how the forces that originate, direct, and control panics and depressions for their own profit, must know that this worst of all panics and depressions has resulted in the concentration of a much larger percentage than 60 per cent in the hands of the 1 per cent of the people. Without having the opportunity to give the study which it would require to estimate the matter with certainty, I can not help reckoning that at the present time 1 per cent of the people own no less than 75 per cent of the wealth; that the next 22 per cent of

the people own 22 per cent of the wealth; and the remaining 77 per cent of the people own the remaining 3 per cent of the wealth of the country. I do not stand alone in this belief. A former United States ambassador, himself a very wealthy man with most intimate knowledge of financial affairs, said to me in New York recently:

Before the panic we had as good distribution of wealth as any other nation. But the concentration of wealth which has resulted from the panic and the ensuing depression is beyond belief.

The great majority of those who produce wealth by their toil have almost no wealth, and those who produce no wealth at all have nearly all the wealth. The strike of the farmers has, I hope, compelled us to see this as a no-longer endurable wrong. We must, we can, and we will remedy that stupid abuse. But not by sitting here idle all the day long; not by holding blindly to old and outworn customs and ideas.

STAND-PAT MINDS MUST GIVE WAY TO PROGRESSIVE MINDS

It matters not that the stand-pat mind shall object and invent bugaboos to frighten financial children. For be it remembered, these so-called conservatives—these actual reactionaries—who have so long controlled government in their own interests, have not had a single new thought, not a single constructive idea since the system, through which their big ones made their money, collapsed in 1929.

THREE AND ONE-HALF YEARS WITHOUT AN IDEA

These objectors seek only one thing-to somehow keep control by preventing change. They have no idea what to do for the country, because in these three and a half years, out of their whole group, not a single constructive suggestion has found the light. They are simply insisting on the people of the country starving through, as always heretofore. Any other way out they call radical; and any man who dares think along any line except the outworn course which we have heretofore followed under their guidance they call dangerous. They refuse to awaken into a world with new ideas, even though we perish without them. They can not possibly understand that the old conditions have passed. That what they see as radical—as dangerous—is to become constantly more radical and more dangerous the longer they themselves resist the necessary change. To them change is so painful that they prefer to compel revolution rather than tolerate evolution. We must now from dire necessity pass them by and disregard their fatuous cries and warnings. Only the doing of new things can restore us and the following of new ideas maintain us in a state of growth. Without that constant development we perish. Already too long have we sat here and talked of old ways out of this difficulty.

ECONOMY DEGENERATED INTO DESTRUCTIVE PARSIMONY

Since I came to this body a year ago last December we have filled 21,000 pages of the Congressional Record with talks mostly about economy and about—yes—E-E-E-conomy, and more economy, and from bad economy to worse and worse economy, until we have turned what might have been some justifiable saving into destructive parsimony. We have shouted out from day to day the great misfortunes of the country until we have hypnotized ourselves and many of our people into believing that we can scrimp and pinch and starve and brutalize ourselves out of this catastrophe—and through that process alone.

BALANCE THE BUDGET-WITH WHAT AND WHY?

We are told constantly that we must balance the Budget. Yet what we call a budget is no budget at all but only a conglomeration of estimates for appropriations. It makes no distinction between regular running expenses, permanent governmental improvements, revolving funds, and government advances. The result is that there is not a man in Congress who really knows where we are at with any financial certainty. That is why there are constant disputes between the administration and Congress about a budget which is no budget at all. But whatever it is, we are told we must balance it; that it will ruin our credit if we do not. Now, let us inquire into this matter: When we fail to collect as much money in a given year as we spend in that year, that is called a deficit, and the Budget or expenditures account lacks that much of being met, or being balanced.

FEDERAL BUDGET OUT OF BALANCE ONE-THIRD OF OUR TIME

Have we always balanced our Budget each year in times gone by? Or have we had annual deficits before this? If we have had deficits, have these deficits ruined our credit or not? Let me see. Our Treasury report shows that in the 144 years of our constitutional Government from 1789 to 1933, both inclusive, there have been 49 annual deficits-a little more than one-third of the years of our national existence have been years of unbalanced budgets. Thirteen of those years at most were war years. Thirty-six years were peace-time years. All the war years were years of deficits, with unbalanced Budgets. Of the 131 years of peace, 1 year out of each 3 years and 8 months showed a deficit. The whole 144-year period taken together shows, that on the average 1 year out of every 2 years and 11 months has been a deficit year with its unbalanced Budget.

OUR CREDIT NEVER IN JEOPARDY

Did all these annual deficits ruin our credit? Certainly not. Is it ruined now? Oh, nonsense! The issues of shorttime Government notes during the entire period of this terrible panic and depression have always been many times oversubscribed in a few days.

ONLY OWE 5 PER CENT OF OUR WEALTH

Let us note further that at the end of the Civil War our national wealth was \$20,000,000,000 and our bonded indebtedness was two and three quarters billion dollars. That is, we owed 1334 per cent of our total national wealth. Under normal conditions our present national wealth certainly exceeds \$400,000,000,000. Counting out the Reconstruction Finance Corporation, the revolving funds, and governmental advances that will certainly be returned to the Government, we owe at the present approximately twenty billions-or bare 5 per cent of our national wealth-as against 13% per cent at the end of the Civil War. Besides that, we are now producing, when at work, five times as much wealth man for man as we were at the end of the Civil War. That is, we could or can in case of necessity pay five times as much debt as we were able to do at that time. The bugaboo of national insolvency is childish.

WHAT CAUSED OUR PRESENT DEFICIT?

But let us make another inquiry, disregarding entirely the general causes which led to this financial chaos. Let us ask, What are the direct causes of the present extraordinary deficits? Here are the facts: First, the income taxes actually collected for 1918 were \$4,385,000,000. Then what happened? Instead of leaving the war-time taxes on till the war debts were paid by the men who made the war billions, as ought to have been done, the Congress, following the advice of the rich man's rich Secretary of the Treasury, reduced income taxes five times in eight years, with a return of only \$1.056,-000,000 for 1932. Each time the tax ratio was reduced for the ensuing year the Congress also remitted-gave backan equal amount of taxes already due.

STUPIDITY AT ITS HEIGHT

And then in the December session of Congress of 1929, after the awful panic on the New York Stock Exchange, when any student of economics should have known what an awful national panic and terrible depression would certainly follow that stock crash, this House and the Senate, contrary to every rule of economics, against all common sense, again reduced the income taxes and again remitted-this time only a paltry hundred sixty million dollars-and made certain a deficit for the following year. It is but fair, however, to call attention to the fact that there was during that entire period a number of men in this body who saw clearly the mistake being made, and who always opposed these incometax reductions. Our Democratic leader, HENRY T. RAINEY. and the gentleman from Iowa, Mr. RAMSEYER, in December, 1929, pointed out the certainty of a deficit for the ensuing year if the reduction and remission were made. Yet against such an evident folly there were only 17 votes in this House.

CHEATING RICH GET IN THEIR HANDS

Second. But worse by far than the reductions of income taxes by Congress was the fact that a very large proportion the reduced income taxes which Congress levied, but used every means to cheat, swindle, and defraud the Government. not out of millions but out of billions of dollars actually due the people under the law. This cheating, defrauding, and swindling was well known to the Treasury Department. And that department took no action to prevent that shameless thievery. It continued year after year with the knowledge, if not with the actual connivance, of the Treasury Department. The very first attempt to prevent this thievery on a grand scale was made by the last session of Congress when we largely restored the income-tax rates. I am informed that even that attempt has not prevented the continued stealing of a quarter of a billion a year. Yet we wonder why the Budget is not balanced.

NEW METHODS TO RAID THE TREASURY ADOPTED

What is the third immediate cause of our deficits of the past three years? It is this: There had been paid into the Treasury income taxes by the rich men and corporations wast sums of money. Up to 1924 the law did not even permit an application for a refund, unless at the time the tax was paid a protest was made against the injustice of the payment. But in that year the law was so changed as to permit the Treasury Department to open any case the officials desired, clear back to the beginning of the income-tax period, and make whatever refunds the men in charge saw fit to make. Against this ruling there was no appeal; there was no remedy except through Congress, which failed to act. When it was all fixed there ensued such a raid on the Treasury as it is really difficult to believe. Through this system refunds amounting to nearly four billions of the people's money have been paid out in cold cash, including 6 per cent interest after the awards have been made. These are the three direct and immediate causes of our present deficits; these show why the Budget is not balanced. These refunds alone would pay all the deficits of the past three years.

NATIONAL INCOME BALANCED THE BUDGET, 1919-1929

Now, what about balancing this supposed Budget? The expenditures for all appropriations were met out of the annual Government income from 1919 up to and including 1929, because the national income increased each year during that entire period. But what of the time since 1929? For that year the national income was \$85,000,000,000; for 1930 it was \$71,000,000,000; for 1931 it was \$54,000,000,000; for 1932 it was thirty-seven and a half billion dollars. Let us note that the decrease for 1930 was 16 per cent under that of 1929; for 1931 it was 24 per cent under that of 1930; and for 1932 it was 31 per cent below the previous year.

NATIONAL INCOME FOR 1933 ESTIMATED BELOW TWENTY-FOUR BILLIONS

At the same rate of decrease the national income for 1933 will fall below \$24,000,000,000. That approaches catastrophe. If it were possible to save, scrimp, and penny-pinch our way out of this depression, it would be necessary to save more than we lose each year.

As has been previously pointed out, our annual income was eighty-five billions during 1928 and 1929.

In 1930 we lost in national income below that figure \$14,000,000,000.

In 1931 we lost \$31,000,000,000.

In 1932 we lost \$47,000,000,000, or a total of \$92,000,000,000 in three years, an average of thirty billions each year. This is the destructive cost of our poverty.

WHAT HAVE WE REALLY SAVED?

It is pertinent to inquire what we have saved in these three years as a result of our much-discussed economy program.

The Seventy-first Congress appropriated \$10,250,000,000. The Seventy-second Congress has appropriated approximately ten billions.

In other words, on a basis of the actual appropriations this economy program has achieved the saving of one-quarter of \$1,000,000,000, while we have been losing \$90,000,000,-000. That is, we saved \$1 while we were losing \$368. What very remarkable economy that is! At that rate how long will it take us to restore prosperity? Why do we not awaken to the fact that scrimping and pinching is not our way out? of the rich men of this country were not willing to pay even Why do we not see clearly that if we were able to cut out

every cent of Government expense—wipe out the full five billions a year which we have been expending—we would still be losing a minimum of twenty-five billions a year more than we would be saving? Why can we not see clearly that the cost of Government is not our great difficulty, but that it is the loss of national income which is bringing disaster. There is where our trouble lies. That is the question up for solution

And now note that there never has been a national deficit in peace time when the national income remained stationery or increased. But that there is always a deficit in those years when the national income largely decreased.

RESTORE THE NATIONAL INCOME

If we restore the national income, our present tax rates will not only automatically balance the Budget but will produce a surplus that will quickly pay off the deficits of the past three years. And it ought to be equally plain that if we do not restore the national income we can not possibly balance the Budget or hope to restore prosperity. We can not pinch and scrimp our way out. We have been and still are trying to save what we have not received. We are trying to balance our Budget with a minus sign.

MUST CREATE WEALTH BEFORE WE CAN CONSERVE IT

We must create wealth before we can conserve it. Ability to pay national taxes depends primarily on national income. It is, of course, one of the common sense, universally accepted principles of even primary economics, to put or keep taxes up during periods of prosperity, and take from wealth sufficient to balance the Budget and to pay the deficit of former years. If this rule had been followed immediately after the war, every bond, every long-time or short-time note of the United States would have been paid before the fatal stock panic of October, 1929, fell upon us. If our statesmen had at the same time observed the approach and growth of unemployment resulting from labor-saving machinery, we could have provided employment for these men as they were dispossessed, and at the same time actually increased the national income very largely. But our Secretary of the Treasury and our Congress professed actually to believe that the way to make the poor man rich was to reduce the rich man's taxes. In the face of such downright governmental stupidity, or worse, is it any wonder the Nation is on the verge of financial collapse? Balancing the Budget is entirely dependent on restoring the national income. Over a series of years, of course, the Budget must be balanced. But it is sheer nonsense to insist on doing it this year or any other given year under financial depression. It is not a matter of even grave importance, much less of vital import in our national life. It is the part of good economics to make up national deficits by bonds when the national income is low. And to pay off those bonds and balance the Budget through taxation when the national income is normal or high. Failure to balance the Budget never has destroyed our credit or shaken public confidence in the forty-nine times it has occurred, and, of course, it is not going to now. That is not our trouble at all. I have devoted so much time to this matter of balancing the Budget only because the public press has, over many months, given these budgeteers so much space in which to say much about nothing.

BUDGET BALANCING-A NATIONAL HYSTERIA

The ominous implication is, this whole nation-wide hysteria over balancing the Budget appears to be the result of a concerted move on the part of "big business" interests—a well-planned propaganda—to accomplish certain very definite results: First, to compel acceptance of their own continued control of governmental policies; second, to keep on raising enough dust, if possible, to cover up their tracks by preventing the necessary investigations to show what brought about the panic and the ensuing depression; and third, to prevent the people from learning who profited by it, to what extent, and at whose expense.

But let me here suggest what must be plain to most men—that Government permitted this terrible condition to come upon us. Government could have prevented this nation—

wide poverty. Government can restore prosperity. Government can prevent the recurrence of panics and depressions. If this present Government can not do these things, it is futile, it is useless, and will necessarily pass away and be replaced by some Government that can and will do these vitally necessary things.

Broadly speaking, it is true that there is never overproduction but only underconsumption because of our stupid barriers against exchange of commodities, our lack of means of distribution, our disregard of the right of men to participate in the possible advantages resulting from human effort and invention. We are fooling away our time preventing starvation. We ought to be devoting every effort to providing for the production of wealth. It will cost in the long run infinitely more to do charity than it would to assure jobs.

FURTHER IRRETRIEVABLE LOSSES CAN BE PREVENTED

Our national income for 1914 was \$33,000,000,000. Then, for the next 15 years it increased steadily every year till it reached a minimum of \$85,000,000,000 in 1928, and again in 1929-\$327,000,000 each working day, \$40,000,000 national income each hour of work. Then, on October 23, 1929, came the thunderbolt. Stocks on the New York Stock Exchange crashed. A nation-wide panic resulted. Then the inevitable depression followed by its savage poverty, destitution, and despair. The national income fell \$92,000,000,000 in three and a half years. Half that vast sum was the loss of wages by the unemployed, an irretrievable loss, for unemployment fell just as national income fell. The two inevitably go together, because national income depends on men at work. It necessarily follows that national income can not be restored unless and until men are put to work. If, therefore, we provide jobs we provide national income also. With restoration of national income we automatically balance our Budget, meet our taxes without difficulty, and proceed on our way in prosperity. Then if we are wise enough and courageous enough to prevent the repetition of those conditions which have invariably resulted in panic we make prosperity permanent. That very thing is certainly within our

It is this national income that must be restored. This is the one absolute necessity and the one that is being completely ignored by our political leaders. It is evident to any thinking mind that we have all the resources at our command that we have ever had; that we have the power to again use them certainly to as great advantage as ever before; that, with greater intelligence and courage, we can use those resources to produce vastly greater wealth, higher rate of employment, better living conditions, more leisure, learning, and opportunity for growth and service; that the power to direct and actually bring about these things through intelligence applied unselfishly lies entirely in the hands of government will be as readily accepted by all who understands the objects and uses of government; that our own Government already possesses and has over a long period already asserted and exercised these powers is also generally known. It only requires purpose to vision and courage to exercise these powers of government to cure the present conditions and prevent their recurrences, and any less a design would be unworthy of a great government.

THE FIRST DUTY OF GOVERNMENT

The first duty of government is to see to the providing of the opportunity for a job for every man and woman who wants to work. The public-works program must be of sufficient extent to take up the surplus labor and keep it employed until we can do away with that surplus. The labor surplus that existed in 1929 was and now is solely in technologically unemployed, amounting in that year to 2,000,000 men. Perfectly clearly, if this surplus is given employment, or taken out of competition with other labor, and conditions equal to those of 1929 are restored, there will be a job for every man and woman who wants to work. But just as clearly also, 2,000,000 may not be given permanent work in building permanent national improvements. Also equally clearly, technological unemployment will increase just as inventions, processes, applications of power, and

methods of administration develop. It therefore becomes necessary that we not only remove this present technological surplus from competitive labor but that we also provide against the new surplus which will constantly recur. There is no single method that will accomplish this, but there are a series of actions that will certainly remove the present surplus and prevent the recurrence of any surplus over a period of years.

Therefore let us address ourselves to this one vital matter—restoring the national income and making it permanent. To restore national income, we must create more wealth. To create more wealth, we must employ more labor. In short, we must provide for turning the present human energy now idle into the production of wealth. The full use of this wasted energy would provide a job for every man and woman who wants to work and create a national income higher than any yet reached. We can do that very thing and make that income permanent. To accomplish this and make it permanent requires a program of action embracing three general divisions:

A PROGRAM FOR ACTION Public works

First. We must inaugurate a public-works program of sufficient scope, and provide for keeping it in operation for a sufficient length of time, to automatically put all our idle men to work. The program that drives at anything less than permanent universal employment is not worth the effort.

Government control of currency and credits

Second. The Government must take and keep control of the currency and credits of the country for the benefit of all the people of the country; denying and preventing control or manipulation to those persons and organizations now known as international bankers, who use that control for their own selfish interest alone.

Government control of the stock markets

Third. The Government must, through effective laws simple to formulate and easy to enforce, prevent gambling in the industry of the country. It must prevent the destruction of business, the annihilation of industry, the loss of jobs to men, and the lives of those dependent on those jobs. This done, there would be no precipitation of panics. The cause removed and precipitation prevented, there would be no future panics with their inevitable depressions, with the resulting chaos, poverty, and destitution.

NO PICAYUNE POLICY CAN CURE NATIONAL POVERTY

No picayune policy can cure national poverty. No one law can do all these things. It will probably require a series of laws to meet each one of these objects. It will require that the three series be thoroughly correlated. In considering this program we must put out of our minds the idea that we are enacting an emergency or relief program. We must at the outset understand that we are seeking to do permanent things, things that good business compels, that good government warrants. The labor to result must be incidental to the permanent results to be attained in providing universal employment. Many if not most of the laws required to solve this riddle have already been discussed by the Members of Congress. Several bills for part of them have been introduced. A few have actually passed the House. There are very few new ideas required to fully set out and connect up the entire plan. All I am hoping to do is to simplify and correlate the ideas which are already pretty well known to Congress. Let us take up and discuss the first of these three general divisions of the plan and outline the measures necessary to accomplish the first object sought, holding in mind that these projected laws shall lead to an actual and complete recovery from our present economic difficulties and prevent the recurrence of other panics with their inevitable financial depressions. At a later day I hope I may be permitted to discuss with my colleagues the last two divisions of this general program for action.

I here repeat the first object we are seeking is to inaugurate a public-works program of sufficient scope, and provide for keeping it in operation for a sufficient length of time, to

automatically put all our idle men to work. A careful investigation has shown that there is sufficient public work now in sight to keep every surplus idle man in America at work for 50 years to come. It is not a question of supplying work for this part of the program. It is purely a question of supplying the means to pay for the work which is so sorely needed to be done.

WHAT CONSTITUTES OUR LABOR SURPLUS?

And what constitutes our labor surplus? Technological unemployment is that unemployment resulting from labor-saving machinery which will not be reemployed when we restore the rate of employment existing before the panic of 1929. There were 2,000,000 technologically unemployed when that panic came. This is the new element in our national economics. It constitutes our total permanent labor surplus, which must be disposed of before we can return to a state of permanent prosperity.

It is not sufficient that we only do away with the present 2,000,000 technologically unemployed. We must provide for a much larger ultimate number than that, so that sufficient time may intervene in which to work out a permanent method of preventing a surplus. Let us understand that a competitive surplus is a destructive force. Its power to destroy compares not in arithmetical but in geometrical ratio to the normal supply. This rule applies to men as well as to merchandise. We must, therefore, take men out of competitive production as a humane matter as well as an economic necessity. Then we must prevent its recurrence.

THE GUARANTY OF A JOB FOR EVERY MAN AND WOMAN WHO WANTS TO WORK

We must have a public-works program of permanent national improvements sufficient in extent to take up the technologically unemployed—our only actual labor surplus—and keep them employed until we can do away with that surplus. A public-works program of that extent will automatically put to work every other man now idle. Once all are at work, we must proceed to remove permanently this competitive surplus. But it is necessary not only that we eliminate the present competitive surplus but we must provide also against the ever-recurring new surplus through labor-saving machinery. The elimination of our 2,000,000 technological labor surplus will entail the doing of seven things, which will at the same time provide the reserve jobs necessary to absorb the otherwise recurring surplus.

Must have a child labor law

First. A child labor law, to eliminate at the beginning a half million of the children now in gainful employment, for reducing the present surplus by that much; and within a 10-year period to eliminate the entire number of 3,000,000 children now driven in industry, and thus provide two and a half million reserve jobs for the future.

Must provide Federal old-age pensions

Second. To provide a Federal old-age pension to eliminate from industry a half million men and women beyond the age of economic usefulness, reducing our present labor surplus by that number. Let us understand just here that we can never settle this question of unemployment without providing against child labor and old-age poverty.

Reduction of hours-Days per week

Third. Through the reduction of hours per day and days per week to eliminate sufficient time to equal the elimination of the remaining million surplus jobs without reducing wages. This reduction to be continued as rapidly as possible without lowering the wage scale. It is essential that all wage scales be restored, so as to make the gross amount of wages as high as or higher than ever before, if we are to pay our debts. We can not restore prices without restoring wages. We can not pay our debts without restoring prices.

Place farming on profitable basis

Fourth. By placing farming on a profitable basis to prevent a quarter of a million farmers from leaving the farms annually in normal times and entering into competition with men already engaged in industry. This, it will be observed, will amount to two and a half million more reserve jobs in a 10-year period.

Women in industry

Fifth. There are 44,000,000 men and women engaged in gainful employment. Of this number 11,000,000 are women. The great proportion of these women are not in industry because they desire to be but because they are compelled to be. The moment a job for every man and woman who wants to work is assured, and that is easily and certainly attainable through the five points above referred to, the women engaged in industry will begin gladly to drop out of competition with the men whom they love and whom they naturally and properly desire to marry. Surely in a 10-year period this will supply no less than 5,000,000 other reserve

Return foreigners not entitled to citizenship

Sixth. The return to their native country of the 2,000,000 foreigners not entitled to citizenship under our laws will add that many more reserve jobs.

Improve living conditions-We will help labor

Seventh. The constant improvement in living conditions will, compared to our present, add enormously to the use of labor. The actual surplus now available, 12,000,000, through the points above suggested is so large that it will require many years to absorb this through labor-saving machinery. This period will give plenty of time in which to work out the adjustments necessary to the final solution, provided we understand the necessity and justification for and insist upon providing for the right of man to labor and to live as a national duty.

A CHALLENGE TO THE UNBELIEVER

I challenge those who do not believe these things possible, to say what is possible. I challenge those who object to this plan to propose a better plan. I shall accept no other answer as adequate. It is indeed in the hope of calling forth a better plan that I offer this one, and my challenge is only to my colleagues for the service of our country.

NOT NECESSARY TO PUT 12,000,000 TO WORK ON FEDERAL PROJECTS

A public-works program of that extent will automatically put to work every other man now idle. It will not be necessary of course to put the whole 12,000,000 now idle to work for the Government, but only to put the present surplus to work in noncompetitive labor. The others will go back to their old jobs automatically. The moment that is done, the ability to purchase will be fully restored, provided the currency to carry on business and reestablish credits is provided. Under these conditions restoration of commodity price levels will ensue and all other prices will rise to their legitimate levels. With the restoration of farm commodity prices the loss of homes will cease, and taxes will be met without difficulty.

TWO FORCES CONSTANTLY AT WORK

There are two forces constantly at work-one limiting jobs by increasing production by machinery—the other increasing demand as the result of increasing ability to buy. The first will depend on the continued advancement of inventions for labor-saving machinery. The second will depend upon the larger division of the wealth produced in favor of the producer. The first will depend on individual enterprise-the second on the wisdom and courage of government.

OPPOSED TO MANUFACTURERS' SALES TAX

If we should pass the much-advertised manufacturers' sales tax and it should yield the \$600,000,000 estimated for it yet that amount would not feed the ever-increasing idle millions next year. Why do we not awake to the fact that within a 2-year period the National Government will be spending more money to prevent starvation than it will be able to raise in revenue from all sources—unless we put men to work creating wealth. This is necessarily true because individual givers to charity, communities, municipalities, counties, and States are increasingly unable to keep up former contributions, while the number requiring support is increasing at an alarming rate.

WE ARE POOR ONLY BECAUSE WE ARE IDLE

Why do we not open our eyes to the fact that we are

the utter futility of the idea that we can possibly starve through this economic chaos? Unless we are willing to paralyze government in many of its most useful activitiesunless we are willing to retreat in our civilization—unless we are willing to give up the improved living conditions which many years of struggle have brought us; unless we are willing to sacrifice much of that greatest of all our achievements, the advantage which universal education has brought us; unless we admit the futility and uselessness of government; we must set about putting men to work restoring national income, and resuming our normal life.

A PLAN CONTAINED IN H. R. 13994

I should not have delivered this address unless I had worked out a plan to meet these difficulties. On January 3 I introduced a bill in this House (H. R. 13994). That bill provides a public-works program nation-wide in extent. It would put 2,000,000 men to work on noncompetitive lines alone within 12 months. This in turn would put all the otherwise idle men to work in the regular lines of industry. The details of all this plan are set out clearly in the bill itself. I have not just put up an idea, but have also provided for the money to carry out this great program. Every detail of that is provided for.

THE UNEMPLOYED ARE WILLING TO PAY SHYLOCK'S PRICE

I fought the manufacturers' sale tax bitterly when it was presented to the last Congress, and I will fight it again if it comes up, because the proceeds of that tax would be used only to relieve the rich from the burden of government which they ought to bear, and transfer it to the poor, who can not, ought not, and shall not bear it. The unemployed and the distressed are willing, however, to pay Shylock's price at the retail counters of America for the opportunity to work, but for no other purpose. My bill collects at the counters of Wall Street as well as at those of the crossroads store.

IF YOU REALLY WANT A SALES TAX, HERE IS YOUR OPPORTUNITY

I am not more friendly to a sales tax now than I was last year, but I have talked intimately with many of the idle men of our country. I have just put the question frankly to them, as well as to the men who are still at work, whether they would be willing to pay a turn-over, or terminal tax, of 1 or 2 or 3 per cent provided the money be used solely for the purpose of putting the idle men to work. Everyone has agreed heartily with that program. This turn-over sales tax of 1 per cent would bring two and a half billions of dollars the first year and increase to double that amount as normal conditions should return. This sum would put 2,000,000 men to work within a year and keep them at work until we learn to adjust ourselves to the coming period of economic equality.

CONGRESS HAS WORKED ALONG RIGHT LINES

As an indication of the length along right lines to which this Congress has already gone, outside the necessity of putting men to work. I here desire to digress for a moment to point out our proper path and suggest:

THE GOLDSBOROUGH BILL PROVIDES NATIONAL MONETARY POLICY

We must have a national monetary policy before we can hope to drive toward permanent prosperity. The Goldsborough bill provides that.

We must restore prices or we can not pay our debts. That entails beyond question the expansion of currency, the limit of which can be safely set. A number of bills have been put forward for this purpose, out of all of which can be written a bill to cover this very important matter.

STEAGALL BANK GUARANTY BILL SOUND AND ESSENTIAL

We must reestablish the national credit stream before we can hope to carry on the business of normal years. The Steagall bank-depositors' guaranty bill in an improved form undoubtedly offers the same certain and inevitable way to accomplish that purpose.

JONES FARM ALLOTMENT BILL OFFERS PROPER METHOD TO HELP FARMER

We must, in due course, work out rationally the farmers' allotment plan to equalize the economic conditions of the farmers with other divisions of industry. The Jones bill poor only because we are idle? Why do we not awaken to offers the proper method and can be worked out successfully.

CONGRESS REALLY TOGETHER ON FUNDAMENTALS

These references are made to show clearly how near together this Congress really is on the fundamentals of the second division of the work outlined in this address. It only lacks conference on the part of this body to enable it to formulate the necessary national policies for the rehabilitation of the country. The rules and customs of the Congress must be so modified as to bring about consideration of national matters, which is our chief duty and service, instead of wasting 85 per cent of our time in pettifogging over totally unimportant details that should not come upon the floor of this House at all.

OUGHT TO MODIFY RULES AND CUSTOMS OF NEXT CONGRESS

It is an easy and simple matter to provide for this very thing by modifying the rules and customs of Congress for the next session.

WE CAN SELL BONDS

I want it understood that personally I am not one of those who believe we can not sell all the bonds we need to carry on this work. I do not agree with the international bankers who seek by fear to control the actions of Congress in the interest of American people. I know we can sell the bonds. But there is one thing we have to do, and we have to do it now, and that is to begin immediately to put men to work so that by the coming autumn the revival of work will be so far along that the dread of winter will be vanishing. I, therefore, am proposing this sales tax, and I recommend the study of the plan to my colleagues and to the American people. The plan is worked out in sufficient detail that the wisdom gained by experience by the Members older in service in this body can very easily whip it into practical shape.

I shall reintroduce this bill the first day of next session, first submitting it to the committee for study during the coming recess. I regret that the time at my command does not permit a detailed statement of this bill. But those who are interested will have no difficulty in getting a full understanding of the plan from the bill itself. For convenience I am appending a summary of this bill at the end of this address.

WE MUST DECLARE A POLICY

No matter what anyone may say, having now no policy for a way out, we must declare one. Having now only a policy resulting in the starvation of the many, we must declare one that will result in plenty for all. Having now in force only the policy which results in millions of men in enforced idleness, we must declare a policy that will put them all to work. Having now only the policy which results in business stagnation, we must declare one which will start and keep the wheels of industry rolling. Having now only the policy which results in the improverishment of life for lack of money, we must declare one that will provide all the money necessary to carry on life, to pay debts, and assure the success of the future. No matter what any one may say, having now only policies which result in evident failure, we must boldly declare other policies which give hope of success. Failure to do this is to admit our stupidity, our lack of courage, and absence of faith. Either this Congress can remedy these conditions or it can not. The moment it decides it can not, it ought to resign and let the people choose another body of men who believe in themselves and in our country and let them do it.

COST OF MAINTAINING OUR IDLE WILL EAT UP TAX INCREASE

The cost of maintaining 50,000,000 idle men, women, and children next year will more than eat up any possible tax increase we can make under present conditions. This childish fraud on our intelligence of lending money to States and their political subdivisions by the National Government ought not longer to deceive anyone. We must awaken to the fact that all industry is national. That the ultimate responsibility of caring for the unemployed is therefore also national, and that we must meet that responsibility nationally. Let us at least look the matter straight in the face.

WHO WILL MAKE UP THE SEVENTY-FOURTH CONGRESS

Men are not going to starve in the presence of plenty. If we continue to talk nonsense and fail to put men to work, they will ultimately take what they must have. Of course they will. We are in a new day, economically, and if this or the coming Congress fails to awaken to that fact and provide for new conditions through new laws, the Seventyfourth Congress will be made up of men who will do the required new things with a vengeance. To them the gold standard, deficits, budgets, income taxes, our institutions would all look alike. They would recognize outside the law of the land what we still have the opportunity of recognizing within the law of the land-that is, that the first duty of government is to provide the opportunity for men to live by their labor. And if we fail in that object through the ordinary means, we must directly provide that opportunity by the Government itself. There is no limit to the extent to which the Government may go to attain this object. This consuming poverty is not the fault of the States or cities or counties or villages or communities. And those political subdivisions of this Nation have no power to correct their evils. We must see that our difficulties are national in their origin. We must apply national remedies.

LABOR AND FARMER INTERESTS INTERLOCKED

Thirty per cent of our population still reside on the farms, though farming has been economically outlawed for a generation. Farming must be reinstated. We can not have permanent city prosperity and farm poverty anymore than we can have permanent farm prosperity and city poverty. It is as important to the laborer in New York as it is to the farmer in Illinois that that farmer shall have good crops and receive fair prices for them. It is equally important to the Illinois farmer as it is to the laborer in New York that that laborer shall have steady employment at fair wages. Each is actually dependent on the other. All who produce wealth are directly dependent on all other producers of wealth.

Naturally it follows that the first aid to the farmer is also the first aid to the whole country; that the permanent cure of this devastating poverty complex is a nation-wide cure including men of all callings. When this is clear to us we are ready to consider for a moment the application of special remedies to special conditions. The allotment plan is to be more or less effective as the first step toward equalizing opportunity for the farmer in transferring a part of the income from the industrial workers to the farmers. This is justifiable because the farmers, on the average, are actually much worse off economically than the industrial workers. It provides at least a better distribution of poverty—a fairer division of destitution.

THE DIVISION OF POVERTY

It avowedly creates no wealth. It makes no pretense of increasing purchasing power. It takes part of the purchasing power from poverty-stricken labor and hands it over gratis to create a larger purchasing power for penurized farmers. And be it observed that labor agrees to the transfer for the sake of their fellow producers of wealth. Because men are coming more and more to understand the identity of interest among all who produce wealth, and are increasingly willing to sacrifice for one another. It is just that much better than nothing, so far as immediate expectations are concerned. But it is tremendously important as a step leading toward the ultimate solution of the farm problem. Because that solution must entail a full understanding of the intimate relation, if not actual identity of interest, among all producers of wealth. The willingness of labor to share its crust with its still less fortunate fellow laborer, the farmer, lights the way.

ALL REMEDIES INEFFECTIVE UNLESS WE PUT MEN TO WORK

But living prices, debt-paying prices, home-redeeming prices can not come until we put men to work creating new wealth upon which we may live and thrive. We may pass a perfect law for remedying the ills of the farmer—but it will remain largely ineffective until we put men to work. You may pass the most effective law providing for expansion of the currency—but you can not put that money to the best use until you pay it over to men for work. You may lower the interest rate—and that is one of the primary requirements of the present case—but unless you put men to work starvation will continue. You may refinance the

nine billion of farm mortgages at 1½ per cent, but the farmers could not even pay that unless we put men to work. You may do all these things, but all of them taken together will be in vain unless you put men to work. To labor and to live is the primary right of mankind. To provide the opportunity is the first duty of government. The first law of economics is embodied in that right.

WE MUST ACT—BUT ALWAYS WITH THE RIGHTS OF MEN BEFORE US

Most of the time spent discussing details on the floor of this House ought to be spent presenting to one another suggestions for putting our idle millions to work; for preventing future unemployment; for preventing the robbery of those who produce; for protecting all the millions of producers of wealth against the greed of the manipulating few who produce nothing; for guaranteeing a job for every man and woman who wants to work; for recognition of industry as national; for national guaranty against injury in industry; for child labor laws; for national old-age pensions; for industrial pensions along all lines of industry, always with the rights of men before us as the paramount interest of Government. Through law, we have set the income on money invested along all lines. We have guaranteed to a remarkable extent security to investment and a fair return on dollars. But through law, we have made no effort to guarantee income on labor along any line. We have made no move to guarantee security of the homes of men who produce the wealth. The time has come when we must recognize the duty of the Government to guarantee the opportunity for a job for every man and woman who wants to work; a fair return on that labor in all those things that go to make up human life. We must in turn make all those things secure—permanent—always available, an endless source of wealth for all who labor.

SUMMARY OF THE KELLER PUBLIC WORKS BILL

Creates an administration of public works. Transfers work now done by the Engineer Department of the Army on rivers and harbors to the administration of public works. Also transfers the following departments: Board of Engineers for Rivers and Harbors, Board of Engineers of New York City, Supervisor of the Harbor of New York, the United States engineer offices, the Mississippi River Commission, California Débris Commission, the Board of Road Commissioners for Alaska, the Alaska Telegraph and Cable System, Northern and Northwestern Lake Survey, and municipal functions pertaining to the District of Columbia to the administration of public works. The Reclamation Service from the Interior Department; the Supervising Architect from the Treasury Department, the Bureau of Public Roads from the Department of Agriculture, all to the administration of public works.

Provides a limited and controlled expansion of the currency by authorizing issue of \$1,000,000,000 in Liberty notes. Directs the Secretary of the Treasury to keep such issue on parity with other money as provided in the gold standard act of 1900.

Directs the administrator to appoint board to study and report on the construction of ship canal from Gulf of Mexico to confluence of Ohio and Mississippi Rivers, a project which would put hundreds of thousands to work and which would develop the interior of the United States to the great advantage of present railroad transportation.

Appropriates money for river and harbor improvements, public buildings, irrigation and drainage projects, repair and remodeling of existing buildings, Federal highways and elimination of grade crossings. Permits loans from tax receipts at no interest to cities and States for highway construction, bridges, water supply and sewerage works, flying fields, parks and playgrounds, public buildings, and other construction of public and semipublic nature. For loans to limited dividend corporations engaged in building housing projects for low-salaried levels. No interest would be charged for these loans. Provides board to act on all such applications, with provisions for amortization of all loans.

Levies tax of 1 per cent on the agreed price of every transfer of goods, chattels, and property, and/or any rights

to goods, chattels, and property. No exemptions are permitted.

Tax covered into Treasury in special fund known as the "public works fund." This fund available only for payment of projects authorized in bill or under terms of the bill. Funds also authorized for retirement on account of injury or age.

Levies an additional 2 per cent tax on all incomes in excess of \$5,000.

Main provisions of bill effective immediately upon passage; transfer of departments within 30 days.

ENROLLED BILLS SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 11242. An act to relinquish the title of the United States in and to lands in Rapides Parish, State of Louisiana;

H. R. 11270. An act to amend section 2 of the act entitled "An act making appropriations for the service of the Post Office Department for the fiscal year ending June 30, 1913, and for other purposes";

H. R. 12328. An act to authorize the assignment of awards entered by the Mixed Claims Commission, United States and Germany, the Tripartite Claims Commission, and the War Claims Arbiter;

H.R. 12651. An act for the relief of the Uintah, White River, and Uncompaniere Bands of Ute Indians of Utah, and for other purposes;

H. R. 13520. An act making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1934, and for other purposes;

H. R. 14359. An act to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, and acts amendatory thereof and supplementary thereto;

H. R. 14724. An act making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1934, and for other purposes; and

H. J. Res. 572. Joint resolution to provide for further investigation of certain public-utility corporations engaged in interstate commerce.

The SPEAKER announced his signature to enrolled bills and joint resolutions of the Senate of the following titles:

S. 207. An act for the relief of James L. Pate;

S. 251. An act authorizing adjustment of the claim of the estate of Thomas Bird, deceased;

S. 256. An act authorizing adjustment of the claim of Madrigal & Co., Manila, P. I.;

S. 257. An act authorizing adjustment of the claim of the Baltimore branch of the Federal Reserve Bank of Richmond:

S. 361. An act for the relief of Mary E. Stebbins:

S. 402. An act for the relief of Nelson King;

S. 610. An act for the relief of the Anderson-Tully Co.;

S. 855. An act for the relief of William Ray Taplin;

S. 1463. An act for the relief of William Powell;

S. 1738. An act for the relief of Catterina Pollino;

S. 2203. An act for the relief of John Pearce Cann;

S. 2374. An act to authorize and direct the Secretary of the Navy to convey by gift to the city of Savannah, Ga., the naval radio station, the buildings and apparatus, located upon land owned by said city;

S. 2393. An act to provide for the addition of the names of certain persons to the final roll of the Indians of the Flathead Indian Reservation, Mont., and for other purposes;

S. 2508. An act for the relief of Maj. O. S. McCleary, United States Army, retired;

S. 2680. An act for the relief of Harry E. Blomgren;

S. 3334. An act for the relief of William M. Sherman;

S. 3344. An act for the relief of Maggie Kirkland;

S. 3830. An act to remove a cloud on the title of certain land in the city of Corpus Christi, Tex.;

S. 3831. An act for the relief of William A. Lester;

S. 3832. An act for the relief of Zetta Lester;

S. 3972. An act for the relief of Alva D. McGuire, jr.;

S. 4082. An act to regulate the business of executing bonds for compensation in criminal cases and to improve the administration of justice in the District of Columbia;

S. 4230. An act for the relief of Betty McBride;

S. 4390. An act authorizing the Secretary of the Interior to cancel patent in fee issued to Henry J. Kirn and Louise H. Kirn;

S. 4440. An act authorizing adjustment of the claim of George H. Hansen;

S. 4441. An act authorizing adjustment of the claim of the National Surety Co.;

S. 4510. An act to authorize exchange of small tribal acreage on the Fort Hall Indian School reserve in Idaho for adjoining land;

S. 4557. An act to authorize the addition of certain names to the final roll of the Sac and Fox Indians of Oklahoma;

S. 4738. An act for the relief of Newport Contracting & Engineering Co.;

S. 4782. An act authorizing adjustment of the claim of Arthur R. Saffran;

S. 4818. An act to authorize the transfer of certain lands in Bernalillo County, N. Mex., to the city of Albuquerque, N. Mex.;

S. 4930. An act for the relief of Avery G. Constant;

S. 5085. An act for the relief of Leslie Jensen;

S. 5122. An act to provide for the purchase and sale of cotton under the supervision of the Secretary of Agriculture; S. 5203. An act for the relief of the Harvey Canal Ship Yard & Machine Shop;

S. 5204. An act for the relief of the Texas Power & Light

S. 5205. An act for the relief of the Great Falls Meat Co., of Great Falls, Mont.;

S. 5207. An act for the relief of Rose Gillespie, Joseph Anton Dietz, and Manuel M. Wiseman, as trustee of the estate of Louis Wiseman, deceased;

S. 5208. An act for the relief of Mary Brykett Sinks;

S. 5325. An act for the relief of Sadie L. Kirby;

S. 5413. An act for the relief of the Booth Fisheries Co.;

S. 5660. An act authorizing the Secretary of the Treasury to sell certain Government property in St. Louis, Mo.;

S. J. Res. 134. Joint resolution authorizing the Secretary of War to receive for instruction at the United States Military Academy, at West Point, Manob Suriya, a citizen of Siam:

S. J. Res. 178. Joint resolution authorizing the Secretary of War to receive for instruction at the United States Military Academy, at West Point, Julio Rodriguez Arrea, a citizen of Costa Rica; and

S. J. Res. 179. Joint resolution authorizing the Secretary of War to receive for instruction at the United States Military Academy, at West Point, Tisheng Yen, a citizen of China.

BILLS PRESENTED TO THE PRESIDENT

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, bills and a joint resolution of the House of the following titles:

H. R. 4910. An act for the relief of Gust J. Schweitzer;

H.R. 6409. An act for the relief of William Joseph LaCarte:

H.R. 11242. An act to relinquish the title of the United States in and to lands in Rapides Parish, State of Louisiana;

H.R.11270. An act to amend section 2 of the act entitled "An act making appropriations for the service of the Post Office Department for the fiscal year ending June 30, 1913, and for other purposes";

H. R. 12047. An act to provide for the transfer of powder and other explosive materials from deteriorated and unserviceable ammunition under the control of the War Department to the Department of Agriculture for use in land clearing, drainage, road building, and other agricultural purposes;

H.R. 12328. An act to authorize the assignment of awards entered by the Mixed Claims Commission, United States and Germany, the Triparte Claims Commission, and the War Claims Arbiter:

H.R. 12651. An act for the relief of the Uintah, White River, and Uncompangre Bands of Ute Indians of Utah,

and for other purposes;

H.R. 14359. An act to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, and acts amendatory thereof and supplementary thereto;

H.R. 14724. An act making appropriations for the Navy Department and the naval service for the fiscal year ending

June 30, 1934, and for other purposes; and

H. J. Res. 572. Joint resolution to provide for further investigation of certain public-utility corporations engaged in interstate commerce.

INDEPENDENT OFFICES APPROPRIATION BILL

Mr. WOODRUM. Mr. Speaker, I call up the conference report on the bill (H. R. 14458) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices for the fiscal year ending June 30, 1934, and for other purposes, and I ask unanimous consent that the statement be read in lieu of the report.

The SPEAKER. Is there objection?

There was no objection.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on certain amendments of the Senate to the bill (H. R. 14458) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices for the fiscal year ending June 30, 1934, and for other purposes, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendments of the Senate numbered 7, 8, 9, and 11, and agree to the same.

C. A. WOODRUM,
JNO. J. BOYLAN,
JOHN W. SUMMERS,
Managers on the part of the House.

REED SMOOT,
HENRY W. KEYES,
FREDERICK HALE,
ROYAL S. COPELAND,
CARTER GLASS,

Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on amendments Nos. 7, 8, 9, and 11 of the Senate to the bill (H. R. 14458) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1934, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

FEDERAL TRADE COMMISSION

On No. 7: Appropriates \$1,081,500 as proposed by the Senate, instead of \$500,000 as proposed by the House, for general expenses of the Federal Trade Commission, and retains the Senate language which provides that \$280,000 of the appropriation shall be available for the completion of the publicutilities investigations undertaken pursuant to Senate Resolution No. 83, Seventieth Congress.

On No. 8: Appropriates \$20,000, as proposed by the Senate, instead of \$10,000, as proposed by the House, for printing

and binding for the Federal Trade Commission.

On No. 9: Corrects the total for the Federal Trade Commission to correspond with the action taken on amendments Nos. 7 and 8.

On No. 11: Corrects the total for the entire bill to correspond with the action taken on amendments Nos. 7 and 8.

C. A. WOODRUM,
JNO. J. BOYLAN,
JOHN W. SUMMERS,
Managers on the part of the House.

Mr. WOODRUM. Mr. Speaker, I move to recede and concur in the Senate amendments, and on that I ask recognition.

The SPEAKER. The gentleman from Virginia is recognized

Mr. WOODRUM. Mr. Speaker, this conference report, if adopted by the House, will dispose of the independent offices appropriation bill, so far as the House is concerned. The only subject in disagreement is the appropriation for the Federal Trade Commission, and if the motion that I have made is adopted by the House to recede and concur in the Senate amendment, it means to give to the Federal Trade Commission \$1,089,000, which is the amount that the Budget originally estimated for its activity. In justification of the action of the conferees in making its surrender to the body at the other end of the Capitol, let me say that the conferees feel that a bill as important as the independent offices appropriation bill ought not to fail of passage because of a difference of this sort between the two bodies. It was perfectly apparent that our friends at the other end of the Capitol were adamant and would not yield on the matter. Under the authority given the incoming President to discontinue functions and decrease activities in departments, there will be ample opportunity for the new President and the new administration to control this appropriation in any way they see fit, and while the conferees, both of the House and the Senate, I may say, were unanimously of opinion that the appropriation was unjustified to some extent, yet for the reason that I have indicated we yielded, and I hope it will be the pleasure of the House to allow the bill to become a

Mr. Speaker, while I have the floor for just a few moments I want to say a few words, a few kind words, I hope, in behalf of a group of much-discussed and much-cussed and much-maligned gentlemen who are to-day Members of this body, but who in 24 hours from now will pass out of this picture, and who, for the want of some more opprobious term, the public has denominated lame ducks. When the Speaker drops the gavel to-morrow at 12 o'clock noon the previous question will have been moved and agreed to on the Seventy-second Congress. The last speech will have been made, the last vote taken, and the curtain will go down on a momentous legislative session, and, what is more than that, there will pass out from official life into the ranks of private citizens many very distinguished and able public servants. To me the ending of a session of this kind has something of tragedy in it. I might take the roll, and time does not permit, and call the names of some of the great men on both sides of the aisle who will pass out of Congress to-morrow. As the hour of 12 approaches to-morrow, I am very happy in the thought that probably for once during this great session, when at many times passion and feeling have been at high tide, there will be a few moments when we can be just ordinary, everyday men, when we will dare, if you please, to pay just tribute to our colleagues, even though we may differ politically.

As I look on the Republican side of this House, I am reminded that many of our dear personal friends will be absent when our new organization calls the Congress into session shortly. The vicissitudes of politics often work very queer tricks in the affairs of men and in the affairs of nations, and as I look into the faces of you gentlemen, many of whom will leave us to-morrow, I am sure you go back to your private lives very happy in the thought and in the consolation that during the years that you have served

here, and some have been here for many years, you have rendered distinguished, able, and conspicuous service to your country.

I look into the face of my distinguished and venerable friend from Indiana [Mr. Wood], who was chairman of the Committee on Appropriations; that great warrior, who can reason with such unerring logic and such forceful eloquence on every topic on which he might engage in debate except one—and that is politics. Will Wood is irresistible, except when he begins to talk politics, and then he goes haywire. [Laughter.] But, gentlemen, no man has ever served in this body whose heart and whose life were more seriously dedicated to the public service than the gentleman from Indiana, who leaves us to-morrow. We shall miss him. [Applause.]

Then I turn over here to my side of the aisle, to my colleague on the Committee on Appropriations, the gentleman from Georgia, Judge Wright, who retires voluntarily from Congress. He is one of those rare birds that you might say commit political suicide. He retires voluntarily. Some of us can not understand that, perhaps, but we admire his courage, and I am sure that distinguished man will go back to his constituency with consolation in knowing of his long and useful service.

Then I see our distinguished friend over here from Wisconsin, the fiery and impetuous guardian of the Public Treasury, the gentleman from Wisconsin [Mr. Stafford]. [Applause.] Oftentimes we have not agreed with him, many times we have cussed him, sometimes audibly, often inaudibly; and also his running mate, the distinguished gentleman from New York [Mr. LaGuardia]. [Applause.] Oftentimes we have differed with him; but may I say of these two gentlemen that I do not believe there is anyone in this House who has ever doubted their devotion to public service, their sincerity, or their patriotism. [Applause.]

Then I see my distinguished colleague on the Committee on Appropriations, Doctor Summers of Washington. [Applause.] Why, gentlemen, I might turn back the pages of time some 18 or 20 years and picture to you a stalwart, bright-eyed lad, with agile step, who had equipped himself for the practice of medicine by studying in the best universities in America, in Germany, and in Vienna, who, lured and tempted by a desire to serve in public office, came to the Halls of Congress.

Then I would turn to-morrow, when the gavel falls, to our distinguished friend who goes out of this body and I say again that oftentimes the vicissitudes of politics come to us in the guise of stark tragedy. The gentleman from Washington [Mr. Summers] has rendered distinguished public service during his service in Congress, and he will be missed. There are many others, on both sides whose names I might call. All of you gentlemen will be missed. We hope as you go out into your several ways that an abundance of peace, happiness, and prosperity will attend your ways. We hope that many times your thoughts will turn back again to these old days here when we gathered in friendly competition and in friendly rivalry, and that in fancy you will turn again to the halls of Congress, here to mingle in spirit with these friends of to-day.

Gentlemen, I would not be true to my sentiments if I did not, as I take my seat, pay my humble homage and tribute to the gentleman who goes out of this body to-morrow, having been called to a higher service at a time when the fate of the Nation and perhaps the civilized world is hanging in the balance. I refer to the greatest Roman of them all, the distinguished Speaker of this House. [Applause.] My colleagues, when he drops the gavel here at 12 o'clock to-morrow and wends his way down the hall that carries him into another body, I am sure he will leave his heart at this end of the Capitol. I believe I can voice the sentiment of every Member of this body when I say there will be a feeling of sadness in the heart of every Member who stays here. Many is the time when a lump will come in our throats and a heavy feeling in our hearts when we

think of the good old days when he walked among us in | House asked for a conference on the Senate amendments. this body, and when our hearts were gladdened and inspired

by his genial presence.

Now, gentlemen, you may have heard that last night the Democrats had a little caucus, a little meeting, so to speak. and a little row, a sort of a friendly fight, but I want to say to you good Republicans, those few of you who will be here from now on, that you can not get any consolation of what happened last night. Like the Greeks of old, we might fight and raise the devil when we are in the bosom of our own family, but when the bugle calls to war and we meet you on the firing line, I think I can say to you that under the leadership of the gentleman from Illinois [Mr. RAINEY] [applause] and the gentleman from Tennessee [Mr. Byrns] [applause], and the other chosen leaders of the Democratic Party in this House, you will find the Democratic Party of a single mind and a single voice, with a driving power and driving force here ready to carry through the program of our President elect. [Applause.]

In the coming days, gentlemen, I want to suggest to my genial friend from New York [Mr. SNELL] the same kind of doctrine that he preached to us some months ago, that in this crisis there ought to be friendly cooperation, regardless of political differences, and I am going to venture the hope that that will come to pass, that although there may be an imaginary aisle down here or perhaps over here separating the two parties, yet the heart of every man in this body will be overburdened and overshadowed by the plight of our country, that we may go forward with steadfast determination to bring back a condition when the skies will smile again upon this great land that all of us love so much. [Applause.]

Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered. The conference report was agreed to.

TEMPORARY COMMITTEE ON ACCOUNTS

The SPEAKER. The Chair lays before the House the following appointment:

Pursuant to section 97, Chapter 4, Title 2, United States Code, the Chair appoints as a temporary Committee on Accounts the gentleman from North Carolina, Mr. WARREN, and the gentleman from Missouri, Mr. Cochran, and the gentleman from Pennsylvania, Mr. Wolfenden.

JOINT COMMITTEE ON PRINTING

The SPEAKER. The Chair lays before the House the following further appointment:

Pursuant to section 2, Title 44, United States Code, the Chair appoints as members of the Joint Committee on Printing the gentleman from Georgia, Mr. RAMSPECK, and the gentleman from Pennsylvania, Mr. RICH.

NATIONAL PARK AND PLANNING COMMISSION

The SPEAKER. The Chair lays before the House the following further appointment:

Pursuant to the provisions of section 71 (a), Title 40, United States Code, Supplement VI, the Chair appoints the lady from New Jersey, Mrs. Norton, as a member of the National Capital Park and Planning Commission.

PRICE HUFF

Mr. MAY. Mr. Speaker, I call up the bill (H. R. 11035) for the relief of Price Huff, with Senate amendments, and ask unanimous consent to vacate the proceedings whereby the House requested a conference on the Senate amendments, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 1, line 7, strike out the words "discharged under honorable conditions" and insert "honorably discharged," and on page 1, strike out lines 10 and 11 and down to the word "thereto," in line 8, on page 2, and insert in lieu thereof "back pay, compensation, benefit, or allowance shall be held to have accrued prior to the passage of this act."

The SPEAKER. The gentleman from Kentucky asks unanimous consent to vacate the proceedings whereby the

Is there objection?

There was no objection.

Mr. MAY. Mr. Speaker, I ask unanimous consent that the House concur in the Senate amendments.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

A motion to reconsider was laid on the table.

Mr. RAINEY. Mr. Speaker, there are many outgoing Members who wish to address their colleagues before they go. In order to enable them all to do so, I ask unanimous consent that when the House takes a recess to-day it recess to 10 o'clock to-morrow morning.

Mr. BLANTON. Mr. Speaker, there is liable to be an important conference report on one of the supply bills that may not be ready to present to the House before late to-night. Could not the gentleman make it 9 o'clock a. m.?

Mr. RAINEY. I do not believe so.

Mr. BLANTON. We have in other years stayed in session all night on March 3, and all the next morning to 12 o'clock.

Mr. RAINEY. I know; we have done that several times. The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. RAINEY. Mr. Speaker, I ask unanimous consent to address the House for eight minutes.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

WILLIS CHAPMAN HAWLEY

Mr. RAINEY. Mr. Speaker, we are approaching the close of another Congress. An extra session of the new Congress will undoubtedly be called soon-I do not know how soonbut only a few hours of this session remain and we have here on the floor many of our friends with whom we have had pleasant contacts and pleasant relations who will not be with us in the next Congress. We regret their passing.

To-day I want to address the House particularly with reference to my personal friend the Hon. WILLIS CHAPMAN

HAWLEY, of the State of Oregon. [Applause.]

For 24 years I have been closely associated with him. We have not been able to agree on tariff matters, but there has been no bitterness and no feeling of unfriendliness between us.

At all times during his long period of service here he has been an efficient, hard-working, patriotic Member of this body. He goes away now leaving behind him none but friends. He has never made an enemy in this House. He has never said an unkind word during his 24 years of service against any Member of this House, no matter how heated the debate was. He has participated in the great debates of the last decade. Those of us who have been associated with him during all the period of time he has been here personally regret parting with him now.

A true son of the great West, born in Oregon of parents who crossed the plains in a covered wagon, educated in the schools of his native State and in Willamette University, he has imbibed and absorbed the atmosphere of the West. He belongs to that great section of this country. He has represented well here in this House those interests. He has stood always for what he conceived to be the things which would most benefit the great section of the United States in which he lives.

During a large part of his life he had been engaged in educational work. He was president of Willamette University, from which he graduated. After his name he can write a long string of degrees conferred by that university and other universities.

He served on important commissions in this House. He served as the chairman of the great Committee on Ways and Means of the House. He inaugurated in that committee a policy of kindly treatment for every man on the committee and for every witness who appeared before it, and they all received the fairest treatment at his hands. I am sure the policies of fairness and courtesy to which he adhered will be continued through the future Congresses.

We will miss him. We will miss his kindly face. We will miss the companionship of this cultured, educated, scholarly gentleman. He goes back now to private life and we wish him good luck, good health, and long life. [Applause.]

JOINT COMMITTEE ON VETERANS' BENEFITS

Mr. McDUFFIE. Mr. Speaker, I ask unanimous consent for the present consideration of Senate Joint Resolution 262, to continue the joint committee on veterans' benefits.

The Clerk read the Senate joint resolution, as follows:

Senate Joint Resolution 262

Resolved, etc., That for the purpose of continuing the investigation with respect to the operation of laws and regulations relating to the relief of veterans authorized under section 701, of Part II of the legislative appropriation act, fiscal year 1933, and to report the results of such investigation, those members of the joint committee to investigate the operation of the laws and regulations relating to the relief of veterans who are members elect to the Seventy-third Congress, or a majority of them, after March 4, 1933, and until 60 days after the first meeting day of the Seventy-third Congress, are authorized and directed as a committee, by subcommittee or otherwise, to continue the investigation begun under authority of such section 701. Such committee shall have the same powers and duties as the committee provided for under such section 701.

Mr. SNELL and Mr. RANKIN rose.

Mr. SNELL. May I ask a question? Do I understand this resolution just continues the committee we established last year in order to complete its work?

Mr. McDUFFIE. That is correct.

Mr. LaGUARDIA. Will the gentleman yield?

Mr. McDUFFIE. Yes.

Mr. LaGUARDIA. Will there be any preliminary report submitted to this Congress?

Mr. McDUFFIE. No report to this Congress. Unfortunately, the committee has not been able to work out an intelligent report. There are various opinions and schools of thought represented on the committee. We believe that with proper time allotted we can sit around the board and bring to the Congress something that may be helpful.

Mr. LaGUARDIA. Has the committee finished its labors on fact finding?

Mr. McDUFFIE. Yes; the committee has concluded its hearings. One volume of the hearings has not been printed, however.

Mr. RANKIN. Mr. Speaker, reserving the right to object, the gentleman from Alabama [Mr. McDuffie] admits they have completed their fact findings. We have a standing Committee on Veterans' Affairs, of which I happen to be the chairman. We have 21 members on that committee who have been studying this legislation for years. They are competent to handle this situation. Besides, as to the other veterans of the Spanish-American War and the Civil War, there are other standing committees of the House competent to handle that legislation. Therefore I see no reason now for rushing this legislation through to perpetuate this special committee in the dying days of this Congress. I think this legislation should be left to the standing committees created to handle it. Therefore I shall have to object.

Mr. McDUFFIE. Will the gentleman reserve his objection a moment?

Mr. RANKIN. Yes; I reserve it.

Mr. McDUFFIE. The gentleman, of course, understands this committee is not attempting to legislate. This committee is simply acting as the agent of the House and Senate to get the facts to submit to the gentleman's committee and to the Congress. We are not attempting to legislate. The gentleman knows that all the facts we find must ultimately go to his committee and to the other committees dealing with veterans of all wars.

Mr. RANKIN. I will say to the gentleman from Alabama [Mr. McDuffie] that the Veterans' Committee is just as competent to hold these hearings and get this information as any select committee. Besides, we have men on the Veterans' Committee who have been there for the last eight or nine years, and they are familiar with every phase of vet-

erans' legislation. This idea of having a select committee to get information to give some other committee information that they could get with less expense and with less trouble is simply time and labor thrown away.

The SPEAKER. Is there objection to the request of the gentleman from Alabama [Mr. McDuffie]?

Mr. RANKIN. Mr. Speaker, I object.

Mr. McDUFFIE. Mr. Speaker, I move to suspend the rules and pass the Senate joint resolution (S. J. Res. 262) to continue the Joint Committee on Veterans' Benefits.

The Clerk read the Senate joint resolution.

Mr. LUCE and Mr. RANKIN demanded a second.

The SPEAKER. Is the gentleman from Massachusetts [Mr. Luce] opposed to the resolution?

Mr. LUCE. I am not.

The SPEAKER. The gentleman does not qualify.

Mr. RANKIN. Mr. Speaker, I am opposed to the resolution.

The SPEAKER. The gentleman from Mississippi qualifies to demand a second.

Mr. McDUFFIE. Mr. Speaker, I ask unanimous consent that a second may be considered as ordered.

The SPEAKER. Is there objection?

There was no objection.

The SPEAKER. The gentleman from Alabama [Mr. McDuffie] is recognized for 20 minutes and the gentleman from Mississippi [Mr. RANKIN] for 20 minutes.

Mr. McDUFFIE. Mr. Speaker, I yield three minutes to the gentleman from Massachusetts [Mr. Luce].

Mr. LUCE. Mr. Speaker, the House is entitled to know that the Committee on World War Veterans' Legislation has now for two years been in control legitimately of the gentleman from Mississippi, who objects to the adoption of this resolution. In the two years I can not recall that the committee has been called together two times. It has been called together this session but once. I am not certain about the calls in the previous sessions. Not a single matter of grave importance to the veterans of this country has been laid before the committee for consideration.

We have had no opportunity to exercise the wisdom that the gentleman accredits to this committee. We have had no opportunity to pass judgment upon the great issues involving the veterans of the World War.

Mr. RANKIN. Will the gentleman yield?

Mr. LUCE. Certainly.

Mr. RANKIN. The gentleman from Massachusetts is a member of the Veterans' Committee?

Mr. LUCE. I am.

Mr. RANKIN. Has the gentleman asked for a hearing on any bill at any time since I have been chairman of the committee?

Mr. LUCE. Mr. Speaker, the futility of making any such request has kept one of my modesty from presenting it. [Laughter and applause.]

Mr. RANKIN. The gentleman from Massachusetts knows he is in error. He would have been given a hearing if he had asked for one. The gentleman has not even introduced a bill.

Mr. LUCE. Mr. Speaker, I have not been presumptuous—and I shall not in the next two years be presumptuous enough to lay down to a gentleman of the opposite party who is in control of the committee what his program should be. [Applause.] I have waited with patience, with two years of patience, for an opportunity to serve my country in this committee, but I have been denied the chance to do it.

Mr. RANKIN. Will the gentleman again yield?

Mr. LUCE. Certainly.

Mr. RANKIN. The gentleman is in error in both statements. In the first place, he has not been seeking any opportunity to serve his country on this committee, or he would be calling for hearings. I have not denied anybody a hearing. Every man who has asked for a hearing before the committee has got one, and if the gentleman from Massachusetts had asked for a hearing I would have given it to him; and during the next two years, if I am chair-

man of the committee, I shall be glad to give him all the hearings he needs.

Mr. LUCE. Mr. Speaker, the gentleman from Mississippi and I have now served in this Congress for a considerable length of time, and never before this morning have I seen him ready to disavow the possession of any power of initiative on his own part. [Laughter and applause on the Republican side.]

[Here the gavel fell.]

Mr. McDUFFIE. Mr. Speaker, I yield to the gentleman from New York two minutes.

Mr. LaGUARDIA. Mr. Speaker, I believe that it is for the interest of every bona fide disabled veteran, in order to have the atmosphere cleared, that this committee should be continued and given time to submit its complete report. There is a great deal of misunderstanding in the country concerning veterans' relief and veterans' compensation. The only way that we can clear the atmosphere is for the committee to have time to submit its report at the earliest possible moment to the next Congress.

I understand fully the interest, zeal, and enthusiasm of the gentleman from Mississippi [Mr. RANKIN]. He need not have any fears or misgivings, as the report will be submitted to his committee, which has jurisdiction over all veteran legislation. If there are abuses, if mistakes have been made, the only way we can protect the veterans is to eliminate the abuses and correct the mistakes and legislate intelligently, thoroughly, and honestly in the interest of veterans. [Applause.1

Mr. RANKIN. Mr. Speaker, I yield myself five minutes. I want to ask the gentleman from Alabama a few questions. As I understand, the contention is that the committee does not want to hold any more hearings, but simply wants more time to make its report.

Mr. McDUFFIE. That is all.

Mr. RANKIN. Will the gentleman consent to an amendment making it 30 days?

Mr. McDUFFIE. Just wait a minute. I do not want to be in error about the resolution. If the gentleman from Mississippi will go to the committee and ask to make a statement, or the gentleman from Texas, or any Member of this House wants to make a statement to the committee, the committee will be delighted to hear them. The hearings are and have been open hearings, and I do not want to be foreclosed. However, the purpose is, and the committee has so directed me to state, that this resolution is simply to get additional time to make a study of these facts, so that we can make an intelligent report to Congress.

Mr. RANKIN. In reply to the gentleman from Alabama. I desire to say that the only reason we did not go around and tell the committee what our committee knew was that it would be a futile effort. Besides, we have had all this testimony and facts before our committee for years. We had the same facilities for getting the information that his committee had, and besides we have the power to initiate legislation. If the gentleman merely wants time to make the report, I would have been willing-and other members of the committee would be willing-to grant a reasonable time. But to start hearings again and allow certain interests in this country to spread over the country wholesale and unjustified abuse of disabled veterans of the World War, I am not going to agree to it.

I submit that this resolution ought not to pass. You had just as well create a special committee to investigate the tax question and take it away from the Committee on Ways and Means as to pass this resolution. You have heard the grandstand play of the sophisticated gentleman from Massachusetts [Mr. Luce]. He has always tried to mislead the House on what the Veterans' Committee is doing, from a Democratic standpoint. The gentleman never asked for a hearing; if he had, he would have been given a hearing. One reason we did not go ahead and start our hearings was because the joint committee was in session. We wanted them to find out the futility of attempting to usurp the jurisdiction of a standing committee of the House, and let them know

that they had delved into something that they would have to refer back to the Veterans' Committee ultimately.

I reserve the remainder of my time.

Mr. McDUFFIE. Mr. Speaker, I yield two minutes to the gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Speaker and Members of the House, I was asked to serve on this committee; I did not ask for the job. I spent a very considerable time with the committee attending hearings. The committee was most faithful. It went into this situation just as thoroughly as it was able to, and we have just about completed the hearings, and that is all. The fourth volume of the hearings is not yet printed. I do not like to see an application made for an extension of time to make a report, but frankly I must tell you the truth. It is absolutely impossible and it was absolutely impossible in the time that remained after we completed our hearings to write up and get out an intelligent report. I want to join in an intelligent report which will cover this picture thoroughly and properly present it to the Congress.

Mr. RANKIN. Mr. Speaker, will the gentleman yield? Mr. TABER. We could not do it in the time that has been given. We have asked for a fair extension, and I hope that the Congress will see fit to grant it, so that we can present the thing thoroughly to the Congress. Of course, after that it has to go to the committee for legislation, but it will go with definite recommendations about which the Congress can expect consideration and legislation. I yield to the gentleman from Mississippi.

Mr. RANKIN. As I understand the gentleman, you have completed your investigation?

Mr. TABER. Yes.

Mr. RANKIN. You can go ahead and writ your report; you can get unanimous consent to file that report at any time during the next Congress.

The SPEAKER. The time of the gentleman from New York has expired.

Mr. RANKIN. Mr. Speaker, I yield five minutes to the gentleman from Texas [Mr. PATMAN].

WORLD WAR VETERANS AND BANKING EACKETEERS

Mr. PATMAN. Mr. Speaker, the World War Veterans' Committee is the committee that should pass upon legislation of this kind. When this special committee was organized I did not see any necessity for it. Why should there be a committee to investigate the very questions that should come before the World War Veterans' Committee? I was apprehensive from the beginning-and I hope my apprehension is not well founded—that this committee was not favorable to the veterans. I know that under the leadership of the gentleman from Mississippi [Mr. RANKIN] the veterans of the United States have been given a square deal. He has not been too generous with them. He has not been extravagant with the people's money toward the veterans of the United States. In fact, this country has not been more generous toward the veterans of the World War than it has been toward the veterans and widows and orphans of other wars.

GENEROSITY OF NATION TO VETERANS

When the chairman of this joint committee [Mr. Mc-DUFFIE], a man for whom I have a very high regard, made a statement on the floor of the House at one time that this country is the most generous country on earth toward the veterans of the World War, that we are more generous than Germany or France or England or Italy, I challenged the statement at the time, and I challenge it now. Throughout the hearings before the joint committee of which the gentleman from Alabama [Mr. McDuffie] is the chairman. the idea has been impressed upon the minds of the people of the country that this country has been the most generous country on earth toward its World War veterans.

ABILITY OF NATION TO PAY

There is only one way to measure the generosity of a country toward veterans, and it is not according to the number of veterans who were disabled or injured in a certain way, or disabled by disease in a certain way, but the

only way to determine the generosity of a nation is by the ability of that nation to be generous. I challenge the gentleman from Alabama, I challenge the members of that special committee, to take into consideration the ability of a nation to pay, as, for instance, Italy, France, England, and Germany, a conquered nation, and show that this country has been the most generous. They will find that our country is not spending one-fourth to one-eighth as much for our World War veterans and the widows and orphans as these other countries are spending.

That is the only way to judge the generosity of a nation. It has been brought out in this joint committee hearing that several hundred million dollars have been expended for nonservice-connected disabilities. That statement is not true and should be challenged. The Government of the United States is expending only about \$107,000,000 for non-serviceconnected disabilities for veterans of the World War, and I invite attention to the fact that that money is doing more to save suffering people of this Nation to-day than any other money that is being paid out. What would this country do to-day if it were not for the money spent for veterans? These checks are going into every nook and corner of our Nation, and in some places they represent the only medium of exchange that the people have. The large income-tax payers are objecting to these payments. They want to make exorbitant profits under Government protection and keep them. Think of it! The banks of 28 States have suspended payments on checks to-day. Veterans' checks are about the only medium of exchange the country has at this time in some localities.

EMBARGO ON GOLD

May I say while I am on my feet that I think there are other serious questions confronting our country? I think this Congress should immediately put four or five billion dollars in circulation and make some arrangement to prevent the exportation of gold; that we should place an embargo on gold shipments and suspend specie payments. Our country will be helped by going off the gold standard at this time. There is also the question of whether the Government of the United States should get behind all the banking institutions of this Nation.

GET GOVERNMENT OUT OF PRIVATE BUSINESS AND GET BANKERS OUT OF GOVERNMENT BUSINESS

Mr. Speaker, banking is not a private business function. Banking is a Government function. The Government is in private business in many instances and should get out of private business. It has no right in private business, but at the same time the Government should take the bankers out of the Government's business. The Constitution of the United States provides that it is the duty of Congress to coin money and to regulate its value. That great privilege has been farmed out to a few great and powerful bankers, who have become the world's greatest racketeers. They have contracted the currency and destroyed credit. More money must be placed in circulation immediately. They are responsible for destroying our country to-day, and we are not going to bring our country back until we take that privilege away from the banking racketeers.

The SPEAKER. The time of the gentleman from Texas has expired.

Mr. McDUFFIE. Mr. Speaker, I yield myself two min-

Mr. Speaker, it is not a question now whether or not this committee should act. The fact is the Congress by law established this committee, outlined its duties, and ordered it to make a report. We have made the investigation. We have concluded the investigation, and we wish additional time to file the report. There is no need of going into the question of who feels kindly toward the veterans and who does not. Certainly there is nothing in the heart of a single member of that committee that would permit him to work an injustice against a single veteran of any war, and especially those veterans disabled in the service. It is a question of whether or not the House will give us a little time to make an intelligent report, and as far as I am concerned I am ready to submit it to a vote of the House.

Mr. SIROVICH. Will the gentleman yield?
Mr. McDUFFIE. I yield.
Mr. SIROVICH. I wish to ask the distinguished gentleman if it is the intention of the committee to hold any further hearings?

Mr. McDUFFIE. It is not. I have stated that two or three times. It is true the resolution carries language that would permit that, but the committee, by its vote, has closed the hearings. All we ask is to let us do what you ordered us to do.

Mr. HASTINGS. When did the committee close the hearings?

Mr. McDUFFIE. Two weeks or three weeks ago.

Mr. RANKIN. Will the gentleman yield?

Mr. McDUFFIE. Certainly.

Mr. RANKIN. If the gentleman from Alabama [Mr. McDuffiel will amend his resolution to limit it to a report. we will agree to it, or we will agree that you can make your report by unanimous consent in the next Congress. It will have plenty of time to go through the Senate. We are not going to leave this resolution open if I can help it, unless we get an agreement.

Mr. McDUFFIE. Well, let the House pass on it.

Mr. RANKIN. Mr. Speaker, I yield three minutes to the gentleman from Massachusetts [Mr. Connery].

Mr. CONNERY. Mr. Chairman, I agree with the distinguished chairman of the Veterans' Committee. The Economy Committee has had plenty of time to discuss this matter fully. They have had hearings, and I am willing for them to report to the House, but I do not believe in any further continuance of this committee or its sessions. They have had since the last session of Congress to go into the matter thoroughly. They had an opportunity to bring all their witnesses before them. If they do not know what they are going to report now, they will never know.

Mr. RANKIN. Will the gentleman yield?

Mr. CONNERY. I yield.

Mr. RANKIN. That special committee has been in existence since last July, has it not?

Mr. CONNERY. Yes; and they have had plenty of opportunity to hear every witness that was necessary, and to find out all they wanted about veterans' compensation and the Veterans' Bureau and employees; and as near as I can see, almost every witness who appeared was an agent of the Economy League attempting to cut off the compensation of disabled veterans in the United States. I do not say that that was done at the request of the chairman of the committee, of course.

Mr. McDUFFIE. Will the gentleman yield?

Mr. CONNERY. I yield. Mr. McDUFFIE. That is not quite correct. I am sure if the gentleman will take a list of the witnesses he will find that just as many witnesses appeared on the other side as appeared before the committee seeking to economize through entrenchment.

Mr. CONNERY. Well, I will say from my experience and from what I read of the hearings in the newspapers and from what I heard from the witnesses who appeared before that committee, that they were mostly from the Economy League. Of course, there were Watson Miller, of the Legion, and General Hines and the representatives of the bureau and the American Legion and the Veterans of Foreign Wars and the Disabled American Veterans, but in general the witnesses were agents of the Economy League, witnesses whose sole idea seemed to be to cut the hearts out of the disabled veterans of the country, so as to protect Mr. Rockefeller and Mr. Ford and Mr. Mellon and the rest of the multimillionaires by cutting their income taxes and saving their money for them.

The SPEAKER. The time of the gentleman from Massachusetts [Mr. Connery] has expired.

Mr. RANKIN. Mr. Speaker, I yield two minutes to the gentleman from Alabama [Mr. JEFFERS].

Mr. JEFFERS. Mr. Speaker, I oppose this resolution for the reason that I feel the membership of the House should take a position at this time and assert itself as being opposed

to continually taking away the powers and authority and jurisdiction of the regular standing legislative committees of the House and turning those powers over to special committees. We have a standing committee, as is well known and has been stated here.

Mr. McDUFFIE. Will the gentleman yield?

Mr. JEFFERS. I yield.

Mr. McDUFFIE. The gentleman certainly knows that the Congress has already settled that matter. It set up this

Mr. JEFFERS. Nevertheless, objection can be made at this time, perhaps to no avail, as it should have been at the time this special committee was set up. I am objecting to the resolution now, because I think that, whereas we might have taken a bad step then, there is no use continuing it

Mr. McDUFFIE. Does the gentleman not want us to file a report?

Mr. JEFFERS. The special committee can file its report without continuing the life of the special committee.

Mr. McDUFFIE. That is what we are seeking to do here. I grant that the language of the resolution would permit additional hearings, but I will state to the gentle-

Mr. JEFFERS. I decline to yield further. I only have two minutes.

Mr. RANKIN. Will the gentleman yield? I will give the gentleman another minute.

Mr. JEFFERS. I yield. Mr. RANKIN. I will say to the gentleman from Alabama [Mr. Jeffers] that the resolution provides for a continuation of this committee with its present powers. We will not object to their filing a report. We will give them unanimous consent, but we will not consent to continuing this committee under the circumstances.

Mr. Speaker, the standing legislative Committee on Veterans' Legislation is entirely capable of handling these matters, as are all the other legislative committees of the House of Representatives.

Mr. JEFFERS. And if the House continues to give away the rights, jurisdiction, authority, and power of our regular legislative committees to these special committees we might as well abolish the legislative committees of the House of Representatives. I think all members of other legislative committees who have any feeling of pride whatsoever in their committees and in the authority, power, and jurisdiction of their committees should vote against this resolution and from now on take a stand against the continuation or creation of any more special committees.

Mr. RANKIN. I may say to the gentleman from Alabama [Mr. McDuffie] that, as I have stated time and time again, we will agree that he may file his report, but we are not going to agree to continue the investigating powers of this committee for the purpose of furnishing facts to the so-called Economy League, pretending to represent an economy movement, but, in fact, representing the large taxpayers who have grown rich in the last few years, who, the testimony before the Senate committee shows, have been plundering the American people. We will not let such people continue to come here and put into the RECORD and spread through the press addresses and remarks, abuse, misrepresentation, and vilification of the disabled veterans of the World War. We will let you make this report by unanimous consent, but we are going to resume our functions as a veterans' legislative committee in the regular way.

Mr. CHIPERFIELD. Mr. Speaker, will the gentleman yield for a brief statement?

Mr. RANKIN. For a very short question.

Mr. CHIPERFIELD. There has been protest against spending of money, but I regret the gentleman has said there has been any villification on the part of any member of this committee.

Mr. RANKIN. I did not say that. The gentleman misunderstood me.

Mr. CHIPERFIELD. Very good.

Mr. RANKIN. There has been none on the part of the committee, so far as I have heard.

Mr. McDUFFIE. Mr. Speaker, I yield three minutes to the gentleman from Alabama [Mr. OLIVER].

Mr. OLIVER of Alabama. Mr. Speaker, there seems to be no real difference between the gentleman from Mississippi and the gentleman from Alabama. Both are gentlemen of honor. I know the gentleman from Alabama well enough to affirm, and this House knows also that when he makes a statement that there will be no further hearing there will

On the last day of the session you can not amend pending joint resolutions of this kind without endangering their

The gentleman from Mississippi [Mr. RANKIN] has the same high esteem and regard for the gentleman from Alabama [Mr. McDuffie] that I have. He says he is willing for this committee to have an extension of time to submit its report; and he knows, and every Member of this House knows, what this committee will do and what it will not do if this extension of time is granted.

Mr. RANKIN. Mr. Speaker, will the gentleman yield? Mr. OLIVER of Alabama. I yield.

Mr. RANKIN. We will agree that he may file the report by unanimous consent. There will be no objection to it.

Mr. OLIVER of Alabama. The difficulty with that is that it must be passed on by another body.

Rest assured that if the gentleman from Alabama, the chairman of the committee, makes any promise, it will be absolutely kept. The gentleman from Mississippi knows him; I know him, and no one has a higher regard for him than my good friend and neighbor, the gentleman from Mississippi. This discussion does not, in fact, relate to any substantive difference.

Mr. RANKIN. Mr. Speaker, I ask unanimous consent that the gentleman from Alabama may file his report at any time within 60 days after the close of this Congress.

Mr. McDUFFIE. Mr. Speaker, this is a public law. It can not be done by unanimous consent.

The SPEAKER. It requires a joint resolution to accomplish what is sought to be accomplished. This is a Senate joint resolution, which becomes law with the signature of the President of the United States.

The question is on the motion to suspend the rules and pass the resolution.

The question was taken; and two-thirds having voted in favor thereof, the rules were suspended and the Senate joint resolution was agreed to.

Mr. TREADWAY. Mr. Speaker, I ask unanimous consent to address the House for four minutes.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. TREADWAY. Mr. Speaker, a close of any session of Congress brings sorrowful features in the breaking of ties that may have united Members over a long period of years. We all rejoice in friendship. He who has a thousand friends has none too many.

The close of the Seventy-second Congress is peculiarly illustrative of changes in that there are more men who will terminate their present congressional service than probably at any similar period within the recollection of any of our Members. The only change I recall that compares with this one happens to have been at the beginning of my own career here, namely, at the close of the Sixty-second and the opening of the Sixty-third Congress. It is also an outstanding fact that many men of prominence, holders of the most influential positions in Congress, will say their farewells to-morrow. I need not endeavor to name these men, but wish to make very brief remarks about one in particular.

For 20 years we have been colleagues, for 16 years serving on the same committee. While we sat on opposite sides of the political aisle, and while the Ways and Means Committee is regarded as the partisan committee of Congress, our

views have run in similar channels and many times we have found ourselves voting together.

Some of us have impulsive dispositions; some most genial. It takes all kinds to make a composite body like this, but if I were to select from the entire membership of this House one man who is the most cordial, whose manners are the most courteous, my immediate thoughts would be centered on the gentleman from Mississippi [Mr. Coller].

The one place to learn of a man is to sit around a committee table with him for days, weeks, and months, particularly in the hot atmosphere of a Washington summer. So I feel I know intimately the retiring chairman of the Ways and Means Committee and will treasure his friendship always. Genial, courteous, considerate of others, irrespective of party, a thorough gentleman.

To have completed 24 years of service to the people of his district, State, and Nation is an encomium enough for any man. I venture to say that such a length of service would be impossible if it were not coupled with the respect and regard of his colleagues, characteristics that have endeared him to our membership here.

My own associations with him have not been limited to the committee room or to the floor of the House. We have the ties of fraternity and the memory of having enjoyed attendance together at the great American pastime of baseball. His service as a member and as chairman of the Ways and Means Committee, his ability as a debater, are well-known to us all. No man has carried on debates on this floor with a higher degree of intelligence nor with a more pleasant smile toward his opponents than has the gentleman from Mississippi. It is not for us to question or ask for explanations from the constituents of any man, but I think that my colleagues on the committee and in this House will agree with me that the failure to return Mr. Collier is a distinct loss to the country.

It is a trite saying that we wish our colleagues success, health, and prosperity in the future, but to no man of those retiring to-morrow from public life can this remark be more sincerely made than to the gentleman from Mississippi, James W. Collier. [Applause.]

Mr. PARKER of New York. Mr. Speaker, I ask unanimous consent to address the House for 10 minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. PARKER of New York. Mr. Speaker, the Republican delegation from the State of New York is to lose six of its distinguished Members in the next Congress, and it seems fitting that a slight tribute should be paid to their services during their terms in office.

The Hon. Archie D. Sanders has served eight consecutive terms in Congress, and is retiring voluntarily, not having been a candidate for renomination.

In Republican politics in New York State the name of Archie D. Sanders is known from one end of the State to the other. He has been very active in public affairs during his whole career. He served in both branches of the legislature, he was collector of internal revenue, and during his term of office in Congress he has been chairman of the Committee on the Post Office and Post Roads. Everyone who knows Mr. Sanders can readily understand why his political career has been of such long duration. The pleasant smile, the gracious manner, coupled with an extraordinary amount of good horse sense, has endeared him to the people of his district and his State.

Mr. Sanders will be missed as much as anyone I know of, for his philosophy of life was always refreshing and encouraging. [Applause.]

The Hon. Fighelio H. LaGuardia has served seven terms in Congress. On a great many occasions I have disagreed with Mr. LaGuardia on his philosophy of government, but I have the highest admiration for his ability, integrity, and honesty. I think the House will unite in paying tribute to Mr. LaGuardia as one of the most useful Members of Congress. He has had wide experience during his life; he has been in the public service 28 years, starting as a consul in

a small diplomatic post. He was elected to the Sixty-fifth Congress, and immediately upon the outbreak of the war Mr. LaGuardia was one of the first men in Congress to volunteer. He volunteered as an aviator, and rendered distinguished service overseas in the combat unit. He was the commander of the American division on the Italian and Hungarian front and received a decoration from the Italian Government for his distinguished service. Immediately after his discharge from the Army he was reelected to Congress. He was afterwards elected president of the board of aldermen in the great city of New York, and was the only Republican to have been elected in a generation in a citywide election. In 1929 he was Republican candidate for mayor. He was elected to the Sixty-eighth Congress, and has been here since that time. While, as I have said, I have disagreed with Mr. LaGuardia on a great many different occasions, I think it is a fair statement to say that no Member will be more sincerely missed from the floor of the House than Mr. LaGuardia. [Applause.]

Hon. HARCOURT J. PRATT, of the twenty-seventh district of the State of New York, has been here with us for four consecutive terms and is leaving voluntarily. He was not a candidate for renomination.

Mr. Pratt during his service has been most attentive to his congressional duties and has been a most useful Member of Congress. He has been very active on the great Agriculture Committee. Naturally modest and somewhat retiring, Mr. Pratt is respected and has the devoted admiration of the Members who have come in contact with him.

His activities have not been on the floor but have been in the committee and, as I have said before, he has been most diligent to his duties on that committee. Mr. Pratt has a most genial disposition, and his departure from Congress will be a great loss both to the State of New York and to the district which he has had the honor to represent.

Hon. Frederick M. Davenport, who represents the thirty-third district of New York, is a very decided loss to the Congress of the United States. He has been here four consecutive terms.

Mr. Davenport has had long experience in the Senate of the State of New York and is a student of governmental affairs, as he is well known by the membership of the House, who well remember the very able addresses he has made before this body.

I am sure that it is with extreme regret that the House, irrespective of party, will sincerely regret the departure of Congressman Davenport from the membership of Congress.

Congresswoman Ruth Baker Pratt, of the seventeenth district of New York, has served two consecutive terms in Congress with great distinction, having come here from the turmoil of the board of aldermen in New York City, where she served as the first woman to be a member of that body which governs the greatest city in the world.

Mrs. Pratt's service in Congress needs no eulogy from me. Everyone knows that she has given her best in the interest of her country and her party, and it is the sincere hope of her friends that she will be returned to Congress in the near future.

Hon. EDMUND F. COOKE has served two terms in Congress from the forty-first district of New York, which is part of the great city of Buffalo.

His political career extends over many years, as he was a very prominent member of the Legislature in New York State before coming to Washington, and it is hoped by the Members on our side that his pleasant smile and pleasing personality will again be seen as a Member of this body.

On behalf of the New York delegation I wish to assure the retiring Members that they have our most sincere regards and best wishes for the future.

Mr. Speaker, I want to say a word about the departing members of the Committee on Interstate and Foreign Commerce. For a good many years, as the older Members of the House know, I had the honor of being chairman of the Committee on Interstate and Foreign Commerce. I think you will all agree with me that the personnel of that committee, chosen from both sides of the House, has not been exceeded by the personnel of any committee. We had, I

think, as fine a representation on the Committee on Interstate and Foreign Commerce from the Republican side as had any committee that was ever organized in the House of Representatives.

The departing members are going to be missed tremendously. I am sorry the gentleman from Texas, the present distinguished chairman of this committee, is not present, because I know he would bear witness to what I am going to say, but the gentlemen who are going out will leave a void in that committee which it will be extremely hard to fill from either side of the House. Take, for instance, the gentleman from Kansas [Mr. Hoch]. He was one of the most diligent members of the committee, a man whose interrogation of a witness was always intelligent and always to the point, and I may add that any witness, who came before that committee not knowing his subject, wished that he had not appeared.

Then there is Mr. WYANT, of Pennsylvania, a most useful member of the committee; Mr. Burtness of North Dakota, a most useful member of the committee, always on the job, and who did a tremendous amount of work and did favors for practically every Member in the House in his work as a member of the subcommittee on bridges. There is also the gentleman from Maine, Mr. NELSON, one of the ablest men we have in the present House, who was always attentive and a most efficient member of the committee. Mr. Robinson, of Iowa; was a most faithful and intelligent member of the committee, always in attendance, and whose keen judgment was a great help to the committee; and Judge GARBER, of Oklahoma, whose interrogations were of the greatest value.

I wish to reiterate that whenever any witness came before this committee and went through the cross-examinations that they were subjected to by the members of the committee, in a perfectly orderly way, because no witness was ever abused before the committee, we knew perfectly well when they got through whether they understood their subject or not; and to these retiring gentlemen I wish to pay my most sincere respects and give them my most sincere thanks for the support they have given to me and to Mr. RAYBURN. [Applause.]

GENERAL PERMISSION TO EXTEND REMARKS

Mr. RAINEY. Mr. Speaker, I ask unanimous consent that all Members of the Seventy-second Congress may have five days after the adjournment of the Congress in which to extend their remarks in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

REMONETIZATION OF SILVER

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by inserting a short speech made by the Member elect from Idaho, Mr. Compton I.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. RANKIN. Mr. Speaker, under the unanimous consent given me to extend my remarks in the RECORD, I desire to insert an address by Hon. Compton I. White, a Member elect of Congress from the State of Idaho, outlining his views on the silver question. Mr. White has given this subject a great deal of study, and I am sure that the Members will find his address both interesting and instructive. especially in the light of our present distressful situation.

The address is as follows:

As the futility of the experiment of our National Government in attempting to refinance business and restore commodity prices in the United States through the operation of the Reconstruction Finance Corporation becomes apparent, sentiment in this country

will crystallize in favor of revising our obsolete monetary system.
When general recognition is given the fact that prices of commodities are ruled by and fluctuate with the price of silver and that there is an imperative need for more real money as a base for our credit structure, the pressure of public opinion that will be exerted on Congress will force the enactment of constructive financial legislation financial legislation.

PAPER INADEQUATE

In doing this Congress must of necessity recognize and bring about the rehabilitation of silver which will have a constructive tendency world-wide in effect.

Issues of paper money based on credit measures at best can only affect internal conditions and domestic markets and benefits only affect internal conditions and deflects harkers and beliefs to be derived from such measures will not affect foreign markets for our surplus products which always have been and will continue to be ruled by the prices fixed by the silver-using countries. What must be done is to assist in restoring foreign markets as an outlet for our surplus products. The rehabilitation of silver is the only thing that will do this.

It is apparent that, due to the swing in public sentiment now setting in, the next Congress will enact the Pittman bill to purchase American-produced silver at the market price of such silver, paying for the metal with legal tender silver certificates redeemable in silver dollars to be coined from the silver so purchased, leaving the surplus silver metal as an additional reserve to back the circulating certificates.

As a financial measure, this legislation should meet the approval of the most conservative financiers, and under any circumstances will be beneficial to the country as a whole. It will put new money in circulation, purchasing power itself minus interest and at the same time the seignlorage will be a source of profit to the Government, and as silver is almost certain to advance under the operation of the act, the Government stands to realize a substantial profit from that end of the transaction, to say nothing of the revenue to be derived from income-tax returns accruing from the profits of the silver producers and other income-tax returns the profits of the silver producers and other income-tax returns resulting from the stimulation in other lines of business cumulative in effect-restoration of confidence.

PARALLEL TRACED

When we review the close relation existing between the average of commodity prices and the price of silver extending back as far of commodity prices and the price of silver extending back as far as records have been kept and compare the quantitative production and the percentage of valuation of silver, wheat, and other commodities, we find that the annual world production of wheat in 1929 was 4,169,000,000 bushels valued at \$2,500,000 and the value of the annual production of cotton, sugar, copper, rubber, silk, and coffee of the same year totaled \$3,386,000,000, while the annual world's production of silver, at peak, in 1929, was 361,715,000 ounces valued at \$73,300,000, or only 2.93 per cent of the total value of wheat or less than 1.25 per cent of the combined value of the annual production of wheat and the six commodities mentioned. When we consider 1¼ per cent silver controls the price of the other 98¾ per cent commodities, it is apparent that the governments of the world should take concerted action to enhance and stabilize the value of silver as a means of restoring comstabilize the value of silver as a means of restoring commodity prices.

MUST TURN BACK

If the governments of the world are soon to repair the damage sustained by the collapse of their finances and the despoliation of their credit structures and the derangement of their monetary systems, they must then turn back and adopt some plan similar to the one that underlaid the monetary convention of December 23, 1865, subscribed to by France, Belgium, Italy, and Switzerland, when they united in a monetary treaty known as the "Latin Union," "to regulate the weight, title, form, and circulation of their gold and silver coins with unlimited coinage and legal tender for such coins."

If the money units of the leading nations could be standardized under some form of bimetalism, many of the barriers to international trade in the form of inequalities of exchange, now a source of profit to international bankers, would be removed.

Tariff barriers are largely a manifestation of the penury of the money medium and are accentuated in times of universal money

The return to bimetalism by the leading nations of the world and the standardization of their monetary units would be a most important step in advancing the welfare of the whole human family in general and the United States in particular.

ST. LAWRENCE TREATY

Mr. WILLIAM E. HULL. Mr. Speaker, I ask unanimous consent to address the House for 15 minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. WILLIAM E. HULL. Mr. Speaker, the St. Lawrence treaty, in its present form, will insure a seagoing canal down the St. Lawrence through Canada to the Atlantic, thus providing for Canada and the Great Lakes area low-cost water transportation.

The ratification of this treaty in its present form, however, makes it impossible for the heart of the agricultural section of the Central West to participate in the benefits so generously given the Lake States and the Dominion of Canada. The only connection possible between the magnificent inland waterway system and the Great Lakes is through the

Illinois and Chicago Rivers to Lake Michigan at Chicago. The only thing that makes this connecting link possible is a diversion of water from Lake Michigan into the Chicago River of about 5,000 second-feet. The St. Lawrence treaty limits this diversion for all time to come to 1,500 second-feet and forever handicaps the farmers of southern Illinois, Missouri, Iowa, Nebraska, and Kansas to the benefit of a foreign nation.

Fort William, on the north shore of Lake Superior, is the largest wheat port in the world, with the existing 14-foot waterway in the Lakes and down the St. Lawrence. Canadian wheat, through this port, is able to go direct to Liverpool at a low-cost water rate. The proposed 27-foot channel from this port out to the sea makes it possible to carry Canadian wheat direct to the world market at a much lower cost than now prevails, while a ratification of this treaty denies these benefits to the great agricultural section represented by the States noted above.

The industrial area of New York and New Jersey provides the largest domestic market for farm products in the country. To improve the Lakes-St. Lawrence waterway and destroy the connection between the great inland waterway system and the Great Lakes gives the farm products of the Lake States a monopoly by giving them low-cost water rates from the Lakes through the New York Barge Canal and down the Hudson River, while it prevents the use of this waterway for the transportation of the farm products of southern Illinois, Missouri, Iowa, Nebraska, Kansas, Oklahoma, Arkansas, and adjacent country.

The persistent attempt has been made by the advocates of the St. Lawrence treaty to make the country believe that the Supreme Court has adjudicated the diversion of water at Chicago. This is untrue, unfair, and misleading. As a matter of fact, the Supreme Court refused to consider navigation in connection with a Lakes-to-the-Gulf waterway, because a Lakes-to-the-Gulf project had not been approved by Congress at that time. The Supreme Court decision was rendered in April, 1930, and the project was not adopted until July, 1930. The Supreme Court instructed Special Master Hughes to consider the amount of diversion necessary to keep the Chicago River sufficiently sanitary for navigation but gave no consideration to the needs of a Lakes-to-the-Gulf waterway.

Special Master Hughes in taking the testimony in this case considered the Chicago River as the port of Chicago and as an arm of Lake Michigan in connection with lake navigation only and did not consider at all the fact that water was needed for the Illinois waterway because at that time there was no authorized Federal project between Damon Avenue on the Chicago River and Utica on the Illinois River.

Since that time, the rivers and harbors act of July, 1930, connected up the project in the Chicago River with the project in the Illinois River; and if this case were being tried now, consideration would have to be given to the needs of the Illinois waterway.

The rivers and harbors bill of 1930, adopting a Lakes-tothe-Gulf waterway, provided that after the project is completed and in operation, the engineers of the War Department under the direction of the Secretary shall have until 1938 to make tests and determine the amount of diversion necessary to make a commercially successful Lakes-to-the-Gulf waterway. The treaty, if ratified by the Senate, will absolutely nullify that provision of the rivers and harbors act which was passed by the Congress and signed by the President. The people of the Mississippi Valley whose future depends upon a successful Lakes-to-the-Gulf waterway supported this legislation in good faith, never suspecting the State Department and the Senate would undertake by a treaty with Canada to nullify this solemn act of Congress. We most strenuously protest against the ratification of the St. Lawrence treaty, containing the provisions of article 8 which not only nullifies this solemn act of Congress but takes away from Congress for all time the right to regulate diversion out of this purely American lake and to take water which comes exclusively out of the American watershed for use in an all-American waterway.

Hydraulic engineers generally agree that a sufficient diversion to insure a successful Lakes-to-the-Gulf waterway would mean a difference in lake levels not more than 3 inches. The rivers and harbors act of 1930, approving the Lakes-to-the-Gulf waterway provides that compensating works should be installed in the Lakes at the expense of the United States which will raise the levels of the Lakes approximately 12 inches. These works will cost about \$3,600,-000, which is a comparatively small sum in comparison with the cost of other improvements on the Great Lakes. Just think, for this small amount of money the levels of the Lakes can be restored and the basis of claim for damage made by the Lake States for so many years can be removed. This has been known for years, but the statement has always been made that Canada would not approve such works and there was only one reason for this-Canada wanted to reserve this question affecting lake levels as a trading point so that when it came to the negotiation of a treaty Canada could get what she wanted. Apparently Canada used this in the treaty negotiations, because every point wanted by Canada was granted.

A diversion of 10,000 feet will lower levels in Montreal Harbor 41/2 inches. The water levels in Montreal Harbor fluctuate at least 10 feet in the average season, and a lowering of 41/2 inches is not worth considering when such a wide range of fluctuation must be taken care of anyhow. So it will be observed that if we take care of lake levels by increasing them 12 inches above the levels which nature provided, we insure a 27-foot waterway down the St. Lawrence. We have tremendously improved navigation on the Great Lakes and down the St. Lawrence, and this is so after diversion sufficient to make a great all-American waterway. Navigation is not involved in this controversy except that it will be improved. The only thing involved in a diversion sufficient for a commercially successful all-American waterway is this: The water used to insure this waterway can not be used to turn the turbines of the power companies down the St. Lawrence, and I can not see why any American ought not to be more interested in a great American waterway not only for the present needs of the country but for the needs of the future, than he is in Canadian power.

The British diplomats in the negotiation of this treaty, as usual, succeeded in getting the lion's share. The treaty proposes to build a St. Lawrence waterway which the report of the treaty commission estimates will cost the United States \$243,000,000 and the Canadian Government \$39,000,000. As a matter of fact, great hydraulic engineers have estimated that this St. Lawrence improvement will cost all the way from \$800,000,000 to \$1,300,000,000. It is my recollection that Col. Hugh Cooper, who built the Keokuk Dam, who supervised the engineering of the power dam at Muscle Shoals, who has just finished the great power dams of Russia, estimated that the cost of the St. Lawrence waterway

firm conviction that time will show that the amount estimated by the treaty commission will not nearly do the work necessary to complete this Canadian waterway. After we are involved in the treaty, however, and the \$340,000,000 provided has been expended, they will then come back to us for hundreds of millions more in order to complete the project.

improvement would amount to \$1,300,000,000, and I have a

As a result of this treaty, 5,000,000 horsepower of electricity will be created in the St. Lawrence; and while we provide the expense of the improvement, the United States will get 1,000,000 horsepower of this electricity, and the Canadians will get 4,000,000 horsepower.

Another evidence of the unfairness of this treaty is the fact that Canada is allowed to divert 36,000 second-feet of water at Niagara Falls for power purposes and 5,000 second-feet for the Welland Canal, making a total of 41,000 second-feet, while the Americans are only allowed to divert 22,000 second-feet.

For a hundred years the United States has persistently and continually maintained sovereignty over Lake Michigan as an all-American lake. In 1910 the Canadians insisted upon writing a limit of 10,000 second-feet upon the diversion at Chicago. Elihu Root, supported by the United States

Senate, persistently refused to allow the Caradians to assert | Barge Canal and the Hudson River will result in the growth any authority over Lake Michigan. This treaty purposes to give the Canadian Government absolute control over any diversion out of Lake Michigan beyond 1,500 second-feet. Another evidence of the unfairness of this treaty is the fact that Canada has full authority to construct a canal from Georgian Bay, which is a tributary of the Great Lakes, through Canadian territory to Lake Ontario and to take all the water which they deem necessary to make all such Canadian Canal a commercial success, and this without the consent of the United States, while the treaty gives Canada the absolute control over the diversion for an all-American waterway out of an all-American lake, and by using water which comes entirely from the American watershed.

The regulation of the Panama Canal from the standpoint of national defense and from the standpoint of low-cost transportation was a great achievement. It has been a great blessing to the eastern and western seaports of the country, but commercially it has been the greatest handicap that was ever imposed upon the middle-western section. It has made it impossible for industry in the Upper Mississippi Valley to compete with the industries from Canada, Europe, and other ports of the world. The only way by which this handicap can be overcome is by a successful all-American waterway from the Lakes to the Gulf with the improvement of the tributaries of the Mississippi system. We have a wonderfully successful Great Lakes system which is connected by the New York Barge Line in the Hudson with the great industrial area in New York. It is connected with the outside world through the St. Lawrence route. Congress has labored for years and expended much money in an effort to improve the great interior waterway system. To ratify this treaty and make it impossible to connect those two great systems will do an injury to the interior of this country which no one at this time can calculate.

Our industries in the Middle West are leaving us because of the lack of low-cost water transportation. They are settling around the seashore and along the lake shore where low-cost water transportation prevails. The Middle West is the bread basket of the United States, and the rest of the country ought to be willing to give our great midwestern section the same facilities and opportunities for development that the seashore sections enjoy.

Those States in the upper Mississippi Valley have lost 17 seats in Congress because industries have been forced to move to where they could get the benefits of low-cost water transportation for the distribution of their products, and population follows industry. You can move your factories to the seashore, but you can not move your farm; you can not move your buildings in your cities, towns, and municipalities, and the only way you can develop the great resources of the interior of this country and make it possible for them, through the revenues which they pay in the Federal Treasury to bear their share of the tax burden, is by the development of low-cost water transportation which will permit the development of industry in the midst of agriculture.

We have in such Southern States as Texas, Oklahoma, Louisiana, Mississippi, Alabama, Arkansas, Tennessee, Kentucky, West Virginia, Georgia, and Florida rich agricultural areas which need the development of industry. The development of these States depends upon high-class ocean service out of the Gulf and South Atlantic ports. In order to develop high-class dependable ocean service a balanced cargo consisting of heavy bottom freight and high top freight is necessary. The Southern States have an abundance of heavy cargo. The heavy high-class top freight must be brought from the industrial centers which should develop in the upper-valley States and will develop if dependable service is provided in the Southern States. Nothing will do more to develop the southern ports and insure dependable ocean service out of these ports than a successful Lakes-tothe-Gulf waterway with the development of the entire Mississippi system.

Furthermore, the development of the Great Lakes-St. Lawrence system with the improvement of the New York

of a tremendous industrial area around the Lakes. This will furnish a valuable market for the products of the South, and yet the only way which the products of the South can reach this market will be by the use of a successful waterway from the Southern States into the Great Lakes. If this treaty is adopted in its present form, this great industrial center which provides a valuable home market for American products will be absolutely shut off from the Southern States. It will also provide a water transportation from all Canadian points to the Gulf of Mexico.

Mr. Speaker, this treaty with article 8 should not be ratified. It is unfair; it is unjust; it imposes a cost of hundreds of millions of dollars on the people of the United States at a time when they are overtaxed; it imposes a heavy tax burden on the people of the Middle West and the South for a project which they can not utilize without a successful Lakes-to-the-Gulf waterway, and, worst of all, it makes it necessary for the United States to pour hundreds of millions of dollars into the construction of a waterway through a foreign country mainly for the creation of power which will be owned and controlled by the foreign-power interests. The treaty in its present form should be rejected, and our American diplomats in future negotiations should see to it that when a treaty is written that American interests are protected and that justice is done to our own country.

At the recent annual meeting of the National Rivers and Harbors Association I was appointed chairman of a committee for the consideration of the St. Lawrence treaty as it affects the interest and welfare of the United States as a whole nation. The statement I have just read was submitted to the committee of which I am chairman and has been indorsed by them as follows: "We have read with approval the statement you have prepared for presentation to the Congress on the St. Lawrence waterway treaty and heartily indorse the views you have set forth in this argument. (Signed) John H. Kelly, Sioux City, Iowa; B. L. Mallory, Memphis, Tenn.; C. F. Richardson, Louisville, Ky.

HON. BURTON L. FRENCH

Mr. AYRES. Mr. Speaker, I ask unanimous consent to address the House for five minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. AYRES. Mr. Speaker, on March 4, 1933, 30 years will have elapsed since a young man, but little more than 27 years of age, came out of the West and took his seat as a Member of the National House of Representatives.

Of the 30 years that have intervened, with great credit to his State, to the Nation, and to himself, he has been a Member of this body 26 years. I refer to the distinguished gentleman from Idaho, the Hon. Burton L. French. [Applause.]

Though still in the prime of life, but three Members of this Congress took their seats in this body earlier than did the gentleman from Idaho-they are Mr. Haugen, of Iowa; Mr. Pou, of North Carolina; and Mr. Shallenberger, of Nebraska.

Our illustrious Speaker, our distinguished floor leader, and the ever-watchful, indefatigable gentleman from Wisconsin, Mr. Stafford, are the only ones of our present Membership who began their national legislative careers simultaneously with Mr. FRENCH.

On the 4th of March, but a few days off, Mr. French will return to his home in Idaho; not in defeat, except in a political sense. He will carry with him the laurels of loyal friendships, deep respect, and great admiration that he has won of every Member of this body, regardless of party.

Mr. French has builded for himself here a most enviable reputation. In all my experience here or elsewhere I have never contacted a man more fair, more unselfish, more attentive to his legislative duties, or more ready to be of help and assistance to his colleagues. It has been my privilege to serve with him for 10 years on the naval subcommittee of the Committee on Appropriations. I know how diligently and conscientiously he undertakes a responsibility. To-day he stands beyond question one of the best informed

men in this Chamber upon our Naval Establishment, and I know of no Member more conversant than he with the problems of the great western country from which he comes.

He goes from here with the respect and admiration of us all, and I am sure you all join me in expressing the hope and the wish that the future may have in store for him blessings without end. [Applause.]

EXTENSION OF REMARKS

Mr. FISH. Mr. Speaker, I ask unanimous consent to extend my remarks by including in the Record a letter from Matthew Wold, vice president of the American Federation of Labor, to Bainbridge Colby, former Secretary of State, and the return letter.

Mr. STAFFORD. Mr. Speaker, I object.

WILLIAM H. HOLMES

Mr. BLACK. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 465) for the relief of William H. Holmes, with a House amendment.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. BLACK. Mr. Speaker, I yield to the gentleman from Wisconsin [Mr. Stafford].

Mr. STAFFORD. Mr. Speaker, when this bill was under consideration on night before last under call of the Consent Calendar, I offered an amendment to the Senate bill.

I have since considered the bill very carefully and believe that the amendment I offered would do violence to the real purpose of the bill. I ask unanimous consent to vacate the proceedings whereby the House adopted the amendment and let the House agree to the Senate bill without the House amendment.

The SPEAKER pro tempore. The gentleman from Wisconsin moves that the House recede from its amendment to the Senate bill.

The motion was agreed to.

Mr. DARROW. Mr. Speaker, I ask unanimous consent to address the House for three minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. DARROW. Mr. Speaker, with the final adjournment of Congress there is always a tinge of sadness, for in parting we will be saying good-by to many good friends and colleagues who are retiring from the public service, most of them, I would say, involuntarily and probably only temporarily

Speaking for the State of Pennsylvania, I feel that from our delegation this House is losing the services of men who have proved themselves most valuable Members, experienced legislators, and efficient public servants, whose places it will be difficult to fill.

I would particularly mention of the dean of our delegation, Doctor Temple, with 20 years' service to his credit, a former chairman of the important Committee on Foreign Affairs, one beloved and respected by all and whose counsel and advice will be sorely missed.

Then I would mention such veterans as Milton W. Shreve, Guy E. Campbell, and Adam M. Wyant, who have rendered such distinctive service.

While their length of service was shorter, we will miss as much such men as Benjamin M. Golder, Frederick W. Magrady, William R. Coyle, Harry A. Estep, J. Mitchell Chase, Patrick J. Sullivan, Norton L. Lichtenwalner, Howard W. Stull, Edmund F. Erk, Robert L. Davis, and Joseph F. Biddle.

I am certain I am expressing the sentiment not only of our delegation but of the whole House in voicing our regret at their departure and expressing to them our hearty good wishes for the future. [Applause.]

Mr. SWICK. Mr. Speaker, I ask unanimous consent to address the House for five minutes.

The SPEAKER pro tempore. Is there objection? There was no objection.

Mr. SWICK. Mr. Speaker, it has been my privilege to serve on the Pension Committee for the past six years. On that committee is a man whose sterling worth we will very much miss when he leaves this House to-morrow. As the chairman of the committee for a time and during the past two years the ranking minority member, he has exerted an influence equal to if not greater than any member of the committee. His insistance for a square deal to the ex-service man and at the same time his honesty and faithfulness to the Government of which he was a part made him a most valuable legislator. We wish for Mr. W. F. Kopp, who is completing 12 years of splendid service, the best of health, happiness, and success when he returns to his native State, "out where the tall corn grows." [Applause.]

Mr. FREAR. Mr. Speaker, I ask unanimous consent to address the House for five minutes.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. FREAR. Mr. Speaker, we listened a few minutes ago to the remarks of the gentleman who is now occupying the chair [Mr. Woodrum], and I will say that he spoke the sentiments of the whole House when he referred to the position in which we frequently find ourselves described by the press. Congress was also defended ably by the gentleman from New York [Mr. Davenport] at the memorial services. These colleagues know of sacrifices and conscientious labors that are a part of the duties of practically every Member, not understood or appreciated by thoughtless news writers.

It is unfortunate that people who represent all the various States in this great body do not get credit which they deserve for hard work, for honest service, and for ability second to none of the Representatives of this Government with whom I have been privileged to serve during the past 20 years in this great body. I wish to say this in regard to the gentlemen who come from my own State, and I only need to mention them by name that the House will recognize the value of their services.

I do not know how long the gentleman from Wisconsin [Mr. Stafford] has served in the American Congress, as far back as 1903, or 30 years ago. He is as vigorous and constant in attendance in the House as on the day of his first arrival. When I asked him a moment ago the length of service in this, the finest parliamentary body in the world, he answered, "10 terms," but I believe he is forgetful, unusual with one who is known to every Member of the House, and unless vacations have been more frequent than indicated by his appetite for work, I believe it is much longer than that. No one in the House has been more active as a parliamentarian or watchful of legislation on the floor of the House for the protection of the Government Treasury than my Wisconsin colleague. [Applause].

For a quarter of a century another colleague, Representative John Nelson, has been prominent in conducting the legislation of this House. On many committees, sometimes as chairman, his good work is familiar to those of us who know his worth as a Member. He was a valued citizen and prominent in his home State long before he came here. I will say for him that which can not be always said by those engaged in lawmaking that I believe every Member of this House has a kindly regard and feeling of friendship for Congressman Nelson. I do not say good-by to these colleagues, because the scene of past victories may lure them back to the House.

Another gentleman from Milwaukee came among us several terms ago, and for a while contentedly took an unimportant part, but during the last session, I believe, he has grown 100 per cent in legislative ability—as I have heard Members state—my good friend, Congressman Schafer, who is leaving us, but may return to his former duties, and if so, be welcomed by his colleagues. [Applause.]

Congressman Schneider, also from my State, has been an outstanding representative of labor and active on many committees of the House, including the Post Office Committee, during many years.

I want to say that the flood of votes came very hard and unexpectedly to some of my colleagues, who believed that a good record for accomplishments was fully understood by constituents.

The flood will recede as in the past. We have always found it so, and I have observed the departure of men temporarily overtaken by these cyclones and then their equally sudden return when the home people discovered their loss. I have watched the ebb and flow of the tide in politics. Only 135 Republicans sat here in 1913, but in 1922 the number of the faithful on this side of the aisle had increased to 299, while 131 Democrats carried the banner in the Sixty-seventh Congress. We are coming back. The tide will again turn and other good men, not Republicans, may find temporary vacations, as Uncle Joe Cannon used to term such retirements.

Congressman Schneider, from my State, is one of the leading labor Representatives in the House, and has had the respect, I know, of the entire membership of this House. The same is true of Representative Kading, who leaves you at this time; an able lawyer, a member of the Merchant Marine, Radio, and Fisheries Committee, a strong man.

Our State unexpectedly failed to keep up its average increase in population. We lost the eleventh Member by an eyelash and the State legislature was compelled to throw two good men together. That is the fate of an unkind census.

So, too, of Tom Amle, one of the latest of the progressive Republican recruits to come from Wisconsin; a bright, able man. Had he been here longer he would have made his mark more indelibly, but he is young yet. Some of these gentlemen I am sure are coming back and will be with you later on.

It is hard to make proper recognition of such men in these brief remarks. Their records are known only to their colleagues. All work hard, harder than is appreciated by these gentlemen in the press gallery, who so frequently and unfairly criticize the House for sins of omission and commission. That is their mistake, because most of the legislative work is done in the committees. I have been here long enough to appreciate that work, and have learned that every Member, who represents nearly 300,000 people on the average, must have some qualities that fit him for public service. We soon learn to know them. The press often jumps at conclusions. Sensationalism frequently occupies the front page; and it is easier to attract the public eye with clever thrusts than to tell the truth, which would not be read. During my service I have learned to know of the splendid work that is done in the committees as well as on the floor of the House. Day after day the hearings are had on which legislation must be based, and I believe the country will eventually learn to appreciate it. If not, it is one of the unfortunate results of not dividing the press gallery so that a portion might see the other side of the picture.

I listened to remarks the other day from the gentleman from New York [Mr. Snell], leader on the Republican side, and I also listened to-day to the remarks of my good friend from Virginia [Mr. Woodrum]. The latter spoke of what you gentlemen will do on the Democratic side in putting forward legislation. You will not need advice from across the aisle. Let me remind you that the leader on the Republican side has said we would join hands with you in all that will bring back prosperity to the people. He represents the sentiment on our side of every Member so far as legislation toward relief is concerned, and you will need the prayers of the politically righteous as well as your own efforts before we can lift this country out of the present depression. We are going to work together for that result; we are all patriotic before partisanship. [Applause.]

Mr. LANKFORD of Georgia. Mr. Speaker, I ask unanimous consent to proceed for five minutes.

The SPEAKER. Is there objection?

There was no objection.

Mr. LANKFORD of Georgia. Mr. Speaker, many Members of the present Congress will not be Members of the Seventy-third Congress, but all will remain Americans.

This is no time for furloughs from service to our country. This is the most important hour in our national existence. There are more complex and important national problems confronting us than ever before.

Once to every man and nation Comes the moment to decide In the strife of truth with falsehood For the good or evil side.

The moment to decide is here. May the decision be made in behalf of truth and justice and in behalf of the people of our Nation. May God help those in Congress and out to decide in behalf of the fathers and mothers who love their children as you and I love our children. May God help us to decide in favor of the children who love their fathers and mothers as you loved yours and as I loved my father and mother. [Applause.]

Mr. BYRNS. Mr. Speaker, I ask unanimous consent to proceed for five minutes.

The SPEAKER. Is there objection? There was no objection.

Mr. BYRNS. Mr. Speaker, I dare say no committee in the House has suffered so great a loss in membership in the next Congress as has the great and powerful Committee on Appropriations, of which I have had the honor to be chairman for the last two years, but upon which I shall not serve during the next Congress, owing to the generosity of my Democratic friends who nominated me in the caucus yesterday for another position. There will be 14 vacancies on that committee, and with my own, 15. The committee consists of 35 members. Two of the vacancies are Democrats, one the Hon. William C. Wright, of Georgia, who is retiring voluntarily, and of whose worth and standing and ability it is not necessary for me to speak. He has made a faithful, earnest, patriotic, loyal, and capable Member of Congress, and we lose him with regret.

The other Democrat is the Hon. Lewis Douglas, who retires from Congress to assume the very important duties of Director of the Budget, and may I say from my connection with the Committee on Appropriations ever since the Budget was first established, in my judgment there is no more important position in the Government under the President than that of the Director of the Budget. It is a position which requires not only careful study and earnest work, but it requires ability and the courage of one's convictions. Mr. Douglas possesses those qualifications in a very high degree.

The Republicans who will retire from the committee are Hon. WILLIAM R. WOOD, from Indiana; Hon. Edward H. Wason, from New Hampshire; Hon. Burton L. French, from Idaho; Hon. MILTON W. SHREVE, from Pennsylvania; Hon. Frank Murphy, from Ohio; Hon. John W. Summers, from Washington; Hon. Henry E. Barbour, from California; Hon. Guy U. Hardy, from Colorado; Hon. Maurice H. Thatcher, from Kentucky; Hon. Frank Clague, from Minnesota; Hon. Robert G. Simmons, from Nebraska; and Hon. William P. Holaday, from Illinois.

It is impossible for me, in a few moments, to discuss the records of these gentlemen one by one. All of them have served with distinction and credit to themselves and their States. I have had occasion heretofore to express my appreciation of the cooperation which I and other members of the committee have received from every one of those gentlemen who have been in the minority for the past two years. I have had occasion to commend not only their ability, not only their earnest desire for economy, but their nonpartisanship in the consideration of appropriations pending before that committee.

I served under Hon. WILLIAM R. Wood, whom I succeeded as chairman. I endeavored to give him all of the cordial support and cooperation in my power; and I want to say I have had it returned in fullest measure by that distinguished Indianan. I have simply risen to say that these gentlemen have rendered distinguished service in this House. No one will ever know how much they and their colleagues upon the committee have saved the Treasury of the United States

in dollars in the course of their deliberations. I wish for of the committee; Hon. Frank Bohn, of Michigan; Hon. each of them a long life and a happy and prosperous future.

Mr. SNELL. Will the gentleman yield?

Mr. BYRNS. I yield. Mr. SNELL. I noticed in the gentleman's remarks he made special reference to the appointment of Mr. Lewis Douglas as Director of the Budget. I wish to say I think that is probably one of the outstanding appointments that any President could make at this time. Mr. Douglas is a young man. He is especially well qualified for the work that the director should do. He has youth, ability, and a desire to work. I prophesy he will make a great record in that position. [Applause.]

Mr. BYRNS. I agree with the gentleman. I have had occasion to say heretofore that I do not believe the President could have found a man throughout the country who would have made a more satisfactory Director of the Budget than Mr. Douglas. He is peculiarly qualified for the position. He has youth and vigor, to which the gentleman from New York [Mr. SNELL] has referred; he has ability, and then he has the courage which is necessary to make

a success in that great and important office.

In conclusion, Mr. Speaker, I want to express my thanks to these retiring Members for their cordial cooperation with me as chairman for the past two years. They have made it possible for this committee to make a great record, in my humble judgment, in the matter of reduction in appropriations. I am under great obligation to those gentlemen for the advice and suggestions which each of them has made to me from time to time with reference to the work in hand. I repeat, I wish them all a long life, full of prosperity and happiness, to which they are all entitled. [Applause.]

The SPEAKER. The time of the gentleman from Ten-

nessee has expired.

Mr. MEAD. Mr. Speaker, I ask unanimous consent to address the House for five minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. MEAD. Mr. Speaker, as chairman of the House Committee on the Post Office and Post Roads, I very willingly take the floor at this time to carry on the splendid custom of paying tribute to those Members who will be absent in the next Congress.

The House Committee on the Post Office and Post Roads loses very heavily in that seven of its valuable members will not be with us in the Seventy-third Congress.

The work of this committee is such that it does not always attract the RECORD, and its deliberations can not be found among the headlines of the press, but the members of this committee, the board of directors of the largest business institution in the world, perform their arduous duties in a highly efficient manner. [Applause.]

The members of our committee also consider and pass upon the policy of the largest and most stable banking organization in this country, the Postal Savings System; but, as I said a moment ago, the consideration of postal matters are such as do not always grip the public mind and attention as do the efforts of some other committees of the House, but these men, our colleagues who have served with us for a number of years, are esteemed and appreciated by the members of the committee who will carry on in the next House.

Just a few days ago our committee adopted resolutions which have since been signed and transmitted to these members, setting forth our estimate of their ability and service, and the high regard in which we hold each of Yesterday a luncheon was given to the Members who will no longer be associated with us in the work of our committee. I mention these things to you because, in my judgment, it is far better to tell our friends what we think of them while they are here than to do so after they are gone. [Applause.]

The men on our committee whose services we will lose include the Hon. La Fayette Patterson, of Alabama; Hon. ARCHIE SANDERS, of New York, who was formerly chairman for himself a place among the leaders of the House. As

DAVID HOGG, of Indiana; Hon. ROBERT HOGG, of West Virginia; and Hon. VICTOR HOUSTON, of Hawaii; all splendid men who served the Republic well.

One of the outstanding points that can be made in connection with the deliberations of our committee is that the question of politics never divides the men on either side of the table. Realizing the tremendous responsibility of conducting this gigantic industry, the members of the committee, the Post Office Department's board of directors, leave politics outside the committee room; and these men whose names I have just read to you carried on in that manner. They are esteemed and respected by every one of us. For my colleagues of the committee as well as for myself personally, we trust they will enjoy the fullest measure of success. [Applause.]

(A copy of the resolutions adopted by the committee follows:)

Whereas La Fayerte L. Patterson, A. D. Sanders, David Hogg, Frank P. Bohn, Robert L. Hogg, and V. S. K. Houston have rendered faithful and distinguished service as members of the Committee on the Post Office and Post Roads of the House of Representatives, and have ably demonstrated their statesmanship, honesty, integrity, and ability in the consideration of legislation considered by the committee: Therefore, be it

Resolved, That the Committee on the Post Office and Post Roads

Resolved, That the Committee on the Post Office and Post Roads of the House of Representatives of the Seventy-second Congress go on record as expressing its deep regret at the departure of these esteemed and distinguished Members, who will be missed both personally and officially during the further deliberations of the committee in the next Congress, wishing each of them a long, healthful, and happy life in whatever occupation they may be found, marked by even greater triumphs than those of the past, and further hoping that these Members will some day choose to return to Congress and that we shall all meet again to work together in the splendid friendliness that has characterized every committee endeavor; and he it further

committee endeavor; and be it further

Resolved, That this resolution be inscribed upon the minutes of
the committee and a copy sent to each of the distinguished

Members mentioned herein.

EXTENSION OF REMARKS

Mr. OLIVER of Alabama. Mr. Speaker, I ask unanimous consent to revise and extend my remarks by inserting in the RECORD a report of the officials of the Gorgas Memorial Institute, for which we make an appropriation of \$50,000 a year. The Surgeon Generals of the Army, of the Navy, and of the Public Health Service are ex officio members of the institute. Admiral Grayson is the chairman.

Mr. STAFFORD. Is it an extensive report?

Mr. OLIVER of Alabama. It will cover several pages of the RECORD.

Mr. STAFFORD. Is it not printed otherwise?

Mr. OLIVER of Alabama. No; and it is primarily for the benefit of the medical profession and for the foreign countries that contribute funds to the institute. It is a very informing report and is made annually.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. KNUTSON. Mr. Speaker, I ask unanimous consent to address the House for five minutes.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. KNUTSON. Mr. Speaker, Minnesota did not escape the political tidal wave which swept over the country last November with a force rarely before witnessed. In our State seven sitting Members fell by the wayside, and in their departure from this body the State and Nation sustain a great loss.

During the entire time of their incumbency it has been my privilege to have served with them. I therefore feel that I am in position to give a fairly accurate appraisal of their work and accomplishments while they have labored

Hon. FRANK CLAGUE, of the second Minnesota district, came to Congress 12 years ago, and in that time has made member of the Committee on Agriculture he for a number of years played an important part in writing the several relief measures that were early passed by Congress. His work on that important committee was so conspicuous that he was later placed on the Appropriations Committee, where he also rendered his country outstanding service. His retirement is a real loss.

Hon. A. H. Andresen, of the third Minnesota, is another Member who has made for himself an enviable position in this body. Mr. Andresen first became a Member of the House in the Sixty-ninth Congress. Immediately he was named to the powerful Agricultural Committee, where he has labored long and effectively in behalf of the American farmer. As a coauthor of the migratory bird act he has earned for himself a place among the sincere conservationists of the country.

Another valuable Member from Minnesota who will not be with us in the next Congress is Hon. Melvin J. Maas, of the fourth Minnesota district, who first became a Member of this body in the Seventieth Congress. A former service man with a distinguished overseas record in the Marine aviation section, it was but natural that he should early attain a position of prominence in this body. As a member of the Foreign Affairs Committee Mr. Maas has taken an energetic interest in our foreign relations and has fought in season and out of season to secure an equitable settlement of the so-called overflow cases now pending between this and the Canadian Governments.

Hon. C. G. Selvig, who also retires from Congress after six years of splendid service in this body, came here with a background that has enabled him to render most effective work in behalf of agriculture. Prior to becoming a Member of the House, Mr. Selvig was president of the Minnesota Northwest Agricultural School. His long and distinguished service in that position gave him a wonderful perspective of our agricultural problems and he has not been sparing in his efforts to bring real relief to the American farmer. Mr. Selvig has been particularly active in promoting goodroads legislation through the Committee on Roads, of which he is a member. His service on the Labor Committee has also been characterized by effective and conscientious work.

Another World War veteran to retire at this time is Hon. Victor Christgau, who was first elected to Congress in 1928. Mr. Christgau, in addition to being a legislator, is a real dirt farmer, operating a farm near Austin, Minn. A graduate from our School and College of Agriculture, and a practical farmer, it was to be expected that he would take a keen interest in the major problem to confront the country and Congress the past 13 years. During his service here he has been most diligent and faithful in his support of legislation intended to relieve agriculture. Mr. Christgau's practical experience as a farmer has stood him in good stead in his service in this body. During his incumbency he has visited Europe several times to make a first-hand study of agricultural conditions in competing lands. In his retirement from Congress American agriculture loses a worthy champion.

One of the hardest workers in the House is Hon. WILLIAM A. PITTENGER, of the eighth Minnesota district. He is one of the first to arrive in his office in the morning and among the last to leave in the evening. Mr. PITTENGER possesses courage and good judgment in a marked degree, and has at all times commanded the respect and good will of his colleagues. When Mr. PITTENGER first came here he found on his doorstep the so-called "fire sufferers" claim which had been shuttled back and forth in preceding Congresses. With his usual forcefulness he took hold of the matter, and after lengthy hearings and much contact work he succeeded in having the claim favorably reported from the Committee on Claims. Due to opposition from hostile sources the measure has not been favorably acted upon by the House as a whole. In Mr. PITTENGER's retirement northeastern Minnesota, of which the city of Duluth is a most important part, will be without a local Representative in the Seventythird Congress, but that defect will doubtless be remedied by the return of Mr. PITTENGER to Congress two years hence.

Hon. W. I. Nolan, of the Minneapolis district, was elected four years ago to succeed Hon. Walter H. Newton, who had resigned to accept a secretaryship with President Hoover. Mr. Nolan came here fortified with a long and distinguished career in the Minnesota Legislature, which included two terms as speaker of the house and four years as lieutenant governor. Mr. Nolan's retirement is a severe loss to the House and his constituents. He is an outstanding parliamentarian and was just entering upon what we had all hoped would be a long and outstanding period of service in this body. Unfortunately, the wave of discontent that swept over the land in November, and which submerged good and bad alike claimed him as a victim of its resentment. I feel confident that when the passions of the electorate have subsided two years hence Mr. Nolan will be fully vindicated by reelection to this body.

Mr. Speaker, I can not permit this moment to escape without paying a short tribute to the memory of our late departed friend and colleague, Hon. Godfrey G. Goodwin, whose untimely passing two weeks ago we yet mourn. While I have already paid my respects to his memory, I feel that my colleagues would have me say a word about his faithful and effective service as a member of the great Committee on Banks and Banking, upon which Mr. Goodwin served with outstanding distinction the past eight years. Only the other day the chairman of that committee told me that he considered Mr. Goodwin one of the most able and faithful members of that body, and in that appraisal I am most happy to concur.

To one and to all I say, May health, happiness, and prosperity follow you and yours, and may you all return to this body two years hence. The Nation needs men of your rugged honesty, wisdom, and faithfulness.

rugged honesty, wisdom, and faithfulness.

Mrs. KAHN. Mr. Speaker, I ask unanimous consent to address the House for five minutes.

The SPEAKER. Is there objection to the request of the gentlewoman from California?

There was no objection.

Mrs. KAHN. Mr. Speaker, California has added her quota to the list of Republican casualties, and among those who have gone down to defeat are men who are a distinct loss not only to our State but to the Nation. Heading this too long list is the name of Mr. Barbour, whose conscientious service on the Committee on Appropriations is known to all of you. It is unfortunate that, frequently, the people at home have little realization of the great work for the Nation so many of our colleagues do here.

Mr. ARTHUR FREE, a valuable member of the Committee on Merchant Marine, Radio, and Fisheries, is another, and his work in the interest of the merchant marine will be of ever greater significance as the years go by.

The name of Phil Swing will be connected for generations to come with one of the greatest projects of modern times, the Hoover Dam. The years of hard work, in season and out, resulted eventually in his victory, and to him is due all the credit of its success. He aspired to a higher office and then withdrew too late to run for reelection.

Mr. Crail, of Los Angeles, too, ran unsuccessfully for the senatorial nomination, and so retires from the House.

And the last, a comparatively new Member, Mr. Forrest Curry, though only serving his first term, bade fair to follow in the footsteps of his illustrious father. To all of them we wish Godspeed and success and hope that time will deal kindly with them and eventually return them to our side of the aisle. [Applause.]

SPENDING THE PEOPLE'S MONEY

Mr. FRENCH. Mr. Speaker, before addressing myself to the subject matter that I desire to discuss briefly I want to acknowledge the very great debt that all members of the Appropriations Committee and the Congress, regardless of party, owe to the chairman of the committee, Mr. Byrns, who will be the Democratic floor leader in the next Congress, and to Mr. Wood of Indiana, the outgoing Republican ranking member of the committee, for their indefatigable services and leadership looking to the protection of the National Treasury.

The other day a most interesting discussion occurred in this Chamber by Representative Stafford, of Wisconsin, on whether or not the present plan of handling appropriations in the House of Representatives should be modified. Mr. Stafford suggested a sort of liaison arrangement between legislative committees and appropriation subcommittees dealing with common subjects.

I have tremendous respect and admiration for my colleague, Representative Stafford. We entered Congress at the same time. His work as a Member of this body has been of notable character, and few Members of the House during my service have contributed so distinctively as has the gentleman from Wisconsin to accuracy and definiteness in legislative procedure, to the prevention of waste, and to the orderly processes of government. His career in the Congress has been one of outstanding service. It is thus with hesitation that I find myself driven to a conclusion different from the conclusion of my distinguished colleague.

THE OLD PLAN

Prior to 1922 appropriation responsibility in the House was distributed among 8 or 10 committees. True enough, there was an Appropriations Committee, which was charged with jurisdiction over a miscellaneous field, but excepting as it had to do with deficiencies it had nothing whatever to do with naval appropriations, nothing to do with appropriations for post offices and post roads or Indian affairs or agriculture or rivers and harbors or with Army appropriations apart from fortifications. Appropriations for these several activities were handled by legislative committees. The result of this arrangement was utter lack of harmony in budgets from the standpoint of general work performed. It meant duplication of activities; it meant wide differences in compensation; it meant varied promotion, retirement, and pay plans in the Military and Naval Establishments; it meant waste and expenditure of money that coordination could prevent.

A BUDGET SYSTEM

For years there had been agitation in favor of a Federal Budget. Following the World War, with the enormous expanse in national appropriations it was apparent to students of the subject that a more systematic plan must be worked out if the Congress were to have regard for mounting expenditures in peace-time activities. As a part of the general program, the Bureau of the Budget was established, and the General Accounting Office came into being, both set up as agencies of the administrative branch of the Government.

In the House of Representatives, as part of the Budget plan all appropriation authority was lodged in the Committee on Appropriations. The Appropriations Committee was expanded to 35 members. For the immediate handling of the work in efficient manner members were drawn for the extra assignments from the several legislative committees that theretofore had had charge of specific appropriations. Subcommittees were created within the Committee on Appropriations and the members who had been transferred from the legislative committees by reason of their experience and acquaintanceship with the subjects were made subcommittee chairmen.

Under this plan it was expected that the legislative committees would continue to have jurisdiction over the general subjects with which they had been charged, other than appropriations. The Appropriations Committee was properly denied legislative authority. In this way it was believed that touching each appropriation bill there would be in the House of Representatives in addition to the members of the Appropriations Committee reporting supply bills, a fine independent group of members who might be called specialists and who, being responsible for the organic laws touching particular subjects, such as those concerning the War and Navy Departments, Indian Affairs, Rivers and Harbors, Post Offices and Post Roads, and so forth, would be most helpful advisers.

In my judgment, the plan has worked out most successfully, and enormous savings have resulted to the Federal Treasury through the plan that was adopted.

PERSONAL OR LOCAL INTEREST

When we consider the subject of limiting appropriation authority to appropriation committees or diffusing it so that legislative committees may report appropriation bills, we can not be blind to the practice that has come into being of assigning Members to the committees of the House. Unquestionably, the legislative committees are built up very generally upon the basis of the tremendous personal interest of Members in particular subjects.

Thus, the Rivers and Harbors Committee is composed largely of Members whose States are particularly interested in rivers and harbors; Flood Control, mostly of Members interested in flood control; Irrigation and Reclamation, mostly of Members interested in irrigation; and Naval Affairs, mostly of Members from States or districts with naval projects; committees that have to do with pensions, largely of Members of Congress who have seen service in the particular wars to which their work pertains. This is true of other legislative committees. Members seek and are granted assignment for the very reason that they have projects or interests in which they or their districts are concerned.

On the other hand, while the Appropriations Committee must be a cross-section of Members of the House from the standpoint of both party membership and geography, the subcommittees, for the most part, by reason of their being appointed by the chairman of the Appropriations Committee, are controlled by Members, the majority of whom will not be embarrassed by personal projects. I recall that it was phrased by the late Chairman Madden that he wanted members of his subcommittees to be as free and independent as the judge and the jury in the trial of a case.

This, Mr. Speaker, is the most important element in the allocation of work among Members of the House through which economies may be attained.

THE SENATE WAY

In the Senate a different plan is followed. Under the rules each legislative committee has the right to designate three of its members as ex officio members of the particular Senate Appropriations subcommittee having to do with the legislative subject in question and further right of having at least one of its members upon the conference committee. This plan was referred to with apparent approval in the discussion the other day.

While nothing in the rule seems to indicate other rights of the ex officio members of the Senate Appropriations subcommittees, in practice they seem to have full rights, including the right of chairmanship when they may be reached through seniority.

I have no suggestion to make touching this plan of committee construction for the Senate. It unquestionably may result in Senate subcommittees being made up entirely of Members of that body who have projects within their States. It would seem it would require almost superhuman resolution and courage to pursue a course of impartiality and fairness to the country at large. This same practice extends to conferees upon the part of the Senate. Thus a Senate committee in conference on an Interior Department bill carrying an irrigation project might be made up entirely or mostly of Senators with irrigation projects within their States, or a Senate conference committee on the naval bill might be made up mostly or entirely of Senators from States with naval projects.

Let me illustrate: On the naval conference committee in 1931 there were five conferees upon the part of the House and a like number for the Senate. The five conferees upon the part of the House were members of the subcommittee that had prepared and later defended the naval appropriations bill in the House. Only one of this committee was from a State with a naval project and it was not located within his district. The conferees from the other body were made up as follows: Two of the five were from one State that had one of the largest naval projects in our country within its borders; two were from adjoining States between which is a river at whose mouth is located another fine naval industrial plant, and whose employees and their families live

the fifth member was from a State that did not have a naval activity.

Granted that the four Members from the other body that represented States that were tremendously and vitally interested in naval projects were men who were willing to sacrifice their personal wishes for the sake of sound policy, I submit that it is not fair to them to be placed in the position of a judge and jury determining a cause in which they are concerned.

More than that, it is not fair to the two bodies of the Congress to be asked to rely so heavily upon the advice of a committee that is built up of members who have direct interests to represent that would seem might prevent them from arriving at honest conclusions no matter how good may be their intentions and how lofty their purposes. Members of the House know the unfortunate effect of highpressure minority-group organizations. What shall we say of the pressure of thousands of citizens of a community upon a member of the subcommittee when they hold the fate of his continuance in office upon the point of their pencils as they enter the election booth? The same illustration may be used with respect to other conference

If the Congress, regardless of party that may be in control, is to function efficiently and with the best and highest interest of our country in view, appropriation authority must rest primarily with committees that are able to act with impartial judgment as they handle their work. The legislative committee may continue to be an aggressive committee made up in large part of those who represent projects and establishments personally and who thereby will be compelled to be acquainted with the subjects. They may be partisan or special pleaders. No one can say that the members of these legislative committees are not highly informed men and women. They are particularly informed upon the specific subject with which they are concerned. No one can say that the House, in the consideration of appropriation bills, is not benefited by having the attrition of discussion upon the part of the members of legislative committees as they criticize and hold up to minute inspection the bills reported from the Appropriations Committee.

TEAM WORK

In the functioning of these committees there must be coordination; there must be team work. In the past, time and time again, the appropriations subcommittees have come face to face with factors where legislation was imperative and the committees have called these factors to the attention of the proper legislative committee which has been free to respond. Oftentimes an appropriations subcommittee has indicated that its members would not raise the point of order of legislation against an amendment if offered from the appropriate legislative committee. This course has been followed frequently. It was followed, as Members will recall, last week, when the gentleman from Georgia, Mr. Vinson, upon behalf of the Naval Affairs Committee, offered an amendment to the naval appropriations bill, increasing the limit of cost upon aircraft carriers, an amendment which the Appropriations Committee would not have thought of proposing.

The legislative committees have been very gracious in receiving these suggestions from the Committee on Appropriations. On the other hand, the naval appropriations subcommittees have been glad to welcome before it individual members of the Naval Affairs Committee or members of the Naval Affairs Committee acting in the capacity of a subcommittee speaking for the full committee as they have presented some matter in which they were interested. This has been the practice for many years; always, so far as I am aware. An illustration in both lines may be found by turning to the hearings of the present Congress.

It may be that closer teamwork could be developed between the respective legislative and appropriation subcommittees. It may be that more frequent consideration by the House should be had of bills reported from major legis-

and form a very important factor within those two States; | may be that the Holman rule should be abolished or restricted, but in my judgment if the Congress is to have regard for economies and for orderly handling of work, all appropriation authority must be lodged in one committee.

> Legislative and appropriation committees, though dealing with the same subjects, have distinctive problems to consider, distinctive work to do, and most important of all their personnel is built up along different lines.

> In the interest of good government, in the interest of soundest economies, we must not strip the Appropriations Committee of the independence that comes from having subcommittees that are composed essentially of Members who have no personal or selfish interest to serve, no matter what their conclusion may be. They must be as free as the judge and the jury in a case. [Applause.]

[Here the gavel fell.]

Mr. STAFFORD. Mr. Speaker, I ask that the gentleman have two minutes more in order that I may ask him a

The SPEAKER pro tempore (Mr. Ayres). Without objection, it is so ordered.

Mr. STAFFORD. Will the gentleman yield?

Mr. FRENCH. I yield.

Mr. STAFFORD. May I interpolate here and say, in view of the fact that the gentleman did me so much honor as to give his opinion on the proposition I advanced some weeks ago, that I thought, after much reflection, that it would add to the acumen of the Appropriations Committee and also to the legislative committee which would have representation on the Appropriations Subcommittee. The proposal does not involve taking away majority control of the Appropriations Committee in the framing of the appropriation bills. I know that the Committee on Military Affairs has suffered tremendously in prestige and functioning since appropriating powers were taken away.

No harm can come to the War Department Appropriations Subcommittee by having a minority representation on that committee from the Military Affairs Committee, sitting in with it and giving that subcommittee the benefit of its legislative experience, and in turn imbibing from the hearings before the committee matters of value that can be transferred to the legislative committee. It is furthest from my mind to take away the control of the Committee on Appropriations, but I wish to replenish the committee with some ideas with respect to legislative policy and in turn to allow the valuable hearings before the Committee on Appropriations to be of benefit to the legislative committee.

THANKS TO RETIRING MEMBERS

Mr. WILSON. Mr. Speaker, I ask unanimous consent to proceed for five minutes.

The SPEAKER pro tempore. Is there objection? There was no objection.

Mr. WILSON. Mr. Speaker and Members of the House of Representatives, in behalf of the people of the Mississippi Valley I wish to extend sincere thanks and grateful appreciation to the entire membership of the House, and especially to the retiring members of the Committee on Flood Control, for the valuable service and assistance rendered in the passage of legislation by which the Federal Government has undertaken the final solution of the great problem of flood control of the Mississippi River and its tributaries in its alluvial valley. This also applies to the Sacramento River, Calif.

Of the retiring Members on the Republican side I refer to the gentleman from Iowa, Hon. WILLIAM F. KOPP, who has given valuable support to these great projects; and also to Hon. PHILIP D. SWING, of California, whose support has been an important factor in securing the approval and continued progress in the execution of the work in the Mississippi Valley and on the Sacramento River, Calif.

We have also had the complete cooperation and assistance of Hon. SEYMOUR H. PERSON, of Michigan; Hon. John E. WEEKS, of Vermont; and Hon. WILBUR M. WHITE, of Ohio.

Retiring on the Democratic side is Hon. James Fulbright, of Missouri, who has been aggressive in action for the people lative committees than calendar Wednesday now affords. It of his district, State, and Nation. My own colleague, Hon. JOHN H. OVERTON, of Louislana, also leaves the committee by promotion to the Senate, where his splendid services will be continued in a position of advancement and widened scope of action.

There are many other retiring Members to whom we are likewise indebted and whose services will always be gratefully remembered.

Our friendship and all good wishes for their future success and happiness will go and continue with them.

Mr. JENKINS. Mr. Speaker, I ask unanimous consent to address the House for five minutes.

The SPEAKER pro tempore. Is there objection? There was no objection.

Mr. JENKINS. Mr. Speaker, I take this time to pay a tribute of respect to the distinguished Ohioans who are retiring from this Congress to-morrow. I regret that I am doing this extemporaneously, for the deeds of my colleagues justify an eulogy in language worthy of the most eloquent orator.

Ohio has long since been a great bulwark of Republicanism—the names Grant, Garfield, Hayes, Harrison, McKinley, Taft, and Harding bear everlasting proof of the purity and power of Ohio's Republicanism. In spite of this strong party inclination Ohio was not able to withstand the inundating wave of Democratic ascendency that overwhelmed the country last fall. Ohio has the misfortune this year to lose eight very distinguished Representatives in the Congress of the United States. Long tenure in office brings power and influence more inevitably than almost any other political position.

Mr. Frank Murphy came here 14 years ago. By reason of his strength of character and affability he soon impressed himself upon the membership of the House and was soon elevated to the distinguished position of membership of the Committee on Appropriations. This committee passes upon all measures that carry appropriations. It is one of the most powerful committees of the House. His work there so distinguished him that he was elevated to the position of chairman of the subcommittee dealing with the Interior Department. As such chairman he had the responsibility of appropriations aggregating many millions of dollars. Mr. Murphy will be missed in this House but I feel sure that his affability, his strength and courage is a sure augury of his return two years from now. His capacity as a business man and his understanding of legislation dealing with business were responsible for his splendid record as a Congressman.

The same year that Mr. MURPHY came, Mr. C. Ellis Moore also came. He distinguished himself before he came to this body as a lawyer, as a man of learning and skill in the administration of legal matters. His skill and proficiency in that respect soon impressed itself upon this body, and he naturally gravitated to the Committee on the Judiciary where he has rendered a noteworthy service. While a member of this committee he was selected as one of a small committee to conduct the impeachment trial of United States Judge English. This was a most signal honor, and his selection is proof of his standing among his associates. Mr. Moore is one of the most convincing speakers in the House. His convictions that the eighteenth amendment should stay in the Constitution has given him an opportunity to prove his ability, and has given the House and the country an opportunity to judge of his sterling character. Mr. Moore will go back to his district where he has lived and is revered, and will no doubt continue to be a power in Ohio's political, educational, and legal affairs. His sincere advocacy of prohibition and his firm defense of the purity of the youth of America have made him a national leader on these subjects. His skill as a legislator was well demonstrated on many occasions.

Mr. Charles Brand is an agriculturist of national reputation. His ability in this line was demonstrated here on many occasions and in many ways. He retires from Congress voluntarily. He has been for many years one of Ohio's leading authorities on matters of agriculture, and I am glad to bear that testimony to his ability in that

respect. Mr. Brand made a special study of tariffs as they affected the farmer. His speeches in this House on these subjects marked him as an authority, and he was often consulted by students of the subject. He will be succeeded by Mr. L. W. Marshall, a Republican, of Xenia.

Mr. Cable served four years here and voluntarily retired, but his constituency returned him, and he has served another four years. He retires to his home in Lima, where he has for many years enjoyed an extensive and lucrative practice as a lawyer. His practice carries him over all the State of Ohio. While in Congress he distinguished himself probably more than any other individual in his extensive studies of naturalization of aliens. He was during all his time as a Congressman a member of the Committee on Immigration and Naturalization. He was a stalwart defender of the American against the other peoples of the world, and his work in that respect brought him an acquaintanceship among the immigration authorities that was coextensive with the boundaries of the country.

He knows more about naturalization than any man in the National Congress on either side of the aisle. He is the author of the naturalization act of September 22, 1922, known throughout the world as the Cable Act, granting independent citizenship rights to American women. He secured the passage of two amendments to that law in 1930 and 1931 so that in matters of nationality women have equal rights with men. He has published a book and other articles on that subject, and the women of the country know him because of his battles in their behalf to bring up the naturalization laws so that there might be uniformity between the rights of men and women. Mr. Cable is also the author of our Federal corrupt practices act, and he helped write our 1921 and 1924 immigration laws.

Mr. McClintock came to this Congress four years ago, after having established himself in his home community as one of the leading lawyers there. His conduct of a very noteworthy criminal case brought him to the forefront as one of America's most effective and skillful prosecuting attorneys. His skill in the handling of that case made him a national figure. His election to Congress was, in a measure, the spontaneous demand of an appreciative people that this public servant should be promoted. In Congress he has continued that reputation and leaves us with the respect of the whole Membership. No doubt he will be returned by his constituency if he desires.

Grant Mouser, Jr., has followed in the footsteps of his illustrious father, who also was a Member of this House of Representatives. Mr. Mouser brought to his work here a pleasing and forceful personality. His natural ability, augmented by a comprehensive education and a thorough training, equipped him admirably for the work as a legislator. His connection with ex-service men put him in position to serve them in an unusual manner.

His district was ably represented during his tenure, and he leaves Congress with the best wishes of all. No doubt he will continue to be an outstanding citizen in whatever company he might find himself.

Francis Seiberling found service on the important Banking and Currency Committeee, to which place he was admirably and peculiarly fitted. As a business man of wide experience and a lawyer of skill and ability, he had such a background as to make him an influential member of this great committee. Mr. Seiberling was sought for his judgment on financial and banking questions. The Congress will miss him and his place will be difficult to fill.

The Toledo district has been especially fortunate in having had as its Representative a man of the accomplishments of Mr. Wilbur M. White. His youth and vigor stood him well in hand in enabling him to do the work of a metropolitan district. Mr. White is a man of great versatility, which enabled him to discuss most abstruse questions with a readiness that marked him as one who would with longer tenure in the House advance to the highest positions.

Ohio is a Republican State on national issues, and it took the most irresistible political landslide in the history of our country to shake her from her political moorings. Ohio promises to lend every reasonable assistance to Mr. Roosevelt and his administration, for Americanism precedes and preponderates partisanship in Ohio. These illustrious servants will be succeeded by Democrats, except in the case of Mr. Brand, who will be succeeded by a Republican. These new Members will find that their predecessors have wrought faithfully and well, and their records and conduct are worthy of emulation. I am proud to say these few words in behalf of my friends and colleagues, all of whom I respect.

The SPEAKER pro tempore (Mr. Ayres). The time of the gentleman from Ohio [Mr. Jenkins] has expired.

Mr. DOWELL. Mr. Speaker, I ask unanimous consent to address the House for 10 minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. DOWELL. Mr. Speaker, I desire to offer a few words with reference to the Members of the House from the State of Iowa who have served in this House for a number of years and who will not return after the gavel falls at noon

ED H. CAMPBELL, before coming to this House, was a member of the State Senate of Iowa for two terms, where he served with distinction. Since coming to the House of Representatives he has been a member of the Veterans' Committee, where he has performed a great service, and I know all wish for him success in the coming years.

CHARLES E. SWANSON came to this House at the same time Mr. Campbell came and has served for four years. Prior to coming to the House he was prosecuting attorney in his county for a number of years, where he gained distinction in the legal profession. When he came to the House he was immediately placed on the Committee on the Judiciary, a distinction which is seldom given to a young man just entering the House. I want to say for him he has been a faithful and valuable member of this committee.

T. J. B. Robinson before coming to the House was a member of the State Senate of Iowa, where he attained distinction as a legislator. Since coming here he has been a member of the Committee on Interstate and Foreign Commerce, where he has rendered a valuable and patriotic service. The ranking Republican member of this committee, the gentleman from New York [Mr. PARKER], paid to him and to other members of this committee a fine tribute for the services they have rendered to the committee and to the House. We will all miss his genial and courteous association.

CYRENUS COLE came to the House in the Sixty-seventh Congress and has been a Member of the House for 12 years. He voluntarily retires from the Congress after the close of this session. Before coming to the House he was a newspaper editor, publisher, and writer of distinction. He is a member of the Committee on Foreign Relations, where he has served faithfully and patriotically, and has the esteem and confidence not only of the members of that committee but of all the Members of this House.

WILLIAM F. KOPP came to the House in the Sixty-seventh Congress and has been a Member of the House for 12 years. Before election to the House he was a member of the Legislature of Iowa, where he served with distinction. He has been chairman of the Labor Committee of the House and also of the Pensions Committee. Other speakers to-day have referred to him as a most valuable member of these committees. He is one of the hard-working Members of the House and has served with distinction wherever he has been placed and will be greatly missed. I know every Member will wish him good health and good luck wherever he may be.

C. WILLIAM RAMSEYER came to this House in the Sixtyfourth Congress, at the same time I entered the House. For 18 years he has served in the House. Prior to his election to the House he was county attorney of his county for some years. For a number of years he served as a member of the Rules Committee, where he performed a splendid service for the House. Later he was elected a member of the great Ways and Means Committee, where he performed a real service and gained the distinction of being one of the that our committee has been requested during the present

hardest-working members of that committee. He has had a long and faithful service and leaves the House with the high esteem and confidence of its Members.

GILBERT N. HAUGEN came to the House in the Fifty-sixth Congress in 1899. He is not only the oldest Member of this House in point of service but he has the great distinction of having the longest record of continuous service in the House since the Constitution was adopted. To-morrow noon he will have served in the House 34 continuous years. I know it is the judgment of every Member of the House that no more faithful service has ever been rendered on this floor than that rendered by GILBERT N. HAUGEN. For a great many years he was chairman of the great Committee on Agriculture, and no one has been more faithful to the cause of agriculture than has Mr. HAUGEN. He comes from one of the great agricultural States of the Union, and he has patriotically and well represented the interests of that State for the past 34 years. I know it is the wish of every Member of the House that he have a long life and a happy one. [Applause.]

The SPEAKER pro tempore. The time of the gentleman from Iowa has expired.

The gentleman from Missouri [Mr. Cochran] is recognized for five minutes.

Mr. COCHRAN of Missouri. Mr. Speaker, it is not my purpose to refer to the retiring Members of the Missouri delegation. I will leave that to the distinguished dean of our delegation, Judge Dickinson. He will pay them a welldeserved tribute.

I rise for the purpose of saying a few words in reference to the members of the committee of which I have the honor to be chairman, the Committee on Expenditures in the Executive Departments. Few realize the vast jurisdiction of this committee. It is one of the most important in the

Under our form of government nothing is more essential for the welfare of the people than two great political parties. They constitute the medium through which the people speak. I would not be honest, however, if I did not say that it is my opinion that the latest decision of the people removed some of the most outstanding Members of this body. Men who have rendered great public service, some at a great sacrifice, and men who will be missed not only by Members of the next Congress but by the public as well.

Congressmen are not born; they are made. No man can come here and in his first term expect to extend the service to the people of the country as men who have served here for years. Strange as it may be to some, many leaders in this House have rendered service to the country for which they received no credit from their constituents. Hidden away in committee rooms for weeks, sometimes months, they work on important legislation that brings no direct benefit to the people of the district they represent, but legislation that must be enacted in order that the Government be properly conducted. The passage of some small bill directly affecting a Member's district brings him more credit from his constituents than months of labor on some great appropriation bill. He might have been instrumental in saving the taxpayers hundreds of millions of dollars, but they do not hear of it. They are not interested because they are not what might be said directly affected, but they are indirectly affected by the Member's work.

The committee over which I preside, and of which I have been a member ever since it was organized, loses the Hon. WILLIAM WILLIAMSON, of South Dakota; John B. Colton, of Utah; GUY E. CAMPBELL, of Pennsylvania; John C. SCHAFER, of Wisconsin; EDMUND F. COOKE, of New York; FREDERICK M. DAVENPORT, of New York-Republicans; and JOHN W. MOORE, of Kentucky; Guinn Williams, of Texas; and John H. Overton, of Louisiana-Democrats. The last name goes to the Senate. Some are retiring voluntarily, others went down in the landslide of last November.

More legislation of a controversial nature is referred to this committee than to any other committee in the House of Representatives. I think I can say without exaggeration Congress to institute no less than 100 investigations. After careful thought and study, our investigations have been few.

While we have differed, we have labored for the benefit of the country. No bill ever came to the committee on which there was a full agreement. The cooperation I have received has enabled me to get results. Had it not been for that cooperation, it would have been a very hard matter to have brought any legislation to the floor. When in the minority, I always followed the policy of cooperating with the chairman, Mr. Williamson, of South Dakota, and I have been well repaid by him for the cooperation I extended to him. A man of outstanding ability, he gave to the committee the benefit of his experience, not only as a Member of Congress for many years but he likewise was most prominent in the discussion of legal questions which were continually before the Members. Mr. Colton, of Utah, rarely failed to attend a meeting and participate in the many arguments that arose; friendly arguments that always ended in better legislation. Mr. Campbell was a Member who likewise rendered valuable service. Our friend, John C. Schafer, of Wisconsin, possessed a knowledge of the inside workings of the Government equaled by few men. An untiring worker, always present, he deserves great credit for the able manner in which he not only assisted in perfecting bills but also for the information he would secure in questioning witnesses who appeared either in favor of or opposition to legislation. No one who knows John Schafer can ever doubt his sincerity, and he is a real loss. Mr. DAVENPORT, of New York, an outstanding scholar on public questions, will be missed in the next Congress. No one who knows him can fail to admire his past public service. Mr. Moore, of Kentucky, and Mr. WILLIAMS, of Texas, leave of their own accord. They were a real help to me and their places will be hard to fill. The other member of the committee who will be absent when the roll is called in the next Congress, the gentleman from Louisiana, Mr. Overton, goes to the Senate. In the other body he will continue his good work. While we will miss him, still we all rejoice in his advancement. To our committee came the problem of reorganization of the Government. I have always taken the position that the Government should be reorganized. Many bureaus should be consolidated and others should be eliminated. However, due to a division of opinion, the committee was not able to make as much progress as was desired, although four reorganization bills were reported by our committee during the present Congress. Some have been enacted into law.

The duties of the committee will be lessened to some extent by the recent action of Congress in delegating to the President the power to reorganize, consolidate, group, and eliminate Government agencies. This is a great task. It is a most important task, and care must be exercised that mistakes are not made. Men who have knowledge of the working of Government departments are the ones who should offer the suggestion in reference to reorganization.

The President has selected as the Director of the Budget Hon. Lewis Douglas, of Arizona [applause], and he will have much to say on the question of reorganization. I served with Mr. Douglas on the Economy Committee. I can not conceive of any man, young or old, who is better fitted for this position. We have heard a great deal about how the Appropriations Committee has reduced the Budget figures. I predict now that this committee will have a hard time shaving the estimates that he submits. He will bring about the savings so much desired by the people of the country.

Mr. Douglas is working now on reorganization. I have talked with him on several occasions, and next week expect to spend a day with him at his invitation. I will render every assistance possible to him, and will give him the benefit of my experience, if it will be of any aid to him, on reorganization matters. It is a big field and one where hundreds of millions can be saved. I fully concur that the only way the executive branch can be reorganized is by granting the Chief Executive the power to effect consolidations. has been done, and, while no hasty action should be taken, I hope the day is not far distant when the work will begin. It is not necessary to do the job at one time. It is too im- | for none other than Mac Lankford, of Norfolk.

portant, as one mistake might result in costing the taxpayers many more millions than will be saved.

This is a time when all should work together, regardless of politics; cooperate for the benefit of the people of the country; pass legislation that will be beneficial to all, which in the end will mean the end of the depression, which all so much desire. Restoration of confidence is all that is needed.

I know we have the best wishes of all who are leaving us to-morrow. Some will return, others may never return, but to all I extend my best wishes for good health and happiness. [Applause.]

And to the members of the Committee on Expenditures who are retiring, I want to thank each and every one for your support and your loyalty, and I wish you well, as I know all the other Members of the House wish you well. [Applause.]

The SPEAKER pro tempore. The gentleman from Indiana [Mr. GILLEN] is recognized for five minutes.

Mr. GILLEN. Mr. Speaker, something has been said here to-day relative to a tidal wave that swept over the country last November. That tidal wave did not hit me. A very high wave laded with considerable dampness struck me in the primary, and while I am retiring at the end of one term's service, I can not leave this body without expressing to every Member of this House appreciation for the many courtesies that have been shown to me. Before I came here, aye, even before my certificate of election was issued, Members of this House very graciously offered their assistance in any way that they could be of assistance, and after coming here and serving through what seems to me this short term. I have grown to love every Member of this House, and especially the fine friends that I have made; and when I leave here I go with the same high regard that I had of this House before coming. I felt that the men and women elected to this body came here with high purpose, with integrity, to give their all to the service of their constituents and to their country, and it will be my pleasure back in private life to defend the Members of this House with whom I have come in contact against unjust criticism that often appears in the press and that often comes from the lips of unthinking people. [Applause.]

While it becomes my lot to bid you good-by, I would not have you understand that the farewell is final. I thank you. [Applause.]

The SPEAKER pro tempore. The gentleman from Virginia [Mr. Bland] is recognized for five minutes.

Mr. BLAND. Mr. Speaker, I feel that if Mr. MONTAGUE, the distinguished dean of the Virginia delegation, were not confined to a bed of illness, he would desire to say something about the Virginia Members who are leaving Congress, and I shall try, inadequately though it be, to supply his place for just a minute.

Three of the Virginia Members go out, two on my side of the aisle and one on the other. One of these Members, the Hon. Joel Floop, came in only at this session of Congress, and yet we have learned to know him, appreciate him, and feel that he has the ability for great public service. He comes to us with a distinguished name, and is the half brother of the gentleman who rendered such valuable service in the House many years ago, the Hon. Hal D. Flood.

Another who has served for a full term, Representative FISHBURNE, has endeared himself to us by his friendly manner, his scholarly attainments, his marked ability, and his earnest, faithful performances of duty. It is a matter of deep regret to all of his colleagues that he does not see fit to return to Congress; he retires voluntarily.

On the other side of the aisle is the gentleman from Norfolk [Mr. Lankford], who has served in the Congress of the United States for two years with distinction and ability. He is better known to us as "Mac." We wish for him all the good things of life. Just as long as he undertakes to come to Congress on the Republican ticket, of course, we shall have to contest his ambition and his aspiration; but if the fortune of war should be that from the section from which he comes a Republican is to be sent, we could wish

Now, I wish to pass from the Virginians to the committee of which I am a member, the Committee on the Merchant Marine, Radio, and Fisheries. There pass to-morrow from these halls gentlemen who have rendered real service to the country in building up the American merchant marine, in writing the radio laws, and in writing fisheries legislation. To call the names of these men will in itself be evidence of the loss which the House will sustain.

On the Republican side we lose Arthur M. Free, Frederick W. Magrady, Frank L. Bowman, Robert H. Clancy, Charles A. Kading, Victor S. K. Houston, of Hawaii, and James Wickersham, of Alaska. Some of these gentlemen, particularly Mr. Free, have been members of this committee for a long time and have contributed considerably great work in the building up of the American merchant marine.

On the Democratic side, we lose the Hon. ROBERT D. JOHNSON, a man of genial attainments, of great industry, faithful in his attendance upon the sessions of the committee, and a man who has shown that the people really did a good thing in sending him here. We regret to see him leave.

[Here the gavel fell.]

Mr. BLAND. Mr. Speaker, I ask unanimous consent to proceed for five additional minutes.

The SPEAKER pro tempore (Mr. Ayres). Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. BLAND. Then I wish to call attention to one more who goes out of these halls whose place can not, in my opinion, be filled. I say with all honesty that it would be a much greater pleasure to me personally to sit at the right hand of the distinguished gentleman from Tennessee, Mr. EWIN L. DAVIS, and see him at the head of the table as chairman of this great committee than to attempt to fill the place that is made vacant by his departure, for it can not be filled. The gentleman from Tennessee, Hon. Ewin L. Davis, helped to write the legislation of 1920; he helped to write the bill of 1928, and he has grown up with the American merchant marine. He probably knows more about its affairs, its ramifications, and its needs than any other man in the Congress of the United States and, I may add, as well as, if not better than, any man in the United States. He has shown himself an earnest, hard, indefatigable worker in all the matters of the committee. He contributed a great part in the writing of the radio bill in 1927; and one of the most important amendments in that bill, which carries equality to all the sections of the country, will ever carry his name in that it is known as the Davis amendment. Then in his devotion to the fisheries industry he helped to write the fisheries bill which now appears upon the statute book of the United States.

We shall miss him, we shall miss his services, we shall miss all of these gentlemen, and the Committee on the Merchant Marine, Radio, and Fisheries will find it very difficult to even approximate the industry, the indefatigability, and the energy of these men who have served on that committee for so many years. We know that it will be hard—very, very hard—to even attempt to fill the places of these men who leave us. We bid them Godspeed in life. [Applause.]

Mr. TABER. Mr. Speaker, it has been my privilege to serve on the Appropriations Committee for the last 10 years. At this time we are losing such a large number of our Membership, I think 14 out of 35, or two-fifths of the total, that I feel I should say a word or so in appreciation of the remarkable service that has been given to the country by these men.

WILL R. Wood, of Indiana, one of the most forceful characters that the House has ever seen, has served in the Congress for 18 years, and on the Appropriations Committee for almost all of this time. He has been a bulwark against raids upon the Treasury. No one more than he has been responsible for the stopping of unwise and unnecessary appropriations. [Applause.]

Beside this, he has rendered remarkable service to his party and to his country as chairman of the Republican to this committee. It Congressional Campaign Committee. During his incumare obliged to go out.

bency of this position, the Republican Party has controlled Congress most of the time. His work has been like that of shock troops—always ready to come out on the floor and fight for what he thought was right.

EDWARD H. WASON, of New Hampshire, has been in Congress the same length of time as Mr. Wood, and for almost the same length of time on the Appropriations Committee. Like Mr. Wood he has rendered great service in the cause of economy in the Government of the United States.

Mr. Wason has served on the Agricultural Committee and the independent offices subcommittee and on the deficiency committee with great zeal and remarkable vitality.

Burton L. French came to Congress in 1903, and has been in continuous service with the exception of four years. I served with him 10 years on the Appropriations Committee. I have never known a man to give more of himself to the country than has Burton L. French, and I think his colleagues on the floor of the House have appreciated it in the remarkable confidence they have placed in him.

His valedictory here this afternoon was not a farewell, for I believe he is coming back to us in two years, but his parting was a warning against the destruction of the great Appropriations Committee, which guards the people's Treasury.

MILTON W. SHREVE came here in 1913, and has been here 20 years, with the exception of four years when he was out. He has been chairman of the subcommittee of the State Department appropriation committee, and during that time has been most untiring and devoted himself in session and out to careful thought and study of all matters relating to his committee, and has therefore been able to report bills which were a credit to the Appropriations Committee and a credit to Congress.

FRANK MURPHY, of Ohio, has been here 18 years, and has given you absolutely his best. He has always been faithful in his attendance and work on the committee, and his service in the Interior Department subcommittee and the Legislative subcommittee has been of great value to the country.

JOHN W. SUMMERS, of Washington, has likewise been here 14 years. He has served faithfully on the Agriculture Committee and on the Independent Offices Committee, and has done a remarkable job, not only in protecting the Treasury of the United States but in looking after the interests of his constituents in Washington.

Henry E. Barbour, of California, has been here also 14 years. He was for a considerable period of time chairman of the military subcommittee of the House. It was my privilege to serve with him for four years, and during that time I came to know and appreciate his real value.

I do not think that any other man in the House has a better knowledge of the needs and requirements of the Army than has Mr. Barbour. I believe we are going to miss the type of service that he has given to the House while on this committee.

GUY U. HARDY, of Colorado, has been here 14 years. He became a member of the committee when I did. He has been a real apostle of economy, always dependable in work that might save the Treasury from unreasonable and unfair obligations.

MAURICE H. THATCHER came here when I did, and went on the committee in his first term. He has given the very best of his services to Congress, and has been of great value to the country.

Frank Clague, of Minnesota, came here in 1921, and has been on the committee for the last eight years. I served with him four years on the military appropriations subcommittee. Judge Clague gave to that committee his sound and valuable judgment. He was of tremendous value in analyzing and working out the problems that came before the committee and in promoting economy in government. We regret that he is going to leave us.

ROBERT SIMMONS, of Nebraska, and WILLIAM P. HOLADAY, of Illinois, have given very marked and valuable services to this committee. It is a crime that men of such value are obliged to go out.

They have each of them been forceful on the floor, intelligent and militant in defense of the Treasury.

On the other side of the House we are losing Judge Wright, of Georgia, and Lewis Douglas, of Arizona, two of the most valuable members of the committee. The worst thing about it is that when the committee loses 14 members, it is going to require the most devoted and minute attention on the part of those who come in to serve to accomplish the work that these men have so long borne and who are going to leave. [Applause.]

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. Craven, its principal clerk, announced that the Senate had passed without amendment a joint resolution and bills of the House of the following titles:

H. J. Res. 612. Joint resolution to provide for further investigation of expenditures of the Post Office Department;

H.R. 2157. An act for the relief of Arthur I. Neville; and H.R. 14579. An act to provide for the free importation of certain articles exported temporarily for scientific or educational purposes.

The message also announced that the Senate disagrees to the amendments of the House to the joint resolution (S. J. Res. 197) entitled "Joint resolution conferring jurisdiction upon the Court of Claims in the claim of P. F. Gormley Co.," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. Steiwer, Mr. White, and Mr. Logan to be the conferees on the part of the Senate.

The message also announced that the Senate had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 5337) entitled "An act to amend the Federal farm loan act, as amended, to permit loans for additional purposes, to extend the powers of Federal land banks in the making of direct loans, to authorize upon certain terms the reamortization of loans by Federal and joint-stock land banks, and for other purposes."

The message also announced that the Senate had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 14458) entitled "An act making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1934, and for other purposes."

The message also announced that the Senate had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 14199) entitled "An act making appropriations for the military and nonmilitary activities of the War Department for the fiscal year ending June 30, 1934, and for other purposes," and had agreed to the amendments of the House to the amendments of the Senate Nos. 29 and 30 to said bill.

The message also announced that the Senate insists upon its amendments to the bill (H. R. 14643) entitled "An act making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1934, and for other purposes," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. Bingham, Mr. Capper, Mr. Nye, Mr. Steiwer, Mr. Glass, Mr. Kendrick, and Mr. Copeland to be the conferees on the part of the Senate.

P. F. GORMLEY CO.

Mr. ALLGOOD. Mr. Speaker, I ask unanimous consent to take from the Speaker's table Senate Joint Resolution 197, conferring jurisdiction upon the Court of Claims in the claim of P. F. Gormley Co., with House amendments thereto disagreed to, insist upon the House amendments and agree to the conference.

The SPEAKER pro tempore (Mr. Ragon). The gentleman from Alabama asks unanimous consent to take from

the Speaker's table Senate Joint Resolution 197, with a House amendment thereto, disagreed to by the Senate, insist upon the House amendment, and agree to the conference asked. Is there objection?

There was no objection.

The Chair appointed the following conferees: Mr. All-good, Mr. Martin of Oregon, and Mr. Sinclair.

Mr. SABATH. Mr. Speaker, I ask unanimous consent to proceed for five minutes.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. SABATH. Mr. Speaker, ladies and gentlemen of the House, not as the chairman of any committee but as a Member who has served for many years and has had the privilege to serve with a great many outstanding Members, I deeply regret that to-day we must part with some of our colleagues who have for many years represented the State of Illinois with honor and distinction. The number is rather large, and therefore I shall be deprived of the great pleasure of saying what may and should be said of many of these gentlemen and of their services to the State and the Nation. The casualties in our State are greater than in any other State in the Union. We have lost 13 Members, 10 on the Republican side and 3 on the Democratic side. Many of them have served for many years, and I can truthfully say that every one of these Members has endeavored to serve the Nation and the State to the best of his ability. Illinois has been represented in the House by some of the most outstanding Members. For instance, there is Mr. RICHARD YATES, who is an ex-governor of Illinois. There is Mr. HOLADAY, who has ably represented the district formerly represented by a distinguished Speaker of this House, Uncle Joe Cannon. Then there are Mr. ADKINS, General CHIPERFIELD, JOHN C. ALLEN, HOMER W. HALL, WILLIAM R. JOHNSON, from down State, and all these gentlemen have served the Nation well. Many of them have, of course, differed with me frequently, especially on the most important question that was before the country of late. Had they taken my advice early in the day, I feel that the House would not now be losing them but that they would have continued to serve the State for many years.

In addition to these gentlemen there are two from my own city, Mr. Morton D. Hull and Mr. Carl R. Chindblom, both outstanding Republicans and both men of great ability. It has been my good fortune to serve with and observe the activities of Carl Chindblom. I think in losing him the tenth congressional district of Illinois loses an exceptionally able, sincere, and deserving Member. I myself greatly regret his leaving this House, and I hope that in the near future he may return to continue his services for the district, for the city, for the State, and for the Nation. [Applause.] I wish time would permit me to pay the proper respect and that I were able to express in appropriate periods the feeling that I and my colleagues have for these gentlemen. The State has lost 13 splendid Members. After all, we all know that experience is the best teacher, and after a man has served for two or three terms in this House he becomes specially qualified to be of service to the House and to the Nation.

I have mentioned the names of the gentlemen whom we are losing on the Republican side, and I shall now refer briefly to the three we are losing on the Democratic side, namely, STANLEY KUNZ, JAMES IGOE, and Mr. DIETERICH. True, Mr. DIETERICH has been here for only one term, but during that one term he demonstrated that he possesses an unusual amount of ability and is a man of great resourcefulness. I know that he will be an outstanding member of the other body to which he was elevated in the last election.

In conclusion, I repeat that I regret very much the loss of these Members, and I wish each of them Godspeed and hope that in their new fields of endeavor they will meet with the success to which they are entitled. [Applause.]

Mr. CHINDBLOM. Mr. Speaker, I appreciate very greatly the courtesy of the Chair in giving me recognition at this moment, when I know there are other gentlemen who are expecting to take the floor. Since my good friend

and colleague from Illinois and Chicago [Mr. Sabath] has made an address, in which he spoke of me, together with other Members from the State of Illinois who are leaving Congress, I wish to say a word in appreciation of his very gracious reference to all of us and particularly to myself. It has been my privilege to serve in this House for 14 years. I need not say to my colleagues that I have intensely enjoyed the service and that I have endeavored to apply myself to it and to give to it the best of my judgment, of my industry, and of my devotion to the welfare of our common country. I appreciate very highly the words of commendation by my colleague on the other side of the aisle and of many Members, both Republicans and Democrats, colleagues all, who during the last few months have cheered me with similar expressions. I wish now to return my most sincere thanks to all of these friends.

This House has preserved its traditions even during recent perilous times. I know there are many who take a delight in calling attention to days of the past, when, forsooth, it is believed that the Congress, and that includes the Senate as well as the House, may have stood higher in the estimation of the people. But those of us who have read history know well that during all times severe criticism has been leveled at the Members of both Houses, and we should not resent such criticism. It is the right of the people to express themselves upon the character of the service which we seek to render, but we in turn, I think, have the right to call the attention of the people to the things which we have done or have tried to do. The Congress of the United States is responsive to the people of the United States. It truly represents the people themselves. The Congress, like all other public officers in a free government, will rise to the character of the people who select them, and, generally speaking, the public service of a free government will be such as the people themselves see fit to secure through their exercise of the right of suffrage.

Mr. Speaker, I have, particularly in recent months, spoken in season and out of season perhaps on the subject of retrenchment and economy and reduction of expenditures and reduction of taxation. At this time, when I am leaving the House, I want to leave a parting word upon that subject. Let there be no mistake, my colleagues. The people of the United States are in earnest with reference to this matter of public expenditures. If the Congress does not respond to this demand, the same fate will overtake those who remain here that befell many of those who depart. I know there is a feeling throughout the land that men in public office are not sufficiently regardful of the interests of the people in the matter of public expenditure. In this connection, Mr. Speaker, I beg to refer to a couple of matters which are now pending here and which illustrate the growth of persistent demands upon the Public Treasury.

In the very early days of my service, when I was a member of the Committee on Public Buildings and Grounds, my attention was called to a building project in the District of Columbia known as the George Washington Memorial, for which Congress had given authority to erect a building upon land to be furnished by the Government. I then said that under that proposal the time would come when a demand would be made upon the Government of the United States to pay the expense of that building project. Its sponsors protested vehemently that no request for funds would ever be presented to the Federal Government. The years have passed. Nothing has been done since the first year of the Harding administration upon this project; and during the last few years we have had bills pending in this House, and one is pending now, asking for an appropriation of \$5,000,000 to prosecute that work. In other words, a project which originally was to be a private enterprise will now become a public undertaking and add to the burden of taxation. Not even a technical compliance was made with the original requirement in the act of March 4, 1913, that construction should begin within two years after the passage of that act. Now, after 20 years, only an unsightly foundation adds to the disfiguration of the Mall.

There has just been reported from the Committee on the Judiciary a bill (H. J. Res. 276) which we considered in the Committee on Ways and Means permitting suit to be brought in the courts of the United States, to return to the States millions of dollars of the so-called cotton taxes of the Civil War. These taxes total over \$70,000,000. Of course, the original taxpayers can not collect from their graves. The diligent and reasourceful lobbyists for these claims have therefore evolved a theory by which the recoveries from the Federal Government shall escheat to the States, where the taxpayers happened to reside when the taxes were collected. In the Ways and Means Committee I called attention to a case tried in a United States district court in Tennessee where the cotton tax was held valid as an excise tax, and the court rejected the theory that it was an ordinary direct property tax. That case was taken to the United States Supreme Court, where the vote of the court stood 3 to 3, thus amounting to an affirmance of the decision of the court below. I unearthed that case in the docket and files of the Supreme Court. Since no opinion was rendered, the case will not be found in United States Supreme Court reports

I have referred to these two instances, not by way of criticism, but for the purpose of showing how, if we are not careful, if we follow the trend of events, we are constantly bringing the Government into greater expense. The tendency is constantly that way. The inevitable drive is toward new establishments and larger establishments, toward assuming new obligations and larger obligations, until today we have a situation where, in all governmental activities of the United States, people are compelled to pay 25 per cent of their income to the maintenance of government, Federal, State, and local.

My colleagues, I am sorry to strike this note at this moment, but I know that the enforcement of economy is the most important issue before those who stay behind us, in the service of this House. This House has a distinguished past. It has had within its walls the greatest men in our history. It has to-day within its walls, and will have within the near future, the men and women who will carry forward the destinies of our country. I wish you all Godspeed. I wish you all good health and fortune. I wish for the new Congress and the new administration the very best of success. My heart, as I leave you, is filled with gratitude and appreciation for all of the many courtesies and kindnesses which have been extended to me here. If you come to my native city, the city in which I was born, where I have always lived until recently, to the State in which I was born and where I have always resided, both of which city and State I love with all the fervor of my heart, I trust you will at least give me the opportunity of saying "How do you do?" as you pass through, or, as I hope, tarry a while. [Applause.]

ORDER OF BUSINESS

The SPEAKER. The Chair desires to make a statement. The Chair has advised a number of Members that there would be nothing of a controversial matter taken up until the end of the session. The Chair finds that there is on the Speaker's table a joint resolution passed by the Senate concerning the banking interests of the District of Columbia, similar in effect to legislation that has been passed by several of the States. The Chair thinks it should be considered.

There is also a conference report from the Committee on Banking and Currency. The Chair will take the privilege of ordering the bells to be rung three times so that the membership will come to the House. In the meantime, the Chair will recognize Members to continue the discussion until the membership arrives in the Chamber.

ALA MOANA CASE IN HAWAII—EXTENSION OF REMARKS

Mr. HOUSTON of Hawaii. Mr. Speaker, I ask unanimous consent to extend my own remarks and to insert a letter written by myself.

The SPEAKER. Is there objection to the request of the Delegate from Hawaii?

There was no objection.

Mr. HOUSTON of Hawaii. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following letter from me to Hon. CARL VINSON, chairman Committee on Naval Affairs, March 2, 1933.

> House of Representatives Washington, D. C., March 2, 1933.

Hon. CARL VINSON, M. C., Chairman Committee on Naval Affairs,

House of Representatives.

MY DEAR MR. CHAIRMAN: Last year when the very unfortunate circumstances connected with the so-called Ala Moana case in Hawaii were under investigation the Naval Affairs Committee held a hearing upon this matter. At that time the trial of those who were accused had resulted in a mistrial.

were accused had resulted in a mistrial.

Since that time the law authorities of the Territory and the Pinkerton National Detective Agency (Inc.) had carried on a very extensive and exhaustive investigation of this case. Their report to the governor has only recently been made and, as a result of their report, the matter was brought up in the circuit court of the Territory on Monday, February 13, 1933. The prosecuting attorney asked for a noile prosequi of the case, and the court granted the motion and a noile prosequi was entered. I quote herewith the motion presented to the court by the prosecuting attorney:

"Comes now the Territory of Hawaii, by John C. Kelley, public prosecutor of the city and county of Honolulu, Territory of Hawaii, and respectfully moves that this honorable court approve the within motion for noile prosequi as to each and all of the defendants above named, which said motion is based upon the following reasons, to wit:

reasons, to wit:

"The above-named defendants were indicted by the Territorial grand jury of the first judicial circuit on the 12th day of October, 1931, said indictment charging said defendants with having committed the crime of rape upon the person of the complaining witness, Thalia Hubbard Massie.

"The defendants were brought to trial upon said charge before

"The defendants were brought to trial upon said charge before the Hon. A. E. Steadman, then first judge of the circuit court of the first judicial circuit, on the 16th day of November, 1931. After a trial lasting 17 days said case was given to the jury on the 2d day of December, 1931, and said jury after deliberating upon the guilt or innocence of the defendants for a period of 97 hours, informed the court that it was hopelessly deadlocked and unable to agree upon a verdict, were thereupon discharged by the court, and a mistrial entered of record in said cause on the 6th day of December, 1931. December, 1931.

" II

"A careful analysis of the evidence adduced at the former trial indicates clearly the following principal weaknesses in the prosecution's case:

methods employed in securing the identification of

(a) The methods employed in securing the identification of the defendants by the complaining witness.

(b) The lack of medical, physical, and material evidence of the alleged rape upon the complaining witness.

(c) The lack of evidence to overcome the alibi presented by the defendants.

"(a) That the methods employed in procuring the identification by the complaining witness of the defendants in this case and the attempted identification of the defendant's Ida's car and its license number were not in accordance with modern, efficient police methods is conceded.

methods is conceded.

"The complaining witness, when interviewed at her home immediately after the alleged rape had been reported to the police, repeatedly stated to the police officers present that she could not identify her assailants or the car in which they abducted her; that she did not know the number of said car; was not certain of the make of said car; and that the only distinguishing feature of said car that she could recall was a loose, flapping top.

"On being questioned by John N. McIntosh, inspector of detectives, at 3.30 a. m., September 13, 1931, she was asked:

"Q. Do you think you could identify these men, Mrs. Massie?—
A. I don't know.

"In view of these statements of the complaining witness the

"In view of these statements of the complaining witness it is believed that the belief of the police that the accused were the perpetrators of the alleged crime was made obvious to her through the manner in which the accused were brought before her for

the manner in which the accused were brought before her for identification, and that the ability of the complaining witness to subsequently identify four of the accused resulted from the suggestion contained in the method which was pursued.

"It can only be assumed that the reason the complaining witness did not give to the police authorities, immediately after the alleged offense was reported to them, the same details of information regarding her assailants that she was able to furnish by her testimony at the trial is because she did not possess it at that time, and it is entirely within reason to believe that her knowledge of the appearance, dress, and other identifying marks of the accused, as testified to by her at the trial, was acquired by events which occurred in the interim.

"(b) The circumstances of the rape upon the complaining witness, as related by her, would indicate that some positive traces of the violence used by the persons assaulting her would be left upon her person and her wearing apparel.

"An examination of the complaining witness made shortly after the alleged rape disclosed no evidence of sexual intercourse or marks of violence around her private parts, and a microscopic

examination of her clothing disclosed no evidence of blood stains or seminal fluid upon those articles of her clothing which would come in contact with her genitalia or be disturbed by an assault upon her. Certain stains resembling blood were found on her upper outer garments, but the testimony shows that the complaining witness was bleeding from the mouth and these stains could have resulted from that source. The complaining witness at the time of the alleged assault upon her was wearing a green evening gown of frail material and evening slippers. Yet a careful examination of this dress and other articles of apparel worn by her failed to show any evidence of an attack such as she described, the garments being in perfect condition, neither rumpled nor torn, except one stocking, and the slippers showed no signs of the wearer having been dragged to the place of assault as testified to by her by her.

(c) Since the former trial of this case, exhaustive investigations that been made by the office of the attorney general of the Territory of Hawaii, the office of the public prosecutor of the city and county of Honolulu, and the Pinkerton National Detective Agency (Inc.), of New York City. Every known fact and circumstances of the case have been reviewed and no effort has been spared to of the case have been reviewed and no effort has been spared to secure evidence additional to that presented at the former trial which would tend to strengthen the case of the prosecution, particularly with reference to the two foregoing matters and which would also aid the prosecution in overcoming the alibi presented by the defendants. All of these investigations embraced a careful examination and analysis of the alibi of the defendants presented at said trial, and they have falled to discover any circumstances disproving or tending to disprove any portion of the statements made by the defendants immediately upon their arrest, their examination by the police, and the testimony of the witnesses called on their behalf at the trial. The movements and whereabouts of the defendants on the night of the alleged assault remain precisely as they were originally accounted for by them.

"The evidence adduced at the trial of said defendants was such that it is not surprising that a verdict of conviction was not obtained, and, in view of the fact that the above-mentioned investigations uncovered no new or additional evidence, there certainly is no more likelihood that a conviction could be obtained on a retrial of the case.

retrial of the case.

"Respectfully submitted this 13th day of February, A. D. 1933.

"Territory of Hawaii.

"By S. John C. Kelley,

"Public Prosecutor of the City and County of Honolulu."

I would request that this letter be made a part of the record of the special committee which was appointed for the purpose of inquiring into the recent crime committed in Hawaii and whose report was referred to the House on January 14, 1932, as found on page 1941. Very sincerely yours,

V. S. K. Houston, Delegate in Congress from Hawaii.

Mr. MAPES. Mr. Speaker, I ask unanimous consent to proceed for five minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. MAPES. Mr. Speaker, membership on the same committee of the House over a period of years gives one an opportunity to value and appreciate the ability and the services of its Members in a way perhaps as nothing else can do. It likewise develops close friendships which are hard to give up.

Earlier in the afternoon, the gentleman from Tennessee [Mr. Byrns], the chairman of the Committee on Appropriations, spoke of the loss which the Committee on Appropriations was sustaining at the end of this Congress because of the retirement of so many of the Members of that committee. More recently, the gentleman from New York [Mr. TABER] touched upon the same subject. That committee, consisting of 35 members, loses 14 of its members at the close of this Congress.

The gentleman from New York [Mr. PARKER], the ranking Republican member on the Committee of Interstate and Foreign Commerce, earlier in the afternoon called attention to the losses of that committee. The Committee on Interstate and Foreign Commerce is not as large as the Committee on Appropriations. The Committee on Interstate and Foreign Commerce has 23 members instead of 35, but it loses at the close of this Congress, 9 of its most able members, about the same percentage of loss as that sustained by the Committee on Appropriations.

The Committee on Interstate and Foreign Commerce is one of the big working committees of the House. It has among its members some of the ablest and best Members of the House. This committee in the next Congress will

be deprived of the benefit of the services and help of many of its strongest members, some of whom have been in Congress for a great many years.

I do not need to extol their virtues. I need only to call the roll of those who are now on the committee who will not be in the next Congress to bring forcibly to the attention of every Member of the House a realization of the loss which the committee and the House will suffer by the termination of their services here.

In order of their assignment to the committee, as well as their length of service in the House, they are: Homer Hoch, of Kansas, Republican; Adam M. Wyant, of Pennsylvania, Republican; Olger B. Burtness, of North Dakota, Republican; John E. Nelson, of Maine, Republican; Thomas J. B. Robinson, of Iowa, Republican; Milton C. Garber, of Oklahome, Republican; Augustine Lonergan, of Connecticut, Democrat, who goes to the Senate; James T. Igoe, of Illinois, Democrat; and Courtland C. Gillen, of Indiana, Democrat.

It will be hard to fill the places of these gentlemen. I do not want this occasion to pass without paying my respects to them, many of whom I have served with on the committee for a great many years, and for whom I have the greatest respect and admiration. I take this opportunity to extend, and I am sure the membership of the House, as well as the membership of the Committee on Interstate and Foreign Commerce, will join me in extending, to them and theirs, sincere best wishes for their future prosperity and happiness. [Applause.]

The SPEAKER pro tempore (Mr. O'CONNOR). The gentleman from Oklahoma [Mr. McKeown] is recognized for five minutes.

Mr. McKEOWN. Mr. Speaker, I am not able to prepare any speech on this occasion. Individually, I want to say that I lose as many friends on the Republican side of the House as any man in Congress. One of the things I regret is that not only will I lose friends, but I will lose my audience on that side of the House.

We who have served on the great Committee on the Judiciary are going to lose from our midst men like Leonidas Dyer, of St. Louis, a great lawyer; Mr. Christopherson, of South Dakota, who has been one of its most useful memmers; Governor Yates, of Illinois, whom we all love; and then we will have to lose EARL MICHENER, of Michigan-and I want to pause long enough to say there has been no abler man on the Judiciary Committee in this House or any other House than the gentleman from Michigan. We lose Mr. ELLIS MOORE, who is a scholar, a man of refinement, and who will be greatly missed. Then, we lose that indomitable man from New York, Mr. LaGuardia; and I want to say that Mr. LaGuardia is a living example to the youth of the country, a man springing from the loins of labor, entered the Congress of the United States. He is an untiring worker. Vigilant, vigorous, and progressive in his action and votes in the House, and conscientious in his thoughts and deeds, he is one of the hardest workers, and will be one of the men most missed in this House. Then, there is Homer Hall, of Illinois, a splendid man, courteous, and is a man who is practicable; also, CARL BACHMANN, of West Virginia. He is a fine character. Everybody loves Carl Bachmann. We like him for his fine character and we are going to miss him.

Then, we have Judge Sparks, from Kansas. Of course, he is a good lawyer and able man. He is a fellow who talks right out from the heart.

On our side we lose the Hon. Fred Dominick, former assistant attorney general of South Carolina, one of the great lawyers of that State. We lose his services on that committee. The State of Oklahoma is going to lose a man from the Republican side of the House, a very fine lawyer, a very fine Member of this House, a man who votes his conscientious judgment on all questions. I refer to the Hon. Milton C. Garber, of Oklahoma.

Mr. Speaker, let me say to the Membership of the House in the same on the part of private persons prior to its actual before I close that they each hold one of the most responsi-

ble positions in the gift of the American people. The writers of the Constitution so made it that they could never be appointed to office. They are elected by the people as representatives of the people of this country. Their task is a hard one, and in all this great crisis I hope that the Members of this House will hold their equilibrium and always remember that America is sound financially. America is sound in every way. You want to act on this knowledge. America is sound in thought; America is sound in energy, industry, and brains, and it is but a short time until America will emerge from this crisis, because as long as such men as the gentleman from New York, Mr. LaGuardia, can come to Congress, this country is safe. Thousands, yes, ten thousands of bright American boys can stop complaining of their lot and turn to the example of the gentleman from New York [Major LaGuardia] and there learn from his life that any youth in this Republic may rise to eminence in the Congress of the United States of America. I wish you and each of you Godspeed on your way, and may you chart your course in life by the polar star of truth, honor, and integrity to district, State, and Nation.

PERMANENT APPROPRIATIONS—EXTENSION OF REMARKS

Mr. GRIFFIN. Mr. Speaker, as chairman of a special committee of the Appropriations Committee on permanent appropriations, I ask unanimous consent to extend my remarks in the RECORD upon the work of the committee to date

The SPEAKER pro tempore (Mr. O'CONNOR). Is there objection to the request of the gentleman from New York? There was no objection.

Mr. GRIFFIN. Mr. Speaker, as chairman of the special committee on permanent appropriations of the Appropriations Committee, I desire to put in the Record at this time a summary of the problems confronting our committee and to explain the reasons why the committee has been unable to complete its work.

The fact is that the committee, consisting of Messrs. Wright, Hastings, Ludlow, Hart, French, Murphy, Taber, and myself, were appointed rather late in the session. All of us were tied up in our respective subcommittees and were not able to get together for regular meetings until the current appropriation bills were well through conference.

The permanent appropriations are of two classes—the permanent indefinites and the permanent specifics.

The former consist of those appropriations for purposes for which the specific amount required can not be accurately computed in advance, as, for example, the interest on the public debt. The amount of the latter is constantly fluctuating; consequently, the permanent appropriation for the payment of the interest thereon is couched in terms which are indefinite as to the amount but which appropriate such amounts as may be necessary.

The permanent specific appropriations are those for a definite and specified amount of money for the object of which the appropriation is being made, as, for example, the permanent appropriation of \$3,000,000 per annum for the meat-inspection service under the Department of Agriculture.

The permanent appropriations are also susceptible of another classification, based on the character of the funds from which the appropriations are made. These funds fall into two main classes, namely, Federal funds and non-Federal funds. All appropriations of moneys which belong to the Federal Government are grouped in the first class. They consist of such appropriations as those for the retirement of and payment of interest on the public debt, for cooperative agricultural extension work, payments to certain States of the authorized percentage of receipts from the sale or lease of portions of the public domain, and appropriations of a like character, where the money actually belongs to the Government and there is no equitable interest in the same on the part of private persons prior to its actual appropriation, as distinguished from funds which are in the

nature of trust funds, such as the interest on gifts or bequests made for a specific purpose, insurance or retirement funds made up of contributions by or assessments upon individuals, the repayment or refunding to individuals of amounts paid or deposited by them in excess of the amounts subsequently found to be requisite for the purposes for which such payment or deposits were made, and so forth.

The following tabulation shows the total permanent annual appropriations in the current bills:

Estimated permanent annual appropriations, fiscal year 1934 Grand total (table No. 3, 1934 Budget, p. A162) __ \$1,399,336,521 Exceptions made to repeal by section 16, Senate amendment 14, Treasury-Post Office appropria-

tion bill: Public Debt Service Interest on public debt____ \$725,000,000 Debt retirement funds_____ 534,070,321 Expenses of new loans, re-543, 387 Federal Reserve Board.____ Federal Home Loan Bank 1.731.343 Board_ 322,000 bank examiners. National salaries. 2,600,000 Contingent expenses, national Appropriations under section 4818, Revised Statutes, support of the Soldiers' Home, District 245, 030 of Columbia 717,000 Vocational education Colleges, agriculture and mechanic arts 6, 636, 460 2, 550, 000 Cooperative agricultural extension__ 4, 666, 096

Balance remaining
Under the Veterans' Administration, premiums on converted insurance are credited to the Government life-insurance fund and are permanently appropriated for payment of losses, benefits, etc., for 1934, estimated

Total exceptions to repeal____

120, 254, 884

70, 890, 000

1, 279, 081, 637

49, 364, 884

Practically this balance of over \$49,000,000 is all that is susceptible of being taken out of the permanent class.

OBJECTIVE OF THIS RESEARCH

The chief objective of our researches and studies is, of course, to try to effect national economies. Many of these permanent specific appropriations were provided for many years ago to meet certain conditions then existing, but which, in the course of time, have been completely altered. Nevertheless, these provisions of the law being mandatory, the appropriations are automatically allotted, without review or examination by the Appropriations Committee or any supervision as to the manner or the care with which they have been expended.

Whether or not there has been any waste can not be estimated or even guessed, but one thing is certain, that the pressure of the dead hand of past Congresses keeps open the door of the Treasury to unsupervised and unregulated expenditures.

It will be noticed that Federal funds and non-Federal funds from which permanent appropriations are made are susceptible of the following breakdown:

- A. Federal funds:
 - General fund in the Treasury.
 - 2. Special funds in the Treasury.
- B. Non-Federal funds:
 - 1. Trust funds.
 - 2. Assessments, contributions, fines, etc.
 - 3. Refund of excess of deposits or payments.
 - 4. Other funds of trust character.

A complete statement of the permanent appropriations is to be found in the following summary:

PERMANENT ANNUAL APPROPRIATIONS—SPECIFIC AND INDEFINITE [COMPILER'S NOTE.—The text and amounts of the permanent annual appropriations are taken from the Budget for the fiscal year 1933, as modified by subsection (b) of section 318 of the year 1933, as incumed by subsection (b) of section 318 of the economy act, reducing funds for vocational education, omitting from this list those items under which no appropriations are estimated for the fiscal year 1933. The sums under the indefinite permanent appropriations are estimated and are subject to revision as the fiscal year progresses and better data become available.]

Legislative

Bequest of Gertrude M. Hubbard, Library of Congress: Interest account-

Trust fund of \$20,000, the interest on which, at 4 per cent per annum, is to be used for the purchase of engravings and etchings to be added to the Gardiner Greene Hubbard Collection (act Aug. 20, 1912, vol. 37, p. 319)____Library of Congress, income from investment

account-

This fund represents income from investments held by the Treasury for the benefit of the Library of Congress and is subject to dis-bursement by the Librarian for the purposes in each case specified (U. S. C., title 2, sec. 160)_

sec. 160)

Library of Congress gift fund—

This fund represents gifts or bequests of money made to the Library of Congress for the immediate disbursement by the Librarian, in the interest of the Library, its collections, or its service for the purposes in each case specified (U. S. C., title 2, sec. 160)

Total, legislative___ 109,800

Executive

INDEPENDENT OFFICES

SMITHSONIAN INSTITUTION

Smithsonian Institution—interest account-Interest on the trust fund of \$1,000,000 derived from the bequest of James Smithson and others to be used for the erection of buildings and expenses of the Smithsonian Institution. (U. S. Code, title 20, sects. 54, 55)___

EMPLOYEES COMPENSATION COMMISSION

Relief and rehabilitation, longshoremen's and har-

elief and rehabilitation, longshoremen's and harbor Workers' compensation act, trust fund—
Trust fund created by section 44 of the act of
March 4, 1927 (U. S. C., Supp. IV, title 33,
sec. 944), from the amount received as compensations for death of an employee where
no person is entitled to compensation for
such death and from fines and penalties collected; to be used for the payment of additional compensation under the provisions of
subdivisions (f) and (g) of section 8 of the
act of March 4, 1927 (U. S. C., Supp. V, title
33. sec. 908) 33, sec. 908) __

FEDERAL BOARD FOR VOCATIONAL EDUCA-

economics, and industrial subjects, and in the preparation of teachers of agricultural, trade, industrial, and home economics subjects; and for the use of the Federal Board for Vocational Education for administration of this chapter and for the purpose of making studies, investigations, and reports to aid in the organization and conduct of vocational education, which sums shall be expended as hereinafter provided (U. S. Code, title 20, secs. 12-15, act June 30, 1932, subdivision (b), sec.

\$800

35,000

74,000

60,000

30,000

2,724,300

2, 745, 000

981,000

200,000

FEDERAL POWER COMMISSION

Payments to States under Federal water power act, special fund.

special fund.

Sec. 810. That all proceeds from any Indian reservation shall be placed to the credit of the Indians of such reservation. All other charges arising from licenses hereunder shall be paid into the Treasury of the United States, subject to the following distribution: 12½ per cent thereof is hereby appropriated to be paid into the Treasury of the United States and credited to "Miscellaneous receipts"; 50 per cent of the charges arising from licenses hereunder for the occupancy and use of public lands, national monuments, national forests, and national parks shall be paid into, reserved, and appropriated as a part of the reclamation fund created by sections 372, 373, 381, 383, 391, 392, 411, 416, 419, 421, 431, 432, 434, 439, 461, 476, 491, and 498, title 43, public lands; and 37½ per cent of the charges arising from licenses hereunder for the occupancy and use of national forests, national parks, public lands, and national monuments, from development within the boundaries of any State shall be paid by the Secretary of the Treasury to such State; and 50 per cent of the charges arising from all other licenses hereunder is hereby reserved and appropriated as a special fund in the Treasury to be expended under the direction of the Secretary of War in the maintenance and operation of dams and other navigation structures owned by the United States or in the construction, maintenance, or operation of headwaters or other United States (U. S. Code. title 16, sec. 810).

FEDERAL RESERVE BOARD

Salaries and expenses, Federal Reserve Board, spe-

Indefinite appropriation of the assessment upon
Federal reserve banks collected and deposited
in the Treasury under the act of December
23, 1913, and appropriated for expenditure
(U. S. Code, title 12, sec. 243)

INTERSTATE COMMERCE COMMISSION

General railroad contingent fund-

neral railroad contingent fund—
Indefinite appropriation of amounts deposited in the Treasury under the provisions of the interstate commerce act, as amended by section 422 of the transportation act, 1920 (U. S. C., title 49, sec. 15a (6)), representing one-half of the net railway operating income of any carrier in excess of 6 per cent of the value of the railway property held for and used by said carrier in the service of transportation (U. S. C., title 49, sec. 15a (6))——

U. S. VETERANS' BUREAU

United States Government life insurance fund, Veterans' Bureau-

insurance converted under the provisions of Title III hereof shall be deposited and covered into the Treasury to the credit of the United States Government life-insurance fund and shall be available for the payment of losses, dividends, refunds, and other benefits provided for under such insurance, including such liabilities as shall have been or shall hereafter be reduced to judgment in a district court of the United States or in the Supreme Court of the District of Columbia. Payments from this fund shall be made upon and in accordance with awards by the director. SEC. 17. That all premiums paid on account of

director.

The bureau is authorized to set aside out of the fund so collected such reserve funds as may be required under accepted actuarial principles, to meet all liabilities under such insurance; and the Secretary of the Treasury is hereby authorized to invest and reinvest the said United States Government life-insurance fund, or any part thereof, in interest-bearing obligations of the United States or bonds of the Federal farm-loan banks and to sell said obligations of the United States or the bonds of the Federal farm-loan banks for the purposes of such fund (U. S. Code, title 38, secs. 511–518, 551–576; U. S. C., Supp. V, title 38, secs. 511–518b) — Total, independent offices, \$81,070,850.

DEPARTMENT OF AGRICULTURE

\$72,750

1,692,800

900,000

All moneys received as contributions toward cooperative work in forest investigations, or the protection and improvement of the nacooperative work in forest investigations, or the protection and improvement of the national forests, including deposits received from timber purchases to cover the cost to the United States of disposing of brush and other débris resulting from cutting operations in sales of national-forest timber, are covered into the Treasury and constitute a special fund, which is appropriated and made available until expended, as the Secretary of Agriculture may direct, for the payment of the expenses of the investigations, protection, or improvements by the Forest Service, and for refunds to the contributors of amounts paid in by them in excess of their share of the cost of the investigations, protection, or improvements (U. S. Code, title 16, sec. 498) _____.

Refunds to depositors, excess of deposits, National Forest Fund—

All money received, by or on account of the Forest Service for timber, or from any other source of forest-reservation revenue, is covered into the Treasury of the United States as a miscellaneous receipt; and there is appropriated so much as may be necessary to make refunds to depositors of money deposited by them in excess of amounts found actually due from them to the United States, and so much as may be necessary to refund to the rightful claimants such sums as may be found to have been erroneously collected for the use of lands, or for timber, or other

be found to have been erroneously collected for the use of lands, or for timber, or other resources sold from lands located within, but not a part of, the national forests, or for alleged illegal acts done upon such lands, which acts are subsequently found to have been proper and legal (U. S. Code, title 16, sec. 499)

Payment to States and Territories from the na-tional-forest fund—

Payment to school funds, Arizona and New Mexico, national-forest fund—

At the close of each fiscal year there is paid by the Secretary of the Treasury to each of these two States, as income for its common-school fund such proportion of the gross proceeds of all the national forests within the State as the area of lands granted to the State for school purposes within these forest reserves may bear to the total area of all national forests within these States (act June 20, 1910, 36 Stat. p. 561)—

National Forest Reservation Commission—

A sum sufficient to pay the necessary expenses of the commission and its members not to exceed an annual expenditure of \$25,000 has been appropriated, to be paid out on the audit and order of the president of the com-

\$3,000,000

1,700,000

75,000

1, 240, 000

500,000

40,000

71,665,000

\$475

4, 656, 096

3,000

28,000

15.000

10,000

National Forest Reservation Commission—Contd.

mission, which audit and order is conclusive and binding upon all departments as to the correctness of the accounts of the commission (U. S. Code, title 16, secs. 513 and 514)...

Cooperative agricultural extension work—

For the purpose of paying the expenses of cooperative agricultural extension work and the necessary printing and distributing of information in connection with same, there is permanently appropriated \$480,000 for each year, \$10,000 of which is paid annually to each State which has by action of its legislature assented to the provisions of the act. There was also appropriated an additional sum of \$600,000 for the fiscal year following that in which the foregoing appropriations first became available, and for each year thereafter for 7 years a sum exceeding by \$500,000 the sum appropriated for each preceding year, and for each year thereafter there is permanently appropriated the sum of \$4,100,000 in addition to the sum of \$480,000. The additional sums are allotted annually to each State by the Secretary of Agriculture and paid in the proportion which the rural population of each State bears to the total rural population of all the States as determined by the next preceding Federal census, but no payment out of the additional appropriations can be made in any year to any State until an equal sum has been appropriated for that year by the legislature of such State, or provided by State, county, college, local authority, or individual contributions from within the State, for the maintenance of cooperative agricultural extension work. On May 16, 1928, this appropriation was amended to include agricultural extension work. On May 16, 1928, this appropriation was amended to include a permanent allotment to the Territory of a permanent allotment to the Territory of Hawaii of \$10,000 plus an additional sum of \$12,935.43, subject to the same terms and conditions as the original act. The permanent annual appropriation was thereby increased to \$4,602,935.43 (U. S. C., title 7, secs. 342, 343; U. S. C., Supp. V, title 7, secs. 386–386b)

Total, Department of Agriculture, \$11,211,571. DEPARTMENT OF COMMERCE

Miscellaneous indefinite appropriations—
Refunding penalties or charges erroneously exacted (U. S. Code, title 46, sec. 541; title 5,

DEPARTMENT OF THE INTERIOR

(lands)

asing act—
Indefinite appropriation of 20 per cent of past production and 37½ per cent of future production of the amounts derived from bonuses, royalties, and rentals under the provisions of the mineral leasing act of February 25, 1920, to be paid by the Secretary of the Treasury after the expiration of each fiscal year to the States within the boundaries of which the

Payments to States from receipts under mineral leasing act—Continued.

Payments to States from receipts under mineral leasing act—Continued.

leased lands or deposits are or were located, said moneys to be used by the States or subdivisions thereof for the construction and maintenance of public roads or for the support of public schools or other educational institutions as the legislatures of the States may direct (U. S. Code, title 30, sec. 191).

Colleges for agriculture and the mechanic arts—Indefinite appropriation to pay each State and Territory for the more complete endowment and maintenance of colleges for the benefit of agriculture and the mechanic arts now established, or which may be hereafter established, in accordance with an act of Congress approved July 2, 1862.

That there shall be, and hereby is, annually appropriated, out of any money in the Treasury not otherwise appropriated, to be paid as hereinafter provided to each State and Territory for the more complete endowment and maintenance of agricultural colleges now established or which may hereafter be established, in accordance with the act approved July 2, 1862 (U. S. Code, title 7, secs. 321–328), the sum \$5,000 in addition to the sums named in the said act, for the fiscal year ending June 30, 1908, and an annual increase of the amount of such appropriation thereafter for four years by an additional sum of \$5,000 over the preceding year, and the annual sum to be paid thereafter to each State and Territory shall be \$50,000, to be applied only for the purposes of the agricultural colleges, as defined and limited in the act approved July 2, 1862, and the act approved August 30, 1890. That the sum hereby appropriated to the States and Territores for the further endowment and support of the colleges shall be paid by, to, and in the manner prescribed by the act of Congress approved Aug. 30, 1890, entitled "An act to apply a portion of the proceeds of the public lands to the more complete endowment and support of the colleges for the benefit of agriculture and the mechanic arts established under the provisions of the

Public schools, Alaska funds-

title 7, secs. 301-308, 321-328)

Public schools, Alaska funds—

That section 1 of an act entitled "An act to provide for the construction and maintenance of roads, the establishment and maintenance of schools, and the care and support of insane persons in the District of Alaska, and for other purposes," approved Jan. 27, 1905, as amended by an act approved May 14, 1906, and as further amended by an act approved Feb. 6, 1909, be, and the same is hereby, amended so as to read as follows:

"Section 1. That all moneys derived from and collected for liquor licenses, occupation or trade licenses, outside of the incorporated towns in the Territory of Alaska, shall be deposited in the Treasury Department of the United States, there to remain as a separate and distinct fund to be known as the 'Alaska fund,' and to be wholly devoted to the purposes hereinafter stated in the Territory of Alaska. Twenty-five per cent of said fund, or so much thereof as may be necessary, shall be devoted to the establishment and maintenance of public schools in said Territory;

* * *" (U. S. Code, title 48, secs. 41, 168).

Miscellaneous trust funds—

Pension money, St. Elizabeths Hospital (U. S. Code, title 24, secs. 161, 165)

Pension money, St. Elizabeths Hospital (U. S. Code, title 24, secs. 161, 165)

Personal funds of patients, St. Elizabeths Hos-

pital (same acts)
Outstanding liabilities, lands (U. S. Code, title 43, sec. 99)

The Coos Bay Wagon Road grant fund—
Indefinite appropriation of 25 per cent of the
balance of the proceeds from sales of the Coos
Bay Wagon Road grant lands and timber

\$1,000,000

2, 550, 000

55,000

80,000

160,000

500

1000	.01,111	11200112 120002	
The Coos Bay Wagon Road grant fund—Continued.		NAVY DEPARTMENT	
within each of the counties of Coos and		Pay of the Navy, deposit fund—	
Douglas, Oreg., after deducting the accrued		That any enlisted man or appointed petty offi- cer of the Navy may deposit his savings in	
taxes in said county and a sum equal to \$2.50 per acre for the land, title to which revested		sums not less than \$5 with the paymaster	
in the United States pursuant to the act of		upon whose books his account is borne; and	
Feb. 26, 1919, to be paid to the treasurer		he shall be furnished with a deposit book,	
of the county for common schools, roads, highways, bridges, and port districts (act Feb.		in which the said paymaster shall note, over his signature, the amount, date, and place of	
26, 1919, vol. 40, p. 1181)	\$10,000	such deposit. The money so deposited shall	
Payments to Oklahoma, royalties, oil and gas, south		be accounted for in the same manner as	
half of Red River— Indefinite appropriation of 37½ per cent of		other public funds, and shall pass to the credit of the appropriation for "Pay of the	
the royalties derived from the south half of		Navy," and shall not be subject to forfeiture	
Red River in Oklahoma under the provisions		by sentence of court-martial, but shall be	
of the act of Mar. 4, 1923, which shall be		forfeited by desertion, and shall not be per-	
paid to the State of Oklahoma in lieu of all State and local taxes upon tribal funds accru-		mitted to be paid until final payment on discharge, or to the heirs or representa-	
ing under said act, to be expended by the		tives of a deceased sailor, and that such de-	
State in the same manner as if received un-		posit be exempt from liability for such sailor's	
der section 35 of the act approved Feb. 25, 1920 (U. S. Code, title 30, sec. 191; public		debts: Provided, That the Government shall be liable for the amount deposited to the	
resolution, June 12, 1926, vol. 44, p. 740)	27,000	persons so depositing the same.	
Payments to certain counties of Oregon and Wash-		SEC. 2. That for any sums not less than \$5 de-	
ington in lieu of accrued taxes—		posited for the period of six months or longer	
Indefinite appropriation to pay to the several counties in the States of Oregon and Wash-		the sailor, on his final discharge, shall be paid interest at the rate of 4 per cent per	
ington amounts of money equal to the taxes		annum (U. S. Code, title 34, secs. 933 and	
that would have accrued against the revested		934)	\$22,500
Oregon and California land-grant lands if the lands had remained privately owned and tax-		Pay of the Marine Corps, deposit fund—	
able, all moneys paid hereunder to be charged		For soldier's deposits so much as may be necessary to refund such deposits: Provided, That	
against the Oregon and California land-grant	-	hereafter enlisted men in the Marine Corps	
fund (act July 13, 1926, vol. 44, p. 916)	575, 000	shall be entitled to deposit their savings	
Donations to National Park Service— Hereafter the Secretary of the Interior in his		with the United States, through any pay-	
administration of the National Park Service		master, in the same manner and under the same conditions as are now or may hereafter	
is authorized in his discretion to accept pat-		be provided for the enlisted men of the Navy:	
ented lands, rights of way over patented lands or other lands, buildings or other		Provided, however, That the sums so de-	
property within the various national parks		posited shall pass to the credit of the ap- propriation for pay of the Marine Corps	
and national monuments, and moneys which		(U. S. Code, title 34, sec. 975)	175, 000
may be donated for the purposes of the na-		Navy fines and forfeitures—	
tional park and monument system (U. S. Code, title 16, sec. 6)	50,000	Indefinite appropriation of the receipts from	
Alaska Railroad special fund—		fines and forfeitures imposed by naval courts-	
This fund is derived from operating revenues of		martial, applicable for payment for trans- portation of discharged prisoners to their	
the Alaska Railroad, reimbursements for ma-		homes, the balance not required for such	
terials and supplies, and special deposits for various purposes (U. S. Code, title 48, sec.		payments to be transferred to the naval hos-	40,000
306; decision of Comptroller General, Mar. 11,		pital fund (U. S. Code, title 34, sec. 962)	40,000
1931, A-35435)	1, 291, 300	Ships' stores profits, Navy—	
Indian moneys, proceeds of labor—		Profits on certain sales, to be expended for the recreation and amusement of the en-	
The proceeds of all pasturage and sales of tim- ber, coal, or other product of any Indian res-		listed force of the Navy (U. S. Code, title 34,	
ervation, except those of the Five Civilized		secs. 533, 542)	800,000
Tribes, and not the result of the labor of any		Naval Hospital fund—	
such tribe, shall be covered into the Treasury member of such tribe, shall be covered into		Indefinite appropriation of the hospital tax of 20 cents per month collected from the officers	
the Treasury for the benefit of such tribe		and men of the Navy, and of the pensions of	
under such regulations as the Secretary of		the inmates of the Naval Home at Philadel-	
the Interior shall prescribe. The Secretary of the Interior is hereby au-		phia, Pa., together with the balance of fines	
thorized to use the money which has been or		and forfeitures imposed by naval courts- martial not needed for transportation, etc.,	
may hereafter be covered into the Treasury		of discharged prisoners to their homes (U.S.	
under the provisions of the act approved		Code, title 24, secs. 3-6; acts Mar. 2, 1799,	800 000
Mar. 3, 1883, * * * for the benefit of the several tribes on whose account said money		vol. 1, p. 729; Feb. 26, 1811, vol. 2, p. 650) Naval Home, Philadelphia, Pa.—	600,000
was covered in, in such way and for such pur-		For expenses of the Naval Home, Philadelphia,	
poses as in his discretion he may think best		Pa., as authorized in the annual naval act to	
(acts Mar. 3, 1883, vol. 22, p. 590, sec. 2; Mar. 2, 1887, vol. 24, p. 463, sec. 1)	1,300,000	be paid from the interest on the Navy pen-	
Miscellaneous trust funds of Indian tribes—		sion fund (U. S. Code, title 24, sec. 6; act Mar. 1, 1869, vol. 15, p. 277)	185,000
Indefinite appropriations to pay principal of		Miscellaneous indefinite appropriations—	2000
moneys belonging to various tribes of In- dians, as provided by various treaty stipula-		Indemnity to seamen and marines for lost	and the state of
tions and acts of Congress	5, 800, 000	clothing (U. S. Code, title 31, sec. 711)	50
Interest on Indian trust funds—		Total, Navy Department, \$1,322,550.	
Indefinite appropriations to pay interest on		POST OFFICE DEPARTMENT	
moneys belonging to various tribes of In- dians, as provided by various treaty stipula-		Adjusted losses and contingencies, postal funds— Indefinite appropriation to enable the Post-	
tions and acts of Congress	800,000	master General to pay to postmasters or	
Civilization of the Sioux (act of Mar. 2, 1899,	150 000	credit them with the amount ascertained to	
vol. 25, p. 895, sec. 17)Annette Islands Reserve, Alaska, fund from leases,	150,000	have been lost or destroyed through burglary,	
special fund—		fire, or other unavoidable casualty resulting from no fault or negligence on the part of	
Indefinite appropriation of receipts from can-		such postmasters (U. S. Code, title 39, sec.	THE REAL PROPERTY.
nery and fishing leases on Annette Islands Reserve for community purposes for the resi-		49; Supp. V, title 39, sec. 49)	35,000
dents of Annette Islands (U. S. Code, title 48,		Unpaid money orders more than one year old—	
sec. 358)	20,000	Indefinite appropriation to permit the Post- master General to make payment of domes-	
Total, Department of the Interior, \$13,921,800.		tic money orders after one year from the last	
DEPARTMENT OF LABOR		day of the month of issue of such orders out	
Miscellaneous indefinite appropriations— Naturalization fees, publishing citizenship text-		of any money in the Treasury to the credit of the Post Office Department to the extent	
books, Bureau of Naturalization (U. S. Code,	The second	of the moneys paid in on this account, the	
title 8, sec. 387)	4,000	payments so made to be charged to an ap-	

\$130,000

10,000

20,000

1,000

426, 489, 600

Unpaid money orders more than one year old—Con.
propriation account denominated "Unpaid
money orders more than one year old" (U. S.
Code, title 39, sec. 718)
Total, Post Office Department, \$165,000.

DEPARTMENT OF STATE

Pay of consular officers for services to American vessels and seamen-

Allowance to consular officers, who are paid in whole or in part by fees, for services necessarily rendered to American vessels and seamen, as provided in the act of June 26, 1884 (U. S. Code, title 22, sec. 89, title 46, sec. 101)

Miscellaneous trust funds-

Indefinite appropriation of all moneys re-ceived by the Secretary of State from foreign governments and other sources, in trust for citizens of the United States or others, and covered into the Treasury, to be paid to the ascertained beneficiaries thereof as determined by the Secretary of State and certified by him to the Secretary of the Treasury (U. S. Code, title 31, sec. 547).

Estates of decedents (U. S. Code, title 22, sec. 75)

Miscellaneous indefinite appropriations-

Refunding penalties, etc., erroneously exacted (U. S. Code, title 18, sec. 643; Supp. III, title 22, sec. 643)

Refunding moneys erroneously received and covered (U. S. Code, title 31, sec. 711)

Refunding passport fees (U. S. Code, title 22, sec. 216) Total, Department of State, \$31,000.

TREASURY DEPARTMENT

king fund—
Sec. 6. (a) That there is hereby created in the Treasury a cumulative sinking fund for the retirement of bonds and notes issued under the first Liberty bond act, the second Liberty bond act, the fourth Liberty bond act, or under this act, and outstanding on July 1, 1920. The sinking fund and all additions thereto are hereby appropriated for the payment of such bonds and notes at maturity, or for the redemption or purchase thereof before maturity by the Secretary of the Treasury at such prices and upon such terms and conditions as he shall prescribe, and shall be available until all such bonds and notes are retired. The average cost of the bonds and notes purchased Sinking fundprescribe, and shall be available until all such bonds and notes are retired. The average cost of the bonds and notes purchased shall not exceed par and accrued interest. Bonds and notes purchased, redeemed, or paid out of the sinking fund shall be canceled and retired and shall not be reissued. For the fiscal year beginning July 1, 1920, and for each fiscal year thereafter, until all such bonds and notes are retired, there is hereby appropriated, out of any money in the Treasury not otherwise appropriated, for the purpose of such sinking fund, an amount equal to the sum of (1) 2½ per cent of the aggregate amount of such bonds and notes outstanding on July 1, 1920, less an amount equal to the par amount of any obligations of foreign governments held by the United States on July 1, 1920, and (2) the interest which would have been payable during the fiscal year for which the appropriation is made on the bonds and notes purchased, redeemed, or paid out of the sinking fund during such year or in previous years. That subdivision (a) of section 6 of the Victory

deemed, or paid out of the sinking fund during such year or in previous years.

That subdivision (a) of section 6 of the Victory
Liberty loan act is amended by inserting before the period at the end of the first sentence a comma and the following words:

"and of bonds and notes thereafter issued,
under any of such acts or under any of such
acts as amended, for refunding purposes"

(U. S. Code, title 31, sec. 767)

Obligations retired from Federal reserve bank franchise-tax receipts—

chise-tax receipts—
Sec. 7. * * * The net earnings derived by the United States from Federal reserve banks the United States from Federal reserve banks shall, in the discretion of the secretary, be used to supplement the gold reserve held against outstanding United States notes, or shall be applied to the reduction of the outstanding bonded indebtedness of the United States under regulations to be prescribed by the Secretary of the Treasury. Should a Federal reserve bank be dissolved or go into liquidation, any surplus remaining after the

Obligations retired from Federal reserve bank franchise-tax receipts—Continued.

payment of all debts, dividend requirements as hereinbefore provided, and the par value of the stocks shall be paid to and become the property of the United States and shall be similarly applied (U. S. Code, title 12, sec. 290) sec. 290)_

Obligations retired from net earnings derived by the United States from Federal intermediatecredit banks-

redit banks—
SEC. 206. (b) * * * The net earnings derived by the United States from Federal intermediate credit banks shall, in the discretion of the Secretary of the Treasury, be used to supplement the gold reserve held against outstanding United States notes, or shall be applied to the reduction of the Outstanding bonded indebtedness of the United States under regulations to be prescribed by States under regulations to be prescribed by the Secretary of the Treasury. Should a Federal intermediate credit bank be dissolved or go into liquidation, after the payment of all debts and other obligations as herein-before provided, any surplus remaining shall be paid to and become the property of the United States and shall be similarly applied (U. S. Code, title 12, sec. 1072) ___ Miscellaneous-

Forfeitures, gifts, etc., in connection with redemption of the public debt_____

Interest on the public debt—
Indefinite appropriation for payment of interest
on public debt (U. S. Code, title 31, sec.

Expenses of Loans (act Sept. 24, 1917, as amended and extended)-

Indefinite appropriation of an amount not exceeding one-tenth of 1 per cent of the amount of bonds and certificates of indebtedness authorized for payment of all necessary expenses of issue, including rent (U. S. Code,

expenses of issue, including rent (U. S. Code, title 31, sec. 759). Indefinite appropriation of a sum not exceeding one-fifth of 1 per cent of the amount of bonds, notes, and war-savings certificates and one-tenth of 1 per cent of the amount of certificates of indebtedness authorized for payment of all necessary expenses of issue, including rent (U. S. Code, title 31, secs. 759, 760)

(This appropriation limited after June 30, 1921, by act of May 29, 1920, vol. 41, p. 646, but by the act of June 16, 1921, vol. 42, p. 36, sec. 1, the provisions of the act of Sept. 24, 1917, were extended to cover operations arising in connection with any public-debt issues made subsequent to June 30, 1921, etc.)

Miscellaneous special funds-

Salaries and expenses, national-bank examiners
(U. S. Code, title 12, sec. 482)

Purchases and/or redemption of Bonds, etc., from

cash repayments of principal by foreign governments-

SEC. 3. That the Secretary of the Treasury, under such terms and conditions as he may prescribe, is hereby authorized to receive on or before maturity payment for any obligaor before maturity payment for any obligations of such foreign governments purchased on behalf of the United States, and to sell at not less than the purchase price any of such obligations and to apply the proceeds thereof, and any payments made by foreign governments on account of their said obligations to the redemption or purchase at not more than par and accrued interest of any bonds of United States issued under the authority of this act; and if such bonds are not available for this purpose, the Secretary of the Treasury shall redeem or purchase any other outstanding interest-bearing obligations of the United States which may at such time be subject to call or which may be purchased at not more than par and accrued interest not more than par and accrued interest (U. S. Code, title 31, sec. 804) ______Contingent expenses, national currency (reimburs-

able): Indefinite appropriation to pay the charges for transportation and the cost of assorting national-bank notes, except salaries, forwarded to the Treasury of the United States for redemption under the provisions of the act of June 20, 1874, and amendatory act of July 12, 1882, and the act of December 23, 1913 (U. S. C., title 12, secs. 121, 127)_____ \$1,000,000

75,000

100,000

640, 000, 000

468, 352

2,600,000

69, 138, 878

110, 310

87, 500, 000

12, 500, 000

5,500

350,000

150,000

1.000

\$45,777

1,200

1,000

18,000

100

100,000

835,000

5,000

13,000

100

Preparation, custody, and delivery of farm-loan bonds (reimbursable):
Indefinite appropriation to cover the expenses incurred in the preparation, custody, and delivery of farm-loan bonds, reimbursable by the Farm Loan Board through assessment upon the farm-loan banks in proportion to the work executed (U. S. C., title 12, sec. 864) Preparation, custody, and delivery of Federal intermediate-credit bank securities (reimbursable):
Indefinite appropriation to cover the expenses incurred in the preparation, custody, and delivery of Federal intermediate-credit bank securities, reimbursable by the Federal Farm Loan Board through assessment upon the Federal intermediate-credit banks in proportion to the work executed (U. S. C., title 12, sec. 1042) sec. 1042)__ Recoinage of silver coins:

That the Secretary of the Treasury is hereby authorized and directed to cause all worn and uncurrent subsidiary silver coin of the United States now in the Treasury, and hereafter received, to be recoined, and to reimburse the Treasurer of the United States for the difference between the nominal or face value of such coin and the amount the same will produce in new coin from any moneys in the Treasury not otherwise appropriated (U. S. C., title 31, sec. 320)

Relief of the indigent, Alaska fund, special fund— Indefinite appropriation of 10 per cent of the receipts from licenses collected outside of incorporated towns in Alaska, to be expended Recoinage of silver coins: corporated towns in Alaska, to be expended for the relief of persons in Alaska who are indigent and incapacitated through nonage, old age, sickness, or accident (U. S. C., title 48, sec. 41) Redistribution, funds for indigent, Alaska fund, spe-Guard proceeds of sales (U.S.C., the sec. 69)

Rebuliding and improving Coast Guard stations proceeds of sales (U.S.C., title 14, sec. 109)

Allowance or drawback (internal revenue)

Indefinite appropriation to pay allowance or drawback on articles on which any internal duty or tax shall have been paid when said articles are exported (U.S.C., title 26, secs. 788, 852) articles are exported (U. S. C., title 26, secs. 788, 852)

Redemption of stamps (internal revenue)—

Indefinite appropriation of such sum of money as may be necessary to repay the amount or value paid for stamps which may have been spoiled, destroyed, or rendered useless or unfit for the purpose intended, or which, through mistake, may have been improperly or unnecessarily used (U. S. C., title 26, sec. 1174; title 31, sec. 711, Supp. V, title 26, sec. 1174; title 31, sec. 711, Supp. V, title 26, sec. 1174; title appropriation to refund any legacy taxes erroneously or illegally assessed or collected under the provisions of section 29 of the act of June 13, 1898 (37 Stat. 240) the claims for which may be presented to the Commissioner of Internal Revenue not later than six months after the passage of the act of Mar. 30, 1928 (act Mar. 30, 1928, vol. 45, p. 398, sec. 2)

Additional income tax on railroads in Alaska—

That in addition to the normal income tax of 1 per cent on net income there shall be levied and collected 1 per cent on the gross annual income of all railroad corporations doing per cent on net income there shall be levied and collected 1 per cent on the gross annual income of all railroad corporations doing business in Alaska. on business done in Alaska. * * * Which tax when collected shall be paid to the treasurer of Alaska and be applicable to general Territorial purposes. * * * (U. S. Code, title 48, sec. 309).....

Puerto Rico special fund (internal revenue)—

That hereafter all taxes collected under the internal revenue laws of the United States on articles produced in Puerto Rico and transported to the United States or consumed in the island shall be covered into the treasury of Puerto Rico (U. S. Code, title 26, sec. 1164c)

To enable the Secretary of the Treasury to refund duties and correct errors in liquidation of entries in the following cases:

(1) Excess deposit.—Whenever it is ascertained on final liquidation or reliquidation of an entry that more money has been deposited or paid than was required by law to be so deposited or paid;

To enable the Secretary of the Treasury to refund duties and correct errors in liquidation of entries in the following cases:

(2) Erroneous charges.—Whenever it is determined in the manner required by law that any fees, charges, or exactions, other than duties, have been erroneously collected:

(3) Clerical error.—Whenever a clerical error is discovered in any entry or Refund of excessive duties (customs)derical error.—Whenever a clerical error is discovered in any entry or liquidation within one year after the date of entry, or within 60 days after liquidation when liquidation is made more than 10 months after the date of entry; and of entry; and

(4) Household goods.—Whenever duties have been paid on household or personal effects which by law were not subject to duty, notwithstanding a protest was not filed within the time and in the manner prescribed by law (U.S.C., Supp. V, title 19, sec. 1520).

Debentures or drawbacks, bounties or allowances (customs)— Indefinite appropriation for the payment of de-bentures or drawbacks, bounties, and allow-ances, which are or may be authorized and payable according to laws authorizing them: Provided, That the collectors of customs shall be the dispursing agents to pay the same be the disbursing agents to pay the same (U. S. Code, title 31, sec. 711, U. S. C., Supp. V, title 19, secs. 1313, 1557) Philippine special fund (customs)-sec. 4). That there shall be levied, collected, and paid in the United States, upon articles, goods, wares, or merchandise coming into the United States from the Philippine Islands a United States from the Philippine Islands a tax equal to the internal-revenue tax imposed in the United States upon like articles, goods, wares, or merchandise of domestic manufacture * * *: And provided further, That from and after the passage of this act all internal revenues collected in or for account of the Philippine Islands shall accrue intact to the general government thereof and be paid into the insular treasury (U. S. Code, Supp. V, title 19, sec. 1301).

Allowances or drawback (industrial alcohol)—
Indefinite appropriation to pay allowance or drawback on internal-revenue tax paid on distilled spirits used in the manufacture of distilled spirits used in the manufacture of flavoring extracts, medicinal or tollet prep-arations exported (U. S. Code, title 26, sec. 377) ---Refunding moneys erroneously received and covered (internal revenue)— Indefinite appropriation to refund moneys received and covered into the Treasury before the payment of legal and just charges against the same (U. S. Code, title 31, sec. 711)_____

\$5,000

10,000

1,000,000

75,000

Miscellaneous indefinite appropriations Under Customs Service

Refunding moneys erroneously received and covered (customs) (U. S. Code, title 31, sec. 711)

Refunding penalties or charges erroneously exacted (customs) (U. S. Code, title 18, sec. 643)_

Proceeds of goods seized and sold (customs)
(U. S. Code, title 31, sec. 711)

Refunding proceeds of unclaimed merchan-

dise (customs) (U. S. Code, title 31, sec. 711)

sec. 711)

To promote the education of the blind (interest)

Amount equivalent to the interest at 4 per cent
per annum on trust fund of \$250,000, set
apart to promote the education of the blind,
and to be paid to the American Printing
House for the Blind (U. S. Code, title 20, sec.
101; U. S. C. Supp. V, title 20, sec. 101)

Total, Treasury Department, \$1,161,522,917.

WAR DEPARTMENT

Pay of the Army, deposit fund—
Sec. 1305. Any enlisted man of the Army may deposit his savings, in sums not less than \$5, with any Army paymaster, who shall furnish him a deposit book, in which shall be entered the name of the paymaster and of the soldier, and the amount, date, and place of such deposit. The amount so deposited shall be accounted for in the same manner as other public funds, and shall be deposited in the Treasury of the United States and kept as a separate fund, known as pay of Army deposit fund, repayment of which to the enlisted man on discharge from the service shall be made out of the fund created by said deposits, and shall not be subject to forfeiture by sentence of court-martial, but shall be forfeited by desertion, and shall not be permitted to be paid until final payment on discharge, or to the heirs or representatives of a deceased soldier, and that such deposits be exempt from liability for such soldier's debts:

Provided, That the Government shall be liable for the amount deposited to the persons so depositing the same (U. S. Code, title 10, sec. 906)

Ordnance material, proceeds of sales—
Indefinite appropriation of an amount equal

10, sec. 906)

Ordnance material, proceeds of sales—
Indefinite appropriation of an amount equal to the proceeds of sales of useless ordnance material by the War Department covered into the Treasury to be applied to the purpose of procuring a supply of material adapted in manufacture and caliber to the present wants of the service; but there shall be expended under this provision not more than \$75,000 in any one year (act Mar. 3, 1875, vol. 18, p. 388).

Soldiers' Home permanent fund—

Soldiers' Home permanent fund

diers' Home permanent fund—
Indefinite appropriation of all stoppages or fines adjudged against soldiers by sentences of court-martial, over and above any amount that may be due for the reimbursement of Government or of individuals; all forfeitures on account of desertion, and all moneys belonging to the estates of deceased soldiers which now or may hereafter be unclaimed for the period of three years subsequent to the death of said soldier or soldiers, to be paid by the commissioners of the institution, upon demand of the betts or legal representatives demand of the heirs or legal representatives

of the deceased.

The commissioners are also authorized to receive all donations of money or property made by any person for the benefit of the institution and hold the same for its sole and exclusive

That all funds of the home not needed for current use, and which are not now invested in United States registered bonds, shall, as soon as received or as soon as present investments can be converted into money without loss, be deposited in the Treasury of the United States to the credit of the home as a United States to the credit of the home as a permanent fund and shall draw interest at the rate of 3 per cent per annum, which shall be paid quarterly to the treasurer of the home, and the proceeds of such registered bonds, as they are paid, shall be deposited in like manner. No part of the principal sum so deposited shall be withdrawn for use except upon a resolution of the board of commissioners, stating the necessity, and approved by the Secretary of War (U. S. Code, title 31, sec. 711; title 24, secs. 44-46) Soldiers' Home, interest account— That all funds of the home not needed for cur-

sec. 711; title 24, secs. 44-46)

Preservation, birthplace of Lincoln—
Interest from an endowment fund, title to which was transferred to the United States by the Lincoln Farm Association on April 11, 1916, in connection with deed of gift covering the homestead of Abraham Lincoln and the log cabin in which he was born. This fund has been converted into Government bonds amounting to \$46,000, the income from which is available for expenses incident to the preservation of the birthplace of Lincoln (U. S. Code, title 16, sec. 211)

Permanent International Commission of Congresses

Permanent International Commission of Congresses of Navigation-

That the sum of \$3,000 a year is hereby appropriated for the support and maintenance of the Permanent International Commission of the Congresses of Navigation and for the payment of the actual expenses of the properly accredited national delegates of the United States to the meetings of the congresses and of the commission (U. S. Code, title 22, sec. 266)

Operation and care of canals and other works of

navigation-

That no tolls or operating charges whatever shall be levied upon or collected from any vessel, dredge, or other water craft for passing through any lock, canal, canalized river, or other work for the use and benefit of navi-

Removing sunken vessels or craft obstructing or endangering navigation

Indefinite appropriation for removal of obstruc-tions to navigation (U. S. Code, title 33, sec.

Removing obstructions in Mississippi, Atchafalaya, and Old Rivers____

Operating snag and dredge boats on upper Mississippi, Illinois, and Minnesota Rivers.

That for the purpose for securing the uninterrupted work of operating snag boats on the upper Mississippi River, and of removing snags, wrecks, and other obstructions in the Mississippi River and of the Mississippi River and of the Secretary of West Lines. snags, wrecks, and other obstructions in the Mississippi River, the Secretary of War, upon the application of the Chief of Engineers, is hereby authorized to draw his warrant or requisition from time to time upon the Sec-retary of the Treasury for such sums as may be necessary to do such work, not to exceed in the aggregate for each year the amounts appropriated in this act for such purposes: Provided, however, That an itemized state-ment of such expenses shall accompany the annual report of the Chief of Engineers.

annual report of the Chief of Engineers.

That the annual appropriation for operating snag boats on the upper Mississippi River made by section 7 of the act of Aug. 11, 1888, entitled "An act making appropriations for the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes," is hereby made available for similar purposes on the Illinois River, from its mouth to Copperas Creek.

\$110,000

2,040

3 000

7, 750, 000

450,000

100,000

25,000

607,000

250,000

500,000

140,000

1933 Operating snag and dredge boats on upper Mississippi, Illinois, and Minnesota Rivers—Continued. The permanent annual appropriation for the removal of snags in the Mississippi River under the river and harbor act of Aug. 11, 1888, shall be available for the removal of snags and other floating and sunken obstructions in the Atchafalaya and Old Rivers from the junction with the Mississippi and Red Rivers down the Atchafalaya River as far as Melville, La., and so much of said appropriation as the Secretary of War may deem necessary may be expended for such removal. That the annual appropriation for operating necessary may be expended for such removal. That the annual appropriation for operating snag boats on the upper Mississippi River made by section 7 of the river and harbor act of Aug. 11, 1888, is hereby made available for similar purposes on the Minnesota River and other tributaries of the upper Mississippi River now or heretofore improved by the United States (U. S. Code, title 33, secs. 604, 605).

Operating snag boats on the Ohio River—

That for the purpose of securing the uninterrupted work of operating snag boats on the Ohio River and removing snags, wrecks, and other obstructions in said river, the Secretary of War, upon the application of the Chief of Engineers, is hereby authorized to draw his of War, upon the application of the Chief of Engineers, is hereby authorized to draw his warrant or requisition from time to time upon the Secretary of the Treasury for such sums as may be necessary to do such work, not to exceed in the aggregate for each year the sum of \$25,000: Provided, however, That an itemized statement of said expenses shall accompany the annual report of the Chief of Engineers of Engineers.

That section 13 of "An act making appropriations for the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes," approved Sept. 19, 1890, is hereby amended by inserting the words "fifty thousand dollars" in lieu of the words "twenty-five thousand dollars" therein contained (U. S. Code, title 33, sec. 606) sec 606) Funds contributed for river and harbor improve-Indefinite appropriation of the amounts received and covered into the Treasury as contributions by citizens in certain localities for river and harbor improvements as provided in various acts of Congress (U. S. C., title in various acts of Congress (U. S. C., title 33, sec. 560)

Maintenance and operation of dams and other improvements of navigable waters—

Indefinite appropriation of 50 per cent of receipts from certain licenses under the Federal water power act to be received and appropriated as a special fund in the Treasury for expenditure under the direction of the Secretary of War in the maintenance and operation of dams and other navigation structures owned by the United States or for other improvements of navigable waters (U. S. C., title 16, sec. 810)

Funds advanced for river and harbor improvements— Indefinite appropriation of the amounts received and covered into the Treasury as advances by local interests for prosecution of
works of river and harbor improvement in
accordance with section 11 of the river and
harbor act approved Mar. 3, 1925. The Secretary of War is hereby authorized and directed to repay without interest, from appropriations which may be provided by Congress
for river and harbor improvements, the
moneys so contributed and expended (II.S. C. moneys so contributed and expended (U. S. C., title 33, sec. 561)

Funds contributed for flood control, Mississippi River, its outlets and tributaries— Indefinite appropriation of the amounts received and covered into the Treasury as contributions by local interests for prosecuting work of flood control in accordance with the provisions of the flood control act approved May 15, 1928 (U. S. C., Supp. V, title 33, sec. 702) Funds contributed for flood control, Sacramento Inds contributed for nood control, Sacramento River, Calif.—
Indefinite appropriation of the amounts received and covered into the Treasury as contributions by the State of California for prosecuting work of flood control in accordance with the provisions of the flood control act approved Mar. 1, 1917, as modified by the flood control act of May 15, 1928 (U. S. C., Supp. V, title 33, sec. 704)

Wagon roads, bridges, and trails, Alaska fund—
Indefinite appropriation of 65 per cent of all
moneys derived from and collected for occupation or trade licenses, cutside of the incorporated towns in the Territory of Alaska,
and also any unexpended balance remaining
of 10 per cent of all such moneys appropriated and authorized to be expended for the relief of indigent persons in Alaska, shall be devoted to the construction and maintenance \$130,000 90,000 1.000 23,000 900 Maintenance of channel, South Pass, Mississippi intenance of channel, South Pass, Mississippi liver—

The act of Congress approved June 6, 1900 (31 Stat., p. 585, sec. 3), provides that the Secretary of War is hereby authorized, in his discretion, to terminate the contract heretofore entered into with the late James B. Eads for the maintenance of the channel through the South Pass of the Mississippi River, in pursuance of an act of Congress approved Mar. 3, 1875, * * * and of an act of Congress approved Mar. 3, 1879. * * In case of the termination of said contract by virtue of the provisions hereof or by expiration of said contract, the Secretary of War is hereby directed to take charge of said channel, including the jettles, and all auxiliary works connected therewith, and thereafter to maintain with the utmost efficiency said South Pass channel; and for that purpose he is hereby authorized to draw his warrants from time to time on the Treasurer of the United States, until otherwise provided for by law, for such sums of money as may be necessary, not to exceed in the aggregate for any one year \$100,-000 * * * (U.S.C., title 33, sec. 602)....ging waters of the Mississippi and its tributaries—For the purpose of securing the uninterrunted. River-\$50,000 650,000 Gaging waters of the Mississippi and its tributaries. For the purpose of securing the uninterrupted gaging of the waters of the Mississippi River and its tributaries, as provided for in joint resolution of the 21st of February, 1871, upon the application of the Chief of Engineers, the Secretary of War is hereby authorized to draw his warrant or requisition from time to time upon the Secretary of the Treasury for such sums as may be necessary to do such work, not to exceed in the aggregate for each year the sum of \$9,600: Provided, however, That an itemized statement of said expenses shall accompany the annual report of the Chief of Engineers (U. S. C., title 33, sec. 4)...... 100,000 9,600 Examinations and surveys of South Pass, Mississippi River The provisions of the act of Mar. 3, 1875, and of the act of Aug. 11, 1888, with regard to examinations and surveys of South Pass, mouth of the Mississippi River, shall remain in force as fully as though they were herein reenacted in express terms, notwithstanding the termination of the contract with the late James B. Eads and associates (U. S. Code, title 33, sec. 602)

Total War Department, \$12,576,540. 10,000 DISTRICT OF COLUMBIA Refunding taxes, District of Columbia-Refunding taxes, District of Columbia—
For payment of amounts collected by the District erroneously on account of taxes, fines, fees, and similar charges, which are returned to the respective parties who may have erroneously paid the same (chargeable to the revenues of the District of Columbia) (act June 11, 1878, vol. 20, pp. 102–108, secs. 3, 4)———Extension of streets and avenues, District of Columbia— 500,000 60,000 lumbia

In the various appropriations on account of ex-tension of streets and avenues in the Dis-

Extension of streets and avenues, District of Columbia--Continued

trict of Columbia, it has been the practice to make the payment of the amount awarded as damages resulting from condemnation proceedings indefinite, inasmuch as no estiproceedings indefinite, inasmuch as no esti-mate could be made as to the amount that would be awarded by the jury of condemna-tion in the several causes chargeable to the revenues of the District of Columbia (charge-able to the revenues of the District of Columbia) (act Mar. 3, 1899, vol. 30, p. 1345,

Industrial Home school fund, District of Colum-

This fund is derived from collections made on account of farm and greenhouse products by inmates of said school, and is used for miscellaneous expenses of maintenance, and June 11, 1896, vol. 29, p. 411, sec. 91) _____ers' retirement fund, District of Columbia—

Indefinite appropriation of the amounts de-ducted from the basic salaries of teachers of the public schools of the District of Columbia, to be deposited in the Treasury of the United States to the credit of an indi-vidual account of the teachers from whose salary the deduction is made. The fund thus created to be held and invested until paid out as provided in the acts of Congress in relation thereto (acts Jan. 15, 1920, vol. 41, p. 387, secs. 1, 2; June 5, 1920, vol. 41, p. 852, sec. 1; June 11, 1926, vol. 44, p. 727)_____
Escheated estates relief fund, District of Columbia

This fund is derived from proceeds of sale of effects of deceased persons in the District who die leaving no heirs or next of kin, and is expended for the benefit of the poor of the District (act Mar. 3, 1901, vol. 31, p. 1251,

sec. 388)

Miscellaneous trust-fund deposits, District of Columbia

This fund is derived from deposits made by property owners, corporations, and others on account of work to be performed by the District in connection with cuts in streets, special sewers, and various engineering projects, the whole cost of which is payable by the depositor; there are also carried in this account several bequests for the benefit of cer-tain charitable and religious institutions, and as a fund to provide awards for prizes for excellence in school work (act Apr. 27, 1904, vol. 33, p. 368)

Washington redemption fund, District of Columbia

This fund is derived from the collections on account of payments made by persons redeeming their property which has previously been sold for taxes; payments from this fund are made to the various holders of certificates representing purchases of such unpaid taxes (act June 11, 1878, vol. 20, pp. 102–108, secs. 1–15)

Permit fund, District of Columbia

This fund is derived from deposits made by property owners for various improvements, sewers, etc., of which the half cost is paid by said owner (act Aug. 7, 1894, vol. 28, p.

Firemen's relief fund, District of Police and Columbia

This fund consists of fines imposed upon members of the police and fire departments by way of discipline; rewards, gifts, and emoluments received for extraordinary services; a deduction of 3½ per cent of the monthly salary of each member of said department; donations; net proceeds of sale of unclaimed property; any deficiencies in said fund being paid from the general revenues of the District of Columbia. Payments are made to pensioners under said fund pursuant to law (acts Feb. 25, 1885, vol. 23, pp. 316, 317, sec. 1; Sept. 1, 1916, vol. 39, p. 718, sec. 12; Sept. 8, 1916, vol. 39, p. 809, sec. 1; July 3, 1930, vol. 46, p. 973)

Total, District of Columbia, \$3,252,000.

Total permanent and indefinite appropriations_ 1, 285, 191, 028

The foregoing list of the permanent appropriations contains only those appropriations which are active and involve disbursements during the current fiscal year. There are doubtless numerous other permanent appropriations which

are dormant at the present time and some of which may have already run their course so that expenditures will not recur under them.

Since its appointment the subcommittee has held several meetings and has made substantial progress in the study of the character of the permanent appropriations with a view of determining which of them should be converted to an annual appropriation status for inclusion in the regular annual appropriation bills.

Believing that no action should be recommended without first giving the heads of the various departments opportunity to be heard on the question of the repeal of the permanent appropriations coming within their respective purviews, the committee has advised each of them respecting its investigations and has requested them to be prepared to appear, when the committee shall have resumed its work in the forthcoming extra session of the Congress, to show cause, if any, why the permanent appropriations over which they have jurisdiction should not be repealed or converted to the status of regular annual appropriations, so as to be annually subject to examination and review.

Mr. KETCHAM. Mr. Speaker, I ask unanimous consent to address the House for five minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection. 450,000

Mr. KETCHAM. Mr. Speaker, 12 years ago I came to the House of Representatives, and I think the first word I ever spoke upon the floor was a word in behalf of farm people, for whom and with whom I had been working all my life.

To-morrow with the sound of the gavel in the South [laughter] I shall have completed 12 years of service, and nothing finer could happen to me than to have the last word that I shall be privileged to say to the membership of the House spoken in behalf of this same splendid group.

So, Mr. Speaker, in these last minutes I express the hope and the wish that even in the closing hours of the session by some form of parliamentary procedure we may be given the opportunity of voting for one more piece of legislation that I believe will bring hope and comfort and renewed confidence to millions of men upon the farms and in the small homes of the United States of America. I sincerely hope and I plead with the majority, which is charged with the responsibility, that we may be given the opportunity to cast our vote upon the so-called Hull-Walcott bill, which will provide temporary mortgage relief to this vast group of farm and city people until permanent legislation can be devised and passed in the special session of Congress. I believe this will bring relief, satisfaction, and reassurance to the farmers, with whom I have been so delightfully associated during all these years.

Now, Mr. Speaker, may I say just one additional word, and that is a word of appreciation for all the kindnesses that have been extended to me individually since I came here 12 years ago.

According to the calendar and Doctor Osler I am now an old man. [Laughter.] I have attained, if you will pardon the personal reference, the ripe old age of 60 years. From this vantage ground of experience may I just tender this little word of farewell and good-by.

I want to say to you, friends, that I do not go away from this Chamber with overwhelming regret; in fact, I do not know that I have stated to you the real reason I go away. It is simply because my constituents, from whom I have been absent for 12 years, could stand it no longer without my presence, and, consequently, on November 8 they extended a cordial invitation that I return and associate with them. [Laughter.] So I am going back, not consumed with regrets but with every recollection of satisfaction and pleasure, as I shall remember the delightful associations that have come to me during the last 12 years. In view of the tremendous problems that are ahead of you in the days to come, may I leave just this one little sentiment that came to us out of the war times, but which has unusual application for the day and generation in which we live. Some finely inspired young man during the days of the war penned this

1.000

\$250,000

1,000

900,000

750,000

40,000

800,000

delightful little tribute to inspire us to meet the situation of those crucial hours, and I pass it on to those of you who shall carry the flag along in the times that you are about

> Here's to the blue of the wind-swept North, When we meet on the fields of France. May the spirit of Grant be over them all When the sons of the North advance.
>
> And here's to the gray of the sun-kissed South,
>
> When we meet on the fields of France, May the spirit of Lee be over them all When the sons of the South advance And here's to the North and the South as one, When we meet on the fields of France. May the spirit of God be over them all When the sons of the flag advance.

In that spirit of unity and devotion to the highest and best, I challenge you to carry on.

Good-bye and good luck to you all. [Applause.]

ORDER OF BUSINESS

The SPEAKER. The Chair wants to explain to the Members who have come into the Chamber in response to the bells that the Chair took the privilege of having the bells rung on account of the fact that many Members had left the Chamber under the impression that probably no matters of importance would come up during the balance of this session. The Chair found there was pending a conference report from the Banking and Currency Committee; and also a Senate resolution dealing with the banking situation in the District of Columbia, and therefore had the bells run so that the Members could be present.

CONDUCT OF BANKING BUSINESS IN THE DISTRICT OF COLUMBIA

Mr. STEAGALL. Mr. Speaker, I ask unanimous consent to take from the Speaker's table Senate joint resolution (S. J. Res. 261), authorizing the Comptroller of the Currency to prescribe regulations respecting the conduct of banking business in the District of Columbia, and consider the same.

Mr. BUSBY. Mr. Speaker, I object to such unanimousconsent procedure.

Mr. STEAGALL. Mr. Speaker, I move to suspend the rules and pass the Senate joint resolution (S. J. Res. 261) authorizing the Comptroller of the Currency to prescribe regulations respecting the conduct of banking business in the District of Columbia.

The Clerk read the Senate joint resolution, as follows:

Senate Joint Resolution 261

Resolved, etc., That, with the approval of the Secretary of the Treasury, the Comptroller of the Currency, whenever he is of the opinion that such action is necessary for the protection of the interests of depositors and other creditors of any incorporated bank and/or trust company doing business in the District of Columbia, and that such action is in the public interest, is hereby authorized and empowered to prescribe such rules and regulations as he deems advisable governing the receipt and withdrawal of deposits by and from any such bank and trust company, which rules and regulations shall be binding upon said banks and trust companies.

That it shall be lawful for any incorporated bank and trust com-

That it shall be lawful for any incorporated bank and trust company in said District to comply with such rules and regulations promulgated by the Comptroller of the Currency.

Nothing herein shall be construed to impair any power otherwise possessed by the Comptroller of the Currency, the Secretary of the

Treasury, or the Federal Reserve Board.

Treasury, or the Federal Reserve Board.

That all powers herein conferred shall terminate six months from the approval of this joint resolution by the President of the United States, but he may extend the force of the provisions hereof by proclamation for an additional six months.

This resolution is hereby declared to be an emergency law, necessary for the immediate preservation of the public peace, health, and extern

The SPEAKER. Is a second demanded?

Mr. BUSBY. I demand a second.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. BUSBY. I am.

Mr. STEAGALL. Mr. Speaker, I ask unanimous consent that a second be considered as ordered.

The SPEAKER. Is there objection?

There was no objection.

The SPEAKER. The gentleman from Alabama is recognized for 20 minutes, the gentleman from Mississippi for 20 minutes.

Mr. STEAGALL. Mr. Speaker, I do not consider the present hour a time for speech making, so I do not expect to speak at length. Members of this House are informed of conditions that exist throughout the United States and in the District of Columbia, and I feel sure that Members recognize the purposes and the necessity for the passage of the resolution under consideration.

The resolution conveys the least of authority that has been conferred upon banking authorities in any legislation offered dealing with the difficulties with which the banks of the Nation are involved. The only power bestowed by this resolution is to regulate the acceptance and withdrawal of deposits in the District of Columbia. No further power of any kind is bestowed.

Adjoining States have passed appropriate legislation conferring unusual powers upon the banking authorities and officials of those States.

In the District of Columbia we are advised that some of the banks have inaugurated a rule of partial payments of deposits, so that other banks that have not seen fit to adopt the same rule of limited payments are at a disadvantage and in danger of undergoing further difficulties.

Not only is that true, but I think all will agree that it is wise and appropriate that the public who deposit their funds in banks are entitled to the protection that can come alone in the existing situation from the exercise of fullest authority on the part of banking officials.

This resolution confers the minimum of power that will adequately equip the office of the Comptroller of the Currency with the necessary authority to control the situation.

Mr. LaGUARDIA. Will the gentleman yield? Mr. STEAGALL. I yield.

Mr. LaGUARDIA. I understand this legislation, as the gentleman points out, will permit restrictions on the withdrawals of deposits. I submit to the gentleman that if there is to be a restoration of confidence we ought to pass the bank deposit guarantee law, the Steagall bill as it passed the House. I think that all the parliamentary tactics ought to be invoked to get that bill out of the other body and passed in the next few hours. [Applause.]

Mr. STEAGALL. I will say to the gentleman from New York, who is a useful Member of this body, and a Member whose opinion is valued highly by the membership of the House and by the people of the United States, that I appreciate the indorsement of the gentleman of the legislation that I had the honor to introduce, and which was

passed last year. [Applause.]

In reply to the gentleman, I will say that the chairman of the Banking and Currency Committee of the House, the author of this bill, and the committee have exercised fully and fairly the powers intrusted with respect to banking legislation to persuade the Senate to consider that measure. We have not forgotten our duty to this House to see to it that legislation passed in this body by an overwhelming vote and sent to the other body should receive consideration in that body. The bill to which the gentleman refers received an overwhelming majority in the House, and the American people have plead and prayed for its passage for the last eight months.

Mr. WILLIAMSON. Mr. Speaker, will the gentleman yield?

Mr. STEAGALL. The plain fact is that propagandists have been so busy in the unfair campaign of criticism against the membership of this House, that they have led a great many people into the false impression that the House is negligent in this hour of distress, and many even believe that the bank deposit protection bill is still pending in this House without action. If legislation of this type, demanded as it is by the American people, the demand no longer limited to small communities and small banks, but by bankers of every type in the United States-I say if the legislation had been sent to this body from the Senate, I wonder what we would have read in the press of the country if we had, for eight months, refused under like circumstances to give it consideration. I yield now to the gentleman from South Dakota [Mr. WILLIAMSON].

Mr. WILLIAMSON. Mr. Speaker, I concur with the gentleman that a resolution of this character should be passed, but I have a fear that this may be used as an excuse for permitting banks which may have in fact become insolvent to operate. I think it should be made certain that this will not be made an excuse for permitting banks that have become insolvent to still continue open.

Mr. STEAGALL. The policy has been, in cases of the kind to which the gentleman refers, to take possession of the assets of the bank and preserve them for the protection of creditors. It is expected that the Comptroller of the Currency, if he acts in such case in the District of Columbia, will pursue the same policy of segregating the assets and dealing with each situation in an intelligent and constructive way, so as to preserve the assets and protect the interests of existing as well as prospective depositors.

Mr. MAY. Mr. Speaker, will the gentleman yield?

Mr. STEAGALL. Yes.

Mr. MAY. I am receiving numerous telegrams from constituents all over my district, and from people all over the State, demanding the passage of a bank deposit guaranty bill, and they have mentioned the Steagall bill and asked if it has been passed. I have told them that it is still pending in the Senate. What does the gentleman think would have been the result if that bill had been agreed to by the Senate last June, when it was passed by the House?

Mr. STEAGALL. The gentleman understands what my views are in that matter. If I had to base my answer solely upon my judgment in the matter, I might hesitate to say what would have been the result of the legislation. But the thousands of telegrams and letters that have poured into my office from the day that bill was first taken up in this House, followed as those letters and telegrams are now by demands coming from the high centers of finance and from big bankers and financial leaders, reinforced by that judgment and that demand, I think without immodesty I might say that I believe now, as I have believed for 10 years during the time that I have waged this battle in this House and in the committee for bank deposit protection legislation, that such a measure would have saved us from the horrible conditions that exist to-day. A bill embodying the principle of insurance to bank deposits in the United States would have restored confidence in the United States, and the restoration of confidence would have cured the greater portion of our troubles.

It would have taken out of hoarding a billion and a half dollars now buried and hidden in the pockets and private vaults of the people; it would have taken out of the postalsavings banks of this country another billion dollars that is there idle and in hoarding. I say this because under the law the deposits in postal-savings banks can not be used in trade and commerce without substituting liquid securities, which are the same as cash. It would have permitted the banks to cease their policy of hoarding and use their bank deposits as the basis for bank credit. This the banks can not do under existing law. The use of bank credit is indispensable to trade and commerce and to the revival of business in the United States. It is indispensable to the maintenance of Government credit. It is necessary in the financing program outlined by the Government for the coming months of the new administration. Boiled down, our greatest need is the restoration of confidence. The one way to accomplish that without dangerous delay is through adequate legislation to insure bank deposits. [Applause.]

Mr. BLACK. Mr. Speaker, will the gentleman yield?
Mr. STEAGALL. I am sorry, but I have not the time. I
reserve the remainder of my time for other members of the
committee.

Mr. BUSBY. Mr. Speaker and Members of the House, our chairman opened his talk by saying that this is no time for speech making. I am one of the Members of the House who do not believe that any good purpose can ever be served by refusing to discuss the reasons that impel us to enact legislation which applies to the people of the country. I think that a full discussion of the motives that drive us to consider and enact laws that apply to the people ought

to be laid open before the people, so that they can see the reason for the hope we entertain concerning the legislation.

We passed a similar bill to this one for the District of Columbia a few days ago to apply to the rest of the country. I opposed that bill, but because of the situation and circumstances I was prevented from having more than a very short time in which to express myself. Many of you Members of the House are not listening now, many of you are carrying on private conversations now in the House Chamber, and that is your business. You are paying no attention to what I say, and that is more of your business. I am sorry that two years ago, when I and others began discussing this subject, trying to point out in an ineffective way the financial trend this country was taking, that we had these same private conversations and indifference toward the things that Members who study the subject had to say. I am sorry that this calamity has had to come upon you like an avalanche to get you to understand that there was something important that a few of us Members were trying to get an opportunity to discuss on the floor of this

It is unnecessary for me to enumerate the types of legislation that have consumed our time; the time of the Congress. We believe that this matter of dealing with banks and the currency situation should be attended to while the time was yet before us. We asked for opportunities to discuss the matter with you, but were denied the time to plead for legislation to save the situation for the people.

Now, coming more directly to the subject, we are trying to save the bank situation in this country. I told you this a year ago: Our bank situation is founded on a condition that is inherent failure in the set-up. Our banking system never has worked and it never will work except for short periods of time of five or six years. Why? They say, " have no bank failures in France." That is true. But France has twice as much coined and issued currency as it has bank credits, and there is not much chance for a bank to fail where you have \$2 to pay every dollar of deposits with. Our country has a bank structure where the base is very narrow. We have \$5,500,000,000 of currency and \$45,000,000,000 of bank credits. In other words, the banks have promised to pay the depositors \$45,000,000,000 in cash, and there is not more than \$5,000,000,000 in existence to pay that with. We have driven up to this situation where the banks have \$16,000,000,000 of checking accounts and \$24,000,000,000 of time deposits, and the 1st of January, 1933, the Federal Reserve Bulletin said the banks had \$700,000,000 in cash with which to pay \$45,000,000,000.

During the last 20 days the people have gone to the banks and have taken out \$400,000,000 of that \$700,000,000. True, the Treasury has replaced some of it, but the banks owe, for every dollar that they can muster to pay depositors with, \$50 to those depositors. You can not make a system like that work. What I say has got nothing to do with runs on the banks or the conditions here. Already banks are closed from one end of the country to the other-in 28 States. Let me call your attention to this. Some say, "Are you for artificial inflation?" I tell you our banking set-up is an artificial arrangement. It is nothing handed down from God. It is not like the Ark of the Covenant that is holy and sacred and unapproachable. It is an artificial set-up, and one we have had sad experience with from time to time. In the 149 years of our national existence we have spent 40 years in panics, and before the common people get out of one panic they are catapulted into another by the arrangement we are trying to operate under.

Why will not our system work? Simply because the banks are natural inflationists. Do you understand that? You can be against inflation all you want to, but the banks are natural inflationists. When we have business going along on a level trend, people go and they apply to their banker to borrow money. The banker says, "All right; what have you to secure it with?" The borrower says, "I have my farm." "All right. Give me a trust deed for \$1,000 and I will loan you the money."

Mr. DISNEY. Mr. Speaker, it is impossible to hear.

Mr. BUSBY. They will hear the crash of those banks whether they hear me or not. Let the Members talk. It is on you, and there is nothing under the sun that can prevent it. You can not remain on the gold standard, as much as you have worshiped the golden calf. People are lined up at the Treasury to-day-and have been for four days-taking gold out of the Treasury as fast as they can get to the window to do it, and the newspapers have not said anything about it. It will take you almost an hour, standing in line, to get to the gold window and convert your Federal reserve notes into gold right now, and the only thing that will save gold is for a proclamation to come from the White House abandoning the gold standard. [Applause.] Now, let us go along. The banks issue this credit, and

the people take check books. They write checks against those credits. They imagine that when they borrow and get credit on a bank book that that is cash. That is not cash and never was cash. It is credit extended. No cash has been brought into the bank, and if everybody who has credit in the bank tries to take the cash out, of course, the banks collapse: because the bank has agreed to pay the person \$1,000, and the bank has agreed to wait until next fall or next year, when the note matures, for the return of that \$1,000. So you can take care of your situation both ways. You can take your cash out of the bank, and the bank must wait until next fall to get its cash; and when the note matures and you bring the cash back, in the meantime, the bank has had the opportunity of going broke.

I name the gentlemen who are responsible for this condition. We have had Mr. Ogden Mills, the Secretary of the Treasury, before the Committee on Banking and Currency. We have had Mr. Eugene Meyer, the president of the Federal Reserve Board, before the Committee on Banking and Currency. They are wholly out of line and out of sympathy with anything that would have brought relief to this situation and to the suffering people of this country, and it is on their heads that the trouble lies. I tell you it is impossible to set up any banking system or issue currency and put it into circulation and make it work successfully if you have not got a friendly Secretary of the Treasury and a friendly Federal Reserve Board to cooperate with you. It just will not work, and the result is that they can thwart any effort you put forth by legislation to bring relief to the people. How? By squeezing this currency out of circulation. How did they do it in 1920? They simply changed the rediscount rules of the Federal reserve banks. They refused to even renew the loans of member banks on Liberty bonds in order to make the banks pay up their loans, so that they could make their depositors pay up. Thereby they withdrew in 20 months in 1920-21, \$1,815,000,000 cash from circulation. That caused the crash and panic

Suppose you pay the soldiers' bonus; suppose you send the money out to the soldiers to the extent of \$2,200,000,000. How long would it take an unfriendly Federal Reserve Board, an unfriendly Secretary of the Treasury, to milk that \$2,200,000,000 out of circulation? I venture to tell you it would not take more than about 15 months to do it just as effectively as they did in 1920.

No; I do not think it does any good for us to slip legislation through here and refuse to discuss it or give the people our reasons for the legislation. I do not think it does any good for us to do like the proverbial ostrich that digs a hole and puts his head in the sand when he sees the cyclone coming, hoping thereby to avoid destruction by the cyclone because he has buried his head in the sand and can not see it coming. No more can we relieve impending troubles and oncoming situations that destroy the people and the financial fabric of this country by such tactics as that of the famed ostrich. We should see. We should keep our eyes open and reason among ourselves about what is best to do.

Mr. WILLIAMSON. Mr. Speaker, will the gentleman vield?

Mr. BUSBY. I vield.

Mr. WILLIAMSON. Even conceding the correctness of

now is such that some sort of legislation must be passed in order to take care of the bank situation?

Mr. BUSBY. I shall be glad to refer to that.

Now, these people who have worked and got money, who have taken their money and put it in the bank have a right, under contract with the bank, to take that money out of the bank. The bank has told them they could, and that is a contract as sacred as any other contract.

By this legislation you are setting up a scheme which provides that bayonets, if need be, can be put between those people and their money and they be driven away from it regardless of the contract that has been entered into with them by the bank. I am not for any such system of legalized robbery, because it is not right.

Mr. PARSONS. Mr. Speaker, will the gentleman yield?

Mr. BUSBY. I yield.

Mr. PARSONS. Does the gentleman believe this is constitutional?

Mr. BUSBY. I do not believe that States can pass laws impairing the obligations of contract, and the proponents admit that this bill is extremely weak from a constitutional standpoint; but they say it works. It reminds me of the story of the man who was in jail. His lawyer after examining the facts, said: "Why, they can't put you in jail for this." He said, "Yes; but I am in jail, and what I want is to get out." And so with this, men tell you that we can not do it, but the banks are doing it and the result is that no individual can get court action in time to save himself from the situation.

Mr. JOHNSON of Texas. Mr. Speaker, will the gentleman vield?

Mr. BUSBY. I yield.

Mr. JOHNSON of Texas. The press informs us that this morning banks are closed in 28 States. I am in sympathy with a great deal of what the gentleman has said, but does he not also think that, if the other body had followed the example set by the House and passed the bank guaranty bill, this situation might have been averted?

Mr. BUSBY. That would have been so probably at that time, but let me state why that bank guaranty bill would not work at this time. The banks owe the depositors \$45,000,000,000. They owe them that much, and they have got to pay all that in coined and issued currency on demand. They have to pass money-legal tender-out in payment. Now, the banks incurred that debt when commodities and properties were at a high level. They agreed to make those payments back some years ago; and on down to the present time in relation to commodity values they made loans on lands and other property when those properties were high, but values have gone down until they can not sell the property and securities in the open market and get the funds with which to meet the demands made on them.

Now, if we undertake to guarantee \$45,000,000,000 of deposits, with the situation going as it is to-day, there will be an overwhelming demand made upon the credit of this country to raise funds to make good this bank credit.

It is true that the banks have loaned about \$35,000,000,000. and they might be able to use that to offset some of the demands; but much of that is not due yet, and the bank could not demand it until it is due, but the depositors can withdraw their money because there is an agreement between them and the bank that they may withdraw it.

Mr. BLACK. Does not the gentleman think the right way to restore the confidence of the public in the Government and the banks is for the executive branch of the Government to go after the big bank thieves, imprison them as quickly as possible, and stop this nonsense and picayune legislative methods of trying to protect the people?

Mr. BUSBY. That would help the situation, and I recommend that procedure.

Now, in closing, I want to say that this legislation is recommended to-day by leading business men of the country. Immediate action before the adjournment of the present Congress is required. On the basis of its studies the directing committee recommends for your earnest considerathe gentleman's premise, does he not think the situation here | tion the following steps to meet this emergency. First, that

a banking bill be immediately passed with an amendment! providing an adequate Federal guaranty of the deposits of all existing banks upon application and for a limited time. Second, an immediate embargo of gold export and suspension of specie payments to prevent hoarding and foreign withdrawal. Third, the only condition on which the Government can assume the risk of guaranteeing bank deposits is as part of a definite program to raise the whole level of commodity prices. It must, therefore, at the earliest possible date after the new Congress convenes, pass the necessary sound monetary and credit legislation to raise and stabilize the general level of commodity prices. The committee's studies indicate that if the export of gold is embargoed, specie payments stopped, as steps in the program of such monetary legislation, there will follow a major upturn in commodity prices, immediate restoration of confidence, a revival of business activity, and steadily increasing employment.

This is where the trouble lies. The commodities and the properties of the people of this country have been beaten down and beaten down by lack of circulating medium and by the hiding out and the hoarding of currency until there is no machinery with which to do business.

Let us get together, and if we have to deal with an already wrecked situation, let us build up on a firmer basis and take care of the masses of the people along with the Wall Street thieves, and we shall have done the country a great service. [Applause.]

Mr. RICH. Will the gentleman yield?

Mr. BUSBY. Yes.

Mr. RICH. If we issued \$45,000,000,000 of scrip, does the gentleman think the people would want to take that out of the banks?

Mr. BUSBY. I would rather not go into that proposition now. [Applause.]

Mr. Speaker, I reserve the balance of my time.

Mr. STEAGALL. Mr. Speaker, I yield one minute to the gentleman from Pennsylvania [Mr. McFadden].

Mr. BUSBY. Mr. Speaker, I yield the gentleman two additional minutes.

Mr. McFADDEN. Mr. Speaker, I have listened with a great deal of interest to what has been said in regard to this particular bill. This bill would not have been before you if it had been included, as it should have been, in the bill that was passed in the early part of this week, giving the right to the national banks of the various States to do the thing provided for in this bill.

It is a serious matter to grant authority to freeze the assets of the banks of this whole country to an officer of the Government, but we now know that under the operation of a similar measure 28 States have been given this authority, either under authority granted by the States or under the authority which we have granted to the Comptroller of the Currency to freeze the assets of national banks, and I can see no reason now that the several States have been given this authority why the District of Columbia should be prohibited from receiving the benefits, if any, of this particular legislation.

Mr. STEAGALL. Mr. Speaker, I yield the balance of my time to the gentleman from South Carolina [Mr. STEVENSON].

Mr. STEVENSON. Mr. Speaker, I have appeared before you a great many times on matters coming from the Committee on Banking and Currency. I regret exceedingly that this, probably my last appearance on this floor, is to advocate the passage of as revolutionary a measure and as radical a proposition as the one which were now advocating, and yet it is the proper thing to do, in my judgment.

I shall not engage in a discussion as to why we are in the difficulties and why the country is confronted with the crisis with which it is now faced, this is a matter which it is useless to discuss at this hour, because it is too late in this Congress to make any correction of it; but suffice it to say that we have in the banks of this country \$42,000,000,000 of deposits. The gentleman from Mississippi [Mr. Busby] stated \$16,000,000,000 in checking and \$24,000,000,000 in time deposits, making \$40,000,000,000, but the report I get is

\$42,000,000,000, and the gentleman stated that there was owed by the banks \$45,000,000,000 of deposits, but you will find it figures out around \$42,000,000,000. We have about \$6,000,000,000 in actual cash in the banks of this country, and, therefore, we have \$1 for every \$7 of deposits, and if every-body wants their deposits—and this is a situation that is developing now on account of a fear which is probably groundless, but absolutely uncheckable—it means you will close the doors of every bank in the United States if something is not done, and this is no time to argue the question of whether we are violating or preparing to violate the provisions of a contract.

If a man can get part of his deposit and conserve the assets of the bank by regulation and proper liquidation, it is much better than to do the only other thing that can be done which would be to close up the banks and then the assets would be sold at a very low price, and the depositors would wait in agony and in want for a year before they got anything.

This is the alternative, and so far as I am concerned, I stand for the proposition of a common-sense, businesslike way to attempt to fix it so that something can be saved out of this situation until such steps may be taken, as will be taken in the new Congress, in a very few days or weeks, to straighten out the situation which is now so tangled and which is the cause of profound fear in everybody in this country, from the highest to the lowest. So much for this.

I am for the resolution because the only thing to do is to conserve the banking interests and the financial interests and the property interests and the interests of the depositors of this country in this great Capital of ours. We have done this for the States. We should have done it for the District of Columbia, but when this matter was before our committee, I betray no confidence when I say that I asked the Secretary of the Treasury if it would not be well to include the District of Columbia or whether it was necessary to include the District of Columbia, and the answer was in the negative, that it was not necessary. We took orders from the Treasury in this matter, as the Banking and Currency Committee necessarily has to do from time to time, and reported the resolution just as they had prepared it. This is the reason the District of Columbia was not embraced in the measure.

I thank you for your patient attention and for the many acts of courtesy I have experienced at the hands of this House and the many evidences of consideration which you have given me in the 16 years I have served here, which have been the finest of my life. [Applause, the Members rising.]

[Here the gavel fell.]

The SPEAKER. The question is on suspending the rules and passing the resolution.

The question was taken; and two-thirds having voted in favor thereof, the rules were suspended and the resolution was passed.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. Craven, its principal clerk, announced that the Senate had passed without amendment bills and a joint resolution of the House of the following titles:

H. R. 189. An act to add certain lands to the Modoc National Forest, in the State of California;

H. R. 657. An act for the relief of Peter Bess;

H.R. 2803. An act for the relief of John S. Stotts, deceased;

H. R. 3694. An act for the relief of Ada B. (Gould) Gollan;

H. R. 7167. An act for the relief of Stuart L. Ritz;

H. R. 7174. An act for the relief of James J. Meaney;

H. R. 7278. An act for the relief of Joseph Vigliotti;

H. R. 10170. An act authorizing adjustment of the claim of Joseph T. Ryerson & Son (Inc.);

H.R. 10756. An act for the relief of Clive Sprouse and Robert F. Moore:

H. R. 11896. An act to provide for expenses of the Northern Cheyenne Indian Tribal Council and authorized delegates of the tribe;

H. R. 12126. An act to add certain lands to the Gunnison | National Forest, Colo.; and

H. J. Res. 434. Joint resolution to authorize and direct the Secretary of Agriculture to provide additional facilities for the classification of cotton under the United States cotton standards act.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, bills of the House of the following titles:

H.R. 637. An act to relinquish the title of the United States to certain lands in the county of Los Angeles, State of California; and

H. R. 2213. An act for the relief of Harvey Collins.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 1656. An act to authorize the Secretary of the Navy to make a long-term contract for a supply of water to the United States naval station at Guantanamo Bay, Cuba;

S. 2167. An act for the relief of Robert J. Foster;

S. 3789. An act for the relief of Benjamin Wright, deceased:

S. 5664. An act to amend an act approved March 4, 1929 (45 Stat. 1548), entitled "An act to supplement the last three paragraphs of section 5 of the act of March 4, 1915 (38 Stat. 1161), as amended by the act of March 21, 1918 (40 Stat. 458)"; and

S. 5701. An act to authorize the construction of certain bridges and to extend the times for commencing and/or completing the construction of other bridges over the navigable waters of the United States.

AMENDING THE FEDERAL FARM LOAN ACT

Mr. STEAGALL. Mr. Speaker, I call up the conference report on the bill S. 5337, to amend the Federal farm loan act, as amended, to permit loans for additional purposes, to extend the powers of Federal land banks in the making of direct loans, to authorize, upon certain terms, the reamortization of loans by Federal and joint-stock land banks, and for other purposes, and I ask unanimous consent that the statement be read in lieu of the report.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

The Clerk read the statement.

The conference report is as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 5337) to amend the Federal farm loan act, as amended, to permit loans for additional purposes, to extend the powers of Federal land banks in the making of direct loans, to authorize upon certain terms the reamortization of loans by Federal and joint-stock land banks, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respect Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the House amendment insert the following: That section 7 of the Federal farm loan act, as amended (U.S.C., title 12, ch. 7, secs. 711-722), is amended by adding at the end thereof the following new paragraph:

Whenever it shall appear to the Federal Farm Loan Board that national farm-loan associations have not been formed in any locality in the continental United States, or that the farmers residing in the territory covered by the charter of a national farm-loan association are unable to apply to the Federal land bank of the district for loans on account of the inability of such association to indorse such loans, the Federal Farm Loan Board may, in its discretion, authorize said bank, at any time within five years after this paragraph takes effect, to make direct loans to borrowers secured by first mortgages on farm lands situated within any such locality or territory. Except as herein any mortgage, and to accept payment of such aggregate

otherwise specifically provided, all provisions of this act applicable with respect to loans made through national farm-loan associations shall, in so far as practicable, apply with respect to such direct loans, and the Federal Farm Loan Board is authorized to make such rules and regulations as it may deem necessary with respect to such direct loans: Provided, That no such loan shall be made for more than \$15,000. Each borrower who obtains a direct loan from a Federal land bank shall subscribe and pay for stock in such bank in the sum of \$5 for each \$100 or fraction thereof borrowed."

SEC. 2. Paragraph "Fourth" of section 12 of the Federal farm loan act, as amended (U.S.C., title 12, ch. 7, sec. 771), is amended to read as follows:

"Fourth. Such loans may be made for the following purposes and for no other:

"(a) To provide for the purchase of land for agricultural

"(b) To provide for the purchase of equipment, fertilizers, and livestock necessary for the proper and reasonable operation of the mortgaged farm; the term 'equipment' to be defined by the Federal Farm Loan Board.

"(c) To provide buildings and for the improvement of farm lands; the term 'improvement' to be defined by the Federal Farm Loan Board.

"(d) To liquidate indebtedness of the owner of the land mortgaged, incurred for agricultural purposes, or incurred prior to January 1, 1933.

"(e) To provide the owner of the land mortgaged with funds for general agricultural uses."

Sec. 3. Subparagraph (b) of paragraph "Fourth" of section 13 of the Federal farm loan act, as amended (U. S. C., title 12, ch. 7, sec. 781), is amended by adding at the end thereof a new sentence to read as follows: "Every such bank may carry real estate as an asset, for a period of not exceeding five years, at its normal value but not to exceed the amount of the bank's investment therein at the time of acquirement of such real estate."

SEC. 4. Section 13 of the Federal farm loan act, as amended (U. S. C., title 12, ch. 7, sec. 771), is amended by adding at the end thereof the following new paragraphs:

"Eleventh. At any time within five years after the date this paragraph takes effect, any borrower who has obtained a loan from a Federal land bank may on application to such Federal land bank and upon approval of such application by the directors of the bank, postpone the payment of any unpaid installment or installments in the manner herein provided in this section. Such postponed payment shall be made by paying at the time each succeeding annual installment is due, one-tenth of the amount of the postponed payment, and, in the case of semiannual installments, by paying at the time each succeeding semiannual installment is due, one-twentieth of the postponed payment, until the amount of such postponed payment has been paid. In any case in which the number of remaining installments due on the mortgage is less than 10, in the case of annual installments, or less than 20, in the case of semiannual installments, the amount of the postponed payment shall be distributed proportionately over the remaining number of installment payments.

"Twelfth. For the period of five years after the date this paragraph takes effect, every borrower shall pay simple interest on extended payments at the same rate of interest as stipulated in the mortgage securing the loans as to payments not in default and by express covenant in his mortgage deed shall undertake to pay when due all taxes, liens, judgments, or assessments which may be lawfully assessed against the land mortgaged. Taxes, liens, judgments, or assessments not paid when due, and paid by the mortgagee, shall become a part of the mortgage debt and shall bear interest at the rate provided in the mortgage.

"Thirteenth. When in the judgment of the directors conditions justify it, and with the approval of the Federal Farm Loan Board, to reamortize, in whole or in part, the aggregate amount remaining unpaid under the terms of ber of annual or semiannual installments sufficient to cover the interest payable on the mortgage, and in addition thereto such amounts to be applied upon the principal as will extinguish the debt within an agreed period of not more than 40 years from the date of the reamortization; to deposit such mortgages with the farm-loan registrar as collateral security for farm-loan bonds at an amount not exceeding the principal of the original loan remaining unpaid at the date of such amortization; and with the approval of the Federal Farm Loan Board to charge the borrower an amount not to exceed the actual cost incurred in connection with such reamortization."

SEC. 5. (a) Paragraph "Second" of section 14 of the Federal farm-loan act, as amended (U. S. C., title 12, ch. 7,

sec. 791), is amended to read as follows:

Second. To loan on first mortgage, except through national farm-loan associations as provided in section 7 and section 8 of this act, or through agents as provided in section 15, or direct borrowers as provided in section 7."

(b) Section 14 of the Federal farm-loan act, as amended, is further amended by adding at the end thereof the follow-

ing new paragraph:

"Sixth. To accept as additional security for any loan to any borrower under this act, or any installment on any such loan, any security other than Federal land-bank stock or mortgages on farm real estate; and the transfer to any Federal land bank of any security if it may not be accepted by the bank under this paragraph shall be void: Provided, That any bank may accept an assignment of the landlord's rent to the amount of any taxes paid on such land by the bank, or any interest due."

SEC. 6. (a) The fourth paragraph of section 19 of the Federal farm loan act, as amended (U.S.C., title 12, ch. 7, sec.

854), is amended to read as follows:

"No mortgage shall be accepted by a farm-loan registrar from a land bank as part of an offering to securing farmloan bonds, either originally or by substitution, except first mortgages made subject to the conditions prescribed in sections 4, 7, 12, 15, and 16: Provided, That such registrar, when authorized and directed to do so by the Federal Farm Loan Board, shall accept or retain in his custody as collateral, if otherwise eligible under the provisions of such sections, any first mortgage in connection with which the land bank depositing the same has agreed to defer for a period of not more than 10 years the collection of the principal portion of maturing installments and to accept payment of the aggregate amount of such principal on an amortization plan by means of a fixed number of annual or semiannual installments sufficient to cover the interest payable thereon and in addition thereto such amounts to be applied on the principal after the expiration of the period of deferment as will extinguish the debt within an agreed period of not more than 40 years from the date of such agreement.'

(b) Section 19 of the Federal farm loan act, as amended (U. S. C., title 12, ch. 7, secs. 851-856), is further amended by adding at the end thereof the following new paragraph:

"Such farm-loan registrar shall also accept purchasemoney mortgages as collateral security in place of mortgages withdrawn. The banks shall have power to execute all necessary conveyances, transfers, and assignments to carry out this provision."

SEC. 7. The eleventh paragraph of section 21 of the Federal farm loan act, as amended (U. S. C., title 12, ch. 7, sec. 881), is amended by substituting in lieu thereof the following:

"When any Federal land bank shall desire to participate in a consolidated issue of farm-loan bonds it shall make application to the Federal Farm Loan Board for the approval on its behalf of such issue and tender to the registrar approved farm mortgages, or obligations of the United States Government, as security therefor, and no banks shall participate in such consolidated issue until such application has been approved by the Federal Farm Loan Board. Such approved farm mortgages or obligations of the United States Government shall be held by each farm-loan regis-

amount on an amortization plan by means of a fixed num- | trar as collateral security for consolidated bonds, separate and apart from the mortgages and/or Government bonds held by him as collective security for the bonds previously issued or assumed individually by the Federal land bank of his district. Amortization and other payments on the principal of first mortgages held by a farm-loan registrar as collateral security for the issue of consolidated farmloan bonds shall constitute a trust fund in the hands of the Federal land bank receiving the same and shall be applied or employed in the manner provided in section 22 with respect to payments on principal of first mortgages held as collateral for farm-loan bonds of individual banks.

"Every Federal land bank shall notify the farm-loan registrar of the disposition of all payments made on the principal of mortgages held as collateral security for the issue of consolidated farm-loan bonds, and said registrar is authorized, at his discretion, to order any of such payments, or the proceeds thereof, wherever deposited or however invested, to be immediately transferred to his account as trustee aforesaid. Each bank shall maintain with the farmloan registrar of its district collateral security for the issue of consolidated farm-loan bonds in an amount at least equal to the face amount of such bonds issued on its behalf.

"When any Federal land bank shall surrender to the farm-loan registrar of its district any consolidated Federal farm-loan bonds, canceled or uncanceled, said land bank shall be entitled to withdraw first mortgages and bonds previously pledged as collateral in connection with any issue of consolidated farm-loan bonds to an amount equal to the consolidated farm-loan bonds so surrendered, and it shall be the duty of such registrar to permit and direct the delivery of such mortgages and bonds to such land bank.

"The Federal Farm Loan Board may at any time call upon any Federal land bank for additional security to protect the consolidated bonds issued under the provisions of this section. Each bank shall pay when due, without notice, all bonds and coupons issued on its behalf hereunder.

"Every Federal land bank shall have power to exchange consolidated farm-loan bonds for farm-loan bonds previously issued or assumed by it individually, with the approval of and under rules and regulations promulgated by the Federal Farm Loan Board."

SEC. 8. The balance of the \$125,000,000 provided for the Federal land banks by the act of January 23, 1932, not heretofore used for the extension of loans or the making of new loans, shall be used by such banks for the extension of loans and the making of new loans as authorized by this act and the Federal farm loan act, as amended.

And the House agree to the same.

HENRY B. STEAGALL, W. F. STEVENSON, T. ALAN GOLDSBOROUGH, L. T. McFadden, JAMES G. STRONG, Managers on the part of the House. DUNCAN U. FLETCHER,

SMITH W. BROOKHART, JOHN G. TOWNSEND, Jr., Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 5337) to amend the Federal farm loan act, as amended, to permit loans for additional purposes, to extend the powers of Federal land banks in the making of direct loans, to authorize upon certain terms the reamortization of loans by Federal and jointstock land banks, and for other purposes, submit the following written statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

Section 1 of the Senate bill provided for direct loans by Federal land banks to farmers residing in localities where national farm loan associations have not been formed or where existing farm loan associations are unable to have

their applications accepted by the Federal land banks. It | latter section provides specifically for extensions of payment. was contemplated that this provision should be a part of the permanent law. It was further provided that whenever there were 10 or more borrowers who had obtained such direct loans aggregating not less than \$20,000 such borrowers would form a national farm loan association, if in the opinion of the Federal Farm Loan Board the locality in which such bororwers resided could be conveniently served by such an association.

Section 2 of the House amendment makes similar provision for direct loans to farmers by the Federal land banks, but without requiring the borrowers to form a national farmloan association. The time within which such loans may be made is also limited to five years from the date of enactment of the bill.

The conference agreement retains the language of section 2 of the House amendment.

Section 1 of the House amendment provides that for a period of not to exceed five years the payment of unpaid installments due the Federal land banks may be postponed, the amount of the postponed installments to be distributed over the remaining period that the loan has to run. There was no corresponding provision in the Senate bill. The conference agreement retains the language of section 1 of the House amendment.

Section 2 of the Senate bill extended the purposes for which loans might be made by the Federal land banks so as to provide that the borrower might liquidate indebtedness incurred prior to January 1, 1933, and might be provided with funds for general agricultural uses. There is no similar provision in the House amendment. The conference agreement retains section 2 of the Senate bill.

Section 3 of the Senate bill authorized the Federal land banks, with the approval of the Federal Farm Loan Board, to reamortize over a 40-year period the amounts due the banks under the terms of mortgages held by them. A similar provision is contained in section 5 of the House amendment. The conference agreement retains the language of the House

Section 4 of the Senate bill amended section 14 of the Federal Farm Loan Act, as amended, so as to provide that the restrictions imposed by that section should not apply to direct loans to borrowers authorized by section 1 of the Senate bill. There is no corresponding provision in the House amendment. The conference agreement retains the

language of section 4 of the Senate bill.

Section 5 of the Senate bill provided that the farm-loan registrars, when authorized and directed to do so by the Federal Farm Loan Board, should accept as collateral first mortgages in connection with which the land banks had agreed to defer for a period of not more than five years the collection of the principal of maturing installments and to accept payment of such principal on an amortization plan covering a period of not more than 40 years. There is no corresponding provision in the House amendment. conference agreement retains this provision of the Senate bill with a slight change.

Section 6 of the Senate bill provided for participation by the Federal land banks in consolidated issues of farm-loan bonds under certain conditions set out in such section. There is no corresponding provision in the House amendment. The conference agreement retains the provision of the Senate bill.

Section 3 of the House amendment provides that for a period of five years borrowers from the Federal land banks whose payments have been extended shall pay interest on the extended payments at the same rate as they are required to pay with respect to payments not in default and that such borrowers shall undertake to pay when due all taxes, liens, judgments, or assessments which may be lawfully assessed against the land mortgaged. There was no corresponding provision in the Senate bill.

The conference agreement retains the substance of the House amendment, but transfers the provision from section 12 to section 13 of the Federal Farm Loan Act since the

Section 4 of the House amendment provides that the Federal land banks may carry real estate as an asset for a period of not exceeding five years in the amount of the

banks' investment therein at the time of acquirement of such real estate. There was no corresponding provision in the Senate bill. The conference agreement retains the substance of the House amendment but provides that such real estate may be carried at its normal value but not to exceed

the amount of the bank's investment therein.

Section 6 of the House amendment provides that no Federal land bank may accept as security, or as additional security for any loan, any security other than first mortgages on farm real estate or Federal land-bank stock, except an assignment of the landlord's rent to the amount of any taxes paid on the land by the bank, or any interest due. There was no corresponding provision in the Senate bill.

The conference agreement retains the provision of the House amendment with clarifying changes.

Section 7 of the House amendment provides that farmloan registrars shall accept as collateral security in place of mortgages withdrawn, purchase-money mortgages and contracts to sell acquired real estate for a period of not to exceed five years at the amount of the bank's investment therein. There was no similar provision in the Senate bill. The conference agreement limits this power of the farmloan registrars to the acceptance of purchase-money mortgages and removes the 5-year limitation.

Section 8 of the House amendment provides that the balance of the \$125,000,000 provided in the act of January 23, 1932, for additional capital stock of the Federal land banks should be used by the Federal land banks in carrying out the provisions of the bill for extensions of loans or making new loans. There was no corresponding provision in the Senate bill. The conference agreement retains the House provision with clarifying changes.

> HENRY B. STEAGALL, W. F. STEVENSON, T. ALAN GOLDSBOROUGH, L. T. McFadden, JAMES G. STRONG, Managers on the part of the House.

Mr. STAFFORD. Mr. Speaker, will the gentleman from Alabama explain wherein the conference report differs from the bill as it passed the House?

Mr. STEAGALL. There is no substantial change in the legislation. The House struck out the Senate bill and inserted the House bill. The purpose was to incorporate in the final legislation one provision of the Senate bill which was to provide a plan for selling consolidated bonds to secure loans for each individual bank.

Heretofore, it has been the custom of banks to float separate bond issues for each bank. For some reason or other two of the banks have been paying a higher interest rate on bonds than the rate paid by the other 10 banks, notwithstanding the law provides that each bank is responsible for the bonds of every other bank. The Federal Farm Board and the officials of these banks believe that by issuing consolidated bonds they will get cheaper rates than may be obtained by individual banks.

Mr. STAFFORD. And they are going to rescue the two banks in distressed condition.

Mr. STEAGALL. They believe they can get an average rate that will be lower than any bank has obtained heretofore. Now, that is the only substantial change in the bill.

Mr. STAFFORD. They believe that the support of 12 banks is stronger than that of an individual bank.

Mr. HASTINGS. I want to ask the gentleman from Alabama if in marketing these bonds it will affect the revenues of the mortgages of the farm-land bank?

Mr. STEAGALL. Except that they may take as security a landlord's share of the crop to the amount of taxes paid for the borrower and any interest due.

Mr. HASTINGS. To whom would that mortgage be eral farm loan act as to release to the fullest degree the given?

Mr. STEAGALL. The mortgage is taken by the land bank. The purpose was to terminate the practice indulged in by the banks requiring the farmer to give a mortgage on his crop and cattle and food as a condition of extension of his mortgage.

Mr. HASTINGS. Are the farm-land banks in a position to make new loans to farmers?

Mr. STEAGAIL. They are not equipped for new loans on an extensive scale. The banks have now about \$115,000,000 in cash and bonds. The maturities on bonds will amount to about \$42,000,000, and the interest payments on mortgages will run to \$80,000,000 annually. The banks expect to collect something like 50 per cent of the maturities on their mortgages. So that you see they would have a substantial sum for new loans. It is to be remembered in that connection also that the banks are permitted to borrow from the Reconstruction Finance Corporation. They have on hand \$50,000,000 invested in Government bonds that is not being used for loans or any other purpose. That amount is tied up as an investment and contrary to the intention of the law. We want to see that it is used as Congress provided it should be.

Mr. HASTINGS. Is that the unused balance of the \$125,-000,000?

Mr. STEAGALL. It is not all the balance, but the \$50,-000,000 represents a part of the balance of the funds appropriated in the last Congress, amounting to \$125,000,000.

Mr. HASTINGS. The gentleman in his own time can tell us now about what is the amount of the unused balance.

Mr. STEAGALL. The unused balance is \$50,000,000, plus \$29,000,000, according to the statements made before our committee.

Mr. HASTINGS. What is the condition of the \$29,000,-000? Is it invested in anything?

Mr. STEAGALL. It appears in statements of balances in different banks.

Mr. HASTINGS. Then there ought to be approximately \$79,000,000.

Mr. STEAGALL. There will be more than that if the banks collect half of the payments on their mortgages, which officials say they will, and which will more than pay the interest on their bonds, leaving not less than \$100,000,000 for new loans.

Mr. HASTINGS. Has the gentleman in mind any information that he can give us with reference to the Farm Land Bank at Wichita, Kans., as to whether it will be able to make any new loans if this bill is passed?

Mr. STEAGALL. The statement will necessarily apply not alone to the Wichita bank, but to all of the banks, for the reason that this is a cooperative system, where every bank is responsible for the bonds of all of the banks, where the borrowings are adjusted and distributed under the control of the Federal Farm Loan Board.

Mr. LANKFORD of Georgia. Some days ago there passed in the Senate S. 5369, known as the Hull-Walcott bill, providing for loans or advances by the Reconstruction Finance Corporation for the purpose of securing the postponement of the foreclosure of certain mortgages for a period of two years, and for other purposes. Being much in favor of this measure I wish to ask the gentleman whether or not there is a probability of the bill passing the House before adjournment at noon to-morrow.

Mr. STEAGALL. The Hull-Walcott bill was sent to the House only a day or two ago, without sufficient time remaining in which to give it proper consideration, and it will not be taken up at this session, so far as can be foreseen at this hour.

Mr. STAFFORD. When the bill was under consideration in the House a number of us were interested in the availability of the balance of \$125,000,000 that was appropriated last year to stabilize existing banks. I believe the Senate bill carried no provision relating to that fund.

Mr. STEAGALL. No; there is no appropriation carried in this bill. The purpose of this bill is to so amend the Fed-

eral farm loan act as to release to the fullest degree the authority or discretion of the bank officials in making new loans and extending existing loans and to permit a more sympathetic policy toward borrowers.

Mr. STAFFORD. What disposition do the conferees take as far as section 8 of the House bill providing for the utilization of the balance of the \$125.000.000?

Mr. STEAGALL. There has been no substantial change in that provision.

Mr. STAFFORD. Then that fund will no longer be available for the stabilization of the bonds of the 12 different banks.

Mr. STEAGALL. It is not being used for that now, and it is not required. The \$50,000,000 is invested in Government bonds, making it a bond investment fund, and this provision would release that fund either for new loans or to be applied in paying interest on the bonds of the banks or to meet installments due on mortgages.

Mr. Speaker, I desire to use a little further time to express for myself and for the Banking and Currency Committee of the House our deep regret and sense of loss in the retirement of a number of its most useful Members. All are patriotic and valued public servants. I am sure I shall offend no one when I say that my greatest loss personally and officially is felt in connection with the separation of the distinguished gentleman from South Carolina, Mr. Stevenson, from congressional service. [Applause.]

He is a great lawyer, an upright citizen, a faithful public servant, and a deep and devoted student of public questions. He has brought to the labors of the committee a constructive capacity that I have not often seen duplicated, and certainly never surpassed by any member of that committee during the years that I have had the honor to serve as a member of it. We shall miss him personally and shall miss his able and unselfish efforts in the labors of the committee. His absence will be keenly felt. His retirement is a great loss to his party, to the incoming administration, to the Nation, and to the future welfare of the Republic. We bid him Godspeed. We wish him greater happiness and long life and health in whatever walks of life his duty or his inclination may call him. [Applause.]

He carries with him our most sincere solicitude and affectionate regard. [Applause.]

Mr. Speaker, I yield 10 minutes to the gentleman from Pennsylvania [Mr. McFadden].

Mr. McFADDEN. Mr. Speaker, this particular piece of legislation has not been changed materially since it left the House and went to conference. The two items, Nos. 7 and 8, which I called attention to on the floor of the House when the bill was being considered, have been modified but not specifically changed. I still have the same fear that we have weakened, to some extent, the security back of the bonds of the Federal farm-loan system by permitting to be included with the registrar, other mortgages than which are provided for under the law, new mortgages which may represent 100 per cent of sale price of the property which are taken by land banks covering the sale of real estate, title to which has been acquired by foreclosure.

As regards section 8, we still have the direction to the Federal farm-loan system to use the \$50,000,000 odd being the balance remaining from the \$125,000,000 that was appropriated to the Federal farm loan system a year ago for a specific purpose. The board was holding that money, the \$50,000,000 odd, as a reserve against contingencies. They could use it for the payment of the interest on bonds, if the interest payments on mortgages had not been made in a sufficient amount to cover the funds for interest payments. That is the very provision that is causing some uneasiness on the part of the investors. That remains in the bill about as passed by the House, however.

I am of this opinion: That early in the next session of Congress this whole subject of the Federal farm-loan system must be dealt with, and for that reason I am hoping that the holders of the securities and the distributors of the securities will not take too seriously this direction in section 8.

Mr. Speaker, this particular legislation and the bill which has just been passed are evidences of the stressed condition under which this country is finding itself. There has been much said about the guarantee of bank deposits this afternoon. Let me say this to you, that I was told two years ago this Congress, under a crisis would pass a guarantee of deposits bill. I said, Why? The answer came back from a New York banker to the effect that the bankers of New York were afraid of the situation. They had played with the deposits of banks; they had played with the trust funds of this country in the stock market and otherwise, and those funds had been lost; worthless securities had been substituted. It was of such magnitude that they knew those funds could not be replaced, but that only the great White Father, the Government, would be able to save the situation.

I wonder if this is the crisis that those gentlemen have referred to? Let me say to you gentlemen of the House if this Congress or this Government has to guarantee the deposits of the banks of this country or has to take over the banks of this country to save the money and savings of the people in the banks of this country, I, for one, will insist upon coupling with that law that every one of the men who are responsible for this condition shall be held responsible [applause]; that responsibility shall be fixed, and those men who are responsible for this situation shall be punished in the same manner that other thieves are punished. [Applause.] These bankers, some of whom are international and others who are investment bankers, have for the past three years been trying their best to avoid the fixing of responsibility for their acts.

Mr. Speaker, for years I have been a prophet without honor in this House. I have pointed out times without number that the course we have been following in the wilderness of financial jugglery could end only in the ultimate disaster which is now upon us. I have been punished for making these prophecies. I have been denounced as a radical, I have been subjected to party discipline, my words have even been expunged from the Congressional Record.

My only consolation has been the practically unanimous approval of my constituents. They sent me here as their Representative and I have spoken in their name; they have approved what I have said. With that I am content.

Let me say now that it has never been my desire to do anything other than to maintain my oath of office and to serve my constituents and the whole people of this Nation as it has been given me to say that they should be served. I shall continue to serve them.

I lay no claim to greater wisdom than any other Member of this honorable body nor to any higher conception of duty. The honor of no Member has suffered at my hands-nor will the honor of any Member suffer at my hands unless it suffers in greater measure from himself.

We are in a crisis that looms darker than any other crisis in my memory. That crisis is our first consideration. The problem we must face is the meeting of that crisis in such a manner as to best serve the whole people of this Nation. The time has passed when we can set aside for preference any man or any men or any class of men. We can not save a few if the multitude perish. Whatever fate awaits us, it is a common fate and we must meet it together.

The golden calf of our worship is not divine. It is not a god. Money is but a tool, a convenience, a medium of exchange; we have erred in making it a master. If we are to cease our wanderings in the wilderness and come out into the promised land of common well-being, we must demote money from its mastery and return it to its position of usefulness in the world.

There exists in the world a conspiracy of wealth-a mad conspiracy whose madness threatens to engulf us all in common ruin. That is our crisis, that conspiracy.

We have met other crises in our history-simple crises that could be met simply with steel and powder and lead and flesh and blood. It is our boast that we have kept our soil inviolate. That boast is true—but we have lost the empire of our minds. We have been conquered by strange beliefs,

we have been led into false worship, we have submitted to mental chains that now threaten to undo us.

I have no new forecast to make. I can only repeat what I have said before—that America must free herself from alien minds and alien beliefs and once more become herself. The American Constitution is the charter of this Republic. Under its terms we grew great; when we strayed from those terms we lost our greatness.

Paradoxically, our way forward is the way back. We have tried a new era and new beliefs. They have betrayed us. Let us turn back to sanity while we can still choose our course. In but a little time it may be too late-the power of choice may be out of our hands and in the hands of a fate too strong for us. [Applause.]

The SPEAKER. The time of the gentleman from Pennsylvania [Mr. McFadden] has expired.

Mr. STEAGALL. Mr. Speaker, I move the previous question on the adoption of the conference report.

The previous question was ordered. The conference report was agreed to.

A motion to reconsider the vote by which the conference report was agreed to was laid on the table.

JOHANN WOLFGANG VON GOETHE

Mr. SIROVICH. Mr. Speaker, I ask unanimous consent for the present consideration of Senate Joint Resolution 265. authorizing the acceptance by the United States of a bust of Johann Wolfgang von Goethe.

The Clerk read the title of the Senate joint resolution. There being no objection, the Clerk read the Senate joint resolution, as follows:

Senate Joint Resolution 265

Resolved, etc., That the President of the United States is hereby authorized to accept as a gift of the Goethe Society of America (Inc.) a bust of Johann Wolfgang von Goethe for erection on the public grounds of the United States in the city of Washington, D. C., on a site selected by the Director of Public Buildings and Public Parks of the National Capital, with the approval of the National Commission of Fine Arts: *Provided*, That if no such site suitable for the purpose shall be found, the bust shall be accepted for display in the National Museum or such other appropriate location as may indicate an appreciation of the intellectual achievements and services of Goethe to mankind.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

CONTESTED-ELECTION CASE OF WEBER U. SIMPSON ET AL.

The SPEAKER. The Chair lays before the House the following communication:

MARCH 3, 1933.

Hon. JOHN N. GARNER.

Hon. John N. Garner,

House of Representatives, Washington, D. C.

My Dear Mr. Speaker: I am transmitting herewith for your reference to the Committee on the Judiciary, for such action as the House may desire to take, the letter and subpœna duces tecum served upon me by George J. Mahr, notary public and commissioner, duly authorized and appointed to take testimony in the contested-election case of Charles H. Weber v. James Simpson, jr., and Ralph E. Church, from the tenth congressional district of the State of Illinois, for the production of certified copies of statements filed in the office of the Clerk of the House by James Simpson, ir., pursuant to the Federal corrupt practices act, for use Simpson, jr., pursuant to the Federal corrupt practices act, for use as evidence in the contested-election case of Weber v. Simpson and Church for a seat in the House of Representatives in the Seventy-third Congress.

I also submit a copy of my reply to this commission in which it will be observed that I have declined to produce certified copy of the paper in question without authority of the House of Representatives

This refusal is based upon the action of the House of Representatives as set forth in Hinds' Precedents, volume 3, paragraph 2663, page 1114, which rule of action in a similar instance has become the established practice.

Yours respectfully,

SOUTH TRIMBLE, Clerk of the House of Representatives, United States.

The SPEAKER. Referred to the Committee on the Judiciary and ordered printed.

ORDER OF BUSINESS

The SPEAKER. The Chair desires to make a statement to the House. So far as the Chair can see at the moment no other important legislation will be considered between

now and the end of the session unless an omnibus bridge bill | is reported from the Senate. In that event it is the purpose of the chair to recognize the gentleman from Missouri [Mr. MILLIGAN] to call it up.

So far as the Chair is advised the balance of the afternoon will be taken up by gentlemen desiring to address the House on some agreeable subject.

Mr. STAFFORD. Mr. Speaker, after the persiflage and eulogiums that will be delivered this afternoon, is it the purpose of the Speaker then to have the House stand in recess until to-morrow morning at 10 o'clock, or subject to the call of the Chair?

The SPEAKER. The Chair understands that when we are through with these eulogies and remarks, the gentleman from Illinois intends to ask unanimous consent that the House stand in recess subject to the call of the Speaker on 15 minutes' notice, with the understanding that we will take up at such time only conference reports that may be reported by the Senate.

The Chair does not recognize the gentleman from Illinois now, and the gentleman is not seeking recognition, in view of the fact that a number of Members wish to address the House, and the Chair sees no reason why we should not hear them.

Mr. GLOVER. Mr. Speaker, I ask unanimous consent to address the House for five minutes.

The SPEAKER. Is there objection?

There was no objection.

Mr. GLOVER. Mr. Speaker, many eulogies have been uttered here with reference to a number of our distinguished colleagues on each side of this aisle. I heartily indorse everything that has been said with reference to them. I do not intend to add anything to them.

Twenty-six years ago I served in Arkansas with one of the distinguished men who afterwards came to this House, Mr. Otis T. Wingo. I knew him there as a distinguished legislator who came to this body and served here for a number of years and then was called home. After his death the great State of Arkansas, which I have the honor in part to represent, selected his wife, Mrs. Efficiene Wingo, to serve out his unexpired term and also elected her to a full term of office.

At the close of the session to-morrow, Mrs. Wingo goes out of this Chamber voluntarily. I want to say for her that the Arkansas delegation is sad to give her up. She has been a faithful member of her delegation. She is capable and has accomplished much legislation for her people. We give her up with regret, but we are glad to say to you that we have another coming to fill her place who was a former Member of this House, Mr. Cravens, having served here for six years.

I believe you will join with me in saying that my good friend and colleague Mrs. Wingo has been faithful to every trust imposed in her. She has the absolute confidence of her constituency and the representation of Arkansas, and I know you will join with me in regretting the fact that she is leaving this body. [Applause.]

Mr. LUDLOW. Mr. Speaker, I ask unanimous consent to address the House for 10 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. LUDLOW. Mr. Speaker, in these happy and sorrowful hours of leave-taking, when heart strings are being touched by the sundering of old ties, I believe it is not inappropriate that I should pay a tribute to our departing colleagues from Indiana

I believe there is an old meteorological saying that violent and tempestuous weather usually originates at Medicine Hat. If that be true, the Hoosier State must be the Medicine Hat of politics. It is a State where the political pendulum is subject to extreme vibrations. I have known the time not so long ago when every member of the Indiana congressional delegation was a Republican. The great political upheaval of last year reversed that order, and in the

of the 12 members of the Indiana delegation in this House will be followers of Thomas Jefferson and friends of Franklin D. Roosevelt. The State of Hendricks, Voorhees, Marshall, Kern, and Ralston has executed a masterful flip-flop and has again vindicated its right to be called the "pivotal State."

To-morrow five of our Indiana colleagues will retire to private life, all of them men who were born in Indiana, who are indigenous to her soil and generously endowed with the ruggedness of character and homely virtue that is characteristic of the sons of Indiana, in whom is still reflected the strain of the Hoosier pioneers. HARRY C. CANFIELD, of Batesville, who entered this body in the Sixty-eighth Congress, has arisen by sheer worth to a position of high eminence as a member of the Ways and Means Committee and one of the leaders on the Democratic side. A sagacious and successful business man, he has been a tower of strength in the shaping of legislation that requires the exercise of sound business judgment. When he makes his exit from the Halls of Congress he will leave behind a host of friends. With him will go another Indiana Democrat, Representative COURTLAND C. GILLEN, who was named for one of the Indiana Democratic idols of long ago, Courtland C. Matson, and whose sterling brand of Democracy he seems somehow to have inherited.

By the modest charm of his manner, by his studious attention to the problems of legislation, and by his extraordinary ability as a lawyer Mr. Gillen has captivated those with whom he has come into contact here, and he also will be missed by a great many friends whose esteem he has won by his true and genuine qualities.

If it be true that "death loves a shining mark" it is equally true that the fickle goddess of politics prefers to shoot at conspicuous targets. Her aim was good, so far as three outstanding Republican Members of the Indiana delegation are concerned, all of whom were laid low by her accurate marksmanship. Representatives FRED S. PURNELL, of the ninth district, WILL R. WOOD, of the tenth, and DAVID Hogg, of the twelfth. While I do not agree with their political philosophy I hail them all as able champions of Republican principles. Mr. PURNELL, who has served continuously beginning with the Sixty-fifth Congress, has achieved high position as ranking Republican member of the Committee on Rules and as next to the ranking member on the Republican side of the Committee on Agriculture. He has become known nation-wide as an authority on agricultural problems. Representative Dave Hogg is closing his fourth term in the House, and in his service here he has demonstrated not only that he is a high-minded, conscientious legislator but that he is gifted with admirable courage.

When the gavel of our beloved Speaker raps out adjournment of the Seventy-second Congress to-morrow one of the landmarks of this legislative body will pass from view gone, but not forgotten." That landmark is Representative WILL R. Wood, of Indiana, the dean of the Indiana delegation in point of service. He has been 18 years a Member of this body. During my brief career in the House I have been privileged to be associated with him on the Committee on Appropriations, of which he formerly was chairman. During prolonged hearings on the Treasury and Post Office bill I sat at the table between Representative JOSEPH W. BYRNS and Representative Wood, the former being the chairman of the Democratic congressional committee and the latter chairman of the Republican congressional committee, while many of the most important financial problems of the Government were subjects of discussion

One might think that a seat between these two able and vigorous champions and defenders of rival political faiths would be a precarious situation for an innocent bystander. and at first I wondered whether I would be entirely safe, but I want to say that I never knew of politics being more beautifully adjourned than it is in that committee. Never was there the slightest inclination on the part of Mr. Wood or Mr. Byrns or any other member of the committee to turn Seventy-third Congress, soon to meet in special session, all a situation to partisan advantage. All of those around the table were actuated with a sole desire to serve the people of the United States, and no one more sincerely so than Mr. Wood. This distinguished Hoosier is such an ardent and effective champion of simplicity and economy in government, such a determined foe of bureaucracy and all that it connotes, that it sometimes seems to me he got into the wrong party, for I do not know of anyone in modern life who more thoroughly typifies the fighting qualities of old Andy Jackson, who loathed special privilege with a consuming hatred and feared neither man nor the devil. A doughty veteran of many battles against bureaucratic wrongs, Mr. Wood will be sadly missed in these halls of legislation.

And so at this time of parting, of fervent handclasps, and heartfelt expressions of good will, I take occasion to say that Indiana is proud not only of the sons whom the tide of victory is sweeping into high station but it has no apologies to offer for these five representative citizens of our State who are divesting themselves of the cares of office to-morrow and are returning to her bosom. [Applause.]

Mr. GUYER. Mr. Speaker, to-morrow three distinguished Members of the House from Kansas will sever their connection with this body. Every one of them had had a distinguished career before coming to the House.

CHARLES I. SPARKS, the junior Member, was county attorney in his home county of Boone, in Iowa, and afterwards for 15 years was judge of the district court in the State of Kansas. He had a distinguished career as judge and he has taken an active, distinguished part in the work of the Judiciary Committee since he has been in the House.

James G. Strong also had a fine public career before he came to the House of Representatives, holding the offices of city attorney, county attorney, and assistant attorney general in the State of Kansas. He came here at the same time that Mr. Hoch came, in 1919, and his services on the Banking and Currency Committee have already been highly praised on this floor. Mr. Strong goes back to Kansas, and I am sure his going is regretted by everyone in the House of Representatives.

Mr. Hoch has been referred to by the gentleman from New York [Mr. Parker] as one of the most distinguished and valuable members of the Committee on Interstate and Foreign Commerce. On account of his distinguished service and the splendid equipment that his work upon this committee gave him, the Governor of Kansas has made him, or will make him, the chairman of the public utilities commission, which is a powerful organization in the economic life of the State of Kansas.

We of the delegation from Kansas all regret the fact that these men are severing their connection with the House, and we bid them godspeed and hope for them the finest things in life. [Applause.]

I can not withhold just a word about some of the other Members who are leaving us by reason of the accidents and exigencies of politics. I made the assertion in a little article I wrote for the newspapers of Kansas that I could name 50 men who are so-called lame ducks whom you could not excel with a like number on the floor of the House. Great leaders like Hawley, Wood, Purnell, Michener, and a score of others like them. It is an honor for anyone to be associated with what is called the lame-duck contingent because of their distinction and their distinguished service in this House.

I see here my good friend from Wisconsin, and I want to say a word with reference to him. There is not a man upon this floor who deserves more credit for the distinguished position he has made for himself on this floor than the gentleman from Wisconsin, Mr. Schafer. No one will be missed more here than this frank, eloquent, and courageous debater. [Applause.]

I also want to say a word for my progressive friend, Mr. LaGuardia. Everybody out in Kansas knows him. Everybody admires him and everybody regrets that this House will not have the benefit of his services for the next two years, at least. His painstaking industry, honesty, and courage have no superior in the House of Representatives. [Applause.]

I would say this about all of the men who are leaving. These distinguished men have raveled out their lives here like prodigal spendthrifts in the service of their country. They deserve more than they are getting from the country at this time.

I read in a newspaper the other day, one column assailing the Congress as venal and extravagant and in the next column, which was a 40-years-ago column, I read where Samuel J. Randall, a former Speaker of this House, had just died and that his estate had been appraised and found to be of the pitiable sum of \$190. All, the paper said, he was able to save in 30 years' service in the House of Representatives.

I would say of every man from Kansas who is leaving this House that he would have been far better off, financially, if he had never entered the portals of the House of Representatives. However, they were serving not for money, they were serving their country. [Applause.]

Mr. JOHNSON of Texas. Mr. Speaker, to-morrow the State of Texas loses two of its delegation in the House.

The Hon. Guinn Williams has served as a Member of this House faithfully and well for 12 years. He retires voluntarily. He was not a candidate for reelection. Mr. Williams at this time is chairman of the Committee on Territories. He has also served, if I am not mistaken, and is at this time a member of the Committee on Insular Affairs, the Committee on Elections No. 3, and the Committee on Expenditures in the Executive Departments.

Mr. Williams rendered very fine service in the Committee on Insular Affairs, where he had a great deal to do with shaping the legislation which resulted in Philippine independence. [Applause.]

For his service here in that regard he is entitled to the highest recognition, because it was due to his long service on the committee and his earnest support of Philippine independence that it was finally accomplished at this session of Congress.

His work on Elections No. 3 has been notably worthy. In a number of election contests Mr. Williams has by his work, not only in committee but in presenting the committee's reports on the floor of the House, has rendered splendid service and enabled the House to reach a right conclusion in several notable contests for a seat in the House.

Mr. WILLIAMS is a man who comes from the West and who is stamped with that figure of independence of thought that is characteristic of the people who hall from that section.

He is a man whose personality has made its imprint on this House. He has as many friends on one side of the aisle as he has on the other. It is with a sense of deep regret that we shall lose his valuable services as a Member of this House.

I hope wherever he goes, whatever his future may be, that he may still meet with that fine friendship in other fields that he has won here among the Membership of this body. [Applause.]

Mr. BRUMM. Mr. Speaker, I ask unanimous consent to address the House for five minutes.

The SPEAKER. Without objection, it is so ordered.

Mr. BRUMM. Mr. Speaker and Members of the House, my experience here this afternoon certainly vindicates the thoughts of Tennyson that, He also serves who only stands and waits.

Unlike the proverbial brook, men do not go on forever. Of the great hosts that pass through our lives, how few of them really leave their footprints on the sands of time or even are recorded in the album of our friendships.

As the great throng passes on, here and there we sometimes see standing out by sheer force of character and personality certain great characters, whom to see is to be attracted, and to know is to love and respect.

Six years ago, from the State of Illinois, one John Allen was sent to this House to represent the northern section of that State—a valued member of the Committee on Banking and Currency, and later on of the Appropriations Committee. I know of no character in this House who I be-

lieve has greater political judgment and capacity than this | same kindly and courtly gentleman.

Born amid the mountains of Vermont, near the shores of the beautiful Lake Champlain, a veritable Green Mountain boy, in fact, a collateral of the great picturesque Ethan Allen of Ticonderoga fame, breathing the same free mountain spirit of independence. His course has been distinctly a constructive one, never resorting to the histrionic or the dramatic, never meteoric, or scintillating rather by refraction and friction with the stratosphere than by its own light, but steadfast as the North Star, fixed and constant, showing by its own effulgence the polar index to those who would seek a safe course. He knew better the great national leaders of the last 40 years than anyone I have ever met, thoroughly versed in politics and familiar with its history. He was a distinguished character here, though always modest and in the background. I know of his service, I know of his kindness, I know of his lovable character, and I know of his stalwart Americanism. I know of his integrity and soundness of mind. He was of the men who, by the late sweep of passion which swept over the country, had been ripped from their moorings; sound and sane statesmen who stood for the America which the fathers knew and who shall be missed in this Congress. These men are invaluable, these men who think, who do not stand in the spotlight, but who solve the problems of this great country. These silent men are they who shall be missed in making up the sane and solid judgment of an intelligent Congress. I know I represent my own delegation and, I believe, the thought of the entire House, when I write him down as amongst those whom you, my colleagues, love the best. I see he is not in the Chamber and I shall not say good-by. but shall rather use the term which my own people in my State have used for generations, "Auf wiedersehen"-till we meet again, and may God be with you. [Applause.]

Mr. BRIGGS. Mr. Speaker, ladies and gentlemen of the House, I do not want to let this occasion pass without paying a few words of tribute to the service, ability, and character of one of the outstanding figures in this Congress; a man, who with the close of the Seventy-second Congress passes from our midst into other fields of activity. I refer to the Hon. Ewin L. Davis, of Tennessee, chairman of the House Committee on Merchant Marine, Radio, and Fisheries. It has been my pleasure to serve with him on that committee for quite a number of years. He has been one of the most conspicuous figures in this House in the fight for the preservation of the rights of the American people and in the development of activities so essential to the happiness and welfare of all. His departure from our midst is going to be a severe loss. He, as much as any man that I know of, has promoted the expansion of the American merchant marine and materially aided in giving us a real merchant fleet on the high seas—a fleet exceeded by only one nation something, which before the World War, we did not possess. He has materially aided in securing and preserving to the people the priceless heritage of the air for radio communication. I am sure that one of the greatest tributes that can be paid to him or any other man is that he has always had at heart the interests of the people and sought to serve them in every way he could. The great fight that he made for the preservation to the people of the United States of the channels through the air will never be for-

We take it as a matter of course these days to hear not only national, but world-wide communication over the radio. It has not occurred to many that there would have been erected throughout this land on these airways toll gates which would have prevented the great bulk of the people of our country from receiving these programs, unless they paid tribute, had it not been for the fine and heroic work that Judge Davis has done in collaboration with others so interested in that work. It was he who insisted upon an equitable apportionment of the priceless radio frequencies or wave lengths to the various sections of this country. It was he who insisted on regional representation on the Federal Radio Commission, so that the rights of the people of every part of rates—the increase of 50 per cent on letter postage. I feel

the country might be appreciated and respected. It was he who insisted in an uncompromising way that those who claim ownership of the highways through the air had no right to the air; that in order to continue utilizing the air waves they must relinquish such claims and take licenses from the Government of the United States and recognize the right of the ownership as vested in the people of the United States. He has a mastery of the problems of the merchant marine and of radio unsurpassed by any. I know that his colleagues and the people of this country will miss tremendously the benefit of his counsel, advice, and assistance. And I am sure that when he leaves the House of Representatives he carries with him the affectionate regard of his fellow Members-and the millions of his fellow citizens whom he has so faithfully and loyally served. [Applause.1

POSTAL RATES

Mr. MEAD. Mr. Speaker, the House Committee on the Post Office and Post Roads has reached the conclusion that one of the greatest blunders in connection with the operation of the mail service of the country was the increase of the first-class rate on letters from 2 to 3 cents per ounce. As soon as the new Congress is organized I will submit a proposal to amend the law and to restore the rates which were in existence prior to July of last year. We have come to the conclusion, based upon advices from many of the large cities of the country, that there is a widespread disposition on the part of the biggest patrons of the Postal Service to evade the additional cost of postage by finding means for communicating with customers, patrons, and business associates other than those afforded by the Postal Service.

The whole history of the Postal Service from the days of Franklin to the administration of Postmaster General Brown shows that attempts to wipe out or reduce the deficit in the postal revenues through increasing the rate of postage on letters has in every instance produced the exact opposite effect from that desired. I am prepared to furnish both Houses of Congress with reports, official and unofficial, which bear out this contention; receipts of the Postal Service during the past eight months substantiate this contention that the higher the letter rate is made the less the income becomes.

Letters received from postal officials in more than a score of the principal cities in all sections of the country show beyond dispute that the effort to reduce postage expenses through the use of messengers, the radio, and other means is not confined to any one section of the country but is general everywhere from the Atlantic to the Pacific and from the Canadian border to the Rio Grande. Based on the official count taken by the Post Office Department during the month of October, 1932, the drop in the number of firstclass letters for the fiscal year 1933 will be 5,000,000,000 pieces. In other words, instead of 13,000,000,000 the reports will show that the number of pieces of first-class matter mailed between July 1, 1932, and June 30, 1933, will be about 8,000,000,000 pieces. This means a loss of a hundred million dollars on the 2-cent rate.

On May 3, 1931, during the hearings before the Committee on Finance of the Senate, when the revenue act of 1932 was being considered, the Postmaster General made this statement:

An increase of 1 cent on the first-class postal rate, if it applies to letters for delivery outside the post office of origin, would raise substantially a hundred million dollars. Twenty-five or thirty million more could be raised theoretically by increasing the rate on what we call "drop" letters, or letters that are mailed for delivery at the post office where they originate.

The 3-cent rate applies to both classes. But instead of increasing the postal receipts by a hundred and thirty million dollars nearly the exact opposite will be shown to have resulted when the final figures for the fiscal year are compiled next July.

It would seem to be an opportune time for interested postal patrons to demonstrate to the country at large and Congress in particular the fallacy of exorbitant postal

certain that if the desires of the patrons of the mails are properly presented the result will be the restoration of the old 2-cent rate by Congress during the coming regular session, if it can not be done during the special gathering which is expected to be called early this coming spring.

Here are some of the official replies received in response to requests to report the effect of the increased rate upon the receipts in their respective offices. This survey clearly indicates the futility of attempting to increase revenue by increasing postal rates:

NEW YORK

NEW YORK

A representative publisher, one of the heaviest mailers at that office, mailed during the first six months of the present year 580,000 notices to subscribers, whose subscribtions were expiring, at the 2-cent rate. When the postage rate was increased to 3 cents the publishing company sent notices out under the provisions of section 435½, Postal Laws and Regulations, at 1 cent per piece; the number of pieces sent out during the second half of the year was 432,000. In other words, in addition to a reduction of 1 cent per piece postage received by the post office in this case, the number of mailings was also reduced by 148,000, or about 25 per cent.

There are numerous instances in which business concerns are economizing on the use of postage. I would cite as typical of a group the owner of a garage accommodating approximately 300 cars. The monthly bills in this case are placed in the cars, so that when the customers call for their cars they receive the bills. in this manner. Other instances are reported of certain lodges sending out meeting notices, etc.; also neighborhood stores, such as provision, grocery, or other small businesses, whose patrons run accounts, sending out bills by delivery employees instead of through the mail as formerly.

INDIANAPOLIS

Even before the actual passing of the legislation raising the rate on first-class matter from 2 to 3 cents per ounce, many inquiries were received concerning ways to evade the higher charge. After the new rate became effective the number of these inquiries doubled and trebled. * *

Three large creameries located in this city, who formerly mailed numerous weekly checks to farmers throughout the State, now use a post card. These cards are so prepared that they constitute an order on the banks for the amount due the shipper, and are used in lieu of the check formerly sent under cover of an envelope and at letter-rate postage.

Chain stores are using their own employees to carry orders, invoices, etc., to, from, and between their various stores.

Another feature we have found is connected with large indus-

trial and commercial firms with many and varied departments. Formerly each department sent out their own letters, thus causing many pieces of mail from that one firm. Now this mail is all centralized at one point, where it is consolidated and the various inclosures are all placed in one large envelope for each particular addressee.

We believe that 500,000 pieces per month is a conservative estimate of the loss in volume at this office due to the increase in the postage rate on letter mail.

PITTSBURGH

Since the postage rate on first-class matter was increased two of our large department stores have resorted to the delivery of their monthly statements to charge customers by their own em-

During the first seven months of the year the mailings of the monthly statements from one of these stores averaged 84,313 pieces, while during the last five months the pieces in each malling averaged only 7,747, a decrease of 76,566 pieces per month, representing postage amounting to \$2,296.98 per month.

of monthly statements by their own employees, but the office is in possession of information indicating that such action is contemplated.

MEMPHIS

Beginning in August last, the Memphis Power & Light Co. (public utilities) began the delivery by hand of its monthly bills. The August deliveries by hand aggregated 36,944 pleces, and this number increased to 43,604 pleces in November, this number being a fair average of hand deliveries at this time. This was all first-class matter chargeable at 3 cents each, and which was lost to the Post Office Department. * * *

We are informed, and have every reason to believe, that the Bry-Block Mercantile Co. is having its bills and statements delivered by a central distributing company, a company formed for the purpose of making deliveries for the Bry Co. and for other concerns desiring that service, and that active solicitation is being made for other business. This condition has been reported to the department, and this office has been informed proper investigation will be made. * *

The volume during the months of September, October, and

vestigation will be made. * * *

The volume during the months of September, October, and November this year shows a decrease of 24½ per cent under the volume for the same period last year.

of concerns are now mailing at the third-class rate of postage matter properly of that class which was formerly mailed at the letter rate. The volume of this matter is quite large.

NEW ORLEANS

There is an approximate 10 to 13 per cent decrease in first-class matter handled since July 1, 1932, as compared with the months just prior to that date chargeable to the increase in rates of

LOUISVILLE

Possibly the largest deflection from the Postal Service was on the part of two of our large creamery companies. They formerly mailed their checks and statements to milk producers in this State and southern Indiana by first-class letter mail, but they are now using postal cards. * * *

There are a number of local advertisers who formerly mailed There are a number of local advertisers who formerly mailed circular matter as first class when the rate was 2 cents, who are now mailing them unsealed at either the regular rate of 1½ cents, or under section 435½, Postal Laws and Regulations, by which they receive a 1-cent rate. It is possible that if the rate were reduced to 2 cents many of them would prefer to pay the extra one-half cent and mail the matter as first class rather than as circulars. as circulars.

Fifty of our largest mailers report that they are diverting from the Postal Service monthly 39,890 letters, which represents \$1,196.70 in postage in postage.

One item forcibly brought to our attention by this survey was that quite a number of our patrons who formerly used letters have now switched over to the use of 1-cent postal cards.

One of our patrons declares that they have curtailed their postage account by \$250 per month. Another informs us that he has continued to hold down his postage account to \$20,000 annually, notwithstanding a 50 per cent increase in postage rates. Another, who formerly expended \$8,500 per annum for first-class postage, states that he is spending less this year, regardless of the increase in postage rates.

In conclusion I would say that the consensus of the opinion would be that the increase in the letter rate was unwise and has injured the service far more than helped it and has reduced the volume of revenue considerably.

Many of our large customers have curtailed their advertising departments to a very great extent, and some of them have actually closed up and abandoned all advertising, primarily due to the 3-cent stamp.

to the 3-cent stamp.

"Everyone seems to have the postage-saving thought. Yesterday we received our monthly statement of gasoline and oil purchases made by our salesmen throughout Virginia and North Carolina by hand from the Standard Oil Co., and at home last night a church-notice post card bore the address of five members of our household instead of the usual individual announcement."

"As you are probably aware, we sell our goods throughout the United States by mail, and we are able, through various and sundry means, to keep our postage bill down to its usual \$20,000 figure as against the \$30,000 that the Government was hoping for when it raised the postage rate."—The Duplex Co. (Inc.).

"Realizing that an increase in the first-class postage rate from 2 to 3 cents would, on the same basis as 1931, involve an extra expense, which could not be passed on, of about \$4,250, we began to look into the question of sending mail under 1-cent postage and also to more seriously consider a limiting of the mailing list.

"Though our first-class postage bill in 1931 amounted to a little better than \$8,500, we find that after an increase in the first-class postage of 50 per cent our postage bill is less than it was in 1931."—The Envelope & Printing Co. (Inc.).

CINCINNATI

In some cases the matter [diverted from the mails] was delivered by messengers employed by the firm for this work. In other cases they were hiring the Western Union and the Postal Telegraph Cos. for this purpose. It has become common practice to deliver circular matter, either inclosed or without inclosure, to the private homes throughout the city.

BOSTON

Some of the public welfare departments of the 25 cities and towns which comprise the Boston postal district are employing their people to distribute their tax bills, real estate, poll, water, and motor-vehicle excise bills. Some of the newspapers are distributing bills by using boys who deliver the papers at the homes, instead of sending them by first-class mail.

SAN FRANCISCO

Several of the utility companies of this city are distributing part of their mail by their own messengers, as are also insurance com-panies, banks, some fraternal organizations, railroads, and some small bank concerns; and some of the larger milk companies and

bakeries are having their bills delivered by their drivers.

The decrease in volume at the 3-cent rate against the former 2-cent rate is approximately 11½ per cent.

CLEVELAND

volume for the same period last year.

WASHINGTON, D. C.

The greatest loss of revenue to this office incident to the increased letter rate is attributed to the fact that a large number

It is believed that over 500,000 pieces of first-class mail matter are thus diverted from Post Office channels. The majority of the larger firms state that if a 2-cent rate is restored they will again mail such matter through the Post Office Department.

It is a fact that all kinds of schemes are being used to divert from the mails advertising matter, and in many instances statements of account are being sent through the mails on post and postal cards to avoid the 3-cent rate.

Lists of concerns, former patrons, now making monthly deliveries by private messengers:

	Pieces
Seattle City (Municipal) Water Department	65,000
Merchants Exchange	1,000
Puget Sound Power & Light Co	
Western Union Telegraph Co	
Postal Telegraph Co	
Seattle Gas Co	80,000
McKay Printing Co	2,000
Seattle Tool & Supply Co	
Metropolitan Laundry Co	
Carnation Co.	3,000
R. G. Dun	10,000
E. L. Bussey	3, 500
Seattle Hardware Co	3,000

It may be conservatively stated that no less than 100,000 bank statements and 50,000 statements from other small concerns are diverted monthly in addition to the above.

One of our local banks has discontinued mailing monthly statements to patrons having a checking account; patrons have been requested to call for such statements, uncalled-for statements being delivered by the bank messenger.

Cancellations of first-class matter for the period from September 1 to November 30 have decreased approximately 17 per cent compared with cancellations for the same period in 1931.

DES MOINES

You are advised that the experience of this office is that approximately 12 firms, including 2 public utilities, are at the present time delivering their statements or bills outside of the Postal Service by special messengers. * *

A rough estimate could possibly be placed at 75,000 per month.

NEW HAVEN

It is estimated that the total loss in revenue per year at this fice from deliveries now being made outside the post office amounts to approximately \$17,050.80.

DALLAS

I find that approximately 175,000 statements are being delivered in this manner [special messengers] monthly by 18 business concerns. Two utility companies are handling their statements in this manner—the Dallas Power & Light Co., approximately 50,000 statements monthly, and the Dallas City Water Department, 56,000 statements monthly, both being inclosed in sealed envelopes.

The decrease in postal revenues at this office is due largely to the following factors: Increased use of third class instead of first class. Increased use of postal cards instead of letters. Decreased use of the mails due to general business conditions.

CHICAGO

It has been learned that a number of our large patrons have made changes in their mailing departments looking to the elimi-nation of duplicate mailings to one address on any one day. That is to consolidate the correspondence of two or more separate departments of a firm so that all the correspondence to one address may be mailed under one cover, thereby reducing the postage bill. * * postage bill.

There are a number of contributing factors in the decline of postal revenue at this office besides the general decline in business. Principal of these are the increased use of the radio for advertising purposes and a pronounced increase in private house-to-house distribution of advertising matter.

Yesterday a representative of a private mailing bureau called me on the phone and wanted to know whether there is any ruling of the Post Office Department prohibiting the inclosing of several bills in one envelope. I told him there could be no objection so long as the envelopes were sealed and postage pre-paid at first-class rates. He thanked me for this information and hung up the phone.

I now make the prediction that if postage is not reduced on letters for local delivery very soon, private enterprise will establish and maintain central offices for combining bills from several business concerns in one envelope for each debtor. It will be a profitable business for such private enterprise and a heavy loss in revenues to the post office

SPRINGFIELD, MASS.

It is estimated that possibly 100,000 bills per month which were formerly mailed at this office are not now received.

With respect to the receipts of the New York post office during the six months ended December 31, 1932, as compared with the same period in 1931, the following information is furnished:

	\$33, 379, 246, 26
July 1 to Dec. 31, 1932	32, 720, 374. 57

658, 871, 69

Here is a list of some of the methods employed to escape increased rates:

- 1. Changing from first class to third class, that is, to the 1-cent rate
 - 2. Changing from letters to postal cards.
- 3. By the use of Western Union or Postal Telegraph messenger service.
- 4. By the delivery of mail by the use of their own employees.
- 5. By consolidating all mailing departments in large organizations.
 - 6. By dispatching bills with goods or shipment.
 - 7. By employing independent mail distributing agencies.
 - 8. By addressing one letter or notice to a group of people.
- 9. By reducing the amount of mail advertising, and so
- 10. By going out of the mail-advertising business entirely, and using the radio instead of the mails.

I recommend the following: First, reduce the rates and increase the volume. Second, protect our postal monopolydrive out competition, thus minimizing the deficit.

Mr. LANHAM. Mr. Speaker, I have listened with sympathetic interest to the eulogies that have been delivered. We can appreciate those encomiums because we are familiar with the service of our friends and our colleagues to whom they referred. Criticism of the Congress is criticism of the people, because, with the exception of the Chief Executive and Vice President, elected through the Electoral College, the Members of the two branches of Congress are the only public servants of approximately 1,000,000 serving our Government who are chosen directly by the people themselves. We understand the difficulties, the embarrassment of service of this nature.

It was your pleasure and mine to serve in this body with a distinguished son of Tennessee, Edward Eslick. We stood by helpless and saw him, after years of arduous and efficient labor, stricken here at his post. I rise of my own volition to say a word in praise of his successor. The electors of that district in Tennessee saw fit to send to this body in his stead. for the remaining part of this Congress, Mrs. WILLA B. ESLICK. [Applause.]

It has been my pleasure to serve as chairman of a committee of which she has been a member, and having long known her personal charm, I had an opportunity in the service on that committee to observe also her oustanding ability, her keen intellect, which have enabled her so faithfully to carry on for her people and for the Nation work of the same efficient character which her lamented husband contributed to our country before her. She is of gracious manner, of rare charm, and we part with her with regret, not only because of those personal attainments and the fascination that goes with them but because of the service she has rendered and could render to our common country. She has been interested in legislation before our committee; has served in presenting to the House several reports of that committee. I could not find it in my heart to see this good woman of Tennessee, whom we all know and whom we all admire, go back to her home and back to her friends whom her beloved husband had served before her without hearing an expression from some one here to assure her that she carries with her our affectionate regard and every good wish for a future filled with health and happiness and prosperity. [Applause.]

The SPEAKER pro tempore. The time of the gentleman from Tennessee [Mr. Lanham] has expired.

Mr. TAYLOR of Colorado. Mr. Speaker, the election of last November brought about probably the greatest change in the personnel of the United States Senate and the House of Representatives that has occurred at any election during the past half century. This Seventy-second Congress will expire within a few hours, and a large number of our colmany years, will retire to private life.

The sincere tributes of friendship, admiration, and good will that have been expressed for many of them are most eminently proper and richly deserved. Owing to their large number it is impossible to pay a tribute to all of them, but I want to say a few words about some of the western Members.

As you all know, for a great many years there have been only three or four Democrats here from all the 12 Western States, and we few Democrats have of necessity, and of mutual interest and friendship, been working side by side with the Republicans in Congress. There is a real friendship and a genuine admiration that has grown up among us western Members that supercedes and entirely eclipses all political considerations, and I can not resist an expression of kindness and personal admiration for and gratitude to them. Our parting at this time is with genuine sadness.

The fact that the entire Membership of the House from the Western arid and Rocky Mountain States is only about 4 per cent of the Membership of this body compels us to practically ignore political affiliations, and to work together for our mutual success and the general welfare of the West, and we constantly do that, loyally and sincerely. When we have confidently depended upon each other so much, and are under so many and such deep and lasting obligations to each other for hundreds of kind acts of assistance and encouragement, it would be less than human if we did not both feel and express that admiration for each other and candidly and gladly acknowledge our profound gratitude to each other and our sincere regrets at our parting.

I want to mention especially the names of a few of those old Members of the House from the West who have always been very dear and helpful to me, men who have been very useful not only to their States but to the entire West, and who have courageously helped to upbuild, defend, and maintain the best traditions of the pioneer spirit, energy, loyalty, vigor, and patriotism that has subdued, reclaimed, and

developed our great western empire.

I am proud to say that never, during all these years, has any one of these western Representatives who are now retiring to private life ever in any manner or by any official act brought any reproach whatever upon their States or upon the proud West, and, regardless of politics, we are good enough sportsmen to gladly acknowledge their intrinsic merit, their helpfulness, and their loyalty to their States and to our country. They retire from this House without the slightest blemish upon their records. The Congress and the country, and more especially the West, are losing many splendid men, and I feel that they richly deserve all the eloquent tributes that are paid to them.

BURTON L. FRENCH, of Idaho, and WILLIS C. HAWLEY, of Oregon, have each served in this House for 26 years. They have to their credit many hundreds of beneficial acts during their distinguished careers. I have been especially closely associated with Mr. French for many years, on the Appropriations Committee and on the Interior Department subcommittee, and I feel it is only paying him a most just and richly deserved acknowledgment to say that I have never known a more efficient Member of this House. He has always been an exceptionally helpful and constructive member of that committee, and I will miss his splendid assistance more than any other Member of this Congress. It is no disparagement to anyone else to say that it will be utterly impossible to find any man who can fill his place on that committee. No one else has the wide personal experience, thorough knowledge and mature judgment sufficient to be of the really great assistance that he has always been to us. I confidently expected that sometime in the not distant future there would be placed upon his shoulders the mantle of those really great chairmen, Joseph G. Cannon and Martin B. Madden, of that greatest committee in Congress, and he would have worn it with superb efficiency, dignity, and honor. He served for several years with great distinction as chairman of the naval affairs subcommittee, and I think that committee will be hard to fill.

leagues, with whom we have served so harmoniously for so | he knows more about the Navy than any other man in Congress. I personally know that Burton L. French and AD-DISON T. SMITH have been worth many millions of dollars to the State of Idaho.

> In the winter of 1930 and 1931, I investigated the records of Congress, and the terms of service of all the Members of both the Senate and House and all Territorial Delegates from the Western States and Territories from the time Mexico ceded to the United States, by the Treaty of Guadalupe Hidalgo, a large part of the western portion of our country on February 2, 1848, to that time and compiled what I termed "a congressional directory of the West," in chronological order, according to longevity of service, and on February 9, 1931, I inserted it in the Congressional Record at pages 4404 to 4414 of part 4, volume 74, of the third session of the Seventy-first Congress. From that RECORD and the congressional directories since then, it will appear that Mr. Hawley, Mr. French, Mr. Frank W. Mondell, of Wyoming, and I are the only men thus far, during the entire history of our country, who have ever been honored by an election to Congress 13 terms, from any one of the 16 Western States. I wonder how long it will be before that record will be excelled by four other men from the West? Every Member of Congress knows that a service in this body for 26 years does not occur by chance. It is only accomplished by a man absolutely and conscientiously devoting every possible energy there is in him, both mentally and physically, day in and day out, and year in and year out, to the service of his constituents. In these strenuous and kaleidoscopic times, when every man and woman in the United States is, every day of their lives, looking to Washington and to Congress for something, our constituents never will or can realize the humanly impossible amount of work that is heaped upon their Congressmen.

> ADDISON T. SMITH, of Idaho, and ALBERT JOHNSON, of Washington, have each served with us for 20 years, during much of which time Mr. SMITH was a very capable chairman of the Committee on Irrigation, the same committee of which I had the honor of being chairman about 16 years ago; and Mr. Johnson was chairman of the most difficult Committee on Immigration for many years. He is entitled to the everlasting thanks of our Nation for manfully and patriotically preventing the influx of many millions of utterly undesirable immigrants into our country. Both he and Smith always handled the affairs of their respective committees in an honorable, courageous, and admirable manner, and they rendered splendid services to their States, to Congress, and

to our country for 20 years.

From my own State, Charles B. Timberlake, and from the State of Washington, LINDLEY H. HADLEY, have each served for 18 years. They have both been on the Ways and Means Committee for a great many years, and their services have always been efficient and loyal. Work on that great committee gives a man scarcely any opportunity of individual distinction, but the work is long and tedious, and these two men richly deserve their full shares of the credit for the enormous amount of constructive, beneficial, and history-making legislation that that committee has brought forth during all those years.

HENRY E. BARBOUR, of California; GUY U. HARDY, of Colorado; and John W. Summers, of Washington; have each served in Congress for 14 years. They have all three been members of the Appropriations Committee for many years, and I have worked with them all of that time. For many years Barbour was chairman of the Subcommittee on Military Affairs, and he always stood heroically and defiantly for our national defense. I think he knows more about our Army than any other man in Congress. I personally know the loyalty to their constituents, and the faithfulness of all three of these men to their congressional work. Their official acts and diligent and splendid services to Congress, to their constituents, and to our country have always been efficient, creditable, and entitled to the utmost appreciation by their constituents and by our country. Their places on

PHILIP D. SWING and ARTHUR M. FREE, of California, and | service to us, and I am proud to pay this humble tribute to Don B. Colton, of Utah, have each served with us here for 12 years. As all the old Members of this House know, Mr. Swing put in about 10 years of persistent, tactful, and wonderfully courageous and effective work in bringing about the construction of the Boulder Canyon Dam. He is entitled to more credit than any other one human being for that marvelous achievement, which will be a just and proud monument to his memory for a thousand years. I have always admired him, and was on many occasions glad to help him in that great history-making work.

I have not been personally associated with Mr. Free, as I have with Messrs. Swing and Colton, but I know he has been a very capable and worthy Member of the House.

Don Colton and I live in adjoining counties. We have known each other almost from our boyhood days. Before coming to Congress we practiced law in the frontier portions of our States for many years, when we were so happy and so poor-we are still poor. Our relations have always been close, and I have admired him and highly appreciated his friendship and cooperation. His constituents and mine are the same kind of splendid, courageous, hardy, pioneer people and have the same interests. After he had worked so long and succeeded in passing through the House his bill to regulate the use of the remaining 173,000,000 acres of the public domain, I was genuinely sorry indeed that the Senate did not act upon it. However, by his long, thorough, and persistent work he has laid the foundation for the enactment of that great piece of constructive legislation, and when it is finally brought about—as it should and, I believe, will be-Don Colton will be entitled to a very large part of the credit for it. He was for a long time a splendid and greatly admired chairman of the Public Lands Committee, and I can confidently say to our neighbor State of Utah that she has never had a more faithful son than Don COLTON.

Mr. Scott Leavitt, of Montana, and Mr. Samuel S. ARENTZ, of Nevada, have each served with us for 10 years. Mr. Leavitt was for many years chairman of the Indian Affairs Committee. He made a great study of the vast and varied conditions of the nearly 200 tribes of Indians scattered throughout our country, and he brought to that committee an exceptional capability and energy. The Indians throughout our entire country will always owe him a debt of real gratitude for his patient, unselfish, loyal, tedious, and hard work in their behalf.

Mr. Arentz has always been a tower of strength and of information on the Public Lands, Irrigation and Reclamation, and Mines and Mining Committees. No one knew the conditions or the needs of the West better than he, and our entire western country owes to him a debt of appreciation for his energy, efficiency, and devotion to our upbuilding.

There is one other Republican, not of the West, whom I am proud to mention, and that is Mr. Frank Murphy, of Ohio. He has served with us for 14 years, and about 12 years of that time he and I have been very closely associated on the Appropriations Committee, and on the wonderfully interesting subcommittee of the Interior Department. We have been as close to each other as two brothers. I think our relations have been as intimate as those of any two Members of this House. Had it not been for the change in the political complexion of the House two years ago, he, instead of I, would now be the chairman of that committee. and I would have gladly served upon the committee under him, as loyally and as proudly as he has during my chairmanship.

While his constituents had no direct personal interest in the thousands of affairs of that department, extending from the Arctic Circle to the Equator, he always worked as hard and put in as many long hours and as many hard days of investigation of the welfare of the Indians, and all the vast and varied interests of the Interior Department, as if he had represented a western district. The West gratefully acknowledges and genuinely appreciates his long and faithful

him. The national parks, the reclamation projects, all the Indian tribes throughout the West, the Geological Survey, the Howard University, and many other activities all owe him a debt of respect and lasting gratitude. In our Rocky Mountain mining parlance, as a fine, clear, square-shooting fellow, Frank Murphy assays up as high as any man in this House. May his future days be long and happy.

My colleague, William R. Eaton, of Colorado, has served with us four years, and Mr. Frederick C. Loofbourow, of Utah, has served only about two years, and each one of them has been very industrious and exceptionally energetic, and

has made a good record.

All of these 17 western Republicans retire to private life without the slightest blemish upon their records. The congressional careers of these men, along with over a hundred more Members of this Seventy-second Congress, were cut short last fall by the same inexorable political fate that befell the Democrats on election day in 1920. In each election there was practically a unanimous and irresistible demand by the American people for a change in the White House, and a reversal or a very radical modification in the administrative policies of our Government in Washington. There was an emphatic determination to clean house and have a new deal in our national affairs, and the personal equation of the local candidates cut comparatively little

There is one Democrat from the Rocky Mountain West who retires to private life with this Congress; that is, John M. Evans, of Montana, the present chairman of the Public Lands Committee. He has served with us for 16 years, and has always been a vigorous and capable Representative and champion of the West. We are all proud of him, and his State should be proud of him, because he has given the best of his splendid abilities for a large part of his life to the upbuilding of Montana in particular and to all the West in general.

It is with a sincere feeling of genuine sadness that we part with all of these old friends to-morrow. They have been splendid colleagues of ours; they are fine fellows. They are faithful sons of Uncle Sam. They have been helpful to us, and resourceful and effective workers. Their characters and courageous western spirits have been a profound inspiration to the Members of Congress who have associated with them during all of these years and to the entire West, and there is a personal sorrow in our saying good-by. We wish them health, happiness, success, and long lives. I hope, for the welfare of our country, that their successors will profit by their labors, their example, and their diligence, and will be able to carry on the very important work that these men have so long and so faithfully performed. [Applause.]

ROOSEVELT, THE LEADER

Mr. McSWAIN. Mr. Speaker, I ask unanimous consent to extend my own remarks and to include a brief poem by a young friend of mine who has written it on the title "Roosevelt, the Leader."

Mr. BLANTON. Lady or man? Mr. McSWAIN. He is a young man who works in a cot-

The SPEAKER pro tempore. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. McSWAIN. Mr. Speaker, under leave to extend my remarks in the RECORD I am printing an original poem by a young friend of mine, Charles M. Price, of Charlotte, N. C., entitled "Roosevelt Is Leading."

ROOSEVELT IS LEADING

When March the fourth goes rolling by Old Herbert H. will heave a sigh, And pack his goods and go back home, While the people wish he had never come.

Now Franklin R. comes stepping in And rides about with a happy grin; But under his smiles is a big, hard stick; And sure as we live, he'll turn the trick.

Be patient, folks, and give Frank a chance, He can't parade nor drill nor dance; But he's got a brave and noble heart, And sure as life he'll do his part.

The Democrats have rallied, The Republicans had to squall; Hoover messed up the Government, And we have to suffer for it all.

Now Roosevelt is our leader, And he is a man that the world well knows, Honest and fair dealings with his fellow men Is Roosevelt's motto.

We can go to him with our troubles, Work is something he never shuns; He will bring back prosperity, Because he knows just how its done.

But on the noble fourth of March, The people will begin to shout, Roosevelt will enter the White House And Hoover will have to step out.

-Charles M. Price.

THE WAY OUT

Mr. LANKFORD of Georgia. Mr. Speaker, I ask unanimous consent to proceed for 15 minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. LANKFORD of Georgia. Mr. Speaker, I enjoyed very much the splendid discussion of the West and its problems by my good friend the gentleman from Colorado [Mr. Taylor] just a few minutes ago.

I had the privilege of visiting the great West on three occasions during my service here as a Member of Congress and once prior thereto and learned to love those people who live out there on the wonderful, magnificent Pacific coast. I found that out there they have great mountains, great trees, and great men and women. Just here let me say, I am truly glad President-elect Roosevelt went to the Far West for the selection of two Members of his Cabinet. It is most unfortunate that one of these appointees, the late Senator Walsh, should have died without serving his Nation in these trying times as Attorney General.

I am also most happy over the other appointment, that of Gov. George H. Dern, of Utah. I have known him and appreciated his ability and integrity for many years. In him the Nation will have a most excellent Secretary of War. He comes from the splendid Mormon State of Utah, where he moved after being reared and educated in Nebraska. Some years ago while visiting Utah I was informed that while Governor Dern is not a Mormon he was elected governor in a State where the majority of the voters are of the Mormon faith; that in Salt Lake City, where a majority of the voters are not Mormons, a Mormon mayor was elected: and that the good people of Utah do not at all let their religious opinions interfere with their selection of the very best officials or the faithful discharge of their obligations as citizens. In fact, I found all the people of the great West to be people of the East and South who had moved out there and are broad, liberal, splendid folk. I remember very pleasantly being at a picnic at Pasco, in the State of Washington, where those people of that section had gathered to discuss their irrigation problems. They had had drier weather than usual, had failed to make a crop, and they were about the bluest group of people I ever saw gathered together.

My good friend, Mr. Addison Smith, at that time chairman of the Committee on Irrigation and Reclamation, and who had charge of our group of Members of Congress, after several long but good speeches had been made, came to me and asked me to make about a 3-minute speech and endeavor to get those people to forget their troubles and laugh just a little if I could. I told him I did not know whether I could do so or not, but that I would try by letting them know I was in sympathy with them just as I am with my own people and then telling them a story.

I remember walking out to the front of the stage and looking at those people—nearly 3,000 of them, farmers and

their wives and their children—gathered from all over that country. I said:

Ladies and gentlemen, I have learned to love you people of the great Northwest, and I do not mind telling you why I love you. I love you because I find you are the same kind of people who live down in the district I represent in Georgia.

I said:

I love you furthermore because I see here a great group of good men and good women gathered from all over this great country of ours. I love you because I see here people from the country—the best people on earth—and because I do not see in this crowd gathered here to-day any flappers.

I said:

Do you know who fiappers are? Flappers are girls who walk the streets of the big cities and are more mindful of worldly pleasure than of being helpful to others and to their brothers and sisters and their own fathers and mothers; but do you know they have quit calling them fiappers? They do not call them fiappers anymore, they call them bungalow girls. Do you know why they call them bungalow girls? If you do not know why they call them bungalow girls, I will tell you. They call them bungalow girls because they are shingled on top, painted in front, and no upstairs.

[Laughter and applause.]

I learned to love those people out West, and I found that they have the same kind of problems that we in the South have, and the same kind of problems the people of the whole Nation have. They are looking to Congress to solve their problems, which to-day are menacing the very existence of our great Nation.

Mr. Speaker, the farmers and their families are pleading with us to help them in these trying hours, and I hope and pray that Congress may solve all our problems from the standpoint of the farmers and the workers of our country. I am most fully convinced that our people can never again become prosperous without these tremendous economic questions being approached and handled from the standpoint of just such people as I met on the banks of the Columbia River, at Pasco, Wash., and just such people as labor and till the soil down in my district in Georgia.

The best people in all the world live out in the country away from the big cities. Out in the woods the birds sing more sweetly, the flowers are prettier, and the sunrise and sunset are more entrancing. There the skies are bluer, the stars are brighter, and heaven and earth are nearer. Out there are men and women and children and God.

The late Senator Watson, of Georgia, expressed most truly the convictions of my very soul when he said:

There are thousands of devoted and absolutely admirable wives and mothers in our cities, in our towns, and in our villages, and it gives me pleasure and pride to testify to the fact; but if you ask me to carry you to the home of the true wife and the true mother—one who loses herself entirely in the existence of her husband and children, one who is the first to rise in the morning and the last to retire at night, one who is always at her post of duty, and the one who carries upon her shoulders the burdens of both husband and children, one who is the keeper of the household and the good angel of it; utterly unselfish, happy in making others happy, with no thought of fashionable pleasure, perfectly content in quiet home life in which she does nobody harm and everybody much good, taking as many thorns as she can from the pathway of her husband and strewing it with as many roses as possible, strengthening him by her inspiration as he goes forward to fight the battle of life, smoothing the pillow upon which he rests his tired head when he comes home; tenderly rearing the boys and girls who will in turn go away from the door seme day for the last time, the boy to become a good soldier in life's continuous warfare and the girl to become some ardent suitor's wife and to be to him what her mother has been to her father; and who, when all the toils are done and her strength is departing, will sit calmly in the doorway watching the setting sun with a serene smile upon her face and never a fear in her heart—ask me to find where this woman lives, where this type is to be found, and I will make a bee line for the country.

Mr. Speaker, I wish it was possible for all Members of Congress to know and appreciate the true worth of the people of the farm. I wish you knew how well they love their families and their homes, then you would understand why they are so anxious in these trying times to save their homes. Then you would more readily join with me in fighting their battles.

I am pleading for these people of the South, of the West, and of the whole Nation. Let us save them and we will save

all our people. If they are happy, prosperous, and contented all our people of the whole Nation at once become the immediate beneficiaries of their success. I urge those who are charged with the responsibility of Members of Congress to get in closer touch with all our people of the whole country. I pray that you study the problems of the people of the South, the North, the East, and the West. Then you will be in position to more intelligently legislate for not only the people of the South but also for the people of the West and the entire Nation.

Mr. BOYLAN. Will the gentleman yield for a question? Mr. LANKFORD of Georgia. I will be pleased to yield to my good friend the gentleman from New York.

Mr. BOYLAN. Last year the gentleman made a very interesting address about men who wear high collars, long-tailed coats, and spats. I want to ask the gentleman if he found any of that class in the great Northwest?

Mr. LANKFORD of Georgia. I did not find very many of the kind I was criticizing in the Northwest.

Mr. BOYLAN. Surely, the gentleman has no objection to men who wear long-tailed coats, high collars, and spats?

Mr. LANKFORD of Georgia. Not at all. I was not criticizing Members of Congress because of the cut of their wearing apparel. I was criticizing them for being on dress parade away from their posts of duty when they should be here in harness in the discharge of their duties as Members of Congress. My mentioning of their style of dress was only incidental to my line of discussion. Dress does not make the man but the man makes the dress. A man in overalls, earning an honest living, is a hundred times more attractive to me than a man with the most expensive garb away from his post of duty or accumulating great wealth by unfair and crooked methods.

Since mention has been made of my observations concerning Members of Congress, let me say just a few words about a very honorable group in the present Congress which will soon be extinct. I refer to those who are serving in this session but will retire at noon to-morrow. This is the last Congress where a group retiring because of a general election will serve in a regular session before the newly elected Members enter the actual service. Many of those who will retire to-morrow are most able and conscientious Members with most enviable records here. Those retiring are always much better qualified, have greater experience, and are better equipped generally than those coming in, and are just as able, fearless, and honest. Let me say just here that those of us who are going out of Congress are not "lame ducks," but we are veterans with a service-connected disability received in the front ranks of a major engagement of a great battle. [Laughter and applause.]

I saw the other day where a new Member was congratulating himself because he was able to find the Capitol Building so soon after he reached Washington. The trouble with new Members—and old Members, for that matter—is not in being able to find the Capitol, but in being able to find themselves after they get to the Capitol. Ofttimes during the next Congress they will earnestly ask, "Where am I at?" They will indeed be wise if only occasionally they know what they are doing and where they "are at." The prodigal son got along a whole lot better after he "came to himself."

There has been so much unfair criticism heaped on Members of Congress until I hesitate to criticize Congress lest I also may be thought to be unfair. I will, though, tell what has often been my reply when I was asked to tell what is being done in Congress. I have said, "I can answer your question by telling the story of the city man who, knowing nothing about farm life, bought a farm and moved to the country. After a few days, one evening he noticed that the geese were making considerable noise and decided that they were hungry, so he carried them a basket of dry corn shucks. When he came back some one asked him whether or not the geese ate the shucks, and he said, 'No; but they are talking about it.'" [Laughter and applause.]

There should be much more real work on our real prob- chairman of the House Committee on Banking and Curlems in Congress and much less talk. And yet so much of rency, while discussing the conference report on the bill to

the seed we sow here falls on stony ground and so much of what we say reach ears that are deaf until it is most difficult to be either discreet in our choice of words or moderate in the amount of our language.

Then, again, the big interests, through the subsidized big newspapers, the radio, and the motion picture, wage such a bitter campaign against those in Congress who refuse to humbly do in accordance with their bidding until Members who are unable financially to buy newspaper space or otherwise defend their services in behalf of the common people are forced to defend themselves, their views, and their people on the floor of the House and in the Congressional Record.

Mr. Speaker, I am criticizing Congress not for talking in defense of the average citizen and in defense of what is believed best for all the people of the whole Nation, but for making so many pledges to the people which are never kept and never intended to be kept.

PROMISES TO THE FARMER

Promises to the farmer which are never kept probably constitute the most flagrant case of this kind of thing. In every race since I can remember the farmer has been promised every imaginable help by all candidates for Congress, and yet to date no real substantial farm relief plan has ever been adopted into law.

PERFORMANCE FOR THE BIG INTERESTS

Heretofore when Congress met it was immediately carried in the newspapers and talked freely everywhere that certain legislation in behalf of the big interests must be passed first and that farm legislation would be taken up in due season. First one measure and then another is passed for the big corporations and the friends of the farmers are urged to go along and are promised help for the farmers in the near future. Generally after the session has been in action for the big interests for several weeks, hearings are announced on farm legislation. Then much time is taken up hearing the lawyers and lobbyist of the big interests tell just how the farm problem can be solved so as to be well pleasing in the sight of the big corporations which exist solely and only by sucking the very lifeblood out of the farmers. Ofttimes not a single real honest-to-goodness farmer appears in behalf of the farmers, and even Members of Congress who represent the farmers are ofttimes limited in their presentation to five minutes each. Then it so often happens that near adjournment, when everybody is in a rush, the farm bill-if one comes up at all-is suddenly taken up under the suspension of the rules or under a special rule limiting the debate and probably cutting off all amendments, and, if it is passed at all, it is not a real farm relief bill, and gets to the President just before adjournment, so he can kill it by a veto after Congress has adjourned and made for itself an alibi in form, though not in fact.

PRESENT SESSION FOLLOWS SAME OLD TACTICS

This is precisely the tactics of the leaders in the present session. The only relief for the farmers passed by Congress so far is contained in the Smith cotton bill, which I favor and which passed only a few days ago. It should be enacted into law at the very earliest possible moment in order to help our farmers who grow cotton this year. Congress is to adjourn to-morrow, and this bill is still in the hands of President Hoover; and I am expecting that after Congress has adjourned news will be broadcast through the newspapers that President Hoover has refused to give his approval to this bill and in this way has prevented its becoming law.

HULL-WALCOTT MORTGAGE FORECLOSURE BILL

Another example of these kinds of tactics is to be found in the methods used in connection with the Hull-Walcott measure to prevent the turning of all of our farmers out of their homes by foreclosures. To my mind this is the best bill for the distressed farm debtors yet passed by the Senate during this session. It is now under the control of the leaders of the House, and yet it is not to pass. Just a few minutes ago, the gentleman from Alabama IMr. Steagall, chairman of the House Committee on Banking and Currency, while discussing the conference report on the bill to

give more powers to the Federal land banks, yielded to me, and the following colloquy took place:

Mr. Lankford of Georgia. Some days ago there passed in the Senate S. 5369, known as the Hull-Walcott bill, providing for loans or advances by the Reconstruction Finance Corporation for the purpose of securing the postponement of the foreclosure of certain mortgages for a period of two years, and for other purposes. Being much in favor of this measure, I wish to ask the gentleman whether or not there is a probability of the bill passing the House before adjournment at noon to-morrow.

Mr. STEAGALL. The Hull-Walcott bill was sent to the House only a day or two ago, without sufficient time remaining in which to give it proper consideration, and it will not be taken up at

this session, so far as can be foreseen at this hour.

Thus it will be seen that the bill to give more powers and greater authority to the Federal land banks to foreclose farm mortgages, exploit the farmers, and actually destroy them as fully as was ever done by an invading army is to be passed by both Houses and be signed by the President and become law, but the Hull-Walcott measure, to stop mortgage foreclosures on the most reasonable plan yet suggested, is to be pigeonholed to death. Thus Congress is in a stampede to legislate for those that are destroying the farmers but can not be urged into passing laws in behalf of the farmers, and yet there are those who are asking, "What is the trouble with our country?"

CONGRESS HELPS FEDERAL LAND BANKS CRUCIFY FARMERS

It has always been so. The farmers get the promises; others get the service. If a good measure for the farmers passes one House, it either is amended to death later or is not finally passed or, if passed, is vetoed by the President. If a good measure for the farmer and the common people finally becomes law, then those who exploit the farmers immediately get control of it and operate it, so far as possible, for the big interests and so as to nullify all the good provisions of the law.

Those who always ride at the expense of the farmer seize the legislative machine which was set up for the farmers, push the farmer and his folks out of the car, put it in reverse gear, and back it over and kill the very folks it was intended to help—the farmers and the average citizens and their wives and children. This is exactly what is happening in the case of the Federal farm loan act, and it is happening with the approval of the leaders of Congress, who are passing over the bitter objections of a few of us laws giving more money and power to the Federal land banks and killing all moves to save the farmers from an awful destruction at

the hands of those who are crucifying them.

Mr. Speaker, in spite of the many promises that have been made to the farmers, the country is in a more deplorable condition than ever before. There has been an overproduction of promises in behalf of the farmers and almost a total absence of really worthwhile legislation. For fear some one will challenge this statement, let me refer very briefly to at least four outstanding pieces of legislation passed and labeled as farm relief, to wit, the farm loan act, the intermediate credit bank act, the home loan bank act, and the Federal farm marketing act. Generally I charge that all these acts are failures, have done the farmer no real good, and in many instances have caused his ruin. I am willing to call the farmers themselves as my witnesses to prove not only this charge but also the others I shall make presently. Ask the farmers whether their condition has become worse or better since the enactment of these laws. Almost without exception they will declare that they are losing out in greater numbers than ever before, and in many cases as the direct result of the cold-blooded tactics of some of the institutions brought into being by the laws just mentioned. To be more specific, let me say that I find it much more difficult to secure the extension of a loan in default which is held by a Federal land bank than I do where it is held by a life insurance company or some private loan concern. Thus it is that these agencies set up to help the farmers are getting his land, mulcting him in unconscionable attorneys' fees, and, like heartless pirates, are turning him, his wife, and children out in the cold, cruel financial world without means of support.

The farm loan act was apparently designed to help others exploit the farmer rather than to be of real service to the farmer, and now during this awful depression the plundering of the farmer under this act is being carried to cruel and heartless extremes. What I have said about the Federal farm loan system is equally true of the intermediate credit bank system.

I shall not go into detail at this time. Suffice it to say that anyone who has attempted to secure money for the farmers through this system will corroborate what I say. Some of my good friends in Georgia are doing their best to make arrangements for some help for the farmers of my district. I know what they are up against and certainly wish them Godspeed.

About all these two systems do is permit the farmer to try to lift himself over the fence by pulling on his own boot straps, charge him exorbitantly for the experiment, and ruin him if he fails. I am sure some individual farmers have been helped by these systems but many more have not been helped or have been ruined. Generally these and all other so-called farm relief acts provide for the farmers' exploitation rather than his financial salvation. They help others to make money out of the farmer rather than help the farmer to get a square deal. Many of those who supported these measures acted in the best of faith but, as is always the case, the profiteer, the speculator, and those who consider the farmers as only cattle and to be handled and herded only for the money that can be obtained by their slaughter, were ever present by lobbyist, high-salaried counsel, and office seeker, to see that the bills were finally shaped to suit them and not for the best interest of the farmers of the country. Of course there is some good in these bills. The deadliest poison may be sugar coated. The passage of these and other loan measures by Congress are only repeated admissions that the farmer is not getting a square deal but is being robbed. Help the farmer get a fair price for his product and he won't need any farm-loan system. He will have all the money he needs and to spare.

Oh! If Congress would only enact a proper marketing act for the farmer and provide the proper monetization of farm products and farm lands, all else would be well with him. Banks have been closing all over the country. Why? Simply because the farmers and the common folks who keep the small banks going are losing out. To be more specific, many banks closed in my section during the last few years that would have kept open and been in good shape if the farmers had received a fair price for their cotton, tobacco. and other farm products.

The prices at which the farmers' tobacco is being takennot purchased-is only one illustration of the awful robbery that is being perpetrated. The farmer gets only a few cents for a pound of tobacco, which when manufactured into cigarettes sells for many dollars. The farmers and their families are being reduced to peasantry and abject slavery, while the manufacturers are making millions upon top of millions of profits.

What is the Government doing to help this situation? The truth about the situation is unbelievable. In 1929 the Government received in taxes from the manufactured products of tobacco \$43 net every time the farmer got \$28 gross. For the purpose of emphasis, let me repeat the Government got net \$43 every time the farmer got \$28 for all his labor, uses of his land and a farm property, fertilizer, and every other farm cost. Just think of it. The Government gets out of a tobacco crop a dozen times as much and even a hundred times as much as the farmer gets net. In fact, in most cases the Government and the manufacturers or exporters get all the profit while the producers are being ground into oblivion by a system of torture more cruel and inhuman than was ever inflicted on ancient peon or galley slave.

Much has been said about the Government subsidizing the farmer. This is not the case. In so far as the tobacco producer is concerned, the farmer is subsidizing the Government to the tune of approximately \$500,000,000 a year. This money received by the Government each year out of the farmers' tobacco crop is the equivalent of the entire amount put up for use by the Federal Farm Board in handling the marketing of all farm products.

Street SE., here in Washington, across the churchyard of the Metropolitan Presbyterian Church to the doorway of marketing of all farm products.

Let me say that practically all the blame for bad measures is at the door of Congress. Practically all officials do their very best to administer the law and only fail because the law under which they operate is not good legislation. This is especially true of the Federal Farm Board act. That act does not contain a proper control of production and marketing and was bound to fail. The Farm Board officials are not to blame for this act. Congress is to blame for not passing a better act. The failure of Congress to pass as good legislation for the farmers and other average citizens as are passed for the big corporations is the greatest disappointment of my service here.

I get heart-rending appeals every day from farmers and other good citizens, pleading for relief. They want me to tell them how to manage so as to save their homes. I am forced to advise them that nothing has been done yet for their direct help.

I am absolutely convinced that there is and can be no permanent relief unless and until something of a substantial nature is done to save the homes of our people. Show me the individual who does not love his home, and I will show you a dangerous citizen. When we allow our people to lose their homes, we undermine the very foundations of our Government and our civilization. "Be it ever so humble, there is no place like home." The dearest places on earth to me are the places I have called home in Georgia, here in Washington at 1701 Euclid Street NW., and 3437 Oakwood Terrace NW., and 211 Fourth Street SE., where my family and I have lived. There is even an affection for the hotels where we often stop. I know this is true with me as to the old Kimball Hotel in Atlanta, the Pulaski in Savannah, the Oglethorpe in Brunswick, the Phoenix in Waycross, and the St. James here in Washington, where Mrs. Lankford and I always stopped prior to my coming to Congress. In future years many a heart will beat just a little faster as men and women pass the sites here in Washington where the St. James once stood in what is now Constitution Avenue and the small triangle between this avenue and Pennsylvania Avenue and Sixth Street NW., and sites of the old Metropolitan Hotel, where Lincoln stopped; the National, where Alexander H. Stephens, of Georgia, lived and Henry Clay died; and the old Pennsylvania Railroad Depot, where Garfield was assassinated-all grouped in close proximity to each other where once was the business center of the Nation's Capital.

Mr. Speaker, just as we love these spots we once called home so our people love the homes which are now being ruthlessly torn from them. The very highest and greatest duty of Congress to-day is to stop the awful barbaric sacrifice of the homes of our people which is now taking place on every hand. We must save our homes if we save our civilization and our Nation. By the use of the word "homes" I do not mean the palaces of the rich nor the rented tenements of the criminal class of the crowded cities—I mean the small home of the country and city where fathers and mothers live and rear their children to become good men and women, such as builded our Republic, maintain it now, and must preserve it, if it is to endure.

Better a thousand times save our homes and the honest sturdy men and women of these homes and lose all the banks and monopolies than save the great corporations and lose the homes of our Nation-homes and good people build banks and wealth; but ofttimes many of these, as is now the case, destroy our people and our homes. In saving our homes we save all; in losing our homes we lose all. True patriotism is not the love alone of hills or valleys or fields or forests or plains or mountains or sea or sky but is the love of fathers and mothers and their children. True legislation is in behalf of fathers and mothers and their children. True legislation is not for the banks nor the rich who keep their money there, but for the people and to help them secure food and clothing and shelter and enjoy the blessing of our civilization as free American citizens. Many a time I have looked from the window of my room at 211 Fourth

Street SE., here in Washington, across the churchyard of the Metropolitan Presbyterian Church to the doorway of 129 Fourth Street, at northwest corner of B and Fourth Streets SE., where the late Senator Thomas E. Watson lived while serving his first and only term in this House, and received a new inspiration as I remembered his own words:

I do no speak for the lordly magnates of class legislation. I do not speak for those who for 100 years have stood at the doorways of national legislation begging for special favors. No! The men whose cause I would plead before the bar of American public opinion are chiefly those who toil in the hundreds of different places of industry and who have never lifted their voices to ask anything of this Government except just laws and honest administration. They are the men of the mine, the mill, the shop, and the field. They are the obscure toilers who in time of peace send pulsing through the veins of commerce the rich blood of prosperity. They are the men who in time of war spring into the battle line at the tap of the drum and with patient feet follow the march and with fearless heart make the charge upon which is based and builded the world-wide fame of your commanders, to whom you rear monuments in the open places of your cities.

I never visit the home of Washington at Mount Vernon without getting a new inspiration of service to people and of love of folks. I shall always remember the patriotic thrill which was so evident on the face of all one afternoon a few years ago when a large throng of people, including Mrs. Lankford, our children, Chester, Cecil, and Laura, and Miss Eula Walden, now Mrs. Hepner, and myself, saw General Foch, the great French general of the World War, place a wreath of flowers on the tomb of Gen. George Washington.

Mr. Speaker, these men were great because they rendered a great, unselfish service to their fellow men. They lived and fought and sacrificed for fathers and mothers and their children. The great cause of the present economic troubles is selfishness and can only be overcome by a new baptism of unselfish patriotism and determined service of all our people. Too many believe that economy is the method of getting everything for self, regardless of what happens to others.

Mr. Speaker, I was very much interested in the address of the gentleman from Illinois [Mr. Keller] delivered several minutes ago, to-day. I most heartily approve most of what he said. He is absolutely right about child labor. Children should be in school and not slaves in our factories. My good friend, Mr. Keller, is right about old-age pensions, money, and other matters too numerous to mention now. I hope every Member, both of this and the next Congress, who did not hear his remarks will read them.

Now, just a few more words about our present economic struggle. Overcentralization of financial and political power in a few individuals is the cause of our awful economic condition; contains the cause which we must overcome to find our way out and will be the cause of our Nation's downfall unless we can overcome and nullify its blighting effects. Congress has been legislating entirely too much for the monopolies, regardless of what happens to the private citizens; too much for the big railroads, regardless of what happens to the smaller ones and the employees; too much for the big international banks with enormous deposits, regardless of what happens to the smaller national banks, the State banks, the depositors, or the general public.

The leaders of the present Congress have stampeded through moratoriums for foreign nations, and now for the big banks, but have blocked all efforts to secure a moratorium for the average citizen or to stop the foreclosure of farm mortgages. Over the protest of many of us greater and still greater power has been given to the big banks to inflate or deflate the currency just as suits their selfish purpose. Congress should and must, if we are to save our Nation, exercise its constitutional right to coin money, and issue currency and regulate the value thereof.

No amount of inflation of the currency by the big banks will do us any good if the money is simply issued and stored away. It must be put into actual circulation, giving employment, helping the prices of farm products, and restoring prosperity. And yet this more or less useless kind of expansion of the currency is very profitable to the big bankers and very costly to the taxpayers. It often does much more

several billion dollars more currency by authority of the big bankers, let us see briefly just what can be done. A big New York banker can take a billion dollars in currency, come to Washington, buy a billion dollars' worth of 3 per cent Government bonds, leave them in the Treasury for a billion dollars of currency, and carry back to New York exactly the same amount of money he brought and get this \$30,000,000 per year interest out of the taxpayers for the trip. Thus the banker gets net for his two or three hours' trip about \$1 out of every voter in the United States. Right here is our main trouble. This is why it is so hard to balance the Budget and why the big international banks are so anxious for big bond issues and for the Budget to be balanced. They want money squeezed out of the World War veterans, out of the farmers, out of the poorest of the poor to balance the Budget and pay them this graft for making a "racket" out of the issuance and control of our currency. They say the way to solve our problems is to give them more of this kind of power. I will be blamed if I believe it!

Now, let me suggest how to put new money into circulation so it will help everybody and at the same time go so far toward balancing the Budget as to make unnecessary any unusual tax or burden on the people. This is the plan: Eliminate all this interest on bonds which are held in the Treasury as the basis of currency, monetize farm products and farm lands, and inflate the currency sufficiently to pay off or adjust all farm loans and retire by the issuance of interest-free currency as soon as possible all interest-bearing Government bonds, and do not issue any more.

WHY ISSUE GOVERNMENT BONDS?

Why not the Government issue interest-free currency in the first instance rather than issue and sell Government bonds, pay interest on the bonds to the banks out of the taxpayers' money, and then let the banks use these identical bonds as the basis on which to issue interest-free money to the banks to loan to the taxpayers at a high rate of interest? To ask the question answers it. The big bankers insist on this, because it gives them double interest on their money, makes the taxpayers pay them interest on the bonds, and makes the public pay interest on the same money as currency, and gives the bankers the tremendous power of inflation, deflation, and control of the currency and of all property values.

When the taxpayer, in order to pay taxes, borrows money from one of these banks he pays interest on the loan to the bank to get money to help balance the Federal Budget, and thus when he pays his taxes pays another interest to the bank on the same money.

BONDS IMPAIR OUR CREDIT MORE THAN CURRENCY

Currency based on Government bonds has no security back of it except the naked promise of the Government to pay, and yet this scheme costs the Government just exactly the amount of the annual interest on the bonds more than the issuance of an equivalent amount of currency in the first instance.

FEDERAL BONDS RETARD CIRCULATION

The sale of Government bonds takes money out of the channels of commerce, increases the public debt more than the issuance of currency, increases the cost of government and—if the bonds are used as the basis of currency—gives to the big banks a further stranglehold on the economic affairs of the Nation.

MONETIZATION OF FARM PRODUCTS

Now, just a few words about the monetization of farm products and other property. In fact, they are already monetized for the benefit of the big banks but not for the producers of these products or the millions of owners of ordinary property or for State banks or to any considerable extent for small national banks. The big national banks can take notes and other discountable paper, put them up with the Federal reserve banks and the Federal reserve banks can issue currency on this collateral. Why should this kind of security be the basis for currency for the Federal reserve banks but not for the farmer, not for the manufacturer, not for the ordinary property owner,

harm than good. Since there is talk of authority to issue several billion dollars more currency by authority of the big bankers, let us see briefly just what can be done. A big New York banker can take a billion dollars in currency, come to Washington, buy a billion dollars' worth of 3 per cent Government bonds, leave them in the Treasury for a life insurance company, and not for small banks? Why should gilt-edge first liens on farm produce or farm land be sufficient base for interest-free currency for the big bankers but not for the farmer, not for the individual citizen, not for the merchant or manufacturer, not for the long-term loan company, not for the life insurance company, and not for small banks?

Again, asking the question answers it. Under this scheme the big banks get interest they ought not to get, and the public pays interest it ought not to pay, and the big banks get a complete monopoly in the inflation, deflation, and control of the currency and prices of the property of the Nation. The power to issue currency and regulate the value of the same ought not to be farmed out in any such style.

FARM LANDS AS CURRENCY BASIS

Let us visualize the beneficient effects of the monetization of farm lands, so as to make farm mortgages more liquid. If it is insisted that Government bonds were to be the basis for the issuance of currency, then let farmers or other holders of farm mortgages file gilt-edge, first-lien farm mortgages with the Secretary of the Treasury for an equivalent amount of Government bonds, with same maturity and the same rate of interest so the interest on one exactly pays the interest on the other. Then be as fair to the farmer as to the big banker and let the farmer file his Government bonds in the United States Treasury as the basis for the issuance to the farmer of the equivalent amount of interest-free currency.

FARM-SECURED BONDS MUCH BETTER

These farm-land-secured Government bonds would be much better basis for currency than ordinary bonds or other security now used. The money issued in this way would cost the taxpayers nothing—the interest on the bond base being paid by the interest on the farm mortgages—would help all holders of farm liens and all farm debtors, would put an abundant and sufficient amount of new currency into circulation and enable the farmers to settle their long-term loans without the loss of their homes and in a manner satisfactory to all concerned.

MONETIZATION OF WAREHOUSE RECEIPTS

Why levy heavy taxes on the people or issue and sell bonds to raise money to loan the farmers on their warehouse receipts? Why not monetize farm products and save interest for the farmers, save the collection of excessive taxes out of the people, help balance the Budget, to economize, and, if necessary, put a flood of new money into active circulation. This would be real farm relief. This would help us to find the way out of the depression.

CONTRACT SYSTEM OF FARM RELIEF

I have recently said so much about farm relief until I shall now only briefly mention my contract plan of farm relief. As I have repeatedly stated, with the monetization of farm products would come a complete method of raising interest-free money to finance the farmers in all their activities, whether as individuals or in a cooperative capacity. This would furnish at all times a flexible currency, commensurate with the economic needs of the Nation.

AGRICULTURAL ECONOMIC EQUALITY

Agriculture can never be put on a parity with other enterprises until the farmer is enabled to name the prices of what he sells as fully as others name the prices of what they sell to the farmer.

This can never be done until the farmers are enabled to control their production and marketing, thus becoming able, within reasonable limits, to control, determine, and fix the prices of the farm products which they offer for sale. This in turn can only be done, as I see it, by a voluntary contract system of controlling production and marketing along the lines of my bill for this purpose and as repeatedly explained by me on this floor.

REAL FARM RELIEF

To my mind real relief to the farmers would embrace a proper contract system of controlling production, marketing, and prices; the monetization for the farmers and others—not the big bankers only—of farm products and farm lands; an amendment to the Federal Constitution providing for the

exemption from all taxes of a reasonable amount of personal and real property for home purposes; and generally the freeing of the farmers from the strangle hold of bureaus, boards, and other State and Federal agencies which are now sucking the very life blood out of the farmer and the people generally. Farm legislation—and all legislation for that matter—must be most carefully worded so as to make clear and definite the rights of all and so as to prevent the more powerful from so construing the law and manipulating it as to make it an engine of tyranny and oppression in the hands of the rich and the mighty. I had this especially in mind when I drew my bill providing for a contract system of farm relief.

TEMPORARY REMEDIES

Of course there are scores of most important matters I would like to discuss now, such as the railroads, the refinancing of all the indebtedness of our people, taxation and tariff, and so forth, and so on. I have discussed these most fully heretofore and shall not have time to discuss them more in detail at this time. My main thought just now is to present rather fully the evil effects of our monetary system as manipulated by the big bankers.

HONEST BANKERS AND BANKS

I am making my fight against crooked bankers and in behalf of honest bankers and banks. I would we could secure the reopening of the thousands of small honest banks that have recently been closed by the unlawful and crooked manipulations of the very crowd now getting help. I hope we can prevent any more of these small banks closing. It is no sign of dishonesty in these times for a bank to close or for a man not to be able to meet his financial obligations. Too often the honest bank closes and those which are getting millions of loot from the pockets of the poor remain open. Every benefit extended to the big international banks should be extended to all banks and to all the people. I hope the small national banks and the State banks are accorded the same emergency relief by the next Congress as is granted to the larger banks. Congress is helping the big crowd at the expense of the poor. Relief should be granted to the small banker, the small business man, and the average citizen first. Such help will inure to the benefit of all.

J. P. CARTER, NAYLOR, GA.

I know of no better illustration of what I have just been saying than is found in the case of Mr. J. P. Carter, of Naylor, Ga., in my district. A few years ago Mr. Carter, as the president of a small bank in his home town, found it in a failing condition. He could have easily added to his fortune by manipulations within the law and left his friends and depositors to suffer all the loss. But, on the contrary, he voluntarily mortgaged his most valuable properties to pay off all his depositors in full. Now he finds it difficult to save this property because of the lien voluntarily placed on it by him to pay in full deposits for which he was not legally liable and his Government will not in any way help him to save his life's earnings. There is plenty of real aid for the big banks, the big corporations, but none for such honest bankers and men as J. P. Carter.

There are millions of honest men and women all over our country who are begging for direct Federal aid, whose earnest appeals have been refused and whose Representatives in Congress have been abused and ridiculed for their appeals in their behalf, while every agency of our Government is most active in behalf of the big, rich class and in an all-powerful financial endeavor to save the big corporations regardless of the cost to the splendid, sturdy, average citizen of our Nation. All aid offered so far to the farmer, the laborer, the individual citizen or the small corporation is too indirect, too expensive, too involved, and enmeshed in too much red tape, and is entirely too speculative and too difficult and burdensome to secure to be of any real value to the average citizen. This kind of so-called aid requires the farmer or average citizen to sell his birthright and very soul for a mess of pottage. Real aid such as the monetization of farm lands and farm products would help all and save our Nation. This alone if it had been in effect years ago

would have saved Mr. J. P. Carter from loss in the first instance, and would even now save him and millions more like him if put into force before it is too late.

MOST VITAL SUBJECT

Currency control is the most important subject before Congress to-day and I have said much more at this time than I anticipated and am leaving much unsaid I would like to say.

I do though desire to briefly discuss the issuance of currency in payment of the adjusted compensation due the veterans of the World War. Why not issue to the Director of the Veterans' Administration enough Government bondsif Government bonds are to be the basis of currency—to pay the entire balance due the veterans as adjusted compensation, let the bonds be filed back in the Treasury-just as the banker does-as the basis for an equal amount of interest-free currency to pay the veterans in full? This will inflate the currency, put all the new money in active circulation, and save for the taxpayers about \$50,000,000 interest received by big bankers for similar issues for their own use. This would not increase taxes. This would help balance the Budget. This would be real economy. The big bankers do not want this, though; they want all the blood money they have and every additional penny they can squeeze out of an impoverished people. They want more and yet more power to issue and control all currency, to raise or lower all prices of all farm produce, other products, and all property as they wish, and to make or break all lesser banks and corporations which do not meet their approval and the elimination of which will serve their selfish purposes.

Now, it seems to be the purpose of the big banks, after all the small banks shall have been eliminated, after all the deposits of the poorer and middle class of people have been lost, and after there are left only a few very large banks with principally rich depositors, to force a sales tax on the poorest of the poor and those who have already lost all their deposits, and thus raise a fund to guarantee the deposits of the rich in the big banks which have broken the smaller ones, caused the loss of billions of deposits and precipitated the present depression. I wonder why these international bankers did not favor a deposit guaranty law a few years ago to protect all the depositors in all the banks then in existence, with the funds for this purpose to be raised by big corporation taxes, big income taxes, and inheritance and estate taxes on the tremendous fortunes of decedents? I understand their selfish motive and the American people are becoming aware of their criminal designs.

Mr. Speaker, I fear, as a child dreads the dark, the tremendous centralization and consolidation of banks, railroads, and other monopolies, with the attendant destruction of smaller banks, smaller railroads, smaller corporations, and private enterprise and human rights—all of which evidently are soon to take place with additional nation-wide awful devastation in their wake.

I pray that an all-wise God may lead us all to bring these matters to a proper conclusion before it is forever too late. Let us legislate for and serve, not the big corporations nor any special group, but all the people.

Mr. Speaker, before the New House Office Building was erected I could stand in my office at room 301, House Office Building, and see the old home of Gen. Robert E. Lee, across the Potomac at Arlington. Several times just at sunset, I have stood at my office windows and beheld entrancing views of the Virginia hills of the southland and the Nation's Capital, of the Washington Memorial, the Lincoln Memorial, the home of Robert E. Lee, and of a onceseparated, but now reunited imperishable country and Nation of one powerful people and one flag of everlasting glory. Emblazoned across the western sky were the glories of the setting sun, stretching from the hills of Virginia of the southland, and connecting with the lands of those who remained with the Union, were white streaks of clouds with the blue of the sky between. As the sun sank from view some of the streaks of cloud became red and I beheld the red, the white, and the blue. Then the stars came out and the Washington Monument became the flagstaff of the glorious flag of my country, builded by the great I Am, of cloud and sky and star and sunset, and hanging over the North and the South, over the Memorial of Lincoln and the home of Lee, waving from the Memorial of Washington and over the Capital of a mighty and free, reunited people.

Mr. Speaker, as I gazed, spellbound, upon this scene I pledged anew my loyalty to the people of the South and the North, the rich and the poor, those now living and generations yet unborn. And, let us all forget selfishness and sectionalism and legislate for all our people of the present and future everywhere and of every station in life.

Let us not legislate for the big bankers and forget the smaller bankers, the depositors, and the masses of our people. With all my being I plead with Members of the next Congress not to grant a moratorium to the big banks of the country and then leave to be crucified, without a moratorium or any real Federal assistance, the smaller national banks, the State banks, the small depositors in all banks, those who have already lost their all, and the great masses of our people in all walks of life. For our Nation's sake and for God's sake do not forget the farmer, who is being driven from his home by cruel foreclosure proceedings. Remember the railroads, the factories, the banks, and all great public utilities—yes—but remember that the men and women and children who work for these and are served by these are a million times more important than all of these. Let us remember and never forget that the Member of Congress is a traitor to his Nation who legislates only for the president and directors of the corporation and forgets the widow and the orphan and the man in overalls and his folks. Balance the Federal Budget-yesbut do not balance it by further unbalancing the budget of those who are now starving, freezing, and homeless. Above all else be true to those who in time of peace and time of war have been true to our Nation; be true to the farmers, the veterans of all wars, and those everywhere who earn their living by honest toil. Let us in Congress and out of Congress fight to preserve our great citizenship by saving the homes of the people, enabling them to make an honest living and by preserving our great free institutions. If we are to save our Nation we must not only solve our economic problems but must preserve the very foundations on which our Nation was builded-love of liberty, love of people, and faith in God.

Mr. Speaker, I believe that Christianity is the foundation of our national existence and that an assault upon the Bible or any of its teachings is a thrust at all we hold near and dear, and is an effort to undermine and destroy the great principles and noble institutions which constitute our country's greatness and which, through the ages, were gained and established by brave, patriotic, and divinely led men and women, at the sacrifice of their own lives.

I believe that our Nation can never be greater than our citizenship; our citizenship never greater than our homes; our homes never greater than the children reared therein; and our children, who are to preserve this Nation if it is to endure, can never be greater than is the faith of their fathers and mothers in God and in the teachings of His word.

I believe that our national life, our every constitutional right, our people's welfare, our Christian civilization, our great institutions, our great reverence and love for the noble men and women of the past, our every patriotic impulse and motive, our respect for the Bible, our observance of its teachings, our regard and observance of law and order, our belief in God and our love for Him as our Father Almighty are so inseparably connected that an assault upon either is an effort to destroy all.

I believe that the example of flagrant disrespect of law in the Nation's Capital and elsewhere in the States and the turning away from God now sponsored by too many for selfish purposes are more insidious and more dangerous to our Nation and all the people thereof than the invasion of a foreign army or the bombardment of a hostile fleet.

May the peoples of all the earth justly expect to find in America the highest and best of which a self-governing people are capable and may the light of national greatness and purity and godly trust and love shining from this Nation encompass the earth.

May we oppose, as we would a mighty hostile army, all efforts to break down the morals of our people or to destroy our spiritual ideals or to undermine our faith in the Supreme Architect of the universe. Let us and all our people with the poet see, feel, and know that—

Soon as the evening shades prevail, The moon takes up the wondrous tale, And nightly to the listening earth Repeats the story of her birth;

While all the stars that round her burn, And all the planets in their turn, Confirm the tidings as they roll, And spread the truth from pole to pole.

What though, in solemn silence, all Move round the dark terrestial ball? What though no real voice or sound Amid their radiant orbs be found?

In Reason's ear they all rejoice, And utter forth a glorious voice, Forever singing, as they shine, "The hand that made us is divine!"

Mr. Speaker, let us remember that our Nation can not endure if we allow the destruction of the good influence of our churches, our schools, and our homes. To gain all financially and lose all spiritually and morally can only mean our national decay and ruin.

If we are to remain capable of self-government, as a people and as legislators we must live and act more for the common good and not for self, and much less because of selfish political and financial motives.

Let us as officials and as citizens act and live a life of unselfish service of others and the good we do will come back a thousandfold to bless and honor us and our posterity forever. Serve not the great and the mighty, but the helpless and the innocent. Serve children and their fathers and mothers of all eternity by giving them the best laws ever enacted by men. Let us help perfect the greatest Nation of the noblest people since the beginning of time—an imperishable Nation, with an indestructible liberty as the common heritage of all mankind beneath our flag. May a little child lead us as its upturned face pleads for the very best possible laws and government for all the people of the present and all the future and urges us to do and to die for it, for its brothers and sisters, and for its father and mother.

RECESS

Mr. RAINEY. Mr. Speaker, I ask unanimous consent that the House may stand in recess, subject to the call of the Speaker, the call to be preceded by the ringing of the bells 15 minutes before the House reconvenes.

Mr. SNELL. Are we to understand that the ringing of the bells may occur at 7 o'clock.

The SPEAKER. Let the Chair say that the information of the Chair is that probably they will not be back before 7 o'clock with the deficiency bill. We have to send that bill to conference. When the bells are rung and we come back at 7 o'clock, unless some good reason can be given, the Chair is going to recognize the gentleman from Missouri [Mr. Millian] to take up the omnibus bridge bill at that time so as to dispose of the two matters together.

Mr. SNELL. Why not make a definite arrangement to meet at 7 o'clock or 7.30?

The SPEAKER. Notice will be given in advance by the ringing of the bells.

Mr. BLANTON. Outside of that, Mr. Speaker, are we to understand there will be no other legislative matters brought up?

The SPEAKER. No other legislative matters except those that may be taken up by unanimous consent. Some question may come up where the Chair may want to recognize some one to submit a unanimous-consent request.

Mr. BLANTON. There are some bills that some of us have been opposed to for a long time. I would not want them called up by unanimous consent when I am in conference on an appropriation bill.

The SPEAKER. Nothing of a controversial nature will be taken up.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. Craven, its principal clerk, announced that the Senate had passed without amendment bills of the House of the following titles:

H. R. 973. An act for the relief of John L. Dunn;

H. R. 1203. An act for the relief of Edward J. O'Neil;

H. R. 1206. An act for the relief of George Beier;

H. R. 2217. An act for the relief of the Bethel Cemetery Co., the Presbyterian Church, Harold S. Stubbs, George Morgan, Edward Stapp, William J. Howard, David J. Seacord, Mary L. McIntire, Emn.a E. Foard, Herbert C. Hannigan, Sisters of St. Baisl, Edward Bedwell, and Rachel A. Loveless;

H. R. 2294. An act for the relief of C. A. Cates;

H. R. 2935. An act for the relief of J. R. Reimer;

H. R. 3626. An act for the relief of John I. Lowe;

H. R. 5214. An act for the relief of Withycombe Post, No.

11, American Legion, Corvallis, Oreg.;

H. R. 5444. An act to provide an additional appropiration as the result of a reinvestigation, pursuant to the act of February 2, 1929 (45 Stat. 2047, pt. 2), for the payment of claims of persons who suffered property damage, death, or personal injury due to the explosions at the naval ammunition depot, Lake Denmark, N. J., July 10, 1926;

H. R. 6275. An act for the relief of Howard McKee;

H.R. 6381. An act for the relief of Escha Whittington Casev:

H.R. 6402. An act to further regulate banking, banks, trust companies, and building and loan associations in the District of Columbia, and for other purposes;

H. R. 6774. An act to authorize amendment of the act of February 25, 1927, for the payment of damages caused by reason of the overflow of the Rio Grande on August 17, 1921:

H. R. 7038. An act for the relief of Frances Southard:

H.R. 7128. An act for the relief of Della O'Brien;

H. R. 7301. An act for the relief of William J. Fleming;

H. R. 7986. An act for the relief of William N. Fishburn;

H. R. 8215. An act for the relief of the National Bank of Commerce, El Dorado, Ark.;

H. R. 8217. An act for the relief of the First National Bank of El Dorado, Ark.;

H. R. 9231. An act for the relief of George Occhionero; H. R. 13745. An act to provide for agricultural entry of lands withdrawn, classified, or reported as containing any of the minerals subject to disposition under the general leasing law or acts amendatory thereof or supplementary thereto;

H. R. 13817. An act to amend section 1 of the act entitled "An act to provide books for the adult blind," approved March 3, 1931.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, bills of the House of the following titles:

H. R. 2757. An act for the relief of Jack Schneider;

H. R. 2907. An act for the relief of Walter Sam Young;

H. R. 6184. An act for the improvement of the inland waterway from Norfolk, Va., to Beaufort Inlet, N. C.;

H. R. 7040. An act for the relief of Sadie Bermi; and H. R. 10070. An act for the relief of Beryl M. McHam.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, the bill (H. R. 14769) entitled "An act making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1933, and prior fiscal years, to provide supplemental appropriations for the fiscal years ending June 30, 1933, and June 30, 1934, and for other purposes."

The message also announced that the Senate insists upon its amendments to said bill, asks for a conference with the House upon the disagreeing votes of the two Houses thereon, and appoints Mr. Hale, Mr. Smoot, Mr. Keyes, Mr. Glass, and Mr. McKellar to be the conferees on the part of the Senate.

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 4773. An act for the relief of Capt. Guy M. Kinman.

The message also announced that the Senate had passed the following resolution:

Senate Resolution 380

Resolved, That the Secretary invite the Members elect of the House of Representatives to attend the funeral of Hon. Thomas J. Walsh in the Senate Chamber on Monday, March 6, at 10 a.m., and to appoint a committee to act with the committee of the Senate.

Resolved, That invitations be extended to the President of the United States and the members of the Cabinet, the Chief Justice and Associate Justices of the Supreme Court of the United States, the Diplomatic Corps (through the Secretary of State), the Chief of Staff of the Army, the Chief of Naval Operations of the Navy, the Major General Commandant of the Marine Corps, and the Commandant of the Coast Guard, to attend the funeral in the Senate Chamber.

ENROLLED BILLS SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled bills and a joint resolution of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 6684. An act to authorize the Secretary of the Interior to modify the terms of existing contracts for the sale of timber on Indian land when it is in the interest of the Indians so to do;

H. R. 14458. An act making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1934, and for other purposes;

H.R. 14579. An act to provide for the free importation of certain articles exported temporarily for scientific or educational purposes; and

H. J. Res. 612. Joint resolution to provide for further investigation of expenditures of the Post Office Department.

The SPEAKER announced his signature to enrolled bills and joint resolutions of the Senate of the following titles:

S. 465. An act for the relief of William H. Holmes;

S. 660. An act for the relief of Hamilton Grounds:

S. 5612. An act to provide for the selection of certain lands in the State of California for the use of the California State park system;

S. J. Res. 261. Joint resolution authorizing the Comptroller of the Currency to prescribe regulations respecting the conduct of banking business in the District of Columbia; and

S. J. Res. 262. Joint resolution to continue the joint resolution on veterans' benefits.

BILLS PRESENTED TO THE PRESIDENT

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, bills of the House of the following titles:

H. R. 13520. An act making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1934, and for other purposes; and

H. R. 14458. An act making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1934, and for other purposes.

ATLANTIC GULF CANAL-EXTENSION OF REMARKS

Mr. LANKFORD of Georgia asked and was given permission to revise and extend his remarks in the RECORD.

Mr. LANKFORD of Georgia. Mr. Speaker, from the time the first survey was authorized for a canal across south Georgia and north Florida to connect the Atlantic with the Gulf, more than 50 years ago, to the present moment the numerous advocates of this project have worked long and diligently to bring it to a successful fruition. It would require the writing of a book to tell of the splendid, unselfish service in behalf of the canal by hundreds of good men and women, led by such noble citizens as the late Dr. W. M. Folks, of Waycross, Ga., and the late Hon. S. C. Townsend and his most excellent wife, of St. Marys, Ga. Probably no one at this time is more devotedly and ably working for this canal than Mrs. Townsend, all honor to her.

The Georgia Canal Commission are serving without pay and have unselfishly worked for the construction of the canal, and I sincerely thank them and their general counsel, Mr. Hallins N. Randolph, of Atlanta, Ga., for the most valuable assistance which they have given me in my efforts to bring this project to a successful conclusion. I feel that success is just ahead, and I shall not quit so long as there remains a single move which I can make in furtherance of the construction of this proposed canal. Much progress in the way of surveys has already been made, and the canal should actually be constructed in the next four or five years. No one who has not kept up closely with the details of the campaign for this canal has any idea just how valuable has been the service of Mr. Randolph in behalf of

Mr. Speaker, the canal commission in December, 1929, appointed Mr. Randolph as its general counsel. He had been general counsel of the Federal Reserve Bank of Atlanta since its organization in 1914; also counsel for the War Finance Corporation in Georgia and Florida; also for the Federal Intermediate Credit Bank of New Orleans, the Joint-Stock Land Bank of Atlanta, and practically all of the United States Treasury activities in the Southeast for many years. He was also one of the counsel in connection with the transfer of the Cape Cod Canal to the United States Government and was one of the counsel of the Boulder Dam development, as well as numerous other projects and concerns, not only in the South but throughout the country. It was considered that he particularly possessed the ability and experience necessary to bring the proposed project to a successful consummation, and he was directed to take practically entire charge of the matter. subject to the direction and approval of the commission

Mr. Randolph has been untiring in his efforts for the commission ever since, with the result that the rivers and harbors act of 1931 contained a provision directing the United States Board of Engineers to make a survey of the canal route and report to Congress; and the Federal relief act of June, 1932, made canal corporations or projects eligible for loans from the Reconstruction Finance Corporation. He procured resolutions to be passed by legislatures, chambers of commerce, and other like civic bodies, all strongly indorsing the proposed canal. Also, he has interviewed and interested very numerous prominent business and professional men throughout the entire country in the proposed canal, including ex-President Hoover and President Roosevelt, then Governor of the State of New York. He has written numerous articles on the subject and made speeches with reference thereto from coast to coast and from Canada to the Gulf. Not the least among Mr. Randolph's accomplishments in behalf of the proposed canal was the thorough research work he did in the records of the War and other departments of the Government, gathering together the many documents and reports which in prior years had been prepared and filed in the several departments, and which had in some instances remained undisturbed for wellnigh a century.

As a result of these efforts and work by Mr. Randolph, the proposed canal project is now well known throughout the entire country, and its vast army of friends and supporters are confident that it will in due time become an accomplished fact.

And, lastly, it is my pleasure to be able to state that Mr. Randolph has rendered all these numerous and exceedingly valuable services without any compensation whatever.

LEAVE OF ARSENCE

By unanimous consent, leave of absence was granted to Mr. Lewis, to-day, on account of illness.

The SPEAKER. The House will stand in recess subject to the call of the Chair.

Accordingly (at 5 o'clock and 38 minutes p. m.) the House stood in recess to meet at the call of the Chair.

AFTER THE RECESS

The recess having expired (at 7 o'clock and 30 minutes p. m.), the House was called to order by the Speaker.

OMNIBUS BRIDGE BILL

Mr. MILLIGAN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table and consider the bill (S. 7501) to authorize the construction of certain bridges and to extend the times for commencing and/or completing the construction of other bridges over the navigable waters of the United States.

The SPEAKER. Is there objection?
Mr. SCHAFER. Reserving the right to object, is the toll bridge over Great Falls in this bridge bill?

Mr. MILLIGAN. No. Mr. SCHAFER. And it will not be added?

Mr. MILLIGAN. No.

The Clerk began reading the bill.

Mr. MILLIGAN. Mr. Speaker, I ask unanimous consent that the reading of the bill be dispensed with.

Mr. SCHAFER. I object.

The Clerk continued the reading of the bill.

Mr. MILLIGAN. Mr. Speaker, I ask unanimous consent that further reading of the bill be dispensed with, and that it be printed in the RECORD.

Mr. STAFFORD. Mr. Speaker, may the Clerk read the subtitles?

The SPEAKER. Without objection, it is so ordered.

The Clerk read the subtitles to the bill.

The bill is as follows:

An act to authorize the construction of certain bridges and to extend the times for commencing and/or completing the con-struction of other bridges over the navigable waters of the United States

Be it enacted, etc .-

DELAWARE RIVER AT BUSHKILL, PA.

SECTION 1. (a) That in order to facilitate interstate commerce. improve the postal service, and provide for military and other purposes the Bushkill Bridge Co., its successors and assigns, be, and is hereby, authorized to construct, maintain, and operate a bridge and approaches thereto across the Delaware River, at a point suitable to the interests of navigation, at or near Bushkill, Pa., in accordance with the provisions of the act entitled "An act to resultant the construction of bridge construction of the second provisions of to regulate the construction of bridges over navigable waters," approved March 23, 1906, and subject to the condition and limitations contained in this act.

(b) There is hereby conferred upon the Bushkill Bridge Co., its accessors and assigns, all such rights and powers to enter upon lands and to acquire, condemn, occupy, possess, and use real estate and other property needed for the location, construction, operation, and maintenance of such bridge and its approaches as operation, and maintenance of such bridge and its approaches as are possessed by railroad corporations for railroad purposes or by bridge corporations for bridge purposes in the State in which such real estate or other property is situated, upon making just compensation therefor, to be ascertained and paid according to the laws of such State, and the proceedings therefor shall be the same as in the condemnation or expropriation of property for public purposes in such State.

(c) The said Bushkill Bridge Co., its successors and assigns, is hereby authorized to fix and charge tolls for transit over such bridge, and the rates of toll so fixed shall be the legal rates until changed by the Secretary of War under the authority contained in the act of March 23, 1906.

(d) After the completion of such bridge, as determined by the

the act of March 23, 1906.

(d) After the completion of such bridge, as determined by the Secretary of War, either the State of Pennsylvania, the State of New Jersey, any public agency or political subdivision of either of such States, within or adjoining which any part of such bridge is located, or any two or more of them jointly, may at any time acquire and take over all right, title, and interest in such bridge and its approaches, and any interest in real property necessary therefor, by purchase or by condemnation or expropriation, in accordance with the laws of either of such States governing the acquisition of private property for public purposes by condemna-

tion or expropriation. If at any time after the expiration of five years after the completion of such bridge the same is acquired by condemnation or expropriation, the amount of damages or compensation to be allowed shall not include good will, going value, or prospective revenues or profits, but shall be limited to the sum of (1) the actual cost of constructing such bridge and its approaches, less a reasonable deduction for actual depreciation in value; (2) the actual cost of acquiring such interests in

and its approaches, less a reasonable deduction for actual depreciation in value; (2) the actual cost of acquiring such interests in real property; (3) actual financing and promotion costs, not to exceed 10 per cent of the sum of the cost of constructing the bridge and its approaches and acquiring such interests in real property; and (4) actual expenditures for necessary improvements.

(e) If such bridge shall at any time be taken over or acquired by the States or public agencies or political subdivisions thereof, or by either of them, as provided in section 4 of this act, and if tolls are thereafter charged for the use thereof, the rates of toll shall be so adjusted as to provide a fund sufficient to pay for the reasonable cost of maintaining, repairing, and operating the bridge and its approaches under economical management, and to shall be so adjusted as to provide a fund sufficient to pay for the reasonable cost of maintaining, repairing, and operating the bridge and its approaches under economical management, and to provide a sinking fund sufficient to amortize the amount paid therefor, including reasonable interest and financing cost, as soon as possible under reasonable charges, but within a period of not to exceed 20 years from the date of acquiring the same. After a sinking fund sufficient for such amortization shall have been so provided, such bridge shall thereafter be maintained and operated free of tolls, or the rates of toll shall thereafter be so adjusted as to provide a fund of not to exceed the amount necessary for the proper maintenance, repair, and operation of the bridge and its approaches under economical management. An accurate record of the amount paid for acquiring the bridge and its approaches, the actual expenditures for maintaining, repairing, and operating the same and of the daily tolls collected, shall be kept and shall be available for the information of all persons interested.

(f) The Bushkill Bridge Co., its successors and assigns, shall within 90 days after the completion of such bridge file with the Secretary of War and with the highway departments of the States of Pennsylvania and New Jersey a sworn itemized statement showing the actual original cost of constructing the bridge and its approaches, the actual cost of acquiring any interest in real property necessary therefor, and the actual financing and promotion costs. The Secretary of War may, and upon request of the highway department of either of such States shall, at any time within three years after the completion of such bridge, investigate such costs and determine the accuracy and reasonableness of the costs alleged in the statement of costs so filed, and shall make a finding of the actual and reasonable costs of constructing, financing, and promoting such bridge; for the purpose of such investigation the said Bushkill Bridge Co., its successors a

finding of the actual and reasonable costs of constructing, financing, and promoting such bridge; for the purpose of such investigation the said Bushkill Bridge Co., its successors and assigns, shall make available all of its records in connection with the construction, financing, and promotion thereof. The findings of the Secretary of War as to the reasonable costs of the construction, financing, and promotion of the bridge shall be conclusive for the purposes mentioned in section 4 of this act, subject only to review in a court of equity for fraud or gross mistake.

(g) The right to sell, assign, transfer, and mortgage all the rights, powers, and privileges conferred by this act is hereby granted to the Bushkill Bridge Co., its successors and assigns; and any corporation to which or any person to whom such rights, powers, and privileges may be sold, assigned, or transferred, or who shall acquire the same by mortgage foreclosure or otherwise, is hereby authorized and empowered to exercise the same as fully as though conferred herein directly upon such corporation or person.

COLUMBIA RIVER NEAR THE DALLES, OREG.

COLUMBIA RIVER NEAR THE DALLES, OREG.

SEC. 2. (a) That in order to facilitate interstate commerce, improve the postal service, and provide for military and other purposes The Dalles Bridge Co., its successors and assigns, be and is hereby, authorized to construct, maintain, and operate a bridge and approaches thereto across the Columbia River, at a point suitable to the interests of navigation, the bridge to be located at approximately in either section 20, 29, or 30, township 2 north, range 14 east, Willamette meridian, in the State of Oregon, and from the point of beginning on the Oregon shore of said river. range 14 east, Willamette meridian, in the State of Oregon, and from the point of beginning on the Oregon shore of said river, thence running in a northerly direction to a suitable landing in the State of Washington and on the Washington side of said Columbia River, in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters," approved March 23, 1906, subject to the conditions and limitations contained in this act.

tions and limitations contained in this act.

(b) There is hereby conferred upon The Dalles Bridge Co., its successors and assigns, all such rights and powers to enter upon lands and to acquire, condemn, occupy, possess, and use real estate and other property needed for the location, construction, operation, and maintenance of such bridge and its approaches as are possessed by railroad corporations for railroad purposes or by bridge corporations for bridge purposes in the State in which such real estate or other property is situated, upon making just compensation therefor, to be ascertained and paid according to the laws of such State, and the proceedings therefor shall be the same as in the condemnation or expropriation of property for public purposes in such State. purposes in such State.

(c) The said The Dalles Bridge Co., its successors and assigns, is hereby authorized to fix and charge tolls for transit over such bridge, and the rates of toll so fixed shall be the legal rates until changed by the Secretary of War under the authority contained in the act of March 23, 1906.

(d) After the completion of such bridge, as determined by the Secretary of War, either the State of Washington, the State of

Oregon, any public agency or political subdivision of either of such States, within or adjoining which any part of such bridge is located, or any two or more of them jointly, may at any time acquire and take over all right, title, and interest in such bridge and its approaches, and any interest in real property necessary therefor, by purchase or by condemnation or expropriation, in accordance with the laws of either of such States governing the acquisition of private property for public purposes by condemnation or expropriation. If at any time after the expiration of 20 years after the completion of such bridge the same is acquired by condemnation or expropriation, the amount of damenut of damen 20 years after the completion of such bridge the same is acquired by condemnation or expropriation, the amount of damages or compensation to be allowed shall not include good will, going value, or prospective revenues or profits but shall be limited to the sum of (1) the actual cost of constructing such bridge and its approaches, less a reasonable deduction for actual depreciation in value; (2) the actual cost of acquiring such interests in real property; (3) actual financing and promotion costs, not to exceed 10 per centum of the sum of the cost of constructing the bridge and its approaches and acquiring such interests in real property.

and its approaches and acquiring such interests in real property; and (4) actual expenditures for necessary improvements.

(e) If such bridge shall at any time be taken over or acquired by the States or public agencies or political subdivisions thereof, or by either of them, as provided in section 4 of this act, and if or by either of them, as provided in section 4 of this act, and if tolls are thereafter charged for the use thereof, the rates of toll shall be so adjusted as to provide a fund sufficient to pay for the reasonable cost of maintaining, repairing, and operating the bridge and its approaches under economical management, and to provide a sinking fund sufficient to amortize the amount paid therefor, including reasonable interest and financing cost, as soon as possible under reasonable charges, but within a period of not to expossible under reasonable charges, but within a period of list of acceed 15 years from the date of acquiring the same. After a sinking fund sufficient for such amortization shall have been so provided, such bridge shall thereafter be maintained and operated free of tolls, or the rates of toll shall thereafter be so adjusted as to pro-

such bridge shall thereafter be maintained and operated free of tolls, or the rates of toll shall thereafter be so adjusted as to provide a fund of not to exceed the amount necessary for the proper maintenance, repair, and operation of the bridge and its approaches under economical management. An accurate record of the amount paid for acquiring the bridge and its approaches, the actual expenditures for maintaining, repairing, and operating the same and of the daily tolls collected, shall be kept and shall be kept available for the information of all persons interested.

(f) The Dalles Bridge Co., its successors and assigns, shall within 90 days after the completion of such bridge file with the Secretary of War and with the highway departments of the States of Washington and Oregon, a sworn itemized statement showing the actual original cost of constructing the bridge and its approaches, the actual cost of acquiring any interest in real property necessary therefor, and the actual financing and promotion costs. The Secretary of War may, and upon request of the highway department of either of such States shall, at any time within three years after the completion of such bridge, investigate such costs and determine the accuracy and the reasonableness of the costs alleged in the statement of costs so filed, and shall make a finding of the actual and reasonable costs of constructing, financing, and promoting such bridge; for the purpose of such investigation the said The Dalles Bridge Co., its successors and assigns, shall make available all of its records in connection with the construction, financing, and promotion thereof. The findings of the Secretary of War as to the reasonable costs of the conclusive for the purposes mentioned in section 4 of this act, subject only to review in a court of equity for fraud or gross mistake.

(g) The right to sell, assign, transfer, and mortgage all the rights, powers, and privileges conferred by this act is hereby

(g) The right to sell, assign, transfer, and mortgage all the rights, powers, and privileges conferred by this act is hereby granted to The Dalles Bridge Co., its successors and assigns, and any corporation to which or any person to whom such rights, powers, and privileges may be sold, assigned, or transferred, or who shall acquire the same by mortgage foreclosure or otherwise, is hereby authorized and empowered to exercise the same as fully as though conferred herein directly upon such corporation or

OHIO RIVER NEAR SHAWNEETOWN, ILL.

SEC. 3. That the times for commencing and completing the consec. 3. That the times for commencing and completing the construction of a bridge across the Ohio River at or near Shawnee-town, Gallatin County, Ill., and a point opposite thereto in Union County, Ky., authorized to be built by J. L. Rowan, his heirs, legal representatives, and assigns, by an act of Congress, approved May 1, 1928, heretofore extended by acts of Congress, approved June 20, 1929, and March 3, 1931, are hereby further extended one and three years, respectively, from March 3, 1933.

MISSOURI RIVER AT BROWNVILLE, NEBR.

SEC. 4. That the times for commencing and completing the construction of a bridge across the Missouri River at or near Brownville, Nebr., authorized to be built by the Brownville Bridge Co., its successors and assigns, by an act of Congress approved February 26, 1929, heretofore extended by an act of Congress approved June 10, 1930, are hereby further extended one and three years, respectively, from February 26, 1933.

MISSOURI RIVER AT RULO, NEBR.

SEC. 5. (a) That in order to facilitate interstate commerce, improve the postal service, and provide for military and other purposes, John C. Mullen, John H. Hutchings, and William Shepherd, their heirs, legal representatives, and assigns be, and are hereby, authorized to construct, maintain, and operate a bridge and approaches thereto across the Missouri River at a point suitable to the interests of navigation, at or near Rulo, Nebr., in accordance with the provision of the act entitled "An act to regulate the construction of bridges over navigable waters," approved March 23, 1906, and subject to the conditions and limitations contained in this act.

in this act.

(b) There is hereby conferred upon John C. Mullen, John H. Hutchings, and William Shepherd, their heirs, legal representatives, and assigns, all such rights and powers to enter upon lands and to acquire, condemn, occupy, possess, and use real estate and other property needed for the location, construction, operation, and maintenance of such bridge and its approaches as are possessed by railroad corporations for railroad purposes or by bridge corporations for bridge purposes in the State in which such real estate or other property is situated, upon making just compensation therefor, to be ascertained and paid according to the laws of such State, and the proceedings therefor shall be the same as in the condemnation or expropriation of property for public purposes in such State.

(c) The said John C. Mullen, John H. Hutchings, and William Shepherd, their heirs, legal representatives, and assigns, are hereby authorized to fix and charge tolls for transit over such bridge, and the rates of toll so fixed shall be the legal rates until changed by the Secretary of War under the authority contained in the act of

the Secretary of War under the authority contained in the act of March 23, 1906.

(d) After the completion of such bridge, as determined by the Secretary of War, either the State of Nebraska, the State of Missouri, any public agency or political subdivision of either of such States within or adjoining which any part of such bridge is located, or any two or more of them jointly, may at any time acquire and take over all right, title, and interest in such bridge and its approaches, and any interest in real property necessary therefor, by purchase or by condemnation or expropriation, in accordance with the laws of either of such States governing the acquisition of private property for public purposes by condemnation or expropriation. If at any time after the expiration of 20 years after the completion of such bridge the same is acquired by condemnation or expropriation, the amount of damages or comtion or expropriation. If at any time after the expiration of 20 years after the completion of such bridge the same is acquired by condemnation or expropriation, the amount of damages or compensation to be allowed shall not include good will, going value, or prospective revenues or profits, but shall be limited to the sum of (1) the actual cost of constructing such bridge and its approaches, less a reasonable deduction for actual depreciation in value; (2) the actual cost of acquiring such interests in real property; (3) actual financing and promotion costs, not to exceed 10 per cent of the sum of the cost of constructing the bridge and its approaches and acquiring such interest in real property; and (4) actual expenditures for necessary improvements.

(c) If such bridge shall at any time be taken over or acquired by the States or public agencies or political subdivisions thereof, or by either of them, as provided in section 4 of this act, and if tolls are thereafter charged for the use thereof, the rates of toll shall be so adjusted as to provide a fund sufficient to pay for the reasonable cost of maintaining, repairing, and operating the bridge and its approaches under economical management, and to provide a sinking fund sufficient to amortize the amount paid therefor, including reasonable interest and financing cost, as

to provide a sinking fund sufficient to amortize the amount paid therefor, including reasonable interest and financing cost, as soon as possible under reasonable charges, but within a period of not to exceed 20 years from the date of acquiring the same. After a sinking fund sufficient for such amortization shall have been so provided, such bridge shall thereafter be maintained and operated free of tolls, or the rates of toll shall thereafter be so adjusted as to provide a fund of not to exceed the amount necessary for the proper maintenance, repair, and operation of the bridge and its approaches under economical management. An accurate record of the amount paid for acquiring the bridge and its approaches, the actual expenditures for maintaining, repairing, and operating the same and of the daily tolls collected shall be kept and shall be available for the information of all persons interested.

interested.

(1) The said John C. Mullen, John H. Hutchings, and William Shepherd, their heirs, legal representatives, and assigns, shall within 90 days after the completion of such bridge file with the Secretary of War and with the Highway Departments of the States of Nebraska and Missouri a sworn itemized statement showing the actual original cost of constructing the bridge and its approaches, the actual cost of acquiring any interest in real property necessary therefor, and the actual financing and promotion costs. The Secretary of War may, and upon request of the highway department of either of such States shall, at any time within three years after the completion of such bridge, investigate such costs and determine the accuracy and the reasonableness of the costs alleged in the statement of costs so filed and shall make a finding of the actual and reasonable costs of constructing, financing, and promoting such bridge; for the pur-(f) The said John C. Mullen, John H. Hutchings, and William and shall make a finding of the actual and reasonable costs of constructing, financing, and promoting such bridge; for the purpose of such investigation the said John C. Mullen, John H. Hutchings, and William Shepherd, their heirs, legal representatives, and assigns, shall make available all of the records in connection with the construction, financing, and promotion thereof. The findings of the Secretary of War as to the reasonable costs of the construction, financing, and promotion of the bridge shall be conclusive for the purposes mentioned in section 4 of this act, subject only to review in a court of equity for fraulty for fraulty. subject only to review in a court of equity for fraud or gross mistake

(g) The right to sell, assign, transfer, and mortgage all the rights, powers, and privileges conferred by this act is hereby granted to John C. Mullen, John H. Hutchings, and William Shepherd, their heirs, legal representatives, and assigns, and any corporation to which or any person to whom such rights, powers, and privileges may be sold, assigned, or transferred, or who shall acquire the same by mortgage foreclosure or otherwise, is hereby

authorized and empowered to exercise the same as fully as though conferred herein directly upon such corporation or person.

MISSISSIPPI RIVER NEAR BATON ROUGE, LA.

SEC. 6. That the times for commencing and completing the construction of the bridge across the Mississippi River at or near Baton Rouge, La., authorized to be built by the Baton Rouge-Mississippi River Bridge Co., its successors and assigns, by an act of Congress approved February 20, 1928, heretofore extended by acts of Congress approved January 25, 1929, June 10, 1930, and February 10, 1932, are hereby further extended two and four years, respectively, from February 20, 1933.

OHIO RIVER AT SISTERSVILLE, W. VA.

SEC. 7. That the times for commencing and completing the construction of a bridge authorized by an act of Congress approved February 20, 1928, to be built by the Sistersville Ohio River Bridge Co., its successors and assigns, across the Ohio River at or near Sistersville, Tyler County, W. Va., heretofore extended by acts of Congress approved March 2, 1929, and February 7, 1931, are hereby further extended one and three years, respectively, from February 20, 1933.

POTOMAC RIVER NEAR DAHLGREN, VA.

Sec. 8. (a) That in order to facilitate interstate commerce, improve the postal service, and provide for military and other purposes the George Washington-Wakefield Memorial Bridge (Inc.), its successors and assigns, be, and is hereby, authorized to construct, maintain, and operate a highway or combined highway and railroad bridge and approaches thereto across the Potomac River at a point suitable to the interests of navigation from a point in the vicinity of Dahlgren in the northeastern end of King George County, in the State of Virginia, to a point south of Popes Creek, in the county of Charles, in the State of Maryland, in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters." act to regulate the construction of bridges over navigable waters," approved March 23, 1906, and subject to the conditions and limitations contained in this act.

(b) There is hereby conferred upon the said George Washington-Wakefield Memorial Bridge (Inc.), its successors and assigns, all such rights and powers to enter upon lands and to acquire, consuch rights and powers to enter upon lands and to acquire, condemn, occupy, possess, and use real estate and other property needed for the location, construction, operation, and maintenance of such bridge and its approaches and terminals as are possessed by railroad corporations for railroad purposes or by bridge corporations for bridge purposes in the State or States in which such real estate or other property is situated, upon making just compensation therefor, to be ascertained and paid according to the laws of such State or States, and the proceedings therefor shall be the same as in the condemnation and expropriation of property for public purposes in such State or States.

(c) The said George Washington-Wakefield Memorial Bridge

the same as in the condemnation and expropriation of property for public purposes in such State or States.

(c) The said George Washington-Wakefield Memorial Bridge (Inc.), its successors and assigns, is hereby authorized to fix and charge tolls for transit over such bridge, and the rates of toll so fixed shall be the legal rates until changed by the Secretary of War under the authority contained in the act of March 23, 1906.

(d) After the completion of such bridge, as determined by the Secretary of War, either the State of Virginia, the State of Maryland, any public agency or political subdivision of either of such States, within or adjoining which any part of such bridge is located, or any two or more of them jointly, may at any time acquire and take over all right, title, and interest in such bridge and its approaches, and any interests in real property necessary therefor, by purchase, or by condemnation or expropriation, in accordance with the laws of either of such States governing the acquisition of private property for public purposes by condemnation or expropriation. If at any time after the expiration of 20 years after the completion of such bridge the same is acquired by condemnation or expropriation, the amount of damages or compensation to be allowed shall not include good will, going value, or prospective revenues or profits, but shall be limited to the sum of (1) the actual cost of constructing such bridge and its approaches, less a reasonable deduction for actual depreciation in value; (2)

(1) the actual cost of constructing such bridge and its approaches, less a reasonable deduction for actual depreciation in value; (2) the actual cost of acquiring such interests in real property; (3) actual financing and promotion costs (not to exceed 10 per cent of the sum of the cost of constructing the bridge and its approaches and acquiring such interests in real property); and (4) actual expenditures for necessary improvements.

(e) If such bridge shall at any time be taken over or acquired by the States or public agencies or political subdivisions thereof, or by either of them, as provided in section 4 of this act, and if tolls are thereafter charged for the use thereof, the rates of toll shall be so adjusted as to provide a fund sufficient to pay for the reasonable cost of maintaining, repairing, and operating the bridge and its approaches, under economical management to provide a sinking fund sufficient to amortize the amount pald therefor, including reasonable interest and financing cost, as soon as possible under reasonable charges, within a period of not to exceed 30 years from the date of acquiring the same. After a sink-30 years from the date of acquiring the same. After a sinking fund sufficient for such amortization shall have been so ing fund sufficient for such amortization shall have been so provided, such bridge shall thereafter be maintained and operated free of tolls or the rates of toll shall thereafter be so adjusted as to provide a fund of not to exceed the amount necessary for the proper maintenance, repair, and operation of the bridge and its approaches under economical management. An accurate record of the amount paid for acquiring the bridge and its approaches, the setual expenditures for exerction repairing and maintaining the actual expenditures for operation, repairing, and maintaining the same, and of the daily toils collected shall be kept and shall be available for the information of all persons interested.

(f) The said George Washington-Wakefield Memorial Bridge (Inc.), its successors and assigns, shall within 90 days after the completion of such bridge file with the Secretary of War and with the highway departments of the States of Virginia and Maryland a sworn itemized statement showing the actual original cost of constructing the bridge and its approaches, the actual cost of constructing the bridge and its approaches, the actual cost of acquiring any interest in real property necessary therefor and actual financing and promotion costs. The Secretary of War may, and upon request of the highway department of either of such States shall, at any time within three years after the completion of such bridge, investigate such costs and determine the accuracy and the reasonableness of the costs alleged in the statement of costs so filed, and shall make a finding of the actual and reasonable costs of constructing, financing, and promoting such bridge; for the purpose of such investigation the said George Washington-Wakefield Memorial Bridge (Inc.), its successors and assigns, shall make available all of its records in connection with the construction, financing, and promotion thereof. The findings of the Section, financing, and promotion thereof. The findings of the Sec-

tion, financing, and promotion thereof. The findings of the Secretary of War as to the reasonable costs of the construction, financing, and promotion of the bridge shall be conclusive for the purposes mentioned in section 4 of this act, subject only to review in a court of equity for fraud or gross mistake.

(g) The right to sell, assign, transfer, and mortgage all the rights, powers, and privileges conferred by this act is hereby granted to the said George Washington-Wakefield Memorial Bridge (Inc.), its successors and assigns, and any corporation to which or any persons to whom such rights, powers, and privileges may be sold, assigned, or transferred, or who shall acquire the same by mortgage foreclosure or otherwise, is hereby authorized and empowered to exercise the same as fully as though conferred herein directly upon such corporation or person.

MERRIMACK RIVER NEAR PLUM ISLAND POINT, MASS.

MERRIMACK RIVER NEAR PLUM ISLAND POINT, MASS.

SEC. 9. (a) That in order to promote interstate commerce, improve the postal service, and provide for military and other purposes, Essex Shore Way (Inc.), its successors and assigns, be, and is hereby, authorized to construct, maintain, and operate a bridge and approaches thereto across the Merrimack River, at a point suitable to the interests of navigation, at or near Plum Island Point, Mass., in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable

Point, Mass., in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters," approved March 23, 1906, and subject to the conditions and limitations contained in this act.

(b) After the completion of such bridge, as determined by the Secretary of War, either the Commonwealth of Massachusetts, any political subdivision thereof within or adjoining which any part of such bridge is located, or any two or more of them jointly, may at any time acquire and take over all right, title, and interest in such bridge and its approaches, and any interest in real property necessary therefor, by purchase or by condemnation or expropriation, in accordance with the laws of such Commonwealth governing the acquisition of private property for public purposes by condemnation or expropriation. If at any time after the expiration of 10 years after the completion of such bridge the same is acquired by condemnation or expropriation, the amount of damages or compensation to be allowed shall not include good will, going value, or prospective revenues or profits, but shall be limited to the sum of (1) the actual cost of constructing such bridge and its approaches, less a reasonable deduction for actual depreciation in value; (2) the actual cost of acquiring such interests in real property; (3) actual financing and promotion cost, not to exceed 10 per cent of the sum of the cost of constructing the bridge and its approaches and acquiring such interests in real property; and (4) actual expenditures for necessary improvements.

to per cent of the sum of the cost of constructing the bridge and its approaches and acquiring such interests in real property; and (4) actual expenditures for necessary improvements.

(c) If such bridge shall at any time be taken over or acquired by the Commonwealth of Massachusetts, or by any municipality or other political subdivision or public agency thereof, under the provisions of section 2 of this act, and if tolls are thereafter charged for the use thereof, the rates of toll shall be so adjusted as to provide a fund sufficient to pay for the reasonable cost of maintaining, repairing, and operating the bridge and its approaches under economical management and to provide a sinking fund sufficient to amortize the amount paid therefor, including reasonable interest and financing cost, as soon as possible under reasonable charges, but within a period of not to exceed 20 years from the date of acquiring the same. After a sinking fund sufficient for such amortization shall have been so provided, such bridge shall thereafter be maintained and operated free of tolls, or the rates of toll shall thereafter be so adjusted as to provide a fund of not to exceed the amount necessary for the proper maintenance, repair, and operation of the bridge and its approaches under economical management. An accurate record of the amount paid for acquiring the bridge and its approaches, the actual expenditures for maintaining, repairing, and operating the same, and of the daily tolls collected shall be kept and shall be available for the information of all persons interested.

for the daily coins confected shall be kept and shall be available for the information of all persons interested.

(d) The Essex Shore Way (Inc.), its successors and assigns, shall, within 90 days after the completion of such bridge, file with the Secretary of War and with the Public Works Department of the Commonwealth of Massachusetts a sworn itemized stateof the Commonwealth of Massachusetts a sworn itemized statement showing the actual original cost of constructing the bridge and its approaches, the actual cost of acquiring any interest in real property necessary therefor, and the actual financing and promotion costs. The Secretary of War may, and at the request of the Public Works Department of the Commonwealth of Massachusetts shall, at any time within three years after the completion of such bridge, investigate such costs and determine the accuracy and the reasonableness of the costs alleged in the statement of costs so filed, and shall make a finding of the actual and reasonableness. able costs of constructing, financing, and promoting such bridge; for the purpose of such investigation the said Essex Shore Way (Inc.), its successors and assigns, shall make available all of its records in connection with the construction, financing, and promotion thereof. The findings of the Secretary of War as to the reasonable costs of the construction, financing, and promotion of the bridge shall be conclusive for the purposes mentioned in section 2 of this act, subject only to review in a court of equity for fraud or gross mistake. fraud or gross mistake.

fraud or gross mistake.

(e) The right to sell, assign, transfer, and mortgage all the rights, powers, and privileges conferred by this act is hereby granted to Essex Shore Way (Inc.), its successor and assigns; and any corporation to which, or any person to whom, such rights, powers, and privileges may be sold, assigned, or transferred or who shall acquire the same by mortgage foreclosure or otherwise, is hereby authorized and empowered to exercise the same as fully as though conferred herein directly upon such corporation or person. corporation or person.

CHESAPEAKE BAY BETWEEN BALTIMORE AND KENT COUNTIES, MD.

CHESAPEARE BAY BETWEEN BALTIMORE AND KENT COUNTIES, MD.

Sec. 11. (a) That in order to promote interstate commerce, improve the postal service, and provide for military and other purposes, the Chesapeake Bay Bridge Co., a corporation organized and existing under the laws of the State of Maryland, its successors and assigns, is hereby authorized to construct, maintain, and operate a bridge and approaches thereto across the Chesapeake Bay, at a point suitable to the interests of navigation, from a point in Baltimore County, Md., south of Back River, to Hart Island, to Miller Island, and thence to some point in Kent County, Md., between 39° and 12' and 39° and 13' and 30" north latitude, in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters," approved March 23, 1906, and subject to the conditions and limitations contained in this act: Provided, That in the interests of national defense, and for the protection of life and property, the Secretary of War is hereby authorized and empowered, when, in his judgment, military necessity shall require it, to close said bridge to traffic at such time and during such periods as he may determine.

(b) After the completion of such bridge, as determined by the Secretary of War, either the State of Maryland, any political subdivision thereof within or adjoining which any part of such bridge is located, or any two or more of them jointly, may at any time acquire and take over all right, title, and interest in such bridge and its approaches, and any interests in real property necessary therefor, by purchase or condemnation or expropriation, in accordance with the laws of such State governing the acquisition of private property for public purposes by condemnation or expropriation. If at any time after the expiration of 30 years after the completion of such bridge the same is acquired by condemnation or expropriation, the amount of damages or compensation to be allowed shall not include good will, going value, SEC. 11. (a) That in order to promote interstate commerce, im-

tion or expropriation. If at any time after the expiration of 30 years after the completion of such bridge the same is acquired by condemnation or expropriation, the amount of damages or compensation to be allowed shall not include good will, going value, or prospective revenues or profits, but shall be limited to the sum of (1) the actual cost of constructing such bridge and its approaches, less a reasonable deduction for actual depreciation in value; (2) the actual cost of acquiring such interests in real property; (3) actual financing and promotion cost, not to exceed 10 per cent of the sum of the cost of constructing the bridge and its approaches and acquiring such interest in real property; and (4) actual expenditures for necessary improvements.

(c) If such bridge shall at any time be taken over or acquired by the State of Maryland, or by any municipality or other political subdivision or public agency thereof, under the provisions of section 2 of this act, and if tolls are thereafter charged for the use thereof, the rates of toll shall be so adjusted as to provide a fund sufficient to pay for the reasonable cost of maintaining, repairing, and operating the bridge and its approaches under economical management and to provide a sinking fund sufficient to amortize the amount paid therefor, including reasonable interest and financing cost, as soon as possible under reasonable charges, but within a period of not to exceed 30 years from the date of acquiring the same. After a sinking fund sufficient for such amortization shall have been so provided, such bridge shall thereafter be maintained and operated free of tolls, or the rates of tolls shall thereafter be so adjusted as to provide a fund of not to exceed the amount necessary for the proper repair, maintenance, and operation of the bridge and its approaches under economical management. An accurate record of the amount paid for acquiring the bridge and its approaches, the actual expenditures for operating, repairing, and maintaining the same, and of the dai tures for operating, repairing, and maintaining the same, and of the daily tolls collected shall be kept and shall be available for the information of all persons interested.

(d) The said Chesapeake Bay Bridge Co., its successors and assigns, shall, within 90 days after the completion of such bridge, file with the Secretary of War and the highway department of the State of Maryland a sworn itemized statement showing the the State of Maryland a sworn itemized statement showing the actual original cost of constructing the bridge and its approaches, the actual cost of acquiring any interest in real property necessary therefor, and the actual financing and promotion cost. The Secretary of War may, and at the request of the highway department of the State of Maryland shall, at any time within three years after the completion of such bridge, investigate such costs and determine the accuracy and the reasonableness of the costs alleged in the statement of costs so filed, and shall make a finding of the actual and reasonable costs of constructing, financing, and promoting such bridge, for the purpose of such investigation. and promoting such bridge; for the purpose of such investigation the said Chesapeake Bay Bridge Co., its successors and assigns, shall make available all of its records in connection with the

financing and the construction thereof. The findings of the Secretary of War as to the reasonable cost of the construction, financing, and promotion of the bridge shall be conclusive for the purposes mentioned in section 2 of this act, subject only to review

purposes mentioned in section 2 of this act, subject only to review in a court of equity for fraud or gross mistake.

(e) The right to sell, assign, transfer, and mortgage all the rights, powers, and privileges conferred by this act is hereby granted to the said Chesapeake Bay Bridge Co., its successors and assigns, and any corporation to which or any person to whom such rights, powers, and privileges may be sold, assigned, or transferred, or who shall acquire the same by mortgage foreclosure or otherwise, is hereby authorized and empowered to exercise the same as fully as though conferred herein directly upon such corporation or person. corporation or person.

MISSOURI RIVER NEAR NIOBRARA, NEBR.

SEC. 12. That the times for the commencing and completing of the construction of a bridge across the Missouri River at or near Niobrara, Nebr., authorized to be built by H. A. Rinder, his heirs, Moorara, Nebr., authorized to be out by it. A. Rinder, his helds, legal representatives, and assigns, by act of Congress approved May 22, 1928, and extended by act of Congress approved March 4, 1929, and further extended by act of Congress approved March 3, 1930, are hereby further extended one and three years, respectively, from May 22, 1933.

EAST BRANCH OF THE NIAGARA RIVER NEAR NIAGARA FALLS, N. Y., AND TONAWANDA, N. Y.

SEC. 13. (a) That the consent of Congress is hereby granted to the Niagara Frontier Bridge Commission, a State commission, created by an act of the Legislature of the State of New York (chapter 594 of the Laws of 1929), as amended, its successors and assigns, to construct, maintain, and operate two toll bridges and approaches thereto across the east branch of the Niagara River, in accordance with the provisions of the act entitled "An" River, in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters," approved March 23, 1906, one such bridge to be located at a point suitable to the interests of navigation, from the city of Niagara Falls, in the county of Niagara and State of New York, at a point east of Evershed Avenue in said city of Niagara Falls, to Grand Island, in the county of Erie and State of New York, and the other such bridge to be located at a point suitable to the interests of navigation, from the town of Tonawanda about midway between the southerly city limits of the city of Tonawanda and the northerly city limits of the city of Tonawanda and the county of Erie and State of New York.

(b) That this act shall be null and void unless construction of each of such bridges is commenced within two years and completed

(c) I talk this act shall be full and void unless construction of each of such bridges is commenced within two years and completed within five years from the date of approval hereof.

(c) If tolls are charged for the use of such bridges, the rates of toll shall be so adjusted as to provide a fund sufficient to pay the reasonable cost of maintaining, repairing, and operating such bridges and their approaches under economical management, and to provide a sinking fund sufficient to provide a sinking fund sufficient to appropriate the superfixed to the secret of such bridges and their approaches under economical management, and to provide a sinking fund sufficient to amortize the cost of such bridges and their approaches, including reasonable interest and financing costs, as soon as possible under reasonable charges: Provided, however, That nothing herein contained shall prevent the payment of the reasonable cost of maintaining, repairing, and operating such bridges and their approaches from funds derived other than from such tolls. After a sinking fund sufficient for such amortization of the total cost of such bridges and their approaches shall have been so provided, such bridges shall thereafter be shall have been so provided, such bridges shall thereafter be maintained and operated free of tolls, or the rates of tolls shall thereafter be so adjusted as to provide a fund of not to exceed the amount necessary for the proper maintenance, repair, and operation of such bridges and their approaches under economical operation of such bridges and their approaches under economical management. An accurate record of the cost of such bridges and their approaches, the expenditures for maintaining, repairing, and operating the same, and of the daily tolls collected, shall be kept and shall be available for the information of all persons interested.

(d) The public acts Nos. 363 and 364 of the Seventy-first Congress and public acts Nos. 195 and 221 of the Seventy-second Congress be, and they are hereby, repealed.

HUDSON RIVER NEAR CATSKILL, N. Y.

SEC. 14. That the act entitled "An act granting the consent of

Sec. 14. That the act entitled "An act granting the consent of Congress to the State of New York to construct, maintain, and operate a highway bridge across the Hudson River at or near Catskill, Greene County, N. Y.," approved June 5, 1930, as supplemented by the act of April 15, 1932, be, and the same is hereby, amended to read as follows:

"The consent of Congress is hereby granted to the State of New York to construct, maintain, and operate, pursuant to chapter 548 of the Laws of the State of New York of 1932, as heretofore or hereafter amended, a highway bridge and approaches thereto across the Hudson River, at a point suitable to the interests of navigation, at or near Catskill, Greene County, N. Y., in accordance with the provisions of an act entitled 'An act to regulate the construction of bridges over navigable waters,' apregulate the construction of bridges over navigable waters, approved March 23, 1906.

"SEC. 2. The consent hereby granted shall inure to the benefit

"SEC. 2. The consent hereby granted shall inure to the benefit of all successors in the ownership of said highway bridge and approaches, or any part thereof.

"SEC. 3. The actual work of construction of said bridge shall be begun, in accordance with the plans therefor approved be approved by or under authority of the Chief of Engineers and the Secretary of War, within one year from the approval of this act, as amended, and such work shall be completed within three years from the date of such approval."

MISSISSIPPI RIVER AT ST. LOUIS, MO.

SEC. 15. That the time for completing the construction of ap-SEC. 15. That the time for completing the construction of approaches and also extensions or additions thereto of the municipal bridge across the Mississippi River at St. Louis, Mo., authorized to be built by the city of St. Louis, Mo., by an act of Congress approved June 25, 1906, and heretofore extended by acts of Congress approved February 11, 1918, June 14, 1920, February 13, 1924, January 26, 1927, and February 7, 1930, is hereby extended three years from June 25, 1933.

SEC. 16. The right to alter, amend, or repeal this act is hereby expressly reserved.

expressly reserved.

Mr. MILLIGAN. Mr. Speaker, I yield five minutes to the gentleman from Missouri [Mr. Cochran].

Mr. COCHRAN of Missouri. Mr. Speaker, in this omnibus bridge bill is a bill I introduced to construct a railroad approach to a bridge over the Mississippi River at St. Louis. The city of St. Louis has spent over \$10,000,000 on this bridge so that anybody in the United States can go over it free of tolls.

They are now proposing to make another railroad approach to that bridge. That bill I introduced.

The Members of the House all know my objection to toll bridges. If I thought for a minute that any of these bills would result in the construction of a toll bridge, I would oppose it. I know that the people in this country have been advised of the situation in reference to toll bridges and they will not buy the bonds, and these bridges can not be constructed unless you sell bonds.

Starting at Cairo, Ill., and going north on the Mississippi River, Congress gave permission for the construction of bridges at Cairo; 1 at Chain of Rocks, near St. Louis; 1 at Cape Girardeau; 1 at Bellefontaine, Mo.; 1 at Alton, Ill.; 1 at Louisiana, Mo.; 1 at Hannibal, Mo.; and another one north of that.

What has happened? Some \$30,000,000 have been invested in the construction of these bridges, and the bonds were sold to the public at par value of \$100. If there is any gentleman in the House who wants any of these bonds, I can buy them for him for \$2.

The question of necessity does not enter into the introduction of bridge bills. It is a question of convenience that causes a Member of this House to offer one of these bills.

There is one bill in here that provides for the construction of a bridge over the Mississippi River, and I have in my office the evidence that there is now a ferry operating across the river at that particular point. At no time since the ferry has been placed in operation has more than 12 cars passed over the river in 24 hours.

Think of building a bridge over the great Mississippi River for the purpose of taking care of 12 automobiles a day, when you can not construct the bridge for less than \$2,500,000. As I said before, there is no doubt in my mind that not one of these toll bridges will ever be constructed.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. COCHRAN of Missouri. Yes.

Mr. RICH. If that is the case, how are the bridges going to be financed?

Mr. COCHRAN of Missouri. I say they are not going to be financed, because the people will not buy the bonds, and the bridge promoters will be back here again asking you to grant another extension of time for the construction of the same bridge.

Mr. RICH. If there is no greater need than what the gentleman speaks of for these bridges, why should we pass the

Mr. COCHRAN of Missouri. You can not stop it. can pass it or not, as you like. You can defeat my bill if you wish, but, as it is not in the toll-bridge class, I will be back again and have it passed eventually. It is a meritorious project.

Mr. RICH. Does the gentleman think that is a good thing to do?

Mr. COCHRAN of Missouri. I am just telling what the situation is. I have opposed these bridges for eight years on the floor of this House. If this bill goes to a record vote I will vote against it, even though my bill is included. It should not be in this bill. It is simply a bait to get me to drop my opposition to toll bridges, but I will not bite.

Mr. SCHAFER. Mr. Speaker, will the gentleman yield? Mr. COCHRAN of Missouri. Yes.

Mr. SCHAFER. Is the gentleman's bridge bill which is in this omnibus bill a good one, and, therefore, an exception to the rule?

Mr. COCHRAN of Missouri. It provides for the city of St. Louis to construct a railroad approach to a free bridge. I leave it to the gentleman to decide if it is good or bad.

Mr. SCHAFER. Oh, you will have plenty of money after the Fourth of July, for they will be able to sell beer in St. Louis after the Fourth of July.

Louis after the Fourth of July.

Mr. COCHRAN of Missouri. We are borrowing the money from the Reconstruction Finance Corporation, \$2,700,000, and my city will pay that money back.

Mr. SCHAFER. But I say that after the Fourth of July you will have plenty of money, for they will have beer then in St. Louis by the Fourth of July, just like we didn't have beer by Christmas.

Mr. COCHRAN of Missouri. Of course we will have beer by the Fourth of July, and I think the gentleman will be able to get his glass of beer by the 1st of April, for one of the first bills to be passed when the new Congress convenes within the next week or 10 days will be the bill to permit the sale of beer and light wines. I know how hard the gentleman has fought for such a bill and I am sure that action will please him and his city, Milwaukee.

Mr. MILLIGAN. Mr. Speaker, I yield three minutes to the gentleman from New York [Mr. Mead].

Mr. MEAD. Mr. Speaker, I take issue with the distinguished gentleman from Missouri [Mr. Cochran]. There are several meritorious projects included in this omnibus bill; one of them I want to discuss with you at this time.

The State of New York created the Niagara Frontier Bridge Commission about two years ago and that commission made application to the Reconstruction Finance Corporation for a loan to construct two bridges at Grand Island, N. Y. These bridges will be under the jurisdiction of the Niagara Frontier Bridge Commission, and they will connect Buffalo with Niagara Falls, shortening the distance between these two cities by several miles. We already have received the approval of Congress for the construction of these two bridges, but the Reconstruction Finance Corporation in passing on the loan or the application for the loan required that both bridges, like the loan itself, be considered as one project. This will permit the tolls of both bridges to be used to pay the interest and to amortize the loan. There is involved in this proposed development along the Niagara frontier an expenditure of some \$10,000,000, to be used in building the approaches to the bridges, constructing boulevards, subways, bridges, two State parks, and other necessary work. If the application is approved by the Reconstruction Finance Corporation it will be a splendid unemployment relief program for that area. Therefore I say this measure contains some meritorious projects. Notwithstanding the very able address of the gentleman from Missouri [Mr. Cochran] and his consistent attitude in connection with private bridge bills, I hope that this measure will be passed without opposition.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. MEAD. Yes; I yield.

Mr. RICH. What information has the gentleman to give us relative to the amount of traffic that is liable to go over these bridges if the Reconstruction Finance Corporation loans this money? What assurance has the Government to know that tolls will pay back the money loaned?

Mr. MEAD. By the passage of this bill we merely agree to certain demands made on the Niagara Frontier Bridge Commission by the Reconstruction Finance Corporation. Their engineering and legal departments will pass upon the merits of the plan. I shall leave that to them. It is not necessary for us to destroy the possibility of the project by refusing to accede to their suggestions, and we can well leave to the Reconstruction Finance Corporation the right to pass on these technical questions in which the gentleman is interested.

Mr. MILLIGAN. Mr. Speaker, I move the previous ques-

The previous question was ordered:

The SPEAKER pro tempore (Mr. Lozier). The question is on the third reading of the Senate bill.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill was laid on the table.

INLAND WATERWAY, NORFOLK, VA., TO BEAUFORT INLET, N. C.

Mr. WARREN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 6184) for the improvement of the inland waterway from Norfolk, Va., to Beaufort Inlet, N. C., with Senate amendments, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 1, line 11, after the word "conditions," insert "and limitations."

The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Carolina [Mr. WARREN]?

There was no objection.

The Senate amendment was agreed to.

SECOND DEFICIENCY APPROPRIATION BILL

Mr. BUCHANAN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 14769) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1933, and prior fiscal year, to provide supplemental appropriations for the fiscal years ending June 30, 1933, and June 30, 1934, and for other purposes, with Senate amendments, disagree to the Senate amendments, and agree to the conference requested by the Senate; also that the managers on the part of the House at such conference be authorized to act upon any amendment, notwithstanding the provisions of clause 2 of Rule XX.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. WARREN. Reserving the right to object, I would like to ask the gentleman from Texas [Mr. Buchanan] if he will give the House an opportunity to vote upon certain amendments placed in the bill by the Senate?

Mr. BUCHANAN. If this unanimous consent is granted, the conferees will bring back to the House a complete report.

Mr. SNELL. Will the gentleman yield for a question?

Mr. BUCHANAN. I yield.

Mr. SNELL. Will the gentleman tell what the main points at issue are?

Mr. BUCHANAN. Yes; I will, as soon as I answer the gentleman from North Carolina [Mr. Warren]. If this unanimous consent is granted, the conferees will bring back to the House a completed report, which the House will have to vote up or down. The reason that request is made is that these conferees must be appointed, the conference committees of the House and Senate must agree, and the conference go through the House to-night if the bill is to become law. Now, in answer to the question by the gentleman from New York, there are many items in controversy.

Mr. SNELL. I mean the principal ones.

Mr. BUCHANAN. The principal ones are \$250,000 for the George Rogers Clark Memorial; \$50,000 for the Roanoke Island celebration of some sesquicentennial; \$48,000 for the Institute of Agriculture at Rome. With reference to all of these items which I have mentioned, there is no law to sustain or authorize the appropriation, and of course the conference committee will not bring them back to the House to vote on if they are granted the unanimous consent which has been asked.

Mr. SNELL. What is the attitude of the gentleman on these increased appropriations?

Mr. BUCHANAN. The attitude of the gentleman on these increased appropriations is that he is "agin 'em." [Laughter.]

Mr. SNELL. If the gentleman stays that way, I think I am willing to trust him.

Mr. WARREN. Well, reserving the right to object, do I understand, then, that the gentleman from Texas is not

going to permit the House to pass upon the amendments placed in the bill by the Senate?

Mr. BUCHANAN. The gentleman understands the attitude of the gentleman from Texas is that he is unalterably opposed to the Senate engrafting upon a deficiency bill—

Mr. SNELL. We ought to trust him, then.

Mr. BUCHANAN. A lot of appropriations that never have been considered by the House, and not estimated for by the Budget, and requiring him to act in the dark as to their merits.

Mr. WARREN. That was not the question I asked the gentleman from Texas. I asked the gentleman from Texas if he would give the House an opportunity to vote them up or down?

Mr. BUCHANAN. I answered that question in my first statement. To be perfectly frank with the gentleman, if this permission is granted, we will bring back a complete conference report, and I am against those amendments, and the probabilities are they will be excluded from this report, and the House will vote this conference report up or down as it sees proper.

Mr. WARREN. Mr. Speaker, I ought to object to the request made by the gentleman from Texas, but having in mind the urgent necessity of the passage of this bill, and desiring not to obstruct the public business, I shall not object.

The SPEAKER. Is there objection to the request of the gentleman from Texas? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. Buchanan, Taylor of Colorado, Ayres, Wood of Indiana, and Wason.

P. F. GORMLEY CO.

Mr. ALLGOOD. Mr. Speaker, I present a conference report on the resolution (S. J. Res. 197) conferring jurisdiction upon the Court of Claims in the claim of P. F. Gormley Co., and I ask unanimous consent that the statement may be read in lieu of the report.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Alabama [Mr. Allgood]?

There was no objection.

The Clerk read the title of the Senate joint resolution. The Clerk read the statement.

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the joint resolution (S. J. Res. 197) conferring jurisdiction upon the Court of Claims in the claim of P. F. Gormley Co., having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendments of the House numbered 1, 3, and 4, and amendment to the title, and agree to the same.

Amendment numbered 2: That the Senate recede from its disagreement to the amendment of the House numbered 2, and agree to the same with an amendment as follows: In lieu of the matter inserted in said amendment insert the following: "and also claims for damages for extra costs occasioned by orders of the Navy Department requiring the contractor to pay wages at rates fixed by war-time wage boards; by the commandeering of contractor's labor for use on war-time work considered more urgent; for increased costs due to extended period of performance necessitated by war-time conditions and war orders, with the right on the part of the Government to present any legal and equitable set-offs and defenses"; and the House agree to the same.

Miles C. Allgood,
J. H. Sinclair,
Charles H. Martin,
Managers on the part of the House.
Frederick Steiwer,
Wallace H. White, Jr.,
Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the joint resolution (S. J. Res. 197) conferring jurisdiction upon the Court of Claims in the claim of P. F. Gormley Co., submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

Recommendations in the accompanying report as to the following amendment are for the purpose of simplifying the language of the resolution and to assure the Government protection of any equitable defenses it may have: 1, 2, 3, and 4, and amendment to the title.

On No. 2 as amended: Restores part of the language used in the original resolution permitting the Gormley Co. to sue for damages for extra costs occasioned by orders of the Navy Department requiring the contractor to pay wages at rates fixed by war-time wage boards; by the commandeering of contractor's labor for use on war-time work considered more urgent and for increased costs due to extended period of

performance necessitated by war-time conditions and war

orders.

MILES C. ALLGOOD, CHARLES H. MARTIN, J. H. SINCLAIR, Managers on the part of the House.

Mr. STAFFORD. Mr. Speaker, will the gentleman explain just what the conference report accomplishes? We have nothing before us as to what the bill is or what the Senate amendments were. I would like to have some information. It is apparent from the report that there were four amendments.

Mr. COCHRAN of Missouri. Will the gentleman yield?

Mr. ALLGOOD. I yield.

Mr. COCHRAN of Missouri. As I recall, this is the bill that the President elect, when he was Assistant Secretary of the Navy, granted a hearing to the Gormley Co., and in his report to the House of Representatives the President elect, Governor Roosevelt, recommended that the action be taken as recommended by the Committee on War Claims?

Mr. ALLGOOD. That is the fact.

Mr. COCHRAN of Missouri. And in his report he stated he had given Mr. Gormley a complete hearing before he had arrived at his decision?

Mr. ALLGOOD. Yes. This contract was entered into with Gormley a few days before war was declared. It was on March 10. It was a contract to build some structures for the Navy.

Mr. STAFFORD. Mr. Speaker, will the gentleman yield me five minutes?

Mr. ALLGOOD. Mr. Speaker, I yield five minutes to the gentleman from Wisconsin [Mr. Stafford].

Mr. STAFFORD. Mr. Speaker, through the courtesy of the gentleman from Alabama, I take the floor to explain this conference report, because the gentleman from Alabama knows that on the other evening, Wednesday evening, when we had a call of the Special Calendar of Senate bills this was one of the bills given special consideration by me. Several amendments that were proposed by me to the bill were adopted.

The gentleman from Kansas [Mr. Hope] also suggested an amendment, and I wish to direct his attention to the fact that the conferees have virtually reincorporated it in the bill. I call the attention of the gentleman from Kansas in particular to the fact that this is the bill referring to the claim of one P. F. Gormley Co.

Mr. Speaker, when the bill was under consideration the gentleman from Kansas moved to strike out that part relating to extra costs occasioned by orders of the Navy Department and rates of wages paid because of war-time wage-board awards. The amendment the gentleman from Kansas proposed has virtually been reincorporated in the bill. The amendments suggested by me have been agreed upon by the conferees. The substantive amendment I pro-

posed was that no allowance for interest on the determined amount of damage prior to the rendition of this judgment should be allowed.

This is an old claim running back many years and I do not think it proper to allow interest to be attached to the judgment just by reason of the delay of years.

Mr. SNELL. How much does the claim amount to?

Mr. STAFFORD. The claim runs into several thousands of dollars. The report accompanying this bill shows that the present President elect, when Assistant Secretary of the Navy recommended favorable report. This bill allows the matter to be referred to the Court of Claims to ascertain the amount of damages that this P. F. Gormley Co. has suffered by reason of change in the contract price of structural steel, and also by reason of damages they suffered by changes in the rates of wages, and also for increased costs occasioned by extending the period of performance. These latter provisions were stricken out upon the motion of the gentleman from Kansas, who is doing very effective work on the Private Calendar, but they have been reincorporated by the conferees.

Mr. SNELL. Is it satisfactory to the gentleman? Is it in pretty good shape now?

Mr. STAFFORD. I have my doubts as to the merits of the bill notwithstanding the approval of it by the President elect of the United States at a time he served as Assistant Secretary of the Navy.

Mr. SCHAFER. Mr. Speaker, will the gentleman yield? Mr. ALLGOOD. I yield.

Mr. SCHAFER. The reason I demanded a division and was going to get a quorum is that the chairman of the Committee on War Claims has not given any reason on the floor of the House for the passage of the bill other than that many years ago the present President elect supported it. The President elect also supported the League of Nations many years ago, but he has changed his position on that, and he may have changed his position on this.

What will be the potential cost to the taxpayers' Treasury if this bill is enacted?

Mr. ALLGOOD. Possibly \$20,000. Mr. SCHAFER. Will \$25,000 or \$30,000 be the maximum, or will we be required to provide millions of dollars, like we have had to on some bills the gentleman's committee has reported in the past?

Mr. ALLGOOD. Since the gentleman from Texas [Mr. GARNER] has been Speaker the gentleman's Committee on War Claims has held down all these bills. It has refused to report out bills involving several hundreds of millions of dollars which have been before the committee but which the committee did not report.

Mr. SCHAFER. One further question. Has the gentleman's committee reported this bill out entirely on its merit, or was it reported out only because 13 or 14 years ago the President elect of the United States while Assistant Secretary of the Navy recommended it as indicated by our able colleague, the gentleman from Missouri [Mr. Cochran]?

Mr. ALLGOOD. We reported it out on its merits.

The SPEAKER. The question is on the adoption of the conference report.

The conference report was agreed to.

ORDER OF BUSINESS

The SPEAKER. The Chair wishes to make a statement to the Members of the House. The second deficiency bill and the District of Columbia appropriation bill are in conference, and the best information of the Chair is that the deficiency bill will probably be ready at 9.30 and the District of Columbia appropriation bill by 10 o'clock to-night.

Without objection, the House will stand in recess to meet at the call of the Chair by the ringing of three bells, which will not be later than 9.30 or 10 o'clock to-night.

Mr. STAFFORD. Mr. Speaker, reserving the right to object, may I inquire of the Speaker whether it would be practicable to have the second deficiency bill enrolled and brought up at 10 o'clock to-morrow as the first order of business, particularly in view of the fact that the Senate has recessed until 11 o'clock a. m. to-morrow?

The SPEAKER. It would not be practicable, because we have to conclude action on it to-day. Is there objection? There was no objection.

Accordingly (at 8 o'clock p. m.) the House stood in recess to meet at the call of the Chair.

AFTER RECESS

The recess having expired, at 9.50 o'clock p. m. the House was called to order by the Speaker.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. Perkins, its enrolling clerk, announced that the Senate had passed with amendments, in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 8174. An act to exempt from the quota fathers and mothers over 60 years of age of United States citizens.

SECOND DEFICIENCY BILL

Mr. BUCHANAN. Mr. Speaker, I present a conference report on the bill (H. R. 14769) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1933, and prior fiscal years, to provide supplemental appropriations for the fiscal years ending June 30, 1933, and June 30, 1934, and for other purposes.

The Clerk read the title of the bill.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 14769) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1933, and prior fiscal years, to provide supplemental appropriations for the fiscal years ending June 30, 1933, and June 30, 1934, and for other purposes, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 2, 11, 13, 23, 33, 34, and 36.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 3, 4, 5, 9, 10, 12, 15, 16, 17, 18, 19, 20, 21, 22, 24, 25, 26, 27, 28, 29, 30, 31, 32, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, and 56, and agree to the same.

Amendment numbered 6: That the House recede from its disagreement to the amendment of the Senate numbered 6, and agree to the same with an amendment as follows: In lieu of the sum named in said amendment insert "\$35,000"; and the Senate agree to the same.

Amendment numbered 7: That the House recede from its disagreement to the amendment of the Senate numbered 7, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following:

Sections 4 and 5 of the public resolution approved March 2, 1929 (U. S. C., Supp. VI, title 1, sec. 54 (a) and (b)), are hereby amended to read as follows:

"'SEC. 4. The publications provided for in such act of May 29, 1928 (U. S. C., Supp. VI, title, ch. 3), as amended by this resolution, and with such ancillaries, shall be printed and bound in such style, form, and manner as may be directed by the Joint Committee on Printing.

"'SEC. 5. In order to avoid waste in the appropriations for printing and binding for Congress, the Joint Committee on Printing is hereby empowered to authorize the printing of any bill or resolution, with index and ancillaries, before Congress in such style and form as the joint committee may deem to be most suitable in the interest of economy and efficiency and to so continue until final enactment thereof in both Houses of Congress; and such committee may also curtail the number of copies of such bills or resolutions to be printed in the various parliamentary stages in the Congress, including the slip form of each public act or public resolution."

And the Senate agree to the same.

Amendment numbered 8: That the House recede from its disagreement to the amendment of the Senate numbered 8, and agree to the same with an amendment as follows: In lieu of the sum named in said amendment insert "\$2,500"; and the Senate agree to the same.

Amendment numbered 14: That the House recede from its disagreement to the amendment of the Senate numbered 14, and agree to the same with an amendment as follows: In lieu of the sum named in said amendment insert "\$175,000"; and the Senate agree to the same.

Amendment numbered 35: That the House recede from its disagreement to the amendment of the Senate numbered 35, and agree to the same with an amendment as follows: In line 10 of the matter inserted by said amendment strike out "\$6,400," and in line 6 of the matter inserted by said amendment, after the numerals "1933," insert the following: "\$6,400"; and the Senate agree to the same.

J. P. BUCHANAN,
EDWARD T. TAYLOR,
W. A. AYRES,
WM. R. WOOD,
EDWARD H. WASON,
Managers on the part of the House.

FREDERICK HALE,
REED SMOOT,
HENRY W. KEYES,
CARTER GLASS,
Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 14769) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1933, and prior fiscal years, to provide supplemental appropriations for the fiscal years ending June 30, 1933, and June 30, 1934, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

On Nos. 1 to 5, inclusive, relating to the Senate: Appropriates for expenses of the Senate in the amounts and in the manner proposed by the Senate, as follows: \$40,000 for miscellaneous items; \$13,000 for Senate restaurants; and \$15,000 for inquiries and investigations. Strikes out the additional compensation of \$600 proposed by the Senate for an employee detailed from the Veterans' Administration to the Senate Committee on Pensions.

On No. 6: Appropriates \$35,000, instead of \$50,000, as proposed by the Senate, for expenses of the House Committee on Interstate and Foreign Commerce for expenses of investigations under House Joint Resolution numbered 572 of the present session.

On No. 7: Provides, as proposed by the Senate, authority for the Joint Committee on Printing to curtail waste in public printing and binding in connection with the printing of bills and resolutions by amendment of the act of March 2, 1929.

On No. 8: Appropriates \$2,500, instead of \$4,000, as proposed by the Senate, for the removal of part of the statues from Statuary Hall.

On Nos. 9 and 10, relating to the Senate Office Building: Appropriates \$75,000, as proposed by the Senate, for furnishings and equipment for the new wing, and \$13,500 for alterations in the old portion of the building.

On No. 11: Strikes out the appropriation of \$250,000 inserted by the Senate for the George Rogers Clark Sesquicentennial Commission.

On No. 12: Appropriates \$605.12 for the Advisory Committee for Aeronautics, as proposed by the Senate, for the payment of an outstanding bill.

On No. 13: Strikes out the appropriation of \$50,000 inserted by the Senate for the United States Roanoke Colony Commission.

On No. 14: Appropriates \$175,000, instead of \$300,000, as proposed by the Senate, for emergency relief in the District of Columbia payable from the revenues of such District.

On Nos. 15, 16, and 17: Appropriates \$415.26 additional for the payment of authorized settlements of claims against the District of Columbia certified after the bill had passed the House.

On Nos. 18 and 19: Appropriates \$2,932 additional for the payment of judgments against the District of Columbia certified after the bill had passed the House.

On Nos. 20, 21, and 22, relating to the Indian Service: Appropriates \$65,000 for replacement of a building destroyed by fire at the Sacaton Indian school, Arizona, as proposed by the Senate; appropriates \$40,000 for repairing a building and replacing equipment destroyed by fire at the Chilocco Indian School, Oklahoma, as proposed by the Senate; and appropriates \$19,357 for the payment of claims of individual Sioux Indians as proposed by the Senate and as authorized by the act of February 16, 1933.

On No. 33: Appropriates \$25,000, as proposed by the House instead of \$40,000, as proposed by the Senate, for silt investigations of the Colorado River.

On No. 24: Appropriates \$80,000, as proposed by the Senate, instead of \$70,000, as proposed by the House, for the Shenandoah National Park.

On Nos. 25, 26, 27, 28, and 29: Appropriates \$1,920.78 additional, as proposed by the Senate, for fees of United States Commissioners, and \$26.77 additional for supplies for United States courts.

On Nos. 30, 31, 32, and 33, relating to the Department of State: Appropriates \$55, as proposed by the Senate, for payment of a treaty obligation relating to liquor traffic in Africa; \$30,000 for the payment to Mexico in accordance with the provisions of the act of February 25, 1933, for the killing of two Mexican citizens by deputy sheriffs of Oklahoma; \$150,000 for expenses of participation by the United States in an international monetary and economic conference to be held in London; and strikes out the appropriation of \$48,500, inserted by the Senate, for expenses of participation by the United States in the International Institute of Agriculture at Rome.

On No. 34: Strike out the paragraph inserted by the Senate to prohibit the Commissioner of Internal Revenue from paying tax refunds in excess of \$20,000 until such refunds have been approved by the Board of Tax Appeals.

On No. 35: Appropriates \$6,400, as proposed by the Senate, to pay a condemnation award for land at Camp Bullis, Tex.

On No. 36: Strikes out the increase proposed by the Senate in the amount for traveling expenses for the Ordnance Department of the Army.

On No. 37: Appropriates \$30,000, as proposed by the Senate, instead of \$20,000, as proposed by the House, for extension of the national cemetery at San Francisco.

On Nos. 38 to 43, inclusive, relating to damage claims: Appropriates \$1.952.84 additional for the payment of claims settled by the departments and certified to Congress after the bill had passed the House.

On Nos. 44 to 54, inclusive: Appropriates for the payment of judgments rendered against the United States by United States district courts and the Court of Claims and certified to Congress for payment after the bill had passed the House.

On Nos. 55 and 56: Appropriates for the payment of audited claims allowed by the Comptroller General and certified to Congress for payment after the bill had passed the House.

J. P. BUCHANAN,
EDWARD T. TAYLOR,
W. A. AYRES,
WILL R. WOOD,
EDWARD H. WASON,
Managers on the part of the House.

Mr. BUCHANAN. Mr. Speaker, I ask unanimous consent that the statement may be read in lieu of the report.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Clerk read the statement.

Mr. STAFFORD. Mr. Speaker, I think the House would be interested, even at this late hour, as to the agreement of the conferees on amendment No. 34, pertaining to the Board of Tax Appeals. Will the gentleman tell us just what was the agreement so far as that amendment is concerned?

Mr. BUCHANAN. The Senate amendment was clearly legislation and the Senate receded on its amendment.

Mr. STAFFORD. Then, as I understand the action of the conferees, there has been no change as to the payment of these tax refunds?

Mr. BUCHANAN. The bill carries \$28,000,000 for the payment of taxes erroneously collected.

Mr. STAFFORD. And they will be handled just as they are under existing law?

Mr. BUCHANAN. Correct.

Mr. McFADDEN. Will the gentleman yield?

Mr. BUCHANAN. Yes. Mr. McFADDEN. I notice there is included in this bill the McReynolds bill, providing an appropriation of \$150,000 for the London Economic Conference.

Mr. BUCHANAN. The \$150,000 carried in this bill is for an economic and monetary international conference.

Mr. McFADDEN. This is a matter that has never been discussed in the House. It is a matter of great importance and is a further involvement of the United States in foreign affairs. I think it is a matter that ought to be discussed here. It is an outgrowth of the conference held in London in 1931, which is a part of the whole program to further involve the United States in international affairs, where war debts, tariffs, and everything else will be discussed. The very existence of the United States, I think, is involved in it, and I am decidedly opposed to it. Cancellation of war debts is also involved.

Mr. BLANTON. Mr. Speaker, will the gentleman yield me five minutes on this item?

Mr. BUCHANAN. Mr. Speaker, I yield five minutes to my colleague, the gentleman from Texas [Mr. Blanton].

Mr. BLANTON. Mr. Speaker, we have spent \$450,000 recently in a European conference. It was a ridiculous waste of public money. We had a lot of high-salaried employees over there for months, spending the people's hardearned tax money like water, and having a good time on a fine junket trip. That was about all it was, a wasteful, uneventful, unnecessary, outrageous junket. We took chances every day they were over there that some of them would say some foolish thing, or do some foolish act, that might involve us in foreign entanglements, something that we must avoid in the future.

When good people here in our own United States-millions of them, Mr. Speaker-were without jobs, were walking the streets disconsolate with their wives and little children at home hungry and not properly clad, we did this foolish thing, but not with my vote. At this very time there were millions of people all over Europe likewise without jobs, with families suffering, and when they saw our American representatives and employees at this so-called conference, putting up at the finest hotels, eating the finest foods, attending the finest entertainments, coming there on luxurious palaces of the sea, and spending American tax money like water-about a half a million dollars of it-it had a tendency to make Europeans hate Americans.

I made a fight here on this floor at that time to save this \$450,000, but I was outvoted, and it was spent and wasted.

Now, here is another proposal put in by the Senate as a rider on an appropriation bill to spend another \$150,000 on another European conference.

We have already spent on this particular conference the sum of \$40,000 in a preliminary conference, and with this new proposal to spend another \$150,000 makes a total of \$190,000 that will be spent to send our young boys again to Europe. If there ever was an hour when we ought to stay out of Europe it is right now. [Applause.]

Another body always waits until the closing hours of Congress to put these riders on appropriation bills, and send them back here where you have got to vote the conference report up or down. If you vote it down, you kill the bill, and I am not willing to kill this bill. Therefore, although I am fundamentally against this provision and believe it ought not to pass, because it may ultimately involve the cancellation of war debts, and I do not want to see a dollar that Europe owes the United States ever canceled, I am forced to let this item pass in order not to kill this big supply bill at this late hour.

I am going along with my colleague [Mr. Buchanan], chairman of this committee, who has done the best he could. I have for him the highest respect and commendation. He sits around the table with autocratic-well, I will not say that, but if there was not this courtesy between this House and another body somewhere else, I would say something stronger than that. My colleague has done the best he could with the bill; he has brought things back here that ordinarily he would not agree to, but he was forced to do so in order to get this supply bill passed in this session.

Mr. CLARKE of New York. Does not the gentleman think we will have better treatment at the other end of the Capitol when our great Speaker goes over there?

Mr. BLANTON. Certainly, all of us know that. I think it will be mighty fine for the country when he goes over there, and when our new chief, the gentleman from Illinois [Mr. RAINEY], is in the chair, and when our splendid new majority leader, the gentleman from Tennessee [Mr. Byrns], takes charge of things here at the head table.

Mr. CLARKE of New York. And Mr. Snell, of New York, over here.

Mr. BLANTON. Yes, because all of us old-timers love to see BERT SNELL over there in charge of things on the minority side, but of things only on the side of the minority. This \$150,000 will be wasted, as we can not stop it, but we would stop it if we could.

The SPEAKER. The question is on agreeing to the conference report.

The conference report was agreed to.

WALTER SAM YOUNG

Mr. LAMNECK. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 2907) for the relief of Walter Sam Young and agree to the Senate amendment.

The Clerk read the title of the bill and the following Senate amendment:

Page 1, line 9, strike out all after "Provided" down to and including "act," in line 11, and insert "That no compensation, retirement pay, back pay, pension, or other benefit shall be held to have accrued prior to the passage of this act."

The Senate amendment was agreed to.

Mr. STAFFORD. Mr. Speaker, I ask unanimous consent to proceed for such part of 10 minutes as we are waiting for the next conference report.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. STAFFORD. Mr. Speaker, the session that is just coming to a close will be memorable because of the legislation that was passed in the closing hours in the attempt to relieve in some way the financial conditions of the country that have been threatening its stability for the last two years. The most notable is the amendment of the bankruptcy act that ameliorates the conditions threatening the debtor class large and small, and that provides procedural relief for threatened receivership proceedings of insolvent railroads.

A great President is about to retire from office. I think history will write down the fact that Herbert Hoover performed a rather legislative miracle in passing remedial legislation sponsored by him when it is considered that he had confronting him adverse majorities in both Houses of Congress. It was not an easy task in the economic debacle that deluged the country for any President, even if he had a sympathetic Congress to support him. Politics prior to the election played a foremost part. It was said by a noted English statesman, Sir Joseph Chamberlain, that the purpose of the opposition is to oppose. And then what? To oppose. And then what? To oppose. The Democratic Party, as I look back in retrospect, allowed the President grudgingly some of the program which he espoused. It was politics. He had advocated much legislation for relief of the financial, banking, and industrial conditions of the country which were not considered except under compulsion. That was prior to the election.

Since the election, when politics has been largely adjourned, both parties, at least in this House, have recognized the seriousness of the situation and have cooperated in every way toward putting on the statute books legislation that

was urgently needed.

It was my high privilege to serve in this body during the crucial days of the World War. I was then a member of the Committee on Appropriations. That committee, as some of the old Members know, voted out \$26,000,000,000 of appropriations. As I look back upon those trying times and compare them with those of to-day, I really believe that the conditions confronting the country to-day are much more serious and critical than those which confronted the country during the World War. Then there was no trouble to raise money, no trouble to bond the Government. Everyone was in accord with one idea, to win the war.

In this industrial depression, however-and my memory goes back more than 30 years—we are confronted with the same conditions that have always confronted the country when we have had industrial depression. I remember long before I saw service in this body—and my first service, as you know, ranges back 30 years-I noted that there always evolved out of times of industrial depressions all kinds of panaceas for relief.

As I look into the future, I somewhat dread it, so far as this House is concerned, because I fear the next Congress is going to be beset with all kinds of radical proposals, gropings in the dark, trying to remedy existing industrial conditions. I agree, however, as do most students of finance, and as all those prominent business men, financiers, and bankers, who have been testifying before the Senate Finance Committee the last few days, with the distinguished and brilliant gentleman from Alabama [Mr. Hub-DLESTON | that in times of industrial depression it is no time to experiment. We should adhere fast to principle. When things are going along smoothly, when a large industrial concern has large reserves, it may well afford and can afford to experiment with those reserves in new ventures. So it is with government. A government can afford this or that experiment in prosperous times, but when dark and dire days confront the Nation, then I believe it is statesmanship to adhere fast and firm to the principles that are sound and have been proven sound in the evolvement and development of government.

Mr. Speaker, I had no thought of making a swan song, and I do not wish to. I was asked by the Speaker to take some time to fill in until a conference report was ready for presentation to the House. Thirty years is a long period for a person to scan back and compare conditions to-day with conditions then.

When I first entered the House as a young man in the twenties, never having had prior legislative experience, I naturally was interested in studying the theory of government and the practice of government as it was displayed on the floor of this House. It was my good fortune in the first term I served to have come under the observation of a great parliamentary leader, Mr. James R. Mann, and no leader, in my opinion, in the history of the Government was greater than he. [Applause.] As I look upon the old days, the Committee on Appropriations scanned and fought every increase of appropriation. We were most jealous of economy. We were fearful of the inroads of a precedent. The Government has changed mightily in these 30 years. There has been a disposition, especially in the last decade, for us to launch into various new avenues of governmental ven-

ture. Members of the committee are overwhelmed with work. The work of the Committee on Appropriations has manifolded ten times. In the early days in its appropriating powers were limited to five bills-the fortification bill; the sundry civil appropriation bill; the legislative, executive, and judicial appropriation bill; the deficiency bill; and perhaps one or two others of minor importance.

Then came the war, and the legislative leaders realized that it was necessary to merge all of the appropriating powers into one committee, so that the Budget then established as a part of our legislative system could be followed. The appropriating powers were accordingly transferred from six committees and vested in the Appropriations Committee. The Committee on Agriculture, the Committee on Indian Affairs, the Committee on Military Affairs, the Committee on Naval Affairs, the Committee on Foreign Affairs, and the Committee on the Post Office and Post Roads all had appropriating powers. They were regarded as major committees of the House. When those appropriating powers were taken away from those legislative committees there was a contest on the floor of the House against the deprivation of their legislative power so far as appropriations were concerned.

I then thought there could be a compromise whereby the legislative committees could cooperate with the Appropriations Committee. Some days ago I gave expression to a thought that I had long held close in my mind, that it would be better for legislation in the House if Representatives on the legislative committees would sit in, in the formation and framing of the respective appropriation bills covering the jurisdiction of the legislative committees. It would have a double purpose. It would give the appropriations subcommittees the viewpoint of the legislative committee and in turn the latter would have the value of the recommendations presented by the heads of departments and bureaus as to needed legislation. Appropriating powers and legislative powers are closely intertwined. I served a few years back on the Appropriations Committee as a member of the War Department subcommittee; the past four years as a member of the Committee on Military Affairs. I wish to say that my acquaintance with military affairs was largely gleaned from my service of four years on the War Department Subcommittee on Appropriations. This suggestion I leave to the next Congress as a contribution toward procedural reform that will redound to the benefit of legislation. The legislative committees should be strengthened in their functioning. This reform will aid materially toward that end.

The SPEAKER. The time of the gentleman from Wisconsin has expired.

DISTRICT OF COLUMBIA APPROPRIATION BILL-FISCAL YEAR 1934

Mr. CANNON. Mr. Speaker, I present a conference report on the bill (H. R. 14643) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1934, and for other purposes, and I ask unanimous consent that the statement may be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Missouri [Mr. Cannon]?

There was no objection.

The Clerk read the statement.

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 14643) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1934, and for other purposes, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 2, 3, 4, 5, 6, 7, 8, 9, 14, 15, 19, 20, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 57, 58, 60, 66, 68, 69, 76, 80, 86, 88, 90, 92, 95, 107, 110, 112, 118, 119, 121, 122, 137, 139, 140, 142, 143, 144, 146, 148, 149, 151, 156, 158, 161, 162, 163, 164, 165, 166, 168, 169, 173, and 174.

That the House recede from its disagreement to the amendments of the Senate numbered 11, 12, 13, 16, 22½, 23, 54, 55, 56, 59, 61, 62, 71, 75, 83, 87, 89, 91, 93, 96, 97, 98, 109, 113, 114, 117, 120, 123, 124, 125, 126, 129, 130, and 147, and agree to the same.

Amendment numbered 1: That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$7,600,000"; and the Senate agree to the same.

Amendment numbered 10: That the House recede from its disagreement to the amendment of the Senate numbered 10, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$91,000"; and the Senate agree to the same.

Amendment numbered 11½: That the House recede from its disagreement to the amendment of the Senate numbered 11½, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following:

"No part of the appropriations contained in this act shall be used for or in connection with the preparation, issuance, publication, or enforcement of any regulation or order of the Public Utilities Commission requiring the installation of meters in taxicabs until such regulation or order shall have been approved by Congress: *Provided*, That this prohibition shall not be construed to affect any order or part of an order of such Public Utilities Commission other than with respect to the requirement of the installation of such meters."

And the Senate agree to the same.

Amendment numbered 17: That the House recede from its disagreement to the amendment of the Senate numbered 17, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$9,000"; and the Senate agree to the same.

Amendment numbered 18: That the House recede from its disagreement to the amendment of the Senate numbered 18, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: "\$90,000, of which \$6,000 shall be available only for recopying old land records of the District of Columbia"; and the Senate agree to the same.

Amendment numbered 21: That the House recede from its disagreement to the amendment of the Senate numbered 21, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$30,000"; and the Senate agree to the same.

Amendment numbered 22: That the House recede from its disagreement to the amendment of the Senate numbered 22, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$57,500"; and the Senate agree to the same.

Amendment numbered 63: That the House recede from its disagreement to the amendment of the Senate numbered 63, and agree to the same with an amendment as follows: In lieu of the sum named in said amendment insert "\$7,500"; and the Senate agree to the same.

Amendment numbered 64: That the House recede from its disagreement to the amendment of the Senate numbered 64, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$100,000"; and the Senate agree to the same.

Amendment numbered 65: That the House recede from its disagreement to the amendment of the Senate numbered 65, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$825,000"; and the Senate agree to the same.

Amendment numbered 67: That the House recede from its disagreement to the amendment of the Senate numbered 67, and agree to the same with an amendment as follows: In

lieu of the sum proposed insert "\$2,277,850"; and the Senate agree to the same.

Amendment numbered 70: That the House recede from its disagreement to the amendment of the Senate numbered 70, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$575,000"; and the Senate agree to the same.

Amendment numbered 72: That the House recede from its disagreement to the amendment of the Senate numbered 72, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$95,000"; and the Senate agree to the same.

Amendment numbered 73: That the House recede from its disagreement to the amendment of the Senate numbered 73, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$215,000"; and the Senate agree to the same.

Amendment numbered 74: That the House recede from its disagreement to the amendment of the Senate numbered 74, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$175,000"; and the Senate agree to the same.

Amendment numbered 77: That the House recede from its disagreement to the amendment of the Senate numbered 77, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$450,000"; and the Senate agree to the same.

Amendment numbered 78: That the House recede from its disagreement to the amendment of the Senate numbered 78, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$900,000"; and the Senate agree to the same.

Amendment numbered 79: That the House recede from its disagreement to the amendment of the Senate numbered 79, and agree to the same with an amendment as follows: Restore the matter stricken out by said amendment, amended to read as follows:

"No part of the funds appropriated in this act shall be available for the operation of a high-temperature incinerator for the disposal of combustible refuse in the southeast section of the District of Columbia."

And the Senate agree to the same.

Amendment numbered 81: That the House recede from its disagreement to the amendment of the Senate numbered 81, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: "\$35,000, of which \$5,000 shall be available for putting the northeast playground in condition for play purposes"; and the Senate agree to the same.

Amendment numbered 82: That the House recede from its disagreement to the amendment of the Senate numbered 82, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$28,000"; and the Senate agree to the same.

Amendment numbered 84: That the House recede from its disagreement to the amendment of the Senate numbered 84, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$3,650"; and the Senate agree to the same.

Amendment numbered 85: That the House recede from its disagreement to the amendment of the Senate numbered 85, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert "\$1,375; in all, \$5,625"; and the Senate agree to the same.

Amendment numbered 99: That the House recede from its disagreement to the amendment of the Senate numbered 99, and agree to the same with an amendment as follows: In lieu of the sum named in said amendment insert "\$5,000"; and the Senate agree to the same.

Amendment numbered 101: That the House recede from its disagreement to the amendment of the Senate numbered 101, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$355,000"; and the Senate agree to the same.

Amendment numbered 102: That the House recede from its disagreement to the amendment of the Senate numbered 102, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$95,000"; and the Senate agree to the same.

Amendment numbered 103: That the House recede from its disagreement to the amendment of the Senate numbered 103, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$153,000"; and the Senate agree to the same.

Amendment numbered 104: That the House recede from its disagreement to the amendment of the Senate numbered 104, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$153,000"; and the Senate agree to the same.

Amendment numbered 105: That the House recede from its disagreement to the amendment of the Senate numbered 105, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$475,000"; and the Senate agree to the same.

Amendment numbered 106: That the House recede from its disagreement to the amendment of the Senate numbered 106, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$1,150,000"; and the Senate agree to the same.

Amendment numbered 108: That the House recede from its disagreement to the amendment of the Senate numbered 108, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$876,000"; and the Senate agree to the same.

Amendment numbered 111: That the House recede from its disagreement to the amendment of the Senate numbered 111, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$7,500"; and the Senate agree to the same.

Amendment numbered 115: That the House recede from its disagreement to the amendment of the Senate numbered 115, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$47,500"; and the Senate agree to the same.

Amendment numbered 116: That the House recede from its disagreement to the amendment of the Senate numbered 116, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$22,500"; and the Senate agree to the same.

Amendment numbered 127: That the House recede from its disagreement to the amendment of the Senate numbered 127, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$307,540"; and the Senate agree to the same.

Amendment numbered 128: That the House recede from its disagreement to the amendment of the Senate numbered 128, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$330,000"; and the Senate agree to the same.

Amendment numbered 131: That the House recede from its disagreement to the amendment of the Senate numbered 131, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$24,000"; and the Senate agree to the same.

Amendment numbered 133: That the House recede from its disagreement to the amendment of the Senate numbered 133, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$80,750"; and the Senate agree to the same.

Amendment numbered 134: That the House recede from its disagreement to the amendment of the Senate numbered 134, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$55,000"; and the Senate agree to the same.

Amendment numbered 135: That the House recede from its disagreement to the amendment of the Senate numbered 135, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$4,375"; and the Senate agree to the same.

Amendment numbered 136: That the House recede from its disagreement to the amendment of the Senate numbered 136, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$30,000"; and the Senate agree to the same.

Amendment numbered 138: That the House recede from its disagreement to the amendment of the Senate numbered 138, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$50,000"; and the Senate agree to the same.

Amendment numbered 141: That the House recede from its disagreement to the amendment of the Senate numbered 141, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$200,000"; and the Senate agree to the same.

Amendment numbered 145: That the House recede from its disagreement to the amendment of the Senate numbered 145, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$85,000"; and the Senate agree to the same.

Amendment numbered 150: That the House recede from its disagreement to the amendment of the Senate numbered 150, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$25,000"; and the Senate agree to the same.

Amendment numbered 152: That the House recede from its disagreement to the amendment of the Senate numbered 152, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$21,500"; and the Senate agree to the same.

Amendment numbered 153: That the House recede from its disagreement to the amendment of the Senate numbered 153, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$67,500"; and the Senate agree to the same.

Amendment numbered 155: That the House recede from its disagreement to the amendment of the Senate numbered 155, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$20,000"; and the Senate agree to the same.

Amendment numbered 157: That the House recede from its disagreement to the amendment of the Senate numbered 157, and agree to the same with an amendment as follows: In lieu of the matter proposed by the amendment of the Senate insert "\$10,000; in all, \$36,000"; and the Senate agree to the same.

Amendment numbered 159: That the House recede from its disagreement to the amendment of the Senate numbered 159, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$418,500"; and the Senate agree to the same.

Amendment numbered 160: That the House recede from its disagreement to the amendment of the Senate numbered 160, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$30,000"; and the Senate agree to the same.

Amendment numbered 167: That the House recede from its disagreement to the amendment of the Senate numbered 167, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$425,000" and the Senate agree to the same.

Amendment numbered 170: That the House recede from its disagreement to the amendment of the Senate numbered 170, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$315,000"; and the Senate agree to the same.

Amendment numbered 171: That the House recede from its disagreement to the amendment of the Senate numbered 171, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$225,000"; and the Senate agree to the same.

Amendment numbered 172: That the House recede from its disagreement to the amendment of the Senate numbered 172, and agree to the same with an amendment as follows:

\$117,500 ": and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 94, 100, 132, and 154.

CLARENCE CANNON. WILLIAM J. GRANFIELD, ROBT. G. SIMMONS. Managers on the part of the House.

HIRAM BINGHAM, ARTHUR CAPPER, GERALD P. NYE, FREDERICK STEIWER, CARTER GLASS, ROYAL S. COPELAND. Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 14643) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1934, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

On No. 1: Appropriates \$7,600,000 out of the Federal Treasury on account of the expenses of the District of Columbia, instead of \$6,500,000, as proposed by the House, and \$9,500,000, as proposed by the Senate.

On No. 2: Strikes out the proposal of the Senate to prevent a reduction below the current tax rate on real estate and tangible personal property during the fiscal year 1934.

On Nos. 3 to 19, relating to general expenses: Appropriates \$105,520 for the building-inspection division, as proposed by the House, instead of \$134,070, as proposed by the Senate; appropriates \$35,600 for personal services, plumbinginspection division, as proposed by the House, instead of \$36,920, as proposed by the Senate; appropriates \$76,860 for personal services, including temporary labor, under care of District Building, as proposed by the House, instead of \$79,710, as proposed by the Senate; appropriates \$7,000 for maintenance and repairs to markets, as proposed by the House, instead of \$7,300, as proposed by the Senate; appropriates \$60,700 for personal services, municipal architect's office, as proposed by the House, instead of \$66,000, as proposed by the Senate, and strikes out the proposal of the Senate with respect to the employment of engineering or other professional services; appropriates \$91,000 for personal services, Public Utilities Commission, instead of \$87,565, as proposed by the House, and \$92,837, as proposed by the Senate, and makes \$688 of such sum immediately available, as proposed by the Senate; makes the provision denying the use of appropriations in connection with the preparation, etc., of regulations or orders of the Public Utilities Commission requiring the installation of meters in taxicabs conditional upon the advance approval of such orders or regulations by the Congress, as proposed by the Senate; appropriates \$59,250 for administrative expenses, compensation to injured employees of the District of Columbia, as proposed by the Senate, instead of \$51,250, as proposed by the House; appropriates \$68,320 for personal services, department of vehicles and traffic, as proposed by the House, instead of \$73,780, as proposed by the Senate; appropriates \$63,200 for miscellaneous expenses, department of vehicles and traffic, as proposed by the House, instead of \$77,640, as proposed by the Senate; appropriates \$68,490 for personal services, register of wills, as proposed by the Senate, instead of \$60,000, as proposed by the House; appropriates \$9,000 for miscellaneous expenses, register of wills, instead of \$8,000. as proposed by the House, and \$10,000, as proposed by the Senate; appropriates \$90,000 for personal services, recorder of deeds, including \$6,000 for recopying old land records, instead of \$97,170, including \$6,000 for recopying old land

In lieu of the sum proposed by the Senate insert | records, as proposed by the Senate, and \$48.585, without limitation within such sum for recopying old land records, as proposed by the House; and appropriates \$10,000 for miscellaneous expenses, recorder of deeds, as proposed by the House, instead of \$12,000, as proposed by the Senate.

On Nos. 20 to 24, both inclusive, relating to contingent and miscellaneous expenses: Appropriates for stationery and miscellaneous supplies \$30,000, instead of \$27,000, as proposed by the House, and \$31,000, as proposed by the Senate, and limits expenditures out of the amount agreed upon for traveling expenses to \$2,000, as proposed by the House, instead of \$3,000, as proposed by the Senate; appropriates for printing and binding \$57,500, instead of \$55,875, as proposed by the House, and \$65,000, as proposed by the Senate; excepts the commissioners of the District of Columbia from the inhibition against using automobiles owned by the District of Columbia for transportation to and from domiciles, as proposed by the Senate; excepts from the limit of \$650 upon the purchase price of passenger-carrying automobiles such vehicles as may be specifically authorized to cost more, as proposed by the Senate; and appropriates \$10,207 on account of the employment service, as proposed by the House, instead of \$10,950, as proposed by the Senate.

On No. 25: Appropriates \$176,990 for salaries, highways department, as proposed by the House, instead of \$189,680, as proposed by the Senate.

On No. 26: Appropriates \$199,030 for assessment and permit work, as proposed by the House, instead of \$224,030, as proposed by the Senate.

On Nos. 27 to 67, both inclusive, relating to road and street improvements and repairs chargeable to the gasoline tax: Strike out the first 27 street-improvement projects proposed by the Senate (amendments Nos. 27 to 53, both inclusive), involving a total appropriation of \$169,000; inserts the next succeeding five street-improvement projects proposed by the Senate (amendments Nos. 54 to 59, both inclusive), involving a total appropriation of \$269,000; strikes out the appropriation of \$250,000 proposed by the Senate for constructing a bridge to replace the existing bridge in line of P Street over Rock Creek; appropriates \$290,000 for construction of curbs and gutters, as proposed by the Senate, instead of \$200,000, as proposed by the House; appropriates \$550,000 for surfacing and resurfacing or replacement of pavements, as proposed by the Senate, instead of \$450,000, as proposed by the House; appropriates \$100,000 for care and repair of bridges, instead of \$87,500, as proposed by the House, and \$122,500, as proposed by the Senate, and makes \$7,500 of the amount agreed upon, instead of \$10,000 thereof, as proposed by the Senate, available for surveys, etc., in connection with a viaduct or bridge in the line of New Hampshire Avenue over the tracks of the Baltimore & Ohio Railroad, as proposed by the Senate; appropriates \$825,000 for current work of repairs to streets, instead of \$750,000 as proposed by the House, and \$840,000, as proposed by the Senate; and strikes out the proposal of the Senate to make the testing laboratory of the highways department available for other departments of the District government.

On No. 68: Strikes out, as proposed by the Senate, the limitation of \$250,000 proposed by the House upon expenditures for opening, extending, widening, etc., streets, avenues, roads, or highways.

On No. 69: Restores the House provision against using appropriations for the operation of a testing laboratory of the highways department.

On Nos. 70 and 71, relating to the Calvert Street Bridge: Appropriates \$575,000 for the commencement of construction of a new bridge, instead of \$500,000, as proposed by the House, and \$625,000, as proposed by the Senate, and authorizes contractual obligations on account of such bridge to the extent of \$1,250,000, as proposed by the Senate, instead of \$750,000, as proposed by the House.

On No. 72: Appropriates \$95,000 for miscellaneous expenses on account of trees and parkings, instead of \$81,600, as proposed by the House, and \$102,000, as proposed by the |

On Nos. 73 to 76, both inclusive, relating to sewers: Appropriates \$215,000 for cleaning and repairing sewers and basins, instead of \$206,863, as proposed by the House, and \$226,000, as proposed by the Senate; appropriates \$175,000 for main and pipe sewers and receiving basins, instead of \$159,400, as proposed by the House, and \$192,000, as proposed by the Senate; appropriates \$494,500 for suburban sewers, as proposed by the Senate, instead of \$368,200, as proposed by the House, and increases the limit of cost of a motor truck from \$2,000, as proposed by the House, to \$3,500, as proposed by the Senate, and strikes out the appropriation of \$28,800 proposed by the Senate for mosquitocontrol activities.

On Nos. 77 to 79, both inclusive, relating to the collection and disposal of refuse: Appropriates \$450,000 for streetcleaning activities, instead of \$400,000, as proposed by the House, and \$485,000, as proposed by the Senate; appropriates \$840,000 for the collection and disposal of garbage, etc., as proposed by the House, instead of \$1,025,000, as proposed by the Senate, and restores the House provision denying the use of appropriations for the operation of hightemperature incinerators for the disposal of combustible refuse, amended to provide for the operation of one incinerator in the southeast section of the city.

The Senate conferees receded from their amendments numbered 80, 86, 88, 90, 92, 95, 107, 110, 112, 118, 119, 121, 122, 137, 139, 140, 142, 143, 144, 146, 148, 149, 151, 156, 158, 161, 162, 163, 164, 165, 166, 168, 169, 173, and 174.

The House conferees receded from their disagreement to the amendments of the Senate numbered 83, 87, 89, 91, 93, 94, 96, 97, 98, 100, 109, 113, 114, 117, 120, 123, 124, 125, 126, 129, 130, 132, 147, and 154.

The House conferees receded from their disagreement to the amendments of the Senate numbered 81, 82, 84, 85, 99, 101, 102, 103, 104, 105, 106, 108, 111, 115, 116, 127, 128, 131, 133, 134, 135, 136, 138, 141, 145, 150, 152, 153, 155, 157, 159, 160, 167, 170, 171, and 172, with certain amendments.

> CLARENCE CANNON, WILLIAM J. GRANFIELD, ROBT. G. SIMMONS, Managers on the part of the House.

Mr. CANNON. Mr. Speaker, we present a conference report on which I believe we can all agree. Of course, no one is ever completely satisfied with the District bill. It always appropriates too much money for those who are economically minded on the hill, and it never appropriates enough money for our friends downtown. But we have here a bill which makes concessions to both. It is in that respect the most satisfactory bill that has been presented for years.

The District bill as it passed the House was, in round numbers, \$3,000,000 under the Budget estimates and \$6,000,-000 under last year's bill. The Senate added approximately \$3,000,000 to the bill as it passed the House, but in conference we reduced their increases more than half.

Incidentally, while it does not show in the totals, for the reason that it is an item paid by the District to the Treasury, by insisting on one item alone we saved the Federal Government \$1,000,000.

And last, we carry in this bill the lowest Federal contribution to District funds of any bill passed within the last 20 or 30 years. It is in that respect the most satisfactory District bill reported within the memory of any member of the committee.

The bill in its present form has the approval of the leaders of the House, and I hope we can agree to the conference report and forward it to-night to the Senate for final consideration to-morrow.

Mr. Speaker, I now yield 15 minutes to the gentleman from Texas [Mr. Blanton], a member of the committee.

Mr. BLANTON. Mr. Speaker, this is one conference report that, in the dying hours of Congress, ought to be voted

down. We passed this big supply bill two weeks ago and sent it to the Senate. They had plenty of time to carefully consider it, pass it, and send it back to us several days ago. They have placed on this bill 174 amendments, ranging from \$1,000 and \$25,000, on up to one as high as \$3,500,000; and they sent it back to us to-day loaded down with these 174 costly amendments.

They talk about a free and fair conference. If this was one, then, good Lord, deliver us. We conferees went over there, five of us, and how many do you suppose the Senate sent down there? Seven big United States Senators. When the House, with 435 Members, sends 5 Members to the conference the Senate, with 96 Senators, sends 7 Members; and I got tired of receding and concurring. We would recede on \$25,000 for them and \$50,000 and \$100,000 items, and do you know why we did it? We five House conferees could not outtalk those seven United States Senators.

As no House conferee gave out to the press any information about this conference, we suppose that it came from the other end of the Capitol. Here is what the reliable Washington Star says about what occurred:

All hope of passing the District appropriation bill at this session appeared to be gone when Senate and House conferees reached a deadlock late this afternoon over the amount of the Federal contribution, and broke up without any plans for a further meet-

Contribution, and broke up without any plans for a further inceting.

The House, in passing the bill several weeks ago, cut the Federal share toward the upkeep of the National Capital down to \$6,500,000. The Senate placed it at \$9,500,000.

When the bill went to conference at 2 p. m., having passed the Senate this morning, the Senate conferees, headed by Senator Bingham, Republican, of Connecticut, offered to compromise, first on \$8,000,000. When that falled, the Senators offered a continuation of the present amount, \$7,775,000, which was agreed to last tion of the present amount, \$7,775,000, which was agreed to last

HOUSE MEMBERS REFUSE

The Senate conferees were unanimous in their willingness to make this concession, but the House members, it is reported, rejected the proposal by a 3 to 2 vote. It is understood that Reprejected the proposal by a 3 to 2 vote. It is understood that Resentatives SIMMONS, of Nebraska, and Holaday, of Illinois, the House Members willing to make the compromise.

Chairman Bingham, of the Senate group, indicated that there would be no further conference, unless the House Members suggested a further discussion.

When the conference began, considerable headway was made during the first hour in striking a middle ground on the approximately 150 amendments relating to the amounts to be allotted for various municipal activities. Approximately 80 of these amendments had been disposed of, with the Senate yielding on some and the House on others, when a test of sentiment was taken on the major issue of what would be a fair share for the Federal Government to pay.

Now here is what the Star said about the respective conferees:

In order to have as much time as possible to work on the measure in conference, Senator Bingham, Republican, Connecticut, obtained the appointment of Senate conferees by Vice President Curtis the moment the bill had passed. They were:

Senators Bingham, Connecticut; Capper, Kansas; Nye, North Dakota; Streiwer, Oregon; Glass, Virginia; Kendrick, Wyoming,

and COPELAND, New York.

The entire House subcommittee on the District bill were ap-

rice entire House subcommittee on the District bill were appointed as House conferees. They are:
Representatives Cannon, Missouri; Granfield, Massachusetts, and Blanton, Texas, all Democrats; Holaday, Illinois, and Simmons, Nebraska, both Republicans.

Was not that a formidable array of senatorial talent to put across the table in front of overawed House conferees? And the Star tells us just how the first conference ended:

After more than half of the amendments in the bill had been settled, Representative BLANTON, of Texas, found that he would have to leave the conference for a while on other business, and requested that the question of the Federal contribution be not taken up until his return. The Senate conferees suggested that the other amendments be laid aside temporarily and an effort be made to settle the Federal contribution first. Efforts were started along this line, but it soon developed that the majority of the House group would not accept the Senate's offer of compromise.

My distinguished friend and colleague from Missouri [Mr. Cannonl deserves the highest praise for his hard work put in on this bill. He sat at the table across from shrewd bureau chiefs week after week holding tiresome hearings and thoroughly posting himself and his committee with all pertinent facts in an effort to cut wasteful expenses. He

reduced the bill, but he has a good and sufficient reason for I every single reduction. But when as conferees we were told by somebody sitting at the head of the table that if we did not grant more than the House had agreed to grant there would not be any bill; it would die; it was not our fault. When our chairman said he could not help it, as we could not agree to give away \$9,500,000 of the people's tax money, we were told that ended the conference; they said it was going to die; they would not consider it any further; and we came back to the House. Then after about two hours, we saw a long, lean, lanky gentleman come over into a certain office in this end of the Capitol and have a star-chamber conference with somebody that was not on the official conference, and then an agreement was reached; and that star-chamber agreement resulted in this conference report. Do you call that a fair and free conference? Then two, and only two, House conferees carried out the wish of somebody.

There was a time when the United States Government paid 50-50; that is, paid one-half of every bit of the civic expenses of this great city of Washington. When our already overburdened taxpayers back home had to pay their State taxes, their county taxes, their city taxes, their school taxes, their sewer taxes, their water taxes, every kind of a tax, then they had to come here and pay half of the city taxes of the people of Washington. It was an outrage. That rocked along for quite a number of years, while the tax rate here was only 80 cents on the hundred. Then we raised the tax rate to 90 cents and to \$1.10 and \$1.20 and finally to \$1.70 on the \$100, and then we paid 60-40 for a while on all expenses here. For a time the Senate forced us to have our home taxpayers pay \$11,000,000; then \$9,500,000 on the civic expenses here.

Mr. Mapes, of Michigan, is one of the finest men in this Congress. [Applause.] A man who as our commissioned servant of this House has spent months of careful study and investigation of this question; the only man who has ever given any scientific investigation to this matter. His committee brought five bills in here, and this House passed all five of them unanimously and sent them to the Senate a year and a half ago, and not one of them has ever been passed into law yet. They have died in pigeon holes. Mr. Mapes said that this Government ought not ever spend more than \$6,500,000 contribution to the District, yet we are told, in order to get a bill in the dying hours of Congress that we have to increase it. We ought to kill this conference report.

Did you know that these people here in Washington pay a tax of only \$1.70 on the hundred dollars now? One dollar and seventy cents on the hundred! That is the total tax they pay. All of their paving is done with that. You can buy a house here now, and you will not have to pay a dollar for sewer service; not a dollar for the next 50 years. That is all paid by the city. You have to pay for sewer service monthly in the States. You can get water here for about \$7 per year per family, the finest water in the world. You do not get that cheap rate in Wisconsin. I do not think they use water much in Milwaukee, but what you do use you do not get there for any \$7 per family. And this Government built and owned the original water conduit in the District, and it has spent several million dollars altogether in water facilities.

This Government at the expense of the American people maintains here a big colored university, Howard University, upon which it has spent millions. This Government maintains here a number of fine hospitals, for which Washington people pay nothing. This Government has about 70,000 Federal employees here which it pays regularly every two weeks with new money that when first spent, is spent in Washington, and this big Federal pay roll keeps up the merchants, the theaters, the newspapers, the doctors, the lawyers, the dentists, and all of the business interests of Washington. And to let you know just how the reclassification act of 1923 has caused salaries of District of Columbia employees to be raised, I want you to note the following raises that have been granted to them:

Statement of positions in the government of the District of Columbia under the classification act of 1923, the present salaries of which are over \$2,500, together with the salaries of the positions in 1923, immediately prior to the date the classification act became effective

Name of employes	Present salary	Position	Salary of position prior to classifi- cation act of 1923
Executive office: Commissioner	\$9,000	Commissioner	\$5,000
Do	9,000	Secretary, Board of Commissioners	5, 000
Garges, Daniel E Purchasing division:	5, 600	Secretary, Board of Commissioners	2,700
Hargrove, M. C Lindsay, M. D	5, 400	Purchasing officer	3,000
Gelbman, J. L	3, 300	Principal assistant purchasing officer. Chief, printing section	(1)
Gelbman, J. L Kennedy, J. T. Teachum, G. F. Teepe, W. T	3, 100	Deputy purchasing officer Assistant purchasing officer	1,800
Teachum, G. F	2,900	Assistant purchasing officer	1,800 1,500
Building-inspection divi-			2,000
Sion: Ochmann I W	5, 800	Inspector of buildings	2 000
Oehmann, J. W Scullen, A. J. Lindholm, S. G	3, 400	Chief engineer computer	3,000
Lindholm, S. G	3, 400	Zoning engineer, zoning commission.	(1)
McGuire, J. J Daly, J. B	3, 400	Engineer computerdo	2,000 1,800
Daly, J. B. Downing, J. W. Dollins, H. D.	3,300	Deputy inspector of buildings	2,000
Gedney, Ralph	3,300	Engineer computer Chief engineer inspector	1, 800 (1)
Johnstone, J. E	3, 200	Zoning engineer, building depart-	
Ritchie, John Frankhouser, R. V. Newman, William Rogers, A. T. Downman, J. R. Sherrier, C. W. Dulin, F. M. Price, Roy A. Kimball, J. J. Roche, T. F. Brown, J. M.	2 800	ment. Chief clerk	1,800
Frankhouser, R. V	2,700	Steel inspector	(1)
Newman, William	2,700	Concrete inspector	(1)
Downman, J. R.	2,700	do	1,800
Sherrier, C. W.	2,600	Steel inspector	(1)
Price, Roy A	2,600	Concrete inspector	(1)
Kimball, J. J.	2,600	Chief field inspector	1,500
Roche, T. F	2,600	Inspector of signs Chief elevator inspector	1,637
Plumbing inspection divi-	-	Chica dictator hasperox	1,000
sion:	2 000	*	0.000
McGonegal, A. R Tapp, Samuel	2 600	Inspector of plumbing Assistant inspector of plumbing	2,000 1,550
Mallet, Edmond	2,600	do	1, 360
Lucas, Reese H Care of District Building:	2, 600 3, 500	Inspector of refrigeration	(1) 2, 240
Brooke, E. P.		bupotitionating District Database	
Assessor's office Richards W P	7, 500	Assessor	3, 500
Richards, W. P Russell, Charles A Allen, Fred A	5, 600	Deputy assessor	(1)
Allen, Fred A	4,800	Assistant assessordo	3, 000
Johnson, L. S Bardroff, John T	4, 800 4, 800	do	3, 000
Gunther, Frank A Edwards, Daniel H	4,800 4,800	do	3, 000 2, 000
Willige, Augustus	4, 800	do	2,000
Gaines, Lloyd F	4, 800 4, 600	do	3,000
Fitzgerald, M. C	3,000	do	
Willige, Augustus Gaines, Lloyd F. Fletcher, Edward B. Fitzgerald, M. C. Allmond, Harry	2,700	Field man	2,000
Causey, Foster Collector's office:	2, 500	Chief, special assessment	2,000
Towers, C. M	6,000	Collector of taxes	4,000
Anditor's office	74.30	Deputy collector of taxes	
Donovan, D. J	9,000	Auditor and Budget officer	4,000
Donovan, D. J Pilkerton, A. R Wilding, W. G	4,600	Principal assistant auditor	(¹) 2, 700
McKimmie, S	3, 400	Assistant auditor	(1)
Cain, B. J.	3,000	Chief hookkeening section	2 160
Hipkins, W. A.	2, 600	Property survey officer	1, 800
Ward, J. H.	2,600 2,700 2,600 2,700	Chief, pay-roll section Chief, audit section Chief, retirement section	1,600
Thornett, G. M	2,600	Secretary, District personnel board.	2, 040 (1)
McKimme, S. Cain, B. J. Harrison, B. A. Hipkins, W. A. Ward, J. H. Lepson, F. P. Thornett, G. M. Lusby, J. R. Wright, K. P.	3,600	Disbursing officer	3,000
Wright, K. P Corporation counsel:	3,000	Deputy disbursing officer	1,840
Bride, W. W	9,000	Corporation counsel	5, 500
West, Vernon E	7,000	Principal assistant corporation coun- sel.	3,000
Roberts, Wm. A	7,000	Special assistant corporation counsel.	(1)
Lynch, Robert E.	5,000	Assistant corporation counsel	1, 800
Fowler, Walter L Stephens, F. H	4, 800	do	2,500
Thomas, Edw. W.	4,000	do	(1) 2,000
Stephens, F. H	3, 800	do	1,600
Walsh, T. G.	3, 200	do	1,500
DeNeale, Stanley Gray, Chester H	0, 200	do	1,000
Welliver, E. M Sparks, Raymond	2,800 2,600	do	1,500
Sparks, Raymond Dawson, Edw. S	2, 600 3, 200	Inspector of claims	1,500
Giebel, Adam A	2,700	Chief clerk	1,400
Coroner's office: Rogers,	3, 200	Coroner	1,800
Joseph D. Weights, measures, and markets: Roberts,	3, 700	Superintendent	2, 740
markets: Roberts,			

¹Created since 1923,

George M.

Per diem.

Statement of positions in the government of the District of Columbia under the classification act of 1923, etc.—Continued Columbia under the classification act of 1923, etc.—Continued

Name of employee	Present salary	Position	Salary of position prior to classifi- cation act of 1923	Name of employee	Present salary	Position	Salary of position prior to classifi- cation act of 1923
Chief clerk, engineer de- partment: Brennan, Roland M Handiboe, William N.	\$4,000 3,000 2,600	Chief clerk, engineer department Assistant chief clerk, engineer de- partment. Clerk	\$2, 490 2, 040	Free public library—Con. Clark, C. H. Williams, M. D. Lacey, Ethel A. L. Cavanagh, Helen L. Chaney, Alvan O.	\$2,600 2,600 2,600 2,800 2,600	Superintendent, school work	\$1, 260 (¹) (¹) 1, 560
Meaney, John Municipal architect's office: Harris, A. L	5,600 4,600 4,600 3,800	Municipal architect Assistant municipal architect Chief, structural division Chief, mechanical division Chief, architectural division Chief, inspection division Associate engineer	3,600 (1) 2,640 2,118 2,431 (1)	Register of wills: Cogswell, Theodore Mersch, Victor S Melvin, J. Margues James, Chas. J McLaughlin, Fran-	6, 400 4, 800 3, 100 2, 700 2, 700	grounds. Register of wills. First deputy. Second deputy. Appraiser. Disbursing clerk.	4, 000 3, 200 2, 700 1, 800 2, 250
Warren, George Holmes, Osgood Thrasher, R. H Blatt, R. C Hutson, A. G Gregg, Charles Peckham, C. I	3, 200 3, 300 3, 200 3, 200 3, 800 3, 800	do do Chief, specification division.	2, 431 (1) (1) (1) (1)	cesca. Recorder of deeds: Coage, Jefferson S. Fisher, Wm. N. Tompkins, R. W. Highways department: Whitehurst, H. C.	5, 500 3, 500 2, 900 7, 500	Recorder of deeds First deputy recorder Second deputy recorder Director of highways	2, 500 2, 000
Soars, L. Bubb, Ralph S. Greenleaf, A. H. Myers, H. F. Hooe, H. H. Cullinane, J. J. Redington, R. B.	3, 200 3, 200 3, 200 3, 200	do	90000000	Coage, Jefferson S Fisher, Wm. N Tompkins, R. W Highways department: Whitehurst, H. C Robertson, L. P Whyte, C. R Fennell, A. S Clemmer, H. F Davison, F. M Howser, H. R. Couch, F. B Gass, S. J Cleaver, Vernon	5,600 4,800 4,800 4,800 4,800 3,800 3,400	Engineer of streets Engineer of bridges Engineer of construction Engineer of tests Engineer of maintenance Assistant engineer of bridges Superintendent of streets	(1)
Smith, H. J. Cuthriell, J. I. Conway, R. A. Draper, W. A. Brown, L. H. Newman, L. J. Giant. Paul	3, 200 3, 200 3, 200 3, 200 2, 600 2, 600 2, 600	do do do do do Superintendent of construction Assistant engineer	**************************************	Gass, S. J. Cleaver, Vernon. Grabill, L. R. Robertson, J. N. Emack, E. G. Wager, C. E. MacGregor, W. B. Rousseau, J. G. Elbert, J. C. Curtin, J. J. Champion, W. R.	3, 400 3, 400 3, 400 3, 300 3, 300 2, 800 2, 800 2, 700 3, 100 3, 000	Superintendent of roads. Inspector asphalt and cements. Assistant engineer of maintenance. Assistant engineer of construction. Assistant engineer Topographic engineer Assistant engineer (grading).	2, 64. (1) (1) 2, 04:
Sweet, T. S	2,600 2,600 2,600	Superintendent of construction	2, 240 EE EE	Roach, G. H. Preston, H. C	2, 800 2, 700	Assistant engineer (asphalt). Assistant engineer computations Assistant engineer of alleys Chief inspector. Assistant engineer (concrete). Assistant engineer (substitute repairs). Assistant engineer (concrete).	33333
Morrett, O. F. Whitcomb, R. L. Schultz, A. H. Freeman, D. C. Bradley, J. E. Repair shop:	2,600 2,600 2,600 2,600 2,600 2,600	do	(1) (2) (3) (4) (4) (4) (5)	Watson, L. R., ir	2, 600 2, 600 1, 960	Assistant engineer (asphalt) Principal inspector do. Superintendent of minor repairs Superintendent Assistant superintendent	(1) (1) (1) (1) 2, 000 1, 350
Wormington, L. C Storey, Henry Public Utilities Commis- sion: Bachman, B. M Fisher, Earl V	3, 100 5, 000 4, 800	Engineer in charge Superintendent of repairs Chief accountant Executive secretary Chief engineer	(1) 1,800 3,000 4,000 (1)	Wallace, C. B. Sewer department: Gordon, J. B. Black, A. D. Chapin, R. S. Baden, C. C. Sagrario, S. C. Johnson, Elwood Rebinson J. F.		Director of sanitary engineering	(1) 8, 300 2, 118 2, 040 2, 118
Reynolds, I. L. Murray, J. D. Tate, T. R. Martin, J. L. Dunlap, W. H. Steele, H. B. Runyan, E. G. Porter, W. T. Hoysradt, H. V.	3,500 3,300 3,300 3,200	Valuation accountant Valuation engineer Senior accountant Engineer Accountant and auditor Inspector of gas and meters Associate accountant	4,000 (1) (1) (1) (1) (2,240 (1) 2,040	Johnson, Elwood Robinson, J. F. Iden, F. H. Fitzpatrick, W. T. Byrnes, W. M. Dick, J. H. Steele, F. K. Harbaugh, Y. D.	2,000	Associate maintenance engineer	1, 740 2, 118 1, 740 2, 118 2, 118 2, 330
Hoysradt, H. V. Milligan, E. J. Nicholson, J. M. Falk, J. W. Putnam, A. C. Insurance department: Davis, H. L. Bryan, F. D. Creighton, C. F.	2,700 2,700 2,600 2,600	Inspector of electric meters Chief clerk Research assistant Assistant accountant and auditor Assistant engineer Superintendent	2,040 (1) (1) (1) 3,500	Auld, D. V. Press, E. A. Gleason, J. F. Dent, J. T. City refuse division:	2,600 2,600 2,600 2,600 2,600	Assistant engineer Assistant to sanitary engineer Draftsman do Chief inspector Chief overseer.	1, 440 1, 648 1, 640 2, 431
Hazen, M. C Boyd, W. I Dent. E. A	5,000 3,500 3,500	First deputy Second deputy Surveyor Assistant surveyor Assistant engineer do	3,000 2,000 3,000 2,000 1,800 1,500	Hacker, Morris Costigan, T. L Crane, J. G Russell, H. O	5, 000 5, 000 3, 000	Supervisor, city refuse. Superintendent, street cleaning. Superintendent, garbage reduction plant. Assistant superintendent, garbage plant.	3, 00 2, 50 2, 10
Pelz, C. E Williams, W. A Armstrong, J. C. Jarboe, J. A Hale, M. J Healy, F. F. Crickenberger, G. W.	2,800 2,800 2,800 2,800	dodo. do. Computer Assistant engineer	(1) 1, 565 1, 500 1, 565 1, 200 (1)	Corder, G. K. Murray, J. D. Edgington, F. E. Meeks, B. M. Krams, H. F. Wood, W. R. Brooke, A. G.	3, 200 2, 900 2, 600 2, 700 2, 700	Superintendent, trash service	2,000 2,000 2,460 1,800 1,800 2,000 1,760
Vehicles and traffic: Van Duzer, W. A. Harland, W. H. Eldridge, M. O. Seiler, A. G. Bell, M. W. Free public library: Bowerman, G. F.	5, 400	Director of traffic. Assistant director. do. Office engineer Chief clerk.	69999	Brooke, A. G. Santmyer, E. L. Grenfell, F. W. Greene, A. B. Playground department: Baker, Sybil. Tennyson, R. S.	2, 600 2, 850 3, 800 4, 600 2, 900	Master mechanic. Veterinarian (part time)	1, 600 1, 400 (1) 2, 500 (1)
Hance, Emma Latimer, Louise P Thompson, Ralph L Finney, Grace B Laskey Julia H	3, 400 3, 300 3, 300 3, 300 3, 300	Chief librarian Assistant librarian Director reference work Director children's work Librarian, Mount Pleasant branch Chief, circulating department Chief, catalogue department	4,000 2,000 1,500 1,600 (1) 1,760 1,400	Electrical department: Kern, W. E. Simpson, J. C. Lyman, F. C. Murray, J. J. Zebley, J. S. Public schools:	2, 600	Electrical engineer Electrical inspector do do Chief electrical inspector	2, 75 2, 00 1, 80 1, 35 1, 56
Purdum, W. T. McHale, Cecil J. Osborne, Frances S. Bubb, M. Ethel Created since 1923.	3, 200 3, 200 2, 700 2, 700	Chief, circulating department Chief, catalogue department Chief, catalogue department Chief, acquisitions and binding Librarian, northeast branch Librarian, southeast branch Assistant director children's work	(i) (i) 1,400 (i)	Anderson, R. S. Hine, H. O. Holt, R. W. McQueeney, H. F. Created since 1923.	3, 200 3, 500 3, 500 3, 500	Statistician. Secretary, board of education Chief accountant. Superintendent of janitors.	2, (0)

Statement of positions in the government of the District of Columbia under the classification act of 1923, etc.—Continued

Name of employee	Present salary	Position	Salary of position prior to classifi- cation act of 1923	
Ietropolitan police:		Chief clerk Police and fire surgeon do do do do	1,600 1,600 1,600	
	3, 040	dodo	(1)	
Fowler, W. C. Schwartz, E. J. Cumning, J. G. Reed, J. B. Donaldson, E. R. Cole, A. G.	5, 600 4, 600 4, 600 3, 800 3, 200	Health officer Assistant health officer Chief, preventable diseases Chemist Microanalyst Chief clerk and deputy	2, 750 2, 000 (1)	
Reed, J. B. Donaldson, E. R. Cole, A. G. Porch, J. P. Yongue, N. E. Butts, J. F. Ashworth, R. R. Gelston, S. L. Neale, H. V. Shumate, T. J. Conroy, J. G. Lanahan, F. R.	2, 600 2, 600 4, 600 2, 700 2, 700	Serologist Assistant chemist Chief sanitary inspector Chief food inspector Food inspector do	1,500 1,800 1,800 1,400 1,400	
Gelston, S. L. Neale, H. V. Shumate, T. J. Conroy, J. G. Lanahan, F. R. Sando, E. R. Sproesser, T. W. Hallman, J. A. Martin, R. L. Smith, W. R. Murphy, J. A.	2, 700 2, 700 2, 700 2, 700 2, 700 2, 600 2, 600	do do	1, 200 1, 200 1, 400 1, 400 1, 200 1, 400	
		Poundmaster Chief medical and sanitary inspector of schools.	1, 200 1, 400 2, 500	
Davis, H. J	2, 800 4, 800 3, 400 3, 400 2, 800	Director, child hygiene service	2, 240 2, 000 1, 720 1, 250	
Sellers, Kathryn Sellers, C. F Ezekiels, Jeannette Lyons, J. Leonard Bayles, Mary H	7,000 2,600 3,200 2,600 2,600	Judge Clerk of the court Chief probation officer Assistant chief probation officer Director department of inquiry	2,000 1,500	
Police court: Sebring, F. A. Norgren, W. A. Allenist: Hickling, D. Percy.	3, 800 2, 900 3, 500	Clerk of the court	2, 200 (1) 1, 500	
Board of Public Welfare: Wilson, George S. Kirby, Paul L. Tobin, Dr. R. F. Allen, Mary P. Davies, Emma. Snyder, Wm. I. Morss, A. Patricia. Donahue, A. M. Closson, Eleanor. Miller, R. R.	8,000 5,600 3,400 3,200 2,800 3,000 3,200 2,700 2,600 2,600	Director of public welfare Assistant director Medical officer Administrative assistant Supervisor, home care. War veterans' service Chief, child welfare Supervisor do Social worker	(1) 1,400 1,600 (1) (1) 1,800 1,740	
Peak, W. L	4, 400 2, 600	SuperintendentPhysician	1, 680	
Hornbaker, F. W. Barnard, M. M. Tawse, A. C. Bischoff, J. E. C. Petitt, A. L. Haar, H. R. Schreyer, Geo. Selecman, J. R. Fling, J. A. Hanger, Chas. W. Green, E. Allen Coffin, Frank. Lambert, N. S. National Training School for Girls: Richardson, L. R.	6,000 5,000 4,600 4,200 3,400 3,100 3,000 2,600	do Superintendent, penal institution Superintendent, reformatory Business manager Superintendent, workhouse Construction engineer Superintendent of foundry Superintendent of brick plant Chief agriculturist Chief accountant Chief mechanical division Steward Head brick burner Superintendent	1,800 (1) 1,680 1,800 (1) 1,500 (1) (1) (1) (1) (1)	
Tuberculosis Hospital: Peabody, Dr. J. W Risk, Dr. W. A Finucane, Dr. D. L Gallinger Municipal	4, 600 2, 800 2, 600	Superintendent	2, 040 840 840	
Hospital: Bocock, Dr. E. A. Gilbert, Dr. J. G. Leffler, Dr. H. H. Kelk, Dr. J. A. King, Dr. C. V. Silverman, Dr. I. Malone, Dr. Lillian. McCullagh, Dr. Wm. Collins, Dr. J. L. Skinner, Dr. V. V. Moran, Catherine E. Snyder, Bradley A. District Training School: Jones, K. B.	2,600	Superintendent Chief psychiatrist Medical officer Associate medical officer Röntgenologist Associate indical officer Resident clinical director do Assistant medical officer Assistant medical officer Superintendent of nurses Chief engineer Superintendent	000000000000000000000000000000000000000	

Created since 1923.

Statement of positions in the government of the District of Columbia under the classification act of 1923, etc.—Continued

Name of employes	Present salary	Position	Salary of position prior to classifi- cation act of 1923
Industrial Home School (colored): Tucker, Wen- dell P.	\$2,600	Superintendent	\$1, 200
Industrial Home School (white): Cassie, E. W. Home for Aged and Infirm: Haskell, Frank B. Militia: Nevitt, P. G	3,000	do	1, 740
Home for Aged and Infirm: Haskell, Frank B	3, 500	do	1, 200
Militia: Nevitt, P. G Public buildings and parks:	3, 200	Administrative assistant	2, 040
Gartside, Frank T	5,000 4,800	Division chief	2,500
Clark, George E Payne, Irving W	4,600	Engineer in chargeLandscape architect	3, 000 3, 300
Ranger, Donald R	3, 200	Associate civil engineer	(1)
		Section chief	1,860
Saunders, David E. Hanson, August H. Emmett, Thomas T. Balley, T. L. Wigglesworth, T. H. Smith, Percy E. Hoffman, Irvin N. Kinnear, Wm. E. Balluff, R. B. Clyde-Burton, A. Elv. Lewis B.	2 700	Assistant landscape architect	(1) 1,502
Bailey, T. L	2,600	Chief of party Assistant civil engineer	(1) (1) (1) (1) (1) (1) (1) (1) (1) (1)
Wigglesworth, T. H	2,600		(1)
Hoffman Irvin N	2,600	Engineer draftsman	(1)
Kinnear, Wm. E	2,600	do	(1)
Balluff, R. B.	2,600	Assistant chief section Assistant division chief	1,860
Ely Lawie B	3, 400	Assistant division chiefdo	1,800 1,860
Ely, Lewis B Taylor, Hazel F Sheets, Wm S Kincheloe, R. W Littleton, Edwin C	2,600	Deputy disbursing clerk	1 860
Sheets, Wm. S.	3,000	Section chief	(1)
Littleton Edwin C	2,700 2,600	Foreman carpenter	2, 100
Lewis, Harry B.	2,600	General foreman	(1) 2, 100 2, 040 1, 920
McNally, William	2,600	do	1,860
Roche, John	2,600 2,600	do	2, 040 2, 100
Lewis, Harry B. McNally, William. Roche, John. Watt, George. National Capital Park and Planning Commission: Nolar John I.	2,000		2, 100
Planning Commission:			
Noien, John J.	4,600 4,600	City planner Secretary	(1)
Jeffers, Thomas S	3, 800	Landscape architect	(1)
Ryder, James A	3, 800 3, 200 2, 800	Associate engineer	(1)
Haiber, William F	2,800	Draftsman.	(2)
Nolte, Carl R	2,600	Assistant motion-picture producer Assistant secretary Director of planning	(1)
Eliot, Charles W	2 20	Director of planning	(1)
Planning Commission: Nolen, John J Settle, Thomas S Jeffers, Thomas S Jeffers, Thomas S Ryder, James A Haiber, William F Kelly, Edward J Nolte, Carl R Eliot, Charles W Zoological Park: Mann, W. M Walker, E. P Blackburne, W. H Clark, T. F DuPre, D. L Water department:	6,500	Director	3,300
Walker, E. P.	4,800	Assistant director	2.500
Blackburne, W. H	3, 200 3, 100 2, 600	Director Assistant director Head keeper Department disbursing agent	2,400
DuPre D L	2 600	Department disbursing agent Property clerk	2, 200 1, 800
Water department:	2,000		
Water department: Holton, D. W. Beckett, H.	5, 800	Superintendent	3, 300
Lanham Paul	4, 800 4, 000	Engineerdo	2, 640 1, 928
Lanham, Paul	3, 500	Water registrar Assistant engineer	2, 640 2, 040 1, 940
Lay, A. S.	3, 300	Assistant engineer	2,040
Woodward, W. K.	3, 200	do	1, 940
Van Doren, W. T	3,500 3,300 3,200 3,200 3,200 2,900 2,800 2,800 2,800 2,600 2,600	do	1, 752 2, 003 2, 740 2, 160
Gibbons, A. E.	3, 200	Master mechanic	2,740
Lybrand A W	2,900	Property officer	2, 160 1, 565
Beckett, C. C.	2,800	do	1,643
Hebbard, R. L.	2,800	do	1,752
Hoeke H W	2,700	do	2, 040
Grove, E. H. Lay, A. S. Woodward, W. R. Hibbs, L. I. Van Doren, W. T. Gibbons, A. E. Robertson, W. V. Lybrand, A. W. Beckett, C. C. Hebbard, R. L. Wilson, T. L. Hoeke, H. W. Robertson, N. B.	2,600	Chief clerk	2,040

1 Created since 1923.

Per diem.

Mr. BLANTON. Mr. Speaker, the above will show the kind of salaries that are paid to these Washington employees of the District of Columbia.

Every tree, Mr. Speaker, that has been planted here in the residential sections along the sidewalks, thousands upon thousands of them have been paid for by the District and Federal Governments. The people do not have to pay for any of the trees in front of their property. They are planted along those sidewalks; they are furnished free; they are taken care of and sprayed every season. Ashes are gathered free. Garbage is gathered free. The trash is gathered free, all costing Washington people nothing, while our own people in all of the States have to pay for these various services.

And then, on automobiles, you pay \$1 here to get your automobile registered—a Pierce-Arrow, or a Cadillac, or a Rolls-Royce limousine—you pay \$1 to get it registered here and for your license tags. Everywhere else you pay from \$20 to \$25 and up to \$40 and \$50.

Everywhere else you have a State income tax. Washington people do not pay any here to their local government; not a dollar.

Everywhere else you have a high gasoline tax. Down in t Tennessee it is 7 cents a gallon, but in Washington it is 2 cents outside of the 1 cent Federal tax-2 cents a gallon. We tried to raise it 1 cent more by the Mapes bill and the Senate will not let us do it. There are entirely too many fine palatial residences out in the northwest, and on Sixteenth, and on Connecticut and Massachusetts Avenues, and in these other fine residential sections whose owners want everything cheap as possible.

Are you going to be charitable with all Washington extravagance? Why, when there was built that palatial \$800,000 underground garage which has been advertised in all the State newspapers so much lately every Congressman was charged with being responsible for it. I have never had my car in it. We are not responsible for it. I have been here 16 years. I have paid \$10 a month for garage space in Washington for my car ever since I have been here.

The newspapers are full of articles about free baths for certain favorites. We Members here do not get any in the House. We pay for all baths and everything we get. The newspapers are full of articles about free shaves and free hair cuts, and free shampoos, and free manicures for certain epicures in Washington. We do not get any over here. We pay for everything we get, and I pay full price, and as much as it costs downtown. Why, the newspapers are full of free mineral water and ginger ale. We Members of the House do not get any of it here. We pay for all we get, and pay full price.

Mr. COCHRAN of Missouri. How about White Rock?

Mr. BLANTON. We pay for every bottle of White Rock we get here. We pay for everything else we get here, and we pay full price.

I want to say to you colleagues it is about time we considered the folks back home, many of them out of work, some of them with all the money they have earned in life tied up in closed banks. They can not pay their own taxes, yet a body somewhere else in Washington, in the closing hours of Congress, holds us up here like a highwayman, like a fellow who says, "Stick 'em up!" and we are forced to stand and deliver if we keep this bill from dying.

I want to kill this bill as dead as h- to-night. [Applause.]

Mr. GOSS. Mr. Chairman, I rise to a point of order and ask that the gentleman's words be taken down.

Mr. BLANTON. Oh, no; you do not.

Mr. GOSS. Mr. Speaker, I rise to another point of order. Instead of saying that, the gentleman should take his seat, according to the decisions.

Mr. BLANTON. Oh, that is monkey business.

Mr. GOSS. The gentleman is talking monkey business. Mr. BLANTON. I leave it to my colleagues as to whether I have used language that General MARTIN does not use, or that BERT SNELL does not use. I have heard BERT SNELL use other than Sunday school language at various times.

If, however, I have offended the seemingly unusually sensitive sensibilities of General Goss, I withdraw that word "hell." The general disapproves it. Well, when I get him out in the cloakroom I will say something that will really spoil his sensibilities, because there will be blue indigo attached to it.

The fellow who can keep from cussing just a little when he sees things going on here in Congress that ought not to go on, has no business representing the people of the United States. [Applause.]

The people do not like what is going on here. That is why some of you boys are going home for good to-morrow.

I wish you would get this bill and read these 174 amendments we found tacked on it when it came back here to-day. I wish you would see just how many of the important onesamendment after amendment—they made us come across on, how many important costly ones; and when it was finally agreed upon, after that star-chamber caucus, you ought to know how many House conferees were there. Why, our friend from Nebraska, Bob Simmons, was not there in this star-chamber proceeding or in this final conference. do it?

Bob was not there. He did not know anything about it, though he afterwards signed it. My friend Holaday was not there and knew nothing about it, and I got disgusted and left. I could not afford to waste my valuable time there. When I saw that all we could say was just to repeat parrotlike, "We recede and concur," I got disgusted and left.

The only two left there were Brother GRANFIELD and Clarence. I love Clarence. The gentleman from Missouri, CLARENCE CANNON, our distinguished chairman, is pure gold. He could not help it. I know down in Clarence's heart he wants to see this bill killed as dead as h-[Laughter.] He is one of the most valuable men in this House. I know down in his heart the Speaker of this House must want to see it killed, because he does not like to be held up. I believe that the distinguished and able minority leader, BERT SNELL-I have watched him, I have great admiration for his fighting qualities: I do not believe he likes it; he is not the kind of a man who will let a dictator come over here to our end of the Capitol.

Mr. GOSS. Mr. Speaker, now I do rise to the point of order and ask that the gentleman's words be taken down, because the gentleman is speaking disrespectfully of one of my colleagues.

Mr. BLANTON. How does the gentleman know?

Mr. GOSS. Because the gentleman referred to him a while ago as the gentleman sitting at the head of the table.

Mr. BLANTON. Is that the gentleman's Senator? Mr. GOSS. Mr. Speaker, I insist on my point of order.

Mr. BLANTON. I withdraw the remark, Mr. Speaker.

Mr. GOSS. Mr. Speaker, the gentleman can not withdraw it. I insist on the point of order.

Mr. BLANTON. I will submit that to my colleague that some one I had in mind is long, lean, and lanky.

The SPEAKER pro tempore (Mr. Jones). The gentleman from Texas will take his seat in accordance with the requirements of the rule.

Mr. BLANTON. After to-morrow noon, he will not be a Senator any longer. [Laughter and applause.]

Mr. OLIVER of Alabama. Mr. Speaker, if it is in order, I ask that the gentleman from Texas be allowed to proceed

The SPEAKER. The gentleman from Alabama asks unanimous consent that the gentleman from Texas may be permitted to proceed in order. Is there objection?

There was no objection.

Mr. BLANTON. Mr. Speaker, some people say I know the rules of the House. I do not believe that I know all of them perfectly, but so far as I do, I shall obey them.

When a man watches the way the long, lean, lanky arm of the District of Columbia reaches, year after year, into the Treasury of the United States and pulls out millions of the people's money, he can hardly speak in order. I wish that the constituents of every man here in Congress could know just how much Congress has given the District of Columbia in cold cash. I know some city lots here that when I first came here were not worth \$100, but because of the hundreds of millions of dollars Congress has spent here in the District, they are worth to-day \$500,000 apiece. Here is what the early edition of the Herald says the inaugural is doing for Washington:

250,000 VISITORS PACK HOTELS

Upwards of 250,000 visitors from all over the country are in Washington to see the inauguration of the man they hope is the new political Messiah who is to pilot the people out of the dark-

In the case of every single piece of property that the Government has taken over here in the last 20 years the Government has been robbed. The Government has been charged about ten times what the property ought to have been sold for. The Government is easy picking for the people of the District of Columbia.

When is it going to stop? When are you going to stop it?

Mr. SCHAFER. Now. Mr. BLANTON. The people are expecting you to stop it, and they want you to stop it now, John. Are you willing to If you Republicans follow your leader here, and your straw boss, John Schafer, we will kill this conference report to-night. We will vote it down. That will kill the bill. We are going to meet next week in a new Seventy-third Congress, and we can pass this bill, when there will not be any obstruction over yonder. [Laughter and applause.] He will be back in General Goss's country, and there will not be any more holdups. We will not be bothered any more with star-chamber conferences or lobbying on this floor with Members.

Mr. KVALE. Will the gentleman yield?

Mr. BLANTON. Yes.

Mr. KVALE. If the bill is killed, will my friend from Texas tell us what will happen to the \$625,000 that is so sorely needed for direct relief in the District of Columbia?

Mr. BLANTON. Why, that is not available until July 1; and we gave them \$625,000 for relief the very day this Congress met, in the first deficiency bill, and they have not spent it all yet. We can pass this bill the first week we meet in the new Congress.

Mr. KVALE. It will be spent very shortly, I understand. Mr. BLANTON. We will have it available by July 1. And there is \$175,000 for them in this bill. That will last some time.

I want to say to my friend from Minnesota that the gentleman from Illinois [Mr. Holaday] will bear me out in the statement that when we got a breakdown on the employees of this welfare association handling relief funds in Washington two of them were drawing \$9,000 a year to administer welfare funds, and there are several of them drawing \$5,000 a year to administer welfare funds to starving children and widows. Do you want to keep this up? No.

We will be in session next Wednesday or Monday week in a new Congress, and we can take care of this bill then. Let us kill this conference report. We can kill this bill by voting down the conference report to-night. [Applause.]

Mr. CANNON. Mr. Speaker, I yield 10 minutes to the

gentleman from Nebraska [Mr. SIMMONS].

Mr. SIMMONS. Mr. Speaker, like my good friend from Wisconsin, I am making what is probably my last statement in this Congress on a matter that has been the subject of controversy during my 10 years of service here, and a matter of controversy during the eight years that I have been a member of the subcommittee handling this particular bill and a member of the Committee on Appropriations.

I want to say frankly to the membership of the House that there are things in this conference report that I do not like, but I want to say as frankly to the membership of the House that I signed the conference report to-night, hoping that it means the passage of the bill; and I believe it is for the best interest of the District of Columbia that the bill be passed in this Congress.

I have gone through the fight over various items—the gentleman from Texas and I have been in accord in the great majority of these fights. There are things about the relationship between the District and the Federal Government that I do not approve of, but when you go into conference with Members of another body who have the same legislative rights that we have, who have the same right of consideration of their views, anyone who sits around the conference table knows that there must be a compromise on issues. Were it not so, there would be no successful conference between the two bodies in Congress.

What do you have here? You have a dispute, as I understand it, on one thing, and that is the question of the Federal contribution to the support of the District of Columbia.

It is the smallest amount that has been given the District during the 10 years that I have been in this body.

This House has repeatedly voted to give from the Federal Treasury to the District of Columbia more money than this conference report provides, and this Congress in its last session voted to contribute \$115,000 more as a Federal contribution than this report carries.

Mr. KVALE. Does not the gentleman think that some of the salaries paid relief workers are excessive?

Mr. SIMMONS. I will touch that in a moment. After all of the controversies we have had with the Senate, after all of the times that this bill has hung at different Congresses for months in suspended animation, this group of conferees bring back to the House the smallest amount of Federal contribution that has been reported in years, and this group comes closer to bringing back to the House the recommendations of the Mapes committee than we have had in 10 years. So I see no reason for defeating the conference report upon the basis of the fiscal contribution on the part of the United States. I signed this report tonight in this Chamber since 10 o'clock, largely because I believed that this conference report on that issue at least brings to the Congress and to the House of Representatives as fair a Federal contribution as it will be possible for the next Congress to bring forth.

A number of reasons exist why this conference report should be adopted if possible and this bill become a law at this session. There are some funds in this bill that are immediately available for employment of labor. That money ought to be immediately available to give work to men who need it in the District of Columbia. In this bill the total items available for immediate expenditure in the District for street items amount to \$2,778,000, and they are largely items that give employment to men who want to work, and if this Congress can give work to any one man we ought to stay up all night to give him that job to-morrow morning. Two million seven hundred and seventy-eight thousand dollars for that kind of labor. Then there is the item of \$876,000 for school matters, which again is construction. which means work for men who want work in the District of Columbia.

If this bill does not pass at this session of Congress, in my judgment it will run well toward the 1st of July before it becomes a law. I know the mechanics of the District government. In one session of the last Congress we ran beyond the end of the fiscal year and upset their entire arrangement. So there is very good reason why we should adopt this conference report now. There is another reason for it, and that is the matter that is raised by the gentleman from Minnesota [Mr. KVALE]. This bill carries in the language of the original Budget as submitted to Congress \$625,000 unemployment relief money. That the District of Columbia ought to have. It is their own fund. We threshed that out here, and the House agreed to that. The language has been changed somewhat. They need that money in the District of Columbia. I do not believe any good purpose can be served by delaying this bill. The harm done to the District will far outweigh any benefit that can come from it, and the criticism that will come to the Federal Government if we fail to do everything that is possible here in the Capital City which we govern will be far more than it will cost the Government to pass the bill now.

Mr. KVALE. Mr. Speaker, I want to remind the gentleman of his promise to touch on the salaries paid relief workers.

Mr. SIMMONS. Oh, yes. There are some salaries paid relief workers in the District of Columbia that, in all probability, are excessive. That is an administrative matter, but we should not deny relief to the unemployed people of this District because we disagree and disapprove of some of the salary items. Does that answer the gentleman's question?

Mr. KVALE. Yes.

Mr. BLANTON. Mr. Speaker, will the gentleman yield? Mr. SIMMONS. Yes.

Mr. BLANTON. The gentleman wants to appropriate \$7,775,000 of the people's money out of the General Treasury, some of which is to give jobs here in the city of Washington, when people out home in Nebraska and every other State in this land are walking the streets without jobs. Is not the gentleman in favor of them rather than of the favored people in the city of Washington?

Mr. SIMMONS. The gentleman has asked a question, and I will answer it. The gentleman from Texas knows about this bill and makes a statement of fact that is not correct.

The gentleman from Texas used figures on the floor of the House that are not in the conference report. We are not asking for \$7,775,000.

Mr. BLANTON. But that is what you appropriate in this hill

Mr. SIMMONS. It is \$7,600,000. It is the smallest amount that the House of Representatives has ever been able to get out of a conference with the Senate, and I congratulate the chairman of this committee on it. The amount actually in dispute is not \$7,600,000 but \$1,100,000, for that is the difference between the House figures of \$6,500,000 and the conference report. The gentleman knows

Mr. BLANTON. You are appropriating \$7,600,000 out of the people's Treasury to spend here in Washington.

Mr. SIMMONS. Well, I have just saved \$115,000 out of the gentleman's own figures. I think I have done pretty well at that for one minute's work. [Applause.]

Now, let me say, further, the Senate of the United States is entitled to some recognition, even in the House of Representatives. [Applause.] Their views are entitled to some recognition. The chairman of this subcommittee has brought back to this House the smallest Federal appropriation in all of the 10 years I have been a Member of this House.

Mr. BLANTON. Is the gentleman in favor of them coming over here and sitting in our pews and lobbying?

Mr. SIMMONS. Mr. Speaker, I do not yield further to the gentleman from Texas.

Mr. OLIVER of Alabama. Will the gentleman yield?

Mr. SIMMONS. I yield.

Mr. OLIVER of Alabama. What appropriations are carried in this bill that are made immediately available?

Mr. SIMMONS. I just read that figure-\$2,778,850 of street items, largely common labor, and \$876,000 of school items, or a total of \$3,654,350 of appropriations in this bill that will be immediately available, which can be immediately spent, largely for common labor, if the Congress will adopt this conference report before we adjourn to-morrow noon.

Mr. OLIVER of Alabama. What sums are now available

for those purposes under the present bill?

Mr. SIMMONS. That question I can not answer except generally. The money appropriated for street items is spent during the summer, on account of the fact that construction work can not be carried on in the winter. There is some, of course, available, because they carry over a part of their program into the spring.

Mr. BOILEAU. Will the gentleman yield?

Mr. SIMMONS. I yield. Mr. BOILEAU. What particular harm will be done by

putting this matter over a couple of weeks?

Mr. SIMMONS. If the gentleman has that much confidence in the new Congress, that they will pass it in two weeks, it would not do any harm. After the gentleman has been here as long as I have been, he will know different, and I prophesy that if this Congress does not adopt this report, this bill will not reach the President until about July 1.

Mr. BLANTON. Oh, we can pass it in two hours.
Mr. SIMMONS. There is no doubt about that, but it will not be done. After the House passes it and the Senate passes it, it will remain in conference for months; mark that as a prophecy.

Mr. SCHAFER. Does the gentleman believe that the people of the District of Columbia have any right to complain about money not being appropriated for public improvements, to employ labor, when in every part of the District buildings covering blocks are springing up like mushrooms? There is more construction in the District than in five or six Western States combined.

Mr. SIMMONS. That may all be true, but yet this is money raised by the District themselves and they are asking for it. Their people are out of work. We are appropriating money to feed men who want to work, and I think it is better to give work to men, so that they may earn, than it is to give food to them.

Mr. ALLGOOD. Will the gentleman yield? Mr. SIMMONS. I yield.

Mr. ALLGOOD. In keeping with the suggestion of the gentleman from Wisconsin [Mr. Schafer], \$150,000,000 have been appropriated for public buildings in the District of Columbia as against \$142,000,000 in all the 48 States.

Mr. SIMMONS. Oh, that is Federal appropriations. This is a city matter. We are here meeting as a town council. What town council will have money available, raised by taxes, that they propose to spend for city improvements, and sit idly by and refuse to spend it for a period of six months, when their people are hungry and begging for work? That is the question. Are you, as a member of the town council of the city of Washington going to say to-night that the people of this city for whom you speak, can not spend their own money [applause], and not be permitted to give labor to their own folks? That is the prob-

Mr. ALLGOOD. In addition to the \$150,000,000 in the building program, there is a \$150,000,000 Federal pay roll in the District of Columbia.

Mr. SIMMONS. Oh, this is not a Federal matter, surely the gentleman knows that.

The SPEAKER pro tempore (Mr. Keller). The time of the gentleman from Nebraska has again expired.

Mr. SIMMONS. May I again urge upon the House that, in my judgment, this conference report, with some objectionable features in it, should be adopted by the Congress and should become a law at this session? [Applause.]

Mr. CANNON. Mr. Speaker, I yield five minutes to the gentleman from Michigan [Mr. Mapes].

Mr. MAPES. Mr. Speaker, it is the same old story. This conference report is brought in here during the closing hours of the session and then we are urged to accept it, because if we do not the legislation will fail; but I submit there is no reason in the world why the House to-night should accept this conference report unless the House approves of its provisions. [Applause.] Everybody knows we are going to reconvene here in a few days, and this bill does not take effect, or the major items in it do not, until the first of July.

The gentleman from Missouri [Mr. Cannon], the chairman of this committee, tells me that the appropriation about which the gentleman from Minnesota [Mr. KVALE] inquired, \$625,000 for relief of the poor in the District, does not become immediately available. It does not become effective until the 1st of July, so that there is no hurry to pass this bill on that account.

Now, Mr. Speaker, what does this bill provide? The gentleman from Missouri [Mr. Cannon] says that as the bill passed the House of Representatives it contained appropriations amounting to something like \$6,000,000 less than was carried in the current law. The Senate has increased that somewhat, but there are still from four to five million dollars less appropriated in this bill than was appropriated in the bill last year.

Notwithstanding the appropriation of last year, notwithstanding the low tax rate here in the District of Columbia of \$17 per \$1,000, there will still be a healthy surplus at the end of the year in the Federal Treasury to the credit of the District of Columbia, and by passing this legislation now with this Federal contribution for more than the House thinks the Federal Government ought to contribute just that much more will be added to the surplus in the Federal Treasury to the credit of the District of Columbia, or the tax rate of \$17 per \$1,000, already much below the average, will be still lower.

Mr. Speaker, does the House want to pass such legislation in view of the economic condition of the country and of the tax burden of the people outside the District of Columbia when we are all trying to reduce the appropriations of the Federal Government? Why not reduce the amount of Federal contribution, keep it down to \$6,500,000, which everyone who has made a study of the situation knows is a liberal amount for the Federal Government to contribute?

Mr. Speaker, I submit that under all the circumstances this House ought to reject this conference report and wait until the next session of Congress before passing this bill. [Applause.]

Mr. CANNON. Mr. Speaker, I yield five minutes to the gentleman from Alabama [Mr. OLIVER].

Mr. OLIVER of Alabama. Mr. Speaker, differences, of course, may be expected to arise between the two legislative branches, and it is unfortunate that in the heat of debate anything should be said which in any way could be construed as reflecting on the integrity and honesty of purpose of those who differ. I share no feeling of that kind.

In reference to this bill, however, it is rather surprising that the House, which has made over a period of years such a very careful study of some of the items in this bill carrying large sums, have repeatedly concluded that we have been overcontributing to the expense of the District. The House has given strong approval to the findings of its committee, based on a careful and exhaustive study of the subject, and I question whether the other body has given the thorough study to the subject which the House has.

My reason at this time for not favoring the adoption of the conference report is due to the fact that within the last six hours it has come to the knowledge of Members of the House that the new Congress will probably be in session in less than 10 days, and surely if the early passing of this bill be a matter of importance, with the hearings so recently held, there should be no delay whatever in presenting the bill to the new Congress. I should like for the new Congress, supplemented as it will be by many new Members, to pass on the differences that have arisen between the two bodies in reference to some of the major items of this bill. I think it will be quite helpful to the old Members of the Congress to have these new Members informed of the differences that have existed and to have them express their judgment thereon. There will also be many new faces in the other body, and it would not be unwise to give them the opportunity of passing on these same differences.

I will say in reply to the gentleman from Nebraska, who calls attention to the fact that this bill makes immediately available many substantial sums that may be helpful to labor, that I think he will find if he will discuss that matter with the chairman of the committee, who is so familiar with it and whose judgment I always respect and hold in very high regard, that the reason for making these sums immediately available is not because such funds are now exhausted, but rather because they may be exhausted before the beginning of the next fiscal year. It is to prevent a possible discontinuance of work at the close of the present fiscal year that they have made such appropriations immediately available, whereas no immediate necessity has been shown or claimed.

Now, the House very wisely followed the gentleman from Missouri in the thoughtful and carefully prepared report which he submitted to the House on this bill, and no one, may I say, has ever given more careful study to this bill than has the gentleman from Missouri. I know how careful, how fair, how just he is. I feel that deep down in his heart he does not lend approval to many of the items that this conference report carries; and since it now appears that an early opportunity can be given a new jury, so to speak, to pass on this matter, I hope the House will cooperate to the end of providing an early opportunity for the new Congress to consider this bill. I see no reason why in haste we should now pass it. [Applause.]

Mr. CANNON. Mr. Speaker, I move the previous question.

The previous question was ordered. The SPEAKER. The question is on the adoption of the conference report.

The question was taken; and on a division (demanded by Mr. Cannon) there were—ayes 14, noes 102.

Mr. CANNON. Mr. Speaker, I make the point of order there is not a quorum present.

Mr. SCHAFER. Mr. Speaker, a parliamentary inquiry. In view of the fact that most of the Democrats are absent celebrating the new deal, is it not highly proper for the Democratic chairman to make the point?

Mr. CANNON. I make the point of no quorum, Mr. Speaker.

The SPEAKER. The Chair will count.

Mr. CANNON. Mr. Speaker, I withdraw the point of no

So the conference report was rejected.

Mr. CANNON. Mr. Speaker, I ask unanimous consent that the bill be sent back to conference.

Mr. BLANTON. Mr. Speaker, I make the point of no

The SPEAKER. The Chair will count. Mr. BLANTON. Mr. Speaker, I withdraw the point of no quorum and object to the gentleman's request.

EXTENSION OF REMARKS

HON. CHARLES W. WATERMAN

Mr. EATON of Colorado. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following statement of Senator Schuyler, of Colorado, with reference to the life, character, and public service of the late Senator Waterman:

Charles W. Waterman, late a Senator of the United States from Colorado, was born at Waitsfield, Vt., on November 2, 1861. His parents were John and Mary Waterman, whose traditions and aspirations were the inherited legacy of gentle birth which they were to pass on inviolate. The Watermans, of course, were English as far back as the time when people first enjoyed the honor of a surname. They were the possessors of a small cottage and a few ancestral acres which yielded but scant sustenance, but by dint of the ancient virtues of toil, devotion to high principles, courage, and self-denial, they made their simple living from this Vermont soil.

How often do we read in the life history of men who have attained high position the story of their humble beginnings and of their successful struggle against handicaps of privation or physical aliment! It is one of the greatest glories of American free constitutional government that youth so handicapped may attain high place and distinction. Such lives give concrete meaning to the words of President Garfield that "A pound of pluck is worth a ton of luck," and that, under our system of government, "The lowest drop may come to mingle with the crest of the topmost wave."

Charles W. Waterman was no stranger to such conditions of youth and early manhood. Crippled suddenly at 5 years of age, for seven years he hobbled around on crutches. At 12 he age, for seven years he hobbled around on crutches. At 12 he was back again at school seeking to bridge the lost years of learning, and with feeble strength, but stanch heart, he labored early and late on his father's farm, separated not so many miles from the old homestead of the parents of our late lamented President Calvin Coolidge.

Despite such difficulties in his own education, young Waterman began to teach school himself in his late 'teens, saved a little money, and equipped himself for college education, working his way through college by doing chores, and was graduated from the University of Vermont in 1885. His alma mater conferred the honorary degree of LL D. upon him in 1922, and later honored him with membership on her board of trustees. Upon graduation, school teaching again, elected him with translation, each of the second and his extraction, and he seemed and him with membership on her board of trustees. Upon graduation, school teaching again claimed his attention, and he saved and sacrificed and worked at odd jobs at night that he might get together enough money to continue his studies. At the age of 26 years he was graduated from the University of Michigan with the degree of LL. B. While working his way through college, the young law student, in 1890, married Miss Anna B. Cook, of Burlington, Vt., a gracious and highly-esteemed girl whose lineage was no less marked with solid virtues than that of her ambittous husband and who through all his struggles remained devotedly. husband and who, through all his struggles, remained devotedly at his side, ever an inspiration. With her he shared the esteem of his home folks in old New England and the admiration and respect of firm friends in their adopted Commonwealth of Colo-

Heeding the call of the West, the late Senator determined to settle in Denver. There he was first employed in the office of the then city attorney at Denver, Hon. John F. Shafroth, who later became Representative in Congress and later United States Sen-

ator from Colorado.

Mr. Waterman's life throughout was characterized by constant, careful preparation and diligent work and energy for achievement, and the foundation of his success lay within his own sound character and great ability. These qualities soon attracted the attention of the leaders of Denver's legal fraternity, and the property of the theory is a sesistant in the offices of the them most was invited to become an assistant in the offices of the then most prominent law firm in Colorado, that of United States Senator Edward O. Wolcott and Mr. Joel F. Vaile. Later he was admitted as a member of the firm for years known as Wolcott, Vaile & Waterman, and until the death of Senator Wolcott in 1905 Mr. Waterman was the only man that was made a partner in that great law firm.

Thus associated during his early career as a lawyer with one

Thus, associated during his early career as a lawyer with one who admittedly was a great United States Senator, his ambition was stirred to attain that high position himself. From the days

when he was a junior in the Wolcott & Vaile firm, his talents and services were freely at the disposal of the Republican Party in Colorado. For years every battle that developed in court involving the Republican Party's position, and there were many of them, found Mr. Waterman as the leading counsel battling for the found Mr. W party's rights.

When, therefore, in 1926, having through his long and arduous When, therefore, in 1926, having through his long and arduous service as a lawyer attained affluence and the ability to retire from further labor, he offered his services as the standard bearer of the Republican Party. The Republicans of the State demonstrated their affectionate admiration by making him their nominee, and the people of Colorado, by a large majority, added their confirmation of confidence by electing him United States Senator from Colorado. His gracious and winning personality, his perfect integrity, his ability, demonstrated by over 30 years of devotion to his profession in almost innumerable contests of vast importance, requiring the soundest judgment and the utmost of skill, combined to make it an easy step for him from private to public life. Colorado was richly dowered and honored by his acskill, combined to make it an easy step for him from private to public life. Colorado was richly dowered and honored by his acceptance of the great office and his service. Two or three years before the expiration of the term for which he was elected, he was attacked by a serious physical ailment. Despite this, and even beyond any reasonable degree of prudence, he bravely and uncomplainingly carried on his effort faithfully and fully to represent the people of the State of Colorado. Conscientious response to every duty unfailingly characterized his entire life and career. When a man has lived such a life, has throughout manifested a character as strong and sound and firm as the very granite of the State where he was born, when he has been loyal to every duty, faithful to friends and to all situations, when good will toward his fellowmen, marked with a gracious kindliness, has been the rule of his daily life, may we not find in such a life true reason to believe that death is not the end and that when he

reason to believe that death is not the end and that when he departed from us on August 27, 1932, but he stepped into a finer, wider, and better scene where qualities so richly developed in what we call life, find greater opportunity? With this thought, I would say to the spirit of my departed friend, "Hall-but are forward!"

but not farewell."

TWENTIETH ANNIVERSARY OF CHRISTIAN MEN BUILDERS (INC.)

Mr. LUDLOW. Mr. Speaker, in our city of Indianapolis there is an organization so useful to humanity, so unique in its conception and its activities, and so outstanding in the field of Christian service that I think I am fully justified in bringing it to the attention of this House and of the country, believing, as I do, that an association of Christian men which exercises such a beautiful and wholesome influence in our community should let its light so shine that all mankind may behold it and other communities may profit by forming organizations of similar mold and pattern.

Let your light so shine before men, that they may see your good works, and glorify your Father which is in heaven—

Said the Savior of mankind, and under the broad scope of this divine injunction it would seem that one who is not a member but who is an admirer of the organization referred to may be pardoned if he enters into a brief recital of its history and the good work it is doing at a time when there is so much want and misery to be relieved and dark and lowering clouds are hanging over the world.

The organization to which I invite attention is known as Christian Men Builders (Inc.). As this speech is delivered, it is arranging to celebrate the twentieth anniversary of its birth. It came into existence in March, 1913, as an auxiliary of the Third Christian Church of our city, to which it has ever since been attached, though not under any denomina-

tional control.

There is one bright and shining name associated with this incorporated society founded on the principles which the Savior proclaimed to the world nineteen hundred years ago, and that is the name of Merle Sidener.

During 17 of the 20 years of the existence of Christian Men Builders (Inc.) Mr. Sidener has been its leader. The wisdom of this choice has never been doubted. Coming from an old-fashioned home, where Christian idealism formed the foundation for its activities, Mr. Sidener soon won the unstinted loyalty and admiration of the rapidly growing organization through his teaching and practice of commonsense Christianity as applied to daily life.

In Indianapolis and Indiana Mr. Sidener is known as a premier business man and civic leader, but he is more than that. He symbolizes the extended hand of fellowship. His idealism is intensely practical and sufficient to the needs of the community. His philosophy deals with life as it is, and his aim has been to form an organization that is capable of

coping with the everyday problems of the ordinary individual with a view to helping as many persons as possible—God's run of the mine-over life's rough places. He is constantly receiving at his office calls from members and nonmembers of his class, Tom, Dick, and Harry, seeking information, advice, encouragement, and assistance. "If you have a problem, take it to Sidener," is a common expression in our town. He is always willing to listen to the visitor's story and to refer him or her to the proper person for relief. couragement and inspiration have helped innumerable young men and he has given freely and without price his own time and efforts in the service of others.

The membership of Christian Men Builders is an interesting cross section of our community. It is composed of laborers, bankers, lawyers, clerks, newspapermen, professional men of all kinds-a composite of all of the respectable and respected elements that enter into city life. It is no uncommon sight for a man with working clothes on his body to sit side by side with a banker or a carefully groomed business man. It is no place for snobs, but every true-blue man who wants an opportunity to do his bit to make this world a better place in which to live will find himself welcomed cordially and sincerely, whether he be clad in overalls or in the garments of the rich. Christian Men Builders (Inc.) heartily subscribes to the philosophy of Robert Burns-

A man's a man for a' that!

It looks at his soul and not at the cut of his garments. If he is in earnest and willing to work, he finds the door that leads to humanitarian service is wide open. In the organization to-day are Jews, Catholics, Lutherans, and members of practically every Protestant denomination, all forgetful of the narrow limitations of creed while they band themselves together in the service of the Master. Christian Men Builders (Inc.) is a nonprofit organization, nondenominational, and nonsectarian, a haven for all who wish to do worthwhile work for the relief of their fellow beings.

The organization is highly specialized, being controlled by a cabinet of eight men elected by the class at a yearly election. The officers include a president, five vice presidents in charge of departments, secretary, and treasurer. Each of the above officers has two associates who act as his assistants. Each officer is the head of his department and has complete charge of the administrative affairs of the department.

The "men builders" are active in such worthy efforts as finding employment for the jobless, visiting the sick, providing food for the hungry, and clothing for the near-naked.

To many a young man in Indianapolis, Christian Men Builders (Inc.) has given inspiration and a purpose to achieve worthily in life's struggles; to countless others, both old and young, its agencies have been a boon of priceless value in times of deepest gloom.

All of these activities are conducted in accordance with a well-ordered, systematic plan in which each worker finds his proper place. Many employers recognize the worth of the organization and give first call to Christian Men Builders when positions or jobs of any kind are open.

There are 3,000 members of the organization, and its Sunday meetings, which are broadcast over the radio, have an average attendance of over 900. High-water mark was the meeting on last Easter Sunday, when 1,875 men were present by actual count, and when it was necessary to move from the church to a theater to accommodate the large crowd. When a man enters the classroom on Sunday morning, he seems invariably to leave his "long face" on the outside, for friendliness and congeniality are in the very atmosphere. Coat-lapel cards are worn to identify the members, for in such a large class it is difficult to keep in mind the names of so many men.

Members of Christian Men Builders are intensely loyal to the organization; and wherever they may roam, they tell the story of Mr. Sidener and his class. They are now scattered throughout the world. Recently I was talking with a friend who had just returned from California and Mexico. He told me he had met Christian Men Builders in Mexico City and in many California cities, and that they were all singing the praises of this splendid Indianapolis organization. In many cities classes already have been organized on the principles governing Christian Men Builders (Inc.) by former active workers in the class.

Christian Men Builders (Inc.) is an outstanding institution of our State and its capital city; and as it enters upon its third decade of useful service, our people, thrilled with pride in it and its triumphs, are wishing it good luck and Godspeed on its way to even greater and nobler achievements

HON. ALBERT JOHNSON

Mr. JENKINS. Mr. Speaker and Members of the House, under leave to extend my remarks I wish to call the attention of the House Members and the readers of the Congres-SIONAL RECORD to the fact that Hon. ALBERT JOHNSON, of Washington, will be severing his Membership in the House on March 4. This date will mark the final service for many very able and illustrious men.

Mr. Johnson has served in the House for 20 years and his service has marked him as a man of great ability, and his accomplishments in a legislative way have made him illustrious. It is only given to a few people to be recognized as foremost authorities-Mr. Johnson has won this distinction and there is no one to vie with him in a consideration of who is the best-posted man in Congress on matters of immigration. His long service on the Immigration Committee, as a member and as chairman, together with his lifetime study of the subject of immigration, plus the power of a brilliant mind, enabled him to win the indisputable title of being the leading authority on immigration matters in the House. His many public addresses and his prolific writings gave him a national reputation. The Congress will miss him because of his great knowledge of facts, and the country will miss him because of his mastery of this intricate yet very human subject, and his constituents will miss him because of his influence and service.

Having served on the Immigration Committee with him for eight years and knowing the esteem in which he is held by his colleagues on that committee, and by the House Members generally, I am proud of the opportunity to say these few words concerning this statesman who has given the best years of his life in the service of his country. I hope he continues to give his country the benefit of his great knowledge and versatility. And, for myself, he has my unfailing respect and esteem.

Few legislators leave their impress upon the statutory law of the land to the extent that Mr. Johnson has. The early policy of the United States was to welcome all aliens to our shores. Later, restrictions as to health and character were provided. And still later, literacy and other tests were required. But finally it was seen that those tests were not sufficient to prevent the flood of immigration that washed into our country. To Mr. Johnson must go the honor of devising a plan to prevent this devastating flood that was threatening the life of the Republic. In 1921 Congress passed the first quota law, which was the product of the mind of Mr. Johnson. This law was improved upon greatly by the Johnson Quota Act of 1924. In the passage of this act Mr. Johnson impressed himself indelibly on the statute law of our Nation. The Johnson quota law is one of the really great enactments in the life and history of the Nation. If Mr. Johnson does not choose to return to service in this House he can feel assured that his place as a legislator is safe in the annals of legislation in the House.

REPUBLICAN KEYNOTE ADDRESS

Mr. FISH. Mr. Speaker, under leave to extend my remarks in the RECORD, I include an address delivered by myself before the Republican State convention at Buffalo, N. Y., October 3, 1932. The address is as follows:

At the outset of my remarks I want to thank Miss Butler for the gracious and charming introduction. She is known from one end of the State to the other for the effective work she has been doing among the Republican women. If all the men leaders

of the party would only work one-half as hard and as intelli-

gently, we would have no trouble in sweeping New York State from Buffalo to Montauk Point.

We are living in a financial, industrial, and economic crisis that none of us have ever read or dreamed of. Past presidential camnone of us have ever read or dreamed of. paigns and political issues have been mere fleabites compared to the importance of our present critical situation. We are in the midst of a national emergency far more serious than any period of the World War, affecting the welfare and lives of 120,000,000 Americans and civilization itself. We believe that, judging from the past, the Republican Party offers the soundest and safest solutions of our problems, and I propose to speak in considerable detail on Republican achievements and policies, and ask for your attention and indulgence attention and indulgence.

Always beyond and above party must stand the country; and whatever destiny holds in store for us, the Republican Party, no matter how determined and confident of winning, will, in victory or defeat, place the interests of America first

We meet here in convention assembled for the purpose of nominating a Republican State ticket that will win and to select presidential electors who will keep Herbert Hoover and a Republican administration at Washington. We are united in our determination to carry New York State for both our National and State tickets and to redeem our State from the waste and extravagance of the Democratic State administration.

of the Democratic State administration.

We Republicans propose to place the economic issues squarely before the American people and ask for their support in carrying out the policies recommended by President Hoover to restore confidence and credit and to relieve unemployment in the midst of a world industrial crisis. The voters of all parties are more interested in safe and sound solutions of our economic problems and in regaining the paths of prosperity than in political speeches, panaceas, and vote-catching phrases.

This is the time for clear thinking and straight speaking and not for honeyed words, promises, and political buncombe. We ask the American people to carefully study and digest the program of rehabilitation proposed by the President. We are confident that if they do they will sustain these policies by voting for our courageous and constructive leader, Herbert Hoover. In his admirable speech of acceptance he laid down without evasions or qualifications a sound economic program that appealed to every American interested in the welfare of his country, regardless of partisanship. That great acceptance speech was a fair and honest recital by the President of the United States of the difficulties and accomplishments of his administration, giving credit in a sportsmanlike manace in the part of the believe the period of the part of the believe the period of the part of the believe the period of the part of the period to the part of the period to the perio ments of his administration, giving credit in a sportsmanlike manner to his political opponents in the Democratic Party for the help which they had given him during his administration. What a striking contrast to the destructive, intemperate, and often personal criticism made use of by the Democratic candidate for the Presidency in his campaign speeches.

Franklin D. Possevelt was extravited into the governor's chair

Presidency in his campaign speeches.

Franklin D. Roosevelt was catapulted into the governor's chair by that great leader, Gov. Alfred E. Smith, who had instituted far-reaching reforms while chief executive, owing to his intimate knowledge of State affairs gained by his long service in the legislature. For the first two years, Governor Roosevelt simply followed in the footsteps of his illustrious predecessor and profited by his reflected glory. During the last two years, Governor Roosevelt has done nothing constructive and nothing new has emanated from him. He has, however, frowned on his courageous and constructive creator, and Alfred E. Smith, the man with perhaps the largest personal following in the United States, became the original "forgotten man" with Governor Roosevelt.

Nevertheless, former Governor Smith is still a Democrat, and up to the present moment a very still one, although he may feel compelled, for personal and political reasons, to give a perfunctory indorsement to his party candidate, which would now amount to nothing more than damning his old friend Frank with faint

nothing more than damning his old friend Frank with faint

The President will speak to-morrow at Des Moines on farm relief, so it would be presumptuous for me to take your time to discuss that issue, except to point out that Governor Roosevelt in spite of general and obscure observations and vagueness approaching a total eclipse in his recent farm-relief speech at Topeka has done little or nothing to relieve the plight of the dairy farmers in his own State. Legislative relief, like charity, ought to begin at home. We have more abandoned farms in New York State than in any other State in the Union, and there will be a lot more if the protective duties provided by the last Republican tariff bill for milk. cream, dairy products, eggs, poultry, and vegetables are reduced or done away with. Let the farmers of New York State consider well where their interests are best served before going to the polls. The President will speak to-morrow at Des Moines on farm going to the polls.

going to the polls.

Governor Rooseveit's farm-relief speech at Topeka was, if possible, the yaguest and weakest of his tour. It is not to be wondered at. He claims to hail from a farm, when, in reality, it is a typical Hudson River country estate, which grows enough vegetables for home consumption and enough hay to feed the cows to furnish the milk for the family; and where he gets the corn to feed the chickens to supply the needs of his estate with eggs, I do not know, but probably from Topeka. Governor Roosevelt knows as much about farming as his illustrious predecessor, both in office and as a candidate of the Democratic Party for the Presidency, Alfred E. Smith, who learned all he knew from a car window on his way West in the 1928 campaign to deliver a speech on agricultural relief at Omaha. relief at Omaha.

The proposal made by Governor Roosevelt to put a million men to work on reforestation of abandoned farms was typical of his lack of knowledge of the farm, forest, and unemployment problems; and, after receiving the biggest laugh of the campaign, it disappeared under a shower of adverse criticism and ridicule.

I do not believe in playing politics with human misery, but the governor had no justification for advancing such a grotesque scheme without being called to account. He dare not persist in such an absurdity without making himself ridiculous and a laughing stock to the farmers and the unemployed. I challenge him to prove how he can secure employment for one-tenth the number of men he mentioned in his reforestation proposal.

BONUS

As one of the original members of the American Legion, and as one who helped frame the Legion's preamble and constitution and voted in the Congress for the adjusted compensation act, I bespeak whole-hearted support of the President for his courageous stand against the payment of \$2,400,000,000 to able-bodied veterans in the present financial crisis, which would result in a serious and disastrous shock to our whole economic structure and the undermining of our national credit, upon which foundation our economic recovery is based. economic recovery is based.

I yield to no one in my loyalty to the American Legion nor in my belief in the patriotism of its members, but I am abundantly my belief in the patriotism of its members, but I am abundantly convinced that the American people are overwhelmingly in accord with the views expressed by President Hoover and also by Alfred E. Smith and Norman Thomas against payment at this time. A situation may develop when Congress convenes in December that would require the enactment of emergency legislation to afford monetary relief to the unemployed and needy veterans out of the balance of their adjusted-service certificates to be paid in monthly installments for a period of not more than one year. This could probably be financed without endangering the public credit or creating further unemployment.

We have favored liberal compensation for all veterans who were disabled in line of duty during any war in which the United States was engaged, and for their widows and orphans.

The President never did a more courageous act than when he

The President never did a more courageous act than when he opposed the immediate payment of the bonus, and the people of the United States honor him for it. Men and women in America despise trimmers and condemn ducking and pussyfooting in men seeking high official position. Courage was not lacking in another and greater Roosevelt—in Theodore Roosevelt, who was elected to the Presidency and who because of his courage retained the love and faith of the American people to his dying day.

FOREIGN AFFAIRS

Moratorium: President Hoover was viciously attacked from various sources when he instituted the moratorium on German reparations payments last year, but time has demonstrated the necessity for such action, which has been approved at home and abroad and acclaimed by people of German origin in this country. I quote from out of the mouth of one of our foremost political

abroad and acclaimed by people of German origin in this country. I quote from out of the mouth of one of our foremost political opponents, Jouett Shouse, former chairman of the Democratic National Committee, who stated in a speech in Omaha shortly after the moratorium went into effect:

"President Hoover's request for a 1-year moratorium in intergovernmental debts was the only thing he could have done."

The moratorium saved the young German Republic from being overthrown by the Hitlerites on the right and the communists on the left, who were willing to combine in destroying the Republic, but ready to spring at each other's throats at a moment's notice and bring ruin and disaster to world peace and stability.

War debts: The President and the Republican Party are opposed to cancellation of war debts. The United States was not responsible for the World War, and had no part in its origin. We sent 2,000,000 troops to the battlefields of Europe and turned the tide of defeat into victory. After the armistice we brought our troops home. We asked for nothing and got exactly what we asked—nothing at all—no indemnities, no reparations, no plunder, no conquered territories. The American people do not understand why they should now be called on to carry the entire financial burden of the World War. Let the nations of Europe reduce their enormous budgets for military and naval armaments before asking for further reductions of their war debts. Why, we are only asking from France repayment of the money we loaned her after the armistice, and from Italy only 25 cents on the dollar.

RADICALISM

The President has repeatedly appealed to the country during this national emergency to remain true to its fundamental principles and ideals, and not to be carried away by new, false, and imported doctrines and the blatant loud speakers of socialism and radicalism. We Republicans have no use for any form of socialism, communism, fascism, or foreign dictatorship in the United

We adhere to the early principles of our party, as enunciated by Abraham Lincoln in his immortal Gettysburg speech—a gov-ernment of the people, by the people, and for the people—and that does not mean government by any class or minority of the

people.

The aims of the immoderate radicals under the guise of progressive policies lead directly to State socialism and would result in confiscation of property by the State. What is needed at this time is return to sound Americanism and the early principles of the Republican Party and our political faith, the very corner stone of which is that human rights are superior to property rights. The Republican attitude toward private property is the

same to-day as it was in 1864, when Lincoln spoke the following words before the Workingmen's Association of New York:

"Let not him who is homeless pull down the house of another, but let him work diligently and build one for himself, and thus, for example, assure that his own shall be safe from violence when

We still believe in the sanctity of private property and oppose the extension of Government ownership. We favor effective and rigid regulation of public utilities and interstate electrical power under the Federal Power Commission to protect and safeguard the interests of the public. The consuming public must be protected in this State from monopolistic water-power utilities.

T.ABOR

The President has conciliated both capital and labor to a larger degree than any previous administration and has secured their cooperation even in this period of stress, with the result that there have been few strikes and little disorder. He has consistently urged the 5-day week and shorter hours for labor and upheld the American standard of wages.

He has equally consistently opposed the dole which has brought economic ruin and disaster to Germany and England and wherever it has been tried. The dole may start on a carefully considered basis but it eventually becomes a political football and places a premium on idleness and an enormous burden upon

the taxpayers, industry, and the government.

From the very beginning of the depression the President has sought to maintain the American standard of living. He stopped

sought to maintain the American standard of living. He stopped immigration by Executive order to promote the employment of American citizens. He has insisted on tariffs that would protect free American labor from the flood of cheap goods from Europe and Asia and from the products of forced labor in Russia.

In this State we should insist during the period of depression that preference on all State, county, and municipal work, and in private industry wherever possible, should be given to American citizens. There should be no compromise or evasion of this issue. Remembering the words of Abraham Lincoln, our first Republican President, when he said: "Labor is prior to capital."

I favor New York State, the greatest industrial State in the Republic, taking the lead in working out a careful, constructive, and conservative program of industrial security insurance, when we get back to normal times, in order to provide our wage earners with

conservative program of industrial security insurance, when we get back to normal times, in order to provide our wage earners with adequate health, life, and retirement insurance. Many of our great industrial corporations have already put into effect various forms of group insurance. I propose that our State should establish and supervise a uniform code for security insurance to be applied to all corporations employing over 50 employees. I do not refer to the dole or to any form of unemployment insurance.

I venture this suggestion entirely on my own responsibility as it is close to my heart and one which, I believe, since we have turned from an agricultural to the largest industrial and mass production Nation in the world, to be absolutely essential to the future welfare of our wage earners, and to industry itself. If there is any criticism of this part of my remarks, I assume the entire blame and am ready now and in the future to uphold and

there is any criticism of this part of my remarks, I assume the entire blame and am ready now and in the future to uphold and defend it.

The biggest tragedy of the depression has been the dropping of faithful employees, through no fault of their own, on a day's notice, who have labored 20 or 30 years or more, often for the same firm in building up the wealth and prosperity of the Nation, without any retirement pay to maintain a home and family. Such a situation must not be permitted to exist under our economic system in the future. It is not right or just to American wage earners in the greatest and richest industrial country in the entire history of the known world.

I bespeak a sympathetic consideration of the need for security insurance and thereby helping to eliminate the economic fear and dread from off the back of American labor. Let us strive for a more equitable distribution of wealth and to establish human rights on a parity with property rights in the United States of America.

America.

President Hoover has inaugurated a program of Federal building to stimulate industry and allay unemployment. He has mobilized public opinion to take care of the distress among the unemployed. He helped obtain the passage of legislation in Congress authorizing the distribution of 80,000,000 bushels of wheat and 500,000 bales of cotton, owned and held in storage by the Government, to be distributed free by the American Red Cross wherever there was need to relieve human misery and suffering among our own people.

It would be superfluous for me to comment on the well-known

and now historical relief measures of the world's greatest relief administrator, in Belgium, and immediately after the World War in Poland and adjoining countries. Our citizens of Belgian, German, Polish, and Austrian descent have not forgotten his humanitarian efforts in behalf of their native lands during their hour of misery and hunger, and are still eager for an opportunity to show their appreciation. Here in Buffalo, where there is a large population of German origin, it is right and fitting to recall the active support given by the then Secretary of Commerce, Herbert Hoover, in favor of the passage of the bill I introduced in the House of Representatives authorizing the expenditure of \$10,-000,000 to provide foodstuffs for the starving women and children

in Germany back in 1924.

I urge the wholehearted support of the referendum to be submitted on election day providing \$30,000,000 for unemployment relief, and if that is not sufficient, I favor the enactment of a

1 per cent sales tax by the State of New York for a period of one year to provide adequate emergency unemployment relief if the conditions warrant such legislation during the approaching winter. No American citizen or members of his family must be permitted to be without ample food, shelter, clothing, or fuel during the rigors of the winter months. We are still the wealthiest State in the richest Nation of the world, and we do not propose, in case of a breakdown or failure of private and municipal relief, to permit our citizens to suffer from hunger or destitution.

TARIFF

We meet in a great commercial and industrial city, whose progress and growth, like the development of its sister city, Rochester, and that of New York State, is largely due to a protective tariff now assailed and menaced by the attacks of the Democratic candidate for the Presidency.

The American protective system has built up the industries of the United States, and the attitude of Governor Roosevelt puts in peril the welfare of our wage earners. There is no such thing as an ideal or perfect tariff, but Republicans can be best trusted to iron out any defects.

Always remember that over one-half of our imports come in duty free. Most European countries have erected tariff barriers considerably higher than our own. Except for Governor Roose-velt, even the Democrats have come to accept our tariff policy

veit, even the Democrats have come to accept our tarin policy as being in the interest of American labor.

His solution of the tariff problem is reciprocity or a mutual swapping of goods with foreign countries. For example, to sell agricultural machinery made in Poughkeepsie to Canada in return for Canadian milk, cream, dairy products, eggs, poultry, and vegetables. Ask the farmers in New York State who are ekeing out a precarious living, or the dairyman, how such a plan would expect to them.

appeal to them.

For the past 50 years, under a Republican protective system, our wage earners have been the best paid, the best housed, the best clothed, and the best fed and most contented in the world. We propose, when we emerge from the depression as emerge we will, to uphold the high standard of wages and living of the American people.

RECONSTRUCTION FINANCE CORPORATION

There has been much misinformation spoken and written regarding the activities of the Reconstruction Finance Corporation, generally emanating from soreheads, those with political axes to grind, and from partisan sources. When our economic and credit structure was on the verge of collapse in the early part of the year, the Congress, on the recommendation of the President, set up as an emergency measure, the Reconstruction Finance Corporation, and made available \$4,000,000,000 to loan on good collateral to our own industries, such as railroads, banks, life-insurance companies and building and loan associations, and for selfcompanies, and building and loan associations, and for self-liquidating purposes, and to States and municipal agencies to furnish relief.

furnish relief.

Almost overnight, by the very existence of this governmental institution, backed by huge funds, the fear of economic and monetary paralysis disappeared, credit was restored, and money came out of hoarding. The record of the Reconstruction Finance Corporation speaks for itself. Seventy per cent of the bank loans have been made to banks in cities under 5,000 population, 78 per cent in cities under 10,000, and 85 per cent in cities under 25,000. Or, in other words, these loans have gone almost exclusively to maintain the credit of the butcher, baker, grocer, and farmer in small communities and not, as partisan or disgrunted opponents have said, to the big bankers. With practically only one exception, the big banks in the large cities are solvent and have enormous deposits and reserve credits.

PROHIBITION

The Republican national platform, as interpreted and clarified by the President in his acceptance speech, appealed to the sound common sense of the American people, because it was clearvisioned, sane, and constructive.

The Republican Party is opposed to the return of the saloon, that ancient center of vice and political corruption. We favor, however, submitting to conventions in the several States a change however, submitting to conventions in the several States a change in the Constitution by which we restore control of the liquor problem to the various States, with a simple safeguard against the return of the old saloon, and reserving to the Federal Government the power to protect dry States against the invasion of liquor from wet States. The people should have a clear-cut opportunity to pass judgment on this great controversial issue that affects their lives, their property, their health, their habits, their welfare, and their personal liberty.

This issue must be taken out of politics, and the President's acceptance speech shows that he is determined to do so. The sooner the States are allowed to deal with the problem as their citizens may determine the better for the country. The Republican Party is pledged to press this issue to a decision.

In view of the continued lynching of negroes in Southern States, the increase in peonage, the disfranchisement, segregation, and Jim Crowing of the entire negro population south of the Mason-Dixon line, it is inconceivable that free American negroes in the North will desert the party of Abraham Lincoln to put into power a party dominated by southern Democrats and help elect as Vice President John Nance Garner, who fought the antilynching bill, appropriations for Howard University, and the bill I introduced

to erect a monument in France in commemoration of the heroism and supreme sacrifice of colored soldiers of the Ninety-third Division.

APPOINTMENTS FROM THE STATE OF NEW YORK

APPOINTMENTS FROM THE STATE OF NEW YORK

I need not elaborate on the distinguished record and eminent services of Henry L. Stimson as Secretary of State in the cause of world peace and limitation of armament, which is known throughout the world. Nor need I attempt to add laurels to those already won by Ogden L. Mills, our great Secretary of the Treasury, for his consummate handling of present financial difficulties and his insistence on the maintenance of the gold standard and the credit of the United States. Two of the candidates before the convention, both distinguished veterans of the World War, held responsible offices under Republican administrations, and both rendered splendid public service—Col. William J. Donovan, as Assistant Attorney General, and Trubee Davison, as Assistant Secretary of War for Aviation. Their records speak eloquently for them.

With complete disregard of partisanship, President Hoover appointed Judge Benjamin N. Cardozo, a Democrat and the most distinguished jurist in the State of New York, as Justice of the Supreme Court of the United States, which appointment has been acclaimed throughout the Nation.

Another appointment that has shown that the President was a good judge of men was the selection of Edward Corsi, a World War veteran of Italian origin and head of the Columbian Italian League, in recognition of his high character and valuable services as a welfare worker as United States Commissioner of Immigra-tion at Ellis Island, where he has shown marked ability and made an enviable record in a distinctly difficult position.

I take this opportunity to commend the splendid leadership of my distinguished colleague, Bertrand H. Snell, in the House of Representatives. As Republican floor leader he demonstrated time and again the highest order of ability, fairness, and statesmanship, and, what is rarer still, courage and sound common sense, and made the Garner machine look not like wild jackasses, but like jack rabbits, or rather, as one well-known editor stated, as jackass rabbits. as jackass rabbits.

It would not be fair to the Republicans of this State if I did not also commend the remarkable record made by our own able State chairman, Kingsland Macy, who, through tireless effort and unlimited energy, has in a relatively short space of time built up our party so that to-day we stand united, militant, and aggressive, determined to be victorious and to carry our State and national ticket.

GARNERISM

GARNERISM

I am constrained to give more attention to Mr. Garner than he is entitled to, not only because he is Speaker of the House of Representatives but also because back of him is something much more serious—the true spirit of the Democratic Party—the same spirit that was demonstrated time and again by practically all of the Members of the Democratic House of Representatives and of the Democrats in the Senate, with very few exceptions, and the spirit of those prominently identified and associated with Franklin Roosevelt in this campaign—and that is an utter disregard of the acute financial crisis in the United States and a will repress to the acute financial crisis in the United States and a Willingness to raid the Treasury, issue flat money, and generally destroy the sources of governmental revenue and unbalance the Budget.

sources of governmental revenue and unbalance the Budget.

If you want a test of what the Democrats will do if given power, just review the measures urged and passed by them in the House of Representatives at the last session of Congress, and you will then have some conception of what a calamity their advent to power would mean to the country. Under Garner leadership the Democratic majority in the House broke down on the tax and on the economy bill. The Treasury thereby lost millions.

Under the leadership of Mr. Garner the Democrats passed a gigantic pork bill which he fathered personally. This bill was a political monstrosity and provided for new post-office buildings at every crossroad, and would have destroyed any chance of balancing the Budget. In that same bill Garner provided for pork drippings by loans to individuals. This met President Hoover's emphatic veto.

Under Garner's leadership the House passed the bill to pay yet-

emphatic veto.

Under Garner's leadership the House passed the bill to pay veterans \$2,400,000,000 in adulterated money. In brief, any scheme for fiat money, inflation, or promising distribution of pork appealed to Garner, whose leadership brought quick response for raids on the Public Treasury. As old Ben Tillman once said of his Democratic colleagues, "The Democratic wild donkeys break into the green corn whenever they get into power."

I say without fear of successful contradiction that the philosophy of "Pork Barrel" Jack Garner typifies the Democratic spirit and attitude toward the use of public funds in the Treasury of the United States and presents an unmistakable warning of what an orgy of waste and extravagance is to be expected in case of Democratic victory.

Democratic victory.

It is hardly fair to pick on this deserving Democrat from out of the Southwest, who was forced on the ticket by William Gibbs McApoo, former Director General of the Railroads, and who thinks all of us in the East wear horns and should pay an exorbitant pro-portion of the Federal taxes and thereby relieve the tax burden of Southern States.

I hestate to stir up further flames of ridicule that have already scorched the pathetic figure made by the Speaker of the House in his double candidacy for reelection as Member of Congress and as Vice President. Let him speak for himself: "I can deal with Hoover," shouted Mr. Garner in a speech to home folk on his return from Washington, but strangely enough he is not even

allowed by the Democratic campaign managers to go on the stump.

allowed by the Democratic campaign managers to go on the stump. The fact is, Speaker Garner dealt successfully with neither Mr. Hoover nor the Congress, and everyone knows it. Let the people decide if he is a safe and proper man to take a chance with in an office that might lead to the Presidency.

The newspapers report that Mr. Garner may speak in New York State. We assure him of a hearty welcome and invite him to visit us and make all the campaign speeches he wants provided he will tell us where he stands on the bonus, the sales tax, and on soaking the taxpayers of New York State for the maintenance of the rest of the Union, and explain to our perplexed minds the need of new post-office buildings in every village and hamlet in the Repubnew post-office buildings in every village and hamlet in the Republic, and describe to the colored population how much he loves them and what he intends to do for them in the next Congress.

GOVERNOR ROOSEVELT

I come from the same congressional district as the Democratic candidate for the Presidency and have known him for a long time. I urge that there be no mud slinging or personal abuse indulged in during the present campaign, and further hope that both parties will repudiate the slightest attempt to create any kind of religious or racial test for any candidate for office in New York State. There is no room for intolerance in our great State. The only test for any office, beyond purely party affiliation, should be the character, experience, fitness, and ability of the candidate and the issues involved.

Governor Roosevelt, in his acceptance speech at Chicago on July 2, said: "I have many things on which I want to make my position clear at the earliest possible moment in this campaign—and you can accept my pledge that I will leave no doubt or ambiguity on where I stand on any question of moment in this campaign." Three months have gone by since then and only campaign." Three months have gone by since then and only one month is left before election day, but the Democratic candidate for the Presidency continues strangely silent on many of the most vital issues before the Nation.

most vital issues before the Nation.

In his swing around the country he has made numerous speeches, used multitudinous platitudes and glittering generalities, and proposed nostrums ad nausea, like a quack doctor, for every conceivable ill, but has failed lamentably to present a constructive program for unemployment and farm relief, national economy and economic recovery, which are the paramount issues of the

In spite of his statement that he would leave no doubt or ambi-In spite of his statement that he would leave no doubt or amni-guity on where he stands on any important question, he refuses to inform the public his position on such vital issues as the bonus, sales tax, dole, and duty on sugar, and presumably on copper, oil, lumber, and coal.

In his Columbus speech, Governor Roosevelt, in attacking the administration, quoted liberally from Alice in Wonderland, consequently it should be in order, in view of his astounding silence on important issues and his verbosity in fault finding and destructive criticism, to remind him of the conversation between the Walrus and the Carpenter in Alice Through the Looking Glass. "The time has come," the Walrus said, "to talk of many things; of shoes and ships and sealing wax, of cabbages, and kings, and why the sea is boiling hot and whether pigs have wings." Perhaps the governor can think up a few more vague generalizations before election day to amuse the people with and cover up his silence on the main issues.

the main issues.

The Federal Government has already enacted laws effective last July requiring salary reductions ranging from 8½ to 15 per cent. It seems quite remarkable, in New York State, where the burden of taxation is heaviest, for we pay almost one-third of the revenue of the Federal Government, that Governor Roosevelt has failed to recommend any legislation calling for the reduction in the salaries of State officials, including his own. How can he consistently talk of reducing Federal expenditures when he has neglected to reduce State expenditures in line with the program established by the Federal Government? He has had ample time and opportunity to do his bit to relieve the crushing burden of taxation in New York State and to cut his own salary, together with his numerous bureau chiefs, but to date has said nothing and done nothing. What a contrast with President Hoover, who voluntarily reduced his salary 20 per cent, and even Mayor McKee, of New York City, who has reduced his 40 per cent.

On the vital question of governmental economy Governor Roosevelt can only be judged by his record as chief executive of New York State. Figures show very clearly that he has been the most reckless spender of any governor in the history of our State. In 1922, under Governor Miller, the State budget was \$133,159,710.24. After 10 consecutive years of Democratic governors, the budget in 1931 amounted to \$328,140,894.91, or an increase of 150 per cent. Ye shades of Calvin Coolidge! The budget in 1928, during the last year of the Smith administration, was \$232,643,701.10, and under Roosevelt it has jumped approximately \$100,000,000.

In one of his many speeches Governor Roosevelt accused the Republican administration of not reducing the war debts at a sufficiently drastic rate. The truth is that he did not have the faintest idea of what he was talking about. The facts are that the war debts were reduced at the gigantic and unparalleled rate of about a billion dollars a year from 1920 to 1929. The Federal Government has already enacted laws effective last

faintest idea of what he was talking about. The facts are that the war debts were reduced at the gigantic and unparalleled rate of about a billion dollars a year from 1920 to 1929.

In another fiery speech he dilated on the need of Federal regulation of the stock exchange, but for four years in office he did not raise his voice to call for State regulation or make any move against the great New York Stock Exchange. Governor Roosevelt was in a position to urge regulation of stock-market securities in the midst of the greatest orgy of gambling and inflation the country has ever known, but he did nothing until three years

later, when he tried to protect himself by seeking to blame the President. It is well to remind the governor that one ounce of prevention at the time is worth a ton of talk or promises later on. On such a record he is the last man entitled to urge Federal

on. On such a record he is the last man entitled to urge Federal regulation of stock exchanges.

He also charged the administration with resorting to "the type of inflation which has weakened public confidence in our Government credit." Again the record proves that all the inflationary measures in the past Congress were introduced and supported by Democrats in both the House and Senate in direct opposition to the views of the President.

the views of the President.

I plead for a campaign based upon facts; not upon figments of the imagination or misrepresentation of the issues.

The economic program of the Democratic Party, like the Cheshire cat, is of a vanishing type. Sometimes you see its tail and sometimes its grinning head, and you may even get a glimpse of part of its body; but the real cat, when you approach it, like the Democratic program for recovery, does not exist. In good American slang, there ain't no such animal.

The fact is, Governor Roosevelt has no effective program for economic recovery. His nostrums lead only to a blind alley. I am again reminded of a ditty in Alice Through the Looking Glass, where the White Knight said: "But I was thinking of a plan to dye one's whiskers green, and always use so large a fan that they

where the White Knight said: "But I was thinking of a plan to dye one's whiskers green, and always use so large a fan that they could not be seen." The White Knight of Democracy owes it to the American people to let them know without further evasions where he stands on the bonus, sales tax, dole, sugar tariff, salary slashes, and national economy, and if he has any plan to relieve unemployment.

HERBERT HOOVER

We stand on a platform upholding and commending the achievements of the able, clean, honest, constructive, and sound administration of Herbert Hoover, while our opponents depend on discontent. There has never been a cleaner administration or one freer from scandal since the foundation of the Republic.

We are in the midst of the greatest financial crisis the world has ever seen. Foreign financiers, the foreign press, and foreign diplomats have sought to drive this country off the gold standard the production of the greatest standard than the sound discontinuous country of the gold standard than the standard than the

diplomats have sought to drive this country off the gold standard and undermine and discredit our monetary values, but thanks to the watchfulness and the wisdom of our President the gold stand-

ard has been maintained and our national credit unimpaired.

The President has averted national ruin and disaster, he has checked the depression, and is leading us back on the road to recovery. At this very moment Herbert Hoover is the greatest asset of our Republic.

In this hour of distress and unemployment is the man in the shop, on the farm, or in the street willing to exchange experience in national and international affairs for experimentation? Let us rather stand steadfast and hold on to what has been done to protect our home owners, to safeguard our credit and industry, and not turn back after having found the highway to economic recovery. The great danger in this crisis is inexperience in national affairs and can not be too strongly stressed. Fellow in national affairs and can not be too strongly stressed. Fellow delegates, carry back home this message to your people and to all American wage earners and ask them who is the best fitted through experience and political training to administer the affairs of the Government and whose election would benefit their own interest and the public welfare most, and the answer will be: Hold on to Hoover

No President except Lincoln has been so beset with trials and difficulties as has Herbert Hoover. For nearly three years he has had to contend with the greatest economic crisis that the world has ever known, and he has devoted his great ability and untiring energy to meeting the situation and solving the problems on a sound and constructive basis. He has remained at his post of duty day in and day out, without rest and without complaint. He has met every issue squarely and courageously, and his only motive, thought, and wish has been to serve his country best and act for the welfare of all the American people.

and act for the welfare of all the American people.

It is no time, in the midst of our national emergency to swap horses in midstream, particularly when the storm is abating and return to prosperity is in sight. The American people will not throw their pilot overboard as the ship of state is entering into the harbor of safety, national well-being, and peace.

Like Washington, Jefferson, Lincoln, and Theodore Roosevelt, he has been reviled and traduced by ambitious and disgruntled men and political partisans, but their shafts have fallen harmless. Herbert Hoover stands to-day as the greatest living American and the greatest humanitarian of our age. And he will be reelected to finish the work of reconstruction and recovery, because the American people have faith in his experience, ability, and sound courageous leadership.

REPUBLICAN PARTY

Ours is the only national party of service, of constructive legis lation, of sound money, of a protective tariff, and of practical economy and wise statesmanship; whereas the Democratic Party has been forced to abandon every position taken on the great issues in past campaigns. The whole warp and whoop of the Democratic campaign this year has been deception, demagogy, and depression, and without any definite program to help solve our ent difficulties.

There rests upon all Republicans in this presidential year a solemn duty, particularly in our State, to dedicate a portion of his or her time, talent, and energy to upholding Republican principles and electing Republican candidates. I have an abiding faith in the Republican Party and in the judgment and clear thinking of the American people in such a national emergency. They may be temporarily led astray by false and radical leaders, but will always return to true principles and belief in party re-

sponsibility.

Let us give thanks on this two hundredth anniversary of the birth of George Washington that we are American citizens and belong to the party that has kept faith with Lincoln. Let us rededicate ourselves to the proposition that a government of the people, by the people, and for the people shall not perish from this earth, because it is the fairest, soundest, most honorable and best government devised by the mind of man, and history proves that the common welfare is best served and the country is safest in the hands of the Republican Party.

LINCOLN AND THE PROBLEM OF 1933

Mr. KELLY of Pennsylvania. Mr. Speaker, I am printing herewith an address delivered by myself before the Principals' Club of Pittsburgh on February 11, 1933. It is as follows:

Mr. Chairman and friends, on February 11, 1861, just 72 years ago to-day, Abraham Lincoln bade farewell to his friends in Springfield, Ill., and began his journey to Washington, where he was to assume the duties of the Presidency in a time of gathering storm.

Seventy-two years before that day George Washington was pre-paring to enter upon the mighty task of bringing order out of chaos and building a united nation under a new and untried constitution.

constitution.

Let me suggest to you that the problem faced by Washington and Lincoln is fundamentally the same as that which America faces to-night. In that critical time before the United States Government was established under the Constitution the danger was disunion. Americans had lost the common purpose which inspired them through the war for independence. They were divided and antagonistic. Many leaders in the different States protested against the formation of a central government embodying the will of all the people of all the States.

They believed that a part could prosper to a greater degree than the whole. The great task of Washington was to cure divisions and lead Americans to cooperate for common ends.

In February, 1861, the danger was political disunion, due to the honestly held but mistaken idea that slavery was such a profitable system that secession was justified in order to preserve it.

serve it.

It was a tragic mistake. Slavery was not profitable, save to a very few owners of great plantations. Even those favored few would have been bankrupted in a few years by the superior efficiency of free labor. They were blind men who brought disaster in Lincoln's time.

Now, in February, 1933, the danger is economic disunion, due to the honestly held but mistaken idea that an unrestrained com-petitive system is so profitable that the evils of a nation-racking depression must be endured in order to preserve it.

That also is a tragic mistake. Jungle competition is not profitable save to a very few victors in the conflict. Even those favored few stand in peril of losing all their winnings by the breakdown of the system itself. If disaster comes, these greedy, blind ones will be responsible.

of the system itself. If disaster comes, these greedy, blind ones will be responsible.

It was a critical time 72 years ago when Lincoln was passing through many cities, including Pittsburgh. Several States had seceded from the Union. Plans were under way for the organization of the Confederate States of America. President Buchanan in the White House was helplessly watching the approach of disaster. A lame-duck Congress was drifting aimlessly, unable to formulate an effective program. Fear and uncertainty weighed down the hearts of Americans.

Study of the brief speeches made by Lincoln on that momentous journey and of the inaugural address of March 4 is a valuable patriotic exercise to-day. I have gone over them in order to find the purpose and the spirit of this greatest American as he faced his mighty problem.

mighty problem.

In those messages are to be found the dynamic ideals and purposes which sustained Lincoln during the next four years. With malice toward none, with tenderness and yet with firmness, he pointed out to his fellow countrymen the true pathway which must be followed, whether in sunshine or in storm.

First. He knew the problem and faced it clearly. The Union must be preserved, no matter what action was needed.

Second. He had an open mind as to methods, willing to meet new conditions with new remedies.

new conditions with new remedies.

Third. His mind was bold. He did not fear to act when ruin was the certain result of drifting.

Fourth. His heart was friendly. He sought to put the golden

rule into action.

Fifth. He had faith in the people, in the Republic, and in God. To-night a new generation of Americans faces the problem of an industrial breakdown, which has resulted in the enforced idle-ness of 12,000,000 competent and willing workers. From unem-ployment has sprung human misery, unbearable strains, bankruptcles, want, and woe. Our economic house, divided against itself, has been threatening to split apart. Our greatest task now is to restore it and thus establish an economic union which will provide the means whereby those who live within it may have food, clothing, shelter, and such comforts as our resources permit. That must be the goal to-day, and it must be seen as clearly and pursued as devotedly as did Lincoln in his day. We must

establish this economic union or witness the destruction of the political union for which Lincoln strove.

What causes this unemployment which is to-day's root evil?

If you ask professional economists that question you may get any 1 of 40 answers. Let me be rash enough to answer it in one word—the word which wrung the heart of Lincoln—disunion.

Two things comprise our economic system—the production of goods on one side and their just distribution on the other. They are so disunited, so out of balance, that we have starvation in the midst of surpluses.

No one denies that America can produce enough to furnish every family in the land with food, clothing, shelter, and manifold comforts. We have great resources, mighty machines, tremendous man power, and a billion horsepower in addition. By the means now in existence we can produce more food than we can eat, build more houses than we can use, and make more clothing than we can wear.

can wear.

This ability to produce is not enough, as the present depression proves. The spectacle of 30,000,000 Americans forced to exist on charity while warehouses burst with supplies is tragic testimony that production is worse than useless without distribution. Trace that situation back and you will find the forces of disunion at work. For many years free and unrestricted competition in production was the very bone and sinew of American industrial philosophy. It was almost universally believed that when men pursued their own gain exclusively, they unconsciously but certainly served the public good.

The tracic thing is that when our entire economic and indus-

The tragic thing is that when our entire economic and industrial world was transformed there was scarcely any change in American thinking and in business conduct. We conquered the ontinent until every foot was in somebody's possession, yet the old frontier ideas remained. We built factories and dug mines and cultivated farms until great surplus supplies brought disaster, but still the old copy-book maxims from the time of scarcity retained their power. The bulls and bears of Wall Street, the predatory financiers, the cutthroat competitors, all followed the slogans of stark individualism in a new day which demanded control and concernitum. Our antitrust laws passed in 1800 to control and cooperation. Our antitrust laws, passed in 1890 to meet conditions in the era of scarcity, were made effective in the era of abundance. The change in conditions was so great that the individuals, corporations, and groups that acted solely for their own gain, instead of advancing the public welfare destroyed that welfare.

The President's committee on recent social trends, which reported last month, stated the situation by declaring that social invention has not kept pace with mechanical invention. These students of conditions sent forth a thrilling call for the preservation of the Union when they declared that the United States must be a "single society based upon the common welfare as the goal of common effort."

One social invention needed now is a governor on our industrial and economic system. If we can devise an effective method of control of industrial competition, production, and investment, we can emerge from the swamp and the perilous peaks of boom times will be cut down and the gulf of depression will be filled in. We are in the deepest gulf we have ever known. It is a national emergency, more serious than war. I propose that Congress recognize the fact and proclaim the existence of the emergency and the necessity for control of every basic industry affected with a public interest.

a public interest.

A national emergency advisory council should be appointed

A national emergency advisory council should be appointed representing the various industrial, social, and labor interests. This council should develop the general program for the coordination of the basic industries of the country.

There should be a national emergency stabilization board which should classify the industries affected with a public interest in this emergency. These industries should be empowered to establish trade boards, which would cooperate in balancing production and consumption through the establishment of price and production schedules tion schedules.

The stabilization board should issue licenses to business enterprises in the industries affected. There should be a deliberate purpose to see that every willing worker has a chance to work at fair wages determined by collective bargaining.

This license power would stabilize industry, for without it the factory or mine would not be able to ship goods nor would it be able to secure credit through Government agencies.

The trade boards within the industry would establish price and production schedules. They would form associations and market-

The trade boards within the industry would establish price and production schedules. They would form associations and marketing pools for joint action without regard to anti-trust laws. The United States stabilization board would act as an umpire and have veto power but there would be a vast field of action left to the industry itself. Agriculture would be included in this plan. Let the farmers organize to control production exactly the same as other producers. They would make production balance with the requirements and establish a fair price for their products, under the cooperation of this Government. No price-fixing scheme will help without control of production in the wheat industry any more than in the bituminous-coal industry. Transportation must be controlled as one system. Trucks and

Wheat industry any more than in the bituminous-coal industry. Transportation must be controlled as one system. Trucks and busses compete unfairly with the railroads and this has helped to bring about our situation.

I do not forget that technocracy professes to be able to prevent these perilous ups and more perilous downs. They would abolish the entire price system, which means capitalism, and drive out the politicians so that engineers may take complete control.

Howard Scott, chief technocrat, says, "Politicians are things of the past."

That announcement has a persuasive appeal. seems to be no one so poor as to do reverence to the politician. The average person is like Hamlet gazing on the skull and remarking "This might be the pate of a politician, one who would circumvent God."

Perhaps it would not be inappropriate to-night if I called to mind that Abraham Lincoln was a politician. His lifelong interest was in politics. Not a closet student of the science of government was this man we honor and revere, but a candidate for many political offices, asking the votes of his fellow citizens.

The technocrats have rendered a real service by their survey of industry and their emphasis on the rapidity with which machine production has been proceeding. But they must remember that when they come to set down their remedy in legislation they are politicians. They distinctly disavow violence and revolution by force of arms. Then they must go into politics in order to abolish the price system and establish their energy-payment basis. They must surely be in politics with their class dictatorship of scientists and engineers.

I agree that this automobile of capitalism, which has carried

I agree that this automobile of capitalism, which has carried us so far, is missing fire and jerking and threatens to stall. I do not believe that we must therefore scrap the car. The trouble is in the carburetor. There is an unbalanced mixture of the air and gas or, in other words, production and purchasing power. If the proper balance can be made by adjustment, the car will give admirable service for a long time.

Present conditions are not warrant for destroying our economic system. They are unanswerable argument for the instal-lation of a proper control upon a system out of control. We are not going to be satisfied with the production of 1929 as a permanent standard. America needs new communities, new roads, new trades, better homes and ships, shorter hours of labor, more leisure, and more comfort. Stabilization of production does not mean less production but ever-increasing output.

mean less production but ever-increasing output.

I maintain that if business enterprises are a part of an organized industry, in which the industry and Government cooperate as to production and price, they will find an abundance of credit. If we can bring order out of chaos in production by sound stabilization, the currency and credit problem, to a large degree, will solve itself. Until that action is taken manipulation of the currency will bring only temporary relief for the currency will not continue to circulate.

There will be many difficulties in organizing the economic system and putting it under control. Lincoln had no map or chart of the future in 1861 but he reached his goal.

If Lincoln was right when he said, "This country with its institutions belongs to the people who inhabit it," then the time is ripe to take control of industry and make it serve the people.

America is going to undertake that mighty task. We are going to establish an economic union by voluntary agreement as far as

to establish an economic union by voluntary agreement as far as it is possible and by compulsion where necessary. In every community there is a majority for social teamwork as against savage individualism. The great mass of Americans earnestly desire an intelligent cooperation instead of the anarchy of cutthroat competition. They want a government which truly represents the common welfare common welfa

It is true that there has not been a united public opinion. That is the reason for the bewilderment in Congress. Congresssional action has been feeble and halfway when drastic remedies were needed for the disease.

Effective action will come when public opinion crystallizes into a clear purpose out of present conflicting ideas and cross purposes. We were in the same confused condition of mind in 1916. The common mind was developed when Americans realized they were at war.

We are at war now with a greater enemy than the Imperial German Government. Once Americans realize that fact you will see them pulling together to save the old Union and establish it on greater foundations.

The Committee on Recent Social Trends with great insight de-clared that we need social inventions to balance mechanical inventions. That is the new ideal which I hope is meant by the slogan so often used by the man who will be President on

If President-elect Roosevelt will urge the social inventions

which will make our economic system a better agency for the public happiness he will have no more loyal support than mine.

I will even venture to suggest the social inventions I believe would bring a more perfect union in this crisis:

1. A governor on the industrial system through an emergency stabilizing board which would license business enterprises under just regulations.

2. A pump which would draw up from the Communications.

2. A pump which would draw up from the Government reservoir of credit funds for the adequate relief of hungry American citizens.

3. A brake to prevent foreclosures on homes and farms until the establishment of fair prices makes possible the payment of such indebtedness.

4. An accelerator for purchasing power, increasing the sum of wages paid out so that consumption may be financed on an equal

wages paid out so that consumption may be financed on an equal basis with production.

5. A lubricating device to assure the flow of credit only to those machines needed for the public good. Only the wheels which will help prosperity should be permitted to turn.

6. A balance for the United States Government in which only actual expenses would be considered, as a charge against taxes, omitting funds for public works, loans, investments, and public-

debt retirement. These capital investments would be paid from the sale of bonds to be retired when business is restored. These are the social inventions I would recommend. They are

not blue prints. They are all in existence waiting to be applied. They would end the present anarchy due to an economic system out of control.

But after all, laying down the exact specifications of the needed devices is not the most vital thing. The answers to to-day's questions are not set down as in the arithmetic books we used to study.

They must be worked out by hard work and original public thinking. Lincoln was everlastingly right. The only way to fight evil and to promote good effectively is through enlightened public opinion, clearly, freely, and continuously expressed. His efforts were to interest the American people in their own welfare and to inspire them to righteous action as the sovereign power which can control constitutions, Congress, and courts. That power, I confidently believe, will compel the installation of those social inventions which this new age demands.

If Lincoln were here to-night he would say to fear-ridden, dismayed citizens as he said to his fellow countrymen who were in the same state of mind in 1861:

"Recognize your problem and think it through. Prevent dis-union by a union of hearts and hands as you take control of the industrial machine. Keep an open mind unfettered by old prejudices and bigotries. Be bold to act in the light of shiftprejudices and bigotries. Be bold to act in the light of shifting needs. Keep faith in your fellow citizens and give them power to rule. Keep faith in your Republic as the best form of Government to advance the public good. Keep faith in the God who desires the happiness of His people, and who will help them to work out that purpose to its appointed end. Thus you may restore the Union and bring a better and more general prosperity than America has ever known. Thus you may make life in America secure, agreeable, and beautiful."

Every real American, remembering the animating ideals of that heroic savior of the Union in the sixtles, should echo the old song with which his followers greeted him: "We are coming, Father Abraham, 125,000,000 strong."

HISTORY OF GEORGE WASHINGTON'S FAREWELL ADDRESS

Mr. BLOOM. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following radio address delivered by myself over the National Broadcasting Co. network February 22, 1933:

On this day, the two hundred and first anniversary of the birth of George Washington, we are reminded again of the heritage which was left to us in the greatest of all his writings, his Ferrewell Address to the American received. Farewell Address to the American people.

To-day, in a world rocking under economic disturbances that threaten our very civilization, to-day with nations in bitter and jealous contentions that seriously menace the liberties of mankind, we should turn again to that calm, noble philosophy of human relationship embodied in George Washington's immortal learner to his people. legacy to his people.

Out of the wealth of his experience and judgment, from the rich endowments of his character, George Washington laid down for the Americans of all time, precepts of government and policies that are as safe a guide to-day as when they were written 137 years ago.

Had we, as Americans, held steadfast to that address and all it means, we would have avoided many of the pitfalls into which we have fallen since George Washington quit the stage of public life at the end of his second term as President in 1797.

The vision, the patriotism, the greatness of George Washington found expression in this Farewell Address, which is beyond all question the greatest human document in our history as a Nation, next to the Declaration of Independence and the Constitution. And yet, how little do we know of that address. When it is re-

next to the Declaration of Independence and the Constitution. And yet, how little do we know of that address. When it is referred to at all, it is usually misquoted, especially in regard to international relationship. But the Farewell Address lives on because it has within itself the essence of immortality.

George Washington looked far beyond his time. To him was unfolded the history of his country. He seemed to vision the trials, the temptations, the weaknesses of his people, and he tried in the only way possible to him, to lay down for us a system of precepts that would continue his influence down the vista of the years. the years.

Let us consider the background and the origin of this great document. So many misrepresentations have been made con-cerning it that it is necessary to understand the historic setting from which this masterpiece was evolved.

I am of the opinion, based upon a study of George Washington's I am of the opinion, based upon a study of George Washington's life, that he firmly contemplated retiring from the Presidency at the end of his first term, and that he did much in the preparation of his Farewell Address at that time. The first written reference to this intention can be found in Jefferson's notes. He recorded in February, 1792, that Washington spoke to him about retiring. The general grounds for this decision were that he felt unqualified, because of advancing years, to sustain the increasing public burdens that were pressing upon him, and that he longed to retire to his beloved home at Mount Vernon.

No doubt in my onlyion the last reason was the stronger.

No doubt, in my opinion, the last reason was the strongest. He always looked forward to the day when he could live in peace at his beautiful estate on the Potomac and devote his remaining years to his family, his friends, his land, and his home.

As the final months of his first term drew near, he began to plan his Farewell Address and asked Madison for assistance in drawing it up. But conditions in the country were such in 1792 that Washington felt he could not retire without violating his sense of duty. Grave problems confronted him which he felt he could not in

Grave problems confronted him which he felt he could not in justice leave to a successor.

Partisan biographers of James Madison have claimed for him the credit for Washington's Farewell Address. Partisan biographers of Thomas Jefferson and Alexander Hamilton have done likewise, but such conclusions are unfair. These three men assisted, no doubt, just as other Presidents have been assisted in preparing state papers. But the George Washington Farewell Address was primarily his own. All of the contributions of his advisors were assimilated and molded into George Washington's own method of thought and literary composition. The basic ideas, the wisdom, and the flavor of the Farewell Address were distinctly George Washington's. Washington's.

Many people are of the impression that Washington delivered his Farewell Address verbally. This is not so. The historic document is dated September 16, 1796, and was first published in the Daily Advertiser, of Philadelphia, edited by David C. Claypoole. Before the year was over it was reprinted in every State of the Union. Since then several hundred editions of the Farewell Address have been printed, many of these in countries abroad. The story of the document is a fascinating one and is worthy of recountal. recountal

recountal.

The original copy was presented by Washington to David Claypoole, in whose paper the document was first printed.

In 1825 the Pennsylvania Historical Society offered to purchase the document, but the proud owner refused to part with it.

In 1850 the document came on the market. Claypoole was dead, and the laws of Pennsylvania required that it be placed on auction. There was no alternative. The Philadelphia papers announced the auction for February 12, 1850.

It was at this time that certain patriotic Members of Congress wished the Government to buy the document. In the midst of

wished the Government to buy the document. In the midst of the great controversy which led to the compromise of 1850, Senator Henry Clay, on January 24, 1850, introduced a general resolution authorizing the Joint Committee on the Library to purchase the document if it could be bought on "just and fair terms."

Strangely enough, this resolution stirred animosities in the Congress of considerable violence. There were two distinct schools of

gress of considerable violence. There were two distinct schools of thought, based not so much, perhaps, upon the mere purchase of the document, but going deeper, and reflecting the ancient schools of divided political opinion. For there were still partisans who loved Washington devotedly, and some, we must regret to state, who did not

In making a plea in favor of his resolution Henry Clay rose to heights of oratory and patriotism. He said in part. I quote:

"What is to become of that precious document? Is it to be sold, to be perhaps transferred out of the country?

* * Who is there that would not find refreshment and delight behind the is there that would not find refreshment and delight behind the Farewell Address of Washington to the people of this country?

* * In tracing that advice to beware of sectional divisions, to beware of demagogues, to beware of the consequences of the indulgence of a spirit of disunion—who is there in reading those lines of truly paternal advice that will not in imagination transport himself back to the period when they were transmitted to paper by Washington, and think of the emotions, the paternal and patriotic emotions, of that precious moment which must have animated his breast?"

Heated debate flashed back and forth in the Senate as to the

Heated debate flashed back and forth in the Senate as to the advisability of spending the peoples' money for the document and involving finally the constitutionality of such a purchase. In the fury of debate the questions of slavery and secession were injected

into the arguments.

into the arguments.

Daniel Webster sided with Henry Clay. Jefferson Davis objected to the purchase, saying: "I am of opinion that no benefit can result to the country or to the people generally from the owning of these sheets of manuscript. * * * It will merely gratify that feeling * * * which endears everything pertaining to the beloved or venerated dead. But are we, the representatives of the people, in making appropriations from the Treasury, to be governed by feeling, and to draw money out of the Public Treasury to gratify our sentiment? Certainly not. * * * But what is there so sacred in the manuscript of this address? It is known to have been the joint production of Washington and one, at least, of his Cabinet—not the emanation of his mind alone. I feel no such respect as has been expressed for it and can not perceive how this manuscript is to effect such happy and can not perceive how this manuscript is to effect such happy

The resolution passed the Senate and came to the House on January 29. It will be remembered that the auction was to take place on February 12. Andrew Johnson, later President, characterized the proposal as an attempt to rob the Treasury. The

resolution finally passed and was signed by the President on February 12, the day the manuscript was to be sold in Philadelphia.

The sale took place before the Government, because of its delay, could even make a bid. It was sold to James Lenox, of New York, for \$2,300, and for the sake of a few dollars the United York, for \$2,300, and for the sake of a few dollars the United States lost the opportunity to possess one of the three greatest state papers ever written. The manuscript became part of the library of James Lenox, which later became part of the Public Library of New York City, where the manuscript remains to this day, a treasure which money can not purchase.

Washington's Farewell Address to the people of the United States can be analyzed as consisting of two main sections. The

first is the definite refusal, and reasons for the refusal, to serve a third term as President, along with an acknowledgment of Washington's debt of gratitude to the country for the honors conferred upon him and the confidence with which the people had supported him.

The second and more important part of the address presented

The second and more important part of the address presented Washington's thoughts upon the Government of the United States as a legacy of advice for the future.

Orators usually credit Washington in his Farewell Address with the words, "Entanging alliances with none." That phrase does not appear in the Farewell Address. It appears in Jefferson's inaugural address of March 4, 1801.

But the thought was not new. The idea did appear in Washington's Farewell Address. What Washington said, in speaking of foreign governments was, I quote, "In extending a commercial relation to have with them as little political connection as possible." And Washington also said in this farewell, I quote, "It is our true policy to steer clear of permanent alliances with any portion of the foreign world."

In this document George Washington lays down the rules of

is our true policy to steer clear of permanent alliances with any portion of the foreign world."

In this document George Washington lays down the rules of national conduct. It is the document in which political philosophy parallels the Constitution. And like the Constitution, the more the people disregard it the more they will find themselves involved in political difficulties.

In this address George Washington rises to the heights of political sagacity. He is more than the soldier, more than the statesman; he is the supreme councilor of a people with tender regard for their welfare, but essaying in every line of his utterance a firm determination that his country shall not suffer through weakness and through the temptations and blandishments of international relationship.

He is concerned only for the Americans of his day and of future days. He seems to have known the human heart better than anyone of his time or since.

If we had no other rule for our political guidance, the Farewell Address would be sufficient. And I urge all who hear my voice to-day to read this immortal document again in the light of present world conditions; in the light, also, of conditions here in our beloved homeland, that we may retrace our steps to the firm path which Washington pointed out to us.

in our beloved homeland, that we may retrace our steps to the firm path which Washington pointed out to us.

I urge that we, as Americans, may think American; that we may be American; and that we may realize that our first duty is to our country and our people. Also, that if we bring safety to our own, we are bringing hope to the world.

As Washington instituted a new system of political thought in a world of strife, of contention, and of bitterness, so to-day Washington still points the way. And as there came a new birth of freedom to the world resulting from the establishment of human liberty and democracy in the Government which George Washington helped to found, so to-day there must come a rededication to those simple, honest, and sound policies which he left us in his Farewell Address.

KEEPING FAITH WITH CUBA

Mr. FISH. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following article by me published in the Hearst newspapers, March of Events section:

ARTICLE BY HON. HAMILTON FISH, JR., OF NEW YORK, PRINTED IN THE HEARST NEWSPAPERS, MARCH OF EVENTS SECTION

On January 12, 1933, I introduced a concurrent resolution (H. Con. Res. 45) in the House of Representatives "That it is the sense of the Congress that the President of the United States exert his influence and extend to the Government and the people of the Republic of Cuba the good offices of this Government and its aid in bringing about a mutual understanding and amity among the various political factions, based on the restoration of the civil rights of the Cuban people and the establishment of a government in Cuba, adequate for the protection of the lives. government in Cuba, adequate for the protection of the lives, property, and individual liberty as guaranteed by the Platt amendment."

amendment."

Some of the New York newspapers jumped to the conclusion that I was advocating armed intervention, but such is not the case. I do not believe it necessary or advisable at the present time to send any American soldiers to Cuba. I am convinced that a firm policy adhered to by our State Department in accordance with the terms of the Platt amendment, a few forceful words from our ambassador, or, if necessary, a note from the President would be sufficient to restore the civil rights and liberties of the Cuban people.

of the Cuban people.

I am prepared to substantiate the following charges against the existing Machado régime to the fullest extent by qualified witnesses before the Committee on Foreign Affairs of the House

of Representatives or any unbiased tribunal:

1. That the Republic of Cuba has been governed during the past few years by an autocratic military dictatorship, based on terror, force, and violence.

2. That the liberties of the Cuban people guaranteed by the

United States through the Platt amendment have been suppressed

and all but destroyed.

3. That a large part of Cuba has been under martial law for various lengths of time, the University of Habana padlocked, and schools closed.

4. That freedom of speech, freedom of the press and of assem-

bly, and the right of habeas corpus have been suppressed or have virtually ceased to exist.

5. That numerous political opponents of the Machado dictator-ship have been deported or forced to flee for their lives, and many

others have been imprisoned.

6. That innumerable murders of political opponents, members of congress, editors of newspapers, and men prominent in the legal profession and all walks of life have occurred at either the legal profession and all walks of life have occurred at either the legal profession and all walks of life have occurred at either the legal profession and all walks of life have occurred at either the legal profession and all walks of life have occurred at either the legal profession and all walks of life have occurred by the complexity of the contribution of the co instigation of the existing Government or through its connivance.

7. That a serious situation has developed in Cuba because of the feeling of political desperation that has grown up against the despotic acts of the Government among liberty-loving Cubans, whose independence was won through the combined efforts of Cubans and Americans at great sacrifice of lives and expenditure of money

I want to emphasize that I have no axe to grind, that I own no Cuban securities of any kind, and am opposed to armed intervention or to annexation of Cuba.

vention or to annexation of Cuba.

I am only interested in presenting the facts to the American people as I have found them after an investigation of several months, through the study of documents, and talks with well-informed American business men, Army officers, reporters, and public officials, as well as with Cubans of all walks of life who have been forced to flee for their lives.

I have no other purpose than the desire to place the appalling plight of the Cuban people, deprived of life, liberty, and the pursuit of happiness, before the bar of American public opinion without fear or favor, and free from sentiment or emotion.

The contest in Cuba is as old as the contest for human rights. On one side stand justice and freedom, on the other injustice and

On one side stand justice and freedom, on the other injustice and tyranny.

The story of misrule, injustice, bloodshed, and autocratic mili-

tary dictatorship in Cuba is not new.

Nor is the story of the sympathetic interest of the American people for the suffering Cubans, often in rebellion against Spanish brutalities, new in our history. In 1848 our Government made an offer to Spain to purchase Cuba for \$100,000,000, but it was summarily rejected.

The long and devastating Cuban rebellion of 1868-1878 took place during the Grant administration and involved us in many

serious difficulties.

serious difficulties.

My grandfather, Hamilton Fish, in 1870, as Secretary of State, was compelled, in spite of congressional efforts to the contrary, to decline to recognize the belligerency of the insurgents on the ground that "they have no army, no courts, do not occupy a single town or hamlet, to say nothing of a seaport, carrying on a purely guerrilla warfare," etc.

However, on October 31, 1873, the Virginius, an American steamer carrying contraband, was seized by a Spanish warship and taken into Santiago. Within a week 53 of the passengers and crew, including 8 Americans, were court-martialed and executed.

Popular excitement ran high in the United States and for a time we were on the verge of war with Spain. An enormous mass meeting was held in New York City, presided over by William M. Evarts, and telegrams were read from the Vice President, Henry Wilson, Wendell Phillips, and Henry Ward Beecher urging intervention to free Cuba.

free Cuba.

After considerable negotiation, the Virginius and her survivors were delivered up to our Government and reparations paid to the families of those Americans who had been executed.

families of those Americans who had been executed.

In 1875 my grandfather, at President Grant's instigation, proposed a joint intervention of the powers in Cuba to end the barbarous civil war, which led Spain to make concessions which the Cubans accepted. From that time until the outbreak of the final Cuban rebellion in 1895 there was a period of semitranquillity. Then came American intervention.

What was it that drove the United States to war with Spain in 1898? Not the sinking of the Maine.

The real cause of war was the resentment and anger of the American people at the dreadful conditions in Cuba of slaughter, starvation, and misery. Cuba was being devastated. "It was not war," said Theodore Roosevelt, "but murderous oppression and unspeakable horror."

We entered the war to drive out the brutal military Govern-

We entered the war to drive out the brutal military Government of Spain and to free the Cubans. Under the "Teller amendment" we were pledged to help the Cubans to erect an

independent nation

Our troops fought bravely around Santiago and soon bottled up the Spanish Army, which surrendered after a few hard-fought battles. In the first fight at Las Guasimas my cousin, Hamilton Fish, II, a sergeant in the Roosevelt Rough Riders, was the first American soldier to be killed in the war.

No war was ever entered upon from more humane and idealistic

purposes. After we had succeeded in compelling the Spaniards to withdraw from Cuba, we turned our efforts to cleaning up

to withdraw from Cuba, we turned our enerts to cleaning up the cities.

Gen. Leonard Wood, one of our greatest administrators, brought order out of chaos in a few years and, in 1902, turned the government over to the Cubans.

The Platt amendment, written by Senator Orville H. Platt, of Connecticut, was adopted by the Congress of the United States on March 2, 1901, and incorporated the same year as a part of the organic law of Cuba, and is the cornerstone upon which our Cuban policy is based.

Cuban policy is based.

It provides that the Cuban Republic should never enter into any compact with a foreign power that would impair her independence; that she would contract no excessive debt; that the acts of the United States in Cuba during and after the war be validated; that the Cuban Government should carry out certain

plans for sanitation of the island; that certain lands necessary for coaling or naval stations be leased to the United States; and "that the Cuban Government consents that the United States may exercise the right to intervene for the preservation of Cuban may exercise the right to intervene for the preservation of Cuban independence and to maintain a government capable of protecting life, property, and individual liberty, and for discharging the obligations with respect to Cuba imposed by the treaty of peace on the United States, now to be assumed and undertaken by the Government of Cuba."

On the election of Thomas Estrada Palma as President, Cuba became a free and independent nation.

The administration of President Palma encountered political disturbances in 1906 when it ignored the constitutional provision regarding the independence of the judiciary and packed the courts for electoral purposes. Whereupon the Liberals, despairing of redress, started an insurrection.

President Palma made repeated appeals to our Government to

President Palma made repeated appeals to our Government to intervene under the terms of the Platt amendment. Mediators were sent, but nothing was accomplished.

Finally, President Palma resigned, and President Roosevelt was compelled to proclaim a provisional government in August, 1906, and to maintain it without display of military force until an election could be held. tion could be held.

tion could be held.

This intervention, which lasted until January 29, 1909, showed that the Platt amendment was not a dead letter and that it carried certain obligations which we were bound to fulfill in order to maintain a government adequate to protect life, property, and individual liberty for the Cuban people.

Ten years later Maj. Gen. Enoch Crowder, United States Army, was sent to Cuba by President Wilson, to help straighten out the electoral laws, and a few years later he instituted a number of judicial and financial reforms under the administration of President Alfred Zayas.

Gen. Gerardo Machado was elected President of Cuba in 1924, and through political manipulation had the constitution changed to permit himself to be reelected for a 6-year term in 1928. But what is a constitution to an ambitious and determined dictator such as Machado?

However, the Cuban people who had fought for their liberties were

However, the Cuban people who had fought for their liberties were not ready to be deprived of their constitutional rights without a protest, and thus the present political struggle developed in Cuba, largely led by the intellectual and more enlightened class of Cubans, who aspired to self-government and hated tyranny.

This brings us to the present situation, under a military dictatorship headed by Machado that has ruthlessly stamped out the civil liberties of the people and substituted a government of terror, based on force and violence.

This Government oppression of the Cubans by a military autoc-cracy can not be otherwise than mortifying and humiliating to free American citizens. It becomes worse as you try to dig to the bottom of the disgraceful repression of popular Government.

bottom of the disgraceful repression of popular Government.

If Cuba were a far-distant nation and there was no Platt amendment or no obligation upon the part of the United States to maintain a government in Cuba, adequate for preserving the rights and liberties of the people, I would remain silent.

I do not deny that Cuba is an independent nation, but I submit that the United States did not go to war with Spain at the cost of American lives and expenditure of large sums of money merely to drive out a brutal Spanish military dictatorship to have it replaced by an equally despotic Cuban military dictatorship that has even closed the University of Habana, which for 200 years under Spanish rule was always kept open.

Even if there were no Platt amendment, we would have a moral

Even if there were no Platt amendment, we would have a moral obligation to use our friendly office to preserve the freedom and liberty we gave the Cuban people. But in addition there is a definite commitment under the Platt amendment which is inescapable and, as former Secretary Elihu Root said, was entered into

for the benefit of the Cuban people. Either the Platt amendment means what it says or it ought to be repealed.

The Machado dictatorship runs true to form with every other dictatorship of the right or the left. It is the old story that violence begets violence and that all usurpation of the liberties of the people is built on armed force.

Having once started to extinguish the flames of liberty, a military dictatorship must progress step by step to the destruction of all accepted rights and liberties of the people, and that has been the history of the Machado régime.

There may have been originally some excuse for the use of armed force and violence against the communists and racketeers, but unfortunately it has gotten out of hand and is now being used against the students, professional and business men, and political opponents.

It was soon discovered by some officials that it was easier to liquidate political enemies by the sawed-off shotgun route than to attempt to answer political arguments or to defend the subversion of civil liberties.

The part played by some big New York banks and utility com-panies in support of the Machado dictatorship does not make pleasant reading for liberty-loving Americans. It is characteristic of the American dollar diplomacy at its worst—anything to protect property investments, regardless of human rights and the liberties of the Cuban people.

It is generally understood in Cuba that some utility companies and some other big interests seeking special favors or contracts from the Machado régime lend their important influence and con-

tribute money for election purposes to maintain the status quo

and a friendly dictatorship.

The American Government has been exceedingly patient in not remonstrating against the suppression of the liberties of the Cuban people. We have a moral, political, and treaty obligation to protest the continuation of the existing conditions, which clearly amount to repudiation of the protection of life, property, and individual liberty guaranteed by our Government to the Cuban people.

We have no right to continue any longer blind to a deplorable situation at our very doorsteps which we are pledged by congressional action to prevent.

Military censorship in Cuba is so strict that it forbids any mention of police activities, assassinations, arrest of political prisoners, or political disturbances.

Strict censorship on Cuban news makes it exceedingly difficult, not only for the American public but for the Cuban as well, to learn the truth concerning the exact situation. I estimate that 2,000 Cubans have been exiled or forced to flee from their country for political reasons and approximately the same number, or more,

have been imprisoned.

The number of political assassinations, killings, and sudden disappearances is generally placed at about 1,000 persons, many of whom were young students and professional men of the highest

standing.

One high police official was indicted by the supreme court at Santiago charged with having committed 44 political assassinations in 90 days but through the protection of the dictatorship

was never brought to trial.

was never brought to trial.

Is there any wonder that the firebrands among the opposition have retaliated and have murdered a few of Machado's associates, including the president of the senate, Vasquez Bello, and several police officials? Where can such tactics on both sides lead but to more violence, murders, and terrorization?

The opposition, having no political rights or protection, has been forced to adopt violent methods in retaliation and has formed a

forced to adopt violent methods in retaliation and has formed a secret society, called the A B C, which is bound to lead to continual bloodshed and reprisals. The lot of the Cuban people seeking restoration of their stolen liberties is tragic to contemplate.

The Habana American News of January 7, 1933, since in difficulty with the censors, reported that the young student, Antonio Alvarez Hernandez, for whom Ambassador Guggenheim interceded unofficially, was killed. In spite of Ambassador Guggenheim's unofficial plea for the boy, and assurance that he would be accorded a fair trial, he was shot to death in a reported attempt to escape under the well known ley de fuga.

The same newspaper says the too frequent application of the ley de fuga, following the application of the third degree, compared to which it is said the tortures of the Inquisition were insignificant, tends to create the impression in the minds of the public that these attempts to escape were inspired, to say the least.

that these attempts to escape were inspired to say the least.

On December 20, 1932, Juan Gonzalez Rubiera, a 17-year-old student, according to New York newspapers, was killed by the police. His body was found with 11 bullet wounds and covered with stab wounds.

The morning edition of El Pais, independent newspaper, was suppressed for carrying a picture of the body of Rubiera. The mother of young Rubiera appealed to the American embassy. "There I was told that the United States would not interfere with Cuban affairs," she said.

The Spanish Government has demanded an investigation and wasterness of the policement for the death of Mariana Government.

punishment of the policemen for the death of Mariano Gonzalez Gutierrez, a 23-year-old Spanish student, killed on January 15. Gutierrez was killed, the police say, in resisting arrest, but an inquiry by the embassy brought out the evidence that the youth was arrested, taken to secret police headquarters, and killed after three house of questioning. three hours of questioning.

The details of brutal murders, such as the killing of Gonzalo Freyre de Andrade, a member of Congress, and a distinguished lawyer who dared to defend political prisoners, and his two brothers, both professional men, in their own home, and the mutilation and murder of the two Perez boys, both young students, and the assassination of another member of Congress and eminent lawyer, Miguel Angel Aguiar, are well known to all interested in Cuban affairs.

What is not realized by the American public is that a verificable

What is not realized by the American public is that a veritable reign of terror exists in Cuba, that Habana is still under martial law, and that any critic or political opponent, be he rich or poor, intellectual, student, professional or business man or worker, is a political pawn to be exiled, imprisoned, or shot in accordance with the whim of a military régime and by the "Porra," a secret hand of spies and gupmen band of spies and gunmen.

The fratricidal war being waged in Cuba is ruinous to that county. The entire political and economic stability of Cuba is in

What a travesty on our war to free Cuba! Is it not time for the United States to offer to mediate and to insist on a restoration of

the civil rights and liberties of the Cuban people?

Anything less, in view of the tragic circumstances, would not be keeping faith with our moral and treaty obligations under the Platt amendment.

RIGHT OF STATES TO BRING SUIT FOR REFUND OF TAXES ILLEGALLY COLLECTED IN 1866, 1867, 1868

Mr. Speaker, under leave to extend my remarks, I desire to make some observations with respect to the views expressed in the minority report on House Joint

Resolution 276, reported by the Judiciary Committee of the House March 1, 1933.

The resolution provides that any State shall have the right to bring suit in the Supreme Court of the United States for the purpose of determining whether the revenue act of July 13, 1866, was constitutional when it levied and provided for the collection of taxes on certain raw materials. If the law is found to be unconstitutional, the resolution contemplates further action in the Supreme Court for the purpose of having such taxes refunded to the States for distribution. It is the contention of the proponents of the measure that the tax levied and collected was unconstitutional in that it was a direct tax in violation of Article I, section 2, of the Constitution, which provides that all direct taxes shall be apportioned among the States according to population.

The opponents of the measure object to that provision which limits the defense to the constitutionality of the law. I wish to say, in the first place, that this is the only question involved in the first action, because if the Supreme Court finds that the law is constitutional, this would obviate further proceedings. In the second place, it does not prevent the court from setting up the defense of previous payment as claimed in the minority report, because, if it is decided that any taxes should be refunded, the court is given authority in the last paragraph of the resolution to determine the "amounts of taxes collected in the respective States." If the court should find that payment had been made, it would certainly have the right to take this into consideration in fixing the amount referred to. The opinion, therefore, expressed in the minority report in this respect is quite misleading.

Another objection is that the provisions of the resolution are unreasonable, and Congress must cease this liberality in dealing with old and ancient claims. The question involved here is not one of liberality or generosity on the part of the Government or Congress; it is purely a question of law, a question involving constitutional law. The people are asking that their rights be determined by legal process. and they are not appealing to the liberality or generosity of Congress or the Government.

The reports objects further on the ground that the tax was levied on manufactured goods which resulted in the collection of more than one-half billion dollars, saying that the tax was generally added to the sale price by the manufacturer and passed on to the consumer, and it would, therefore, be impossible to refund the tax to the consumer if the taxes were refunded to the manufacturer. If the gentlemen who signed the minority report had read the hearings carefully, they would have observed that I requested the committee to eliminate by amendment "manufactured goods" from the resolution and endeavored to show that, in my opinion, where such a tax was levied and could be passed on to the consumer for payment it would not be a direct tax in violation of the Constitution. The report, therefore, is again in error as to the purpose of the resolution and misleading as to the facts upon which the conclusion was based. The question of whether the Government desires to refund a tax found to be collected in violation of the Constitution is a matter not to be decided by this resolution; that is a matter to be determined by the Congress only in case it is found that the tax was illegally collected. The primary purpose here is to determine whether it was legal or illegal. found to be illegal, then the question will arise as to whether Congress will provide for a refund of the taxes.

The minority report raises a number of questions entirely foreign to the resolution; it even inserts the testimony of the Assistant Secretary of the Treasury before the Ways and Means Committee in January, 1929, on an entirely different resolution. There they were trying to provide refunds to the individual taxpayers, and evidence was submitted showing how difficult this would be. It is admitted that it would be practically impossible to refund the taxes to the individuals who paid the taxes, but as the right of these individuals still exists, if the revenue law referred to was unconstitutional, and if the rights of the individuals

have escheated to the States, as contemplated in this resolution, then the States will have the right to recover and use the funds for the benefit of every individual in such State. That is the purpose of this resolution and the hearings will show it. But the minority report goes wholly out of the record to secure evidence to support its objections, a practice not often followed or resorted to by men with as much legal ability conceded to the members of the Judiciary Committee signing the report.

The evidence shows that 45 out of the 48 States are interested in this resolution and will be entitled to refunds in case the court finds that the taxes were illegally levied and collected.

I desire to quote part of the statement I made at the hearings before the Judiciary Committee last year.

By the act of June 30, 1864 (13 Stat. 308), a tax of 2 cents per pound was imposed on raw cotton; and by the act of July 13, 1866, (14 Stat. 98), this rate was amended to read 3 cents per pound, the act providing:

"That on and after the 1st day of August, 1866, in lieu of the taxes on unmanufactured cotton, as provided in 'An act, 'approved June 30, 1864, as amended by the act of March 3, 1865, there shall be paid by the producer, owner, or holder, upon all cotton produced within the United States, and upon which no tax has been levied, paid, or collected, a tax of 3 cents per pound, ""." cents per pound,

Our contention is that this was a direct tax and therefore unconstitutional, for the reason that it was not apportioned among the several States according to population, as provided in Article I, section 2, of the Constitution.

Mr. CHRISTOPHERSON. Was this tax levied upon any other com-

modity than cotton? Mr. Hare. Yes.

Mr. Hare. Yes.
Mr. Christopherson. What other commodities?
Mr. Hare. Among other things, it was levied on sugar, if I recall correctly, tobacco, calfskins, goatskins, and so forth.
Mr. Christopherson. By the same methods, which also raise that same question in the case of sugar?
Mr. Hare. Yes. I want to make it clear at the beginning, that it is not the purpose of this resolution to confine the actions of the States to recover the tax on cotton alone but other commodities coming within the same class, provided it is held to be a direct tax as contemplated by the Constitution.
Mr. Christopherson. The reason I ask is, of course, if we pass his resolution, we would have to pass similar resolutions as to all other commodities, in fairness.
Mr. Hare. No; all other commodities are covered by this resolu-

Mr. HARE. No; all other commodities are covered by this resolu-tion. The resolution provides that any of the States may have the right to come into court to determine whether or not taxes levied and collected under the revenue act of 1866 amounted to a direct tax and therefore unconstitutional.

Mr. Christopherson. Has this proposal been before Congress on

Mr. Christopherson. Has this proposal been before Congress on any other occasion heretofore?

Mr. Hare. It has been before Congress in various ways since 1872, at more or less frequent intervals.

Mr. Christopherson. On a similar proposal as this, or has it been in the form of claims presented?

Mr. Hare. It has been, as a rule, in the form of claims.

Mr. Christopherson. And the Claims Committee, I suppose, rejected them?

jected them?

Mr. Hare. Yes.
Mr. Christopherson. Have you any information as to how much would be involved in the settlement of all these claims?
Mr. Hare. It is my understanding that approximately \$200,000,000 were collected from the various States under the different revenue acts referred to. The total amount collected on cotton alone was approximately \$64,679,000.
Mr. Dominick. As I understand, this bill does not refer only to cotton?

cotton?

Mr. HARE. No.

Mr. Hare. No.
Mr. Dominick. It refers to other direct taxes?
Mr. Hare. Yes; as I have just explained.
The Treasury Department has no record showing in detail the individuals from whom these direct taxes were collected. The records as to the amount collected for each State is a compilation of figures in the annual report of the Commissioner of Internal Revenue, showing the total amount collected from the different States for the various years. In other words, the amounts collected on the various articles are definite in that the figures are furnished by the Treasury Department.

This resolution presupposes that legislation has been enacted or will be enacted in the various States which in effect would provide that the right or interest of any individual who could not show the amount of taxes paid would escheat to the State. For instance, if a State should bring an action in the Supreme Court or a district court and the court would find that that law was unconstitutional, and then judgment should be obtained for the

unconstitutional, and then judgment should be obtained for the amount collected from that State, the individual taxpayers of the State would have the right to file their claims with the State for adjudication, and if sufficient proof could be shown the claim

would be recognized, approved, and paid. But in case the claim could not be substantiated by sufficient proof, the rights and interests of such individuals would escheat to the State and the State could then dispose of the funds as its legislators should see

Mr. Sparks. Mr. Hare, if I may make an inquiry at this point: It is your contention that the several States would have the right to sue for the individual taxpayers who paid those taxes?

Mr. Hare. The State would take the position that is was suing for all of the taxpayers in the State collectively.

Mr. Sparks. For the purpose of avoiding a multiplicity of suits?

Mr. Hare. That is correct. I hope to get to that point a little

later. I might say that for many years this tax was thought to be constitutional, in that it was held to be a tax on personal property, stitutional, in that it was held to be a tax on personal property, the original idea being that direct taxes as contemplated in the Constitution applied only to taxes on land. This was the position taken, as I understand, when the matter was heard in 1873. However, in later years, in the case of Pollock v. The Farmers' Loan & Trust Co. (158 U. S. 601), in the opinion rendered by Chief Justice Fuller, he said:

"The Constitution does not say that no direct tax shall be laid by apportionment on any other property than land; on the contrary, it forbids all unapportioned direct taxes, and we know of no warrant for excepting personal property from the exercise of the power."

He stated further in the same opinion, in summing up his conclusion:

"We are of opinion that taxes on personal property or on the income of personal property are likewise direct taxes."

You will remember that this opinion was rendered after Congress passed the original income tax law. As already suggested, authority could be given individual claimants to bring action to recover the taxes sought to be reached, but the same thing can be accomplished under the proposed legislation and avoid a multiplicity of suits. At the same time, it will be much easier and less expensive for claimants to file their claims in their respective. States than to file them with the Federal Government.

expensive for claimants to file their claims in their respective. States than to file them with the Federal Government.

We take the position, however, that the State has a right to bring the suit, in that it has the right to protect its citizens from illegal tax assessments. I think this principle was enunciated and decided by the Supreme Court of the United States in the case of Hamilton et al. v. Brown et al. (161 U. S. 256).

This is not an unprecedented action on the part of Congress for similar action was taken by an act of Congress in 1912 when authority was granted individuals to bring suit to recover taxes assessed and collected under the revenue act of June 13, 1898.

The question as to whether or not the tax referred to was a direct.

The question as to whether or not the tax referred to was a direct tax or an excise tax is the crux of the whole situation, and that is the matter to be decided by the Supreme Court. My understanding of the difference between a direct tax and an excise tax is that a direct tax is one levied and imposed upon the property simply because of its ownership, whereas an excise tax would be a tax upon the earnings, income, or revenues arising out of such property.

Referring particularly to cotton, the tax was not levied on the value of the cotton at all. It was not said that there shall be 1 per cent or 2 per cent or any other per cent of the value of cotton to be paid at the time it was being processed, but it said that 1 cent, 2 cents, and even 3 cents shall be paid, per pound, on cotton in the hands of the owner, showing conclusively that the tax was to be paid by a particular person. That is, ownership was a condition precedent to the collection of this tax, and I think it can be shown that ownership in this particular case had reference to the producer, or to the grower, as we have already indicated.

Mr. Christopherson, How was this tax collected and paid? It

Mr. CHRISTOPHERSON. How was this tax collected and paid? It was not at the time of sale. Did they go around and check up at different times and see how much cotton each man had? How was it handled?

Mr. Hare. No; the man was required, as I understand it, to pay the tax on his cotton just as he paid the tax on his livestock, or on his land, or on any other property, except he paid the taxes on his livestock, and so forth, to his State government, whereas he paid the tax on his cotton to the Federal Government.

paid the tax on his cotton to the Federal Government.

I might illustrate my idea of the difference between a direct and an indirect tax in this way: If I were a producer or a grower of cotton and a tax, we will say, of 3 cents per pound is levied by the Federal Government, that would be a direct tax. But if I were a manufacturer of cotton and a tax of so much per pound or so much on the value of the cotton were levied, then it would be an excise tax. Or, if the law had provided for a tax of 2 per cent on the value of the cotton at the time of sale, that would probably be an excise tax, but in this case the tax was so much per pound in the hands of the producer, and therefore a direct tax.

Mr. DOMINICK, How do you draw that distinction Mr. Harr?

Mr. Dominick. How do you draw that distinction, Mr. Hare?

Mr. Dominick. How do you draw that distinction, Mr. Hare?
Mr. Hare. The distinction is that a direct tax can not be passed on to the consumer, but must be paid by the producer, whereas the excise tax is one which may be passed on to the consumer. The direct tax becomes, in this illustration, a definite and certain tax to be paid by the individual producer or grower.

Justice Brown, in the case of Pollock v. Farmers' Loan & Trust Co. (39 L. E. 787; 157 U. S. 491), in making a distinction between direct and indirect taxes, said:

"Direct taxes are paid by the taxpayer, both immediately and ultimately; while indirect taxes are paid immediately by the taxpayer and ultimately by some one else."

Mr. Dominick. You are not drawing a distinction, then, on the basis that the tax was so much on some certain unit or a percentage of the price? There is no difference there so far as the principle of taxation is concerned, is there?

principle of taxation is concerned, is there?

Mr. Hare. Yes; if I understand you correctly, there is a difference. If it were based upon the value of the commodity, there would be this difference: It would be variable and would come in that class of what the courts have said to be, as I understand it, an excise tax. But when it is definite, certain, and unchangeable, as was the case in this instance, it is a direct tax. It is direct on the theory that at some time or other a direct tax may be confiscatory. For instance, there have been times when cotton would not be worth 3 cents a pound, which was the amount of the tax in one of the revenue acts referred to at the outset. I have known certain grades of cotton to bring less than 3 cents per pound on certain grades of cotton to bring less than 3 cents per pound on

Mr. Sparks. In other words, a direct tax is a certain tax upon

certain personal property regardless of its valuation?

Mr. Hare. Yes; that is one distinction. It is the distinction I am trying to make. But it goes farther and stipulates the person who

shall pay the tax.

Mr. Dominick. Let us take a suppositious case. You would consider, for instance, a tax on gasoline of so much per gallon as a

sider, for instance, a tax on gasoline of so much per gallon as a direct tax for that reason?

Mr. Hare. No; I do not think I would. If it were levied at the well, to be paid by the producer, that would be a different matter. You see, gasoline is a manufactured or a refined product. It has been processed. Whereas we are contending that direct taxes are on raw materials, unprocessed materials, in the hands of the original producer. If a tax were levied at the well at so much per barrel on the raw material before it is processed, to be paid before it leaves the hands of the producer or owner, I think that would be a direct tax.

Mr. Christopherson. In other words, the proposed tax on gasoline is a sales tax?

Ine is a sales tax?

Mr. Hare. Yes; as compared with the tax on a raw material.

Mr. Dominick. What I can not get clear in my own mind is why
there should be a difference in the element of the tax, as to
whether or not it is so much per unit or whether it is based upon
a percentage of the value of the product.

Mr. Sparks. As I understood you a while ago, a tax upon certain
personal property, regardless of its valuation, might equal the entire value of the property itself?

Mr. Hare. Yes.

Mr. HARE. Yes.

Mr. Hare. Yes.
Mr. Dominick. You could come to the same result by levying a tax at a percentage of the value of the commodity?
Mr. Hare. Of course, we are making a further distinction in this, that the tax applies directly to the producer or the grower and when you get back to naming the individual, that is in violation of that part of the Constitution which says direct taxes shall not be levied except according to population.
Mr. Dominick. I understand that; but how are we going to get by with some of the taxes that we have levied and are proposing to levy to-day?
Mr. Hare. If we are levying any taxes that would come within this interpretation of a direct tax, I think it will be unconstitutional.

Mr. Dominick. That is the thought in my mind.
Mr. Hare. I think a direct tax is still clearly unconstitutional.
Of course, it is not my purpose to argue at length or go into any great detail here as to the constitutionality of the law. That is a matter to be presented to the courts. However, I would like to make this further observation. I assume there can be no doubt but what a tax on land would be considered a direct tax and held to be unconstitutional. And, under our more modern construction or interpretation of the Constitution, there seems to be no question but what Congress has the right to levy and collect a tax on incomes arising from the sale of products of the soil, but it has not been settled whether it has the right to tax the crop or products themselves. It is our contention that a tax on farm crops, in place of a tax on the income from the sale of such crops, is a direct tax and, therefore, unconstitutional. This is particularly true of the tax in question, because at the time the law was enacted and the tax collected the grower or producer, the law was enacted and the tax collected the grower or producer, in most cases, manufactured and consumed in his own household much of the cotton produced on his own farm. Therefore, to hold that such a law was constitutional would be equivalent to saying that Congress has the right to tax an article made and consumed by the individual. Upon such an interpretation Congress would have the right to levy and collect a tax on the pork, wheat, fruits, and vegetables grown and consumed by every farmer in the country which, I am sure, would be a principle or policy of government that would shock the conscience and good judgment of every American citizen.

I might go a little farther and suggest that the law referred to is in effect a tax on land and I invite your attention to section 30

of the act of July 13, 1866, which provided:

"That in any case where goods, chattels, or effects sufficient to satisfy the taxes imposed by law upon any person liable to pay the same shall not be found by the collector or deputy collector whose duty it may be to collect the same, he is hereby authorized whose duty it may be to collect the same, he is hereby authorized to collect the same by seizure and sale of real estate; and the officer making such seizure and sale shall give notice to the person whose estate is proposed to be sold, by giving him in hand, or leaving at his last or usual place of abode, if he has any such within the collection district where said estate is situated, a notice, in writing, stating what particular estate is proposed to be sold, describing the same with reasonable certainty, and the time when and place where said officer proposes to sell the same; which time shall not be less than 20 nor more than 40 days from the time

of giving said notice.

appears from this provision that in case the collector was unable to find the cotton grown by the producer, and the tax on same had not been paid, he would have the right to seize, give notice to the grower, and sell the land on which the cotton was grown, or any other land the producer may own or have in his possession.

One objection made in a hearing similar to this a few years ago was to the effect that the taxpayer himself, if he has a claim, should have the right to bring his own actions, and not the State. Of course, they assume that the taxpayers who paid this tax are practically all dead. That is true. However, there has been no laches on the part of the people who may have had this right, because they have been coming to Congress in various ways, as I said, since 1872. I can possibly best illustrate the point I am endeavoring to make in this connection by making a personal reference. My father was a farmer who paid this tax. I can recall when he exhibited receipts for taxes he paid on his cotton. Of course, it would be impossible for me, his children, or any of his heirs to establish a claim at this time, because the receipts are lost or destroyed. Yet the claim exists, and the right to recover still exists, provided the law levying the taxes was unconstitutional, and some

stroyed. Yet the claim exists, and the right to recover still exists, provided the law levying the taxes was unconstitutional, and some one should be permitted to come in and exercise that right.

Mr. Christopherson. Let me ask you a question along that line. Suppose this bill were passed and your State and other States brought their actions, judgment was recovered, and the money collected. Where would it go? I assume that many of those who paid the tax are gone. It would go to the States, would it not?

Mr. Hare. Yes. Let me follow my illustration just a little further. If this resolution were passed, and the Supreme Court should find the law unconstitutional, South Carolina could recover judgment for the amount collected from the taxpayers within the

should find the law unconstitutional, South Carolina could recover judgment for the amount collected from the taxpayers within the State. Then if I and the other heirs of my father are unable to establish a bona fide claim to the amount of taxes he paid, his right, or our interest in the claim, would escheat to the State of South Carolina and the money would be distributed as the State legislature sees fit.

Mr. Sparks. If this resolution should pass, of course, the claims would have to be established under the regular laws having to do with the admissibility of evidence?

with the admissibility of evidence?

Mr. HARE. Certainly.

Mr. Christopherson. I presume the Government has a record of what moneys they collected from each State?

Mr. Hare. It has a record showing what was collected from each

State, but not from each individual.

Mr. Christophenson. So that under this bill the only question that would be presented in court would be whether or not the tax as illegal?

Mr. Hare. That is right.
Mr. Christopherson. And if it were decided it was illegal, then the books of the Government would be taken as controlling in the matter of the amount involved?

Mr. Hare. Or if the courts should hold that the tax was legally levied and collected under the Constitution, that would end the entire controversy.

Mr. CHRISTOPHERSON. You think about \$200,000,000 are involved all told?

Mr. Hare. That is my understanding.
Mr. Christopherson. Has a check been made on the books of the

Mr. CHRISTOPHERSON. Has a check been made on the books of the Government?

Mr. Hare. I think that information was presented in a hearing before the Ways and Means Committee a few years ago. Mr. Smith, who was an attorney representing a number of States in connection with this matter, probably has more definite information along that line, and I will ask the committee to hear him a little later. little later.

Mr. Christopherson. In what form was this matter before the

Ways and Means Committee? Mr. Hare. This bill?

Mr. CHRISTOPHERSON. Yes.

Mr. Hare. It was similar in many respects. Mr. Christopherson. How long ago was that?

Mr. Christopherson. How long ago was that?
Mr. Hare. Three years ago.
Mr. Dominick. The bill, I believe, was introduced by Mr. Vestal, of Indiana, who died just recently?
Mr. Hare. Yes; he was very much interested in the matter, and he and I went into the case at length a few days prior to his death. I might say in the original resolution it provided that certain taxes on manufactured goods should be considered as direct taxes. I suggest that if the committee gives favorable consideration to this resolution that particular provision should be eliminated, and the preamble then will read:

"Whereas the United States under various acts of Congress

"Whereas the United States under various acts of Congress levied a direct tax against raw material and collected it from many citizens, partnerships, and corporations in various States during the fiscal years ending June 30, 1866, 1867, and 1868: * * *."

In other words, Mr. Chairman, I think it would be entirely proper to eliminate on line 2, paragraph 2, page 1, the following words:

"All kinds of manufactured goods and."

The resolution would then apply to direct taxes against raw material only.

The question of whether a State has any right to intervene or interfere in behalf of those who paid the taxes has been raised

heretofore. It seems to me that the State is as much entitled to protect its citizens from illegal tax collections as it has to protect them in other matters. I think if the Federal Government, by legislation or otherwise, should by affirmative action initiate any undertaking that would have the effect of endangering the health of the citizens of a State, the State would certainly have the right to intervene. Or if the Federal Government should by some great engineering project seriously interfere with the water supply of a large number of citizens the State would have the right to intervene and protect the rights of its citizens. Therefore, if the law levying a tax on raw cotton or unmanufactured cotton or other commodity was illegal and unconstitutional, it was a trespass upon the rights of the citizens of the State and there seems to be no doubt but what the State would again have the right to interfere in behalf of the interests of such citizens.

To illustrate further: Suppose this Congress, in its effort to balance the Budget, should pass a law requiring the owners of all real estate to pay a tax of 50 cents per acre. There can be no doubt but what this would be considered a direct tax in violation of the Constitution, and the State by appropriate action would have the right to intercede in behalf of its citizens.

Then, as we have said, if, by a corresponding act, Congress should levy a tax on the product of an individual produced in its raw state, it is considered a direct tax, and the State would also have the right to intervene, my contention being that if the law under which the taxes were levied and collected is unconstitutional the funds actually would be held in trust by the United States and the Government would be a trustee for the taxpayer. Then, if the right of the taxpayer has escheated to the State, the funds would be held in trust for the States, and any State should then have the right to bring suit and recover. On the other hand, if the right of the individuals who paid the tax should not escheat to the State until the law is found to be unconstitutional and it is impossible for the Government to completely carry out its trust to such individuals then, under a well-established principle of law known as the doctrine of Cypres, the trust should be carried out as near as possible, in which case the State would be the logical agency to institute proceedings, for the trust funds under these conditions would certainly be held in trust for the State.

To repeat: If the law under which the taxes were collected is unconstitutional, the funds would be held in trust by the Federal Government for the taxpayer. Then, if the taxpayer can not be found and the taxes can not be returned to the proper person, the State, having the right to protect the interest of its citizens, would certainly have the right to intervene and act in their behalf. In other words, if the Federal Government has money collected from individuals it is not entitled to under the Constitution and the individuals can not be found or their claims supported by their legal representatives, there can be no doubt but what the State should have the right to assert its interest and substitute same for that of its citizens. The State, under such circumstances, would assume the same position in behalf of its citizens with respect to their rights against the Federal Government as the Federal Government would take with respect to their rights against a foreign government.

DEFLATION OR INFLATION

Mr. AMLIE. Mr. Speaker, for the immediate present, I feel that 90 per cent of the real issue is as to whether the new administration proposes to lead us out of the economic crisis in which we find ourselves by means of a deflationary course, carried to its logical conclusion, or whether we shall do an about-face and embark upon a policy of inflation.

Because of this feeling on my part, I make to the Seventythird Congress my "Ave Cæsar, morituri te salutant."

While the situation has been markedly changed by financial developments that have taken place during inaugural week, I feel that an analysis of the basic economic problem has been very well stated in the introductory paragraph in a discussion of this subject to be found in the Chase Economic Bulletin, of the Chase National Bank, for June 12, 1931. It reads as follows:

Public opinion regarding economic matters is badly confused to-day through the conflict of two opposing sets of ideas regarding the causes of the depression and the remedies for it. One school of thought, to which I adhere, finds the difficulty in a disturbance in economic equilibrium, and would expect things to right themselves again and business to go on actively and satisfactory when balance is once more restored. The other school of thought finds the causes of the depression in deficiencies of purchasing power, and would seek to find the remedies by artificial increases of purchasing power in one way or another.

While I do not agree with the conclusion reached by the author, I very fully agree with him in the analysis that he has made, namely, that under capitalism it is possible to work our way out of the economic crisis in which we find ourselves by proceeding in one of two possible directions, and that the confusion of thinking on this subject on the part

of people is due to the fact that they have no conception of the basic economic situation. In the consideration of this problem it would be well if we could keep the following picture in mind:

Total national wealth, 1929, \$365,000,000,000.

Equities: Total indebtedness public and private, \$203,000,000,000, owned by bondholders, mortgagees, and banks who have no direct voice in management.

In 1929 the total wealth of the United States was approximately \$365,000,000,000. We had a total national indebtedness at that time, public and private, of \$203,000,000,000 made up substantially, as follows:

Corporations	\$76,000,000,000
Urban mortgages	37, 000, 000, 000
Bank loans	35, 000, 000, 000
Government:	
State, county, local	21, 000, 000, 000
National	18, 000, 000, 000
Farm mortgages	9,000,000,000
Miscellaneous	7, 000, 000, 000

With this picture of the United States in the heyday of its prosperity it will be well to remember the following: The thing that makes a capitalist economic society move is the expectation on the part of the business man that he will be able to earn a profit. It is characteristic of the business man that he is at all times willing to take a chance on losing dollars where at the best he could only expect to make nickels or dimes should his venture succeed. It is this very optimism and tendency to be a bull in the market at all times that gives to our capitalist system its vitality and also its charm, during boom periods.

The classical school of economic thought is in the main built around the central figure of the business man, the entrepreneur, with the law of supply and demand guiding the use of the instruments with which he works—land, labor,

and capital.

But in discussing the activities of the business man as depicted by the swing of the business cycle, it is well to remember that this cycle operates only within the field of equities. That is to say, the business cycle moves in the main between the top line of \$365,000,000,000 and the top line of business indebtedness in the sum of \$203,000,000,000. It must be kept in mind that the \$203,000,000,000 represents money owed to investors who merely have a first lien on the country and its productive machinery to the extent indicated. They take no part in the management of business. This function is left to the business man, who operates primarily in the field of equities.

But during a period of great contraction the position of the business man becomes extremely uncomfortable. The line of indebtedness remains fixed, while the line of gross values moves rapidly down under the general force of economic contraction.

Since the present depression began, it would perhaps be altogether safe to say that the top line representing the total wealth of the Nation has been moving down at a rate of about \$40,000,000,000 a year. At the present time the total wealth of the country is probably very close to the line of total debt. The field within which the business man moves has become greatly restricted. In fact with the equities which can be readily translated into credit almost wiped out, the business man has become greatly restricted. He can not move. This is of vital significance when we bear in mind that the business man is the nerve center of the profit system.

Before we can have an upturn in business conditions it is necessary that conditions be made as favorable for the earning of profits as possible, and second that the position of the business man be made such that he will be able to take advantage of these opportunities. That is to say that the business man be given room in which to work between the line of total gross value and the line representing fixed obligations or debt.

This can be done in one of two ways. In the first place by letting deflation run its course until all the factors that enter into production reach a point of equilibrium somewhere near the bottom. This means not only reducing wages and

commodity prices but also reducing the fixed load of capitalization. This involves the necessity of writing down fixed obligations until they are in line with the reductions that have taken place in the field of wages and commodity prices.

This is necessarily the painful part of the process in so far as the possessors of capital are concerned. It involves the reorganization of companies and a scaling down of the burden of debt either through bankruptcy or through adjustments between debtors and creditors. It involves moving down the line of national debt now in the neighborhood of \$200,000,000,000, until it has been moved down far enough to give to the business man an equity over and above this line of debt.

Instead of recognizing that this is a logical, inevitable, and a necessary part of the process of deflation, the owners of this great body of indebtedness have rushed to the Federal Government and secured the creation of the Reconstruction Finance Corporation in order to save themselves. In other words, they favor deflation at the expense of wages and commodity prices, and hope to escape the consequences of a deflationary policy in so far as they themselves are concerned. They are unable to see that this hope is not only impossible but utterly fatuous in that it merely delays the day of reckoning and adds further consequences to the price which they must pay.

On the other hand, is the policy which might be termed one of business expansion or inflation. The proponents of this plan also realize that before there can be a business recovery room must be made for the business man within the system. This, however, they hope to accomplish by expanding business and credit and thereby raising the line of total values to a point where the business man and his margin of equities will be protected.

To achieve this end the proponents of this policy would favor having the Government do that which must be done in order to maintain purchasing power and charging the cost back to the possessors of wealth and income, principally by a policy of increased inheritance and income taxes as a continuous governmental policy. Such a plan would depend primarily upon an extensive public-works program as a means of keeping the unemployed at work.

But a great deal of water has gone over the dam.

(a) During the first two years of the depression I believe that the situation might have been saved and the status quo maintained had we embarked upon a public-works program large enough to create artificially the purchasing power needed to consume the normal products of industry.

(b) During the next year I believe that much could have been accomplished had we embarked upon a large publicworks program, but obviously it would have required an expenditure of at least twice as much as would have been needed during the first two years. Ultimately we perhaps should have been forced to resort to currency inflation, but only after the Government had been made the beneficiary of the fruits of an extensive public-works program. Much misery and loss of human values could also have been avoided—a consideration which should have been of first importance in a civilized country, but is wholly ignored by banker government.

(c) We have now entered upon the third stage of the deflation, where there is no alternative but to resort to currency inflation, with all of its attendant evils.

In connection with the lost opportunities of the first two years of depression, it may not be amiss to hold a short postmortem. It will be remembered that Mr. H. C. Hoover, in the Mining Magazine, London, in May, 1912, justified as economically sound the exploitation of investors by promoters, on the theory that it was better for the promoters to use the money for capital expansion rather than to leave the money to be used by the investors for the purchase of consumption goods. (Speech of Senator Blaine, Congressional Record, 72d Cong., 1st sess., vol. 75, pt. 8, pp. 9127–9129.) In this article Mr. Hoover epitomized the viewpoint of the classical economists, that is, the apologists for capitalistic exploitation.

But, as a result of his war and public services, Candidate Hoover in 1928 seemed to have had a change of heart. He stood squarely on the duty of the Government to provide employment to the workingman if industry failed or was unable to do so. Viewed from the standpoint of campaign promises and pledges in 1928, it is doubtful if we have ever elected to the Presidency of the Nation a man who has given voice to more enlightened political idealism.

After his election in the fall of 1928 he translated some of these observations into more specific recommendations. At the governors' convention held in New Orleans Governor Brewster of Maine, in the name of President elect Hoover and at his request, presented the so-called "Hoover Plan," calling for a \$3,000,000,000 bond issue to pay for public works to give employment to the jobless during periods of depression. In view of these facts, it would be wholly fair to say that Mr. Hoover was elected President standing squarely on the purchasing-power theory of economics, and in line therewith advocated a public-works program and similar devices as a means of handling periods of depression. Earlier in his political career Mr. Hoover had said:

There is no economic failure so terrible in its import as that of a country possessing a surplus of every necessity of life in which numbers willing and anxious to work are deprived of these necessities. It simply can not be if our moral and economic system is to survive.

When the depression came there is no question but that Mr. Hoover sought to maintain wages, and could he have secured the support of the financial oligarchy which controls the United States, that he would have embarked upon a large public-works program, but, unfortunately, the Republican Party was beholden to this group. It has been related by Mr. Frey, of the American Federation of Labor, that when a great New York publishing house tried to support Mr. Hoover in his policy of maintaining wages, one large bank brought pressure upon this publishing house and compelled them to change their policy and advocate an economy or deflationary program.

This is a brief summary of the tragedy of Herbert Hoover, concerning which some historian in the future will no doubt give adequate treatment.

When President Roosevelt opened his campaign for the Democratic nomination by a radio speech last spring, he dismissed the idea of a public-works program as a cure and intimated that he considered its proponents guilty of shallow thinking. His inaugural address indicates that he favors a large public-works program as a means of giving employment. Such are the exigencies of politics.

THE CENTRAL PROBLEM

It has been the basic tenet of my political philosophy that our economic system is approaching the end of an epoch. Moreover, I believe that the present collapse of the economic order was inevitable, for the reason that American industry and enterprise has been built to a plan which calls for constantly widening horizons in which to expand. Unfortunately, however, for the system, there are natural limitations along this line. Since the disappearance of our frontier about 35 years ago, our economic system has been enabled to operate as the result of a set of largely fortuitous circumstances and also as a result of artificially created purchasing power over and above the purchasing power derived from wages, rent, interest, and profits. This fact is well illustrated by the \$25,000,000,000 of additional purchasing power created as a result of our participation in the World War, and also as a further result of the sale of foreign securities to American investors, which may aggregate \$15,000,000,000. Since the disappearance of the frontier, therefore, it seems to me that our economic system has been enabled to operate only through the creation of \$3,000,000,000 a year or more of artificially created purchasing power, or, in lieu thereof, on an expansion of credit based upon paper. The trouble, however, with this plan comes in the fact that the situation must be rectified through periodical confiscation through deflation. As capitalism becomes more advanced the swing of the business cycle becomes constantly

greater and greater, and the misery engendered by the process tends to reach the breaking point.

It is not only my belief that we should have resorted to a large public-works program in the fall of 1929 but that we have reached a point in our economic development wherein the system can be made to operate only by large expenditures for public works year by year as a permanent policy. We must prevent oversaving, overinvestment, and overexpansion of productive capacity by taxing away such portions of our income with heavy income and inheritance taxes. It is either a matter of doing this or having this wealth destroyed by the swing of the business cycle.

In the advocacy of a public-works program I want to make it clear that I do not believe that such public works should be in the nature of self-liquidating projects, but quite the contrary. Such public works should be for roads, public buildings, recreation centers, parks, and the like, which would yield only a social income.

It seems to me that a continuous public-works program policy is the only means by which our economic order can be stabilized. This statement is not based upon hard and fast logic, but rather upon an observation of the workings of our economic system.

I can see a great many reasons why this tends to be true, but I confess that I am not able to state to my own satisfaction why our economic system must necessarily work in the way that it does. Basically, I believe the reason has been stated by economists such as Hobson, Marx, Proudhom, and de Sismondi. Clearly, labor can not buy back more of the products it has created than its wages will permit, nor can the profit taker consume more than his capacity will permit.

The conversion of the surplus into some form usable by the profit taker is the grand problem. As long as we had unexploited natural resources the answer was simple. Since that time he has hoped to convert this surplus into more capital goods. During periods of depression this becomes temporarily difficult. It seems to me, however, that there are other reasons at this time which are not clearly understood. Of late years it seems to me that the problem is further complicated by the fact that we are securing added efficiency in our productive machinery, not so much through the construction of new capital goods, but through the redesigning of existing capital equipment.

This problem, however, is the nub of the economic question. We shall probably know more about it as time goes on, unless, of course, events render the whole question irrelevant.

BANK MORATORIUM FORTUNATE

It is indeed fortunate that the break in our credit structure should have come before March 4. It would have been a great calamity had Roosevelt taken office and then embarked on a program designed to save the general credit situation and, incidentally, about \$43,000,000,000 of deposits in our banks. The break would have come anyway and his program, whatever it might have been, would have received the blame for the closing of all the banks, which by that time had become inevitable. In other words, had he proceeded with a large public-works program to give employment it would have been on the assumption that the people of the country had \$43,000,000,000 in bank deposits, a part of which would be available for the financing of such a program, when in fact such deposits had already been reduced to almost half by the forces of economic contraction.

As it is, President Roosevelt takes over the reins on March 4, but he will find out of his 4-horse team one horse is already quite dead, while a second horse, still on its feet, has a decided glassy stare in both eyes. The whole country knows that President Roosevelt will not drive a 4-horse team, but only a 2-horse team, with a third horse in such condition that it is doubtful whether it can be carried along. We are therefore prepared to confine our efforts at this time to the realization of more moderate hopes than would have been the case had the banking structure of the country been able to stay on its feet.

At the opening of the Seventy-second Congress, in December, 1931, I stated to my colleagues from the mid-West that the credit structure could not stand the strain of running the deflationary process to its logical conclusion. Since the middle of 1932 all casually informed people have known that the man with a thousand dollars in the bank did not in fact have a thousand dollars in the bank. He had it only if he got his thousand out first. If he were to take potluck with the other depositors he would get nearer \$500. Whereupon the grand question became: "When will the big boys go rugged individualist?'"

To one watching the proceeding from the outer darkness it became evident about the middle of February, 1933, that the movement was well under way. About that time I stated to some of my midwestern colleagues that by March 4 all banks in the country would be closed.

I have mentioned these incidents because I know Congress well enough to expect a flood of moronic statements to the effect that the banks had to close because publicity given to Reconstruction Finance Corporation loans weakened public confidence; failure to balance the Federal Budget (even though the budget of almost every individual in the land was unbalanced); failure to enact the sales tax; failure to lower the income and inheritance taxes; failure to eliminate Government departments and compensation to war veterans; failure to raise the tariffs by adjustments for depreciated foreign currencies, and so forth.

When the facts became known about the bank with-drawals that are now taking place, it will be found that it is not the small depositors but the big ones, close to the seat of power, who are withdrawing their deposits. Moreover, it will be found that some of our big men high in the affairs of state not only got theirs in gold but that they transferred this gold beyond the jurisdiction of the United States Government. This despite the fact that they are the ones who have the greatest stake in things as they are; but such is rugged individualism.

CLASSICAL DEFLATION IS SUICIDE

As stated heretofore, the tendency is for the business cycle to widen its swing as our capitalist economic system becomes more advanced. In the depression of 1921 general business activity dropped about 27 per cent below normal. At the present time general business activity has dropped approximately twice as far. The misery that has been engendered by the process has never been equaled in the United States. The 15,000,000 or so of the unemployed who are at the bottom of the social structure have been taking the brunt of the punishment. They have taken it with incredible fortitude. Even yet there is but small indication of any intention on their part to revolt. This is largely true because they are the people who are at the bottom of the social structure and they are singularly helpless.

But it seems to me that there is grave danger at this time that the ruling classes of the United States may presume upon this docility altogether too far. It seems to me that if American history teaches anything it is that the American people are not a docile, peaceful type, but on the other hand are given to extremes of violence. There is no valid reason for believing that the people at the bottom of the social structure are any different from the traditional historical American citizen. Moreover, the distress is fast spreading into a group from which leadership might well be expected to come.

Had we permitted our capital structure to crash in the very beginning, our chances of working out of this depression by means of a deflationary policy would have been greatly enhanced. As matters now stand, we have had three and a half years of acute depression. We have gone a long way toward ultimate deflation, but through the Reconstruction Finance Corporation and other devices we have delayed the deflation of the credit structure. We are just beginning on that in real earnest at this time. The process may be greatly speeded, but it seems to me that it would still be a matter of a year or two before the writing down of the capital structure could be concluded. Whether people could

stand another year or two of acute depression is a grave problem. Certainly no enlightened government would deliberately subject its citizens to such unnecessary punishment, and certainly intelligent and free men would not submit to it.

But assuming that the lid could be kept on while the process of deflation runs its natural course, the prospect for improved business thereafter does not seem particularly reassuring. The completion of the deflationary policy contemplates the bankruptcy of every individual who is so unfortunate as to owe money. This is fully recognized by the banker economists. In his testimony before the Senate Finance Committee February 22, Mr. Aldrich, president of the Chase National Bank, said:

An honest man can go bankrupt and retain his reputation. * * * Such a bankrupt can come back again and receive credit again in the future.

These gentlemen are already at work trying to sugar coat the bitter pill. But, as a matter of fact, we all know that this is not true. The great majority of business men who are forced to go through bankruptcy have their morale completely broken. A nation of bankrupt business men is not a particularly prepossessing group upon which to rebuild a broken economic structure. At the best these men will only be low-salaried clerks in the future. Confidence in business leadership will have been pretty effectually destroyed.

But, granted that we can complete the process of deflation, cancel our war debts and most of our private foreign obligations, and then arrange for the extension of further public credit in certain places, we may start the economic machine running under its own power but with reduced living standards for the masses and a permanently unemployable group.

LAISSEZ FAIRE OFFERS NOTHING BUT DEAD SEA FRUIT

But it seems to me the question is not so much whether we shall be able to reach our objective as it is what we shall have attained when we get there; that is to say, does it offer any hope of permanent improvement and a better life for the great masses of the people? It seems to me that no one who has any knowledge of our present economic situation could hold out any permanent hope.

The best proof of that is simply to analyze the corrective forces within the structure of laissez faire to determine whether they are only temporarily out of order or whether

they have permanently ceased to function.

Let us examine the main self-corrective forces upon which the adherents of a doctrine of static equilibrium depend to correct certain maladjustments within the economic structure.

In the first place, if we have a period of unemployment the classico-banker economist urges us not to worry for the reason that this situation will tend to correct itself. If men earning \$5 a day lose their jobs, they may later be reemployed at \$3 a day. At this latter figure the employer can manufacture and sell goods profitably even in a depressed market. Soon the unemployed will all be able to secure work at the lower figure. Employment will become general and soon a scarcity of labor will bring wages up again to the old level.

But in this depression the list of the unemployed grows from day to day, and after three and a half years employment seems more remote than ever.

In the second place, these same economists have been assuring us that the merchants' shelves would soon be depleted, that goods thereupon would have a scarcity value, and industry would get back to normal. But we have found in this depression that we have an almost unlimited capacity to produce goods more and more cheaply than ever before. Moreover, goods produced for immediate consumption tend to be a smaller and smaller part of the whole volume of goods produced. Durable goods and consumption goods consumed over a period of time have become a very large part of the whole output, and this depression has demonstrated our ability to get along without these goods almost indefinitely, and in the meantime we seem to be heading back to a more primitive form of economic life.

When the attention of the classical economist (banker group) is called to the relatively small part of the social product that goes to labor and the large part that goes to capital and profit it causes him but small concern. After all, if a rich man spends his income in riotous living it serves to keep the economic system operating just as well as though the same money were spent by a working man for necessities. And if the wealthy man does not consume his income, but seeks to invest it, the result is the same, anyway.

If he spends it for capital goods, it goes to labor in the process. If he puts it in the bank, it will be borrowed by some one who wishes to use it in business. Here supply and demand will regulate the process. If there is great demand for the money, then things are booming, interest rates are high, and there is nothing to worry about. If there is small demand for money, then interest will come down—theoretically to zero—until business men will find it profitable to borrow and make use of this available capital at low interest rates.

This is a beautiful theory. The only trouble with it is that it does not work out in that manner. There seems to be a fixed reluctance on the part of people to accept less than a standard rate of interest, even though the interest rate charged makes the business cycle inevitable. In this depression, with commodity prices steadily falling, the business man with good collateral has realized that he would be a fool to borrow money for business purposes while the banker has realized that he would be even a criminal if he loaned money on anything but adequate collateral. As a result the cycle of depression widens and the securities in which the banker necessarily invests his depositors' money depreciate in value until the "rugged individualists" decide that they had better get their money in gold while the getting is good.

So here we are. And what has happened to the perfect self-adjusting mechanisms of our monetary system built around the gold standard? The answer is nothing, except that the whole business has become irrelevant.

In the same way the banker-economist to-day views his concept of economics as in a state of static equilibrium. He sees the economic machinery operating at a general average speed. If it operates too fast, there are factors within the system that will tend to slow it down. If, on the other hand, it operates below normal, then there are other forces that will tend to speed it up. What goes up must come down, and what goes down must come up. The pendulum of the business cycle swings.

In 1921 it swung 27 per cent below normal. Now it has swung about twice that far below normal. Theoretically it may swing to zero, and given a long enough time, it will swing back again. But unfortunately for the classical theorist in this matter, time is of the essence. Nor can the pendulum swing below 50 per cent for long without causing an explosion that will render the whole philosophy of laissez faire utterly irrelevant.

So dense is the classical economist that, in England where depression has been a steady diet since the war, he is now learnedly discussing depression cycles. It is as though an old man had become bedridden with a number of chronic diseases. In his youth good health was the normal, but in his present condition a good bowel movement may set one day out as a red-letter day.

The philosophy of the classical economists is like any other system of philosophy. It may be compared with the scholasticism of the middle ages. If certain postulates be presumed, then every part fits with every other part, which of course it must, being a philosophic system. It is this feature that misleads its adherents. And adherents are notoriously slow in detecting the breaking down of postulates which quite incidentally renders the whole superstructure irrelevant.

Laissez faire is like an old man with a number of vital organs that have ceased to function. Blood transfusions may prolong his life, but unless there be hope of ultimate recovery, what is the use?

CURRENCY INFLATION NOT A PANACEA

When the human mind begins to lose its grip on reality and seek escape, there are three general avenues open. The man who has felt manual labor to have been his great burden usually seeks salvation for the earth in the field of perpetual motion. The man who has found life, with all of its burdens, unbearable, usually turns to the hereafter and concentrates his attention upon a short cut that shall be a sure road to God. Just at this time every Member of Congress is fully aware that the half-educated man, perplexed by a bewildering economic system, seeks to find the cure in some rearrangement in the monetary system. He first mistakes the symbol for the thing itself, completely ignores mass psychology, and finds the solution in the printing press.

But while I believe the foregoing to be a correct analysis of most of the printed matter that comes through the mail, I recognize that the situation has now gone through a fundamental change. I have always held that the difficulties in which we find ourselves are economic rather than monetary.

I still believe this.

I believe that if we are ever going to achieve economic stability it must be accomplished by means of having the state confiscate wealth and income above a fixed point as a fixed policy and convert such wealth into capital assets designed to produce social income only.

CURRENCY INFLATION NOW THE LESSER OF TWO EVILS

But despite what I have said about currency inflation and what I have always felt to be true about the merits of currency inflation as against an inflation of credit secured through a large public-works program, I now believe that we have come to a time where currency inflation is the lesser of two evils.

The classical argument made against currency inflation is the fact that this is a means of wiping out the savings of our middle-class people, whether the same be in bank deposits, bonds, mortgages, or life insurance. This is hardly true at the present time. If we were to devaluate the dollar by a third or even more, we would not be wiping out the savings of our middle-class people, for the reason that on the basis of our present gold dollar half of these savings have been wiped out anyway. We should only be recognizing that which to-day is an obvious fact, even to the casual observer.

A mere recognition at this time of the facts as they are might serve to avert the necessity of wholesale bankruptcy for everyone so unfortunate as to owe money. This would tend to help rather than hurt the creditor, for the interest of the bondholder is always best served by not having a change in management. Forced and general reorganization at this time would force values down to unprecedented low levels. In fact, there is good reason to believe that creditors generally would do much better by accepting pay in a devaluated dollar than by taking their chances with wholesale reorganization.

But it is argued that we can not devaluate the dollar because of the fact that we have about \$75,000,000,000 in long-term obligations made specifically payable in gold.

There was some force to this argument when there remained the hope that we might stay on our recent gold-standard basis. To-day we might as well recognize that wherever we have a debt payable in gold, for the payment of which property has been hypothecated, that property belongs to the creditor. The equity of the nominal owner has now been wiped out. He has nothing further to lose by devaluation of the dollar and there is the possibility that the gold-clause creditor may be deprived of his 23.22 grains of gold through the imposition by the Government of a compensatory tax on payments made in such dollars.

The constitutional objection, however, is essentially obsolete. What good is a gold clause if the farmers or home owners refuse to permit the law to take its course?

The same question applies to the obligation of governmental units.

If it can be made high treason to be possessed of the yellow metal, there should be no difficulty in preventing Shylock from taking his pound of flesh. But immediately the argument is made that the Government can not dishonor its own obligations. I realize the force of this argument. Moreover, I realize that we will not devaluate the gold dollar to compensate for the actual losses already sustained. Devaluation will come ultimately, but only after the dollar has depreciated as a result of the issuance of a large amount of paper money, presumably redeemable if and when we have redemption in gold.

At the present time we have a very influential and able school of economists who argue that it is possible to go on a managed currency basis and, through the control of the amount of paper issued and the rediscount rate, to maintain

the value of such money at any desired level.

At least it must be said for this group of economists that they have been able to foresee the present debacle. What they do overlook, however, is that the controls in the United States will be essentially political, whether left in the hands of Congress or in the hands of the Chief Executive.

If we enter upon such a policy of paper inflation, it will be for the purpose of financing a big public-works program, to relieve unemployment and distress and other equally

laudable purposes.

The amount of currency that must of necessity be issued if commodity prices are to be raised will have to be extremely large. When the break in value comes it will not be gradual but very sudden. Where the cutting of the gold content of the dollar at this time by one-third might make adequate readjustments in values for the purpose of saving our credit structure, it will perhaps be safe to say that when this process has run its course the value of the dollar will more likely be equal to 23.2% grains of pure gold to the dollar. This statement is based upon what happened in Belgium, Italy, and France, where the dollar was finally stabilized at about 20 per cent of the original value. After the value of money has dropped substantially, it is possible that this lowered currency value will be stabilized and that when devaluation comes it will be merely a legal recognition of what is already an existing and workable fact.

The result obtained in these European countries could be very quickly achieved in the United States if we were to follow the advice of the bankers, who are now endowing the telegraph companies, telling the Members of Congress that they ought to set up a 100 per cent guaranty of all

bank deposits.

This would probably double the burden of debt already carried by the Government of the United States. It would greatly reduce the value of Government bonds and the devaluation of the dollar would very quickly become a reality. But, despite what we may feel ought to be done in this matter, we must recognize that this process must go through a definite and well-recognized evolutionary process.

While this picture is not a pleasant one, it nevertheless presents what to my mind is the choice of the lesser of two necessary evils. As stated heretofore, it is futile to attempt to follow out a policy of laissez faire (deflation) to its logical conclusion—in the first place, because the probabilities are that classical deflation under present conditions would probably mean suicide. But, assuming that deflation could run its course, it would have nothing to offer except precisely what we are going through at the present time.

INFLATION OFFERS HOPE OF AN ULTIMATE GOAL

At the best, the advantages of inflation appear only as positive advantages when compared with the purely negative advantages offered by deflation. As stated heretofore, it is purely a choice between evils. We can go in only one of two directions. There is no compromise possible, except, of course, if we should become embroiled in a world war, which, unfortunately, becomes increasingly possible.

If we proceed along an inflationary course, it will first have this positive justification, that the Nation will be meeting its responsibility to its unemployed. This is an obligation that can no longer be deferred, whether viewed from the standpoint of social justice or actual survival. The administration of such relief through currency inflation will inevitably be tied up with what will at least in part be a planned national economy.

The effects of inflation will admittedly weaken the position of our middle class, but their position now is untenable anyway. For three and a half years our so-called middle class has watched with mingled horror and satisfaction the plight of those unfortunates who are at the bottom of our social structure. From now on we may look for some hope from this same middle class, for the reason that their interest and security will be dependent upon the success of a planned national economy. They ought to realize now that they can have no security in a system which compels those less fortunate to bear the brunt of these periodic readjustments through the cycle of inflation and deflation.

When the inflationary process shall have been completed it seems certain that the power of oligarchic wealth will have become greatly weakened. At this point it seems probable that the support of the middle classes will be thrown behind the maintenance of adequate wages for the working people and also for the Government ownership of all utilities, upon a capitalization that will not exploit the public.

Moreover, if the thralldom of great wealth over our middle classes could be broken, it seems probable that we might also embark upon a policy of taxation designed to make available to all men on equal terms the natural resources of the country and also to prevent those abuses which led to the present breakdown of our economic structure.

If the corporation has in fact become the state, then we must recognize the fact that the corporation must be controlled by the people. The breakdown which we are now witnessing is not comparable with any of the past periods of depression that we have gone through. If we must think in terms of analogies, it would be better to compare it with that period in European history when the feudal system was disintegrating and in the process of being replaced by capitalism. What we are witnessing to-day is nothing more or less than the disintegration of a social and economic system. The change will be brought about in an orderly way by those in a position of control, who have been trained for leadership, or else the change is going to come about as the result of the operation of forces inherent within the bottom of our social and economic structure.

HOUSE RESOLUTION 99

Mr. PALMISANO. Mr. Speaker, ladies and gentlemen of the House, on January 17, 1928, I offered a resolution (H. Res. 99) requesting an investigation of the prohibition administrator for the Maryland-District of Columbia area. The resolution was based on the following charges:

First. The prohibition administrator promoted Agent Robert H. Beall, who had been indicted by the grand jury of the State of Maryland for assaulting and beating two women.

Second. He had employed one Harry C. Wimbley, who had been convicted of the crime of robbery and sentenced to six years to the Maryland penitentiary. The said Wimbley also had pending against him an indictment for an assault with attempt to kill and an indictment for carrying a concealed weapon.

Third. That one Joseph R. Brewer, prohibition agent, was permitted to continue in the service while an indictment was pending against him for the murder of one Charles V. Gundlach, a 73-year-old farmer of Maryland.

On February 21, 1928, I called the attention of the Members of the House to the fact that the prohibition administrator for the Maryland-District of Columbia area, had succeeded in persuading the United States district attorney, Amos W. W. Woodcock, now the prohibition administrator, to have Judge William C. Coleman "gag" the owners and editors of the Baltimore newspapers. After Brewer was acquitted on the plea of self-defense, Colonel Woodcock, who had defended him, instructed the prohibition administrator to call a conference of the agents and caution them regarding the use of their firearms, using the following words:

Their job is an unpopular one, and they can not be too careful. There are few cases where shooting is necessary, and in view of the hostility toward their work they should be watched.

On March 26, 1928, I took the floor on a question of personal privilege because of an attack made upon me by G. W.

Crabbe, the superintendent of the Anti-Saloon League for the district of Maryland, who endeavored to defend the action of Joseph R. Brewer.

Now, Mr. Speaker, I want to call the attention of the Members of the House to the remarks made on Friday, February 24, 1933, by the gentleman from Texas [Mr. Blan-TON] with intent to humiliate me because years ago in my younger days, long before the prohibition amendment, I worked for a time as a bartender. This same gentleman from Texas, who has boasted many times on the floor of the House that he is a defender of the Constitution and the laws of the country, and that he is strictly a 100 per cent lawabiding Congressman, stated, when I yielded to him on March 28, 1928, "I never defend a guilty man. I defend the innocent." Notwithstanding the fact that he never defended a criminal and always defended the innocent, the gentleman from Texas has never made any inquiry to ascertain whether or not the facts were true as stated in my Resolution No. 99, introduced in the Seventieth Congress. On the contrary, every time I have taken the floor he has attempted to embarrass me and defend, without investigation, the agents and all of the allies of the Anti-Saloon League

I want to say, Mr. Speaker and Members of the House, that the charges made by me in my resolution have been proven against the various agents without any further action on my part. For instance:

Robert H. Beall has since been dismissed from the service. Harry C. Wimbley, the man who had been sentenced to the Maryland Penitentiary for six years prior to his appointment as an under-cover man, by reason of the cloak of respectability placed upon him by the Government as a prohibition agent and the defensive gestures made in his behalf by the gentleman from Texas, was able to persuade and deceive a widow into marrying him. Then this same Harry C. Wimbley took that widow and her child out in a canoe in the waters of Virginia and drowned them in order to obtain insurance. He is now, I am informed, serving a life sentence for the crime.

Joseph R. Brewer, who was charged with the murder of the 73-year-old farmer, was also defended by the gentleman from Texas, notwithstanding the fact that he had been a bootlegger, and the evidence shows that he was in the habit of receiving graft. This man is now being investigated by the United States district attorney for the district of Maryland in Baltimore for conniving with the so-called king of the bootleggers of southern Maryland.

Truly as nasty a collection of malefactors as could be gathered together, yet when, in connection with the appropriation bill, I proposed amendments legislating against the employment of criminals, the gentleman from Texas [Mr. Blanton] constantly opposed the amendments and constantly attacked me with his efforts to humiliate me because long years ago I was a bartender.

Time, and the courts, have proven that I was right when I first made my charges, in January 1928, and that same time and those same courts have proven that the gentleman from Texas [Mr. Blanton], who says he never defended a guilty person, has been defending murderers simply because they hold positions under the protecting influence of that association he always champions, the Anti-Saloon League of America.

POSTAL SERVICE AND SEVENTY-SECOND CONGRESS

Mr. KELLY of Pennsylvania. Mr. Speaker, never since the Postal Service was established under the Constitution in 1789 has there been a record of decreased revenues such as has marked the past three years.

In 1930 postal revenues were \$705,484,000. In 1931 they dropped to \$656,463,000, which was a loss of \$49,021,000.

In 1932 the revenues dropped to \$588,171,000, a loss of \$68,292,000 from the previous year. This was a loss in two years of \$117,313,000.

To understand what this means it is important to view the trend of postal revenue from 1921 to 1930. During that period there was an average yearly increase of \$26,880,000.

If that rate of increase had kept up during 1931 and 1932, the revenue for 1932 would have been \$759,244,000.

The expenditures for all postal expenses in 1932 were \$740.418.000.

If normal business had prevailed, last year would have shown a surplus of almost \$19,000,000.

The deficit of 1932 of \$152,246,000 was due to the loss of revenues caused by the business depression.

However, Congress faced the actual deficit and undertook to deal with it in the Seventy-second Congress.

It is interesting to note that the action taken did not permanently impair two fundamental policies of the United States Postal Service.

These two policies are (1) low postage rates increase volume of mail and reduce the unit cost of handling, (2) postal workers shall have just and fair compensation schedules on a permanent basis.

While Congress dealt with both postage rates and postal wages, it very wisely did not touch the permanent schedules of either postage rates or postal pay.

First-class letter postage was increased from 2 to 3 cents, not as a postal action but as a temporary tax, expiring by self-limitation.

Postal wages were reduced 8\% per cent, not as a cut in compensation schedules but as a temporary furlough which reduced working days to correspond with the pay reduction.

In other words, during a period of unprecedented drop in revenues, Congress maintained the permanent policies which have made the United States Postal Service one of the modern wonders of the world for efficient, safe, and certain communication. Unmistakably, Congress has stated that any changes made are emergency measures which are to be endured only for a temporary period.

That even such roundabout action was a mistake must be apparent to any student of postal affairs.

The sooner both postage rates and postal wages are restored, the better it will be for the Postal Service.

THE 3-CENT RATE

Under the emergency tax bill of 1931, a levy of 50 per cent was laid upon first-class postage, increasing the long-established 2-cent rate to 3 cents. It was estimated by the Post Office Department that this increase would yield about \$130,-000,000 additional revenues, based on 1931 returns.

As a matter of fact, the figures for 1933 will show a reduction in revenues due to this increase amounting to at least \$50,000,000.

In 1932 there were approximately 13,000,000,000 pieces of first-class mail matter. At the rate of decrease in operation thus far there will be about 8,000,000,000 pieces for 1933. This means a loss of 5,000,000,000 pieces, or decreased revenues of \$100,000,000.

The revenues from all first-class mail in 1932 amounted to \$310,325,000. This was 9 per cent less than in 1931. If the same reduction had occurred for 1933, due to the depression, the revenues would have been \$292,000,000.

However, figuring 8,000,000,000 pieces of first-class mail matter, which includes 1-cent postal cards as well as 3-cent letters, at the full rate of 3 cents each, the revenue would be \$240,000,000. This would indicate a loss of \$52,000,000 due to the effect of the high postage rate.

Just as important as this actual loss is the fact that mail users have taken vast quantities of first-class mail matter out of the mails entirely and have established their own private-delivery systems. Department stores, public-utility companies, and others distribute their statements, notices, and so forth, by using their drivers and other employees. Every city in the land now has examples of this enforced private competition with Uncle Sam's mail. The longer the high rate continues, the more difficult it will be to restore the mail matter to postal channels even at the lower rate.

Then, too, mail users have diverted a great quantity of first-class mail matter, which is profitable, into third class, which is a losing classification.

Millions of Christmas greeting cards went through the mails last December at the 1½-cent rate, instead of the

2-cent rate which has formerly prevailed. Business concerns, which formerly sent letters in sealed envelopes at 2 cents, now send the same matter at the 1-cent bulk third-class rate. The use of the 1-cent postal card has greatly increased, and, according to the cost ascertainment of the Post Office Department, every one entails a direct loss in handling.

Mr. Speaker, it was a serious mistake to increase the letter-postage rate. It has not provided the revenues expected. It laid a burden upon business in a time of distress, and business has naturally refused to shoulder that added burden. It will take years to recover from the effect of this unwise action. There should not be any delay in restoring the 2-cent rate under which the Postal Service flourished in good times and bad for almost 50 years.

THE 8 1-3 PER CENT REDUCTION

While the so-called furlough plan was a far fairer method of reducing postal pay than a flat reduction without corresponding reduction in hours, it remains true that it has not helped to meet the postal problem nor the American problem.

At the very time when every encouragement should be given American business by increased and more efficient service, this enforced month's lay-off for every postal worker meant curtailment of service.

The proper action in a depression period was stated by Pastmaster General Bissell, who headed the Post Office Department during the depression of 1893. Here is what he said:

When adverse business conditions prevail, an ordinary business establishment may overcome them in part by economies of management and retrenchment of expenditures. Not so the post office. It can not and should not stop to consider little economies. Its duties and obligations to the public become at once intensified and enlarged. It must exert itself to the utmost to secure the best possible results in the way of celerity, accuracy, and security in the dispatch of mails and without sparing any reasonable expense in that behalf.

Mr. Speaker, instead of curtailment of service, there should be increased service in a time of business discouragement. There should be greater speed in getting mail to the adressee instead of less speed. There should be more collections and deliveries instead of fewer. Every postal worker should be utilized in the greatest degree as a unit in a mighty agency of service to the American public and American business.

If the furlough cuts the postal expense account some \$40,000,000, there will be no gain if the resulting curtailment in service takes an equal amount of revenues out of postal funds.

There is but one answer to the postal problems of to-day. It is greater volume of mail. The postal service can take on mail matter producing \$100,000,000 in additional revenues without added expense.

In 1921 the gross deficit was eighty-five millions including the cost of free services and nonpostal activities. In 1926, although an increase in postal wages had been put into effect, the gross postal deficit was nineteen millions.

The increase in volume and the increased efficiency of postal workers made this result possible. Every year under normal conditions the personnel took on great additional volumes of mail without a proportionate increase of cost.

Measured by revenues the postal workers of 1930 produced more than twice as much as the workers of 1913. Yet there was no complaint as to the amount of work accomplished in 1913. The difference was in the volume of mail matter and the increased efficiency which accompanied it.

Charles F. Trotter, superintendent of post-office service, said in 1929:

Eight years ago, on July 1, 1921, there were 66,789 employees in first and second class post offices, including clerks, supervisory employees, but not including letter carriers or motor-vehicle service employees. That was one employee for every \$6,050 of postal receipts. On the same date in 1928 there were 78,133 employees, or one for every \$7,930 of postal receipts. In other words, in 1928 each employee, through greater industry and increased

efficiency, and there can be no other explanation of it, was turning out 31 per cent more work than in 1921.

Let me state it another way. If the output per capita had been the same in 1928 as it was in 1921, then in 1928 instead of having 78,133 employees we would have needed 102,354, or 24,221 more than were actually used to carry on the work. That means we made a saving of 24,221 employees on account of increased efficiency. That great saving can not be ascribed to the introduction of labor-saving devices introduced into the service in those seven years. The credit belongs to the men and women of the service. service.

Mr. Speaker, the postal deficit can be eliminated through normal postal business. Steps in that direction will be restoration of the 2-cent postage rate and immediate replacement of the service which has been discontinued during the past two years.

Of course, this action alone will not restore the volume of mail carried in 1930. The Postal Service is engulfed in a nation-wide depression, which has affected every business and every individual.

We have attempted to deal with this depression through wage reductions and retrenchments. This meant reduced purchasing power and more unemployment. Thousands of idle factories, tens of thousands of closed banks and bankrupted businesses, hundred of thousands of foreclosed homes and farms and millions of suffering families testify to the tragic folly of such a policy.

If it is continued, it simply means final collapse with the palance set at zero on both sides.

Restoration is possible, but it must come through stabilized industry, shorter working hours, and increasing living standards. The only cure for the unemployment which blights the Nation is jobs for willing workers. In providing work opportunities, the United States Government should lead the way.

The yardstick by which every legislative proposal should be measured is the question, Will it put people back to work and increase their purchasing power?

With able and willing workers, now unemployed, back on their jobs, the volume of mail will be restored to normal and the postal deficit will be eliminated.

POST-OFFICE LEGISLATION

Mr. Speaker, while the Post Office Committee of the House did not favor either the 3-cent postage or the reduction in postal pay, it did propose legislation for Postal Service better-

Under the terms of a House resolution the committee made a comprehensive survey of the entire service. Its conclusions form a most constructive report, which, if carried out by Congress, will mean a more efficient service. The following table gives the history of the measures favorably acted upon by the committee during the Seventy-second Congress:

No. of bill	Title	Reported in House	Passed House	Reported in Senate	Passed Senate	Signed
	To authorize the Postmaster General to investigate the conditions of the lease of the post-office garage in Boston, Mass., and to readjust the terms thereof.	July 14, 1932	Feb. 7, 1933, amended. (Con- ference report agreed to by both Houses Feb. 24, 1933.)		July 1, 1932	Mar. 1, 1933
S. 621 H. R. 96	To repeal section 7 of the postal act approved May 29, 1928 To punish the sending through the mails of certain threatening communications.	Apr. 21, 1932 Mar. 5, 1932	Mar. 9, 1932; July 5, 1932, House accepts Senate amendment,	Jan. 16, 1932 Apr. 1, 1932; May 24, 1932, amend- ed.	Jan. 20, 1932 June 24, 1932, amended.	July 8, 1932
H. R. 278	To compensate the Post Office Department for the extra work caused by the payment of money orders at offices other than those on which the orders are drawn.	Mar. 8, 1932	Mar. 9, 1932	June 4, 1932		
H. Res. 359	Opposing the letting of new air mail contracts or renewals or extensions of existing contracts until the committee authorized by the House of Representatives submits its report	Feb. 2, 1932				
H. R. 4594	To fix the rate of postage on publications mailed at the post office of entry for delivery at another post office within the postal district in which the headquarters or general business offices of the publisher are located.	Feb. 12, 1932		June 4, 1932		June 28, 1932
H. R. 4602 H. R. 4719	Granting equipment allowance to third-class postmasters Granting leaves of absence with pay to substitutes in the Postal	Mar. 8, 1932 Mar. 8, 1932	Mar. 9, 1932			
H. R. 5612	Service. To limit the purchases of the Post Office Department, so far as possible, to articles of the growth, production, or manufacture	Feb. 18, 1932				
H. R. 6305	of the United States. To amend the act reclassifying the salaries of postmasters and employees of the Postal Service, readjusting their salaries and compensation on an equitable basis, increasing postal rates to provide for such readjustment, and for other purposes.	Mar. 8, 1932				
H. R. 6688	To fix the rates of postage on certain periodicals exceeding 8 ounces in weight.	Mar. 18, 1932	May 2, 1932			
H. R. 8576 H. R. 8817	To regulate the manufacture and sale of stamped envelopes To provide for fees for entry of a publication as second-class matter, and for other purposes.	Apr. 19, 1932 Mar. 3, 1932	accepts Senate amendment,	June 15, 1932, amended.	June 27, 1932, as amended.	July 7, 1933
H. R. 8818	To amend sec. 287 of title 39 of the United States Code, Supple-	do	July 5, 1932. Mar. 9, 1932.	June 28, 1932	June 29, 1932	July 5, 1933
H. R. 9262	ment V (transient second-class rate). To amend sec. 321 of title 18 of the United States Code (to curb the practice of depositing statements of account, circulars, sale bills, etc., in letter boxes or other receptacles established for the receipt or delivery of mall without payment of postage thereon, by making this a criminal offense).					
H. R 9555	To authorize the Postmaster General to hire vehicles from postal employees.	June 18, 1932				
H. R. 9636	To authorize the Postmaster General to permit railroad and elec- trie-car companies to provide mail transportation by motor vehicle in lieu of service by train.	Mar. 8, 1932	Mar. 9, 1932	June 27, 1932	Feb. 9, 1933	Feb. 15, 1933
H. R. 10244	Fixing the fees and limits of indemnity for domestic registered mail based upon actual value and length of haul, and for other purposes.	do	do	June 4, 1932	June 24, 1932	June 28, 193
H, R, 10246	To fix the fees to be charged for the issue of domestic money orders		Mar. 9, 1932; House accepts conference re- port, July 8, 1932.	amended.	amended; Sen- ate accepts con- ference report, July 6, 1932	July 21, 1933
H. R. 10247	Prescribing fees and corresponding indemnities for domestic in- sured and collect-on-delivery mail of the third and fourth classes, and for other purposes.			June 4, 1932	June 24, 1932	June 28, 193
H. R. 10462	classes, and for other purposes. To prohibit the use of the United States mails for the transmission of any matter advertising puzzle contests, naming contests, prize offers, or any other form of competition for a prize wherein such offers are made to induce persons to compete in another contest which involves either the purchase or sale of goods as a requisite of winning.	Mar. 26, 1932				

No. of bill	Title	Reported in House	Passed House	Reported in Senate	Passed Senate	Signed
H. R. 10494	To provide a postage charge on notices to publishers regarding undeliverable second-class matter.	Mar. 26, 1932	Apr. 18, 1932, House accepts conference re- port, July 8, 1932.	June 4, 1932, amended.	June 24, 1932, as amended; Sen- ate accepts con- ference report, July 6, 1932.	July 21, 193
H. R. 10644	To require postmasters to account for money collected on parcels delivered at their respective offices.	June 15, 1932	June 27, 1932		July 0, 1952.	
H. R. 11152	To amend sec. 293, title 39, of the United States Code, Supple-	Apr. 21, 1932				
H. R. 11270	ment V, to promote Parcel Post Service. To amend sec. 2 of the act entitled "An act making appropriations for the service of the Post Office Department for the fiscal year ending June 30, 1913, and for other purposes." (Sworn statements from publishers as to ownership, etc.)	June 16, 1932	House accepts Senate amend- ment, Mar. 1,	Feb. 17, 1933, amended.	Feb. 25, 1933, as amended.	
H. R. 13273	For the relief of Ralph C. Irwin	Jan. 26, 1933	1933,			
H. R. 13919 H. R. 14211	To provide sick leave for employees of mail-equipment shops Granting a franking privilege to Grace G. Coolidge	Jan. 26, 1933 Feb. 22, 1933		Jan. 16, 19331	Feb. 9, 1933 1	

1 8, 5387.

THE AIR MAIL SERVICE

During the past Congress the air mail service has been under fire, owing largely to the undue development of this new branch of the service.

The \$20,000,000 appropriation for 1933 was cut to \$19,-000,000 for 1934 by the House. The Senate eliminated the entire appropriation. In conference the amount was fixed at \$15.000.000.

The Post Office Committee made a thorough inquiry into air mail, and its report is a valuable contribution. Its recommendations will eliminate all subsidy for air mail within five years.

The United States air mail service has been a vital factor in building the aviation industry in the United States. Since the enactment of the original air mail act of 1925, a nationwide network of air mail lines has been established. The quantity of air mail has steadily increased. A market has been furnished for planes and equipment, and a large number of pilots have been given an opportunity for training. However, the cost of these devolpments through subsidy payments has been increasing and has gone further than was originally intended. This service can and should be put on a self-sustaining basis. The committee has not deemed it wise to deal with the relative military advantages of the various air mail routes.

The first air mail act provided for payments not to exceed four-fifths of the revenues to the air mail operators. This was later changed to a rate of \$3 per pound, which was the estimated four-fifths return under the original provision. Through the operations of this system the quantity of air mail carried determined the payments made.

The Watres-McNary amendment to the air mail act, which was passed in 1930, provided for the space-mileage system of payment to contractors. As a result, contracts were entered into by the Post Office Department which stipulated fixed payments for passenger-carrying flights without relation to the actual mail carried. The appropriations for domestic air mail service which were \$4,150,000 in the fiscal year 1928 have grown to \$19,460,000 for the fiscal year 1933.

A complete change in the method of payments to contractors must be made in the interests of justice and economy. Whatever justification there may be for a large subsidy as a means of establishing the new aviation industry, it is time now to look forward to the cessation of such payments and the establishment of the air mail service on a selfsustaining basis. This should not be done suddenly or drastically, but constructive action can be taken which will guarantee the desired results.

There should first be established a basic rate of payment based on the pounds of mail carried and the number of miles flown. This rate should be within the revenues now received on lines carrying substantial amounts of mail. A number of air mail lines now being operated could be successfully and profitably carried on at a pound-mileage rate which would not exceed the revenues received.

Some of the present desirable lines could not exist upon

ing the largest volume of mail. Therefore there should be established two classes of air mail contracts for the present: (a) Those which will provide a basic rate per pound mile which will keep payments within the revenues received, (b) those which will provide in addition to this basic rate a subsidy-mile payment for a period not to exceed five years, at the expiration of which time the basic rate will alone be

At present contracts are awarded on a space-mileage basis at varying rates. The lines carrying mail in large volumes utilize the space contracted for, while other lines fill only an insignificant part of the space for which payment is made. A survey of the traffic volume on the extensions made since the passage of the Watres-McNary amendment shows that none of these utilizes more than 15 per cent of the authorized space, and one-the New York-Atlantic City route-utilizes only 1.6 per cent of the space authorized and

It should also be provided that independent operators who do not now have air mail contracts might apply to carry air mail, and upon approval of the route by the Post Office Department the basic pound-mile rate would be paid. All routes now in operation and any to be established in the future should be required to develop a reasonable poundage of air mail within a reasonable time or the contract should be canceled.

It is believed that there are certain pioneer operators, who have never had an air mail contract who would be glad to take advantage of a flat pound-mile payment and thus to supplement their present revenues as well as to provide a real postal facility. For instance, there has never been awarded an air mail contract in Hawaii. The Inter-Island Airways Co. has been rendering an efficient passenger and express service for several years. It operates out of Honolulu and has a six days a week service eastward and also a service to the westward. It is equipped with twin-motored amphibian planes and carries two pilots and 2-way radiophones. There is a terminus on every island.

It has been estimated that there would be available more than 2,000,000 air mail letters a year. This volume is due to the fact that the airplane furnishes the only possible speedy transportation, as daily steamer schedules are prohibitive in cost.

Under the recommended plan, the pioneer air-transportation company would carry air mail at the flat per pound rate, without any subsidy payment. The service rendered would be a valuable one, and yet its cost would not exceed the revenues received from postage.

The per mile subsidy payment to be made to the second class of air mail operators should be adjusted by a negotiation between the contractors and the Post Office Department upon the cost-balancing principle. In other words, full consideration should be given to the proper consideration of actual and true costs of operation and a proper consideration of revenue received from other sources. Through the field audit elsewhere recommended and the control of the a uniform rate which would be adequate to the lines carry- | accounts of the companies by the departments, this subsidy

should be reduced year by year in the proportion that expense per unit of mail service is reduced and revenue from other sources increased.

Various attempts have been made by the department to set up formulas for payment to contractors. They are neither correct in theory nor practical in application. The only formula applicable is the principle of payment for actual service rendered and for such subsidy payment as may be justifiable for the purpose of establishing an air mail service at a cost which will not permanently exceed the revenues from the mail carried.

The most important result to be obtained from the structure of rates suggested would be the establishment of a self-sustaining air mail service as the goal and the elimination at a stated time of all subsidy payments. It has been suggested that further to encourage commercial aviation and advance the art of flying, a premium be paid to those carriers who improve their service with faster and more efficient airplanes of larger carrying capacity, greater passenger comfort, longer cruising range, better instruments, and further adaptation of radio. The committee favors such advancement of the flying art.

It should be provided that those holders of route certificates under the present law who desire to do so may exchange such route certificates for an indefinite certificate entitling them to carry air mail over their present routes at the basic pound-mile rate. Those contractors who find themselves unable to do this should be permitted to exchange their present route certificates for one not to extend beyond five years and calling for the payment of the basic pound-mile rate plus a per mile payment agreed upon by the contractor and the department, not to exceed 25 cents a mile.

There are certain extensions which have been made which are economically unjustifiable as a postal operation. If these extensions are required to develop a reasonable volume of air mail in order to warrant their continuance, the problem as concerns them will be solved. All the lines which are justifiable as a postal facility will be able to prove their right to exist by the expansion made during the five years through which they may receive subsidy per mile payments.

Air mail postage rate should be fixed at 5 cents for each half ounce or fraction thereof. This rate, estimating 32 letters to the pound, would produce \$1.60 per pound of mail carried.

The recent increase from 5 cents to 8 cents has resulted in a decrease of air mail dispatch and reduced volume of mail. The often-proved principle in postal operations, that low rates produce increased volume and thus lower unit costs, operates in the air mail system. The restoration of the rate to 5 cents would encourage the use of the air mail and in the end produce greater revenues.

There should be a new air mail facility, a postal card, for air mail exclusively. It should be of standard design, furnished by the Government at 2 cents each. These should be of pasteboard and should weigh at least 150 to the pound, which would mean revenues of \$3 per pound. It is our belief that many patrons of the Postal Service would gladly avail themselves of this opportunity to send a written message in the speediest manner possible at such an insignificant cost. At the same time it would mean added revenues and a method of helping to make the service self-sustaining.

The adoption of the recommendations made by the Post Office Committee will furnish the permanent solution of the air mail problem, which has been a vexing one. The various experiments made up to this date have brought a great deal of experience which should help point the way to constructive action. There have been vigorous criticism of administrative action and many attacks upon the amount of the subsidy paid to air mail contractors. The action suggested will take away much of the arbitrary power hitherto reposed in the Post Office Department and lay down the basic rules which must be followed. It will reduce the subsidy steadily and set a definite date when all such payments shall cease.

Within five years an adequate and comprehensive air mail service can be established and the payment for its operations will come entirely from the revenues received from postage. The Post Office Department will then be engaged in its natural activity, expediting the carriage of air mail, Through the operation of this postal facility commercial aviation will be developed and extended and the United States kept in first place in air mail activities.

ECONOMY IN GOVERNMENT

Mr. ROBINSON. Mr. Speaker, about 100 years ago Chief Justice Marshall called attention to the fact that the power to tax was a power to destroy. To-day we are loaded with a burden of taxes which demonstrates the truth of the famous statement, and the problems presented are among the most serious and critical which we confront.

Ten years ago \$1 of the national income, on the average, out of every \$15 was required to support all our agencies of government—city, county, State, and Federal. Now, one dollar out of every three is called for by the tax collectors. In other words, every time you earn a dollar you are required, directly or indirectly, to lay 33 cents aside to give to a taxgatherer.

So the problems are serious and, in my judgment, of major importance. The income of men and women must be relieved of a substantial part of this charge, or the final step in socializing all work, property, and income must result. For, obviously, whether earnings of people are completely taken by taxation or confiscated by law is merely the difference between methods. The result is the same—full absorption of all men and women in public service, abandonment of individually owned property, and the extinction of a person's right to dispose of the proceeds of his labor as he sees fit.

The direct answer to the problem of high taxes is simple, and, simply expressed, is "economy in Government"; but its ramifications are manyfold and complex, and the statement of the answer by no means solves the problem, as so many people in public office glibly shout. Certainly the way to reduce taxes is by reducing expenditures, but the saying of this does not accomplish it. If it did, the Democratic promise to reduce the cost of Government by 25 per cent would have borne fruit in tangible accomplishment in our present Democratic House of Representatives long before this.

The fact of the matter is that the string of governmental expenditures has become so tangled and knotted through our recent prosperity years that there is little chance of unraveling the skein without cutting here and there, discarding the pieces spoiled in the process, and splicing the remainder into a whole that will be less extensive, smaller in size, and through which the cord will run without snarls or obstructive strictures.

The perplexing part of this problem is its far-flung ramifications. Many an elective public officeholder has a pet governmental activity, which in his opinion must be preserved above all others. Every knot or snarl in the Government skein has been put there in the past by some one with a desire to extend a service to the public or to provide a panacea for public ailments. The sponsor of the tangle is sure that his handicraft can not be discarded without endangering the city, State, or Nation, as the case may be.

Then we have the people who believe in economy if it affects the other fellow, but not if it is brought home to themselves. The kind who resist to the last ditch the closing of wastefully duplicated navy yards or army posts, or Federal courts or the consolidation of several adjacent governmental services like, for example, the two complete flying services located on the same flying field in Washington. The entire overhead expense of one of these services could be saved by consolidation, and would be if operated by any private-business enterprise in the world, but will not be so long as there are enough public-office holders to prevent it who are more interested in protecting the personnel of such services than in protecting the taxpayer's pocketbooks. I

was one of a few who voted for this economy last year,

but it failed to carry by a considerable majority.

For the purposes of "economy in government," and to lay down a tentative formula by which a large share of the taxpayer's burden may be removed, a broad and general classification of governmental activities applying alike to city, county, State, and Nation may be undertaken somewhat after this fashion:

First: Luxury functions, represented by the money paid out for the maintenance of activities which, while probably desirable from a social standpoint, are not indispensable—a thing we like but can discard without harm.

For example, taxes for the support of municipal bands and public playgrounds. Fine, I say, when we can afford them, but wholly unnecessary when the taxpayer's dollar, to pay for such services, comes laden with mortgage foreclosures, undernourishment of children, and back-breaking loads imposed on men and women generally. These taxes should be struck off in a spirit of sorrowful necessity and should be returned if and when our income makes it possible.

It is not my purpose to point out a multiplicity of luxury activities which come in the class of desirable but not indispensable. There are many, and the public, which pays the bill, now realizes it. The whole question is to bring ourselves and our expenditures for governmental purposes within our resources and to utilize those resources where the necessity is paramount. The first and least harmful step is to abolish these luxury activities. Single them out, I say, cut them off, and no one will really suffer from their discon-

Next after this luxury class comes the class of governmental activities which, while necessary, are so swollen and overextended that they need a reducing fare to bring them down to their proper size. For example, take our present organizations in government to look after agriculture. There are many overlapping and wasteful duplications. We have the State department of agriculture, the Federal Department of Agriculture, the agricultural college at Ames, and similar State schools in other States, the Federal Farm Board, county agricultural agents in most, if not all, counties, county agricultural fairs and livestock shows, State agricultural fairs and livestock shows, and so on and so on to an almost endless extent.

Now, no one will say that from this bureau expansion some saving by amputation is not possible without destroying the essentials. And in passing it might be asked whether or not our present deplorable condition of agriculture is not in part the result of so much "help" from governmental activities. I do not know, but I do know that a lot of tax money goes to this giant agricultural, governmental octopus which could be saved by intelligent pruning and coordination. But will it be done, when every time it is proposedeven before the knife is unsheathed—an agonizing yell emanates from what is to be lopped off and the sympathy and help of a sponsor thereupon becomes active?

I want to be sure that I am not misunderstood about this proposal. What I have in mind specifically is this: When the Federal department and a State department are duplicating work, one or the other should stop. What is the sense of using taxpayers' dollars to pay for identically the same work in both departments? You would not run your own business that way. If you had two departments, both of which were doing substantially the same business, you would consolidate them if you could; but if for some legitimate reason you could not, then you would coordinate their functions so that one would not be rethreshing the straw of the other

Inasmuch as the State agricultural activities in all their various phases and ramifications may be dealt with promptly it would probably be better to study this subject from the standpoint of changes in the State organizations to fit the Federal department, thereby reducing directly State and county taxation and effecting a much larger saving to the taxpayers.

I have used the agricultural set-up. State and national, to illustrate this last proposal. It is used solely as a typical example to convey the plan which is not limited to the wasteful duplication of agricultural activities. There are other State and national duplications where integration of activities may also be undertaken.

It should also be pointed out that there are the same possibilities of wasteful duplications among the various State, county, and city activities as there are between the State and Federal activities, and the wholly intrastate field of possible economies should not be disregarded.

Third in the classification of things to do to obtain economy in government probably should come the effort to make more governmental functions or services self-sustaining instead of a drain upon the taxpayer. I have in mind, for example, the regulation of public utilities, the inspection of restaurants, barber shops, and so forth, the policing of private property like fairs, theaters, and so forth, Why should the taxpayer be charged to pay for special services to private interests? Why should such special services be furnished by the city, county, State, or Federal Governments to private interests without cost to them. Let a proper and adequate fee be charged for all special services to private interests and remove the taxes that are now collected on that account.

If this whole field were carefully canvassed and an adequate schedule of fees were applied, I venture the assertion that a substantial saving in taxpayers' money would ensue.

We can now go into the various departments of government themselves and survey them for a reduction of essential service, wherever overmanned or extended, and abolishment of nonessential service wherever found. This latter might properly be placed under my first classification of luxury functions. What I have in mind is cutting out the cost of such maintaining at taxpayers' expense. We can do readily without paying for that sort of thing. There are an infinite number of nonessential services in all departments of government, both State and national, which could be abolished without harming the public service. The effective way to go about this is to set up a nonpartisan committee with power to act, or delegate the job to the Executive. Give the members of such committee, or the Executive, both the power and responsibility and time enough to make a proper investigation into each situation and the job will be done. But until such power and responsibility are concentrated the job is hopeless, as I have said before.

In addition to nonessential services in government, we also have many overmanned and time-wasting departments. These must be dealt with by a careful study of conditions and service in each department; and when the facts are obtained, the remedy should be applied without fear or favor.

I could continue indefinitely to point out the possibilities of governmental economy, but time will not permit. The difficulty with handling the whole proposition on a businesslike basis is the relatively small number of our people who are militantly insisting that it be done. Every citizen should, for selfish reasons if for no other, take an active part in urging a reduction of Government costs, resulting in a smaller burden of taxes. The louder the demand from the public, the greater will be the result. The Democratic Party is now in power-in fact, has been in absolute power in the House of Representatives for the past two years-and for the next two years the Democratic majority in both the House and Senate will be overwhelming. We have a Democratic President, elected upon a specific issue of economy and a specific promise to reduce expenditures at least 25 per cent. There is no question about this promise; it was made over and over again during the campaign in all parts of the country.

Now, my last word is, hold these people to their promises; do not be misled by the juggling of figures; watch your tax payments, and if they do not reflect at least a 25 per cent reduction within a reasonable time-if you can not see an improvement in economic conditions, bringing more nearly in harmony governmental expense and national incomethen. I say, put yourselves down as having been beguiled into making a change in political parties in power without doing yourselves any good; and the next step is to organize and put into office under definite commitments men who will be fearless in redeeming their promises regardless of where the ax falls, so long as our essential governmental services are retained.

HON. JOHN E. WEEKS

Mr. GIBSON. Mr. Speaker, the first congressional district of Vermont was represented during the Seventy-second Congress by Hon. JOHN E. WEEKS, one of the most painstaking, substantial, and conscientious representatives who ever occupied a seat in the House. He was not a candidate for the Seventy-third Congress, choosing to return to private

As a public servant Governor Weeks holds a unique record covering a period of nearly half a century. He was elected to the Vermont House 45 years ago and served with distinction. He was promoted to the State Senate in due time, and was later returned to the House for two terms, during one of which he was its speaker. His fairness and efficiency as a presiding officer won for him the confidence of the members of both parties.

From 1902 to 1906 he served on the bench as associate judge. In 1906 he was made chairman of the penal board; in 1917 director of State institutions; and in 1923 commissioner of public welfare. In 1926 he was elected governor of the State for a term of two years. In 1928 he was reelected, being the first governor of the State to be reelected in 71 years. During his term as governor, he dealt with the problems of reconstruction after the disastrous flood of 1927 in a statesmanlike manner and led the State out of a serious financial condition. In 1930 he was elected a Member of the Congress. He was also a trustee of Middlebury College from which institution he holds degrees of M. A. and LL. D. He also has been honored by LL. D. degrees from Norwich University and from the University of Vermont.

Not once in all of the period of his public service did he lose the confidence and respect of the people of his State. He has rendered a full measure of service to his constituents here in Washington. In most instances it takes years to master the details of congressional work, but out of his ripe experience Governor Weeks was able, from the beginning, to perform the duties efficiently.

In charitable deeds, in his helpfulness in welfare work to bring usefulness, joy, and happiness to the homes of others, Governor Weeks has laid up for himself "treasures in heaven, where neither moth nor rust doth corrupt." He is a splendid type of Christian gentleman.

In all of his work he has had the benefit of the help of a fine wife who has been his companion and a real helpmate for more than 50 years.

All in all, by experience, character, and ability John E. WEEKS has been one of the best Representatives the people of Vermont ever sent to Congress. He has always given his best to the Nation and the State he so deeply loves. His retirement leaves me with a feeling of real personal loss.

WILIAM H. SEWARD

Mr. FISH. Mr. Speaker, under leave to extend my remarks in the RECORD I include the following address delivered by me at Florida, Orange County, N. Y., September 24, 1930:

Mr. Chairman and fellow citizens, it is with a mixture of trepidation and gratitude that I have come here to help dedicate this monument to the memory of William H. Seward at his birthplace, given by his friends and admirers. I am fearful that I will not do justice to this occasion and to the high character and distinguished public career of Orange County's foremost son during the nineteenth century. I am grateful for the kindness and consideration of the committee in inviting me here to pay tribute and do honor to William H. Seward, an illustrious American statesman, in his home town and among the valleys and hills and the form lands which have charged so little since he was

can statesman, in his home town and among the valleys and hills and the farm lands which have changed so little since he was born, on the 16th of May, 1801, in the village of Florida, N. Y.

The village itself has changed considerably, for it only contained a dozen houses at the opening of the nineteenth century. However, many of the descendants of the settlers prior to the Revolutionary War are still living in this vicinity, and are attending these ceremonies, such as members of the Roe, Wheeler, DeKay, Demarest, Sayre, Sanford, Burt, Welling, Armstrong, Wis-

ner, Ketcham, Seely, Decker, Conklin, Bradner, Carr, and Van Duzer families

In the brief time allotted to me, I would not be able to touch upon more than a few of the outstanding achievements in the brilliant career of Lincoln's Secretary of State, whose renown and achievements are a glorious part of American history. For this reason, I shall stress his early manhood and his associations with Orange County, famous before his day for having given to the Republic both Gov. George Clinton, who served his country with ardent patriotism as governor of New York State during the Revolutionary War, and acted as chief executive in our State for a total of 18 years, and his nephew, DeWitt Clinton, who as governor built the Eric Canal, which resulted in opening up the trade of the Middle West and brought prosperity to New York, making it the chief port of the Nation.

Both Gov. George Clinton and DeWitt Clinton were born in the town of New Windsor, which has been a part of Orange County since 1801, but prior to that belonged to Ulster County. Both counties, therefore, have a right to share the honor of being the birthplace of the Clintons, but to Orange County alone goes the undisputed honor of giving that great champion of human rights, William H. Seward, to the American people.

His father, Dr. Samuel S. Seward, was the leading citizen in his community, being also a successful farmer, magistrate, store-keeper, and banker. At one time he served in the State legislature and in politics was a Jeffersonian Democrat. This is interesting, in view of the fact that his distinguished son later foresook the party of Jefferson and became an ardent Whig and was In the brief time allotted to me, I would not be able to touch

lature and in politics was a Jeffersonian Democrat. This is interesting, in view of the fact that his distinguished son later fore-sook the party of Jefferson and became an ardent Whig and was the first Whig governor to be elected in New York State. Doctor Seward lived to an advanced age, dying in 1849, after his son's election to the United States Senate.

The Seward family moved shortly after the Revolutionary War from Sussex County, just across the line in New Jersey, to the village of Florida in the town of Warwick. The grandfather of the governor was the colonel of the First Sussey Regiment during the

governor was the colonel of the First Sussex Regiment during the Revolutionary War.

In origin the family was a mixture of English and Welsh, with

some strains of Scotch-Irish. Doctor Seward had six children, of whom William Henry was the fourth, and because his physique was less powerful than that of his brothers he was early selected to receive a college education, which was the practice in those days among families that could not afford to give equal education

The boyhood of William Henry Seward was that of any farmer's son at that period, and as a matter of fact the same routine holds son at that period, and as a matter of fact the same routine holds good to-day. He got up at dawn, drove the cows to pasture, cut wood, and did the daily chores. In his father's household, which was not unusual at that time among well-to-do farmers, there were three negro slaves. It is probable that the bitter, unrelenting, uncompromising attitude that Governor Seward showed early in his political career and consistently maintained against slavery had its origin in the trying experience of the slaves in his father's household and among those he knew in the vicinity. Even in the North the slaves had few rights and little protection from abuse and mistreatment. Slavery would, anyhow, have been repugnant and offensive to William H. Seward, who believed fundamentally in human rights and hated injustice. It is interesting to note that he provided for the old family slaves and to the end of their days they were his pensioners; such was the generous and noble character of this native son of Orange County.

He was educated in the village school in Florida and at the

character of this native son of Orange County.

He was educated in the village school in Florida and at the academy at Goshen. He was a bright and studious boy, particularly inclined to the classics, and such was his application to his studies that he qualified at the age of 15 to enter the junior class at Union College, Schenectady, but owing to the rules as to age was compelled to start as a sophomore. Union College a century ago was one of the largest colleges in the country, and Doctor Nott, the president, was recognized as a great educator. Young Seward applied himself seriously to acquiring knowledge at college and eventually won the much-sought-after Phi Beta Kappa reward for excellent scholarship. Before the completion of his course he left college over a dispute about lack of funds from his father to enable him to pay his tailor's bill, and manifested his independence by him to pay his tailor's bill, and manifested his independence by sailing for Savannah, Ga., and obtained a position as a teacher near there in a newly established academy. His father was furious, but he refused to return until the appointment and arrival of his SUCCESSOT.

On his return home he entered the law office of John Duer at Goshen and spent six months studying law. He then joined the senior class at Union and graduated with honors in 1820. On leaving college he went to New York and entered the law office of John Anthon, well known for his legal talents in the first quarter of the nineteenth century. Seward remained there for about a year, and then returned to Goshen and went into partnership with Ogden Hoffman, a lawyer who had recently moved there and who later made a splendid reputation at the bar and was elected attorney general of New York State. He remained in the firm of Hoffman & Seward until the autumn of 1822, when he was ready to pass the examination for the supreme court bar and to seek his own fortunes in his chosen profession.

He passed his legal examinations at Utica in October, 1822, and took up his residence at Auburn, N. Y., where he began to practice law in the office of Judge Miller, whose daughter, Frances, he shortly afterwards married. Seward stated in his autobiography that just before he left Orange County Judge Thompson, who was the oldest and most eminent citizen in that region, of the Wallowner of a small eminence that overlooked the valley of the Wallkill, told me that he remembered when the last Indian chief who | Mr. resided there took his leave and departed for the West. Mr. Thompson said his father asked the Indian why he should go away. The chief replied, "You have cut away the trees and let the sunlight upon the valley, and the Indian can no longer stay here."

Seward's removal to Auburn ends his direct associations with Orange County, as he lived the balance of his life in the town of his adoption. The main reason for his settling in Auburn was his adoption. that it was the chief town west of Albany with the exception of Utica. Auburn had a population in 1823 of 2,500 and was growing rapidly. Syracuse was then a village of a few hundred inhabitants, and Rochester and Buffalo were neither of them as large as Auburn

It might be interesting to pause here for a moment and point it that the town of Warwick in 1840, less than a century ago, when Seward was serving his first term as governor, had a popula-tion of 6,626, and stood fifteenth in the list of towns and cities tion of 6,626, and stood fifteenth in the list of towns and cities in the State. Newburgh had only a population of 9,833, and Fishkill, which is now Beacon, ranked ninth with 10,437, or a few hundred more than Poughkeepsie, with 10,066. New York was at this time the foremost agricultural State of the Union. It surpassed all others in the number of horses, cattle, sheep, and poultry which it possessed, and in the production of barley, oats, buckwheat, wool, hops, hay, potatoes, dairy products, fruits, and lumber. Governor Seward, in his first message to the legislature, included a recommendation for the erection by the State, at Albany, of a suitable monument in the memory of De Witt Clinton, under which his remains should be interred. In spite of the glowing tribute he paid to his fellow statesman from Orange County, the proposed legislation failed to pass, because there were, unfortunately, enough of De Witt Clinton's old foes left to prevent adop-

nately, enough of De Witt Clinton's old foes left to prevent adoption of such a plan.

It might not be out of place on this occasion to suggest to some It might not be out of place on this occasion to suggest to some of our legislators from Orange County that the attempt to honor the memory of the organizer and builder of the Erie Canal should be renewed and consummated. The people of Orange County could well afford to take this monument to William H. Seward as an example of what generous and patriotic Americans are glad to do when given the opportunity to honor the memory of their foremost citizens by erecting lasting memorials. Why should not the patriotic citizens of Orange County inaugurate a suitable memorial in the town of New Windsor to Gov. George Clinton, of Revolutionary fame? Perhaps if the Federal Government will take over Temple Hill public subscriptions might be raised to place a monument to George Clinton in the town where he was born and lived during a long and honorable life, filled to the brim with important services to his State and Nation.

born and lived during a long and honorable life, filled to the brim with important services to his State and Nation.

At the age of 29 William H. Seward was elected a member of the State senate and became a leader of the newly formed Whig Party. When he was only 33 he was nominated by the Whigs for governor, but was defeated by William L. Marcy. However, Seward was elected governor in 1838 and again in 1840, and served the State during both his administrations with great distinction and ability. His industry was tireless and his capacity for work enormous.

ability. I

On leaving the Executive Mansion Seward retired quietly to On leaving the Executive Mansion Seward retired quietly to Auburn, where he built up a lucrative law practice. In 1849 he was elected by the Whig legislature to the United States Senate, where he continued to serve until appointed, in 1861, as Secretary of State by the immortal Lincoln. In the 12 years he served in the United States Senate he was always to be found on the side of justice and human rights. He opposed any compromise with slavery, and became, along with Sumner, Chase, and Wade, a recognized champion of freedom.

Let me quote a few lines from one of his most famous speeches.

slavery, and became, along with Sumner, Chase, and Wade, a recognized champion of freedom.

Let me quote a few lines from one of his most famous speeches against the extension of slavery, which discloses a fixed and determined policy: "But I will adopt none but lawful, constitutional, and peaceful means to secure even that end; and none such can I or will I forego."

He was a candidate for the Republican nomination for the Presidency in 1860, and it was generally expected that he would be nominated without difficulty, as he was the foremost candidate in the Republican Party and enjoyed the benefit of two terms as Governor of New York State and two terms as United States Senator. Governor Andrew, of Massachusetts, said of him when he was a candidate for the Presidency, "The affection of our hearts and the judgment of our intellects bound our political fortune to William H. Seward, to him who is the highest and most shining light of this political generation, to him who by the unanimous selection of the foes of our cause and our own has for years been the determined standard bearer of liberty." Seward, however, failed to be nominated by the Republican convention. Political fates decided otherwise, and Abraham Lincoln was nominated and elected President.

Nothing can show to better advantage Seward's lofty character

Nothing can show to better advantage Seward's lofty character and unselfish devotion to the public welfare than his loyal support of Lincoln during the campaign. He entered the canvass in behalf of his successful rival with the utmost energy and without a trace of bitterness. When he was appointed Secretary of State by Lincoln, he was immediately faced by the trying period of the Civil War, but so conducted the highly important duties of his office as to bring great honor to himself and the Nation, and won new laurels for American diplomacy throughout the civilized world.

William H. Seward ranks among our greatest Secretaries of State for the wisdom with which he guided our foreign policies

through international difficulties during the appalling tempest of our Civil War. He even stood forth among that triumvirate of intellectual giants and administrators in Lincoln's Cabinet, Salmon

P. Chase, Secretary of the Treasury, and Edwin M. Stanton, Secretary of War.

Early in 1865, while Secretary Seward was confined to his bed by an accident and on the night of Lincoln's murder, he was attacked brutually in his home by a would-be assassin. After Lincoln's death Seward continued to serve as Secretary of State under President Andrew Johnson. In 1867 he rendered to the United President Andrew Johnson. In 1867 he rendered to the United States a notable service by the purchase of Alaska from Russia

for \$7,200,000.

for \$7,200,000.

In the spring of 1869 he retired from public life, and within a few weeks was succeeded by my grandfather, Hamilton Fish, as Secretary of State in the Grant administration. My grandfather, I am proud to state, had much in common with Seward; both had been prominent Whigs in New York State, and had become Republicans because of their opposition to the extension of slavery and their belief in human rights. Both had served as Whig governors of New York, and from 1851 to 1857 they served together in the United States Senate as antislavery Whigs from the Empire State, where they became warm personal and political friends.

It has recently come to my attention that the present possession and control of Washington's headquarters at Newburgh, N. Y., was effected when my grandfather, Hamilton Fish, was Governor of New York in 1850. It is my sincere hope that as Representative in Congress from this district I will be able in the next session of Congress to secure adequate appropriations in order to acquire the land at Temple Hill in the town of New Windsor for a national shrine, where Washington refused an offer of a crown from his officers, and thereby established the Republic.

In conclusion, let me emphasize that although New York State has contributed only four Presidents to the Nation—Van Buren, Arthur, Cleveland, and Roosevelt—it has, however, given the services of many Secretaries of State, including John Jay, Martin Van Buren, William L. Marcy, William H. Seward, Hamilton Fish, William M. Evarts, Elihu Root, Robert Lansing, and Charles E. Hughes, and among these the public services, the brilliant record, and honorable career of William H. Seward, both in peace and in war, have never been surpassed. have never been surpassed.

In 1871 Seward made a trip around the world and was welcomed and acclaimed in every nation as the friend of liberty and America's foremost statesman. Soon after his return to Auburn, his

ica's foremost statesman. Soon after his return to Auburn, his health gradually falling, his mind clear and serene, he waited the approach of death, which came on the 10th of October, 1872.

"Sympathy with his race, both with the mass and the individual, with the virtuous and for the degraded, with the happy and the unhappy, with the white man and the black, sympathy intense, unresting and universal," is the secret of Seward's character.

This fine statue of Seward was donated by his many admirers and was made possible through the generous contributions of George F. Baker, of Tuxedo, whose father served under Secretary Seward at Washington, and is himself a great public benefactor and a high-minded patriotic citizen who has done much to build and a high-minded, patriotic citizen, who has done much to build up the prosperity of our Nation.

In the presence of the fellow townsmen, and of the sons and grandsons of those who knew William H. Seward in his youth, I have the distinguished honor of dedicating this statue of that great Secretary of State to the American people, and to the perpetuation of those ideals of liberty and freedom for which he was the foremost champion in his day and generation.

INTERNATIONALISM FROM THE VERSAILLES TREATY TO 1932

Mr. McFADDEN. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address delivered by me before the Executives' Club of Chicago on September 30, 1932. It is as follows:

Gentlemen of the Executives' Club of Chicago, for a long time in this country our leaders have been inviting us to look at only one face of a medal, and that face portrays the advisability and the benefits of extending the Nation's foreign contacts in all directions. The other face of the medal, which they do not disclose, shows something else, and it might be well for us to look at it.

In a speech which I made before the last Congress adjourned—

In a speech which I made before the last Congress adjourned—
a speech from which the press of the country was not permitted
to quote—I commented upon our favored position as a nation,
upon our ability to dispense entirely, if we chose, with foreign
markets outside the Western Hemisphere, and, without other
foreign contacts, to go our accustomed way without privation or
inconvenience. I said that intelligent control and administration of domestic relationships has never been difficult, and that it was in the field of foreign contacts that the causes of the present depression were to be sought.

I have no doubt that if, after 1924, we had reasonably limited these foreign contacts, especially financial contacts, there would have been no dislocation in our economic and financial structure and our prosperity to-day would be as great as it was then. The year 1924 marked the beginning of our private loans to Europe under the direction of the international bankers, thus carrying out the now known unfortunate plans of Montague Norman and his foreign associates.

I have no doubt whatever that the citizenship of this country could peaceably compose and settle its own differences; that prop-erty rights, the right to work for a just wage, the maintenance of

a sound currency and the equitable use of credit, the proper use of the taxing power, the administration of law, the preservation of the freedom of conscience, and the dispensing of justice are questions that could be settled and adjusted to the satisfaction of the people and the maintenance of the national welfare.

They are easily soluble if not complicated by the action of invisible forces coming from abroad, because cause and effect are

They are easily soluble if not complicated by the action of invisible forces coming from abroad, because cause and effect are visible, their circumstances are tangible, and they are therefore understandable. But when they are interfered with, and are made contingent and dependent upon foreign relationships not publicly disclosed, and of which the public can therefore understand but little, their solution is no longer in the hands of public opinion. We all become dependent and are at the mercy of government.

These same influences are still in operation. In proof of this let me cite that in the closing days of the last session of Congress, late in the day when only a handful of the membership of the House of Representatives was present, the present Secretary of State, through the Foreign Affairs Committee of the House, brought up and passed a bill giving the President and the State Department authority in advance to participate in an international conference supposedly on the subject of silver, as the House was led to believe, but an attempt was made to broaden the scope to include many subjects other than silver. Now since the conferences at Lausanne and Geneva and the private conferences in both of these places as well as in London and Paris, the uncertainty of just what is to be discussed at this conference becomes readily apparent. Press advices from foreign centers indicate that the agenda for the conference is now being prepared in Geneva, Switzerland; that Norman H. Davis and Ambassador Sackett are the official representatives of the United States; that the first meeting may be called the latter part of October in Sackett are the official representatives of the United States; that

Sackett are the official representatives of the United States; that the first meeting may be called the latter part of October in London, but that this meeting will probably adjourn until after the American elections are over. The international minds in our Government fear the injection of this plan into our present political campaign. Why, I wonder?

The analysis of the former activities of our two representatives at this conference discloses that Norman H. Davis is the same gentleman who has sat in on practically all of these international conferences since and including the treaty of Versailles and entirely satisfactorily to the international bankers, who have controlled all these conferences and who will control this new conference. We must also consider the important part that Ambassador Sackett took in the moratorium negotiations of a year ago and the part that he has been taking since then looking toward a dor Sackett took in the moratorium negotiations of a year ago and the part that he has been taking since then looking toward a reduction of German reparations and war debts. Mr. Norman H. Davis is also one of our prominent negotiators at the disarmament conference, which will probably assemble in February of next year. We must understand that this coming international conference is important to the American people; international relations, exchange, gold, tariffs, war debts, disarmament, League of Nations, World Court, and Japan, China, Russia, and the Far Fast are all involved. East are all involved.

Benefiting by the experience of the President in granting the moratorium without the legal approval of the Congress, the administration in this important matter decided to take no chances, so it secured in advance the approval of the Congress, without again placing before the House the full purpose and intention of the conference.

What we need in our foreign and domestic affairs is frank, what we need in our lotering and domestic analis is rains, per, honest dealings with the American people, who, after all, are the most interested parties. Decisions affecting the United States and its people should be made in the United States free from any foreign influences.

The situation need not have come about. It was not a necessity of the situation of the people should be stated in the state of the situation of the state o

patriotic sary result of the war in Europe. Strong, national, patriotic policies alone were needed after the war to maintain the incomparable strength of the American civilization. Such policies were

Foreign forces have been permitted at will to invade the domestic field and devastate our domestic economy, and I see no prospect of a return to our ancient security until the people of the country take their Government out of the incompetent and untrustworthy hands that still hold power and which have plunged this Republic into foreign adventures contrary to its genius and its tradition. This influence I am referring to is not political, it is bipartisan. International influences know no parties except

the party in power.

I see no prospect of a return of our prosperity until we have an administration in power which, conscious of the support of the people, will summarily terminate the dipping of foreign hands into our common till, the enriching of foreign states and foreign financiers at the expense of the American public, the entanglement of American diplomacy in insincere leagues or nations, world courts, and world banks, the officious meddling with the policies of foreign states under Kellogg pacts, and the false theories that the safety, prosperity, and welfare of the American people are dependent not upon their own strong hearts but upon the grace

dependent not upon their own strong hearts but upon the grace of foreign powers.

When we have freed ourselves from the grip of the foreign octopus upon our White House, State and Treasury Departments, and placed in each a nationalist and a patriot, we may fairly look for a quick return of those conditions which the founding fathers bequeathed to succeeding generations, and which never ought to have been tampered with.

I might talk to you about the domestic aspects of unemployment, the stagnation in our domestic trade, the condition of our banks and of credit, of taxation, the relation of the Federal Government to private industry, or about farm relief—these things

are vital—but I would only waste my time and yours in talking about cures which do not cure. The cure lies in a change in our foreign policies, for it is the policies of a group of men who have controlled our Government since the armistice that have brought upon us the domestic ills from which we suffer.

upon us the domestic ills from which we suffer.

Stated briefly, it has been the policy of those who controlled in Europe and those who controlled in Washington—and this policy was agreed upon and adopted in the Paris peace conference—to make rich America pay bankrupt Europe the cost of its war, and to do this regardless of the moral aspects of the policy.

But, you will ask, why should those who controlled in Washington be willing to sacrifice the American people to the interests of the foreigner? The answer is that they were controlled by the powerful international bankers of New York, who, although they had our confidence and were looked up to by the bankers throughout the country, were in the service of foreign governments from the beginning. from the beginning.

throughout the country, were in the service of foreign governments from the beginning.

They displaced President Wilson in the Peace Conference by disloyal and seditious methods, abandoned support of the peace agreement he had made with the enemy, joined with the allied statesmen in a peace of conquest which violated honor and international law and which they had determined to substitute for the Wilson peace agreement. They joined with them in a tricky provision in the treaty of Versailles which contemplated that the American people should pay a colossal German indemnity in cash to the Allies in exchange for the right to collect it from Germany in annual installments for 50 years. This purpose, never openly disclosed, underlies the obscurities of the reparations question. These international bankers—and I shall name them to you as I named them in Congress in the last session—climbed to great political influence, some in the Republican Party and some in the Democratic Party; and they used this influence after the war to place their agents in the State, Treasury, and Commerce Departments (and their influence was noticed even in the White House) in order that the policies embedded in the treaty of Versailles might be put into execution in America. They became dominant over our Executive Office and they dominate it to-day. They fixed its foreign policy after the war, and they are fixing it now.

it now.

Let us see first how they attained power. The Wilson peace agreement with Germany, in which the Allied Supreme War Council had joined, was not a peace of conquest, and provided only a limited sum for reparations. But no sooner had the Supreme War Council accepted it and Germany had given up her arms than they determined to repudiate it, conquer Germany by starvation after the armistice, and impose a peace of conquest and a war penalty of \$33,000,000.

and a war penalty of \$33,000,000,000.

The Reparations Commission was organized in secrecy in February, and it was in the secret proceedings of this commission that President Wilson was betrayed in his absence from Paris, his peace settlement repudiated, and the \$33,000,000,000 indemnity imposed upon Germany. Bernard M. Baruch and Norman H. Davis were the American members of this commission. They deserted President Wilson, violated his instructions, and allied themselves with the Supreme War Council in the settlements of the treaty. They did not content themselves with replacing the limited.

They did not content themselves with replacing the limited reparations of the Wilson peace agreement by a crushing indemnity which Germany was to pay the Allies. They did something more far-reaching. They joined in an agreement that Germany should give bonds to the Allies for the amount of the indemnity, that the bonds should be negotiable, and that each allied government might sell the cheef the bonds to restrict the content of the cont

indemnity, that the bonds should be negotiable, and that each allied government might sell its share of the bonds to private purchasers for cash. It was their expectation that these bonds should be sold chiefly in the United States.

The result would be, as I have just said, that the American people would pay the German war indemnity to the Allies in cash in exchange for the right to collect it in annual installments from Germany if they could. They have been trying to sell these bonds here from that day to this. This is what the French mean when they talk of "security." France would feel entirely secure when the Government at Washington had the responsibility of keeping Germany disarmed and making her pay.

on this question of security to France, I am concerned on account of the recent utterances of the Secretary of State, Henry L. Stimson, referring to consultative pacts, and the remarks of our Ambassador to France, Walter E. Edge, at the recent unveiling of an American statue on the battlefields of France relative to of an American statue on the battlefields of France relative to our guaranteeing to France our cooperation in case France was ever again attacked. This is what Woodrow Wilson wanted to do with France. This is what the Congress of the United States has heretofore refused to do. And this is what the American people will never agree to do. If you do not agree with this view, inquire of any of the soldiers who fought for the United States in the World War. This is the price France is asking in return for that which she is bound to do in the Treaty of Versailles, which is being so pertinently pointed out by Germany these days in refusing to attend any more parleys on disarmament until at least France and England have disarmed as agreed in that treaty, which treaty at any cost France insists on keeping in that treaty, which treaty at any cost France insists on keeping operative.

operative.

The senior Senator from my own State, Hon. DAVID AIKEN REED, has been spending the summer in Italy, France, and England, and has been holding conferences with foreign government heads and from his recent utterances, as reported in the press, is apparently speaking with authority. He joined with Ambassador Edge in a recent statement which reaffirmed the previous assurances to France of security, and went further and

assumed to advise Germany in regard to disarmament and the Versailles treaty. This statement was so bold on the part of Senator Reed, who is a member of the Senate Committee on Foreign Affairs, that the President saw fit to restate the fact that the United States was not a party to the Versailles treaty. But notwithstanding this restatement of fact, the statements of our ambassador to France, the statement of our Secretary of State, and

bassador to France, the statement of our Secretary of State, and the statement of Senator Reed still stand, and these assurances are understood in France and are an influence in the determination which France is now making in regard to disarmament. I wonder—are we trading security to France for her agreement to forego the security she has in the treaty of Versailles? I ask the question. Let the negotiators answer to the American people.

But to go back for a moment to the peace conference. The Germans, after the armistice, presented a desperate passive resistance to the peace of slavery. The resistance had to be passive because they had now given up their arms. It carried them to the brink of destruction from starvation, for the British Navy and the allied armies hemmed them in to prevent the importation of food. The Reparation Commission merely waited until starvation compelled the Germans to admit conquest and to sell themselves into slavery in order that they might have food and live. This point was reached late in March, 1919, when a conference was arranged at Brussels where the Germans were to accept the terms.

accept the terms.

accept the terms.

Herbert Hoover had preceded President Wilson to Europe and became head of the agencies of food relief there. He was allowed to feed the starving people in Austria and the liberated regions, but not in Germany. He protested against the discrimination against Germany, as a part of the written terms of peace were promises of food relief there. He was, however, prevailed upon to accept the orders of the supreme war council, which excluded Germany from the beneficent administrations of the American Relief Association. Indeed, so powerful was the influence of the international bankers here at home, and of the allied embassies in Washington, that in appropriating \$100,000,000 for relief in Europe the Congress in February provided that none of it was

to be expended in Germany.

At the conference in Brussels in March, which I just spoke of, Herbert Hoover was chairman of the American delegation, and Thomas W. Lamont, of J. P. Morgan & Co., and Hugh Gibson, our present minister to Belgium, and Norman H. Davis, one of the delegates to the present Geneva Disarmament Conference, among these were members. Belgium to shiect submission by starvage delegates to the present Geneva Disarmament Conference, among others, were members. Reduced to abject submission by starvation, with allied armies and navies seeing to it that no food entered, the Germans gave up all their gold and negotiable securities, two billions in value, in exchange for a promise of monthly supplies of food, and signed the obligation to issue \$33,000,000,000 of negotiable bonds which were to be used for the purpose which I have heretofore stated. I might add that no official accounting as ever published of the sums handed over by Germany in the Brussels conference.

As to Germany's future liability for payment of the indemnity of \$33,000,000,000, the sudden creation in this way of monetary values at the end of the war in such an amount is what has made a financial madhouse of the world since that date. It is a made a financial madhouse of the world since that date. It is a sum, whether of dollars or anything else, which is practically beyond the comprehension of the human mind, yet the supreme war council, knowing that Europe was bankrupt at the end of the war, nevertheless created it as a European obligation in dollars. It had no actuality, but would take on actuality if the American people could be deceived about it and would buy the bonds. If they could be induced to invest their billions in them they could be made to pay for Europe's war.

I do not intend to take my time, which is all too short to properly cover this subject, to go into the continuous efforts which have been made to sell these reparation bonds here. Bonds for \$13,000 000,000 were offered under the London ultimatum in 1921, and for \$4,000,000,000 under the Dawes plan in 1924. In neither case did the international bankers succeed in getting them on sale in the United States.

on sale in the United States.

But after Mr. Hoover became President in 1929, the Young plan reparation bonds, which were created to the amount of \$3,250,000,000 were offered in the United States without governmental opposition. Fortunately less than a hundred million of them were sold, and at this time they are a drug in the market.

The irreparable injury which was done to the American dollar and to the financial security of every American citizen by this dishonest intrigue in Europe in 1919 consisted in the injection into the real monetary wealth of the world of \$33,000,000,000 of financial water. Its venal or stupid acceptance by our leading financiers and by our Government as a reality deceived our entire population; it was against the assumption that this asset of \$33,000,000,000 in Europe was genuine that the American president population; it was against the assumption that this asset of \$33,000,000,000 in Europe was genuine that the American people were in 1924 induced by the international crowd to believe that billions might be safely invested there. It was only because of this assumption that the European governments and the international bankers were able to dispose in this country of the billions of dollars' worth of questionable European bonds which were sold have between 1024 and 1020. The whole concention was an ashere between 1924 and 1929. The whole conception was an astounding financial device for comprehensively transferring most of our monetary wealth to Europe less the substantial bankers' profits, and that it has succeeded to such a large extent accounts for our state of industrial depression and financial dislocation to-day.

It is against this bankground that the questions of to-day ought to be considered. And in the light of these underlying facts,

President Hoover's account of his stewardship in his acceptance

President Hoover's account of his stewardship in his acceptance speech is not convincing. Its explanations of cause and effect leave something to be desired.

He says that the last three years have been a time of unparalleled calamity, and with this we may agree, but he would indicate to us that we are collectively responsible for what has happened, and with this it is not so easy to agree. He says that we were prosperous after the war, and that from optimism some of us went to overexpansion, and from that to reckless speculation, out of which grew the weeds of waste, exploitation, and abuse of financial power; that all the world joined in this; and that three years ago came retribution by the inevitable world-wide slump. He says it was "the normal penalty for a reckless boom." This explanation is plausible but inadequate. In 1924 Europe had completed the payment to us of its great postwar trade balance in gold. Except for the public debts owed to us, our balance sheet completed the payment to us of its great postwar trade balance in gold. Except for the public debts owed to us, our balance sheet with Europe was practically closed. Our monetary wealth was adequate, and our credit was not overexpanded. Our credit was needed for enterprises at home, and this fact ought to have been made the basis of Government policy. To venture it thereafter by billions in Europe could lead only to disaster. But, as I have explained heretofore, a false conception here of Europe's credit power had been created by the financial settlements of the treaty of Versailles. I have just told you who were responsible for these settlements.

The bankers' propaganda of prosperity in Europe which, with the approval of our State, Treasury, and Commerce Departments, accompanied the Dawes plan completely deceived the American public and induced them to part with their billions in ruinous investments in European bonds. Nineteen hundred and twenty-

investments in European bonds. Nineteen hundred and twentyfour was the fatal year when false policies in Washington set us
on the downward path.

The "inevitable" slump three years ago, therefore, was not
"retribution" for the sins of the American people, nor was it
"the normal penalty for a reckless boom," as President Hoover
tells us; it was the result of a comprehensive deception of the
American investing public by its Government, and that deception
was the direct consequence of the Brussels conference in March,
1919, where Mr. Hoover and Mr. Thomas W. Lamont, of J. P.
Morgan & Co., in association with the Allied Supreme War Council, imposed a \$33,000,000,000 indemnity upon Germany and
funded it in negotiable bonds payable to bearer. This was an
asset, if real, against which American investors might safely loan
any amount of money to Europe. Let us not pin upon the American people collectively sins which they did not create. Let us place
responsibility where it properly belongs.

The President makes the somewhat surprising statement that
after the collapse in 1929 the Government adopted policies which

after the collapse in 1929 the Government adopted policies which were fitting to the situation and that gradually the country began to right itself; that 18 months ago there was a sound basis for

hope that recovery was in sight.

There was not the slightest chance 18 months ago that there There was not the slightest chance 18 months ago that there could be improvement, for the real cause of the trouble was the false asset of German reparation bonds, which had induced American banks and investors to risk billions in worthless European securities. This false asset still remained. The Hoover administration, which had just taken office, far from disabusing the public mind regarding it, threw its open support to the Young plan and distinguished itself by becoming the first administration since the war to permit the reparation bonds to be placed on sale in Wall Street. The fact that this Government allowed the Young plan reparation bonds to be offered to American investors in 1930 and expressed its high approval of the Young plan settlements at a time when bad credits in Europe were already threatening currency stability here rededicated the American people to the vast exploitation contemplated in the treaty of Versailles. While it remained possible to flood the United States with a \$3,000,000,000 issue of German reparation bonds, there could be no return here to a regime under which money and property were safe.

The power of the American people to resist deleterious foreign influences is very great. If they had had an upstanding, patrictic Government in power after the war to protect them from the aggressions of the international bankers there would have been

aggressions of the international bankers there would have been very little trouble. They are not at the mercy of the foreigner; it is in their power to protect themselves.

But let us see how the President looks at it.

"Eighteen months ago," he says "there was a sound basis for hope that recovery was in sight. Then there came to us a new calamity, a blow from abroad of such dangerous character as to strike at the very safety of the Republic. * * *

"New blows from decreasing world consumption and from falling financial systems rained upon us; the world-wide storm grew to

financial systems rained upon us; the world-wide storm grew to hurricane force and the greatest economic emergency in all the history of the world. Unexpected, unforeseen, and violent shocks with every month brought new dangers and new emergencies; fear and apprehension gripped the heart of our people in every

fear and apprehension gripped the heart of our people in every village and city."

This new calamity, the President explains, came because the countries of Europe were unable to withstand the depression. But at that time nothing was happening there to unduly alarm public opinion here. It was not until last autumn that our troubles began to greatly disturb the public. The great New York banks had loaned about \$2,000,000,000 in Germany, and when last autumn it appeared that Germany might default on these loans their solvency was menaced, and because the fate of many smaller banks throughout the country was dependent on the condition

of these New York banks, a condition of public anxiety developed |

throughout the country.

But the important fact is that if through proper administration of our Federal reserve system we had kept our billions at home after 1924 nothing of the kind could have happened. Depression in Europe, decreasing world consumption, and falling financial systems could have contained very little menace to us. If these blows rained upon us and struck at the very safety of the Republic, as President Hoover pictures it, it was because the distinguished gentlemen who were responsible for the treaty of Versailles had continued in authority in Washington and had so overstated the credit capacity of Europe to the American investing public that they loaned billions of dollars there with the disastrous consequences of which the President speaks.

Decreasing world consumption and falling financial systems can never "in themselves" be a menace to us. Menace can only come from the reckless lending abroad of great sums of American capi-tal. President Hoover himself told us in his speech at Indianapolis sometime ago that the shrinkage in our foreign trade had been not more than from 2 to 3 per cent of our entire productivity. Now, if President Hoover knew, as he did, that our entire foreign trade is less than 10 per cent of our domestic trade, and that its shrinkage was only 2 per cent of our entire productivity, he must have known that such a relatively small item could not bring a departure depression upon us

not bring a dangerous depression upon us.

He knew that the combined efforts of our State, Treasury, and Commerce Departments and of the international bankers in New York had led the American public to invest billions in European bonds between the years 1924 and 1929. He knew that as a result there was an abnormal activity in our foreign trade because those who had borrowed the money were spending it here. But by 1929 they could not even keep up the interest on their immense borrowings and could float no new loans. Their purchasing power, therefore, suddenly fell, and this fact, together with the domestic overexpansion and reckless speculation which this artificial stimulation of our foreign trade created, brought on the collapse of October, 1929.

lapse of October, 1929.

The records show that during the past decade we have exported more of our capital wealth than we have of merchandise. Both have been consumed by Europe.

Should we continue the folly? American capital earned in America should be used in America to develop our resources and provide employment for the American people who made possible the building up of this surplus American capital.

I am not at all in sympathy with the investment by our larger industrial interests of a part of their capital "tax free" in the building and establishing of branches or factories to manufacture American goods or raw material abroad. It is one of the reasons for increased unemployment in the United States and is contrary

to the principles which have built up our country.

Only a nation-wide deception as to the credit capacity could have brought these unfavorable conditions about. The hurricane which, as I have just said, did not come 18 months ago, as the President says it did, but came eight months ago, ought not to have caused surprise to anybody in Washington. I will speak of its immediate causes later. We became vulnerable to a finan-cial hurricane only because we had extended credits of billions to the European financiers, who were therefore able to raid our money

market.

Yet the explanation given of why these foreign events affected us so adversely is that "we are part of the world, the disturbance of whose remotest populations affects our financial system, our employment, our markets, and prices of our farm products."

These statements are not true. They may be applicable to Great Britain and to other countries which are primarily dependent upon foreign trade, but they are not applicable to the United States. We are peculiarly a self-contained nation. No nation was ever so independent of foreign products as we are. The recent shock which came upon us from abroad was not caused by the cessation of foreign trade; it was caused by a reckless foreign-loan policy. It is an absurdity and a crime that our vast domestic market should be permitted by our Government to be wrecked because the Nation's capital is diverted from it and squandered in disastrous adventures abroad. disastrous adventures abroad.

Where the shrinkage in a nation's foreign trade is less than 3 per cent of its total productivity there is no sound reason why disturbances in other parts of the world should affect its financial system, its employment, its markets, and the price of its farm products, much less strike fear and apprehension to the

hearts of its people in every village and city.

Before I close I want to tell you something about this "hurricane" that came from Europe, not 18 months ago but 8 months ago. It began to gather force after President Hoover proposed his moratorium, and there is much reason to think

proposed his moratorium, and there is much reason to think that the moratorium proposal precipitated it.

In the autumn of 1930 the French were greatly irritated when the Hitler forces, flatly opposed to the payment of further reparations, made great gains in the German elections, and when, at the same time, the offer of Young plan reparation bonds on the American market fell flat. They had over \$2,000,000,000 in these bonds which they wished to market in the United States. They were even more irritated when Britain and Italy began to fall away from the entente and to show a purpose of supporting Germany.

Imagine, if you please, the predicament we of the United States would have been in had the international bankers succeeded in unloading on the American public these \$2,000,000,000 of commercialized reparation bonds in 1929–30 as they had

hoped to do. The Lausanne conference would have meant much more to our people when they agreed to cancel 90 per cent of the reparations. This would have resulted in a 90 per cent loss on \$2,000,000,000 then held by American investors. Is it any wonder the American people are thred of the leadership of the international bankers in the handling of our international affairs?
When the plans for the Austro-German customs union were

When the plans for the Austro-German customs union were announced in the spring of 1931 the French accepted this as a declaration of war, and they determined to reduce all Europe to French mastery. German finance was involved in Austria, British finance was involved in Germany, and American finance was involved in Germany and Austria. The French knew that they could precipitate bankruptcy all along the line in Europe and that with a weak government in Washington they might threaten the dollar. By means of these threats they thought that they might compel a realignment in support of the treaty of Versailles.

Now, in the events which followed Decision.

Versailles.

Now, in the events which followed President Hoover supported French policy. The first support given was in the action of Ambassador Hugh Gibson in signing the following agreement reached in the preliminary disarmament conference:

"The present convention shall not in any way diminish the obligations of previous treaties under which certain of the high contracting parties agreed to limit their military, naval, and air armament, and thus fixed in relation to one another their respective rights and obligations in this convention."

spective rights and obligations in this convention." It is said that our Government's reason for doing this was to support the naval agreements of 1921 and subsequently, but it was in fact notice to Germany that she was now obligated to the United States to remain disarmed as provided by the treaty of

Another event just after the announcement of the Austro-German customs union further aligned the United States with France. This occurred when the American delegation in the meeting of the International Chamber of Commerce at Washington went on record as opposed to the Austro-German customs union on the ground that it violated the most-favored nation clause of the treaties with Germany.

The French were therefore aware that Washington supported them in their general policy; they desired the integral preservation of the treaty of Versailles and of the Young plan, and so did the White House. They wished to use German reparations in bargaining for the reduction or cancellation of the allied debts to the United States and to this President House, had no objection. United States, and to this President Hoover had no objection.

the United States, and to this President Hoover had no objection. In May, 1931, the French threw the Austrian creditanstalt into insolvency. As this threatened the solvency of both Germany and Britain, the French expected it to force those governments into an agreement with France. If they had been left alone, they might have succeeded; or they might have failed in the face of a coalition of Britain, Italy, and Germany against them and been compelled to agree to the cancellation of reparations and the revision of the Versailles treaty.

At this point President Hoover intervened with his moratorium

vision of the Versailles treaty.

At this point President Hoover intervened with his moratorium proposal. It was unwelcome to the French because it did not safeguard the Young plan. The French determined to force Europe and America both to meet their terms.

Within two weeks they forced President Hoover to modify the moratorium proposal so as to preserve the negotiable Young plan bonds, and at the same time they launched their financial raid upon Germany by overthrowing the Darmstaedter Bank. These were the first gusts of the "hurricane" after President Hoover's moratorium and not before.

Having forced Washington by the Franco-American agreement to become a guarantor of the Young plan, the French continued their financial offensive against all Europe by attacking the Bank of England. The pound became shaky last August. The New York banks, like the English, had hundreds of millions in short-term loans risked in Germany. Financial panic began to develop here; loans risked in Germany. Financial panic began to develop here; our stocks fell to new lows. Then in September the bankers succeeded in effecting the "standstill" agreement, but England went

ceeded in effecting the "standstill" agreement, but England went off the gold basis.

Having reduced all Europe to subjection, and at the same time having shaken the solvency of great New York banks, the French directed their attention to an attempt to shake the American dollar in order to change the debt policies of our Congress. It began to be whispered around that the European central banks had \$2,000,000,000 in gold here, and that, if they withdrew it, anything might happen to our finances. Paris was full of rumors that America was going off gold, and the French people were hoarding American gold pieces.

None took the situation more seriously than President Hoover.

None took the situation more seriously than President Hoover. Fearing what the French might do, he invited Laval, their Prime Minister, here to ask that France and the United States cooperate in supporting the gold standard. But the things which Laval wanted the Congress was opposed to, and Mr. Hoover could not offer Mr. Laval enough. Laval went home and the raid on the American gold began in earnest. It continued uninterruptedly from last autumn until last June. Only the other day Secretary Mills stated that between September 21 and the end of October we lost \$750,000,000 in gold, and the total amount was over a billion and a quarter.

But the United States was in a stronger position than France thought, and the French exhausted their power to withdraw without being able to overthrow the dollar. A few months ago the great French gold raid ended.

The withdrawal of so much gold, however, from our domestic credit base was a serious thing. It enormously aggravated the condition of frozen credits, created panic, and instigated hoard-

ing. This required the extraordinary legislation in Congress during the last session. This was when the "hurricane" blew; the President makes an error of only a year in its date.

The French bid for world power failed. Instead of bringing Germany to the feet of France, it extraordinarily stimulated that people to defy the whole status quo of the treaty of Versailles. In the midst of the "hurricane" last January, Minister Breuning, of Germany, notified the Allies definitely that Germany would pay no more reparations, and the decision was accepted as final by the whole world. Last June \$27,000,000,000 of water was squeezed out of the world's money stocks when the German reparation bonds

of the world's money stocks when the German reparation bonds

were annulled at Lausanne.

President Hoover would have guaranteed France that the status quo of the treaty of Versailles should be maintained, he would have guaranteed the Young plan, he would have canceled or reduced the allied debts in return for a cut in German reparations, reduced the ained debts in return for a cut in German reparations, but he could not carry the Congress with him. When the French found that he could not do these things they turned their financial guns on the United States in the hope of bringing this Government to its knees. When all Europe saw that the French effort to do this was falling it rose en masse against France, and the Gallic frenzy to rule the world was cooled.

Just as there was no hurricane 18 months ago, the American recole were not going through enother Velley Forge 14 months ago.

Just as there was no hurricane 18 months ago, the American people were not going through another Valley Forge 14 months ago. The only acute peril from Europe manifested itself last autumn, when the bankers had to negotiate the "standstill" agreement, and it continued through the winter while the French were making their vicious run upon our gold. As the President saw the situation on Lincoln's birthday last February, "we were fighting on a hundred fronts." It would have been more within reason to say we were fighting on one and were winning the battle.

The administration has been too willing to use its power to support the French insistence upon the maintenance of the status quo of the treaty of Versailles. Most of its troubles have come from this fact. The minds of President Hoover, Mr. Bernard M. Baruch, Mr. Norman H. Davis, and Mr. Thomas W. Lamont go back too fondly to the days of the Brussels conference of March, 1919, and their instincts rise to the protection of their handiwork. But the world has outrun them; their views are antiquated and their policies outworn. They created the German reparations, and they policies outworn. They created the German reparations, and they plunged the world into a nightmare of misunderstanding, suspicion, hate, and hypocrisy for 13 years. Now they have failed, and what was begun at Versailles has ended futilely at Lausanne. What we need now is the establishment of an intellectual quar-

antine against the specious and misleading ideas that pour in upon us from Europe. The turmoil of hatreds and irrationalities there ought to have but little interest for us. In fact, the American people are not interested in them. It is the international bankers and their agents in our Government who would subordinate our natural interests to those of the foreigner, and they make nate our natural interests to those of the foreigner, and they make of our press a means of propaganda for the European cause. A speaker before the American Newspaper Publishers' Association recently threw an interesting light on the real facts. He stated that only 10 per cent of the men and women readers of the nine large city papers said that they were interested in foreign news, and that the interest of the readers of small dailies is negligible. By what right does any administration at Washington assume that the American people desire to abandon their natural position of isolation which affords them security and every opportunity for grandiose schemes of foreign adventure based upon whatever principle or theory?

ciple or theory?

For the good of the country we need in the White House less excitability, less sentimentality, less susceptibility to fears, less exaggeration of national dangers, less credulity. We need more accuracy in economic statement, more confidence in the national

stability, more poise, more courage, more patriotism.

This European excursion ought to be enough in the annals of this Republic. It is time to turn back to the Nation's broad highthis Republic. It is time to turn back to the Nation's broad highway. The green fields, the bright waters, and the blue skies of the United States, its busy marts, and its modern factories give to its people all the scope that they need; its people give to its markets all the business they require; and its interests give to its statesmen all the opportunity that their ambitions ought to seek. If we have any fighting to do, let it be upon our own frontiers, and not upon a hundred fronts where we have no business to

stand. It is enough to keep our own frontiers, geographical, political, and financial, safe and well guarded so that "fear and apprehension" need not grip the hearts of our people in every

willage and city.

The régime of the Versailles treaty has been an age of misery and disappointments, of betrayals and swindles. The Europeans have brought it to an end at Lausanne. Let us bring it to an end here.

HON. J. CHARLES LINTHICUM

Mr. GOLDSBOROUGH. Mr. Speaker, under leave to extend my remarks I include the following tribute of Hon. MILLARD E. TYDINGS, United States Senator from Maryland:

J. Charles Linthicum was one of those men who are most use

of those men who are most useful in the world. Possessed of marked ability, he exercised high qualities with no unequal emphasis in all his contacts.

During two decades of honorable, industrious, and competent service in the House of Representatives, four years of which it was my privilege to serve with him in the Maryland delegation, there was never at any time any doubt that he would be found unhesitatingly on the side of right and justice. He was always re-

lied upon to labor untiringly for the best interests of the Nation, and he was indefatigable in working for the benefit of his State and city, taking up matters concerning them as a matter of course, whether urged by his constituents or not. Indeed, when important groups of the citizenry did approach him to elicit his interest and assistance, they usually found that he had anticipated them and was already taking action in their behalf. For that reason, among many others, he possessed the affection and confidence of the people of Maryland as few men have done.

But, well-rounded Representative that he was, his efforts were by no means centered upon the welfare of his congressional district and his native State. All activities of our Government received his careful study and intelligent and sane action; his wide acquaintance with both national and international matters was manifested by the fact that at the height of his public career, which was terminated by his greatly deplored death, he was chairman of the Committee on Foreign Affairs, which deals with our far-flung contacts with the rest of the world.

As a lawyer, citizen, husband, and friend he was noted for his

far-flung contacts with the rest of the world.

As a lawyer, citizen, husband, and friend he was noted for his earnestness and purity of purpose, his gentleness of heart, and his broad charity toward his fellow men. He wore well, whether in the political, professional, or social circles of his activities. Of him it might well be said: "Behold the upright man and just."

To seek to separate the man from his attainments, to differentiate between his accomplishments and his ideals would be to lose the dominant note in the melody of his life. Whether in one walk or another—in Nation, State, or home—the motive was the same. He gave rich expression to a tried and experienced high-mindedness. high-mindednes

The hope and ambition of our young men and women of to-day is fostered and fed by the character of the men the people of this Republic send to our National Legislature, our highest lawmaking body. Mr. Linthicum's example is a potent teacher to the young people of his State and district. Example teaches without a tongue. It is silent, but its action for good is more forcible than words, however eloquent. Mr. Linthicum left no enemy in Congress or elsewhere. His life, his character, his career will always be a grateful memory to his kindred, his acquaintances, and his colleagues.

A STATEMENT OF STEWARDSHIP

Mr. THATCHER. Mr. Speaker, now that I am retiring from the House, I deem it appropriate to make a few observations of a general character. It is with genuine regret that I take leave of my associates here. This is especially true as regards my fellow members of the Appropriations Committee. During the entire period of my service in this body-that is to say, 10 years-I have been on the Appropriations Committee, and the association involved has been of a most cherished character.

WORK OF THE APPROPRIATIONS COMMITTEE

The work performed by the Appropriations Committee is not of a spectacular character, but it is of the greatest importance to the Nation. If there is to be found in either branch of the Congress a committee devoted to representing the interest of the taxpayers it is the House Committee on Appropriations. During the 10 years I have been a member of the committee it has cut or reduced estimates of the President and the Bureau of the Budget by something like a billion dollars. It is not a legislative committee. It does not report legislation except in occasional the question of appropriations and cases affecting expenditures.

In the submission of Budget estimates the President must be governed by the laws enacted by the Congress authorizing and directing that appropriations be made, and the Appropriations Committee of the two Houses must be similarly governed. But the executive authority of the Government can and should address itself to the holding to the lowest possible levels the expenditures authorized by general law. It is an interesting and significant fact, therefore, that since the Budget system was adopted in 1921. the House Appropriations Committee has been able to cut a billion dollars and more from the executive estimates and recommendations for expenditure; and the Congress, in making the actual appropriations for Federal purposes, has accepted and approved the action of this committee. No committee of either House is freer from partisan influence than is this one. In all this work of the committee and in the formulation and conduct of its policies I believe that I have made my full contribution of time and energy and whatever ability I may have possessed. In brief, I have tried to represent the taxpayers of the Nation, and in all this work of the House Committee on Appropriations I have sought to do my bit. I feel, therefore, a pride and | new armies and fleets abroad, which may be used against gratification in the committee's record and wish that the country might better understand the tasks, labors, and achievements of the committee.

FARM PROBLEMS

Since I have been a Member of the Congress I have voted against what I considered price-fixing measures and the like. I have supported various measures having for their purpose the betterment of agriculture; but the more radical types I have opposed. I have believed that many proposals which have been pushed forward in recent years would, if enacted into law, add to the burdens of the already overburdened farmers and taxpayers and would help no one. I am willing to see a reasonable amount of experimentation tried, if there are no tax burdens involved, but the trouble with most of such proposals is that about the only results they would accomplish, in my judgment, would be heavy outlays of tax money and the raising up of new hordes of officeholders to eat out the substance of the people. The farmer, like other classes of our people, must have reasonable credit extensions accorded and maintained. Then, with slow and patient steps, he must make his way forward to recovery.

I do not say that legislation may not be devised to accelerate his progress, but in my judgment most of the legislation proposed for his benefit has been visionary and unworkable, with heavy administration costs involved.

OUR ECONOMIC SITUATION

Our economic embarrassment has been chiefly occasioned by the World War. That great conflict unsettled the economic and moral structure of the entire earth. Its cost to our people has already been more than \$35,000,000,000. This is a staggering total and our Nation reels under its Atlas load. Added to this is the era of extravagance through which we, as a people, have been passing. We have been literally corrupted with credit. Almost everything except salvation itself has been purchased or procured on the installment or deferred payment plan. Finally the day of reckoning came and we were unable to pay. No one has preached the gospel of thrift. Only those who have advocated the policy of spending have been audible, and far too well have their voices been heeded. As individuals, as States, and as a Nation we have lived beyond our meansfar beyond them-and the day of judgment finally dawned. There can be no permanent prosperity unless we have thrift as a general policy. When we have enduring thrift we build up our reserves, and when we spend from our reserves rather than through an abuse of credit we will have safe financial conditions, and, in time, normal prosperity.

The \$11,000,000,000 loaned the allied nations during and just after the close of the World War, were funds of the taxpayers of America, and should be repaid. If this great sum, with accrued interest, were in our Federal Treasury to-day, our Budget could be balanced, and our problems would vanish overnight. We have been more than fair with our debtor nations, and they could pay us if they would cease to raise up new armies on the land and new fleets on the sea-arming and equipping themselves for another war. I am opposed to the cancellation of another dollar of this indebtedness. If these nations are unwilling to pay, and choose to repudiate their sacred obligations, we will hardly go to war about it; but we shall profit, I hope, by our bitter experience, and keep our money at home in the future. We have been cursed with internationalism from the time of the World War. Entangling foreign alliances, the cancellation of foreign debts, and all sorts of compromising agreements touching our domestic policies have been preached for years by theoretical statesmen and selfish internationalists-bankers and others; and a vast amount of poison has thus entered into our political and financial systems. To other nations and peoples we have been generous without stint; yet to-day we are hated and denounced by most of those whom we have sought to help. This, too, in the hour of our greatest need. The net result is that the taxpayers of the United States of America, at the price of their impoverishment, are paying the cost of \$75,000. This institution, located at Louisville, prints books

us in some future conflict, largely arising—if it does arisefrom the fact that we have earned the hatred of those we have sought to serve. What a paradox! The easy way in which we as a nation have been "buncoed" in regard to these foreign loans might suggest that the name "Uncle Sam " should be changed to "Uncle Simple."

INTERNATIONAL BANKERS

Again the international bankers come into the picture. They have sold to our people vast totals of foreign bonds and securities—and domestic as well—that are absolutely worthless, and which they had every reason to believe were worthless. This they did for brokerage fees and commissions which were very large in their totals. These highfinance racketeers have thus written a most sordid, dastardly chapter in the country's financial history, and they have greatly contributed to the staggering depression which has come upon our people. It is a pity that these contemptible malefactors can not be brought to justice. Certainly the States and the Nation should enact all possible legislation to prevent the recurrence of such a situation.

ORGANIZED GROUPS AND MINORITIES

Organized groups and minorities have been too effective, by far, in their demands and exactions in State and Nation in recent years. Basic claims ofttimes just, too often have been expanded into injustice. These groups are articulate and active, whereas the masses are inarticulate and unorganized. The groups usually seek to punish those who do not go all the way with them, and the great body of taxpayers and voters are inclined to view with indifference and unconcern the punitive efforts of organized minorities. Too often it is that they join in these efforts. All this is calculated to have a demoralizing effect on those engaged in the public service; and it is generally recognized that those who are brave enough to stand by their convictions, by their judgment touching the welfare of the people as a whole, may ultimately fall victims of the wrath of selfishness and greed. This fact constitutes a vital defect in democracies, and it can be mitigated only through a better knowledge and understanding of public issues by the people, an improved spirit of patriotism, and the organization of the masses against the classes. Every legitimate interest or group has the right, of course, to have representation and to be heard; but too often the tendency is to exceed the limits of fair play and the consideration due others. What a pity it is that the great unorganized, inarticulate public has not capable and courageous nonoffice-holding representatives to combat the selfish propaganda and representations of special groups. It may be said, of course, that it is the business of legislative bodies and executive officials to see to it that no injustice is done. So it is, but all these governmental bodies and officials would be greatly helped in the performance of their tasks by such counteracting agencies in the matter of ascertainments of facts; and also greatly strengthened in their efforts to prevent the granting of undue or unjustified favors to organized minorities at the expense of the many.

PARTICULAR MEASURES, ETC.

Mr. Speaker, among the enactments, appropriations, and other results of a specific character, which I have been able to procure, or have been chiefly instrumental in procuring, since I have been a Member of the Congress, I may mention those that follow:

The act authorizing the establishment of the Mammoth Cave National Park in Kentucky.

Appropriation of \$25,000 for making a topographic survey of the Mammoth Cave National Park area.

The act creating the Zachary Taylor National Cemetery in Jefferson County, Ky., and the procurement of appropriations of about \$60,000 for permanent improvements therefor.

Appropriation of \$35,000 for the construction of a new United States Coast Guard station on the Ohio River at Louisville.

The acts increasing the annual appropriation for the American Printing House for the Blind from \$50,000 to for blind pupils in all the schools for the blind in the United States and Territories.

The act placing the storekeeper-gaugers, for years the "underdogs" of the Treasury Department, on a parity, as to salaries, all-time employment, and sick and annual leave, with all the other Treasury employees.

The act authorizing appropriations of \$100,000 for the permanent and adequate improvement and protection of the Lincoln birthplace farm, in Larue County, Ky. The appropriations have been made, the improvements constructed, and this sacred and patriotic shrine—neglected for years—has been preserved and rendered available for all the people.

The act under which the new \$5,000,000 municipal bridge has been constructed across the Ohio River at Louisville. This measure—the first of its kind, and now a model for numerous bridge acts under State and municipal sponsorship—permitted the city of Louisville to finance the project upon a pledge of operating tolls.

The authorization and appropriation of \$2,895,000 for the purchase of a new site and the construction of a new Federal building in Louisville. The building—a very handsome and commodious one—has been completed and now houses all the Federal activities in Louisville—heretofore scattered—with the consequent rent saving to the United States Government of about \$50,000 a year. In addition, the Government has the old Federal building and site which, under normal conditions, should bring \$3,000,000, or more than enough to pay the cost of the new building and site. The total of appropriations made for the latter was not, in fact, actually used. A net saving to the Government should accordingly result. I had the honor to lay the cornerstone of the new structure and to deliver the formal address therefor on December 28, 1931. The building was completed and occupied in November, 1932.

The act providing for a system of refunds of taxes to tobacco manufacturers and dealers on account of tax-paid products which became damaged or unmarketable. This was a greatly needed and highly meritorious piece of legislation. The antikidnaping act for the District of Columbia.

The enactment of legislation and the procurement of appropriations of \$1,250,000 for a new and much-needed veterans' hospital for Kentucky, located at Lexington, and which has been constructed, and for some time has been in operation.

Also, I procured the authorization of an appropriation of one-half million dollars for the construction of a new and greatly needed marine hospital at Louisville. This structure is now nearly completed and the Treasury Department has been able to build it for less than the appropriation authorized.

At the first session of the Seventy-second Congress I introduced a bill authorizing the construction of a new hospital at Fort Knox, Ky. Thereupon there was included in the emergency relief act an item of \$200,000 for such construction, the appropriation was accordingly made, and the work of building the hospital is under way.

The War Department having determined to make Fort Knox a permanent Army post, as well as a summer training camp, this new hospital is a matter of necessity. For years I have urged the undoubted merits of Fort Knox as a regular, permanent Army post, and I am greatly gratified that official action to make it such a post has been taken, after full and careful study.

LEGISLATION AFFECTING PANAMA CANAL

I may also state that it has been my privilege to sponsor and bring about the enactment of certain important measures, now named, affecting the Isthmus of Panama and the Panama Canal.

The act creating the Gorgas memorial laboratory in Panama City, adjacent to the Canal Zone, and an annual appropriation from our Government of \$50,000 for its maintenance and operation. The laboratory is functioning with great success as regards research into the causes and prevention of tropical diseases. It is fully justifying its establishment and is rapidly becoming one of the foremost institutions in the entire world.

The act authorizing the appropriation of \$1,000,000 for the establishment of a permanent ferry across the Panama Canal at the Pacific entrance, for the construction of the required ferry vessels, and for the building of a roadway from the western terminus of the ferry to the boundary line between the Canal Zone and the Republic of Panama. The appropriations have been made and the entire ferry-road project has been completed and is in operation.

Also, I have been the House author of omnibus bridge legislation for Kentucky, under which the State's highway commission is constructing and operating much-needed bridges for the State.

PUBLIC-BUILDINGS PROGRAM

In addition it has been my privilege to assist in the procurement of appropriations for Federal and other buildings and sites in Kentucky, including the narcotic farm and hospital at Lexington. All these projects were carefully considered and approved by the administrative agencies of the Government; and all are highly meritorious. During my 10 years of service here I have been a member of the subcommittee which, for the Appropriations Committee, has been charged with the duty of conducting the hearings upon and formulating the annual Treasury-Post Office Department appropriation bills. I have thus been in position to learn in an intimate way of the public-building needs of the country, as these bills carry appropriations therefor. Thus far we have pursued a scientific and non-pork-barrel method of dealing with this important subject. This has been under the basic act passed by the Congress a few years ago, whereby the Treasury Department, upon surveys and studies, makes recommendations for building projects. Since that law was passed our subcommittee has approved no appropriations for new building projects not recommended by the Treasury Department.

OTHER MATTERS

Further, I may suggest that some years ago I took the lead in the successful effort to establish some greatly needed branch offices of the Bureau of Foreign and Domestic Commerce; among them, one at Louisville. These offices have fully proven their value, especially during this economic crisis when our manufacturers and producers need and are looking for foreign markets.

It was also my privilege to take a leading part in bringing about the establishment of the air mail service from Cleveland via Cincinnati, Louisville, Nashville, Memphis, and Little Rock to Dallas and Fort Worth, and the lighting of the route. This enterprise was and is a very popular one, and over this airway there is now being successfully operated a night-and-day service through and over a vast portion of the country. No section is more entitled to such service than is this one.

The Eastern National Park-to-Park Highway has been established under my initiation and sponsorship, and I have the honor to be the president of the Eastern National Park-to-Park Association. This great thoroughfare connects and ties together, by a 2,000-mile hard-surfaced road system, the Mammoth Cave National Park in Kentucky; the Great Smoky Mountains National Park in North Carolina and Tennessee; the Shenandoah National Park in Virginia; Washington, D. C.; the national monument at Wakefield and that at Yorktown; Jamestown (the first settlement), Richmond, and Appomattox, Va.; together with other points of outstanding scenic and historic interest. The value of this project now and through the years to come must be obvious.

My interest in National and State parks and in recreational areas has always been of the keenest character; and since I have been a Member of the Congress I have been very happy to utilize the opportunity thus afforded to aid in the national park and monument work, and especially in that work as regards the creation of a system—greatly needed—of national parks east of the Mississippi River.

It may be recalled, also, that chiefly through my efforts and representations one of our new 10,000-ton cruisers was christened *Louisville* for my home city, Kentucky's metropolis.

The States to the southward have not fared as well in the | past as those to the northward and eastward. In cases where the conditions have seemed to justify or warrant it, I have felt that I should press the claims of my own State. Too long has it seemed to me that Kentucky, which from colonial days has done so much for the common country in blood, in talent, and in treasure, has been neglected in its legitimate needs at the hands of the Federal Government. No State in the entire Union is richer in historic, romantic, and scenic interest than is that of the "dark and bloody ground," and I am most grateful that during my period of service here I have been able in a small way to do something in her behalf.

Upon my retirement from Congress I trust that this general statement bearing on my stewardship may not be deemed inappropriate. I have been very happy always to serve my State and my district; happy always, also, to serve my country and its every section. All this I have sought to do unselfishly and with due regard to every consideration involved.

THE BIRTHPLACE OF THE REPUBLIC

Mr. FISH. Mr. Speaker, under leave to extend my remarks in the Record, I include the following address delivered by me at the New York State Washington bicentennial celebration held at Temple Hill, town of New Windsor, Orange County, N. Y., Saturday, May 28, 1932:

It is right and fitting that the George Washington bicentennial celebration should be held at Temple Hill, hallowed by the presence, during the Revolutionary War, of the Commander in Chief and the Continental Army and made sacred by the events that

took place here.

This site should indeed be a national shrine, for it was here at Temple Hill, New Windsor, that George Washington delivered the first law-and-order speech, after victory had been secured, before a convention of officers presided over by General Gates, and prevented his officers, by his wise advice and sagacious leadership, from open rebellion against Congress and the existing Government. Within sight of this spot stood row on row of the stone huts used during the last three winters by the Continental Army for winter quarters.

The famous headquarters of General Knox, still standing, is only a short way off. Valley Forge is better known in history, but Washington's army only spent one winter there; and Morristown, because it has been better advertised, is still considered by the American public to have been the main winter headquarters,

which is very far from a historical fact.

Newburgh and New Windsor constituted the main camping grounds of the Revolutionary troops and was much more important, owing to the far-reaching events that occurred there, than Valley Forge or Morristown combined.

REMEDY HISTORICAL INJUSTICE

REMEDY HISTORICAL INJUSTICE

It is fair and proper that on this occasion we should at least try to remedy the historical injustice that has been committed against the State of New York and more particularly against Newburgh, New Windsor, and this section of the Hudson River known as the Highlands by the distinguished historians of the Revolutionary War, most of whom hailed, unfortunately, from New England and wrote from the point of view of Bunker Hill, Lexington, Concord, and the Boston Tea Party.

The decisive part played by New York State was almost completely overlooked, and the fact that the main strategy of the British, who had their headquarters at New York City for seven years, was to secure the forts in the Highlands and gain control of the Hudson River, thereby connecting up with the loyal forces in Canada and cutting the communication between the New England States and the central and southern States, was ignored.

land States and the central and southern States, was ignored.

It was likewise the main strategy of Washington during the greater part of the war to maintain the control of the Hudson by defending at all cost the forts in the Highlands. West Point, with its series of fortifications which were erected in the early part of 1778 and dominated the Hudson River, was never attacked because of its great strength.

cause of its great strength.

Of the 308 battles, large and small, in the Revolutionary War, 92 were fought in New York State, including the decisive battle of Saratoga. George Washington spent over 1,000 days during the war within a radius of 25 miles of this very spot. George Clinton, who was our first governor and served for 20 years as the chief executive of New York State, was born within a few miles from here, as was his brother, James Clinton.

It is well to remember on anniversaries of this nature that, in spite of the oblivion cast upon the participation of New York State in the Revolutionary War, we gave to the cause of liberty and independence the Clintons, Livingstons, Gouverneur and Lewis Morris, Alexander Hamilton, John Jay, and Generals McDougal, Scott, Montgomery, and Herkimer, of whom the two latter were killed in battle.

killed in battle.

SETTLED FORM OF GOVERNMENT

Former Senator Henry Cabot Lodge, in his History of the American Revolution, does not even refer to Newburgh and New Wind-

sor, where two of the most vital events in the early history of our country took place. It was from his headquarters at Newburgh, on May 22, 1782, that General Washington wrote his famous letter of rebuke to Colonel Nicola and a group of fellow officers who virtually offered him a crown, and thereby determined once and for all the establishment of our republican form of

The following is a quotation from Washington's letter to Colonel Nicola: "Let me conjure you, then, if you have any regard for your country, concern for yourself or posterity, or respect for me, to banish these thoughts from your mind and never communicate as from yourself, or anyone else, a sentiment of like nature."

For some reason that I do not understand efforts have been made to make it appear that Temple Hill was connected with this important episode in the formation of the Republic. Such is not the case, nor is there any need to attempt to add new laurels to this sacred spot, which was the camping ground of the Revolution, and made even more famous by the remarkable address of General Washington to his officers in the new building or temple

of General Washington to his omcers in the new bulling of semple on this very spot.

After the Battle of Yorktown there was much dissatisfaction among many of the officers who had not received their pay for a long time and the resentment against the Congress for giving nothing but empty promises to the officers who were about to be discharged resulted in a conspiracy among them to resort to force and violence. Anonymous addresses were circulated and threats made and meetings arranged. The Commander in Chief, when he was notified of the situation, anticipated the conspirators by calling all the officers of the Army who were present to meet him at and adjusted them, and remarked simply: "These eyes, my friends, have grown dim and these locks white in the service, yet I have never doubted the justice of my country." never doubted the justice of my country."

WINS OVER OFFICERS

He then went on to deliver as sublime a speech as there is in American history, and by his common sense and moderation to completely win over his officers to a course of action based upon reason and military discipline. I have quoted at some length from this speech, first because it was delivered on this site, and, secondly, because it shows the greatness of Washington's character, and, thirdly, because it determined that these United States were not to become a military autocracy. Amid the most profound attention he commenced reading:

"Gentlemen by an approximate summers an attenut her hear

"Gentlemen, by an anonymous summons an attempt has been made to convene you together—how inconsistent with rules of

made to convene you together—now inconsistent with fules of propriety, how unmilitary, how subversive of all order and discipline, let the good sense of the Army decide."

The Commander in Chief then pointed out the dreadful consequences of following the advice of the anonymous writer—subsequently ascertained to be Major Armstrong (afterwards Secretary of War)—"either to draw their swords against their country or retire it was continues from the defense of all they hold deer." retire, if war continues, from the defense of all they hold dear," and concluded with the following forcible percration:

"I conjure you, in the name of our common country, as you

value your own sacred honor, as you respect the rights of hu-manity, to express your utmost horror and detestation of the man who wishes, under any specious pretenses, to overturn the liberties of your country and who wickedly attempts to open the floodgates of civil discord and deluge our rising empire in blood."

The convention resolved unanimously, among other things, that the Army have unshaken confidence in Congress and view with abhorrence and reject with disdain the infamous proposition contained in a late anonymous address to officers of the Army

This address of Washington upholding military discipline and our existing civil government was not only the first law-and-order speech which has become so common to-day, but had a far-reaching effect on maintaining intact the fruits of victory already won after seven long years of deprivations and warfare.

LETTER TO GOVERNORS

It is well to remember in this connection that General Washington wrote his well-known letter of congratulations and advice to the governors of the thirteen States from his Newburgh headquar-

the governors of the thirteen States from his Newburgh headquarters on June 8, 1783, in which, among other suggestions, he advocated the building up of a citizens' army or militia. The following is an extract from this letter of advice:

"The militia of this country must be considered as the palladium of our security, and the first effectual resort in case of hostility; it is essential, therefore, that the same system should pervade the whole; that the formation and discipline of the militia of the continent should be absolutely uniform; and the same species of arms, accouterments, and military apparatus should be introduced in every part of the United States. No one who has not learned it from experience can conceive the difficulty. who has not learned it from experience can conceive the difficulty, expense, and confusion which result from a contrary system or the vague arrangements which have hitherto prevailed."

This is practically our system of national defense to-day, in which the National Guard, Officers' Reserve Corps, Reserve Officers'

which the National Guard, Officers Reserve Corps, Reserve Officers Training Corps, and citizens' military training camps constitute a trained reserve for our small and efficient Regular Army. It is truly a democratic, American system of national defense and, besides, is voluntary and the least costly.

I congratulate the people of this district on having in their midst at West Point the greatest and most efficient military academy not only in the United States but throughout the world.

We are proud of it and its glorious traditions, and we appreciate the participation of the cadet corps and its distinguished superintendent, Maj. Gen. William D. Connor, in these ceremonies.

The people of Newburgh and vicinity are also proud of the splendid record of the One hundred and fifty-sixth Regiment of Field Artillery, largely officered by World War veterans who served with valor and distinction on the battlefields of France.

We are proud of that fine military academy at Cornwall, the best institution of its kind in the country, and we are grateful to all the fraternal, civic, veteran, and patriotic groups who have participated in these ceremonies and made this celebration the largest and most important held in this section of the State of New York and most important held in this section of the State of New York for the past 50 years.

SEEKS NATIONAL PARK

I am hopeful, when more prosperous times return, that the Congress will consider favorably the plan to erect a small national park at Temple Hill, including the sites of the old winter quarters of our Revolutionary soldiers. This whole section is truly the cradle of the Republic, and we would be failing in our duty to the memories of those who served here for so many years in defense of our country at its birth if we did not do our share to keep alive their sacrifices in order that we might be a free and independent people.

pendent people.

The Declaration of Independence, written by the immortal Thomas Jefferson, was a mere scrap of paper until, through the courage, leadership, determination, and faith of George Washington, it was translated into a political actuality—the Government of the United States.

More than anything else to-day in solving our acute economic and political problems is the need of the same high degree of courage, leadership, determination, and faith as shown by George Washington throughout seven long years of the Revolutionary War, and here at Temple Hill, when by a few words he quelled mutiny among his officers.

among his officers.

We are, it is true, in the midst of a serious economic crisis, but there can be no question that the American people will emerge from this depression as long as they and their leaders adhere to those same principles that guided George Washington to final victory during the Revolutionary War.

Our republican form of government is still the hope and aspiration of the struggling masses of mankind throughout the world, whether they be in Italy, Russia, China, or Japan.

Let us, on this two hundredth anniversary of the birth of the Father of Our Country, rededicate ourselves to the proposition that a government of the people, by the people, and for the people shall not perish from this earth.

Let us reaffirm our belief in our republican form of government, because it is the soundest, fairest, wisest, most honorable, and best ever devised by the mind of man.

Let us cherish it and defend it against all of its enemies, both from without and from within, and serve notice upon all socialists,

from without and from within, and serve notice upon all socialists, pink intellectuals, communists, and fascists, and those advocating some temporary foreign dictatorship, that we have faith in America and believe that our republican form of government is still the

RECESS

Mr. CANNON. Mr. Speaker, I move that the House now stand in recess until 10 o'clock to-morrow.

The motion was agreed to; accordingly (at 11 o'clock and 23 minutes p. m.) the House stood in recess until to-morrow, Saturday, March 4, 1933, at 10 o'clock a. m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

952. A letter from the Secretary of War, transmitting a report, pursuant to House Document No. 308, Sixty-ninth Congress, first session, which was enacted into law, dated March 2, 1933, from the Chief of Engineers, United States Army, on Santee River, N. C. and S. C., together with accompanying papers and illustrations; to the Committee on Rivers and Harbors.

953. A letter from United States Tariff Commission, transmitting a report that the Tariff Commission, since the close of the Seventy-first Congress in July, 1932, has completed 14 investigations for the adjustment of rates under the provisions of section 336 of the tariff act of 1930: to the Committee on Ways and Means.

954. A letter from the Secretary of War, transmitting a report, pursuant to section 10 of the flood control act of May 15, 1928, dated March 2, 1933, from the Chief of Engineers, United States Army, on Turkey River, Iowa, with accompanying papers and illustrations; to the Committee on Flood Control.

955. A letter from the Secretary of the Treasury, transmitting a letter with the sixteenth annual report of the Federal Loan Board, covering operations during the calendar

year 1932 (H. Doc. No. 436); to the Committee on Banking and Currency, and ordered to be printed, with illustrations.

956. A letter from the Secretary of the Interior, transmitting a letter, pursuant to the act of July 1, 1932 (47 Stat. 564), which authorizes the Secretary of the Interior to adjust or eliminate reimbursable charges of the Government of the United States (H. Doc. No. 475); to the Committee on Indian Affairs and ordered to be printed.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. HARE: Committee on War Claims. H. R. 12981. A bill conferring jurisdiction upon the Court of Claims to hear and determine the claims of the International Arms & Fuze Co. (Inc.); without amendment (Rept. No. 2197). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of Rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. HOWARD: A bill (H. R. 14794) to aid in the disposition of undesirable surpluses of farm products, and for other purposes: to the Committee on Interstate and Foreign Commerce.

By Mr. ENGLEBRIGHT: A bill (H. R. 14795) to authorize an appropriation for the benefit of the Indians of California to be reimbursed from any award made to such Indians under the act of May 18, 1928, as amended, and for other purposes; to the Committee on Indian Affairs.

By Mr. GIFFORD: A bill (H. R. 14796) to provide for changing the time of the meeting of Congress, the beginning of the terms of Members of Congress, the time when the electoral votes shall be counted, and to provide for certain contingencies in filling the office of President, and for other purposes; to the Committee on Election of President, Vice President, and Representatives in Congress.

By Mr. THATCHER: A bill (H. R. 14797) to amend the act of May 25, 1926, entitled "An act to provide for the establishment of the Mammoth Cave National Park in the State of Kentucky, and for other purposes"; to the Committee on the Public Lands.

By Mr. GARBER: A bill (H. R. 14798) to aid agriculture through the leasing and temporary withdrawal from production of lands planted to certain crops of which surpluses are produced, and for other purposes; to the Committee on Ways and Means.

By Mr. THURSTON: A bill (H. R. 14799) to amend an act of Congress (41 Stat. 601) approved May 18, 1920, authorizing the acceptance of the donation of a building and site for a post-office building at Bedford, Taylor County, Iowa; to the Committee on Public Buildings and Grounds.

MEMORIALS

Under clause 3 of Rule XXII, memorials were presented and referred as follows:

Memorial from the State of Idaho, memorializing the Congress of the United States to amend section 5 of the Idaho admission act and any act supplemental or amendatory thereof; to the Committee on the Public Lands.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

10788. By Mr. CAVICCHIA: Letter from Edward A. Duffield, president of the Prudential Insurance Co., Newark, N. J., opposing Norris bill providing for postponement of payment of interest and sinking fund by municipalities; to the Committee on Banking and Currency.

10789. By Mr. CLARKE of New York: Petition of J. M. Robertson and 50 residents of Otsego County, urging passage of the stop-alien representation amendment to the United States Constitution; to the Committee on the Judiciary.

10790. Also, petition of Fred M. Whitakee, jr., and eight residents of Hancock, N. Y., urging passage of the SparksCapper stop-alien representation amendment; to the Committee on the Judiciary.

10791. By Mr. FOSS: Petition of 118 residents of North Oxford, Mass., urging revaluation of the gold ounce; to the Committee on Coinage, Weights, and Measures.

10792. Also, petition of 10 citizens of Fitchburg, Mass., urging revaluation of the gold ounce; to the Committee on Coinage, Weights, and Measures.

10793. By Mr. FRENCH: Petition of Senate Joint Memorial No. 7, Idaho State Legislature, urging enactment of House bill 11058, amending section 5 of the Idaho admission act; to the Committee on the Public Lands.

10794. By Mr. GIBSON: Petition of the City Council of the City of St. Albans, Vt., opposing construction of the revenue act of 1932 which would render municipally-owned water systems and other municipal utilities subject to taxation; to the Committee on Ways and Means.

10795. By Mr. HOUSTON of Delaware: Resolution of Mrs. A. G. Massey and Cora B. Clark, of Dover, Del., referring to the American motion-picture industry; to the Committee on Interstate and Foreign Commerce.

10796. By Mr. KELLY of Pennsylvania: Petition of the Pennsylvania State Society, Sons of the American Revolution, Pittsburgh, Pa., favoring enactment of House bill 14199; to the Committee on Appropriations.

10797. Also, petition of citizens of Elizabeth Township, Elizabeth, Pa., favoring immediate discontinuance of tax-exempt securities; to the Committee on Ways and Means.

10798. Also, petition of the Senate and House of Representatives of the 1933 session of the General Assembly of the Commonwealth of Pennsylvania, praying that no action be taken by the present Congress that will further decrease the strength and effectiveness of the armed forces of the United States; to the Committee on Military Affairs.

10799. Also, petition of Wycoff Bible Class, Bethel Presbyterian Church, Pittsburgh, Pa., favoring the establishment of a Federal motion-picture commission; to the Committee on Interstate and Foreign Commerce.

10800. Also, petition of Foster Woman's Christian Union of Pittsburgh, Pa., favoring the establishment of a Federal motion-picture commission; to the Committee on Interstate and Foreign Commerce.

10801. By Mr. KVALE: Petition of 1,000 residents of the State of Minnesota, urging revaluation of the gold ounce; to the Committee on Coinage, Weights, and Measures.

10802. By Mr. LEAVITT: Resolution of the Council of the City of Great Falls, Mont., favoring enactment of House Joint Resolution 191, referring to issuance of a series of Kosciusko stamps; to the Committee on the Post Office and Post Roads

10803. By Mr. MARTIN of Oregon: Memorial of the Thirty-seventh Legislative Assembly of the State of Oregon, urging the Congress to pass a relief measure for George Charles Walther, who accidentally was shot by a Federal prohibition-enforcement officer in 1923 and suffered injuries which have made him a cripple for life; to the Committee on Claims.

10804. Also, memorial of the Thirty-seventh Legislative Assembly of the State of Oregon, urging the Congress to pass legislation making available a portion of the funds of the Reconstruction Finance Corporation for the use and benefit of the industrial interests in all States and providing work for those now unemployed; to the Committee on Appropriations.

10805. By Mr. MILLARD: Resolution adopted by the Village Board of Mount Kisco, N. Y., protesting against the tax on State and municipal utilities; to the Committee on Ways and Means.

10806. By Mr. STALKER: Petition of Ellen K. Holston and 25 other residents of Ithaca, N. Y., urging the support of the stop-alien representation amendment to the United States Constitution to cut out aliens, and count only American citizens, when making future apportionments for congressional districts; to the Committee on the Judiciary.

10807. Also, petition of Stella Wittfildt and 100 other residents of Elmira, N. Y., urging the support of the stopalien representation amendment to the United States Constitution to cut out aliens, and count only American citizens, when making future apportionments for congressional districts; to the Committee on the Judiciary.

SENATE

SATURDAY, MARCH 4, 1933

(Legislative day of Friday, March 3, 1933)

The Senate met at 10.30 o'clock a. m., on the expiration of

The VICE PRESIDENT. The Senate will receive a message from the House of Representatives.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 14769) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1933, and prior fiscal years, to provide supplemental appropriations for the fiscal years ending June 30, 1933, and June 30, 1934, and for other purposes.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the joint resolution (S. J. Res. 197) conferring jurisdiction upon the Court of Claims in the claim of P. F. Gormley Co.

The message further announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 14769) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1933, and prior years, to provide supplemental appropriations for the fiscal years ending June 30, 1933, and June 30, 1934, and for other purposes, agreed to the request of the Senate for a conference, and that Mr. Buchanan, Mr. Taylor of Colorado, Mr. Ayres, Mr. Wood of Indiana, and Mr. Wason were appointed managers on the part of the House at the conference.

The message also announced that the House had passed without amendment the following bill and joint resolution of the Senate:

S. 5701. An act to authorize the construction of certain bridges and to extend the times for commencing and/or completing the construction of other bridges over the navigable waters of the United States; and

S. J. Res. 265. Joint resolution authorizing the acceptance by the United States of a bust of Johann Wolfgang von Goethe.

The message further announced that the House had agreed severally to the amendment of the Senate to the following bills of the House:

H. R. 637. An act to relinquish the title of the United States to certain lands in the county of Los Angeles, State of California;

H. R. 2757. An act for the relief of Jack Schneider;

H.R. 2907. An act for the relief of Walter Sam Young; and

H. R. 7040. An act for the relief of Sadie Bermi.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills and joint resolutions, and they were signed by the Vice President:

S. 5337. An act to amend the Federal farm loan act, as amended, to permit loans for additional purposes, to extend the powers of Federal land banks in the making of direct loans, to authorize upon certain terms the reamortization of loans by Federal and joint-stock land banks, and for other purposes;

S. 5701. An act to authorize the construction of certain bridges and to extend the times for commencing and/or completing the construction of other bridges over the navigable waters of the United States;

H. R. 189. An act to add certain lands to the Modoc Na-

tional Forest, in the State of California;

H. R. 657. An act for the relief of Peter Bess;

H. R. 973. An act for the relief of John L. Dunn;

H. R. 1203. An act for the relief of Edward J. O'Neil; H. R. 1206. An act for the relief of George Beier;

H. R. 2157. An act for the relief of Arthur I. Neville;

H. R. 2217. An act for the relief of the Bethel Cemetery Co., the Presbyterian Church, Harold S. Stubbs, George Morgan, Edward Stapp, William J. Howard, David J. Seacord, Mary L. McIntire, Emma E. Foard, Herbert C. Hannigan, Sisters of St. Baisl, Edward Bedwell, and Rachel A. Loveless;

H. R. 2294. An act for the relief of C. A. Cates;

H. R. 2757. An act for the relief of Jack Schneider;

H. R. 2803. An act for the relief of John S. Stotts, deceased;

H. R. 2907. An act for the relief of Walter Sam Young;

H.R. 2935. An act for the relief of J. R. Reimer;

H. R. 3626. An act for the relief of John I. Lowe:

H. R. 3694. An act for the relief of Ada B. (Gould) Gollan; H. R. 5214. An act for the relief of Withycombe Post, No.

11, American Legion, Corvallis, Oreg.;

H. R. 5444. An act to provide an additional appropriation as the result of a reinvestigation, pursuant to the act of February 2, 1929 (45 Stat. 2047, pt. 2), for the payment of claims of persons who suffered property damage, death, or personal injury due to the explosions at the naval ammunition depot, Lake Denmark, N. J., July 10, 1926;

H. R. 6184. An act for the improvement of the inland

waterway from Norfolk, Va., to Beaufort Inlet, N. C.; H. R. 6275. An act for the relief of Howard McKee;

H. R. 6381. An act for the relief of Escha Whittington Casey:

H.R. 6402. An act to further regulate banking, banks, trust companies, and building and loan associations in the District of Columbia, and for other purposes;

H. R. 6684. An act to authorize the Secretary of the Interior to modify the terms of existing contracts for the sale of timber on Indian land when it is in the interest of

the Indians so to do;
H. R. 6774. An act to authorize amendment of the act of February 25, 1927, for the payment of damages caused by reason of the overflow of the Rio Grande on August 17, 1921.

H. R. 7038. An act for the relief of Frances Southard;

H. R. 7040. An act for the relief of Sadie Bermi;

H. R. 7128. An act for the relief of Della O'Brien;

H.R. 7167. An act for the relief of Stuart L. Ritz;

H. R. 7174. An act for the relief of James J. Meaney;

H. R. 7278. An act for the relief of Joseph Vigliotti; H. R. 7301. An act for the relief of William J. Fleming;

H. R. 7986. An act for the relief of William N. Fishburn:

H. R. 8215. An act for the relief of the National Bank of Commerce, El Dorado, Ark.;

H. R. 8217. An act for the relief of the First National Bank of El Dorado, Ark.;

H. R. 9231. An act for the relief of George Occhionero;

H. R. 10170. An act authorizing adjustment of the claim of Joseph T. Ryerson & Son (Inc.);

H.R. 10756. An act for the relief of Clive Sprouse and Robert F. Moore:

H. R. 11035. An act for the relief of Price Huff;

H. R. 11896. An act to provide for expenses of the Northern Cheyenne Indian Tribal Council and authorized delegates of the tribe:

H. R. 12126. An act to add certain lands to the Gunnison National Forest, Colo.;

H. R. 13745. An act to provide for agricultural entry of lands withdrawn, classified, or reported as containing any of the minerals subject to disposition under the general leasing law or acts amendatory thereof or supplementary thereto;

H.R. 13817. An act to amend section 1 of the act entitled "An act to provide books for the adult blind," approved March 3, 1931:

H. R. 14199. An act making appropriations for the military and nonmilitary activities of the War Department for the fiscal year ending June 30, 1934, and for other purposes:

H. R. 14579. An act to provide for the free importation of certain articles exported temporarily for scientific or educational purposes;

H. R. 14769. An act making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1933, and prior fiscal years, to provide supplemental appropriations for the fiscal years ending June 30, 1933, and June 30, 1934, and for other purposes:

S. J. Res. 197. Joint resolution conferring jurisdiction upon the Court of Claims in the claim of P. F. Gormley Co.;

S. J. Res. 265. Joint resolution authorizing the acceptance by the United States of a bust of Johann Wolfgang von Goethe;

H. J. Res. 434. Joint resolution to authorize and direct the Secretary of Agriculture to provide additional facilities for the classification of cotton under the United States cotton standards act; and

H. J. Res. 612. Joint resolution to provide for further investigation of expenditures of the Post Office Department.

CALL OF THE ROLL

Mr. FESS. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Ashurst	Couzens	Kendrick	Russell
Austin	Dale	Keyes	Schall
Bailey	Davis	King	Schuyler
Bankhead	Dickinson	La Follette	Sheppard
Barbour	Dill	Lewis	Shortridge
Barkley	Fess	Logan	Smith
Bingham	Fletcher	Long	Smoot
Black	Frazier	McGill	Steiwer
Blaine	George	McKellar	Stephens
Borah	Glass	McNary	Swanson
Bratton	Glenn		
Brookhart		Metcalf	Thomas, Idaho
	Goldsborough	Moses	Thomas, Okla.
Broussard	Gore	Neely	Townsend
Bulkley	Grammer	Norbeck	Trammell
Bulow	Hale	Norris	Tydings
Byrnes	Harrison	Nye	Vandenberg
Capper	Hastings	Oddie	Wagner
Caraway	Hatfield	Patterson	Walcott
Carey	Hayden	Pittman	Walsh
Clark	Hebert	Reed	Watson
Coolidge	Hull	Reynolds	Wheeler
Copeland	Johnson	Robinson, Ark.	White
Costigan	Kean	Robinson, Ind.	112100

Mr. SHEPPARD. My colleague [Mr. Connally] is unavoidably detained by illness. I will let this announcement stand for the day.

Mr. NORRIS. My colleague [Mr. Howell] is detained from the Senate because of illness. This announcement may stand for the day.

The VICE PRESIDENT. Ninety-one Senators have answered to their names. A quorum is present.

SECOND DEFICIENCY APPROPRIATIONS-CONFERENCE REPORT

Mr. HALE. Mr. President, I submit the conference report on the second deficiency appropriation bill and ask for its adoption.

The Chief Clerk read the report, as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 14769) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1933, and prior fiscal years, to provide supplemental appropriations for the fiscal years ending June 30, 1933, and June 30, 1934, and for other purposes, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 2, 11, 13, 23, 33, 34, and 36.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 3, 4, 5, 9, 10, 12, 15, 16, 17, 18, 19, 20, 21, 22, 24, 25, 26, 27, 28, 29, 30, 31, 32, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, and 56, and agree to the same.

Amendment numbered 6: That the House recede from its disagreement to the amendment of the Senate numbered 6, and agree to the same with an amendment as follows: In lieu of the sum named in said amendment insert "\$35,000"; and the Senate agree to the same.

Amendment numbered 7: That the House recede from its disagreement to the amendment of the Senate numbered 7, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the

"Sections 4 and 5 of the public resolution approved March 2, 1929 (U. S. C., Supp. VI, title 1, sec. 54 (a) and (b), are hereby amended to read as follows:

"'SEC. 4. The publications provided for in such act of May 29, 1928 (U. S. C., Supp. VI, title 1, chap. 3), as amended by this resolution, and with such ancillaries, shall be printed and bound in such style, form, and manner as may be directed by the Joint Committee on Printing.

Sec. 5. In order to avoid waste in the appropriations for printing and binding for Congress, the Joint Committee on Printing is hereby empowered to authorize the printing of any bill or resolution, with index and ancillaries, before Congress in such style and form as the joint committee may deem to be most suitable in the interest of economy and efficiency and to so continue until final enactment thereof in both Houses of Congress; and such committee may also curtail the number of copies of such bills or resolutions to be printed in the various parliamentary stages in the Congress, including the slip form of each public act or public resolution."

And the Senate agree to the same.

Amendment numbered 8: That the House recede from its disagreement to the amendment of the Senate numbered 8, and agree to the same with an amendment as follows: In lieu of the sum named in said amendment insert "\$2,500"; and the Senate agree to the same.

Amendment numbered 14: That the House recede from its disagreement to the amendment of the Senate numbered 14, and agree to the same with an amendment as follows: In lieu of the sum named in said amendment insert "\$175,000"; and the Senate agree to the same.

Amendment numbered 35: That the House recede from its disagreement to the amendment of the Senate numbered 35. and agree to the same with an amendment as follows: In line 10 of the matter inserted by said amendment strike out ", \$6,400"; and in line 6 of the matter inserted by said amendment, after the numerals "1933," insert the following: "\$6,400,"; and the Senate agree to the same.

FREDERICK HALE. REED SMOOT, HENRY W. KEYES, CARTER GLASS. Managers on the part of the Senate.

J. P. BUCHANAN, EDWARD T. TAYLOR, W. A. AYRES, WILL R. WOOD, EDWARD H. WASON.

Managers on the part of the House.

The VICE PRESIDENT. The question is on the adoption of the conference report.

The report was agreed to.

FOREST RESERVE BUILDING SITE AT OGDEN. UTAH

The VICE PRESIDENT laid before the Senate a letter from the Acting Secretary of the Treasury, transmitting a draft of proposed legislation to provide for placing the Forest Service building site and improvements thereon at Ogden, Utah, under the jurisdiction of the Department of Agriculture, which, with the accompanying paper, was referred to the Committee on Public Buildings and Grounds. | to the final roll of the Sac and Fox Indians of Oklahoma;

JANUARY REPORT OF RECONSTRUCTION FINANCE CORPORATION

The VICE PRESIDENT laid before the Senate a letter from the chairman of the Reconstruction Finance Corporation, submitting, pursuant to law, a report of the activities and expenditures of the corporation for January, 1933, together with a statement of loans authorized during that month, showing the name, amount, and rate of interest in each case, which, with the accompanying report, was referred to the Committee on Banking and Currency.

PETITION

The VICE PRESIDENT laid before the Senate a telegram in the nature of a petition, from A. F. Verner and sundry other citizens of Kirkland, Tex., praying for the appointment and confirmation of John T. White as postmaster at Kirkland, Tex., which was referred to the Committee on Post Offices and Post Roads.

PRESIDENTIAL APPROVALS

A message from the President of the United States by Mr. Latta, one of his secretaries, announced that on March 3, 1933, the President approved and signed the following acts and joint resolutions:

S. 207. An act for the relief of James L. Pate:

S. 251. An act authorizing adjustment of the claim of the estate of Thomas Bird, deceased:

S. 256. An act authorizing adjustment of the claim of Madrigal & Co., Manila, P. I.;

S. 257. An act authorizing adjustment of the claim of the Baltimore branch of the Federal Reserve Bank of Richmond;

S. 361. An act for the relief of Mary E. Stebbins;

S. 402. An act for the relief of Nelson King:

S. 465. An act for the relief of William H. Holmes;

S. 610. An act for the relief of the Anderson-Tully Co.;

S. 660. An act for the relief of Hamilton Grounds;

S. 855. An act for the relief of William Ray Taplin;

S. 1463. An act for the relief of William Powell;

S. 1738. An act for the relief of Catterina Pollino;

S. 2203. An act for the relief of John Pearce Cann;

S. 2374. An act to authorize and direct the Secretary of the Navy to convey by gift to the city of Savannah, Ga., the naval radio station, the buildings and apparatus, located upon land owned by said city;

S. 2393. An act to provide for the addition of the names of certain persons to the final roll of the Indians of the Flathead Indian Reservation, Mont., and for other purposes;

S. 2508. An act for the relief of Maj. O. S. McCleary, United States Army, retired;

S. 2680. An act for the relief of Harry E. Blomgren;

S. 3334. An act for the relief of William M. Sherman;

S. 3344. An act for the relief of Maggie Kirkland;

S. 3830. An act to remove a cloud on the title of certain land in the city of Corpus Christi, Tex.;

S. 3831. An act for the relief of William A. Lester;

S. 3832. An act for the relief of Zetta Lester;

S. 3972. An act for the relief of Alva D. McGuire, jr.;

S. 4082. An act to regulate the business of executing bonds for compensation in criminal cases and to improve the administration of justice in the District of Columbia;

S. 4230. An act for the relief of Betty McBride;

S. 4390. An act authorizing the Secretary of the Interior to cancel patent in fee issued to Henry J. Kirn and Louise H. Kirn:

S. 4440. An act authorizing adjustment of the claim of George H. Hansen;

S. 4441. An act authorizing adjustment of the claim of the National Surety Co.;

S. 4491. An act amending the shipping act, 1916, as amended, for the purpose of further regulating common carriers by water in interstate commerce of the United States engaged in transportation by way of the Panama

S. 4510. An act to authorize exchange of small tribal acreage on the Fort Hall Indian School reserve in Idaho for adjoining land;

S. 4557. An act to authorize the addition of certain names

S. 4738. An act for the relief of Newport Contracting & Engineering Co.:

S. 4782. An act authorizing adjustment of the claim of Arthur R. Saffran;

S. 4818. An act to authorize the transfer of certain lands in Bernalillo County, N. Mex., to the city of Albuquerque, N. Mex.:

S. 4930. An act for the relief of Avery G. Constant;

S. 5085. An act for the relief of Leslie Jensen;

S. 5203. An act for the relief of the Harvey Canal Ship Yard & Machine Shop;

S. 5204. An act for the relief of the Texas Power & Light Co.:

S. 5205. An act for the relief of the Great Falls Meat Co., of Great Falls, Mont.;

S. 5207. An act for the relief of Rose Gillespie, Joseph Anton Dietz, and Manuel M. Wiseman, as trustee of the estate of Louis Wiseman, deceased;

S. 5208. An act for the relief of Mary Byrkett Sinks;

S. 5325. An act for the relief of Sadie L. Kirby;

S. 5413. An act for the relief of the Booth Fisheries Co.;

S. 5612. An act to provide for the selection of certain lands in the State of California for the use of the California State park system:

S. 5660. An act authorizing the Secretary of the Treasury to sell certain Government property in St. Louis, Mo.;

S. J. Res. 134. Joint resolution authorizing the Secretary of War to receive for instruction at the United States Military Academy, at West Point, Manob Suriya, a citizen of Siam;

S. J. Res. 178. Joint resolution authorizing the Secretary of War to receive for instruction at the United States Military Academy, at West Point, Julio Rodriguez Arrea, a citizen of Costa Rica;

S. J. Res. 179. Joint resolution authorizing the Secretary of War to receive for instruction at the United States Military Academy, at West Point, Tisheng Yen, a citizen of China:

S. J. Res. 228. Joint resolution authorizing the American National Red Cross and certain other organizations to exchange Government-owned cotton for articles containing wool:

S. J. Res. 235. Joint resolution amending provisions in river and harbor laws relating to local cooperation in the prosecution of waterway improvements;

S. J. Res. 261. Joint resolution authorizing the Comptroller of the Currency to prescribe regulations respecting the conduct of banking business in the District of Columbia; and

S. J. Res. 262. Joint resolution to continue the joint resolution on veterans' benefits.

RECESS

Mr. McNARY. I move that the Senate take a recess until 11.30 o'clock a. m.

The VICE PRESIDENT. The question is on the motion of the Senator from Oregon.

The motion was agreed to; and the Senate took a recess until 11.30 o'clock a. m., when it reassembled.

CALL OF THE ROLL

Mr. McNARY. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Ashurst Carey Grammer McKe	llar
Austin Clark Hale McNa	ry
Bailey Coolidge Harrison Metca	lf
Bankhead Copeland Hastings Moses	
Barbour Costigan Hatfield Neely	
Barkley Couzens Hayden Norbe	ck
Bingham Dale Hebert Norris	3
Black Davis Hull Nye	
Blaine Dickinson Johnson Oddie	
Borah Dill Kean Patter	rson
Bratton Fess Kendrick Pittm	an
Brookhart Fletcher Keyes Reed	
Broussard Frazier King Reyno	
	son, Ark.
	son, Ind.
Byrnes Glenn Logan Russe	11
Capper Goldsborough Long Schal	1
Caraway Gore McGill Schuy	ler

Sheppard Shortridge Smith Smoot Stephens T Swanson T Thomas, Idaho V Thomas, Okla. W Townsend W

Trammell Tydings Vandenberg Wagner Walcott Walsh Watson Wheeler White

Mr. SHEPPARD. My colleague the junior Senator from Texas [Mr. Connally] is unavoidably detained on account of illness. This announcement may stand for the day.

Mr. NORRIS. My colleague the junior Senator from Nebraska [Mr. Howell] is detained because of illness.

The VICE PRESIDENT. Ninety-one Senators have answered to their names. A quorum is present.

MESSAGE FROM THE HOUSE-ENROLLED BILLS SIGNED

A message from the House of Representatives by Mr. Chaffee, one of its clerks, announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

S. 1067. An act for the relief of Agnes M. Angle;

S. 1978. An act for the relief of Daisy Anderson;

S. 2862. An act for the relief of W. H. Hendrickson;

S. 2941. An act for the relief of the Holy Family Hospital, St. Ignatius, Mont.;

S. 3443. An act to authorize the Secretary of War to grant a right of way to the Alameda Belt Line across the Benton Field Military Reservation, Alameda, Calif.;

S. 3592. An act confirming the claim of Francis R. Sanchez, and for other purposes;

S. 4909. An act for the relief of A. Y. Martin;

S. 5382. An act providing for an exchange of lands between the Colonial Realty Co. and the United States, and for other purposes; and

S. 5537. An act to convey certain land in the county of Los Angeles, State of California.

ENROLLED BILLS AND JOINT RESOLUTIONS PRESENTED

Mr. VANDENBERG, from the Committee on Enrolled Bills, reported that that committee had presented to the President of the United States the following enrolled bills and joint resolutions:

On March 3, 1933:

S. 465. An act for the relief of William H. Holmes;

S. 660. An act for the relief of Hamilton Grounds;

S. 5612. An act to provide for the selection of certain lands in the State of California for the use of the California State park system:

S. J. Res. 261. Joint resolution authorizing the Comptroller of the Currency to prescribe regulations respecting the conduct of banking business in the District of Columbia; and

S. J. Res. 262. Joint resolution to continue the joint resolution on veterans' benefits.

On March 4, 1933:

S. 5337. An act to amend the Federal farm loan act, as amended, to permit loans for additional purposes, to extend the powers of Federal land banks in the making of direct loans, to authorize upon certain terms the reamortization of loans by Federal and joint-stock land banks, and for other purposes:

S. 5701. An act to authorize the construction of certain bridges and to extend the times for commencing and/or completing the construction of other bridges over the navigable waters of the United States;

S. J. Res. 197. Joint resolution conferring jurisdiction upon the Court of Claims in the claim of P. F. Gormley Co.; and

S. J. Res. 265. Joint resolution authorizing the acceptance by the United States of a bust of Johann Wolfgang von Goethe.

PRESIDENTIAL APPROVALS

A message from the President of the United States by Mr. Latta, one of his secretaries, announced that on to-day, March 4, 1933, the President approved and signed the following acts and joint resolutions at the Capitol:

S. 5337. An act to amend the Federal farm loan act, as amended, to permit loans for additional purposes, to extend the powers of Federal land banks in the making of direct loans, to authorize upon certain terms the reamortization of loans by Federal and joint-stock land banks, and for other purposes;

S. 5701. An act to authorize the construction of certain bridges and to extend the times for commencing and/or completing the construction of other bridges over the navigable waters of the United States;

Officer, my leave-taking as a Member in the Halls of Congress, where I have been present as Vice President of the United States, as Senator, and as Congressman for 40 years. For four decades my life has been devoted to the task of

S. J. Res. 197. Joint resolution conferring jurisdiction upon the Court of Claims in the claim of P. F. Gormley Co.; and

S. J. Res. 265. Joint resolution authorizing the acceptance by the United States of a bust of Johann Wolfgang von Goethe.

GUESTS OF THE SENATE

The Members of the House of Representatives entered and were announced by Secretary Loeffler.

The Diplomatic Corps entered and were announced by Secretary Halsey.

The members of the President's Cabinet entered and were announced by Assistant Secretary Biffle.

The Chief of Staff of the Army, the Chief of Naval Operations, the Major Commandant of the Marine Corps, and their aides entered and were announced by Assistant Secretary Biffle.

The Chief Justice of the United States and the Associate Justices of the Supreme Court of the United States were announced. All the invited guests having been escorted to the seats provided for them, the secretary to the majority, Carl A. Loffler, announced John N. Garner, of Texas, the Vice President elect, accompanied by the chairman and members of the Joint Committee on Arrangements, consisting of Senator Joseph T. Robinson, Senator George H. Moses, Senator Frederick Hale, Representative Bertrand H. Snell, Representative Henry T. Rainey, and Representative Edward W. Pou.

The Vice President elect was seated on the left of the Vice President.

Several minutes before noon the Deputy Sergeant at Arms, J. Mark Trice, announced the President of the United States, accompanied by the chairman and members of the Joint Committee on Arrangements. The President of the United States was seated in the area in front of the Secretary's desk.

The secretary to the minority, Edwin A. Halsey, then announced Franklin D. Roosevelt, of New York, President elect of the United States, accompanied by the chairman and members of the Joint Committee on Arrangements. The President elect was seated on the right of the President of the United States, the chairman and members of the Joint Committee on Arrangements occupying the seats on either side.

Vice President Curtis administered the oath of office prescribed by law to Vice President-elect Garner, and then Mr. Curtis addressed the Senate as follows:

Senators, in my capacity as President of the Senate, and on behalf of the Members of the United States Senate, I extend greetings to the President of the United States and to our distinguished guests who are here to attend these historic ceremonies. They are a necessary part of this scene which is reenacted every four years in the United States Senate. On this particular occasion we are accomplishing the accession to office of a new President of the United States and marking the beginning of a period of control in the affairs of the Nation by the Democratic Party.

The major task confronting the new administration is to bring about the economic recovery of our people and of their affairs. Theirs is now the responsibility of leadership, but the problem is the concern of each and every one of us, whether retiring from office or entering office. I know the new administration will do everything in its power to bring about the desired result. I sincerely wish success to President-elect Roosevelt, to Vice President-elect Garner, and to the Democratic majority in Congress. In a few minutes they will assume the leadership in the difficult task confronting the Nation. The duties and responsibilities of their high offices are great. Our new leaders are entitled to, and I am sure they will receive, the full cooperation of everyone, for the common good of all.

To me personally this is one of the most important days | H. R. 4368. A of my life. It marks my leave-taking as your Presiding | W. McDonald.

gress, where I have been present as Vice President of the United States, as Senator, and as Congressman for 40 years. For four decades my life has been devoted to the task of aiding in the government of the United States. Two score years of my life have been spent in this building in which we are gathered. My work has been absorbing. It has fixed and held my best efforts for the public welfare. It is with deep emotion that I bid you good-by and shortly go forth from here a private citizen. It is with sincere regret that I bid farewell to this legislative atmosphere, to these kindly and friendly legislators with whom it has been my good fortune to associate for so many years. I need not tell you that in my long service in the House, in the Senate, and more recently as your Presiding Officer I have seen many such occasions as this, wherein the ties which bind us to our associates are broken. My turn was inevitable, of course, but I am thankful it was a long time coming. As I look over the personnel of the present House and Senate, I find not one Member of the House and only one Member of the Senate who then was a Congressman who was in the House when I was sworn in as a Member of that body in August, 1893. I find there is but one Senator, a Member of this body now, who was a Senator when I took the oath of office as Senator in January, 1907. I shall always cherish the memory of my days as a legislator. All of it has become an intimate part of my life; it is almost my very life itself.

I am under many and great obligations to you gentlemen of the Senate for your kindness to me. To your assistance and loyal support I am indebted for whatever measure of success I may have achieved as your Presiding Officer. It is with gratitude also that I acknowledge my indebtedness for the valuable support and assistance which I have always received from the officers of the Senate, from the efficient men at the desk, from the experts who are the official reporters, and from the bright and ever-alert pages. And I must not forget to mention those who have assisted me greatly and with such unselfish and untiring devotion in my office in the Senate Office Building—my staff there has been with me for many years. The members have worked diligently and well for me in my efforts for the common good. I thank them too.

Before closing I wish to say to Vice President-elect Garner that I can assure him that the Senators will support him in every way and will accept cheerfully and without complaint all his rulings as their Presiding Officer which are fair and impartial, and this no matter how it affects them personally. I offer my best wishes to Mr. Garner for success in the chair he is about to assume.

And now, with a last expression of thanks and good wishes to all of you and a last assurance of my conviction that the new administration will do everything in its power to relieve the distress now existing among so many of our people, I declare the Senate of the Seventy-second Congress of the United States adjourned sine die.

HOUSE OF REPRESENTATIVES

SATURDAY, MARCH 4, 1933

(Legislative day of Friday, March 3, 1933)

The recess having expired, at 10 o'clock a. m. the House was called to order by the Speaker.

MESSAGE FROM THE PRESIDENT

A message from the President of the United States was communicated to the House by Mr. Latta, one of his secretaries, who announced that the President had, on the following dates, approved and signed bills and joint resolutions of the House of the following titles:

On February 20, 1933:

H.R. 6456. An act to amend section 98 of the Judicial Code, as amended; and

H. R. 4368. An act for the relief of the widow of George W. McDonald.

On February 21, 1933:

H. R. 7519. An act to amend the Penal Code of the Canal

H.R. 7520. An act to amend the Code of Criminal Procedure for the Canal Zone.

On February 24, 1933:

H. J. Res. 561. Joint resolution amending section 2 of the joint resolution entitled "Joint resolution authorizing the President, under certain conditions, to invite the participation of other nations in the Chicago World's Fair, providing for the admission of their exhibits, and for other purposes," approved February 5, 1929, and amending section 7 of the act entitled "An act to protect the copyrights and patents of foreign exhibitors at A Century of Progress (Chicago World's Fair Centennial Celebration), to be held at Chicago, Ill., in 1933," approved July 19, 1932.

On February 25, 1933:

H. R. 13534. An act authorizing the appropriation of funds for the payment of claims to the Mexican Government under the circumstances hereinafter enumerated.

On February 27, 1933:

H. R. 7521. An act to provide a new Code of Civil Procedure for the Canal Zone and to repeal the existing Code of Civil Procedure: and

H. R. 7522. An act to provide a new Civil Code for the Canal Zone and to repeal the existing Civil Code.

On February 28, 1933:

H. R. 14392. An act to authorize the payment of taxes and assessments on family dwelling houses in the District of Columbia in quarterly installments, and for other purposes;

H. R. 7121. An act to repeal obsolete statutes and to improve the United States Code:

H.R. 13655. An act to amend the act of May 10, 1928, entitled "An act to provide for the times and places for holding court for the eastern district of North Carolina" (45 Stat. 495):

H.R. 12769. An act to provide an additional authorization for the acquisition of land in the vicinity of Camp Bullis. Tex.:

H. R. 14562. An act making appropriations for the legislative branch of the Government for the fiscal year ending June 30, 1934, and for other purposes;

H. R. 7432. An act to authorize the Interstate Commerce Commission to delegate certain of its powers;

H. R. 13026. An act to amend chapter 231 of the act of May 22, 1896 (29 Stat. 133, sec. 546, title 34, U. S. C.);

H.R. 13750. An act to regulate the bringing of actions for damages against the District of Columbia, and for other purposes;

H. R. 14204. An act to amend section 653 of the Code of Law for the District of Columbia; and

H. J. Res. 583. Joint resolution to provide for a change of site of the Federal building to be constructed at Binghamton, N. Y.

On March 1, 1933:

H.R. 2601. An act for the relief of William Mathew Squires:

H. R. 3727. An act for the relief of Mary Elizabeth Fox; H. R. 5367. An act for the relief of Jerry V. Crane;

H.R. 6270. An act for the relief of Alexander F. Sawhill; H.R. 8216. An act for the relief of the First National Bank of Junction City, Ark.;

H.R. 9476. An act for the relief of the Merchants & Farmers Bank, Junction City, Ark.;

H.R. 12977. An act to amend section 808 of Title VIII of the revenue act of 1926, as amended by section 443 of the revenue act of 1928;

H. R. 14321. An act to authorize the Secretary of the Treasury in his discretion to acquire a new site in Huntsville, Ala., and to construct a building thereon for the accommodation of the courts, post office, and other Government offices; and

H. R. 14363. An act making appropriations for the Departments of State and Justice and for the judiciary, and for the Departments of Commerce and Labor, for the fiscal year ending June 30, 1934, and for other purposes.

On March 1, 1933:

H.R. 2872. An act for the relief of the Dongji Investment Co. (Ltd.);

H. R. 3607. An act for the relief of Dr. M. M. Brayshaw; H. R. 7548. An act granting six months' pay to Ruth McCarn;

H. R. 8800. An act for the relief of Laura J. Clarke;

H. R. 14411. An act to extend the times for commencing and completing the construction of a bridge across the Rio Grande at Boca Chica, Tex.;

H. R. 14460. An act to extend the times for commencing and completing the construction of a bridge across the Mississippi River at or near Baton Rouge, La.;

H. R. 14480. An act to extend the times for commencing and completing the reconstruction of a railroad bridge across the Little River at or near Morris Ferry, Ark.;

H. R. 14584. An act granting the consent of Congress to the Board of County Commissioners of Allegheny County, Pa., to construct, maintain, and operate a bridge across the Allegheny River between the city of Pittsburgh and the township of O'Hara and the borough of Sharpsburg, Pa.;

H.R. 14586. An act to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Culbertson, Mont.;

H. R. 14589. An act to extend the times for commencing and completing the construction of a bridge across the Mississippi River at or near Tenth Street in Bettendorf, Iowa;

H. R. 14601. An act to extend the times for commencing and completing the construction of a bridge across the Mississippi River between New Orleans and Gretna, La.:

H. R. 14602. An act to revive and reenact the act entitled "An act granting the consent of Congress to the Highway Department of the State of Alabama to construct a bridge across Elk River between Lauderdale and Limestone Counties, Ala.," approved February 16, 1928;

H.R. 14657. An act to extend the times for commencing and completing the construction of a railroad bridge and/or a toll bridge across the water between the mainland at or near Cedar Point and Dauphin Island, Ala.;

H.R. 10086. An act to amend the act of February 14, 1920, authorizing and directing the collection of fees for work done for the benefit of Indians:

H. R. 10749. An act to authorize acceptance of proposed donation of property in Maxwell, Nebr., for Federal building purposes; and

H. R. 11735. An act to permanently set aside certain lands in Utah as an addition to the Navajo Indian Reservation, and for other purposes.

On March 1, 1933:

H. R. 11980. An act authorizing the President to make a posthumous award of a distinguished-flying cross to Glenn H. Curtiss, deceased, and to present the same to Lua Curtiss, mother of the said Glenn H. Curtiss, deceased;

H. R. 13960. An act to amend the description of land described in section 1 of the act approved February 14, 1931, entitled "An act to authorize the President of the United States to establish the Canyon De Chelly National Monument within the Navajo Indian Reservation, Ariz."; and

H. R. 14461. An act to provide for placing the jurisdiction, custody, and control of the Washington city post office in the Secretary of the Treasury.

On March 2, 1933:

H.R. 194. An act to amend section 6 of the national charter of the Great Council of the United States of the Improved Order of Red Men;

H. J. Res. 138. Joint resolution for the relief of the State of Idaho:

H. R. 1936. An act for the relief of Sydney Thayer, jr.;

H.R. 2599. An act for the relief of Henry Dixon Linebarger;

H. R. 2844. An act for the relief of Elmo K. Gordon;

H. R. 3036. An act for the relief of Florence Mahoney;

H. R. 3905. An act for the relief of Maj. L. D. Worsham;

H. R. 4039. An act for the relief of Herman H. Bradford;

H. R. 5150. An act for the relief of Annie M. Eopolucci; H. R. 8120. An act for the relief of Jack C. Richardson; H. R. 9336. An act for the relief of Emily Addison; and

H.R. 14489. An act relating to the construction of a Federal building at Mangum, Okla.

On March 3, 1933:

H. R. 5989. An act for the relief of John O'Neil;

H. R. 9326. An act for the relief of John E. Davidson;

H. R. 9272. An act to correct the rating of John Huntz Roloff, Fleet Naval Reserve;

H. R. 9473. An act for the relief of Olen H. Parker;

H. R. 9877. An act to repeal obsolete sections of the Revised Statutes omitted from the United States Code;

H. R. 13872. An act making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1934, and for other purposes;

H. R. 14359. An act to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, and acts amendatory thereof and supplementary thereto;

H. J. Res. 572. Joint resolution to provide for further investigation of certain public-utility corporations engaged in interstate commerce;

H. R. 4910. An act for the relief of Gust J. Schweitzer;

H.R. 6409. An act for the relief of William Joseph La-Carte:

H. R. 11270. An act to amend section 2 of the act entitled "An act making appropriations for the service of the Post Office Department for the fiscal year ending June 30, 1913, and for other purposes";

H. R. 12047. An act to provide for the transfer of powder and other explosive materials from deteriorated and unserviceable ammunition under the control of the War Department to the Department of Agriculture for use in land clearing, drainage, road building, and other agricultural purposes;

H. R. 11242. An act to relinquish the title of the United States in and to lands in Rapides Parish, State of Louisiana;

H. R. 12328. An act to authorize the assignment of awards entered by the Mixed Claims Commission, United States and Germany, the Tripartite Claims Commission, and the War Claims Arbiter;

H. R. 12651. An act for the relief of the Uintah, White River, and Uncompandere Bands of Ute Indians of Utah, and for other purposes;

H. R. 13520. An act making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1934, and for other purposes; and

H. R. 14724. An act making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1934, and for other purposes.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Craven, its principal clerk, announced that the Senate had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the joint resolution (S. J. Res. 197) entitled "Joint resolution conferring jurisdiction upon the Court of Claims in the claim of P. F. Gormley Co."

The message also announced that the Senate had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 14769) entitled "An act making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1933, and prior fiscal years to provide supplemental appropriations for the fiscal years ending June 30, 1933, and June 30, 1934, and for other purposes."

ENROLLED BILLS SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled bills and a joint resolution of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 189. An act to add certain lands to the Modoc National Forest, in the State of California;

H. R. 657. An act for the relief of Peter Bess;

H. R. 973. An act for the relief of John L. Dunn;

H.R. 1203. An act for the relief of Edward J. O'Neil;

H. R. 1206. An act for the relief of George Beier;

H. R. 2217. An act for the relief of the Bethel Cemetery Co., the Presbyterian Church, Harold S. Stubbs, George Morgan, Edward Stapp, William J. Howard, David J. Seacord, Mary L. McIntire, Emma E. Foard, Herbert C. Hannigan, Sisters of St. Baisl, Edward Bedwell, and Rachel A. Loveless;

H. R. 2294. An act for the relief of C. A. Cates;

H. R. 2757. An act for the relief of Jack Schneider;

H.R. 2803. An act for the relief of John S. Stotts, deceased:

H. R. 2907. An act for the relief of Walter Sam Young;

H. R. 2935. An act for the relief of J. R. Reimer;

H. R. 3626. An act for the relief of John I. Lowe;

H.R. 3694. An act for the relief of Ada B. (Gould) Gollan;

H. R. 5214. An act for the relief of Withycombe Post, No. 11, American Legion, Corvallis, Oreg.;

H. R. 5444. An act to provide an additional appropriation as the result of a reinvestigation, pursuant to the act of February 2, 1929 (45 Stat. 2047, pt. 2), for the payment of claims of persons who suffered property damage, death, or personal injury due to the explosions at the naval ammunition depot, Lake Denmark, N. J., July 10, 1926;

H. R. 6184. An act for the improvement of the inland waterway from Norfolk, Va., to Beaufort Inlet, N. C.;

H. R. 6275. An act for the relief of Howard McKee;

H.R. 6381. An act for the relief of Escha Whittington Casev:

H. R. 6402. An act to further regulate banking, banks, trust companies, and building and loan associations in the District of Columbia, and for other purposes;

H. R. 6774. An act to authorize amendment of the act of February 25, 1927, for the payment of damages caused by reason of the overflow of the Rio Grande on August 17, 1921;

H. R. 7038. An act for the relief of Frances Southard;

H.R. 7040. An act for the relief of Sadie Bermi;

H. R. 7128. An act for the relief of Della O'Brien; H. R. 7167. An act for the relief of Stuart L. Ritz;

H. R. 7174. An act for the relief of James J. Meaney;

H. R. 7278. An act for the relief of Joseph Vigliotti;

H. R. 7301. An act for the relief of William J. Fleming;

H.R. 7986. An act for the relief of William N. Fishburn; H.R. 8215. An act for the relief of the National Bank of Commerce, El Dorado, Ark.;

H. R. 3217. An act for the relief of the First National Bank of El Dorado, Ark.;

H. R. 9231. An act for the relief of George Occhionero;

H. R. 10170. An act authorizing adjustment of the claim of Joseph T. Ryerson & Son (Inc.);

H.R. 10756. An act for the relief of Clive Sprouse and Robert F. Moore;

H. R. 11035. An act for the relief of Price Huff;

H. R. 11896. An act to provide for expenses of the Northern Cheyenne Indian Tribal Council and authorized delegates of the tribe;

H. R. 12126. An act to add certain lands to the Gunnison National Forest, Colo.;

H. R. 13745. An act to provide for agricultural entry of lands withdrawn, classified, or reported as containing any of the minerals subject to disposition under the general leasing law or acts amendatory thereof or supplementary thereto:

H.R. 13817. An act to amend section 1 of the act entitled "An act to provide books for the adult blind," approved March 3, 1931;

H. R. 14199. An act making appropriations for the military and nonmilitary activities of the War Department for the fiscal year ending June 30, 1934, and for other purposes;

H. R. 14769. An act making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 20, 1933, and prior fiscal years, to provide supplemental appropriations for the fiscal years ending June 30, 1933, and June 30, 1934, and for other purposes; and Secretary of Agriculture to provide additional facilities for the classification of cotton under the United States cotton standards act.

The SPEAKER announced his signature to enrolled bills and joint resolutions of the Senate of the following titles:

S. 5337. An act to amend the Federal farm loan act, as amended, to permit loans for additional purposes, to extend the powers of Federal land banks in the making of direct loans, to authorize upon certain terms the reamortization of loans by Federal and joint-stock land banks, and for other

S. 5701. An act to authorize the construction of certain bridges and to extend the times for commencing and/or completing the construction of other bridges over the navigable waters of the United States;

S. J. Res. 197. Joint resolution conferring jurisdiction upon the Court of Claims in the claim of P. F. Gormley Co.;

S. J. Res. 265. Joint resolution authorizing the acceptance by the United States of a bust of Johann Wolfgang von Goethe.

DISTRICT OF COLUMBIA APPROPRIATION BILL

Mr. CANNON. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill H. R. 14364, the District of Columbia appropriation bill, disagree to the Senate amendments, and ask for a conference.

The SPEAKER. The Clerk will report the title of the bill.

The Clerk read the title, as follows:

A bill (H. R. 14643) making appropriations for the government of the District of Columbia and other activities, chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1934, and for other purposes.

The SPEAKER. Is there objection?
Mr. BLANTON. Reserving the right to object, Mr. Speaker, I want to say that it is to the best interest of the people of the United States that we do not pass this bill. On account of all that this Government has done for the people of the District of Columbia, I do not believe that the people of the States should contribute one dollar toward the civic expenses of Washington people. Our people at home have their own taxes to pay and should not be required to pay part of the local taxes here.

Our committee, however, headed by its able chairman, my distinguished friend from Missouri [Mr. Cannon], proposed to contribute the huge sum of \$6,500,000 from the Federal Treasury to the District of Columbia in order to pass the bill. When this bill went to the Senate, it was there amended, 174 costly amendments being added to it, and one of such amendments added \$3,000,000 to said contribution, requiring the sum of \$9,500,000 to be taken out of the Federal Treasury and given to the District of Co-

We were told by the conferees of the Senate, after we had worked for two hours trying to reach an agreement, that if we insisted on the amount proposed in the House bill they would kill this bill, which forced the conference to an end. Then there were a star-chamber conference and agreement, and report, but when we fairly and fully presented this matter to the House last night by a decisive vote of only 14 ayes to 102 noes, the star-chamber conference report was voted down by the House.

By letting this bill die and repassing it in proper form in the new Congress, which convenes next week, we can save for the taxpayers back home enough money on this one bill alone to pay the salaries of all Congressmen for a whole year, and at the same time do justice to and save money for the people of Washington. And it is worth while to save this money.

For the above reasons, Mr. Speaker, I object to the unanimous-consent request, and we will let this bill die for this

The SPEAKER. The Chair is going to recognize gentlemen to ask unanimous consent to concur in Senate amend-

H. J. Res. 434. Joint resolution to authorize and direct the | ments where there is a possibility of getting them enrolled in time to get them signed.

JACK SCHNEIDER

Mr. BARBOUR. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 2757) for the relief of Jack Schneider, and concur in the Senate amend-

The SPEAKER. Is there objection?

There was no objection.

The Clerk read the following Senate amendment:

Page 1, line 6, strike out "\$3,750" and insert "\$3,459.25."

The amendment was concurred in.

SADIE BERMI

Mr. DYER. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 7040) for the relief of Sadie Bermi, and concur in the Senate amendment.

The SPEAKER. Is there objection?

There was no objection.

The Clerk read the following Senate amendment:

Page 1, line 4, strike out "\$2,500" and insert "\$1,500."

The Senate amendment was agreed to.

EXTENSION OF REMARKS

Mr. SNELL. Mr. Speaker, as I understand the situation, Members have five days to extend their remarks in the

The SPEAKER. The Journal shows that each Member has five days to extend his own remarks.

Does the gentleman from Nebraska [Mr. Howard] desire to be recognized?

Mr. HOWARD. What does the Chair want me to do? The SPEAKER. The Chair noticed the gentleman standing and thought that he desired recognition.

Mr. HOWARD. Mr. Speaker, I will say that I have always tried to be an upstanding Member ever since I came here. [Laughter.]

Mr. Speaker, I must speak in tones of mingled joy and sadness at this moment. I want to speak with particular reference to one Member of this House. There have been many beautiful characters here, to whom I have learned to feel very near. I want to speak particularly with reference to one who, in my judgment, has been in many directions the most remarkable Member of the House of Representatives during all my service.

During the past several years we have had here in this House a quiet organization. It had no roster of members, it had no officers except those who were just naturally recognized as its officers. I speak of our so-called group of progressive Democrats and progressive Republicans. Two or three times a week during all of the years we have been in the habit of holding little conferences, and always, during those conferences, intuitively we have looked upon one m a as our uncrowned chairman. That one man by common consent was the gentleman from New York [Mr. LaGumpia]. [Applause.] I believe I am correct when I say that during all of my service here no organization of common thought-and that was the only object of our progressive organization—to get men of common thought together—has ever succeeded in carrying more of its thoughts into legislation than this so-called group of progressive Democrats and progressive Republicans. I do not mean it has been successful in carrying to the book many statutes, but it has been magnificently successful in preventing much legislation which the combined thought of this group felt would not be good for the country. I do not have voice this morning, although I have desire, to pay that mede of tribute that ought to be paid in the name of this group of progressive Democrats and progressive Republicans to Mr. LaGuardia. He has been so intrepid in his leadership, he has been so honest, he has been so faithful on the floor in guiding every piece of legislation into the line of principle so far as he could, held, entertained, and fought for by his progressive group, that any words I might utter in his praise would be inadequate. I do not know

how it could be possible for a constituency in his own country to refuse him a reelection.

I say to you men who come from the farm States if you will look at the record for the past two or three years while we have been clamoring for legislation in behalf of agriculture you will know that this man LaGuardia, coming from a district in the greatest city in our country and in the world, has been the best friend of the cause of agriculture, day after day, among all of us. He takes the scientific and the right position, representing a district largely composed of working people, that there can be no good thing in a legislative way for his people which does not carry a fair legislative recognition of the rights of agriculture.

Mr. BLANTON. Mr. Speaker, will the gentleman yield?

Mr. HOWARD. Yes.
Mr. BLANTON. To epitomize it in one sentence, Fiorello H. LAGUARDIA is one of the most valuable men in the House.

Mr. HOWARD. I think so, beyond any question. I have talked with many of my fellows who were sometimes just a little piqued, sometimes just a little angry, but never incensed, toward LaGuardia, and in the name of all those with whom I have talked I express to him our heartfelt regret that he is not to be with us during the next session and my earnest hope that some day he will come back to us again. [Applause.] I do not care whether he shall come back to us as a Republican or as a Tammany brave or as an independent. I want LaGuardia back here again. [Ap-

Mr. BLANTON. LAGUARDIA is sure to come back. Nothing can keep him away. Notwithstanding that we differ fundamentally on some questions, I am his personal friend and have the highest regard for him. May good luck attend him until he comes back.

Mr. MARTIN of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for five minutes.

The SPEAKER. Is there objection?

There was no objection.

Mr. MARTIN of Massachusetts. Mr. Speaker, in these closing hours of the Seventy-second Congress I arise to pay tribute to two of our Membership who after years of conscientious and faithful service are temporarily leaving us. FRED PURNELL, of Indiana, and EARL C. MICHENER, of Michigan, are strong in the Republican faith, and yet I know there is genuine regret on both sides of the House that the vicissitudes of politics have caused the public service to lose these two men. They were Republicans, and yet above all, they were Americans; and the splendid service which they have rendered to their country will never be forgotten by those who have been associated with them.

FRED PURNELL first came to Congress with the Sixty-fifth Congress. Representing a farming district, he was assigned to the Committee on Agriculture. In the last decade no more important problem has been before the Congress than that which concerned the relief of millions of our countrymen. Mr. PURNELL, through his intimate knowledge of agricultural life, has been able to perform remarkable service to his own people and to the country.

His ability was quickly recognized by the leadership of the House, and he was given a place on the Rules Committee, where he steadily gained in rank until he became the

ranking Republican member.

EARL C. MICHENER entered upon his congressional career with the Sixty-sixth Congress. Coming to the House with a fine reputation won in the field of law, it was natural he would be assigned to the great Committee on the Judiciary. Nearly all of the larger measures which came from this committee had the benefit of his keen legal mind. Later he was named to the Rules Committee, as well as retaining his place on Judiciary. His second assignment gave him an unusual opportunity for usefulness, and his able and efficient service gained for him an outstanding position in the House.

Both Mr. Purnell and Mr. Michener had won for themselves a secure place in the leadership of the House. Both have been tireless workers, men of unusual ability, possessing a wide grasp upon public affairs, and men with the courage of their convictions.

Their going will bring universal regret, particularly as they leave at a time when the country needs strong men in positions of leadership. The keenness of our regret is softened by the belief it is only a temporary departure and within a short time we will be welcoming them back. I am sure I voice the unanimous feeling of the House when I wish them the fullest measure of happiness and prosperity in the years which are to come. [Applause.]

TITLE TO CERTAIN LANDS IN LOS ANGELES COUNTY, CALIF.

Mr. EVANS of California. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 637) to relinquish the title of the United States to certain lands in the county of Los Angeles, State of California, with a Senate amendment thereto, and concur in the Senate amendment.

The SPEAKER. The Clerk will report the Senate amendment.

The Clerk read as follows:

Page 1, line 9, strike out "granted, released" and insert "released."

The SPEAKER. Is there objection?

There was no objection.

The Senate amendment was concurred in.

ORDER OF BUSINESS

Mr. WOODRUM. Mr. Speaker, I ask unanimous consent to address the House for 10 minutes.

The SPEAKER. Is there objection?

There was no objection.

Mr. WOODRUM. Mr. Speaker, in this hour of tender sentiment, when the spirit of generosity and kindness seems to permeate the Chamber, I think I shall reach the height of generosity and kindness that is ever attained in this Chamber when I undertake to say a few kind and complimentary words, not about any of our colleagues here, but, perchance, about two gentlemen in another body of this Capitol. When we are moved in the hall of this House to speak kindly of another body, I submit that that is a sign that our hearts are being mellowed and our spirits are touched with sentiment. Seriously for a moment, if I may, I hope I may say with pardonable pride that my native, beloved State, the ancient Commonwealth of Virginia, which has been denominated the mother of States and of statesmen, occupies a unique position to-day in the catalogue of the Nation's Commonwealths.

When our President elect engaged upon the momentous task of selecting his advisers to his Cabinet, may it be said as a distinct compliment to the representatives of the State of Virginia in the United States Senate that each of our great Senators was seriously under consideration for a place at the Cabinet table of President Roosevelt. When the gavel falls to-day at 12 noon in the Senate, there will go out of that body one of the most colorful, one of the most attractive, and one of the most useful men that have been in the public service in this Nation in the present generation, Senator Claude A. Swanson, of Virginia. [Applause.]

Senator Swanson had his early training in this body. He applied himself as a young man to the tasks of national legislation. From here he went to serve his native State with honor and capacity as her chief executive, and, since the Fifty-third Congress, he has served in the Senate of the United States. To-day he goes from that body to the post of Secretary of the Navy in the Cabinet of President Roosevelt. It was a most happy choice. Because of his long service on the Naval Affairs Committee, his thorough understanding of foreign affairs and the problems of diplomacy, Senator Swanson will grace that place and be a useful adviser to the President.

When the subject of banking and finance is mentioned, inevitably we think of the name of CARTER GLASS, of Virginia. In this hour of national crisis, when the question of a sound and unabased currency is so vital to the welfare of the Nation, I am sure the people of the United States rest with a great deal of security in knowing that in another body the now senior Senator from Virginia [Mr. Glass] will be there

to protect their interests. Senator Glass might have been Secretary of the Treasury; but feeling that his greatest place of service was in the Senate of the United States, where, as an authority on banking and finance, he is without a peer, he very properly, in my judgment, made a decision to remain there.

To take the place of Senator Swanson in the United States Senate, Virginia to-day will send one of her most gifted and talented sons, HARRY FLOOD BYRD, of Virginia. Governor Byrn caught the imagination and won the applause of the people of America, as well as of his own State, when, because of his genius for government, he took the fiscal and financial affairs of the State of Virginia, balanced her budget, reorganized her executive departments, and put the old State in a class by herself because of those facts. He comes into the United States Senate to-day at a time when there is uppermost in the minds of the people the question of Government reorganization and finance, and I know of no man better equipped temperamentally and from experience to give of his vast knowledge and his splendid attainments in attempting to solve the great problems of Government reorganization and finance.

So I say, my colleagues, that I hope I may be pardoned if to-day I call your attention to the fact that, as in all times past, whenever a great crisis faced this Nation, old Virginia, the ancient and classic Commonwealth, mother of States and statesmen, is ready to make her contribution to the public welfare. [Applause.]

Mr. BANKHEAD. Mr. Speaker, I ask unanimous consent to address the House for a few minutes.

The SPEAKER. Is there objection?

There was no objection.

Mr. BANKHEAD. Mr. Speaker, it had not been my intention, before the closing hours of the Seventy-second Congress, to engage in one of the valedictory or farewell speeches that have been so freely engaged in upon the floor within the last few hours; but inasmuch as it became apparent that we had to mark time in the House for an hour or so, and in order that we may not have to take a recess for that purpose, I have felt an impulse to address just a few remarks to my colleagues before final adjournment.

I have no message to present to you. I do not expect, by these few remarks, to contribute anything toward a solution of any of our legislative problems that are now pressing down upon us with such imperious necessity. But in the closing hours of the Congress we are all touched by certain sentimental reactions that do credit to our natures.

Gentlemen who have preceded me have already paid tribute to many of the distinguished and able retiring Members on the minority side. I could not expect to add anything to those generous contributions of praise of those gentlemen, but I wish to say with reference to the men on the minority side who will abide with us in the next Congress I have been profoundly touched and reassured from the standpoint of the best interests of the country, by private assurances that have been given to me, not for publication but purely as matters of personal expression from men on the Republican side of this House who will be dominant in its policies and in its actions in the next session of Congress, who have expressed the universal sentiment that although they expect to take advantage of every legitimate mistake of policy or of action that the Democrats in control of the Government may make, although they will reserve to themselves the privilege and opportunity of undertaking to rebuild their party in the confidence and esteem of the country in the next two years, nevertheless they are so profoundly impressed with the exigencies that lie upon the fortunes of the country to-day that they do not propose captiously to interpose purely partisan objections to the policies of the new administration.

I see the distinguished leader of the minority in the next Congress nod his head in approval at that suggestion. I trust that within the next two years we will not have occasion to remind him of any breach of faith along those lines, as I am sure we will not.

Since the Confederate forces fired on Fort Sumter on the 12th day of April, 1861, and started a great sectional war which should never have been fought, we have never faced such a crisis as we are facing at this time. It has always been my opinion, southerner as I am to the core, the son of a Confederate soldier who fought for four long years as a captain in the Confederate service and who bore to his grave the scars of four desperate wounds received upon the field of action, that that war was very largely precipitated by the politicians of the country and not by the people of either of the contending factions.

But since that conflict began, in my opinion, the Government of the United States, as far as its political integrity is concerned and as far as its fundamental existence goes, during these 72 years has not been confronted with national emergencies more grave in their possibilities than those which now confront the new administration and the new Congress of the United States.

Gentlemen, the main purpose that I have in mind this morning in the closing hours of this session is to make an appeal to the American people, some of whose representatives honor us this morning by attendance in the galleries as our guests, not only those who are here, but the vast multitudes and the vast millions of the American people who are looking to this Capitol and to yonder White House for wise, sane, substantial, remedial legislation, to still have faith in the Congress of the United States and their Representatives. [Applause.]

Can they not well understand how perplexing are our problems? If 1 of them, even the wisest 12 of them, or 50 of them, were invited to sit around the table to-day under this Capitol and write out definite programs of recovery, do you not imagine that they would break up after their sessions in difficulties, amazements, and disputes as to the wise thing for us to do?

This is in the nature of a personal experience, but I hope you will pardon the reference: I was traveling to Alabama the other day on a personal mission, and, sitting in the smoking room of the sleeping car, without disclosing my identity to the gentlemen there present or letting them know that I was a Member of Congress, I engaged in conversation with five unusually intelligent men, men of substance, evidently men who from their statements were men of position, men of experience in business affairs, men who have been studying some of these public questions. I undertook in turn to interrogate them as to their suggestions about what the Congress of the United States should do to meet this problem. Their suggestions covered the question of silver, the question of inflation, the question of foreign debts, the question of the security of our national banking system, the question of agricultural relief. All five of them had different panaceas, and they differed just as seriously in their conclusions as we do here on some of these

Therefore I hope the people will hear the humble voice of the representative of an agricultural constituency down in Alabama and heed this appeal that the American people cease to criticize and to lampoon and even to degrade and bring into disrepute the Congress of the United States and their own representatives here in this Chamber. Give us a decent, fighting chance by concert of action upon the part of both this and the other branch of Congress; give us a reasonable and fair opportunity to meet, to measure, and to master if we can these terrible problems that now confront us. I say it is a desperate time. It is a time that challenges the finest capacity of every legislator in the Congress of the United States, but I have faith. I know that we still have our great natural resources, our fertile fields, our waterways, our mines, our forests, our factories, and, above all, millions of American people patriotic and patient who are anxious to take advantage of these resources and rebuild our industrial and agricultural prosperity.

So, Mr. Speaker, as in times of former economic national emergencies great leaders have emerged to lead our people out of confusion and chaos into the sunlight of prosperity and peace, so, now, I have faith that leaders will rise to meet this emergency. Then, in the spirit of a common appeal let us this morning just before the hour of our adjournment, call back into the presence of this Chamber, and the one at the other end of the Capitol, and the Executive Mansion yonder, the memory of the services of men like Jefferson, Jackson, Cleveland, Roosevelt, Wilson, and Abraham Lincoln. Let the spirit of those men come back, if such things are possible, to reinspire and give new comfort to our people.

I am going to venture to do something else here this morning. I trust that in doing so in closing I will not offend any of the proprieties that ought to obtain in a temporal forum, but knowing you men as I have known you through all these long years of service, I feel that deep down in the hearts and bosoms of most of the men who sit before me here this morning lie dormant deep spiritual and religious convictions; and in a time like this, in a time when we stand almost within the shadow of desperation if not dissolution, as in the days of old; should we be ashamed to invoke in our deliberation and in our service here the aid and assistance of a higher power?

I want the people of America to remember their traditions. I am sure they still believe in the integrity and the soundness of our Federal Government. Let us as their representatives, those of us who stay here, as well as those who go away, carry to the people the message I am trying to suggest this morning. Let all of us, in the fear of God, undertake to rededicate our best services to our country and to our people.

I believe that the time is not far away when we will begin to see the sunshine break through the clouds and that by the inherent genius of the people of America and her statesmen we will see the hour beginning to approach when there will be given back to us "the upward look and the light," and when in the hearts and homes of our people there will be reestablished "the music and the dream."

I thank you very much. [Applause.]

Mr. MAY. Mr. Speaker, I ask unanimous consent to address the House for 10 minutes.

The SPEAKER. Is there objection?

There was no objection.

Mr. MAY. Mr. Speaker, in the closing hours of this Congress I feel an impulse to address the House briefly, speaking generally and not addressing my remarks to any particular subject.

I believe that the old declaration, "Be not deceived, God is not mocked, for whatsoever a man soweth that shall he also reap," is good law to-day.

As we approach the close of this session of the Congress, realizing that within a few moments it shall have expired and the acts of the Membership of this House shall become history for all time to come, I am impelled to a discussion of some of the principles of ethics applicable to business and business conditions of this day and of this age.

More than 100 years ago, over in the valley of Virginia, there developed a school of statesmanship that founded and inaugurated this great system of government under which we live, and I rise to-day, Mr. Speaker, for the purpose of saying to my colleagues upon the floor of this House that I have no patience with the idea frequently expressed that the Government of the United States is liable to fail. I can not help recalling the historic statement of Georges Clemenceau, of France, who visited this country in 1876 and wrote upon many great subjects. Clemenceau laid down the doctrine and belief that the American people, with a democratic form of government, would sometimes go wrong, but, ultimately, they would find a Moses to lead them from the paths of wrong back into the paths of justice, wisdom, and duty.

I am discouraged, of course, with the conditions that exist in America to-day, but I have not seen the hour, I never expect to see the hour, when I shall lose faith in the American people, and they are the ones upon whom rest the principles and the success of a free government.

Oh, they say we are going to have a change and a new bassador to France or President of the United States, but deal, and I believe as firmly as I believe I am standing upon it was Jefferson's great pride that he was the author of the

the floor of this House to-day that with the noon hour today there shall be ushered in for leadership in this great Government a new Moses, who will lead us from the bondage of Egypt, out of the wilderness, into the promised land of a great era, if we will but follow.

Oh, they say this can not be done; that crashing calamity is ahead; but do you realize that history tells us the children of Israel, who were captured and placed in Babylonian captivity, after a sojourn there returned victorious and triumphant and then built above the ashes of defeat an altar at which they knelt and worshipped and around which they rebuilt the temple? To-day in America the American people, not the Democratic Party alone, not our leader, Franklin D. Roosevelt, alone, not any political party, but the great masses of the American people have determined that there shall be a coming back to the altar and to the fundamentals of the Constitution of the United States. They have ushered in a new administration of the Government, and if we measure up to our responsibilities all will be well.

Oh, it was the founder of the Democratic Party, the immortal Jefferson, who laid down the fundamental principle that the Government was established, not for the few but established upon the doctrine of "equal and exact justice to all men and exclusive privileges to none." It was Jefferson who enunciated the doctrine that the Government had been instituted for the protection of life, liberty, and property, and upon this he erected the great Democratic slogan of "equal and exact justice to all men and exclusive privileges to none."

I say to you to-day that when the Government of the United States returns to these fundamental principles we will come again to the days of Andrew Jackson and Thomas Jefferson and Woodrow Wilson and Grover Cleveland; and, oh, when I think of the great fundamentals laid down by Jefferson and the doctrines of government that he promulgated, that all its just powers are derived from the consent of the governed, I believe that to-day the four great shining lights in American history are Thomas Jefferson, Andrew Jackson, Grover Cleveland, and Woodrow Wilson. [Applause.]

For a time just prior to the great stock-market crash of 1929, that brought upon our country financial wreck and ruin and carried down with it the fortunes of multiplied millions of our people, greed had ridden to the market places and sat enthroned as the sole dictator of all our financial policies, and thus the gods of organized greed have wrought. Then in the years that have followed that great financial catastrophe, greed has surrendered in a measure to the iniquitous and disastrous god of fear. The recent disclosures of graft and petty greed that have characterized the conduct of some of our great financial institutions, such as characterized the management of one great New York City bank as disclosed in a recent investigation at the other end of the Capitol, is not in line with Jefferson's teachings that "honesty is the best course to pursue." They need not deceive themselves-

For whatsoever a man soweth, that shall he also reap. For he that soweth to his flesh shall of the flesh reap corruption; but he that soweth to the Spirit shall of the Spirit reap life everlasting.

These high financiers have sown to the wind, and now they are reaping the whirlwind. They are reaping what they have sown; and, if the Department of Justice will exert itself in the right direction and see that the law is enforced and a few crooks are put behind iron bars for perjury and theft, that will be a master stroke in giving effect to the century-old Democratic doctrine of "equal and exact justice to all men and exclusive privileges to none." The individuals responsible for such conduct ought to be reminded of the command of Holy Writ, "Thou shalt not steal."

Thomas Jefferson never boasted of the fact that he was a great engineer and a great architect or that he was ambassador to France or President of the United States, but it was Jefferson's great pride that he was the author of the Declaration of Independence, the founder of the University of Virginia, and the writer of the Virginia statutes of religious freedom—three great and immortal achievements. Jefferson, with a prophetic vision, looking down the corridors of time, beheld the citizen unconquered and unshackled, made in the image of God and declared for him that great slogan of "equal and exact justice to all men and exclusive privileges to none."

If Andrew Jackson was living to-day what would he do? Ah, my colleagues, he would do as he did in 1832, when organized greed undertook to control the activities and functions of the executive branch of the Government. He would set the iron heel of justice upon the pernicious practices of these unscrupulous apostles of modern banking sometimes called "frenzied finance." To-day, while it is with profound regret that our distinguished Speaker is to yield the gavel of authority in this House, to a worthy successor, yet by the solemn edict of the people commissioned by their authority we send to preside over the United States Senate the Andrew Jackson of this age, whose great ability and capacity for the task is questioned by none but admitted by all, and as he goes he carries with him the admiration and loyalty not only of the Membership of this and many previous Congresses, but the love, respect, and confidence of all the American people. [Prolonged applause.]

Mr. BYRNS. Mr. Speaker, I ask unanimous consent to proceed for five minutes.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. BYRNS. Mr. Speaker, ladies and gentlemen of the House, I have asked for these few moments for the purpose of expressing what I know is in the heart and mind of every Member of this House, and particularly of those who are to be Members of the next House, and that is the regret that we all feel that we are to lose during the next session our beloved and distinguished Speaker. [Applause.]

We are proud of the great honor which has come to him in his election to the second highest office in the gift of the people, but we regret that it removes him from the House.

A newspaper the other day made the statement that I was one of the leaders in the anti-Garner faction in the House of Representatives. That was news to me. I never heard that there was any such thing as an anti-Garner faction in the House of Representatives, and there is not and never has been. [Applause.] We all love Jack Garner for his great worth and his steadfastness in his devotion to the public good and we are proud of his splendid record.

The Speaker and I—as doubtless many of you—have differed on one or two subjects of legislation, but it was always based upon a conscientious difference of opinion, and certainly no question of personality ever entered into the differences that may have existed. To say therefore that such occasional differences constituted a faction on the part of those who for the moment opposed his views is ridiculous in the extreme.

Our distinguished Speaker, may I say, has garnered everything that was good in political life up to this time, and he has done so because of his faith in the American people, his conscientious devotion to duty, and his desire to serve the people of the United States, who, in turn, have given him their support and confidence.

If there is anything left for him to garner, I wish him the best of health, and certainly he has my best wishes. [Applause.] It is with sorrow and regret that we are not to have him here to preside over this House, or as we have often seen him, in the well of the House, with that characteristic forceful manner of his in presenting and proclaiming his views.

But I want him to know that, when he comes back to visit us, often, we hope, from the other Chamber where he goes to grace the high position to which he has been chosen by a majority of the people of the United States—while under our rules he will not be permitted to speak, nor will he be permitted to preside or vote—he will certainly occupy the favored guest chair of the House of Representatives,

and we shall always be honored to have him with us. [Applause.] Our earnest good wishes go with him and his splendid wife for a long life filled with the richest blessings, and with that happiness and contentment which they both so well deserve. [Applause.]

Mr. PATTERSON. Mr. Speaker, I ask unanimous consent to address the House for four minutes.

The SPEAKER. Without objection, it is so ordered.

Mr. PATTERSON. Mr. Speaker and Members of the House, I rise at this time to say good-by to my colleagues, with whom I have worked for almost five years. I am not going to address myself to any particular legislation, because I leave that in the hands of men who I believe will take care of it. There is much important legislation I should like to see passed and have a part in it, some of which I have advocated for several years, and now I hope that under this "new deal" it will come to pass.

To-day is the last day's service that some of us will see in the House of Representatives, unless we are elected at some future time. I, being among those, wish to say to all of you at this time a most affectionate good-by.

I do this not because I feel that what I may say will be of any interest or any profit to any of you. Yet I feel greatly indebted to each and all of you for what you have done for me and the help you have given me in my humble efforts here to represent my district and every section of our country.

As I look back upon the past five years, there is hardly a one of you with whom I can not only recall pleasant personal relations but commend you upon some occasion for your earnest efforts in behalf of your people and our country; and as I leave these Halls, not knowing whether I shall have the privilege and honor of returning again or not-but I do hope I may have the privilege of addressing you in this Chamber again in the future—I shall carry with me the most pleasant recollections of you all, and I dedicate what little powers I have to the proposition that wherever my lot is cast or whenever an opportunity presents, to try to bring about in our country a better understanding of Congress and its problems and the importance of this Congress to our beloved Nation. For it is only through the Congress that our democratic Government can survive. And may I venture here to say that the success of our democracy means more to the world than some might think; for should we fail, then it would be heralded to mankind that a nation conceived in liberty and dedicated to the proposition that all men are created equal and composed of those sifted by the process of elimination and initiative from the best blood of all the countries of the world has failed.

I therefore feel it of high import that each of us do his best to combat this insidious attack on our Congress. seems to me that one retiring as I will now can more effectively do that. It is my hope to do that. I realize that I fear I have not been in Congress long enough to be able to make very valuable suggestions to my colleagues left here, but you and those many splendid, patriotic new Members who are coming in have my best wishes; and it is my hope now, as a private citizen, each day to reconsecrate and rededicate myself to the ideals of patriotism which I learned at my father's and mother's knees and gleaned from the lives of great men who have led and preserved our Nation throughout its glorious history, as well as from men on both sides of this aisle since being here. And here I diverge to venture one fond hope that for at least until we have crossed over the present morass that politics be adjourned on both sides of the aisle.

As I look forward, in spite of the fact that we are in the throes of the greatest depression the world has ever seen, I still have faith in America and the American people. I think the fact that they have passed through the suffering and deprivation that they have come through in the past three years justifies the faith that the people of our country will stand as a unit for legal and constitutional methods of change where it is necessary, and that they will reach the other side of this vast abyss a cleaner and purer democracy, a stronger and more virulent people, and that the Stars and Stripes, the flag of Washington, the flag of Jefferson, the

flag of Lincoln, the flag of Roosevelt, and the flag of Wilson ! will still shine in all its glory and brilliance. I believe the program of our great new leader, Franklin D. Roosevelt, will justify the faith the American people have placed in him.

This is my hope; this is my faith. And to this end I am leaving you with the best of wishes. You have my undying

pledge. Good-by.

Mr. GIBSON. Mr. Speaker, I ask unanimous consent to address the House.

The SPEAKER. Is there objection?

There was no objection.

Mr. GIBSON. Mr. Speaker, ladies and gentlemen of the House. Vermont is a Republican State. The voters have been loyal to that party for 75 years. Mr. Speaker, history records that the sons of Vermont have been at the crucial point of every crisis of our country-at the Battle of Bennington, when they turned defeat into victory and made possible Saratoga, Yorktown, and the building of our great Nation; at Chapultepec in leading a charge up those perilous heights; at Gettysburg, when the sons of Vermont met the gallant charge of those brave sons of the South; in the Spanish-American War, when Dewey opened the gates of the Orient to the civilization of the west and made possible that wonderful development of the Philippine Islands; in the World War, in which 1 in 20 of our people saw service; and in all the struggles and victories of peace. To-day the Nation is facing another crisis, of greater peril to our institutions and civilization than any other of the past. I come at this crucial period in behalf of the people of my State, in the splendid spirit of patriotism that has always actuated them, to lay on the altar of our common country a renewed pledge of our devotion and loyalty and a promise of assistance to the incoming administration in seeking the right solution of the grave problems of the day. [Applause.]

I believe these solutions will be found in the sane, commonsense ideals of our people which have made Vermont a synonym of sound and progressive government. [Applause.]

Mr. COLLINS. Mr. Speaker, I rise to express the regret of the members of the subcommittee on war appropriations, and I believe, of all Members of the House, with reference to the retirement of three of our colleagues.

We are losing the services of three able and distinguished Representatives-Messrs. Barbour, Clague, and Wright.

Mr. BARBOUR, of the seventh district of California, has served in this House since March 4, 1919, from Sixty-sixth to Seventy-second Congress, seven consecutive Congresses. He has played no insignificant rôle in the subcommittee and on the floor of this House. I desire to express my deepest admiration for his sincere efforts in upholding or fighting for those things that he considered essential to the welfare of this country. Whether attacking or being attacked, at all times he revealed keen judgment and a magnanimous nature. I sincerely regret the loss of his valuable assistance in the carrying on of what has been for several sessions our common task.

Mr. CLAGUE, from the second district of Minnesota, has served from Sixty-seventh to Seventy-second Congress-six consecutive terms. Since March 4, 1921, he has devoted himself to the hard work incident to congressional life, and his advice has been extremely valuable to the members on the subcommittee on war appropriations, as well as to the Members of this House. We, too, have had our difference of view, difference in political beliefs, and differences regarding the most efficient system of maintaining the national defense of our country. Yet regardless of points of view, I highly respect him, and it is with profound regret that we bid him farewell as he returns home to his friends who have honored themselves by sending him here.

Mr. W. C. Wright, who has been a Member of this House eight consecutive sessions-Sixty-fifth to Seventy-second Congress-began his service here on January 24, 1918. In performing his congressional duties, and more especially those on the subcommittee on war appropriations, he has always displayed diligence and efficiency of the highest order. Possessing every qualification of mind and character necessary and essential for performing his tasks, his They were the backbone of my support during those years.

efforts in behalf of sound legislation have been untiring: and in this, as in every other regard, he has borne himself so as to command the respect of the Members of this body. As he separates himself from further activities in this House, the best wishes of the entire membership go with him.

Mr. BULWINKLE. Mr. Speaker, on behalf of your colleagues on the Democratic side it is my very great pleasure to present to you this watch as a slight token of our respect, our esteem, and our admiration for you, so that at all times you may have this slight remembrance of your colleagues' high regard.

The SPEAKER. Major Bulwinkle, and those for whom you speak, in accepting this token of your affection, and I hope your admiration, I extend to you my sincere thanks.

There are occasions when words can not express the soul of a man, and in the closing days of this Congress, with this expression of your regard, I find myself in that condition. I have a very great affection for the Members of the House of Representatives. I leave this body without a single feeling other than a Christian one toward every Member of this House. For all of you I have a very deep feeling of friendship. I told the Members some weeks back that I regretted to leave this Chamber. That was a sincere expression.

Many journalists and some unthinking people in the land berate the Congress of the United States, especially the House of Representatives. For the past two or three years I have given some study to the political history of the Republic, more so than I have during all of my life heretofore. It is my deliberate judgment that there have been as able men in the Congress in the last 30 years, during the time that I have served, as there have ever been in the history of the Republic. There are as able men to-day in the House of Representatives, in my opinion, as there have been in any Congress in the history of the Republic. [Applause.] That is not partiality on my part. They do not stand out with the brilliancy they did 60 or 75 or 100 years ago, because for the last 30 years we have been living in a commercial age, in which we do not worship so much the intellect, the character, and the statesmanship of men as we do their ability to accumulate the thing that we worship to-day—the almighty dollar.

Permit me again, Major Bulwinkle, to express to you and to those who were kind enough to join with you in this gift, my deepest appreciation, and if I may do so on this occasion, let me extend to the Members on both sides of the aisle an invitation to visit us at the other end of the Capitol. [Applause.]

The Chair requests the gentleman from Oregon [Mr. HAWLEY] to kindly take the chair. [Applause.]

Mr. HAWLEY assumed the chair.

Mr. SNELL. Mr. Speaker, I ask unanimous consent to proceed for five minutes.

The SPEAKER pro tempore (Mr. HAWLEY). Without objection, the request is granted.

There was no objection.

Mr. SNELL. Mr. Speaker, there is always a tinge of sadness when we come to the closing hour of a final session of Congress. Especially is this true at this time when so large a number of our Members, men with whom we have been closely associated, men with whom we have worked for so many years, are leaving us to enter some other field of endeavor.

It is not my purpose at this time to attempt to mention by name the unusually large number of men who have held important positions in this House, men who have helped bear the burdens and who have done the real work, who are going from us to-day, but I do trust that I be pardoned if I mention three of the men with whom I have been most closely associated for a great many years, namely, the gentleman from Indiana [Mr. PURNELL], the gentleman from Michigan [Mr. Michener], and the gentleman from West Virginia [Mr. Bachmann].

Mr. PURNELL and Mr. MICHENER were members of the Rules Committee for eight years when I was its chairman. And for the last two years, when it has been my privilege to occupy the position of leader on the minority side, those two gentlemen, together with Mr. Bachmann, have given me most loyal and enthusiastic support, and I want them to know that I fully appreciate their helpful cooperation.

To all of those Members who are going out from us, and I mean Members on both sides of the aisle, I want you to know that you leave enjoying the highest regard, respect, and esteem of your colleagues in the House. Whether you return to Washington, either as public servants or private citizens, you will always receive a warm welcome from the Members of the House of Representatives. [Applause.]

Mr. Speaker, I offer a resolution which I send to the desk,

and on it I ask recognition.

The SPEAKER pro tempore. The gentleman from New York offers a resolution, which the Clerk will report.

The Clerk read as follows:

House Resolution 408

Resolved, That the thanks of the House are presented to the Hon. John Nance Garner, Speaker of the House of Representatives, for the able, impartial, and dignified manner in which he has presided over the deliberations and performed the arduous duties of the Chair during the present term of Congress.

Mr. SNELL. Mr. Speaker, it is with a great deal of pleasure that I offer this resolution at this time, first, because of my long and intimate personal friendship with the present Speaker of this House; secondly, because I offer it as a Member of the minority of the Seventy-second Congress as an expression of the Republican Members.

No man has ever reached the elevation of Speaker of this House by mere accident. He must have proven to his associates that he has character, ability, and experience. The present Speaker has so proven in marked degree. During the period he has presided over this House he has added luster not only to his own name but to the House and to the country. He has always presided with candor, fairness, firmness, and dispatch, and I want you, Mr. Speaker, and your good helpmeet, Mrs. Garner, to know, as you leave this House to-day, that you leave it with the high esteem and affectionate regard of your associates in the House. [Applause]

As you go to take up similar duties in another body, we wish you that same success, that same enjoyment in the performance of your duty that you have always experienced in the House of Representatives; and may God speed you in your new work. [Applause.]

The SPEAKER pro tempore (Mr. HAWLEY). The question is on the resolution presented by the gentleman from New York [Mr. SNELL].

The resolution was unanimously agreed to.

The SPEAKER resumed the chair.

The SPEAKER. Ladies and gentlemen of the House, especially my friend Mr. SNELL, I probably appreciate this resolution more than previous Speakers have ordinarily appreciated resolutions of this type for many years.

As you all know, I have known Mr. SNELL for quite a long time. Our association has been pleasant. It has not only endeared him to me as a friend but has proven to me that he has a very high quality of statesmanship. He has one quality that is so lacking in public men to-day, and that is the quality of saying "no" and sticking to it. In entering into agreements, in dealing with Mr. SNELL, I do not think we ever misunderstood each other except on one occasion, and then I was probably wrong. [Applause.]

To my Republican friends, I want to extend my appreciation of the courtesy you have shown me while a Member of the House, especially as Speaker. The personal friendships formed among the membership are very dear to me, and I believe are reciprocated by many in this audience.

I have thrown bricks, but I have received them. [Laughter.] You have not complained and you have not heard me complain. As long as you make a fight for what you believe is the best interest of the Republic, even if you do it through partisanship, you are serving this Republic. I believe in partisanship. I believe in party organization. I believe this country must be continued under the Con-

stitution through political parties, and I doubt whether there can ever be more than two political parties, in view of the fact that the premier must be continued for four years.

In some ways it is to be regretted that the gentleman from New York in the incoming Congress will not have quite as large a following as he has had in this Congress. The best proportion for the House of Representatives, could it be arranged that way, is a majority of about 50 or 60 on one side, whether it be Republican or Democrat. By this I do not mean to say I am not very happy, as a partisan and as a candidate for office at the last election, that the Democratic Party gathered in as many of the brethren as it did. We are very glad to have three hundred and odd Members in the House. I speak only of an ideal House and an ideal division, whether it be a 50 or 60 Republican majority or a 50 to 60 Democratic majority.

I believed Mr. SNELL when he said for the press and the country that under conditions now existing he intended to surrender his partisanship and devote himself to cooperation to a larger degree than he ordinarily would do, and I commend him for that undertaking. I hope and believe that his associates will join with the Democrats in undertaking, without reference to party considerations, to improve the conditions of the country to the extent that they can be improved by legislation.

I am very much obliged to you, Mr. Snell, for introducing the resolution. [Applause.]

SENATE ENROLLED BILLS SIGNED

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 1067. An act for the relief of Agnes M. Angle;

S. 1978. An act for the relief of Daisy Anderson;

S. 2862. An act for the relief of W. H. Hendrickson;

S. 2941. An act for the relief of the Holy Family Hospital, St. Ignatius, Mont.;

S. 3443. An act to authorize the Secretary of War to grant a right of way to the Alameda Belt Line across the Benton Field Military Reservation, Alameda, Calif.;

S. 3592. An act confirming the claim of Francis R. Sanchez, and for other purposes;

S. 4909. An act for the relief of A. Y. Martin;

S. 5382. An act providing for an exchange of lands between the Colonial Realty Co. and the United States, and for other purposes; and

S. 5537. An act to convey certain land in the county of Los Angeles, State of California.

BILLS PRESENTED TO THE PRESIDENT

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, bills and joint resolutions of the House of the following titles:

H. R. 189. An act to add certain lands to the Modoc National Forest, in the State of California;

H. R. 657. An act for the relief of Peter Bess;

H. R. 973. An act for the relief of John L. Dunn;

H. R. 1203. An act for the relief of Edward J. O'Neil;

H. R. 1206. An act for the relief of George Beier;

H. R. 2157. An act for the relief of Arthur I. Neville;

H. R. 2217. An act for the relief of the Bethel Cemetery Co., the Presbyterian Church, Harold S. Stubbs, George Morgan, Edward Stapp, William J. Howard, David J. Seacord, Mary L. McIntire, Emma E. Foard, Herbert C. Hannigan, Sisters of St. Baisl, Edward Bedwell, and Rachel A. Loveless:

H. R. 2294. An act for the relief of C. A. Cates;

H. R. 2757. An act for the relief of Jack Schneider;

H. R. 2803. An act for the relief of John S. Stotts, deceased;

H. R. 2907. An act for the relief of Walter Sam Young;

H. R. 2935. An act for the relief of J. R. Reimer;

H. R. 3626. An act for the relief of John I. Lowe;

H. R. 3694. An act for the relief of Ada B. (Gould) Gollan;

H. R. 5214. An act for the relief of Withycombe Post, No. 11, American Legion, Corvallis, Oreg.;

H. R. 5444. An act to provide an additional appropriation as the result of a reinvestigation, pursuant to the act of February 2, 1929 (45 Stat. 2047, pt. 2), for the payment of claims of persons who suffered property damage, death, or personal injury due to the explosions at the naval ammunition depot, Lake Denmark, N. J., July 10, 1926;

H. R. 6184. An act for the improvement of the inland waterway from Norfolk, Va., to Beaufort Inlet, N. C.;

H. R. 6275. An act for the relief of Howard McKee;

H. R. 6381. An act for the relief of Escha Whittington Casey;

H. R. 6402. An act to further regulate banking, banks, trust companies, and building and loan associations in the District of Columbia, and for other purposes;

H. R. 6684. An act to authorize the Secretary of the Interior to modify the terms of existing contracts for the sale of timber on Indian land when it is in the interest of the Indians so to do:

H. R. 6774. An act to authorize amendment of the act of February 25, 1927, for the payment of damages caused by reason of the overflow of the Rio Grande on August 17, 1921:

H. R. 7038. An act for the relief of Frances Southard;

H. R. 7040. An act for the relief of Sadie Bermi;

H. R. 7128. An act for the relief of Della O'Brien;

H. R. 7167. An act for the relief of Stuart L. Ritz;

H. R. 7174. An act for the relief of James J. Meaney;

H. R. 7278. An act for the relief of Joseph Vigliotti;

H. R. 7301. An act for the relief of William J. Fleming;

H. R. 7986. An act for the relief of William N. Fishburn;

H. R. 8215. An act for the relief of the National Bank of Commerce, El Dorado, Ark.;

H. R. 8217. An act for the relief of the First National Bank of El Dorado, Ark.:

H. R. 9231. An act for the relief of George Occhionero;

H. R. 10170. An act authorizing adjustment of the claim of Joseph T. Ryerson & Son (Inc.);

H. R. 10756. An act for the relief of Clive Sprouse and Robert F. Moore;

H. R. 11035. An act for the relief of Price Huff;

H. R. 11896. An act to provide for expenses of the Northern Cheyenne Indian Tribal Council and authorized delegates of the tribe;

H. R. 12126. An act to add certain lands to the Gunnison National Forest, Colo.;

H. R. 13745. An act to provide for agricultural entry of lands withdrawn, classified, or reported as containing any of the minerals subject to disposition under the general leasing law or acts amendatory thereof or supplementary thereto:

H. R. 13817. An act to amend section 1 of the act entitled "An act to provide books for the adult blind," approved March 3, 1931;

H. R. 14199. An act making appropriations for the military and nonmilitary activities of the War Department for the fiscal year ending June 30, 1934, and for other purposes;

H. R. 14579. An act to provide for the free importation of certain articles exported temporarily for scientific or educational purposes;

H. R. 14769. An act making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1933, and prior fiscal years, to provide supplemental appropriations for the fiscal years ending June 30, 1933, and June 30, 1934, and for other purposes;

H. J. Res. 434. Joint resolution to authorize and direct the Secretary of Agriculture to provide additional facilities for the classification of cotton under the United States cotton standards act; and

H. J. Res. 612. To provide for further investigation of expenditures of the Post Office Department.

EXTENSION OF REMARKS

APPRECIATION TO THE MEMBERSHIP OF THE HOUSE

Mr. YON. Mr. Speaker, in asking leave to extend my remarks I am doing so that I may express my appreciation to the membership of this House for the very gracious atti-

tude its Members have accorded me during the six years I have had the privilege of serving in this, the greatest legislative body in the world.

Mr. Speaker, to you in particular do I want to express my thanks for your courteous consideration of my welfare during the time prior to your assuming the Speakership, as minority leader, and ranking Democrat on the Ways and Means Committee, as well as since you have been Speaker. You have allowed me as good places on committee assignments as I deserved, and the one especially that I most desired, that of Rivers and Harbors.

Of course, during the six years of service I have had here times have changed from what we, or most of the Congress, thought in 1927 a prosperous era in the country. Then came the most appalling crash in our economic structure, nearly four years ago, and I, along with others of my colleagues, have struggled with the ever-increasing number of problems in an endeavor to relieve the distress of the destitute millions of our population. Mr. Speaker, I have not always voted with the Democrats but only when I thought the interests of the section I represented were at variance with that of the party, as I always have considered the needs of my State, on account of location, climate, products, and so forth, entitled it to such consideration, as especially pertaining to tariff legislation, and since I was directed along this course by the legislature of my State in the 1929 session memorializing the Florida delegation in Congress to vote for the tariff bill then under consideration, and my honorable successor was a member of that legislature and voted for the resolution. Now, Mr. Speaker, I am solicitous of the welfare of not only my district and State but for that of the whole of the United States. A new administration of the affairs of the Government is imminent. That great American, whose ancestry comes from the earliest pioneers of the Empire State, F. D. Roosevelt, will be at the helm from March 4, and you, Mr. Speaker, will be next in command. Your responsibility is great, and the problems the most difficult in our country's history. Leadership is necessary; patriotism of only the noblest kind will save the situation.

Mr. Speaker, after all when I look back through the past few years and askance of the depression, and its terrible effects from a local viewpoint, and the results to aid my people even under a Republican administration I am happy that I have served to assist them during these dark days. My going from among you is a result of a restless and impatient public mind brought on by the depression which I had no part in bringing about, and the approach of which I prophesied as the natural consequence of an unchecked and high-handed speculation in the security and commodity markets without thought or consideration given to the problems of the producers of our farm and forest products, thereby creating a lopsided economic condition.

As a Representative of my people I have always endeavored to do those things that I thought was for their best interest, both individually and collectively. There were certain specific undertakings I promised when making my first campaign. These promises have been fulfilled, or they are in process of fulfillment. I promised to exert my best efforts in bringing about the improvement of our waterways, including St. Marks River, Choctawhatchee-East Pass, and Mobile-Pensacola Canal. Of these projects, the two former have been attended to. The Mobile-Pensacola Canal is under construction. In addition, the intercoastal waterway projects of Apalachicola-St. Andrews Canal has been reported on favorably by my Committee on Rivers and Harbors for an enlarged improvement from 5 feet depth, 65 feet width, to 9 feet depth, 100 feet width. This project resurveyed and recommendations made for improvement in compliance with my resolution adopted by Committee on Rivers and Harbors.

The Choctawhatchee-West Bay Canal was reported favorably by Chief of Engineers, and report has been considered favorably by the Committee on Rivers and Harbors, and the same action taken on a project to widen and deepen channel of Pensacola Harbor. The St. Andrews Bay project is now in the Board of Engineers, and I hope for a

favorable report thereon from the board. So, therefore, I my efforts in behalf of waterway development in my district have been resultant of more progress than in previous 25 years. The Gulf Coast Highway, in my district, has been federalized. The efforts I have put forth in connection with this great undertaking will be borne out by the records in my file, as correspondence will show that I was frequently endeavoring that the Bureau of Roads recognize the importance of this highway, and at this time two bridges are being constructed, or contracts let for them from Federal-aid road funds from the emergency-relief funds on this highway. I supported the legislation to provide the funds, as well as funds that are being expended in the Choctawhatchee National Forest to complete other important roads in the district. I have been ever on the alert in furthering the development of the naval air station, and anyone who had seen the station there of five or six years ago, and should go and see it now, would recognize the changes that have taken place, even though I have not accomplished all that I would like to have accomplished. The naval air station will not be abandoned, as some alarmists would have the public believe. The Navy Department is proud of Pensacola, and the Naval Affairs Committee chairman, Mr. Vinson, has assured me frequently that the Congress is for Pensacola Naval Air Station.

Farm-relief legislation has had my loyal support even though the legislation offered was not what I thought the best, but was all I had a chance to support and vote for. I have always felt the need of organization amongst the agricultural groups and have urged in and out of season before I came to Congress, and since I came here, that this be done.

The turpentine interests I have worked faithfully for, and this work has been shown an appreciation for in the form of a resolution adopted by the Gum Turpentine Rosin Marketing Association thanking me, as well as other southern Members of Congress, for efforts put forth in the interest of this group of producers, and I firmly believe that, if mistakes had not been made in certain particulars by the Gum Turpentine Rosin Marketing Association, the industry would not have fallen in the bad way it has after the product of gum turpentine was declared an agricultural commodity by Congress. In the crop-production loans for farmers I have not only supported legislation for same but have assisted in every way possible in seeing that these farmers who needed help or who did not raise anything to eat for their families got what they were entitled to. I have encouraged the farm boys and girls of the 4-H clubs to greater endeavor in leadership and better living by giving cash prizes each year to add to this encouragement. The association with these young people will remain ever as amongst my most pleasant memories as a Member of this House.

On all matters that have been considered by boards, bureaus, commissions, and on legislation affecting my State and the Nation I have been on hand and registered a protest when action undertaken was detrimental to my people's interest and supported those projects and measures when the interest of my people, as the records of hearings will show, before the Bureau of Plant Quarantine and Control, the Tariff Commission, the Customs Bureau, and other bureaus in the Government and committees of the House.

I opposed the sales tax and auto excise and gasoline tax both before the Ways and Means Committee and on the

As a member of the Pension Committee for four years I was in position to assist in passing legislation beneficial to veterans. As a member of the Public Lands Committee, of which I am vice chairman, I have reported many bills affecting my constituency and also the proposed Everglades National Park bill.

As a member of the Rivers and Harbors Committee for this Congress I have been in position to expedite the projects to favorable consideration that has already been mentioned in these remarks, but since I am going out of Congress and

losing my place on the Rivers and Harbors Committee I do not know what future progress will be made on these projects that so vitally affect the development of my district and State.

As to prohibition and the eighteenth amendment, I voted for the repeal amendment, that refers this question back to the States, where I hope it will be settled for good and all.

Of course, the apportionment of Federal funds to my district naturally has come from the Federal Treasury, and all our citizens are complaining of high taxes and the cost of the National Government, but yet I maintain that my people have gotten as much as from five to ten times more out of the Treasury than they have paid in and that the burden of taxation that hangs so heavily on the shoulders of the people has been brought about on account of local taxes in the counties, subdistricts, and municipalities, resulting from heavy bonded indebtedness voted by the people themselves for various improvements in the way of roads, streets, schools, and otherwise. The cost of these improvements, as well as the national public debt, is laying a heavy toll upon the American people in the way of taxes, and this, added to those of ordinary operation of the subdivisions of the Government, is costing the people too much for the traffic to bear when commodity prices are so low that the prices for same will not pay the cost of production, let alone the high

In closing will say that it has been a pleasure to me that the Senators from Florida have been so helpful in assisting me in all matters that have affected the interest of our people back home, and I have at all times been happy in my association and cooperation with them, and I will always cherish in my memory the pleasure of these associations, as well as with my colleagues in the House, and, after all, I want the membership of the House to know that as I leave this Hall I go with a feeling of a duty well done, and a fond farewell and Godspeed to all is my wish.

THE DUTY WE OWE TO THE PRESIDENT IN TIME OF NATIONAL EMERGENCY

Mr. WOLVERTON. Mr. Speaker, we will shortly leave this House and proceed as a body to participate in the inauguration of another President of the United States—Franklin D. Roosevelt.

The condition of the country is such that everyone is duty bound to think in terms of what is best for America. Political partisanship has no rightful place in such a time as this. Everyone should be ready and willing to support measures that have in them any promise or hope of relief without regard to the party label they may bear.

The President of the United States is our President—Democrats and Republicans alike. He seeks to lead us out of our present difficulties. If he succeeds, and God help that he may, we all benefit. If he does not, we all suffer. We all go up together or we all go down together. His responsibility is great. His burden is heavy. It should not be made heavier by political bickerings or partisanship. He is Commander in Chief of our forces. We owe him the same loyalty and hearty cooperation we would be willing to give in time of war. Our present emergency is equally serious as that of war. Consequently, the President is entitled to have the same full measure of loyalty.

If present powers are insufficient for the President to adequately meet and deal with the crisis, then he should have such additional powers as he may deem necessary. There should be no fear in placing in his hands extraordinary or unusual powers. They would be sought and used by him for the common good. A sincere desire to promote the welfare of our people would actuate the President in such a request. To deny him greater power, if and when requested, would be to question his motives. The high purpose for which the power would be sought is sufficient justification for Congress to grant, extend, and increase the same in the hands of the President so long as the emergency and necessity therefor shall require. Patriotism must supersede partisanship.

ADJOURNMENT SINE DIE

Mr. BYRNS. Mr. Speaker, I move that the House do now adjourn sine die.

The motion was agreed to; accordingly (at 11 o'clock and 21 minutes a. m.) the House adjourned sine die.

MEMORIALS

Under clause 3 of Rule XXII, memorials were presented and referred as follows:

Memorial of the Legislature of the State of Georgia, memorializing Congress to pass Federal-aid authorization for roads: to the Committee on Roads.

Memorial of the Legislature of the State of Wisconsin, memorializing Congress to enact House Joint Resolution 199; to the Committee on the Post Office and Post Roads.

Memorial of the Legislature of the State of Wisconsin, memorializing Congress relative to the passage of an unemployment insurance act; to the Committee on Labor.

Memorial of the Legislature of the State of Wisconsin, memorializing Congress relative to the contemplated abandonment of the Wisconsin Memorial Hospital; to the Committee on World War Veterans' Legislation.

Memorial of the Legislature of the State of Idaho, memorializing Congress to amend the Idaho admission act; to the Committee on the Public Lands.

Memorial of the Council of Green Bay, Wis., memorializing Congress to enact House Joint Resolution 191; to the Committee on the Post Office and Post Roads.

Memorial of the Legislature of the State of Oregon, memorializing Congress to make available a portion of the Reconstruction Finance Corporation funds for the use of and benefit of the industrial interest of States; to the Committee on Banking and Currency.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

10808. Mr. PARKER of Georgia presented a resolution adopted by the General Assembly of the State of Georgia, urging the passage of pending Federal-aid authorization for roads covering the fiscal years 1934 and 1935 at the present session of Congress, which was referred to the Committee on Ways and Means.